SME Business and Innovation Strategy
Final Report

South Oxfordshire District Council and Vale of White Horse District Council

March 2017

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Executive Summary

This report has been prepared by Lichfields on behalf of South Oxfordshire District Council and Vale of White Horse District Council to inform the development of a Business and Innovation Strategy (BIS) to support the small and medium enterprise (SME) business sector in the two districts.

It provides an initial understanding of the needs of the SME business sector in South Oxfordshire ('South') and Vale of White Horse ('Vale') and recommends a series of actions and practical steps to maximise the impacts and benefits of business support interventions over the short term and to inform the development and adoption of the BIS covering the period 2016-2020 as well as Corporate Plans.

The key findings of the study can be summarised as follows:

1 The business base in both South and Vale is dominated by SMEs, echoing county, region and UK wide trends. The stock of SME businesses in South at 8,010 is larger than Vale which accommodates 5,740 SMEs. The majority of SMEs employ fewer than 10 employees, with the 2 to 9 employee size band most common amongst the study area's SME population.

2 The most common SME sectors in employment terms include professional services, wholesale and retail, construction, and information and communication technology. This sector mix is relatively similar across the two local authority areas. The majority of SMEs in the study area had a turnover of £500,000 or less in the most recent financial year.

3 Within both local authority areas, SME businesses tend to be concentrated in and around the key settlements of Didcot, Wallingford, Henley-on-Thames and Thame, Abingdon and Wantage. SME clusters outside of these towns are comparatively smaller although standalone sites and business parks such as Milton Park, Harwell Science and Innovation Centre and Culham Science Park play an important role in accommodating the area's SMEs.

4 Consultation and survey work with SMEs operating across the study area identifies a wide range of priorities, needs and issues that these businesses face on a day-to-day basis, alongside some specific barriers and challenges that require support to overcome in order to facilitate growth in future.

5 The most common issues raised by businesses relate to difficulties in accessing suitable premises at an affordable price, attracting and retaining the skills and workforce needed to operate and grow the business, and accessibility issues associated with congestion and gaps in key infrastructure that are needed to guarantee the smooth operation of their business. The rural nature of much of the study area also means that (public) transport provision and infrastructure is a particular concern amongst SMEs in South and Vale.

6 The consultation feedback also points to a good level of growth aspiration amongst SMEs in the study area and whilst this reflects the national picture, the key obstacles and barriers to this growth perceived by local SMEs can often be quite location specific and this provides the basis for the councils and partners to develop appropriate policy responses.

7 Take-up of business support appears to vary in different locations and this partly reflects the scale, nature and effectiveness of individual local offers. The LEP recognises that the business support landscape in Oxfordshire is confusing, and our survey work suggests that there is scope to make this provision more locally-relevant to encourage greater take-up and engagement amongst SMEs.

8 Feedback presented in this study suggests that local SMEs have strong potential for growth. For most SMEs, this is expected to start with turnover growth, followed down the line by workforce and premises growth. The councils and their partners have an important role to play in helping their SMEs to overcome barriers to growth that have been identified including having access to high speed broadband and availability/cost of suitable premises to accommodate expansion.

9 Some sectors have a preference for particular areas, locations or clusters in the study area, for example with manufacturing SMEs predominately located in Thame, Didcot, Abingdon and Milton Park, with others (such as professional, admin and support services) distributed more evenly across the study area. The most significant clusters of South's SMEs are currently found in Thame, Didcot, Henley and Wallingford, with Vale's SMEs concentrated in Abingdon, Milton Park and the wider A34 corridor, with property market feedback indicating that these centres form the main focus for commercial property markets in the two districts, alongside standalone sites and business parks (such as Harwell and Culham).

10 For many SMEs, the quality of life and work/life balance represents the key reason for locating and operating within the study area. While some businesses value an urban location with access to services, facilities and transport connections, others will prefer more informal workspaces (such as working from home or flexible conversions in rural areas) and it is important that this flexibility is recognised and encouraged within the councils' strategy for supporting SME growth.

11 The study concludes by summarising the key priorities and issues facing SMEs within the study area and their growth potential in order to develop a series of actions and next steps for the councils to consider as they progress the BIS. It identifies four broad categories for potential intervention, focused around the themes of business support, space for business, skills and infrastructure and planning. Suggested actions and practical steps are set out that the councils could take to help SMEs in the study area overcome day-to-day challenges and barriers to growth going forward.

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1.0 Introduction

1.1 South Oxfordshire District Council and Vale of White Horse District Council commissioned Lichfields to support the development of a Business and Innovation Strategy (BIS) to support the small and medium enterprise (SME) business sector in the two districts. Lichfields has been supported by The Mackinnon Partnership, a specialist labour market, enterprise and skills consultancy.

1.2 The research is intended to provide an understanding of the needs of the SME business sector in South Oxfordshire ('South') and Vale of White Horse ('Vale') and recommend a series of actions and practical steps to maximise the impacts and benefits of business support interventions over the short term. This will be used by the councils to inform action plans to deliver the BIS covering the period 2016-2020 as well as supporting the delivery of the corporate delivery plans for each council covering the same period.

Background

1.3 In December 2015, both councils' cabinets considered a proposed joint BIS to focus on the gap between the work carried out with larger businesses by the Local Enterprise Partnership (OxLEP) and that delivered at 'town team' level which primarily supports town centre business and the retail sector.

1.4 The BIS will set out the councils' ambition to support businesses under four key themes as follows:

1 Understanding our businesses

2 Funding growth

3 Supporting collaboration

4 Providing the right infrastructure.

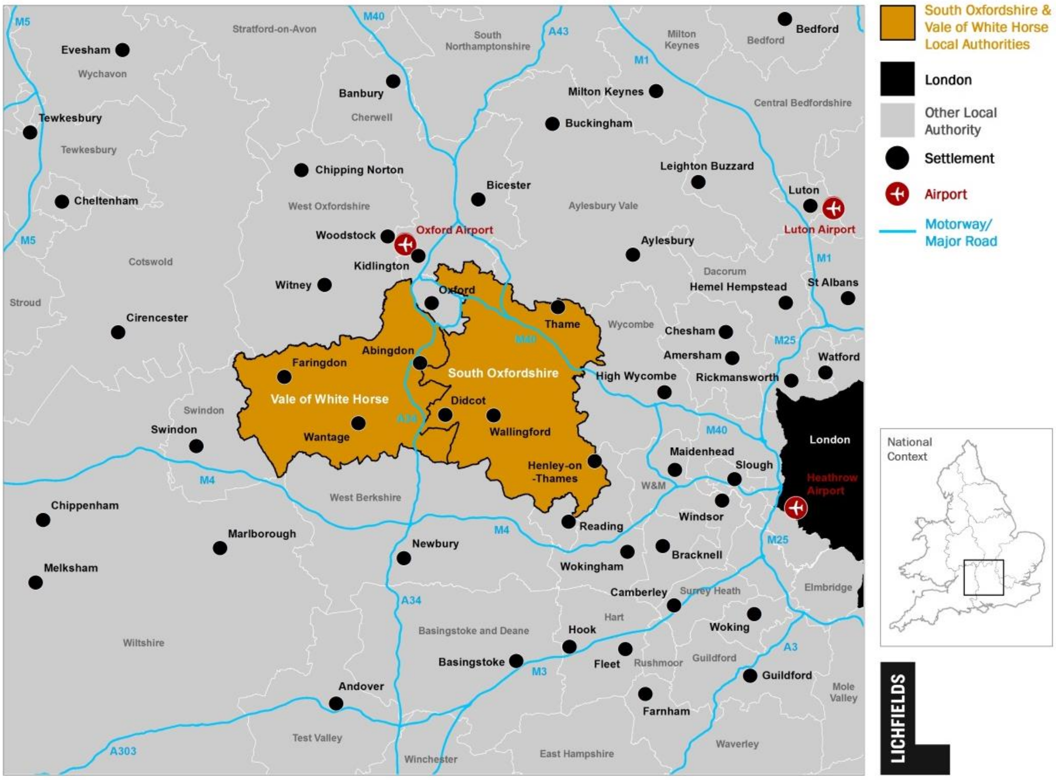
1.5 It was determined that prior to adoption of a strategy there is a need to understand more about the current landscape of SME businesses across the two authority areas and their needs so that the strategy could be developed accordingly. It was agreed that there was a need to prioritise the theme of "understanding our businesses" in order to inform the development of the BIS.

1.6 The purpose of this priority is to improve the knowledge of the councils in respect of their business bases. There is a need for the councils to have a closer understanding of the businesses particularly in the SME sector and to build a relationship with these businesses in order to understand their needs and be able to support their future growth and expansion.

Study Area

1.7 The study area comprises the two local authority areas of South Oxfordshire and Vale of White Horse, as shown in Figure 1.1 below.

Figure 1.1 Study Area Location



Source: Lichfields

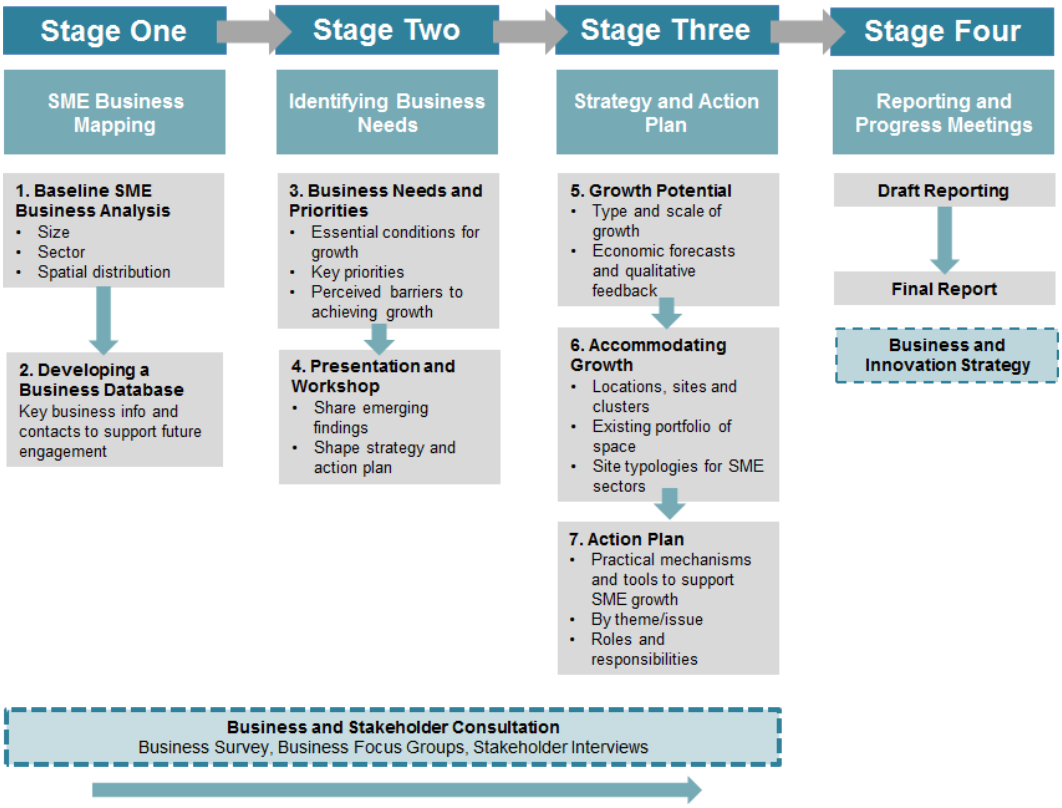
Study Methodology

1.8 The methodology adopted for this study covers the following four main stages:

- **Stage 1: SME Business Mapping** – a detailed analysis and overview of the SME business base within South and Vale to provide an understanding of the size, nature and spatial distribution of this segment of the business population and the economic role and contribution that SMEs play within the two authority areas.
- **Stage 2: Identifying Business Needs** – this stage is more qualitative in nature and focuses upon capturing intelligence on the needs, priorities and growth potential of the two district's SME business base, and examining the spatial implications of accommodating this growth in future.
- **Stage 3: Strategy and Action Plan** – reviewing the quantitative and qualitative evidence emerging from the first two phases and developing a short term action plan for the councils to incorporate into the BIS, covering the period 2016-2020.
- **Stage 4: Reporting and Progress Meetings** – drawing together the range of analysis undertaken above and presenting this within a written report.

1.9 The four-stage methodological approach is set out in the analytical framework in Figure 1.2.

Figure 1.2 Study Analytical Framework



Source: Lichfields

Consultation

1.10 In order to ensure that the analysis is based on robust and credible evidence, extensive consultation has been undertaken as part of the study with SME businesses operating across the study area and with key stakeholders active in the area. As part of this, an online survey was undertaken with SMEs in South and Vale during September and October 2016 to gather views on business needs, priorities and growth potential. A copy of the survey questionnaire is included at Appendix 1 with a summary of responses at Appendix 2.

1.11 Two focus groups were also undertaken with SME businesses in October 2016 and a copy of the discussion questions is included at Appendix 3. An internal workshop was held with Officers from South and Vale in November 2016 to present emerging study findings. A list of other stakeholders that have been consulted as part of the study is included at Appendix 4.

Defining an SME

1.12 For the purposes of the analysis, the OECD definition of an SME has been adopted, comprising a company employing fewer than 250 employees.[1]

[1] Organisation for Economic Co-operation and Development, https://stats.oecd.org/glossary/detail.asp?ID=3123

Limitations

1.13 It should be noted that there are a variety of factors and drivers to consider when assessing business needs for local areas. This study utilises a combination of both quantitative and qualitative analysis to explore these issues and synthesises these to draw overarching conclusions and implications.

1.14 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by Lichfields.

1.15 It should also be noted that throughout the report, a number of different data sources and datasets have been used to analyse the SME business population and this means that it is not always possible to make direct comparisons between these datasets and indicators.

1.16 Due to limitations in the way that official business data is captured and recorded within the UK, 100% coverage of the business population is not possible. This issue is particularly prevalent with regards to the smaller business population, specifically zero class firms (employing between 0 and 1 employee) which are typically sole traders.

Structure of Report

1.17 The report is structured as follows:

- **SME Baseline Analysis (Section 2.0):** an analysis of the SME business base within the South and Vale local authority areas in terms of size, nature and spatial distribution.
- **Business Needs and Priorities (Section 3.0):** establishes the essential conditions for growth amongst the study area's SMEs and the key barriers and issues that will need to be overcome to support this growth in future.
- **Accommodating SME Growth (Section 4.0):** considers the growth potential of SME businesses within South and Vale and which locations would be most appropriate for accommodating this growth.
- **Developing a Strategy and Action Plan (Section 5.0):** summarises the key priorities and issues facing SMEs within the study area in order to develop a series of actions and next steps for the councils to consider as they progress the BIS.

2.0 SME Baseline Analysis

2.1 This section presents an analysis of the SME business base within the South and Vale local authority areas in order to provide an overview of the size, nature and spatial distribution of this segment of the business population.

2.2 It draws upon a number of different data sources including the latest (2016) Inter Departmental Business Register (IDBR) from ONS and SME population data that has been procured for the purposes of this analysis from Trends Central Resource (TCR)[2] (as at August 2016).

Business Data Caveats and Limitations

Due to limitations in the way that official business data is captured and recorded within the UK, 100% coverage of the business population is not possible. This issue is particularly prevalent with regards to zero class firms (employing between 0 and 1 employee) which are typically sole traders and are very fluid in nature. Any 'off the shelf' business database will be subject to this limitation due to the difficulties associated with monitoring and recording information on the smaller business population. TCR incorporates Dun and Bradstreet Data which contains records for both registered and unregistered businesses (i.e. that do not pay VAT or PAYE) and therefore are not included within official datasets such as the Inter-Departmental Business Register.

Different data sources have been used within this section of analysis (including IDBR and TCR) so the resulting totals for each local authority area will not match.

SME Business Population

2.3 SMEs dominate the overall business base in both South and Vale, accounting for 99.8% and 99.5% of all recorded enterprises respectively. As shown in Table 2.1, this broadly reflects county, region and UK wide trends.

Table 2.1 Business Counts

Location/Indicator		Total Enterprises	SME Businesses (0-250 employees)	Large Businesses (over 250 employees)
South Oxfordshire	No.	8,025	8,010	20
	%	-	*99.8%*	*0.2%*
Vale of White Horse	No.	5,770	5,740	30
	%	-	*99.5%*	*0.5%*
Oxfordshire	No.	30,725	30,595	130
	%	-	*99.6%*	*0.4%*
South East	No.	392,085	390,625	1,460
	%	-	*99.6%*	*0.4%*
UK	No.	2,554,510	2,544,820	9,690
	%	-	*99.6%*	*0.4%*

Source: Inter Departmental Business Register 2016 (ONS) (via Nomis) (totals rounded)

[2] TCR is one of the most extensive bodies of information on UK enterprise. It contains information on economic performance, business activity, and ownership on an individual firm basis and is developed and maintained by Trends Business Research. Firm counts are rounded to the nearest 10, Counts may not sum to the total shown, due to rounding.

2.4 South's stock of SME businesses at 8,010 is larger than Vale, and represents 26% of the total recorded SME enterprises in Oxfordshire. According to the latest IDBR data, Vale accommodates 5,740 SMEs, equivalent to 19% of the Oxfordshire total.

2.5 Analysis of the latest IDBR data for South also shows that SMEs currently account for just under 82% of all employment in the district. The equivalent figure for Vale is just under 78%. This data underlines the significant role that SMEs play in supporting the economy in South and Vale, and the important role that have to play in driving growth in future.

Size

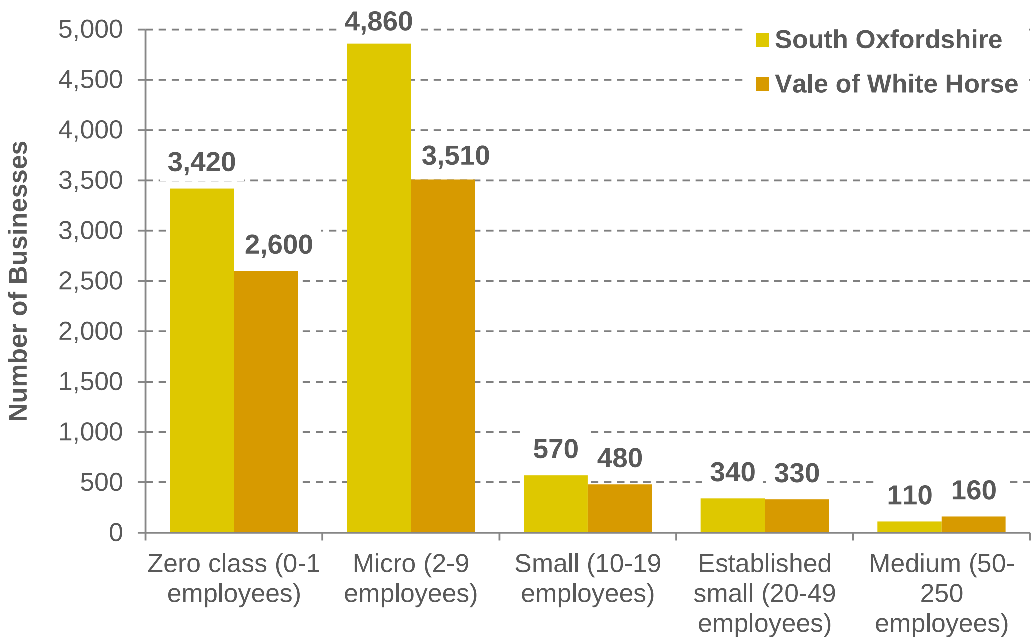
2.6 As shown in Figure 2.1 below, the majority of SMEs in South and Vale employ fewer than 10 employees (89% in South, 86% in Vale). This proportion is similar to the South East and UK averages of 89% and 90% respectively.

2.7 Within this smaller size category, around half of SMEs employ between 2 and 9 employees, making this the most common size band amongst the study area's SME population. Over a third (37%) of SMEs in South and Vale employ between 0 and 1 employees, and these typically comprise sole traders.

2.8 By comparison, the count of SMEs at the larger end of the spectrum employing over 10 employees is much lower, accounting for 11% of SMEs in South and 14% of SMEs in Vale. Due to their larger size, these SMEs will also play a significant role within the study area in employment terms.

2.9 Across the two local authority areas, the size characteristics of SMEs is very similar, although SMEs in Vale tend to be slightly larger (Figure 2.1).

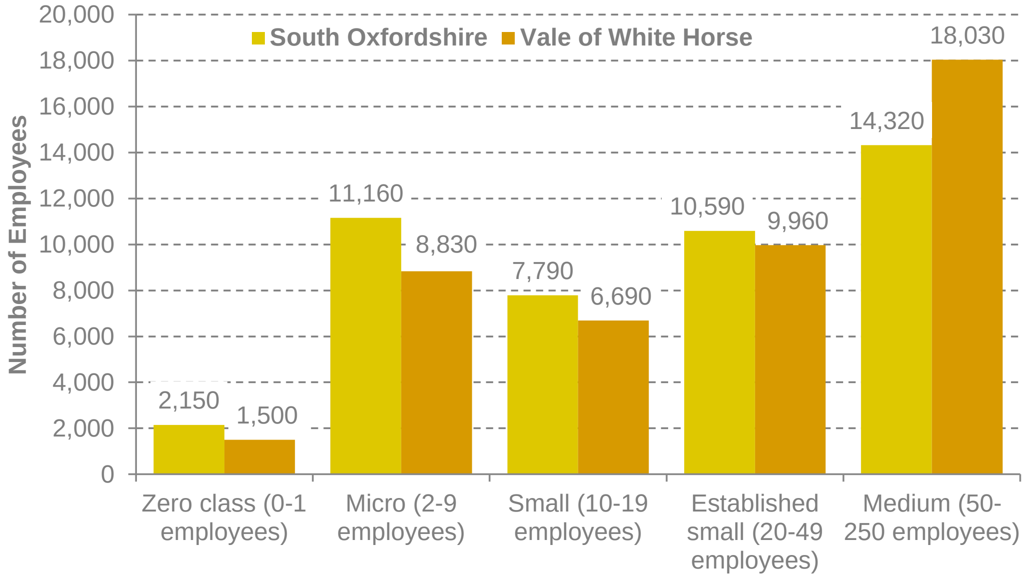
Figure 2.1 SME Size



Source: TCR 2015 / Lichfields analysis

2.10 Figure 2.2 shows how SME employment within the two districts is grouped by SME size. Whilst the number of SMEs in the 'zero class' and 'micro' size bands is highest of all size groupings (Figure 2.1), the total stock of employees within these firms is a lot lower in proportion, with 'medium' sized SMEs accommodating the largest share of employees in both South and Vale (Figure 2.2).

Figure 2.2 SME Employees

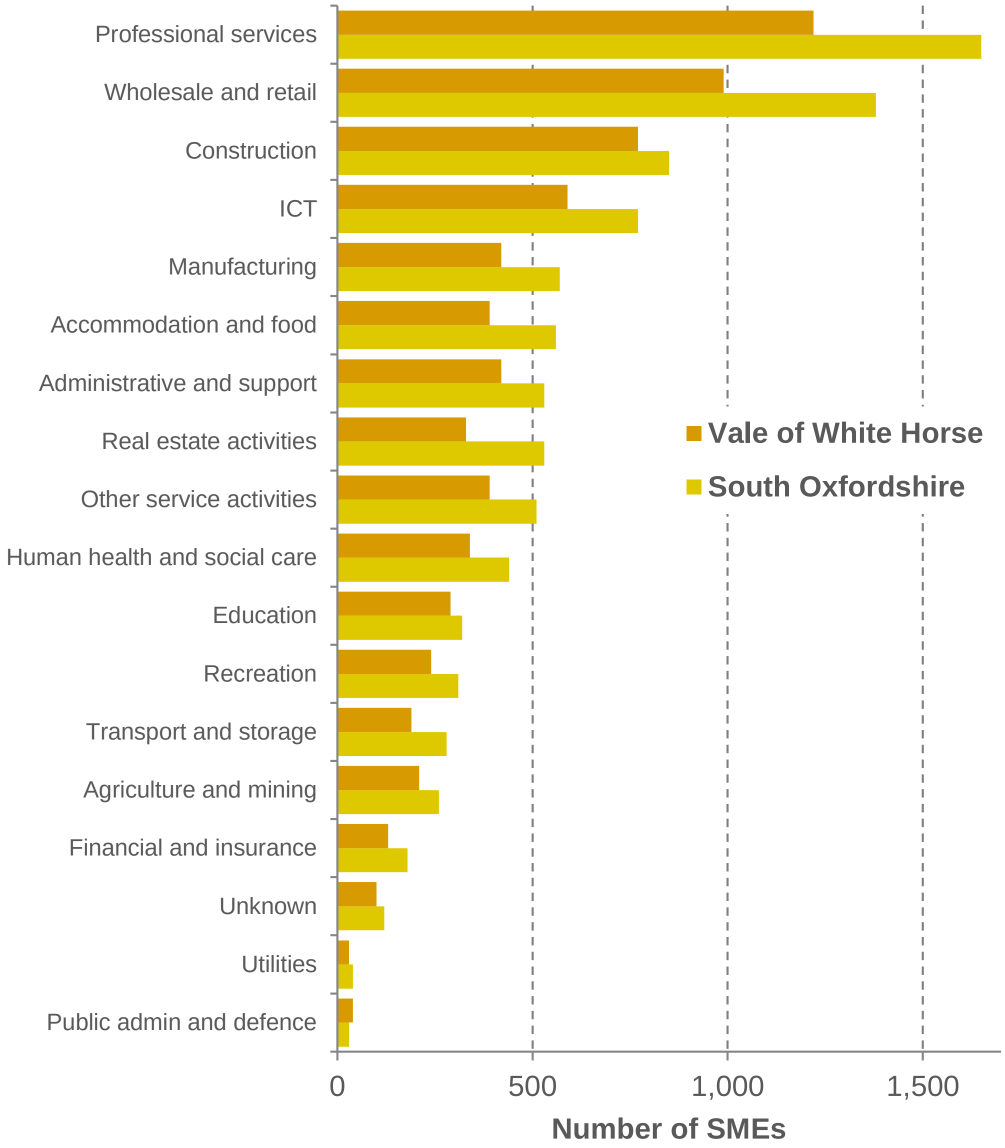


Source: IDBR 2015 / Lichfields analysis

Sector

2.11 SMEs in South and Vale operate across all sectors of the economy, although the most common sectors include professional services (accounting for 18% of SMEs in South and 17% of SMEs in Vale) and wholesale and retail (accounting for 15% in South and 14% in Vale). Other well represented sectors include construction, and information and communication technology (Figure 2.3).

Figure 2.3 SME Sector



Source: TCR 2015 / Lichfields analysis

2.12 The top three most represented SME sectors echoes the national position, with the latest BIS Small Business Survey[3] also indicating that the retail and wholesale, professional services and construction sectors account for the greatest shares of SMEs across all size bands.

2.13 Figure 2.3 shows that there is little variation between the two local authority areas in terms of sector representation, indicating a relatively similar industrial base across the study area SME population.

3 Department for Business Innovation and Skills, Longitudinal Small Business Survey Year 1 (2015): SME employers (May 2016)

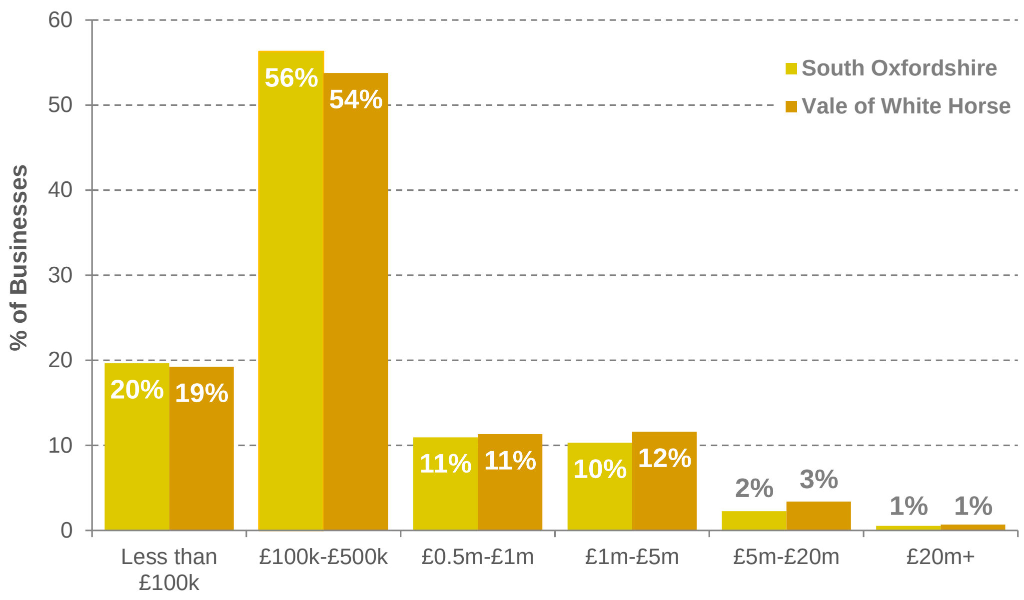
Turnover

2.14 The majority of SMEs in the study area turned over £500,000 or less in the most recent financial year, as shown in Figure 2.4. In particular, more than half of SMEs within both South and Vale fall within the £100,000 to £500,000 turnover band, accounting for 56% and 54% of SMEs respectively.

2.15 The turnover trend is very similar across both local authority areas, although a slightly higher proportion of SMEs within Vale recorded turnover last year that fell within the higher categories of £1m to £5m and £5m to £20m (Figure 2.4). This is likely to reflect the slightly larger size profile of SMEs in Vale, as illustrated in Figure 2.1.

2.16 It should be noted that this turnover data contains records for both registered and unregistered businesses; therefore it includes SMEs that trade below the VAT threshold (currently £83,000 per annum).

Figure 2.4 SME Turnover



Source: TCR 2015 / Lichfields analysis (using standard turnover brackets)

Spatial Distribution

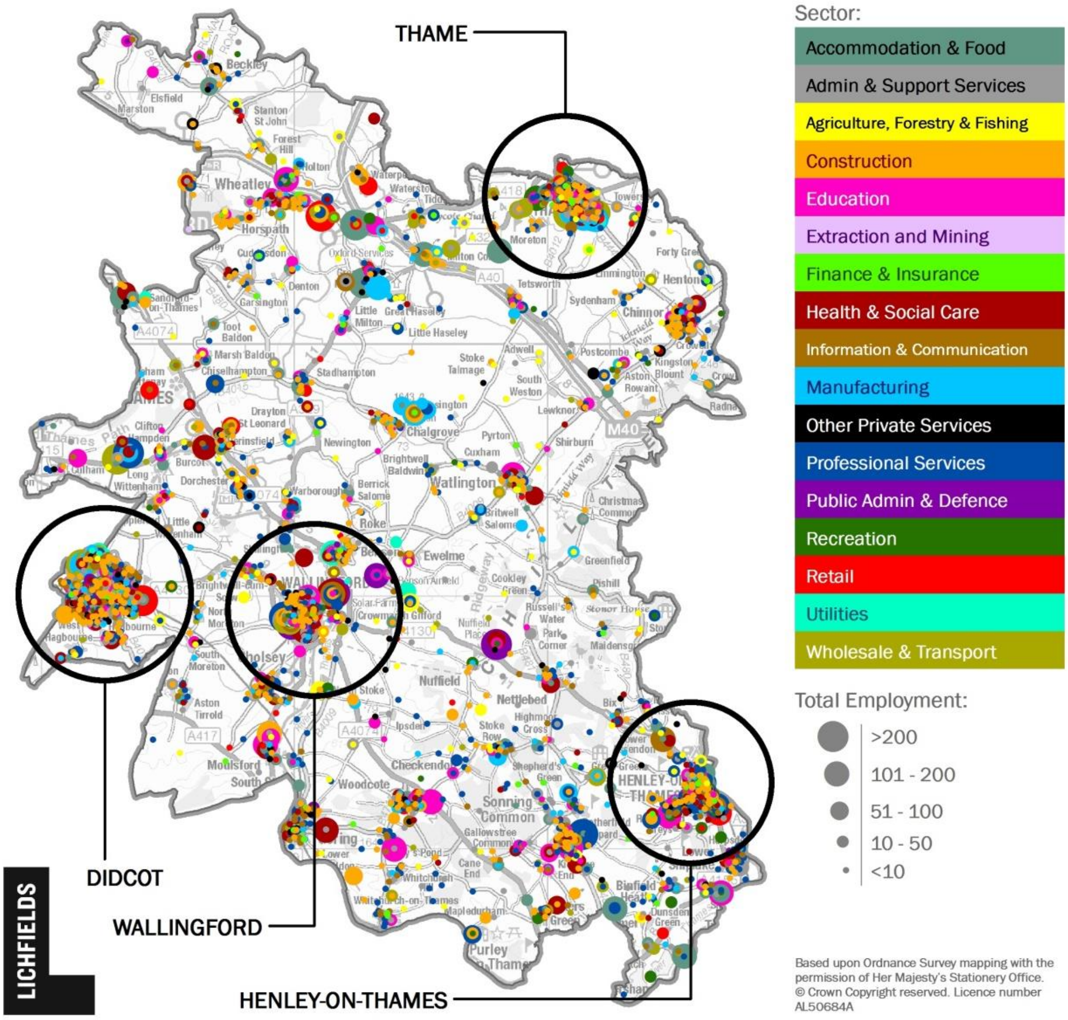
2.17 Drawing upon the latest IDBR data, Figures 2.5 and 2.6 illustrate the spatial distribution of SMEs in South and Vale by broad sector. Larger versions of these maps are included in Appendix 5.

South Oxfordshire

2.18 This shows that South SME businesses are generally concentrated in and around the district's key settlements of Didcot, Wallingford, Henley-on-Thames and Thame, with comparatively smaller clusters located outside of these towns within the more rural areas of the district, including within the smaller settlements of Wheatley, Chalgrove and Goring (Figure 2.5).

2.19 This analysis also underlines the clustering effect along the key transport corridors in the district including the A40/M40 and A4074. Key sites and business parks also play an important role in accommodating South's SMEs, including Howbery Business Park (to the east of Wallingford) and Culham Science Park (near the district's western boundary) although in proportionate terms each accommodate around 2% of South's SME employment (Table 2.2).

Figure 2.5 Spatial Distribution of SME Employment in South Oxfordshire, 2015



Source: Inter-Departmental Business Register 2015 / Lichfields analysis
Note IDBR data does not record micro businesses that fall under the VAT threshold.

Table 2.2 SME Employment in South Oxfordshire, 2015

Location	% of SME Employment
Didcot	14%
Henley-on-Thames	13%
Thame	12%
Wallingford	10%
Culham Science Park	2%
Howbery Business Park	2%
Elsewhere in the district	47%

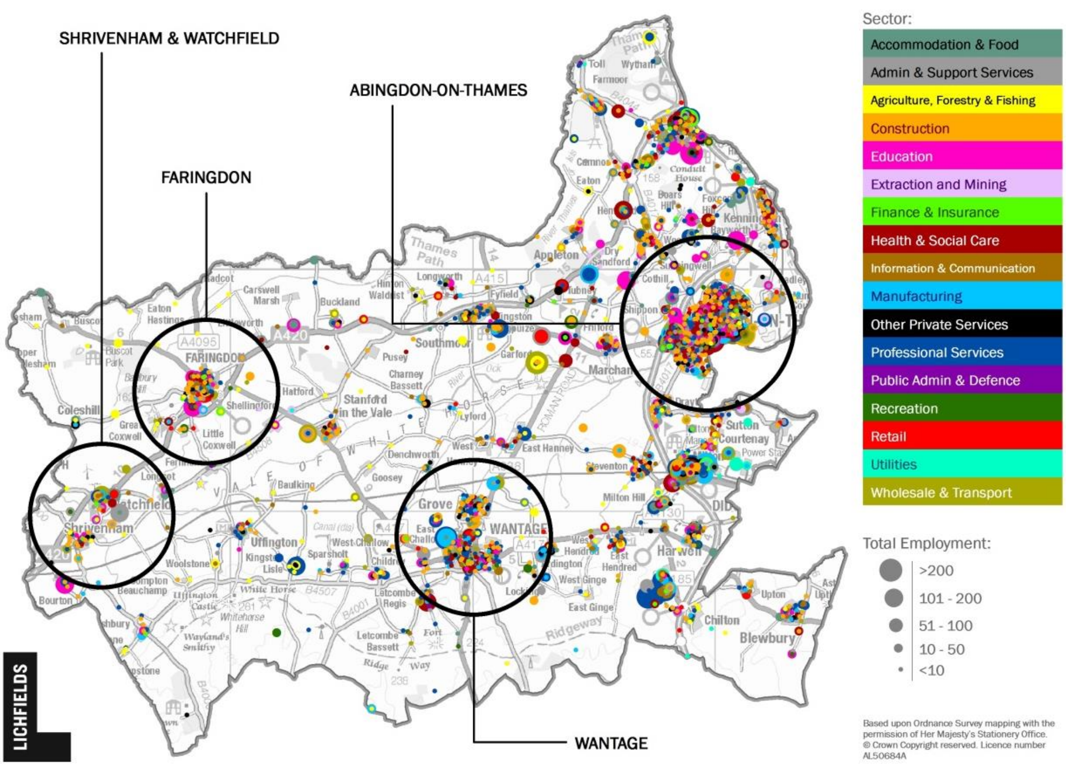
Source: Inter-Departmental Business Register 2015 / Lichfields analysis

2.20 Whilst the district's main towns accommodate a broad mix of SME sectors, a notable concentration of professional, business and financial services related employment can be seen within Henley-on-Thames, while retail employment tends to be concentrated in and around the main town centres as could be expected. The construction sector accounts for a significant share of SMEs within South (as illustrated in Figure 2.3) and IDBR data shows that this employment is scattered relatively evenly across the district, within South's main towns as well as more rural areas.

Vale of White Horse

2.21 Within Vale, the town of Abingdon stands out as accommodating a significant share of the district's SMEs and these businesses operate across a wide range of sectors, as shown in Figure 2.6 below. Abingdon Business Park on the west of the town adjoining the A34 accommodates many of the town's larger SMEs, although businesses (in particular those operating within business services and construction) can also be found within the more residential areas of the town (including many smaller SMEs and sole traders who are registered at home but operate more remotely). Over a quarter (27%) of Vale's SME employment is accommodated in Abingdon (Table 2.3).

Figure 2.6 Spatial Distribution of SME Employment in Vale of White Horse, 2015



Source: Inter-Departmental Business Register 2015 / Lichfields analysis

Note IDBR data does not record micro businesses that fall under the VAT threshold.

2.22 Wantage is also home to a sizeable cluster of SMEs, including at Grove Business Park where a cluster of admin, business support and related sectors can be found (Figure 2.6).

2.23 By contrast, the Vale towns of Shrivenham and Faringdon support smaller clusters of SMEs operating across a mix of sectors, although the Cranfield University Campus (on the edge of Watchfield) provides an important source of employment for the town of Shrivenham.

Table 2.3 SME Employment in Vale of White Horse, 2015

Location	% of SME Employment
Abingdon	27%
Faringdon	4%
Shrivenham/Watchfield	2%
Wantage	8%
Cranfield University Campus and Defence Academy	1%
Harwell Science and Innovation Centre	4%
Milton Park	14%
Elsewhere in the district	40%

Source: Inter-Departmental Business Register 2015 / Lichfields analysis

2.24 This points to a notable east west split within Vale, with western areas of the district playing a less significant role in SME employment terms than the eastern centres of Abingdon and Wantage. This is also supported by the presence of large business and science parks at Harwell and Milton Park both of which are located on the eastern fringes of the district, benefiting from proximity to the A34 and mainline railway at nearby Didcot.

Summary

2.25 The business base in both South and Vale is dominated by SMEs, echoing county, region and UK wide trends. The stock of SME businesses in South at 8,010 is larger than Vale which accommodates 5,740 SMEs.

2.26 The majority of SMEs in South and Vale employ fewer than 10 employees, again reflecting South East and UK averages. The 2 to 9 employee size band is the most common amongst the study area's SME population.

2.27 The most common SME sectors in employment terms include professional services, wholesale and retail, construction, and information and communication technology. This sector mix is relatively similar across the two local authority areas.

2.28 The majority of SMEs in the study area turned over £500,000 or less in the most recent financial year. SMEs within Vale are slightly larger than in South, and this is reflected within slightly higher levels of turnover.

2.29 Within both local authority areas, SME businesses tend to be concentrated in and around the key settlements of Didcot, Wallingford, Henley-on-Thames and Thame, Abingdon and Wantage. SME clusters outside of these towns are comparatively smaller although the data underlines the important role that standalone sites and business parks play in accommodating the area's SMEs, including at Milton Park, Harwell Science and Innovation Centre and Culham Science Park.

3.0 Business Needs and Priorities

3.1 This section examines the essential conditions for growth amongst the study area's SMEs, the key priorities and needs for these businesses over the coming years and the barriers and issues that will need to be overcome to support this growth in future.

Literature Review

3.2 In order to set the context for a consideration of locally specific needs, a review of existing national evidence and surveys has been undertaken to identify common themes, priorities and issues faced by SME businesses across the country.

National Small Business Survey

3.3 The Small Business Survey is conducted by the Department for Business Innovation and Skills (BIS) and collects a range of information on Small and Medium-sized Enterprises (SMEs), defined as businesses with between one and 249 employees.

3.4 The most recent survey (2015)[4] is the latest in a series of annual and biennial Small Business Surveys (SBS) dating back to 2003 and provides a detailed analysis of how combinations of factors affect business performance. Results are presented across two reports, one for businesses with employees and one with businesses with no employees.

3.5 A summary of the key findings and themes from the most recent 2015 SBS is provided in Table 3.1 below.

3.6 For the purposes of the SBS, 'micro businesses' are defined as having between one and nine employees; 'small businesses' between ten and 49 employees; and 'medium-sized businesses' between 50 and 249 employees. 'Business with no employees' had no employees on the payroll at the time of interviewing, excluding owners and partners.

Table 3.1 Key Findings from BIS Small Business Survey 2015

Theme	Key Survey Findings
Major Obstacles to the Success of the Business	• Primary obstacles cited by SME employers were competition in the market, regulations/red tape and taxation. • Over 50% of medium sized firms consider that staff recruitment was a particular issue whereas only 32% of micro firms considered it to be important. • Medium sized businesses considered taxation rates to be less of an obstacle than both micro and small companies. • The same concerns were raised by businesses with no employees, particularly with regards to competition in the market • Of those businesses that considered that red tape and regulations were a major obstacle to the success of the business, health and safety, employment regulations and sector specific regulation were considered to be the largest obstacles, particularly amongst medium sized companies.
Business Networks	• Medium sized companies were much more likely to participate in a formal business network (ranging from social media networks to more formal business networks such as the Chamber of Commerce) than micro companies. • Registered businesses with no employees were more likely to engage with a business network than SME employers.

4 Department for Business Innovation and Skills, Research Paper Number 289, Longitudinal Small Business Survey Year 1 (2015): SME employers (May 2016) and Research Paper Number 290, Longitudinal Small Business Survey Year 1 (2015): Businesses with no employees (May 2016)

Theme	Key Survey Findings
Future Plans	• Growth aspirations amongst SME employers are high, with 69% stating that their aim is to grow the sales of their business over the next three years. • There is a strong correlation between the size of the firm and the aspiration to grow, with medium sized businesses citing the greatest growth aspirations. • Strong aspiration to grow amongst finance, real estate and info-Coms firms.
Type of Growth	• For the majority of SME employers, growth is expected to come from increasing the skills of their workforce over the next three years, particularly amongst human health, Education and Info-Coms sectors. • Info-Coms businesses most likely to develop new products and services to grow. • SME businesses with no employees cited lower aspirations for growth and have less of an appetite to increase skills of the owners to achieve this growth.
Business Support	• There is a clear correlation between the size of business and awareness of public sector organisations that offer business support (such as UKTI (now Department for International Trade), Innovate UK and Tools for Business), with awareness greatest amongst medium sized firms. • Approximately 50% of small and medium SME employers were aware of Local Enterprise Partnerships (LEPs) although less than 15% had heard of Growth Hubs. Awareness was highest amongst professional and scientific companies. • Half of medium sized businesses had sought external advice or support in the last 12 months compared to 31% of micro businesses. 28% of registered businesses with no employees had sought external advice or information, compared with just 16% of unregistered businesses with no employees.
Type of Advice Sought	• The most common types of advice sought include information regarding business growth, improving business efficiency and running a business. • Those that did seek advice primarily went to a consultant/general business adviser, accountant or business networks/trade associations. Very few went to government organisations, a Chamber of Commerce or LEP. • Medium and small sized businesses were more likely to get advice from lawyers while micro businesses and SME businesses with no employees were more likely to seek advice from business networks and trade associations. • SME's with no employees sought more advice relating to marketing, general running of a business and financial advice than SME employers, who were more likely to seek advice on employment law and redundancies. • SME employers were more likely to access face to face advice.

Source: Department for Business Innovation and Skills, Research Paper Number 289, Longitudinal Small Business Survey Year 1 (2015): SME employers (May 2016) and Research Paper Number 290, Longitudinal Small Business Survey Year 1 (2015): Businesses with no employees (May 2016)

Digital Capabilities in SMEs

3.7 A recent survey[5] was commissioned by the Department for Business Innovation & Skills (BIS) to establish the use of internet for business purposes amongst SMEs and the importance of digital infrastructure in facilitating growth. It also examines the support available, the digital capabilities of SMEs, and the challenges to using the internet more effectively.

3.8 The survey shows that the vast majority of SMEs make use of the internet to find information for the business, particularly amongst medium sized companies. This is a trend that continues throughout the various uses of internet for business purposes such as paying bills, advice on regulation and social media/marketing.

3.9 Medium sized companies were most likely to cite having good access to the internet than small companies and micro sized firms. Regional differences can be significant in terms of internet access, with 28% of SMEs in the north east rating their connectivity as poor compared to just 1% in London.

3.10 Half of SMEs with internet access considered that they had problems with the internet that affected their business. Just 3% of SME respondents did have not internet available in their area.

3.11 The survey also found that a quarter of SMEs do not possess basic digital skills (such as using the internet, and having a web or social media presence) yet there is a positive link between digital skill levels and turnover growth. There was also found to be an attitudinal barrier amongst a minority of SMEs towards developing an online presence and a lack of awareness about the benefits and opportunities available.

3.12 Embedding digital learning throughout the education system is a long-term solution, but there is also a clear need to enhance digital capabilities in the shorter term. Key to increasing capacities to take advantage of digital opportunities is providing digital courses and awareness-raising initiatives through existing local private and third sector networks. This suggests that there is scope to support SMEs to use digital technology more effectively to support both their day-to-day business operations and their longer term growth aspirations.

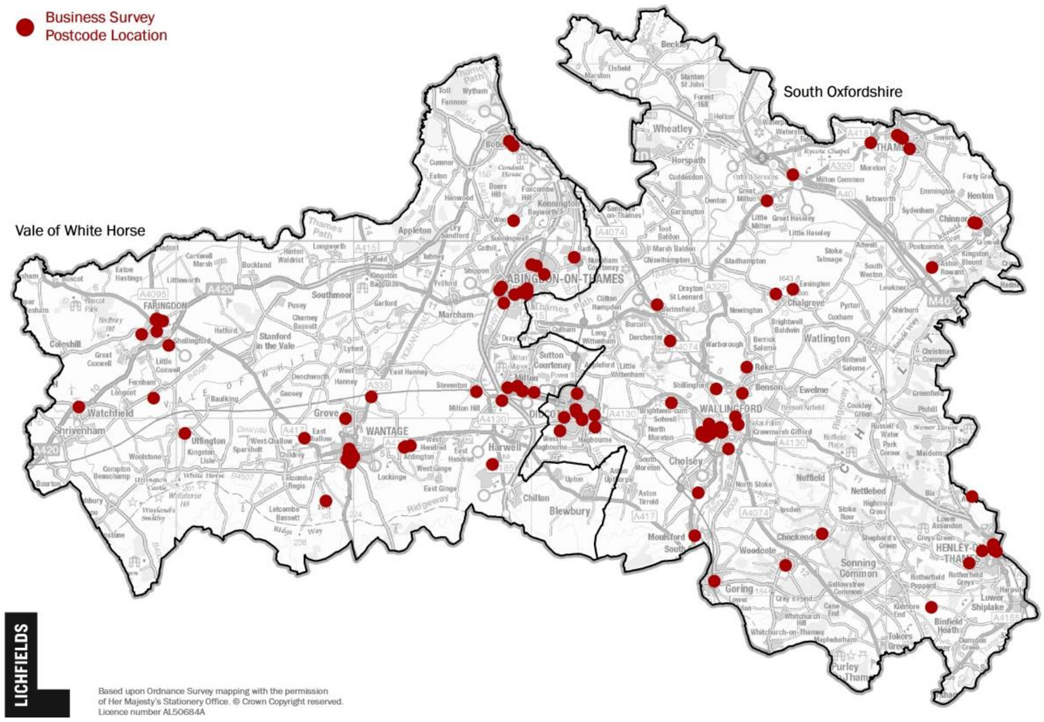
Local SME Business Survey

3.13 In order to gain an understanding of the needs and priorities of local businesses operating in South and Vale, an online survey of local SME businesses in the study area was undertaken as part of this study during September and October 2016.

3.14 Respondents were asked a number of questions about their business, their needs and priorities, growth aspirations and business support and a copy of the questionnaire is included at Appendix 1. This broadly followed the approach taken by the national SBS. The survey involved a sample of 146 SMEs (completed responses) in total, including 80 businesses in South and 67 businesses in Vale. The broad spatial distribution of survey respondents is shown in Figure 3.1.

5 Department for Business Innovation and Skills, Research Paper Number 247, Digital Capabilities in SMEs: Evidence Review and Re-survey of 2014 Small Business Survey respondents (September 2015)

Figure 3.1 Location of SME Respondents



Source: Lichfields

3.15 A summary of the key findings is set out below, with full results and charts reproduced in Appendix 2.

Profile of Respondents

3.16 The 80 SME businesses in South that responded to the survey are spread across the district, with clusters in Didcot, Wallingford and Henley-on-Thames. The three most represented sector groupings are Professional & Business Services (23%), Retail (14%) and Information & Communication (11%). A broad range of businesses responded to the survey, including those operating within the Accommodation & Food, Other Private Services, Recreation and Wholesale & Transport sectors.

3.17 Of the 67 Vale SMEs that responded to the survey, many were clustered in Abingdon, Harwell Innovation Centre and Wantage. Echoing the picture in South Oxfordshire, the top represented sector was Professional & Business Services (22%). Retail (13%) and Accommodation and Food (13%) were the next best represented sector groups.

Ownership

3.18 The majority of respondents were either the sole owner (36% in South, 34% in Vale), or were one of a number of owners (38% in South, 46% in Vale).

Size

3.19 Generally, respondents from South were small businesses. Just over a third (36%) were from businesses with a total number of employees between 2 - 9 and just over a quarter (28%) have 0 - 1 employees. The remaining categories (10 - 19, 20 - 49, and 50 - 250) combined made up 28% of respondents. The majority of respondents operate exclusively in South Oxfordshire.

3.20 The profile of respondents in Vale was broadly similar to that of South. A slightly higher proportion were from businesses with 2 - 9 employees (48%) with 0 - 1 making up 19% of respondents. There were slightly fewer respondents from larger SMEs in Vale. The majority of small businesses that responded operate exclusively in Vale.

Turnover

3.21 45% of business respondents in South had a turnover up to £500,000 in the most recent complete financial year. This compares with 76% of South's SME business population overall (as outlined in Figure 2.3), suggesting that turnover amongst survey respondents is proportionately higher than the district-wide average. Within this 'up to £500,000' category, the most commonly cited turnover band was 'less than £50,000' (20% of respondents).

3.22 54% of business respondents in Vale had a turnover up to £500,000 in the most recent complete financial year. Although this is a higher proportion than South, a higher proportion reported a turnover of £100,000 - £500,000 in Vale (28%). TCR data presented in Figure 2.3 shows that 73% of Vale's overall SME population fall within the 'less than £500,000 turnover' category, indicating that turnover amongst survey respondents is proportionately higher than the district-wide average.

Type of Location

3.23 Over half (58%) of respondents in South Oxfordshire reported that their business location in the district was their only location. For 21%, their location in South Oxfordshire was the headquarters of their business. 10% use their South Oxfordshire location as a branch or back office.

3.24 Two thirds (67%) of the businesses in Vale have only one location - in the district. A lower proportion (13%) use their Vale location as the headquarters of the business. 10% describe their location as a branch, with none reporting their location being used as a back office.

Type of Premises Occupied

3.25 The most common types of premises for South respondents were office (31%), based at home (30%) and shop unit (19%). Factory/workshop unit, warehouse and other premises were all reported by fewer than 10 respondents. This may reflect the fact that factory and warehouse premises tend to be occupied by larger firms, some of which may fall outside of the 'SME definition'.

3.26 This is broadly echoed by Vale respondents, with shop unit representing a higher proportion of respondents (28%) than based at home (18%). This reflects the fact that a greater number of retail businesses responded to the survey in Vale.

Length of Time Trading

3.27 16% of businesses in South had been trading for less than five years. 25% have traded there for 6 - 15 years and 50% have been there for more than 15 years.

3.28 30% of businesses in Vale had been trading for less than five years, around double the proportion in South. 27% have traded there for 6 - 15 years and 40% have been there for more than 15 years.

3.29 Data from the latest (2016) BIS Small Business Survey of SME employers shows that 11% of business respondents had been trading for less than five years, 14% had been trading for 6-10 years and 54% trading for more than 20 years. This suggests that SME respondents to the local business survey tend to be younger than the national average.

Locating in South /Vale

3.30 Survey respondents were asked to select the reasons why they were located in South/Vale. The majority of South respondents (56%) selected proximity to home as a reason, followed by presence of customers, which was selected by just under a third of respondents. A quarter of businesses provided an ‘other’ response. Common themes from these were that the business was historical/had operated for a long time in South, good connections to London and an international airport.

3.31 Just over half of respondents in Vale are located there because of proximity to home. A high proportion (39%) selected presence of customers, again reflecting a higher proportion of shop/retail respondents. 31% provided an ‘other’ reason, specifying affordable and available premises and supply of staff.

Factors Affecting Day-to-Day Operations

3.32 Businesses were asked to identify the importance of a number of factors to the day-to-day operation of their business. In South, 60% of respondents considered access to high speed broadband very important to their business, followed by availability of premises at an affordable price (54% citing as ‘very important’). Availability of skilled labour and premises in the right location were cited as ‘very important’ factors by just under half of respondents.

3.33 Overall, SME businesses in South indicate that broadband, premises (availability, affordability and location) and availability of skilled labour are the key factors that affect their day-to-day operations.

3.34 In Vale, availability of premises in the right location and availability of premises at an affordable price were cited as a ‘very important’ factor by 69% and 67%, respectively. Similarly to South, 60% of respondents considered access to high speed broadband very important to their business. Half of businesses identified proximity to customers as a very important factor.

3.35 Overall, businesses in Vale indicate that premises (right location, affordable price, and right type and quality) are the most important factor affecting their day-to-day operation. High speed broadband is also highlighted as an important factor to the majority of SME businesses in both South and Vale.

3.36 Half of SME respondents in South rated their access to customers as either ‘excellent’ or ‘good’. However, less than 20% rated the availability of skilled labour, accessibility to training providers and access to external finance as ‘excellent’ or ‘good’. In relation to premises, 45% thought that availability of affordable premises was ‘average’ or ‘poor’. Over a third reported that access to high speed broadband was average or poor.

3.37 In Vale, half of businesses rated their access to customers as either ‘excellent’ or ‘good’. 43% rated availability of premises at the right location as ‘excellent’ or ‘good’, although this drops to 28% for availability of affordable premises.

3.38 Echoing responses from South, 46% said availability of affordable premises was ‘average’ to ‘poor’. Notably, half of respondents rated accessibility/transport links as ‘average’ or ‘poor’. 40% gave the same rating to their access to high speed broadband.

3.39 Across the study area, SMEs believe that they have relatively poor access to some of the most important factors affecting their day-to-day operations, in particular availability of affordable premises and skilled labour.

Difficulties in Growing/Expanding the Business

3.40 30% of SME respondents in South reported having previously experienced difficulties in growing their business. The most commonly reported issues include recruiting suitably skilled staff and retaining staff, transport (both public transport and congestion caused by local events), high business rates and difficulties in gaining planning permission.

3.41 Difficulties were reported by 43% of Vale respondents, with common issues mainly relating to premises such as a lack of available and affordable premises. The second most commonly cited difficulty was recruitment, with comments referring to a lack of skilled labour, as well as difficulties in recruiting/attracting people to the area. A number of respondents also referred to a lack of funding or grants to allow them to grow as well as wider market trends (e.g. lack of footfall, difficulties during periods of recession).

Overcoming Barriers in Future

3.42 Respondents were asked if there is anything that could be done to help businesses like theirs to overcome these barriers in future. South businesses made suggestions based on financial measures – by reducing business rates for small businesses and/or maintaining the Small Business Relief and providing additional funding for businesses. Other responses suggested that a more pragmatic approach to planning needs to be taken, both to enable development of business premises and to increase the supply of housing. Some comments related to wider market factors, for example support for high street businesses that are adversely affected by the trend in internet shopping.

3.43 In Vale, the majority of suggestions focused upon transport, including improved/free parking facilities and improvements to key roads. Similarly to South, a number of comments requested business rates relief and funding opportunities for small businesses.

Future Growth Aspirations

3.44 The majority (59%) of business respondents in South expect to grow their business over the next 5 - 10 years. Only 10% do not expect to grow at all. Similar feedback was received from Vale SMEs, with 61% expecting to grow their business over the next 5 - 10 years. These figures indicate a good level of ambition amongst SME businesses in the two districts to expand.

3.45 For those business respondents that do not expect to grow, key reasons include upcoming plans to retire or sell the business, pessimism about future business opportunities/competition/client base and a lack of staff capacity to facilitate growth, including difficulties in recruiting new staff. Some respondents said they were happy as they are.

3.46 When asked what ways they were expecting to grow their business, half of South respondents cited an increase in turnover. A third expect to increase their workforce, and just over a quarter hope to expand their premises. The fact that more businesses expect to increase their workforce than their premises may reflect the previously noted perception of a lack of available/affordable premises in the area.

3.47 Just under half of Vale business respondents that expect to grow cited an increase in turnover. Over a third expect to increase their workforce, and a quarter hope to grow/move to bigger premises.

Enabling Growth

3.48 A range of factors were cited by SME respondents in the study area as being important in enabling their business to grow. In South, the most commonly selected factor was access to high speed broadband, with proximity to other businesses and availability of business support also considered to be important.

3.49 In Vale, nearly half of respondents cited access to high speed broadband and accessibility/transport links as 'very important' or 'quite important'. Proximity to customers and availability of skilled labour were also selected as important factors, slightly more so than in South.

Key Barriers to Growth

3.50 Businesses were asked to rate how much of a barrier to growth they consider particular factors to present. In South, businesses did not identify many factors as a major obstacle although availability/cost of suitable premises and access to high speed broadband were considered to present a potential barrier.

3.51 In Vale, a notable proportion (22%) regard availability/cost of suitable premises as a major obstacle, with access to high speed broadband also scoring highly as a potential barrier to growth. In Vale, obtaining business support was not perceived as a major barrier to achieving growth.

Business Support

3.52 The majority (65%) of businesses in South have never received any help or support from a dedicated provider or source (such as SO Business or via OxLEP). 11% have received support in the past, and just one business reported currently receiving support. Those that have received support cited a range of services, including business coaching, networking, a grant for digital marketing and assistance with health and safety.

3.53 An even greater proportion (75%) of Vale businesses has never received help or support. Less than 10% have received support in the past, and two businesses are currently receiving support. Those that have received support cited assistance with accessing broadband, attendance at training opportunities and help with social media marketing.

3.54 This indicates that SME respondents within both districts historically and currently have low levels of engagement with local business support providers. Survey respondents were asked if there were any particular areas of support that the councils and their partners could provide to help their business to grow. Suggestions include a more pragmatic/quicker planning application determination process and wider transport improvements. Other respondents stated that they would welcome a lowering of business rates and better provision of suitable and affordable business premises in the area.

Focus Group Feedback

3.55 In order to supplement the online business survey with some more in-depth intelligence, focus groups were held with SMEs across the study area to explore their growth needs, gaps and deficiencies in more detail. Focus group sessions were held in Vale (Faringdon) and South (Wallingford) during October 2016 and were attended by a mix of SME businesses from a range of sizes and sectors. Key messages from this consultation exercise are summarised below by topic/theme.

Faringdon Specific Feedback

Doing Business in Faringdon

- Difficult to find and recruit quality candidates, very few people willing to relocate below management level.
- Not enough in the town centre to attract people to work there, particularly with more appealing alternatives/locations nearby (e.g. other Oxfordshire market towns).
- New residential development in the town doesn't appear to have boosted footfall/spending in the town centre, and there are too many vacant shops, creating a sense of decline.
- Parking is an issue for local businesses, especially when people who work in town park in the council parks. Lack of public transport and parking are both considered to be issues impacting on day-to-day operations.
- Affordability of moving premises/expanding is an issue. Feel there is a need to secure employment land to provide larger premises in town to prevent businesses having to leave the town.

Business Needs and Priorities

- Feel there could be more support from the council and its partners in providing affordable loans or grants to help small businesses to grow.
- Good entrepreneurial spirit in the town but perception that people are put off from starting a business as they don't have the basic knowledge/information. Perhaps deliver a roadshow to offer help and advice on how to start a business and practical steps.
- Develop a welcome pack for new businesses to tell them what help is available.
- Social media is well used by the town's SMEs to promote their businesses but feel there is scope for the council to engage more with businesses via social media.

Growing your Business and Accessing Business Support

- Most SMEs are aware of business support available including via OxLEP (Oxford Business Support) but there is a perception that it doesn't offer support to local people ('sounds scary').
- Take-up of business support would be better if it was locally branded e.g. 'Faringdon Business Support'. Potentially hold a weekend workshop in the town centre and make it relevant and seem accessible to local SMEs.
- Particular need for advice about how to run a 'little shop and employ a few people'.
- A 'big jump' as a sole trader is employing people and this sometimes prevents expansion.
- Poor broadband provision and mobile signal in parts of the town which could prevent business expansion.

Wallingford Specific Feedback

Doing Business in Wallingford

- SMEs tend to be located in and around Wallingford to be near their customer base and due to quality of life factors (i.e. work/life balance).
- The town suffers from transport and congestion issues. Public transport provision is poor, so many staff rely on their cars, placing pressure on town centre car parking which is a big issue.
- Accessibility and frequency of local buses is poor, and considered to be unreliable.
- Wallingford has traditionally had a popular and attractive town centre with a number of independent retailers. Yet there is a perception that footfall and spending has declined, and there is a need to do more to encourage people to come and spend money in the town centre.

Business Needs and Priorities

- Local rent and rates are considered to be very high and represent an ongoing challenge to some SMEs.
- Stock of business accommodation is considered to be relatively poor, particularly retail/shop units which can be outdated and inaccessible. Very little new, high quality space to attract businesses to locate here.
- Can be difficult to recruit staff, particularly when competing with national chain retailers such as Waitrose.

Growing your Business and Accessing Business Support

- Just under half of SMEs had experienced difficulties or barriers to growing their business in the past. Key barriers include staff/recruitment, traffic/congestion, and gaining planning permission.
- The majority wish to grow their business over the next few years, mainly in terms of workforce and premises. Key perceived issues to achieving this growth include broadband provision, accessing suitable premises and skills.
- SMEs were generally aware of local business support available but had not accessed or used this.
- Possible role of council in connecting local businesses via social media networks such as Facebook and using this channel to respond to business support needs.
- Perception that overhead costs for SMEs are going up as a result of national regulations and policy and that Government are not supportive of SMEs. Local businesses therefore look to their Local council for support and help to overcome these challenges.

Feedback from the Voluntary and Community Sector

3.56 The Voluntary and Community Sector (VCS) is a significant employer across South and Vale, contributing to the local economy by attracting external funding into the area and generating local economic activity and growth. These organisations face many of the same challenges as local private sector businesses, but also a range of specific issues such as the reduction in public funds which has placed more demands on the sector. This has also stimulated the use of new and creative solutions to address local social issues, with cross-sector collaborations between the private and voluntary sectors increasingly providing mutually beneficial opportunities that deliver social and economic growth and improvements. Central government strategies such as the Inclusive Economy are also opening up new and valuable opportunities for the voluntary sector and this cross-sector collaboration.

3.57 The emerging South Oxfordshire and Vale of White Horse Volunteering Strategy and Action Plan 2016 - 2020 provides a framework for developing and increasing volunteering activity across the districts, working in collaboration with key stakeholders and partners in the local voluntary, community and business sector. It is intended to create an opportunity for volunteering to thrive across the two districts and maximise the impact that volunteering can have upon individuals, organisations and communities.

3.58 The councils have recently been undertaking a series of engagement activities with VCS businesses and stakeholders in the study area, and this has identified a series of challenges and barriers faced by these organisations, including developing strategies or plans for recruiting volunteers, getting quality people into the right roles, and accessing appropriate support from infrastructure organisations. In particular, VCS organisations are keen to receive more communication on resources and support available to help them overcome day-to-day barriers, support with recruitment and management of volunteers, legal and regulatory support, and help to match ‘work ready’ volunteers with local businesses.

3.59 One of the main opportunities highlighted during VCS engagement activities is for the council to encourage links between business and community organisations. Some businesses in the area are increasingly keen to engage with local charities and community groups. Many of them either do not consider employee volunteering, or if they do, fail to appreciate the benefits and opportunities this can present. There is therefore an opportunity to engage on two levels: one with businesses generally to open a path for supporting the voluntary sector, which can also include employee volunteering; the other to support, encourage and signpost those who either already run employee volunteering or would like to.

OxLEP Strategic Economic Plan

3.60 OxLEP’s Strategic Economic Plan[6] (SEP) sets out the LEP’s ambition for Oxfordshire to 2030 for increased business growth and productivity supported by accelerated housing delivery, better integrated transport, a better qualified workforce underpinned by a quality of place that few locations can offer.

3.61 The SEP identifies a number of strengths and competitive advantages associated with Oxfordshire as a business location, but also a range of challenges and areas for improvement, summarised below. There are multiple reasons for these challenges, and a number of interlinked factors and challenges need to be addressed for the LEP to realise

[6] Oxfordshire LEP Strategic Economic Plan: Driving Economic Growth Through Innovation, March 2014

its growth ambitions. These form the basis of the LEP's programme of activity. The SEP has recently been refreshed[7], although the key Oxfordshire-wide issues and challenges summarised below still remain broadly relevant.

Low Business Growth

3.62 Whilst businesses across the LEP area are growing and performing well in terms of productivity, the business base is static, with only a 21% increase in business stock over the past 10 years. Businesses in Oxfordshire do not perform well in terms of employment in export intensive industries, potentially hindering the area's growth potential.

Skills and Labour Shortages

3.63 Low unemployment and inactivity rates make it difficult for employers to recruit suitably qualified staff. High growth, innovative companies need access to a range of services, skills and support to enable them to grow and scale their businesses.

3.64 Some local employers recently reported that hard to fill vacancies is impacting on their business, and this is considered to be due to a lack of applicants with the required skills, qualifications or experience. This issue was more common in Oxfordshire than nationally and in neighbouring areas with similar economies (for example Berkshire and Surrey).

Digital Connectivity

3.65 There has been limited access to resilient and fast broadband that is expected by businesses for collaboration. Provision of effective broadband in rural areas is a particular constraint.

Connectivity within Oxfordshire

3.66 The current road and rail connections do not support close physical connections between key centres in Oxfordshire and this is important in reducing the distance between and across these investment locations and in particular between the University of Oxford and high tech business clusters.

3.67 Public transport options linking the three main railway stations to homes and businesses are infrequent, indirect or unavailable. Traffic congestion is also a significant challenge within the urban centres.

Lack of Space to Retain Growing Businesses

3.68 Demand for commercial premises currently outstrips supply, which inflates costs and constrains growth and business performance. A lack of suitable business start-up and grow-on space limits business growth and often leads to businesses starting in Oxfordshire before moving elsewhere, both nationally and internationally. Demand for innovation infrastructure, including, incubation and start-up work space, grow on and research/collaboration facilities is outstripping demand across Oxfordshire.

3.69 It should be noted that OxLEP have recently commissioned SQW to undertake a piece of research looking at innovation space across Oxfordshire. This involves mapping current and planned provision, identifying gaps in this provision, and suggesting what role OxLEP and partners could play in addressing gaps and improving future provision of innovation space and support. At the time of writing, the research findings are

[7] Oxfordshire LEP, Creating the Environment for Growth: Strategic Economic Plan for Oxfordshire, 2016

unavailable, but it would be useful to review these in due course, particularly in light of any specific implications for South and Vale.

Low-Level Support for New (and Existing) Businesses

3.70 Businesses across Oxfordshire have cited accessing relevant, effective and valued business support advice as a key barrier to their growth. Levels of uptake of some of the nationally developed business support schemes are not as high as would be expected. The main reason is the complexity of offers and support that can be communicated to a business, leaving a feeling of confusion and inertia. Simplifying the current fragmented landscape and providing relevant and effective support going forward are needed to address this constraining issue.

3.71 In response to this issue, the LEP have developed Oxfordshire Business Support (OBS), the Growth Hub for Oxfordshire. It provides a range of business support for Oxfordshire firms including signposting to local and national business support via the OBS web portal and helpline; providing specialist advice and guidance through a series of Network Navigators; and encouraging start-ups, growth and innovation through a range of local products and services (including grant schemes, workshops, courses and seminars).

3.72 The Growth Hub is intended to act as an independent broker to signpost businesses to the support that is best for them, particularly given the sometimes confusing landscape of business support mentioned above.

Summary

3.73 Consultation and survey work with SMEs operating across the study area identifies a wide range of priorities, needs and issues that these businesses face on a day-to-day basis, alongside some specific barriers and challenges that require support to overcome in order to facilitate growth in future.

3.74 Many of the issues raised by SMEs in South and Vale broadly echo those cited by firms operating across the wider Oxfordshire area and the UK, and most commonly relate to difficulties in accessing suitable premises at an affordable price, attracting and retaining the skills and workforce they need to operate and grow the business, and accessibility issues associated with congestion and gaps in key infrastructure that are needed to guarantee the smooth operation of their business. The rural nature of much of the study area also means that (public) transport provision and infrastructure is a particular concern amongst SMEs in South and Vale.

3.75 The consultation feedback also points to a good level of growth aspiration amongst SMEs in the study area and whilst this reflects the national picture, the key obstacles and barriers to this growth perceived by local SMEs can often be quite location specific and this provides the basis for the councils and partners to develop appropriate policy responses.

3.76 Take-up of business support appears to be relatively patchy across the country and this will partly reflect the scale, nature and effectiveness of individual local offers. The LEP recognises that the business support landscape in Oxfordshire is confusing, and our survey work suggests that there is scope to make this provision seem more locally relevant to encourage greater take-up and engagement amongst SMEs in South and Vale.

4.0 Accommodating SME Growth

4.1 This section considers the growth potential of SME businesses within South and Vale and identifies those sectors that are anticipated to deliver the most significant growth. It then examines which locations within the two districts would be most appropriate for accommodating this growth in order to input to the development of a strategy and action plan for supporting SME growth over the next few years.

SME Growth Potential

Economic Projections

4.2 In order to provide a consistent view of the economic growth potential of Oxfordshire, Cambridge Econometrics and SQW were commissioned by all Oxfordshire authorities and OxLEP to prepare a set of economic forecasts for Oxfordshire, to be used in the county's Strategic Housing Market Assessment (SHMA) and the Local Enterprise Partnership's (LEP) Strategic Economic Plan (SEP).

4.3 These forecasts are summarised within a technical report[8] published in February 2014 and use Cambridge Econometrics' Local Economy Forecasting Model (LEFM) to develop three different growth scenarios as follows:

1. **Baseline** projections, assuming that historical trends in relative growth in Oxfordshire compared with the wider South East (or UK) economy (on an industry-by-industry basis) seen over the past 15 years or so continue into the future.
2. **Alternative Population-based** projections, in which the Baseline population projections (ONS 2011-based SNPP) for Oxfordshire are replaced with an alternative set that correct particular anomalies (relating to the student population) in the ONS projections.
3. A final, **Planned Economic Growth** forecast, which reflects policy influences on economic growth such as proposals relating to the Science Vale Enterprise Zone, Oxfordshire City Deal, NW Bicester Eco Town and other planned infrastructure investment.

4.4 The resulting employment growth for South and Vale associated with each of these three scenarios is presented in Table 4.1 and 4.2 covering the period 2011 to 2021. This implied job growth can be used as a proxy to consider future employment change by broad economic sector across the study area over the short term period 2016 to 2020.

4.5 As noted in Chapter 2.0, the most common SME sectors in South and Vale include professional services, wholesale and retail, construction and information and communication technology.

[8] SQW and Cambridge Econometrics, Economic Forecasting to Inform the Oxfordshire Strategic Economic Plan and Strategic Housing Market Assessment, 28 February 2014

Table 4.1 Employment projections for South Oxfordshire

Sector	Employment Change 2011-2021		
	Baseline projections	Alternative Population-based projections	Planned Economic Growth projections
Agriculture	200	200	200
Mining and quarrying	0	0	0
Manufacturing	100	100	300
Electricity, gas and water	0	0	0
Construction	400	400	500
Distribution	600	700	900
Transport & storage	200	200	200
Accommodation & food services	1,300	1,400	1,500
Information and communications	-200	-100	-100
Financial & business services	2,300	2,300	3,100
Government services.	-600	-400	-300
Other services	0	0	100
Total	**4,300**	**4,700**	**6,400**

Source: SQW and Cambridge Econometrics 2014

Table 4.2 Employment projections for Vale of White Horse

Sector	Employment Change 2011-2021		
	Baseline projections	Alternative Population-based projections	Planned Economic Growth projections
Agriculture	600	600	600
Mining & quarrying	0	0	0
Manufacturing	300	400	2,900
Electricity, gas & water	0	0	0
Construction	600	600	700
Distribution	600	600	900
Transport & storage	400	400	1,500
Accommodation & food services	600	600	700
Information & communications	-300	-300	1,100
Financial & business services	2,200	2,300	6,100
Government services.	-500	-400	-300
Other services	100	100	200
Total	**4,400**	**4,900**	**14,400**

Source: SQW and Cambridge Econometrics 2014

4.6 Depending upon the scenario, the Cambridge Econometrics forecasts indicate that South has the potential to generate employment growth of between 4,300 and 6,400 over the 10 year period 2011 to 2021 (Table 4.1). The top four SME sectors account for the majority of this job growth (between 69% and 72% of the total depending on the scenario) underlining the important role that SMEs stand to play in driving this growth over the coming years.

4.7 On a pro-rata basis, this analysis indicates that the overall employment base in South could increase by between 2,150 and 3,200 over the next 5 years to 2021 (i.e. 2016 to 2021). Analysis of the latest IDBR data for South shows that SMEs currently account for just under 82% of all employment in the district, so could be expected to drive much of this job growth.

4.8 Assuming current spatial distribution of SMEs across the district (as summarised in Table 2.2), around half of this growth could be expected to occur within the four main market towns of Didcot, Henley, Thame and Wallingford, with the remainder scattered across the more rural areas of the district.

4.9 For Vale, the equivalent growth potential ranges from 4,400 and 14,400 over the 10 year period 2011 to 2021 (Table 4.2). Again, the top four SME sectors account for the majority of this job growth (between 61% and 71% of the total depending on the scenario). Over the next 5 years to 2021, the pro-rata equivalent employment growth ranges from 2,200 to 7,200. Analysis of the latest IDBR data for Vale shows that SMEs account for just under 78% of all employment in the district.

4.10 If the existing spatial distribution of SMEs across the district were to remain unchanged (see Table 2.3), around a quarter of this growth could be expected to occur within Abingdon, with Milton Park and Wantage also attracting a reasonable share of growth. Around 40% could be expected to occur within the rural parts of the district.

4.11 It should be noted that the employment projections used by the economic forecasting report are now a number of years old (dating back to May 2013) and therefore reflect the latest macro-economic assumptions and outlook that prevailed at the time. It is understood that new projections are being analysed as part of OxLEP's SEP refresh, although these were unavailable at the time of writing.

4.12 Employment forecasts provide one way of considering how an economy might change and grow in future and which sectors are anticipated to drive this growth. They have been summarised here to provide a sense of the scale and nature of job growth that could be generated and accommodated by SMEs in the study area under a number of different scenarios of higher and lower economic growth.

Local SME Feedback

4.13 As part of the survey of SMEs operating across the study area, businesses were asked if they expect to grow their business over the next 5 to 10 years. As noted in Chapter 3.0, the majority of SME respondents do expect to grow, equivalent to 59% in South and 61% in Vale. This point to an encouraging appetite amongst the local SME population for growth and expansion, assuming that the conditions are right to facilitate this growth.

4.14 The concept of growth means different things to different businesses, and survey respondents were asked in what ways they were expecting to grow their business. Half of respondents cited an increase in turnover. A third expect to increase their workforce, and just over a quarter hope to expand their premises. This suggests that SMEs in the study area are more confident about their ability to increase their turnover over the coming years than increasing the size of their workforce or premises. This perhaps reflects the perception amongst local SMEs that the area lacks a provision of suitable and affordable workspace and also the perceived difficulties in attracting and retaining skilled staff. By contrast, it is quite possible for a business to achieve an increase in turnover without the need to necessarily invest directly in additional resources or premises.

4.15 As noted previously, key factors considered by SMEs to be important to enable this growth include access to high speed broadband, accessibility/transport links, availability of skilled labour and access to business support. A number of these factors were cited by SME respondents to represent a potential barrier to growth, most notably access to high speed broadband and availability/cost of suitable premises to accommodate expansion.

Accommodating Growth

4.16 The analysis and data presented above suggests that significant growth potential exists amongst SMEs in the study area. The rest of this chapter considers which locations within the two districts would be most suitable for accommodating this growth, in order to inform council decisions on where to focus business support investment and activities through the BIS.

Existing Distribution of SMEs

4.17 Using the latest IDBR data available from ONS, it is possible to examine how the SME business base in South and Vale is currently distributed spatially across the study area and use this analysis to identify particular clusters or hubs of SME activity both from a geographical and sector specific perspective. This provides a relatively user-friendly way of identifying those locations within the two districts that are currently most popular for SMEs.

4.18 An overview of this geographical distribution is presented in Chapter 2.0 (Figures 2.4 and 2.5) and this shows that within South, SME businesses are generally concentrated in and around the district's key settlements of Didcot, Wallingford, Henley-on-Thames and Thame. The key transport corridors of the A40/M40 and A4074 also have an influence on business location, with key business clusters found along these corridors. Elsewhere, comparatively smaller clusters of SMEs are located outside of these towns within the more rural areas of the district although key sites and business parks also play an important role including Howbery Business Park and Culham Science Park.

4.19 Within Vale, the town of Abingdon stands out as accommodating a significant share of the district's SMEs, with Abingdon Business Park on the west of the town accommodating many of the town's larger SMEs. Wantage is also home to a sizeable cluster of SMEs, including at Grove Business Park. By contrast, the towns of Shrivenham and Faringdon support smaller clusters of SMEs, underlining a notable east west split within Vale.

4.20 Further analysis of the geographical distribution of SMEs across South and Vale is summarised in Table 4.3, broken down by sector. Copies of detailed SME business mapping for both authority areas are included in Appendix 5.

Table 4.3 SME Spatial Distribution by Sector

Sector	South Spatial Distribution	Vale Spatial Distribution
Manufacturing	• Key clusters in Thame and Didcot • Fewer but larger employers	• Largest clusters in Abingdon and Milton Park • Smaller clusters in Wantage, Faringdon, limited elsewhere
Construction	• Largest cluster in Didcot • Large number of small firms dispersed across the district, including market towns, smaller towns, villages and rural areas	• Majority of SMEs located to the NE of district, in and around Abingdon, A34 and A420 • Smaller firms scattered across more rural areas
Wholesale and Transport	• Key clusters in Didcot and Thame, smaller clusters found in Henley, Wallingford and A40 corridor • Important role of key sites such as Culham	• Largest clusters found in Abingdon, Milton Park and A34/ A420 corridor • Wantage, Faringdon and Shrivenham accommodating smaller clusters by comparison
Retail	• Largest cluster in Didcot, followed by market towns of Henley, Thame and Wallingford • Small number of large SMEs/sites dispersed across the district	• Largest cluster in Abingdon, followed by Wantage, Faringdon and Milton Park • Number of single occupiers/sites scattered along key transport corridors (e.g. A420, A417)
Accommodation & Food	• Uneven distribution across the district • Rural areas, villages and transport corridors just as popular as market towns	• East-west split with key clusters found in Abingdon, Milton and Oxford fringes • Limited representation in rural areas
Information and Communication	• Predominately located in and around Henley, Wallingford, Thame and Didcot • Some smaller SMEs scattered across more rural areas	• Overwhelmingly concentrated within Abingdon, Milton Park and A34 corridor • Elsewhere, mainly found in Wantage and Faringdon
Professional Services	• Relatively wide geographical distribution, but main clusters found in Didcot, Wallingford, Henley and Thame • Some sizeable SMEs on standalone sites such as Culham and Chalgrove	• Relatively wide distribution, although focused in Abingdon, Wantage and key sites at Milton Park and Harwell • Cluster of small SMEs located on Oxford fringes (e.g. Kennington)
Finance and Insurance	• Main clusters found in Henley, Thame and A40 corridor (in and around Wheatley) • Very limited representation elsewhere	• SMEs relatively scattered with no significant clusters • Small concentrations found in Abingdon, Milton Park and Botley
Admin and Support Services	• Relatively wide distribution, although main clusters found in Didcot, Wallingford, Henley and Thame • A number of smaller clusters located in smaller towns, villages and rural areas	• Notable cluster along A34 corridor, including at Milton Park, Abingdon and Botley • Some more local clusters in Wantage, Shrivenham, Faringdon, Harwell and Kingston Bagpuize

Source: Inter-Departmental Business Register 2015 / Lichfields analysis

Property Market Feedback

4.21 The following commentary provides an overview of some of the key commercial property market characteristics and trends (focused on those sectors typically occupying B use class workspace) within the study area relevant to the SME segment of the business population. This draws upon analysis contained within the most recent Employment Land Reviews[9] undertaken for the two councils, and more recent, supplementary consultation undertaken as part of this study with local commercial property agents.

South Oxfordshire

4.22 The authority area of South is influenced by a range of market areas although it is most closely linked to the Science Vale Property Market Area (PMA) which covers Vale and South. The A34 corridor and its immediate vicinity represents the prime market location and core area of demand. This means that key centres along this corridor including Abingdon, Didcot, Milton Park and Harwell all represent popular business locations, accommodating the majority of demand and property market activity.

4.23 The 2015 ELR identifies a two-tier commercial property market operating within the district. First, there is a local office and industrial market that largely meets the needs of the local population, including local offices such as solicitors, consultants, accountants and other professional firms. Local industrial units supply storage, distribution and maintenance needs to the local market and wider Science Vale (SV) supply chain. The scale of this localised employment is partly limited by the size of the settlements and factors such as the Oxford City greenbelt and the large Areas of Outstanding Natural Beauty (AONB). The needs of Small and Medium-Sized Enterprises (SMEs) are particularly important in this regard as these types of firm require good quality but also affordable and flexible work space.

4.24 Secondly, the area is linked to the higher value national or international high tech manufacturing/science sector particularly at sites such as Culham, Monument Park, Chalgrove and those close to SV.

4.25 Research and consultation carried out as part of the ELR found that in general South is mainly a rural district with its four main towns providing its key employment centres; Didcot, Thame, Henley-on-Thames and Wallingford fulfilling many localised employment functions.

4.26 According to market agents and the findings of research, South has a relatively modest office market. The majority of offices in South are smaller offices fulfilling a localised demand. This includes for example, solicitors firms, recruitment firms, local financial advisors and brokers, professional services, public and voluntary sector and education linked companies. Henley-on-Thames is the main office location followed by Thame and Wallingford. Didcot has a very small office market. Unlike other areas of Oxfordshire, especially on the outskirts and to the north of Oxford City, there are limited out of town business parks. This is partly due to the location of the office supply within historically conserved towns such as Henley-on-Thames. It means that most of South's office stock is in town centres, either above shops or in small purpose built town centre office buildings.

4.27 In terms of short term demand for office space, the recovery from the recent economic downturn has been uneven. Most lettings have been in the smaller office category which reflects the fact that smaller companies are more flexible in responding to upturns in the

9 URS, South Oxfordshire Employment Land Review, September 2015; and URS, Vale of White Horse Employment Land Review 2012 Update, March 2013

wider economy than larger companies. The ELR identifies a relative need to supply good quality space for SMEs, specifically flexible, affordable space.

4.28 The industrial market is relatively more significant in South than the office market. This reflects the historic associations with the scientific/research centres of Harwell, Milton Park and Culham – an area that collectively now branded as Science Vale. The key locations for industrial space are Didcot and Thame with some industrial space in Henley-on-Thames. Wallingford is not as significant a location for industrial space. Didcot is the main area of B8 warehousing and distribution space.

4.29 In the medium and long term agents feel that there is likely to be increasingly strong demand for industrial space in the PMA, particularly drawing on Science Vale's internationally significant industrial and R&D area.

Vale of White Horse

4.30 Vale is influenced by a number of operating property markets. This is a result of the district's central location between Oxford and Swindon and also its proximity to the Oxford-Didcot-Reading broad property market area. The large land areas present in the district partly result in the Eastern Vale and Western Vale being characterised by different property drivers and a certain separation between the two halves of the district.

4.31 The 'A34 Corridor' is recognised as being a key determinant in the property market area due to it connecting the Vale with Oxford. This therefore links the district with Oxford's associated academic and research facilities. The result has been a clustering of high value-added sectors (notably R&D) in the sub-area that, whilst not being in Oxford city itself, can still draw on the local infrastructures and pool of skilled labour. This area is broadly referred to as Science Vale UK.

4.32 The B1 property market is characterised more by light industry and science laboratories than by traditional town-centre office developments. These facilities are located on large science and business parks and not within town-centres, as highlighted in the large over-supply in Abingdon town-centre. There is a net demand for small-scale traditional industrial accommodation (B2) and the majority is again found on industrial estates in the Eastern Vale. Whereas there is evidence of vacancy in B1 and B2 accommodation the reverse is true for warehousing (B8). Existing stock is found near the major strategic roads, particularly the A34, and two agents made reference to an overall lack of supply in the Vale.

4.33 The role of business parks within the employment land market of Vale is pivotal given the sub-regional prominence of locations, such as Milton Park and Harwell Oxford, and other estates of more local significance, such as Abingdon Business and Science Parks, Vale of White Horse Industrial Estate and Grove Business Park. The availability of both land and premises at these sites can be regarded as being indicative of the general condition of the different markets that these sites are a part of.

4.34 The 2013 ELR recommends that EZ policy (for Harwell and Milton Park) should create additional demand for employment space in the Science Vale UK and across the district as a whole. Through its scale and land availability, the EZ provides the potential for critical mass of different but complimentary offers to become further established. In particular, there is considered to be significant scope for varied plot and premises sizes to be developed so that start-up (including university spin outs), SMEs and fast growing businesses can be accommodated on the EZ.

Gaps in Provision

4.35 Demand for small scale, affordable workspace is reported to be strong, due in part to the success and popularity of Oxfordshire as a place to start a business and the entrepreneurial culture that exists within the study area. Whilst this segment of the market is reported to be reasonably well catered for, the main gap appears to be for slightly larger scale 'move on' space typically comprising standalone industrial or office units (c.4,000sqft-5,000sqft) within a small scale scheme or business park.

4.36 Local agents report that a number of market towns in the study area have been losing medium to large scale businesses in recent months (to areas such as Swindon) due to a lack of this larger scale 'move on' space to occupy. Recent development of new commercial space has been very limited, with speculative development scarce in the current climate outside of prime commercial markets such as Oxford. Local property agents consider there to be scope for this type of scheme in locations like Didcot and Abingdon, which already support successful mixed use business clusters and benefit from good accessibility and business profile.

4.37 The industrial market is stronger than the office market, with the area's market towns in particular currently struggling to maintain a buoyant office market. The strongest sector of the local market is currently reported to be for hybrid industrial, office and lab premises, stemming from the Science Vale cluster and reflecting the varied mix of high tech, science based businesses that operate across this part of Oxfordshire. Local agents report a shortage of good quality hybrid stock of this nature, and often being unable to satisfy requirements.

Regeneration Opportunities

Berinsfield Regeneration

4.38 The village of Berinsfield faces a number of socio-economic challenges arising from the sustainability of its social infrastructure, the demographics of its population, levels of educational attainment and the condition of its building stock. South Oxfordshire District Council recognises that substantial capital and revenue investment will be required to addresses the challenges through regenerating the physical, social, sporting, housing, retail, commercial, environmental and public services infrastructure to create a better, more sustainable place for current and future generations.

4.39 The council is currently undertaking work to explore potential options for the regeneration of Berinsfield and whether there is a sufficient case for the release of Green Belt land to enable this regeneration to take place. The recent consultation on the South Oxfordshire Preferred Options Local Plan 2032 notes that the council is commencing work on a feasibility study and masterplan to investigate the practicality of and the most appropriate approach to achieving the full scale regeneration of Berinsfield. The adopted Core Strategy (Policy CSEN2) states that a local review of the Green Belt will take place at Berinsfield and sets out the exceptional circumstances which justify the review.

4.40 Berinsfield currently plays a relatively minor role in commercial property market terms and in accommodating South's SME population, although local property agents consider that it provides a good local business location, particularly for (small scale) industrial related activity. As the village undergoes regeneration and further development, there is considered to be scope to incorporate new business space, initially focusing upon starter unit to serve the settlement's population growth and local market.

Didcot Garden Town

4.41 In December 2015, Didcot was awarded Garden Town status, providing a unique opportunity to transform Didcot into a more vibrant, welcoming and sustainable place to live, work and visit. The Garden Town will bring forward new mixed neighbourhoods of between 200 and 3,000 homes, alongside approximately 20,000 new high-tech jobs created over the next 15 years on the Harwell, Milton Park and Didcot Growth Accelerator Enterprise Zones and other smaller sites. Major infrastructure funding will also support transport improvements including a northern perimeter road for Didcot, the Science Bridge over the railway line into Milton Park, and improvements to existing areas of Didcot.

4.42 This new status is expected to help Didcot become a 'jewel in the crown' of Science Vale, attracting supply chain businesses to support the high-tech economy and with strong links to the science campuses. South Oxfordshire and Vale of White Horse District Councils are working in partnership to deliver the Garden Town with a masterplan due to be published for consultation in early 2017, supported by a Garden Town delivery plan.

4.43 As noted previously, Didcot represents one of the most popular locations in the study area for SMEs across a wide range of sectors. From a property market perspective, Didcot is not currently a recognised office location but instead represents an important location for industrial, warehouse and distribution activity.

4.44 As the town grows and expands as part of the wider Garden Town initiative, demand for this type of industrial accommodation is also expected to grow, and the 2015 South ELR also considers that there is potential for office demand to be met at Didcot as the Science Vale expands and the regeneration of Didcot continues. The study noted that the best location for office growth at Didcot could be next to the station due to its excellent connectivity to London, Swindon, Reading and the South West and proximity to the Science Vale.

4.45 Meanwhile, growth in business activity and employment would also be expected to increase within Didcot's service sectors such as retail, admin, accommodation and food, health and education to support a growing population and the demands that this places upon day-to-day services and facilities.

Summary

4.46 SMEs account for the majority of businesses and employment in the two districts of South and Vale and analysis and feedback presented in this study suggests that they have strong potential for growth. For most SMEs, this is expected to start with turnover growth, followed down the line by workforce and premises growth. The councils and their partners have an important role to play in helping their SMEs to overcome barriers to growth that have been identified including having access to high speed broadband and availability/cost of suitable premises to accommodate expansion.

4.47 In terms of how this growth is accommodated spatially, some sectors have a preference for particular areas, locations or clusters in the study area, for example with manufacturing SMEs predominately located in Thame, Didcot, Abingdon and Milton Park, with others (such as professional , admin and support services) distributed more evenly across the study area.

4.48 In overall terms, the most significant clusters of South's SMEs are currently found in Thame, Didcot, Henley and Wallingford, with Vale's SMEs concentrated in Abingdon, Milton Park and the wider A34 corridor. Property market feedback indicates that these centres form the main drivers or focus for commercial property markets in the two districts, alongside standalone sites and business parks (such as Harwell and Culham).

4.49 For many SMEs, the quality of life and work/life balance represents the key reason for locating and operating within the study area. While some businesses value an urban location with access to services, facilities and transport connections, others will prefer more informal workspaces (such as working from home or flexible conversions in rural areas) and it is important that this flexibility is recognised and encouraged within the councils' strategy for supporting SME growth.

5.0 Developing a Strategy and Action Plan

5.1 This section summarises the key priorities and issues facing SMEs within the study area and the growth potential associated with this segment of the business population in order to develop a series of actions and next steps for the councils to consider as they progress the BIS.

Overview of Issues and Challenges

5.2 As noted in the preceding sections, the key day-to-day issues cited by SMEs in South and Vale relate to difficulties in accessing suitable premises at an affordable price, attracting and retaining the skills and workforce needed to operate and grow the business, and accessibility issues associated with congestion and gaps in key infrastructure that are needed to guarantee the smooth operation of their business. These issues are generally not unique to the study area and broadly echo those cited by firms operating across the wider Oxfordshire area and the UK. The rural nature of much of the study area does mean that (public) transport provision and infrastructure is, however, a particular concern amongst SMEs in South and Vale.

5.3 This study has identified a good level of growth aspiration amongst SMEs in the study area. Whilst this reflects the national picture, key obstacles and barriers to this growth perceived by local SMEs (such as availability/cost of suitable premises and access to high speed broadband) can often be quite location specific and this provides the basis for the councils and partners to develop appropriate policy responses.

5.4 The most significant clusters of SMEs are currently found in Thame, Didcot, Henley, Wallingford, Abingdon, Milton Park and the wider A34 corridor. Property market feedback indicates that these centres form the main drivers or focus for commercial property markets in the two districts, alongside standalone sites and business parks (such as Harwell and Culham). Some sectors have a preference for particular areas, locations or clusters in the study area, whilst for others quality of life and work/life balance represents the key locational driver and in these cases informal workspaces (such as working from home or flexible conversions in rural areas) is considered to be important.

5.5 Take-up of business support appears to be uneven across the study area, partly reflecting the scale, nature and relative effectiveness of individual local offers. The LEP recognises that the business support landscape in Oxfordshire is confusing, and there is scope to make this provision seem more locally relevant to encourage greater take-up and engagement amongst SMEs in South and Vale.

Developing an Action Plan

5.6 Based upon the above summary, it is possible to identify four broad areas of potential intervention focused around the themes of business support, space for business, skills and infrastructure and planning. A suggested action plan has been developed and is presented below, setting out a number of practical things that the councils could do to help SMEs in the study area overcome day-to-day challenges and barriers to growth going forward.

5.7 This includes a number of overarching actions which have been suggested under a particular theme but in reality have the potential to cut across a range of issues, such as the development of an internal Communications Strategy to facilitate a more streamlined and targeted approach towards engaging with and supporting the study area's SME business base.

5.8 Across the four intervention areas, the scope for the councils to be involved in delivering against the identified actions varies. In some cases, the suggested intervention falls within the remit of business support activities already undertaken by the councils, whereas other measures may require more specialist support and partnership working with other external organisations that are better placed to deliver a particular intervention than the councils themselves. As such, potential responses have been grouped by:

a Interventions the councils are not currently doing but could consider doing;

b Interventions the councils are currently doing, but could be doing more extensively/more effectively; and

c Interventions that fall beyond the remit of the councils but could be pursued in conjunction with other partners or stakeholders.

5.9 The anticipated timescale of each intervention/action varies according to the scale, complexity and likely requirements for external funding support. For the purposes of Tables 5.1 to 5.4 below, these have been grouped into the following broad time periods:

- Short term: over the next 12 months;
- Medium term: over the next 2 to 5 years;
- Long term: over the next 5 years.

5.10 It should be noted that this report provides an initial assessment of the issues relevant to the growth of SMEs within both districts, the first joint exercise of its type that has been prepared. However, there are some matters which will require more detailed investigation and these are also identified within the tables overleaf.

Business Support

Table 5.1 Business Support Interventions

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
Lack of general awareness of business support available and how it could help	Develop a Communications Strategy setting out how the councils will interact with and support the South/Vale SME business community going forward, across a number of different areas/themes	a	Use findings from BIS to identify key themes and draft a strategy. This should distinguish between the councils' role in signposting vs direct support/intervention and should cover general, ongoing communication with the SME base and a strategy for responding to specific business support issues and segments of the SME community (including different towns and settlements, regeneration areas and the home working community)	Complete in-house using council resources or commission externally (indicative budget range of £20-£30k)	S/M
	Review existing council business support websites (incl. SO Business, Vale 4 Business) and potentially refresh as part of/in light of the above strategy	b	Undertake audit of existing website material and consider whether there is scope to refresh and update this to align with new Communications Strategy, other actions resulting from BIS and other initiatives being pursued by the councils (including Berinsfield regeneration and Didcot Garden Town). As part of audit, compare with other similar council business support websites to identify good practice	Suggest the initial audit is completed in-house using council resources	S/M
	Publicise what business support is available and upcoming events/seminars/workshops etc via regular business e-newsletter. Linked to this, refresh/develop the council's newsletter circulation list using updated SME business database and keep updated on regular basis	b	Consolidate existing business databases and incorporate new SME database to ensure contact list is up-to-date. Revisit current newsletter format and consider whether this could be refreshed and improved in light of action plan Examples to review/consider: https://content.govdelivery.com/accounts/UKBOLTON/bulletins/16f954a	Database update anticipated to be relatively resource intensive, to be undertaken in-house by Officers. Regular newsletters prepared and distributed in-house by ED team	S/M

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
			http://us5.campaign-archive1.com/?u=7f24c690647821b55bfef9b5a&id=e8277d191b http://us1.campaign-archive2.com/?u=1ad975aa34984f510e8d3b539&id=0a9db4cdfd http://www.rutland.gov.uk/pdf/Business%20Newsletter%20-%20Summer.pdf		
	Set up a welcome pack for new tenants moving into each district providing key information about business support available and contacts to find out more	B	Collate existing information, refresh and review, consult with local partners (such as OxLEP, local Chambers etc) and liaise with council business rates team to identify new occupiers to circulate welcome pack to Examples to review/consider: https://drive.google.com/file/d/0B4KyFQA43JaOakZkV3dUQWs5VWs/view https://www.harrogate.gov.uk/businessinformationpack	Anticipated to be undertaken in-house. Small budget (up to £10k) required to print and circulate welcome pack if hard copies preferred to electronic	S
	Use regular 'drop-in' sessions (noted below) as an opportunity to raise awareness of support available and upcoming events	A	As below	As below	M
Business support not seen as relevant/inclusive in all areas of South/Vale	Work with the LEP and its OBS service to explore the potential for more locally tailored marketing/promotion of business support packages	a	Carry out mapping exercise of existing marketing activity, use of branding, and gaps in this activity in conjunction with LEP. Discuss scope to tailor this marketing to individual towns, clusters or business parks and pilot new ideas with a test group	Initial mapping exercise to be undertaken in-house and in conjunction with OxLEP. Small budget required (up to £5k) to trial new marketing material and then launch to SMEs (following feedback)	S/M
		b	Brief county-wide agencies (eg OxLEP, Thames Valley Chamber of Commerce etc) on the findings from this research, to	Expected to be limited at this stage	S

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
			prompt them to think about what is different in the south of the county, and how effective their services are in South/Vale		
	Training / capacity building with town managers about business support available and tailoring this to specific town / business needs	b	Hold group training session and 1-2-1 meetings to up-skill town managers (once progress has been made on action above)	Training and capacity building anticipated to be undertaken in-house	S/M
	Organise and hold regular 'drop-in' sessions once a month in accessible hub locations and invite local SMEs to attend. Ideally this would involve town managers to help build and foster local SME relationships	a	Explore location/site options for drop-in sessions, ensuring even geographical distribution across each authority area. Collate existing information/material, identify gaps and prepare new promotional material (linked to 2 actions above)	Costs associated with hiring drop-in/meeting space each month (in multiple locations) (up to £1.5k), anticipated to be resourced in-house by Officers	M
	Establish a local procurement network or supplier development programme to bring local SMEs together, foster collaborative working and enable businesses to support each other through new business opportunities	a	Identify best practice examples from elsewhere and replicate as far as possible Examples to review/consider: http://www.bexleyforbusiness.co.uk/news/bexley-business-guide-and-directory https://www.the-chest.org.uk/ https://www.sdpscotland.co.uk/	Initial information gathering anticipated to be undertaken in-house. Budget required to fund development of an online procurement portal (£50-£100k) and ongoing maintenance	M

Source: Lichfields

Business Space

Table 5.2 Business Space Interventions

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
Availability of good quality, affordable workspace	Provision/funding of new business centre(s) in study area offering good quality space/units at affordable rents	a	Undertake a feasibility study to assess the need for new centre(s) and implications. Study to include: mapping of existing facilities in study area and surrounding area (is there a particular gap in current provision?), potential operational/delivery models, location(s)/site availability and funding sources. Locations could include market towns, Berinsfield and Didcot (based on regeneration proposals)	Up to £30-£50k to commission feasibility study, then scope for capital funding to invest in new facility Examples to review/consider: • Stevenage Business and Technology Centre (£7m capital investment, joint funded by the council, EEDA, and the Government Growth Area Fund) • Corby Enterprise Centre (£8.3m capital investment, joint funded by Corby borough council (£700k), emda (£6.5m), and Northamptonshire county council (£1m))	S/M
		a	To inform the feasibility study, interviews could be undertaken with existing business centre operators both within and outside of the study area to explore potential operational models in detail.	Complete in-house using council resources or commission externally (as part of feasibility study budget, see above)	S/M
	Support/enable more effective signposting of workspace available to SMEs via an accessible 'shop window' online portal	b	Carry out mapping exercise of existing property websites/portals to examine what already exists and where there are gaps	Complete in-house using council resources or commission externally. 'Show window' online portal could form part of existing council business support websites (see above)	S
Specific shortage of	Explore potential for larger scale business space to be provided within new mixed	c	Work with planning colleagues to identify potential upcoming scheme	Expected to be limited at this stage, resourced internally by	S/M

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
'move on' space	use development schemes		opportunities (including Didcot Garden Town) and planning contributions/ agreements	Officers	
	Explore scope for greater flexibility within existing premises and enterprise centres (for example by merging and reconfiguring individual units)	c	Discuss opportunities and options with workspace providers to establish level of interest/willingness	Expected to be limited at this stage, resourced internally by Officers	S
	Explore opportunities to share council owned land/premises to cater for this gap in the market	a	Audit of council owned premises and property to identify scope and feasibility	Expected to be limited at first, potential for initial outlay to make premises 'business ready'	S/M
	(Re)consider planning policies on loss of employment space/land to potentially make these stricter	b	Undertake detailed employment land supply assessment and anticipated delivery trajectory to identify 'key' sites to retain and protect against future loss Examples to review/consider: https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Employment%20Land%20Supply%20Trajectory%20Final%20Report%202013new.pdf https://www.luton.gov.uk/Environment/Lists/LutonDocuments/PDF/Local%20Plan/Growing%20Lutons%20economy/ECON%20003a.pdf	Complete in-house using council resources or commission externally (up to £25k per authority, depending on number of sites included)	S/M
Business rates prohibiting growth and expansion	Raise awareness amongst local SME community about business rate relief available for small businesses	b	Prepare a short leaflet/website detailing what support is available and how to apply for the small business rate relief. Promote via newsletter, existing networks and social media campaign	Complete in-house using council resources. Small budget (up to £5k) required to print and circulate leaflet if hard copies preferred to electronic	S

Source: Lichfields

Skills and Labour Force

Table 5.3 Skills Interventions

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
Difficulties in attracting skilled staff to South/Vale	Explore measures to enhance the attractiveness of South/Vale as a place to live and work. This includes identifying and tackling challenges which damage the reputation of South/Vale as an attractive place to live and work	b	Identify and recognise as a broader policy issue that has implications for a range of council objectives and teams. Convene an internal working group (with key council reps) to explore how these challenges can be tackled in a holistic way	Initially requires regular in-house resourcing from across different council department and teams	M/L
Difficulties in retaining staff in the local area, including young people and graduates	Promote the opportunities associated with careers in SMEs	b	Work with the LEP (O2i) and other intermediaries to consider how they can more pro-actively promote careers in SMEs e.g. through use of case studies of successful, high growth firms and outcomes, career fairs/events etc. Examples to review/consider: http://www.aston.ac.uk/news/releases/2016/march/smaller-business-bigger-opportunities-successful-sme-job-fair/ https://www.northumbria.ac.uk/business-services/connect-with-our-students/northumbria-graduates-into-business/	Initial discussions undertaken in-house and in conjunction with OxLEP/other partner agencies	M
		a	Run local workshops to help SMEs recruit more effectively, share good practice. Potential to be hosted by local recruitment companies	Could be undertaken jointly by councils and local recruitment firms	S/M
Skills shortages in particular professions/sectors	Encourage greater alignment between local education providers and employers via an intermediary	b	Use the existing Oxfordshire Business Support Navigators and/or equivalent council initiatives as a prompt to encourage engagement with SMEs to	Initially requires regular in-house resourcing and commitment via the Navigators	S/M

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
			identify gaps in skills training	programme	
		b	Brief OBS about the BIS and emerging findings, and prompt them to ask themselves how far they are reaching SMEs in the south of the county		S
	Promote the existing Apprenticeship support programme and the opportunities / benefits that Apprentices can bring to SMEs	b	Introduce a mechanism for continuing engagement with SMEs, for example through regular e-newsletter containing an opportunity for SMEs to feedback on existing service	Expected to be limited at this stage, using existing communication channels with SMEs	S

Source: Lichfields

Infrastructure and Planning

Table 5.4 Infrastructure and Planning Interventions

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
Parking and congestion in and around market towns and key transport routes	Smarter traffic management and parking policies in and around town centre	c	Convene an internal working group (with key council reps from transport, highways, parking depts. etc.) to explore the main issues and 'pinch points', and feedback key messages from this study	Initially requires regular in-house resourcing from across different council department and teams	M/L
		a	Host focus group/drop in sessions in each market town to invite feedback from local SMEs on town specific issues and suggested interventions		
		a	Identify best practice examples of interventions and successful policies from elsewhere and explore how these lessons could be applied to South/Vale		S/M
Difficulties obtaining planning permission for expansion/relocation	Hold regular 'drop-in' sessions for local SMEs to discuss planning related issues and problems	a	Liaise with the Planning team to explore the potential to hold regular sessions comprising members of the council's Economic Development and Planning teams	Would require regular resourcing from ED and Planning teams (initially 1 member from each and review after 6 months)	S/M
	Promote the help available via existing business support programmes / networks	b	Revisit existing help/information available to businesses and examine whether this could be refreshed or improved	Initially requires in-house resourcing from planning and ED teams	S
		b	Include key website links and planning team contacts in regular e-newsletters and other communication with SMEs	Expected to be limited once regular communication channels have been established	S/M

Issue, Need or Barrier	Potential Response	Type of Response	Potential Actions and Next Steps	Resource Implications	Timescales (S/M/L Term)
Frequency and accessibility of public transport	Explore opportunities to fund public transport improvements, particularly outside of urban centres	b	Undertake transport study to identify gaps in provision and particular 'pinch points' to focus future investment/funding	Up to £50-£60k for transport study, plus internal resourcing	S/M
		c	Work with planning colleagues to identify potential opportunities to generate planning contributions to fund transport improvements	Initially requires in-house resourcing from planning and ED teams	S/M
Access to high speed broadband	Continue to lobby for broadband roll-out particularly within more rural areas	c	Undertake mapping exercise of existing broadband provision to identify key gaps	To be undertaken in-house and in conjunction with Oxfordshire county council and other partners	S/M
		c	Following initial mapping exercise, identify possible solutions to fill these gaps going forward, such as wireless broadband solutions for the most rural/remote areas of South/Vale. Alongside this, liaise with OxLEP and county partners to identify potential funding sources such as Local Growth and Growing Places Fund		

Source: Lichfields

Appendix 1: SME Business Survey Questions

South Oxfordshire and Vale of White Horse Business Survey

About Your Business

1. Company name:

2. Contact name:

3. Position within the company:

4. Type of company / main activity:

5. Business postcode:

* 6. Current location:

- South Oxfordshire district
- Vale of White Horse district
- Other location (please specify)

Vale of White Horse District Council

South Oxfordshire District Council

Listening Learning Leading

South Oxfordshire and Vale of White Horse Business Survey

About Your Business

7. Which of these statements best describes the ownership of your business?

- ○ I am the sole owner of the business
- ○ I am one of a number of business owners
- ○ I do not own the business

8. How would you describe your business location in South Oxfordshire / Vale of White Horse?

- ○ Only location
- ○ Headquarters
- ○ Branch
- ○ Back office
- ○ Other (please specify)

* 9. Number of people employed by the company overall (in all locations):

- ○ 0 - 1
- ○ 2 - 9
- ○ 10 - 19
- ○ 20 - 49
- ○ 50 - 250
- ○ More than 250

* 10. Number of people employed by the company in South Oxfordshire / Vale of White Horse only:

- ◯ 0 - 1
- ◯ 2 - 9
- ◯ 10 - 19
- ◯ 20 - 49
- ◯ 50 - 250
- ◯ More than 250

11. What was the turnover of your business for the most recent complete financial year?

- ◯ Less than £50,000
- ◯ £50,000 - £100,000
- ◯ £100,000 - £500,000
- ◯ £500,000 - £1m
- ◯ £1m - £5m
- ◯ £5m - £20m
- ◯ More than £20m
- ◯ Prefer not to disclose

Vale of White Horse District Council | South Oxfordshire District Council — Listening Learning Leading

South Oxfordshire and Vale of White Horse Business Survey

Your Business Location

12. What type of premises does your business currently occupy? Please select all that apply:

- ☐ Office
- ☐ Factory / workshop unit
- ☐ Warehouse
- ☐ Shop unit
- ☐ Based at home

Other (please specify)

13. How long has your business been trading in South Oxfordshire / Vale of White Horse?

- ○ Less than a year
- ○ 1 - 2 years
- ○ 3 - 5 years
- ○ 6 - 10 years
- ○ 11 - 15 years
- ○ More than 15 years

Your Business Needs and Priorities

14. Why is your business located in South Oxfordshire / Vale of White Horse? Please select all that apply:

- [ ] Presence of customers
- [ ] Presence of supply chains
- [ ] Proximity to universities / education providers
- [ ] Presence of Enterprise Zones (e.g. Science Vale)
- [ ] Proximity to home
- [ ] Quality of life

Other (please specify)

15. How important are the following factors for the day-to-day operation of your business?

	Very important	Quite important	Not important	N/A
Availability of premises of the right type and quality	◯	◯	◯	◯
Availability of premises in the right location	◯	◯	◯	◯
Availability of premises at an affordable price	◯	◯	◯	◯
Availability of skilled labour	◯	◯	◯	◯
Accessibility / transport links	◯	◯	◯	◯
Access to high speed broadband	◯	◯	◯	◯
Proximity to customers	◯	◯	◯	◯
Proximity to supply chain	◯	◯	◯	◯
Proximity to competitors	◯	◯	◯	◯
Proximity to other businesses	◯	◯	◯	◯
Accessibility to training providers	◯	◯	◯	◯
Availability of business support (including specific and general advice)	◯	◯	◯	◯
Access to external finance to help my business to grow	◯	◯	◯	◯

Other (please specify)

16. How would you rate your current access to the following?

	Excellent	Good	Average	Poor	N/A
Availability of premises of the right type and quality	○	○	○	○	○
Availability of premises in the right location	○	○	○	○	○
Availability of premises at an affordable price	○	○	○	○	○
Availability of skilled labour	○	○	○	○	○
Accessibility / transport links	○	○	○	○	○
Access to high speed broadband	○	○	○	○	○
Proximity to customers	○	○	○	○	○
Proximity to supply chain	○	○	○	○	○
Proximity to competitors	○	○	○	○	○
Proximity to other businesses	○	○	○	○	○
Accessibility to training providers	○	○	○	○	○
Availability of business support (including specific and general advice)	○	○	○	○	○
Access to external finance to help my business to grow	○	○	○	○	○

Other (please specify)

South Oxfordshire and Vale of White Horse Business Survey

Growing Your Business

* 17. Have you previously experienced any difficulties growing / expanding your business in South Oxfordshire / Vale of White Horse?

- ○ Yes
- ○ No

Vale of White Horse District Council

South Oxfordshire District Council

Listening Learning Leading

South Oxfordshire and Vale of White Horse Business Survey

Growing Your Business

18. What difficulties or barriers did you face?

19. Is there anything that you think could be done to help businesses like yours to overcome these barriers in future?

South Oxfordshire and Vale of White Horse Business Survey

Growing Your Business

* 20. Do you expect to grow your business over the next 5 - 10 years?

- Yes
- No
- Don't know

South Oxfordshire and Vale of White Horse Business Survey

Growing Your Business

21. In what ways do you expect to grow your business? Please select all that apply:

- [ ] Workforce / staff headcount
- [ ] Turnover
- [ ] Premises

Other (please specify)

22. By how much do you expect to grow your business? Please estimate as a broad percentage increase:

Workforce / staff headcount

Turnover

Premises

Other (please specify)

23. How important do you think the following factors will be in enabling your business to grow?

	Very important	Quite important	Not important	N/A
Availability of premises of the right type and quality	○	○	○	○
Availability of premises in the right location	○	○	○	○
Availability of premises at an affordable price	○	○	○	○
Availability of skilled labour	○	○	○	○
Accessibility / transport links	○	○	○	○
Access to high speed broadband	○	○	○	○
Proximity to customers	○	○	○	○
Proximity to supply chain	○	○	○	○
Proximity to competitors	○	○	○	○
Proximity to other businesses	○	○	○	○
Accessibility to training providers	○	○	○	○
Availability of business support (including specific and general advice)	○	○	○	○
Access to external finance to help my business to grow	○	○	○	○

Other (please specify)

24. What do you perceive as the key barriers or major obstacles to enabling your business to achieve this growth? Please rank the following factors (1 = not a major obstacle, 5 = a major obstacle):

	1 (not a major obstacle)	2	3	4	5 (a major obstacle)
Competition in the market	○	○	○	○	○
Regulations / red tape (including health and safety, planning, environmental regulations, etc)	○	○	○	○	○
Taxation (VAT, PAYE, NI, rates, etc)	○	○	○	○	○
Late payment from clients / customers	○	○	○	○	○
Staff recruitment and skills	○	○	○	○	○
Workplace pensions	○	○	○	○	○
Obtaining finance	○	○	○	○	○
Obtaining business support	○	○	○	○	○
Availability / cost of suitable premises	○	○	○	○	○
Transport links and accessibility	○	○	○	○	○
Access to high speed broadband	○	○	○	○	○

Other (please specify)

South Oxfordshire and Vale of White Horse Business Survey

Growing Your Business

25. Why do you not expect to grow your business?

Business Support

* 26. Do you, or have you, received any help or support from local business support providers such as South Oxfordshire District Council (SO Business), Vale of White Horse District Council (Vale4Business), or OxLEP (Oxfordshire Business Support)?

- ◯ Yes, I am currently receiving support
- ◯ Yes, I have received support in the past
- ◯ No

South Oxfordshire and Vale of White Horse Business Survey

Business Support

27. What type of business support did you receive / are you receiving?

Vale of White Horse District Council

South Oxfordshire District Council

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South Oxfordshire and Vale of White Horse Business Survey

Business Support

28. Are there any particular areas of support that the councils and their partners could provide to help your business to grow? Please explain:

Vale of White Horse District Council

South Oxfordshire District Council

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South Oxfordshire and Vale of White Horse Business Survey

Other Comments

29. Do you have any comments to make about your current site / premises and the suitability of South Oxfordshire / Vale of White Horse as a business location?

30. Any other comments?

* 31. Would you be willing to be contacted by South Oxfordshire or Vale of White Horse District Council to discuss your response in more detail?

- ○ Yes
- ○ No

Vale of White Horse District Council
South Oxfordshire District Council
Listening Learning Leading

South Oxfordshire and Vale of White Horse Business Survey

Other Comments

32. Please provide your contact details below:

Contact name:

Telephone:

Email address:

Vale of White Horse District Council
South Oxfordshire District Council
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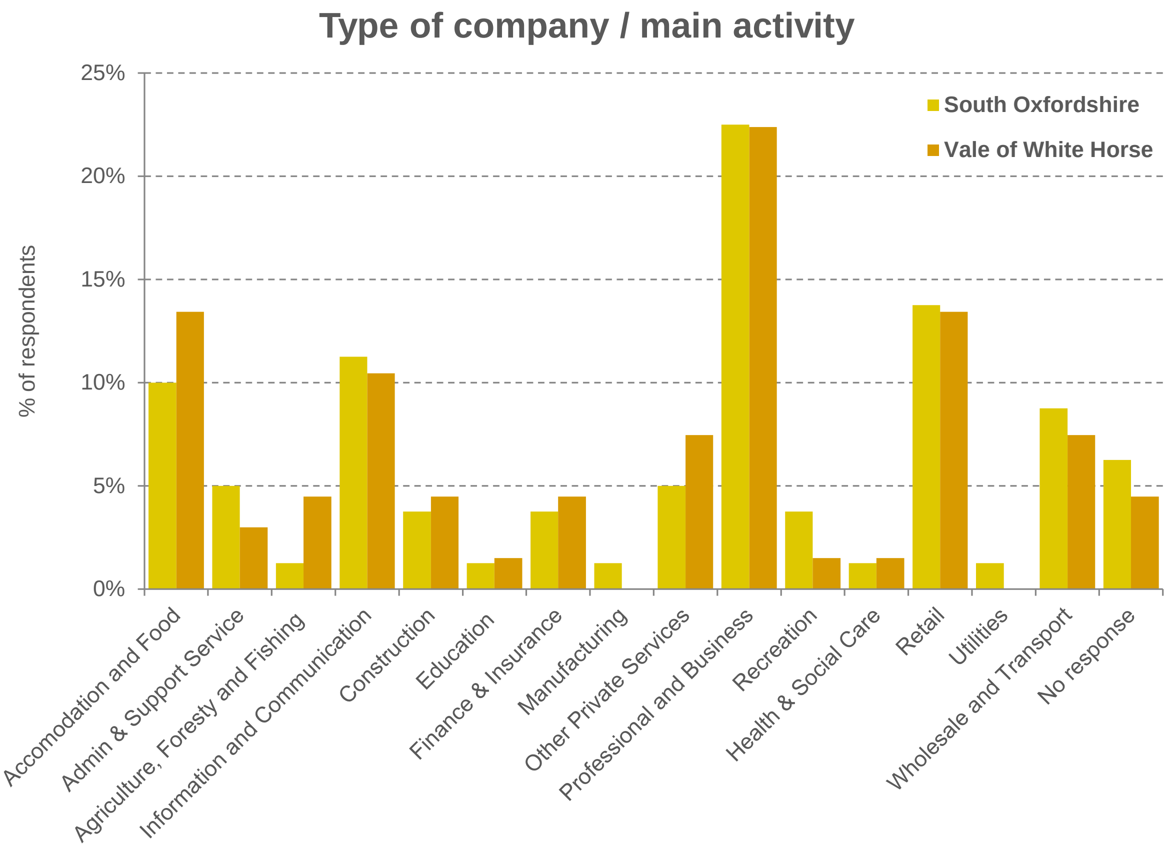
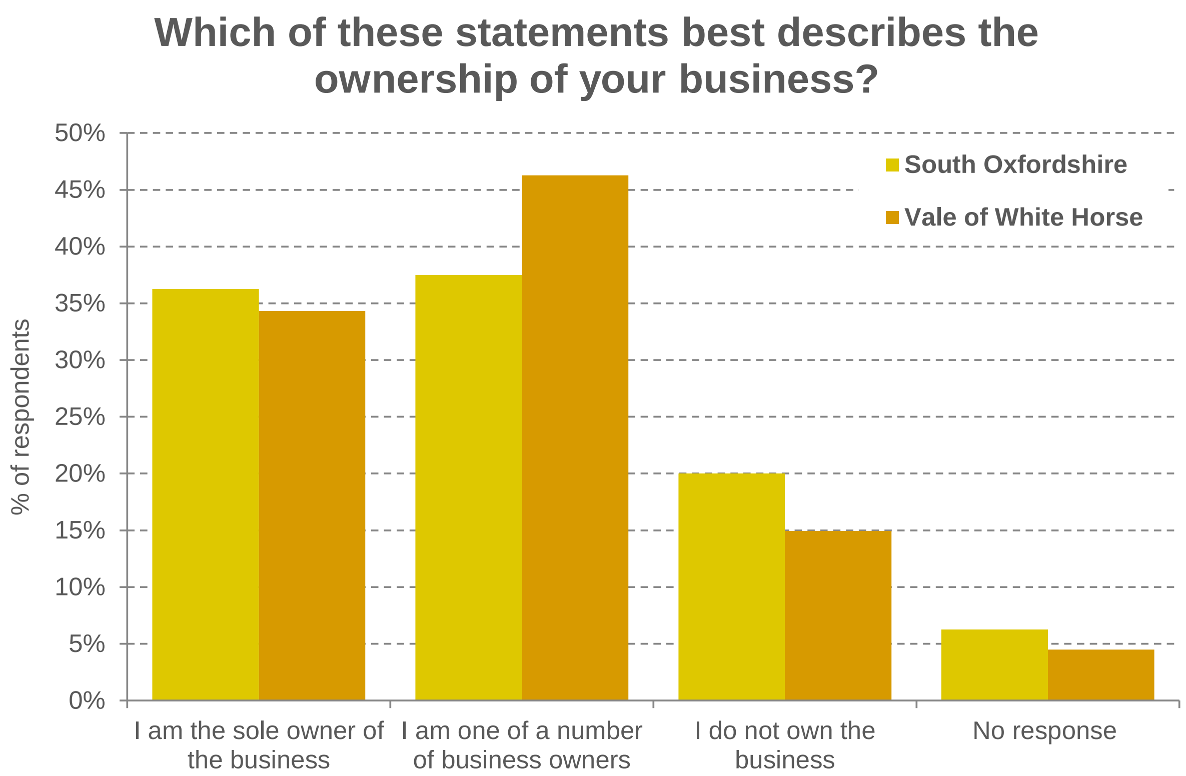
South Oxfordshire and Vale of White Horse Business Survey

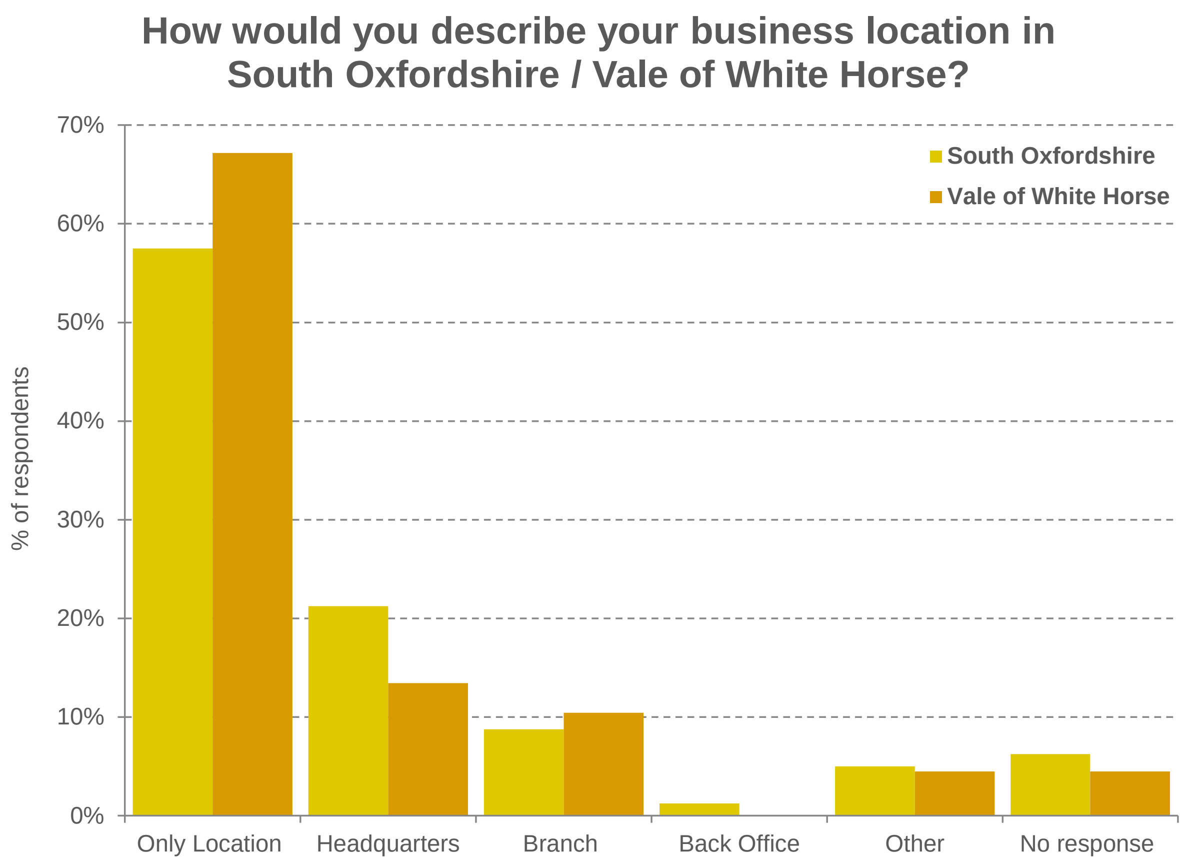
Completed Survey

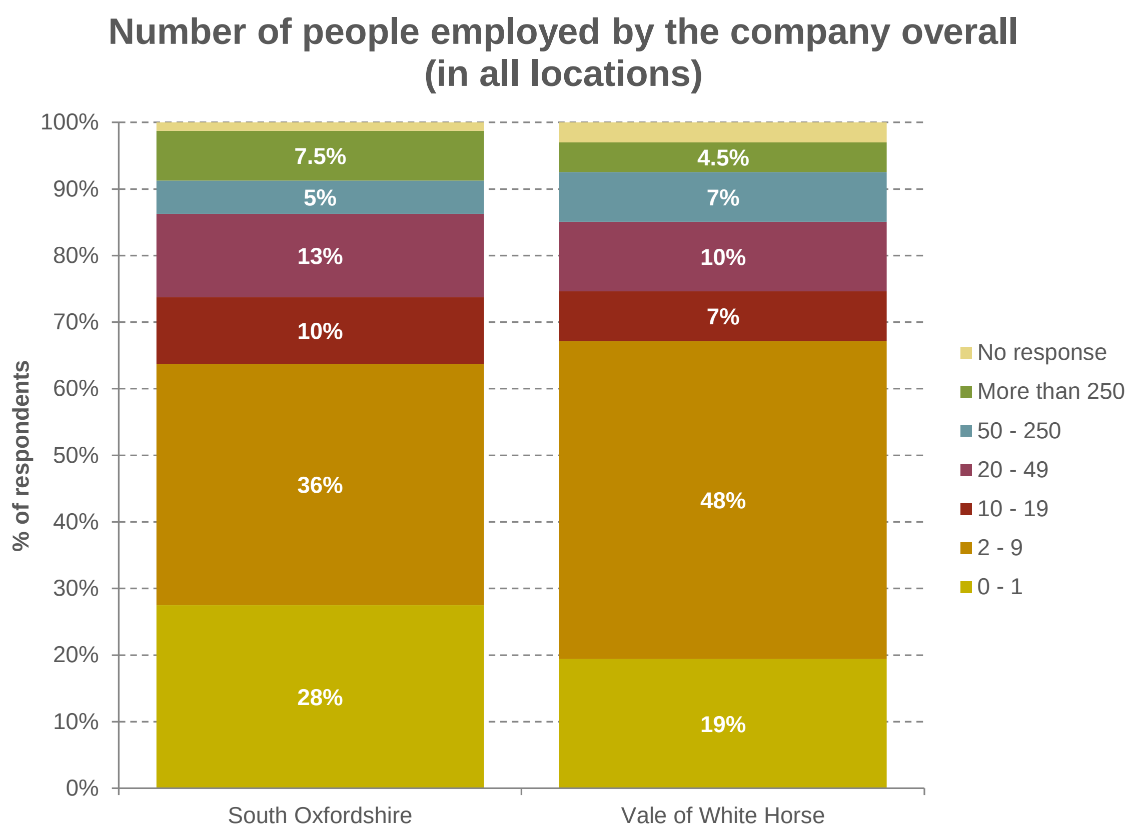
Thank you for taking the time to complete the survey.

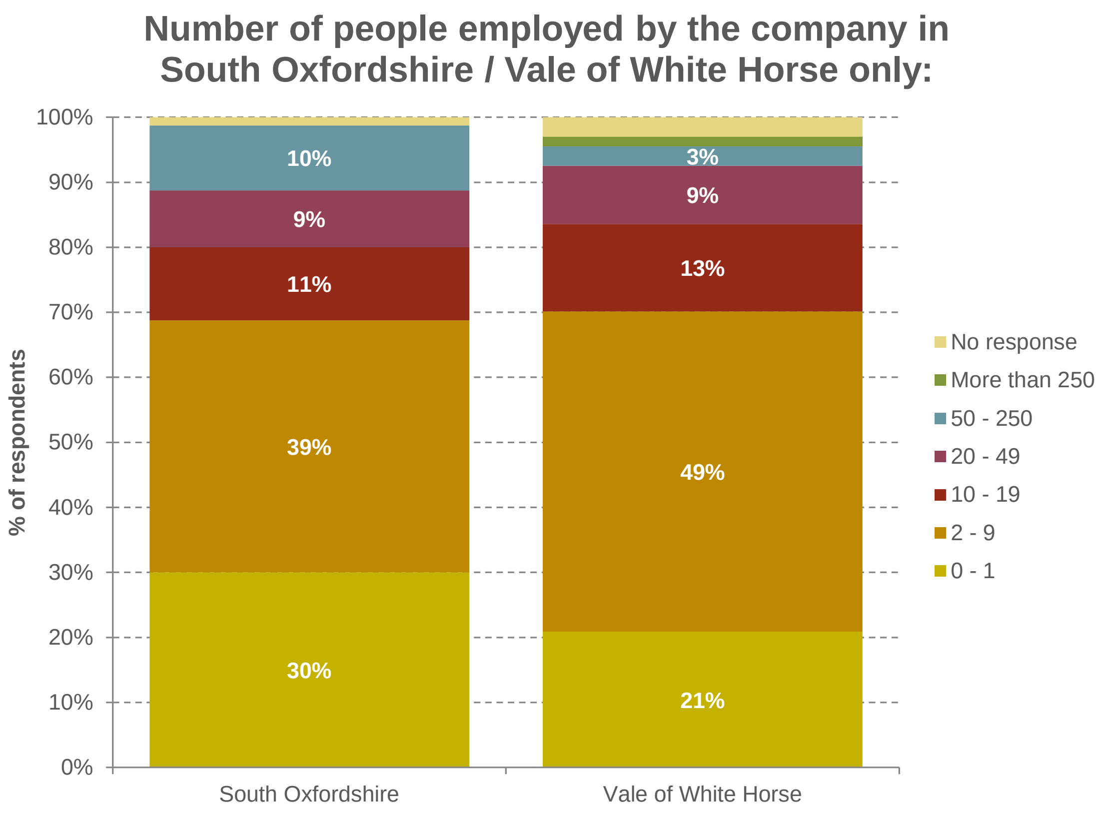
Appendix 2: SME Business Survey Charts

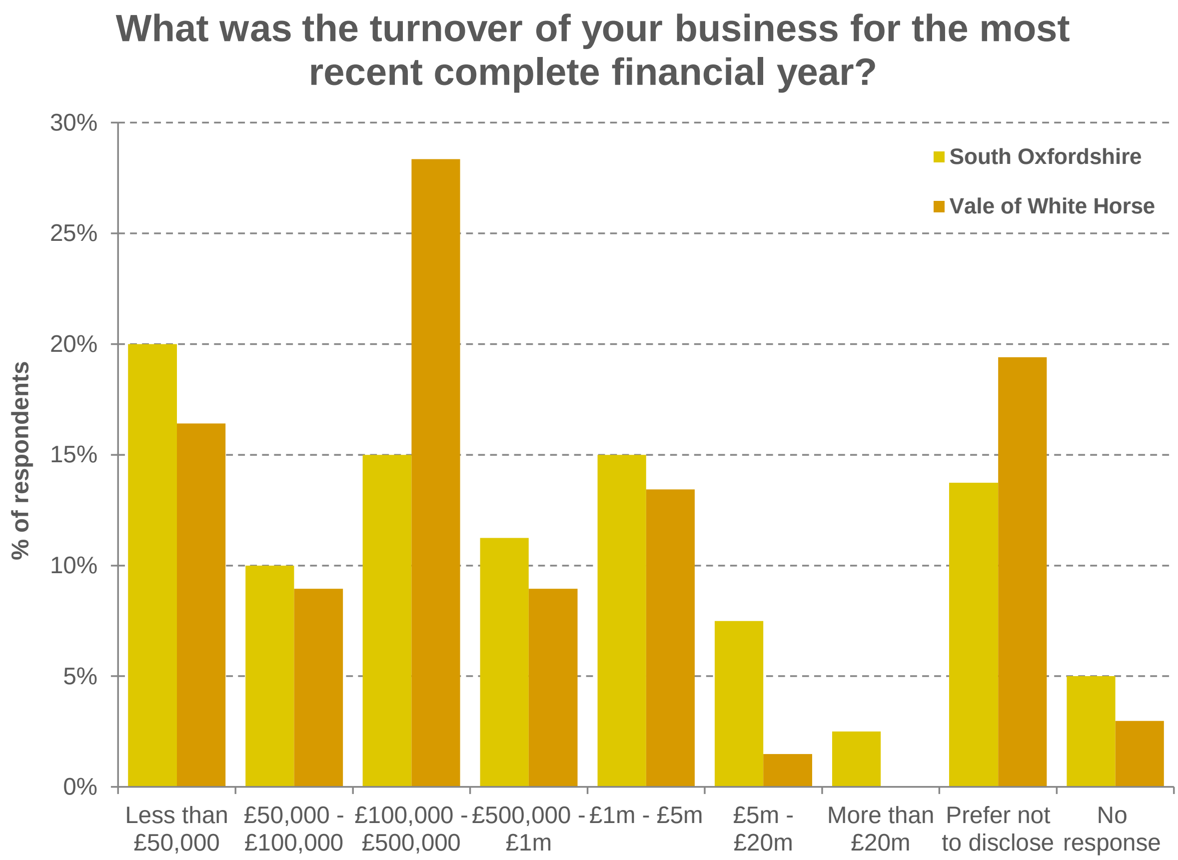

Type of company / main activity
South Oxfordshire
Vale of White Horse
% of respondents
25%
20%
15%
10%
5%
0%
Accomodation and Food
Admin & Support Service
Agriculture, Foresty and Fishing
Information and Communication
Construction
Education
Finance & Insurance
Manufacturing
Other Private Services
Professional and Business
Recreation
Health & Social Care
Retail
Utilities
Wholesale and Transport
No response


Which of these statements best describes the ownership of your business?
South Oxfordshire
Vale of White Horse
% of respondents
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
I am the sole owner of the business
I am one of a number of business owners
I do not own the business
No response

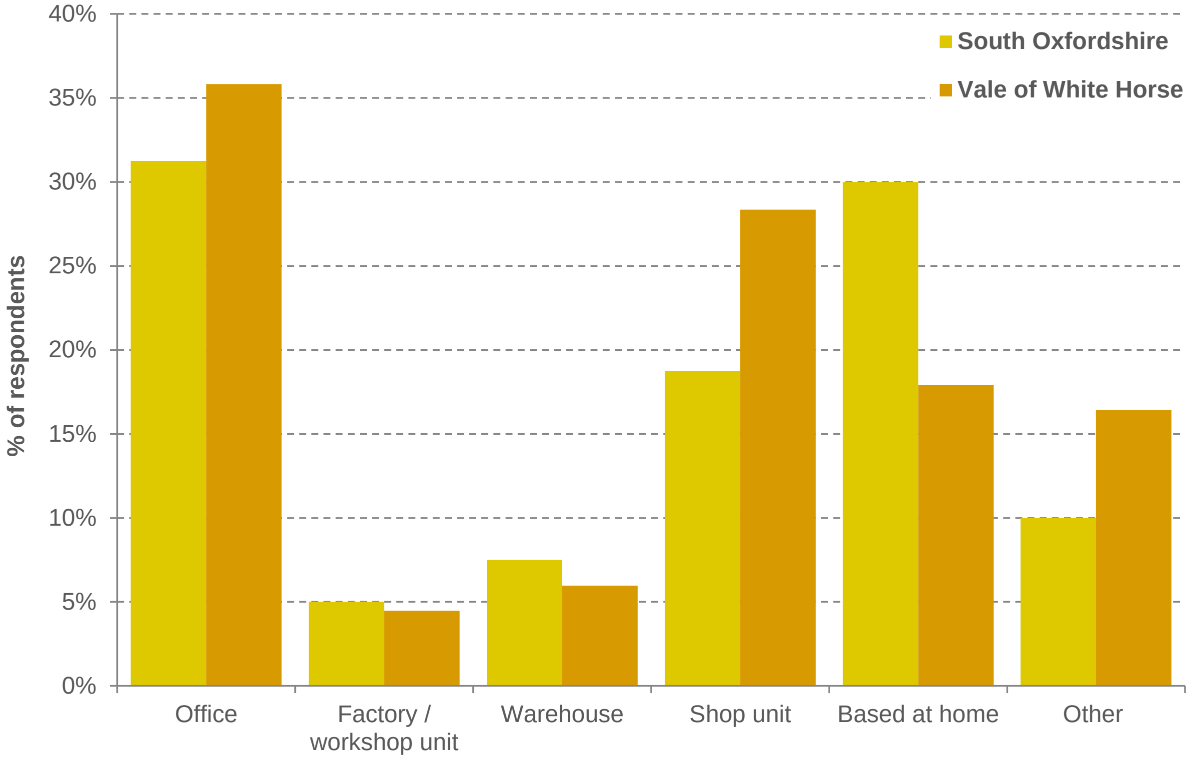

How would you describe your business location in South Oxfordshire / Vale of White Horse?
South Oxfordshire
Vale of White Horse
% of respondents
70%
60%
50%
40%
30%
20%
10%
0%
Only Location
Headquarters
Branch
Back Office
Other
No response


Number of people employed by the company overall (in all locations)
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
7.5%
5%
13%
10%
36%
28%
4.5%
7%
10%
7%
48%
19%
South Oxfordshire
Vale of White Horse
No response
More than 250
50 - 250
20 - 49
10 - 19
2 - 9
0 - 1

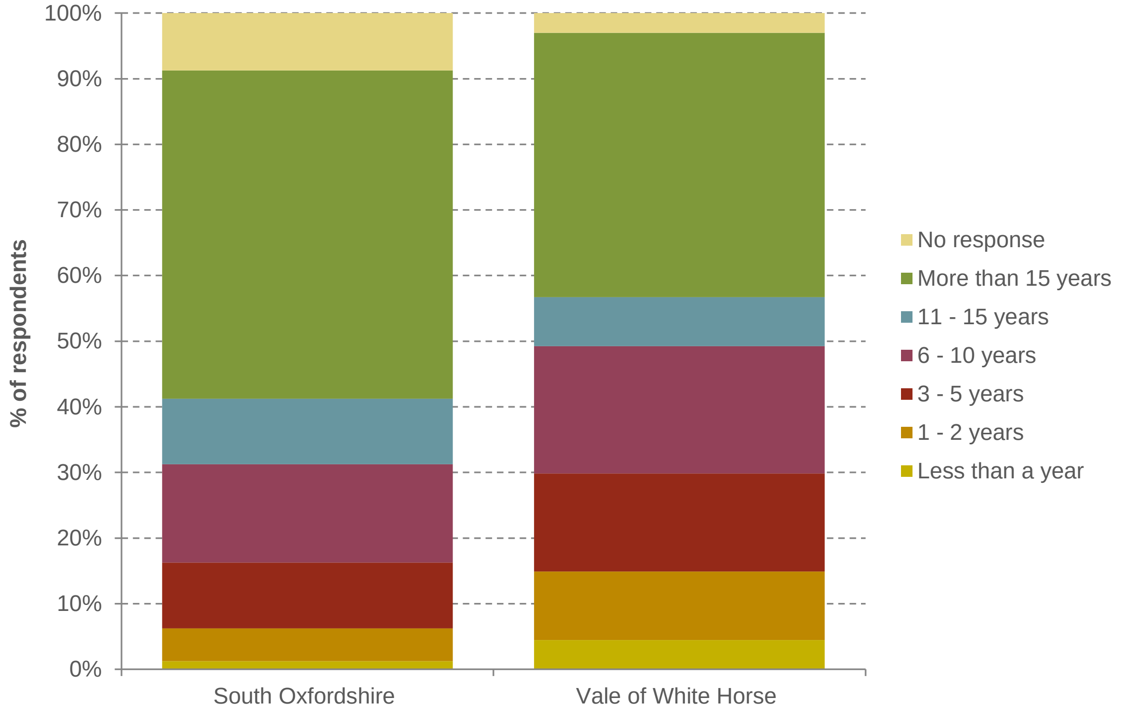

Number of people employed by the company in South Oxfordshire / Vale of White Horse only:
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
10%
9%
11%
39%
30%
3%
9%
13%
49%
21%
South Oxfordshire
Vale of White Horse
No response
More than 250
50 - 250
20 - 49
10 - 19
2 - 9
0 - 1

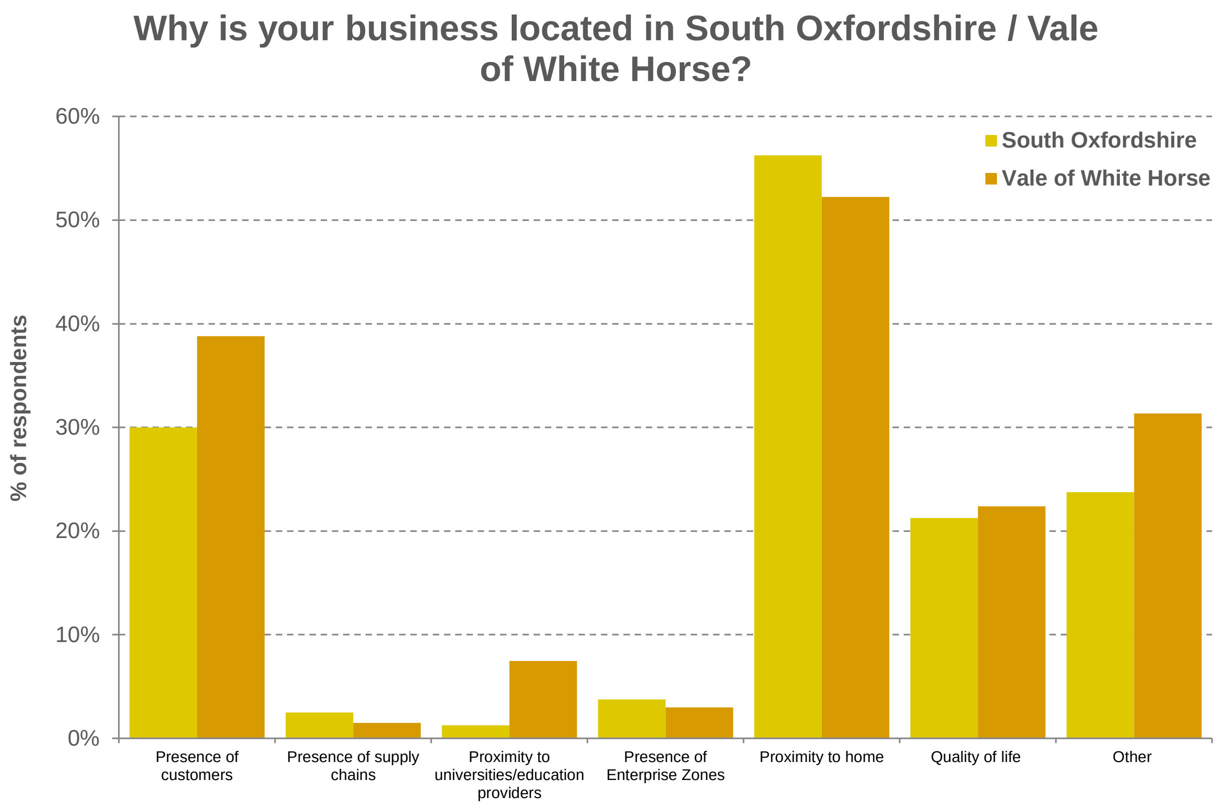

What was the turnover of your business for the most recent complete financial year?
% of respondents
30%
25%
20%
15%
10%
5%
0%
South Oxfordshire
Vale of White Horse
Less than £50,000
£50,000 - £100,000
£100,000 - £500,000
£500,000 - £1m
£1m - £5m
£5m - £20m
More than £20m
Prefer not to disclose
No response

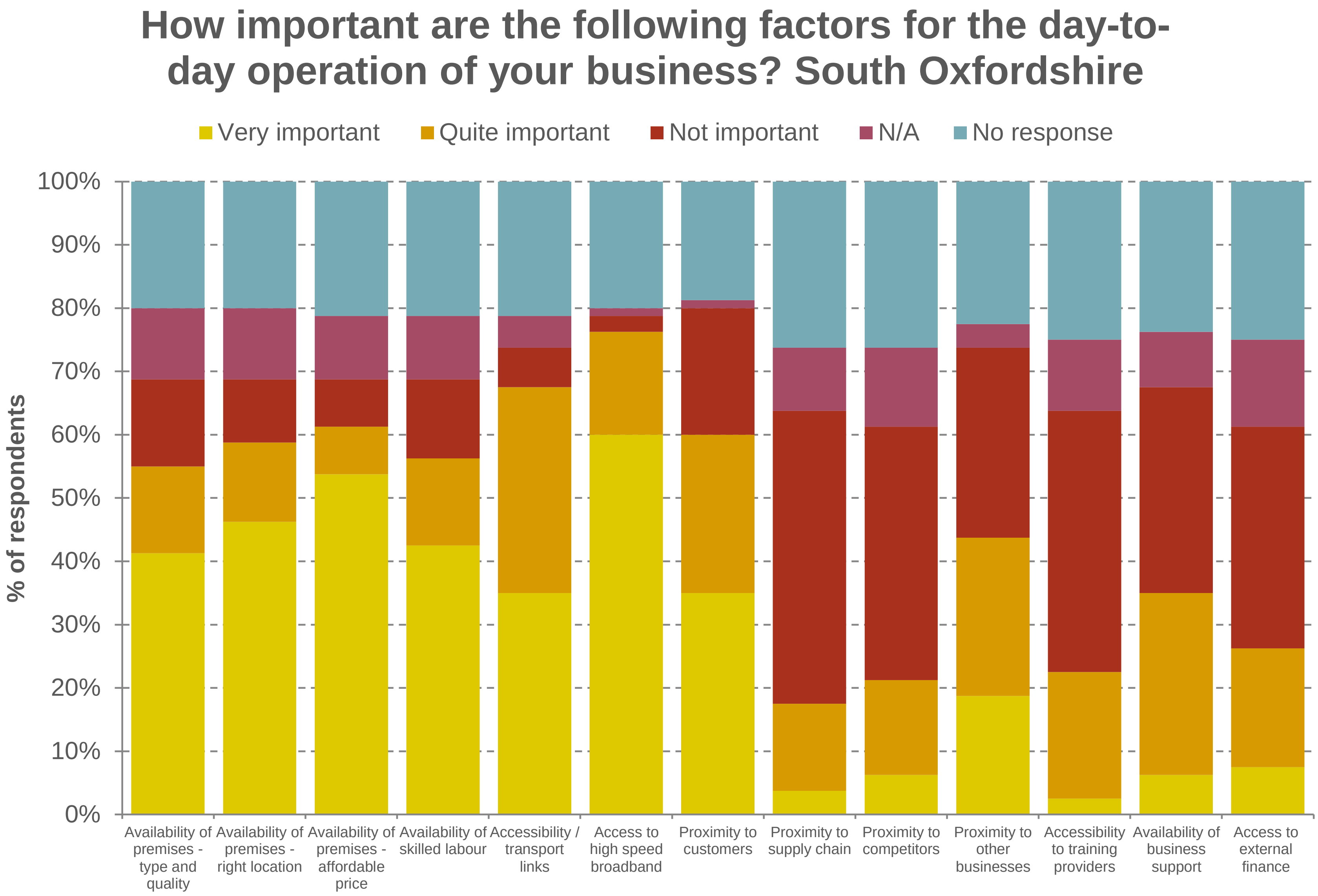
What type of premises does your business currently occupy?

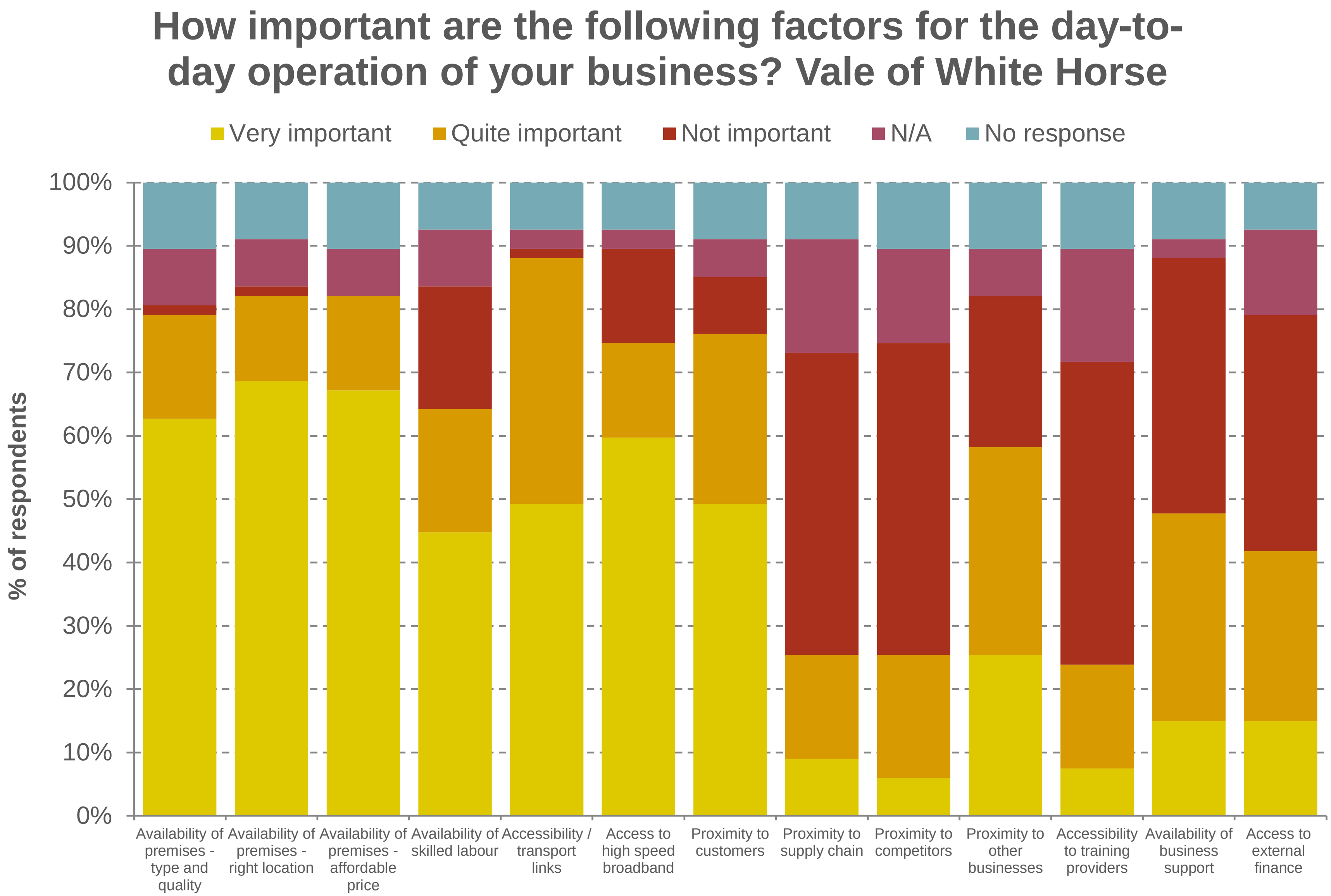


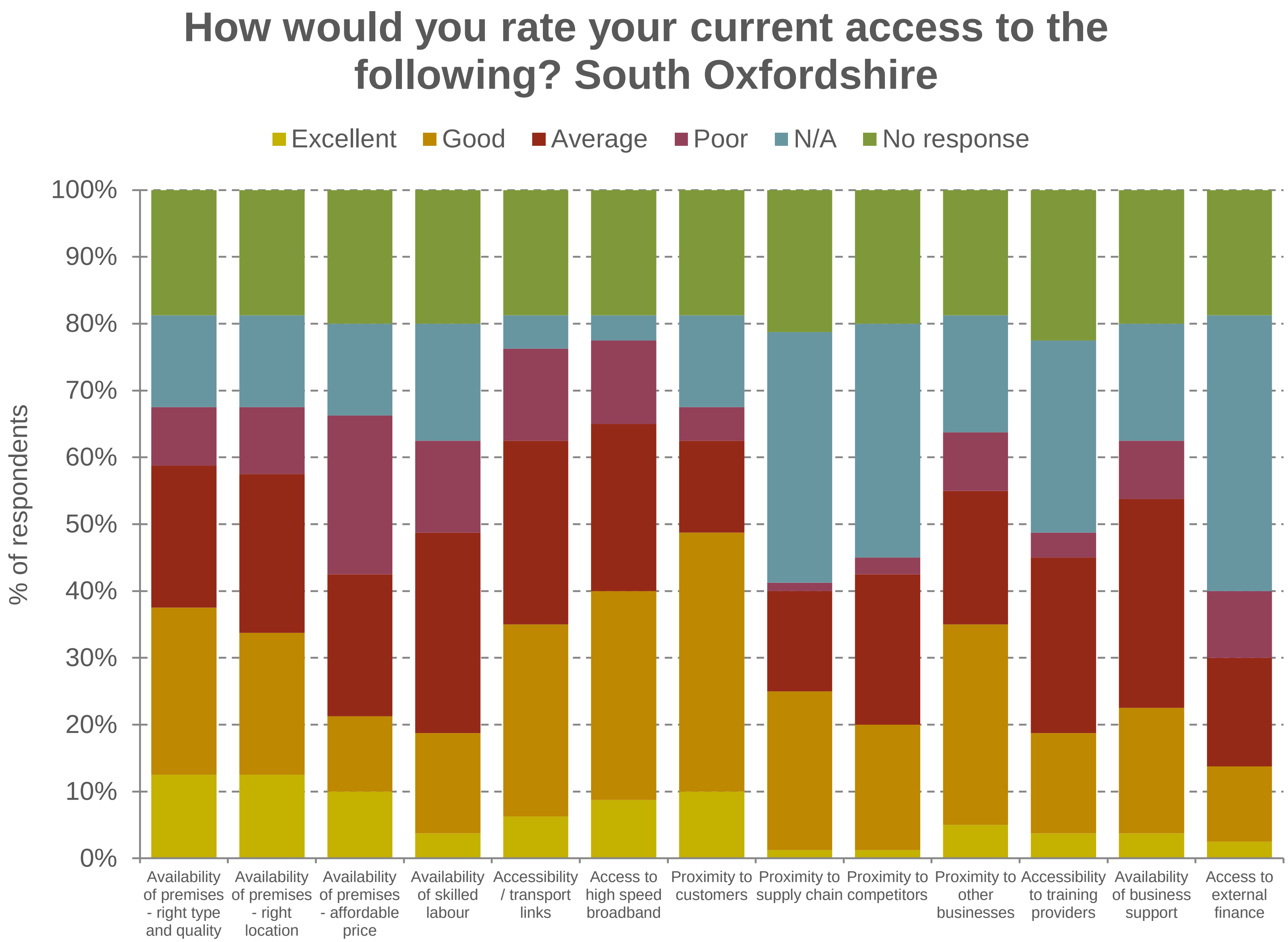
How long has your business been trading in South Oxfordshire / Vale of White Horse?

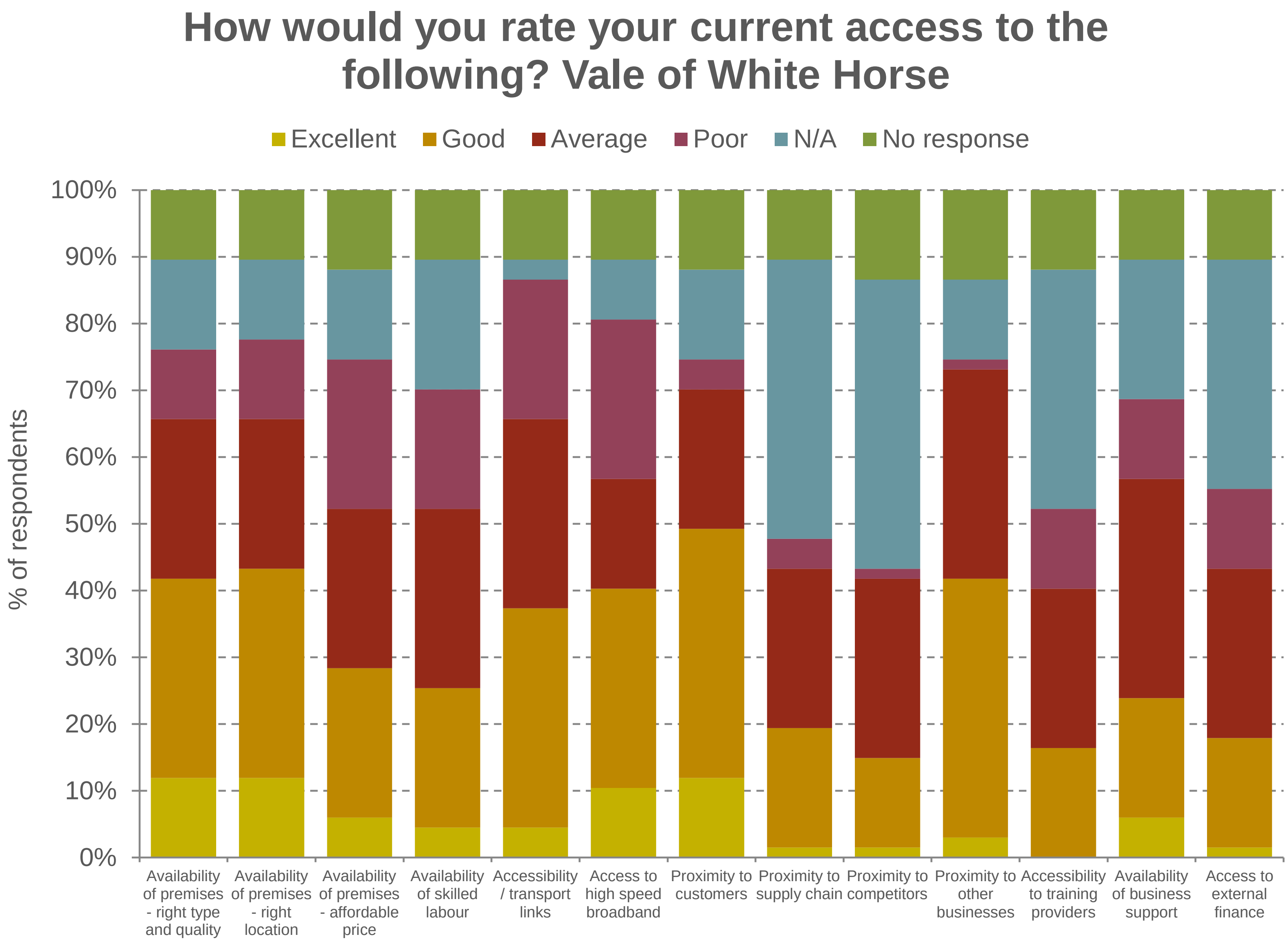


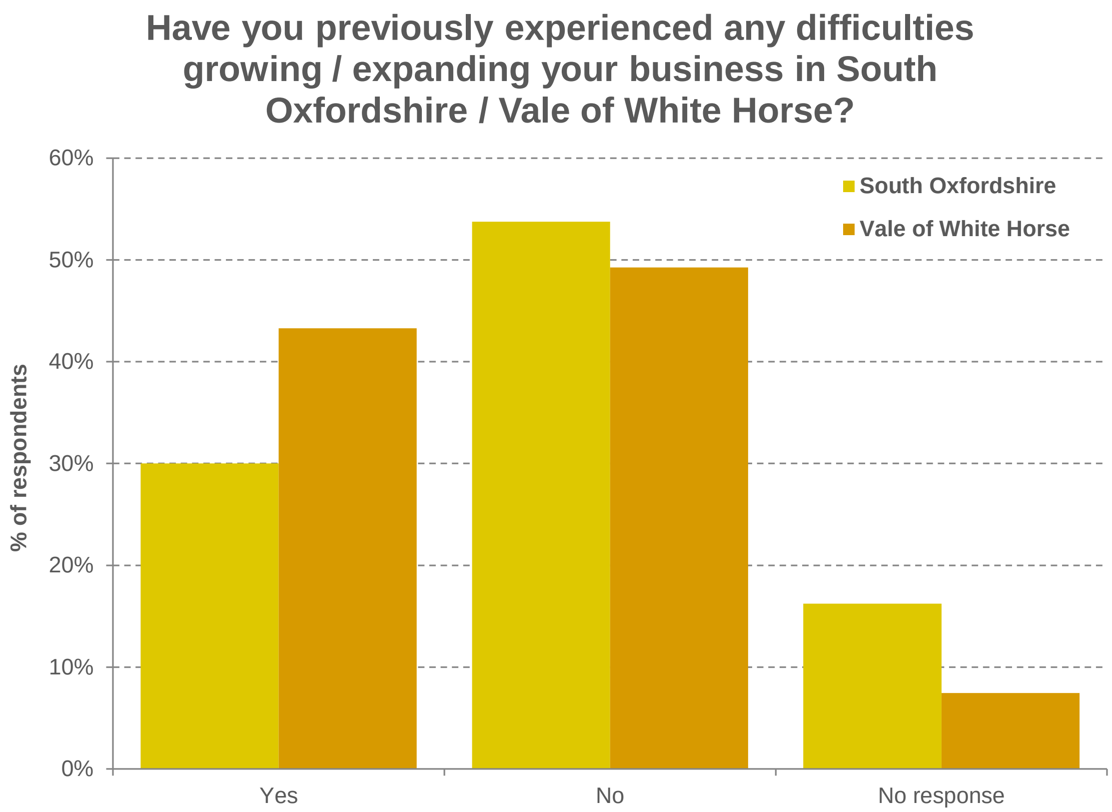

Why is your business located in South Oxfordshire / Vale of White Horse?
South Oxfordshire
Vale of White Horse
% of respondents
60%
50%
40%
30%
20%
10%
0%
Presence of customers
Presence of supply chains
Proximity to universities/education providers
Presence of Enterprise Zones
Proximity to home
Quality of life
Other

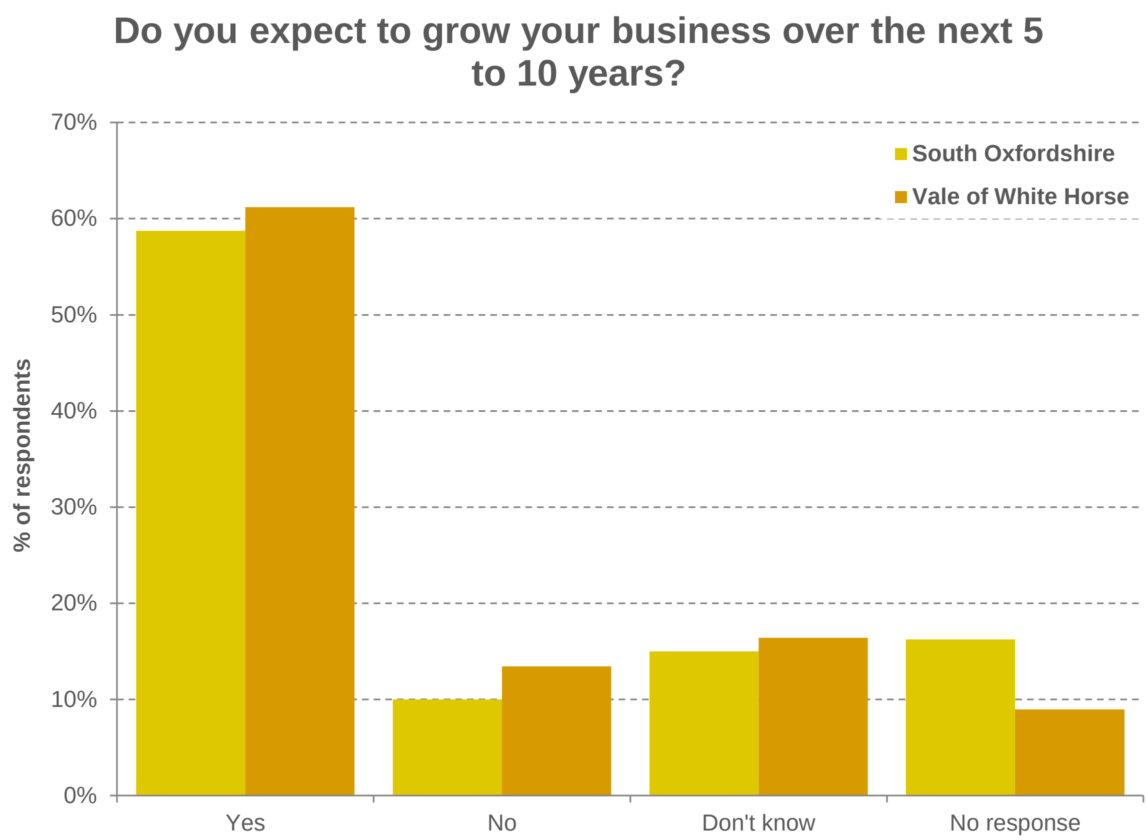

How important are the following factors for the day-to-day operation of your business? South Oxfordshire
Very important
Quite important
Not important
N/A
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Availability of premises - type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance

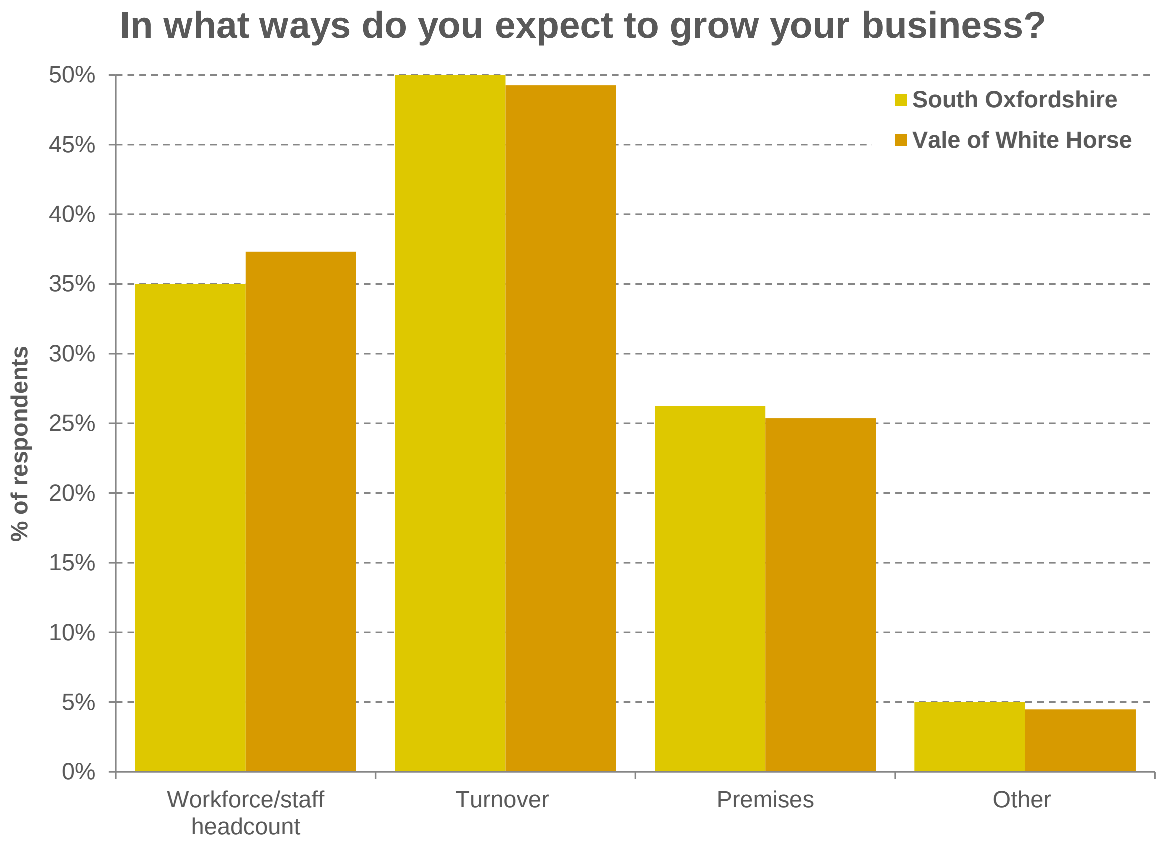

How important are the following factors for the day-to-day operation of your business? Vale of White Horse
Very important
Quite important
Not important
N/A
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Availability of premises - type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance

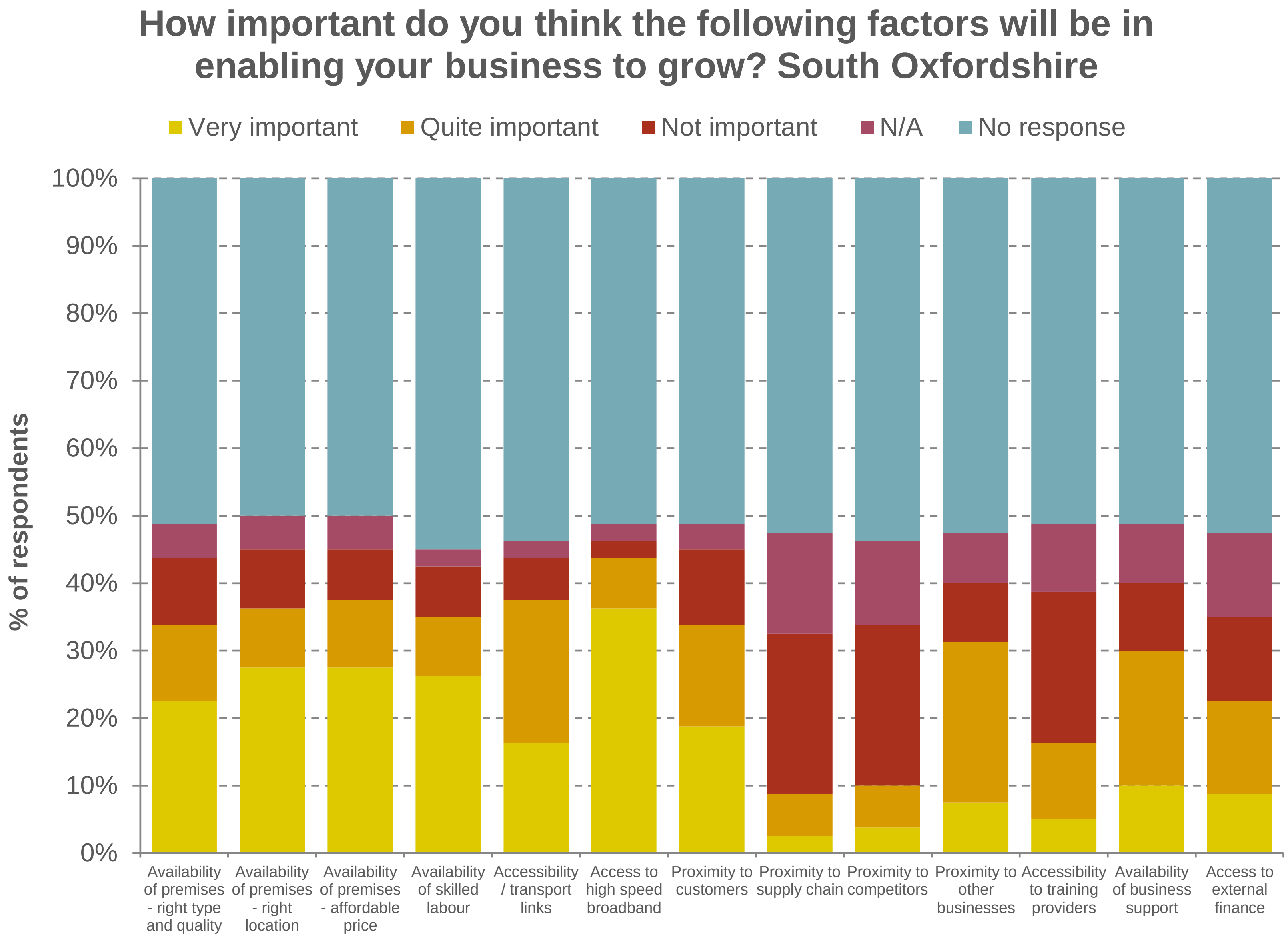

How would you rate your current access to the following? South Oxfordshire
Excellent
Good
Average
Poor
N/A
No response
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
% of respondents
Availability of premises - right type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance

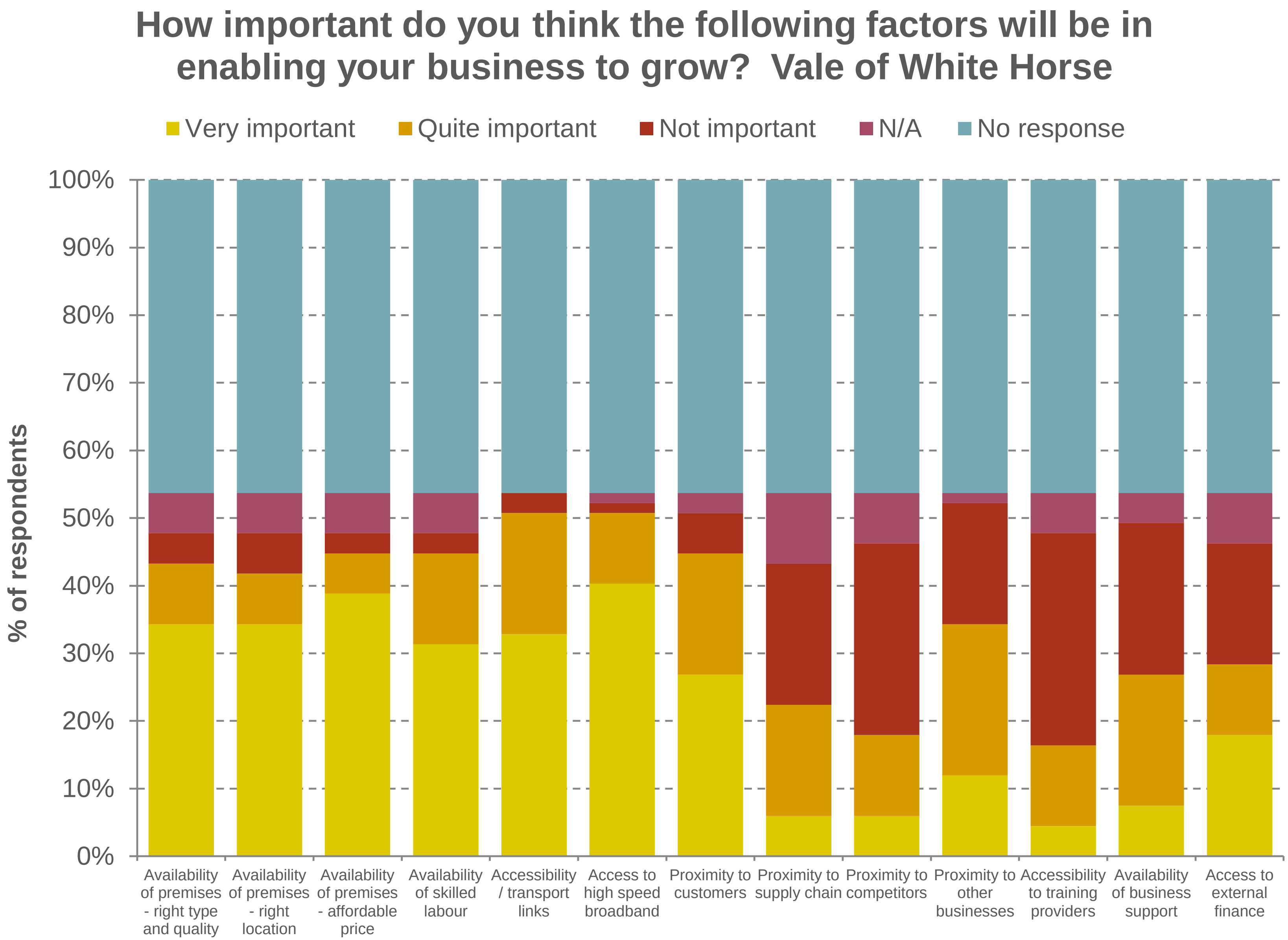

How would you rate your current access to the following? Vale of White Horse
Excellent
Good
Average
Poor
N/A
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Availability of premises - right type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance

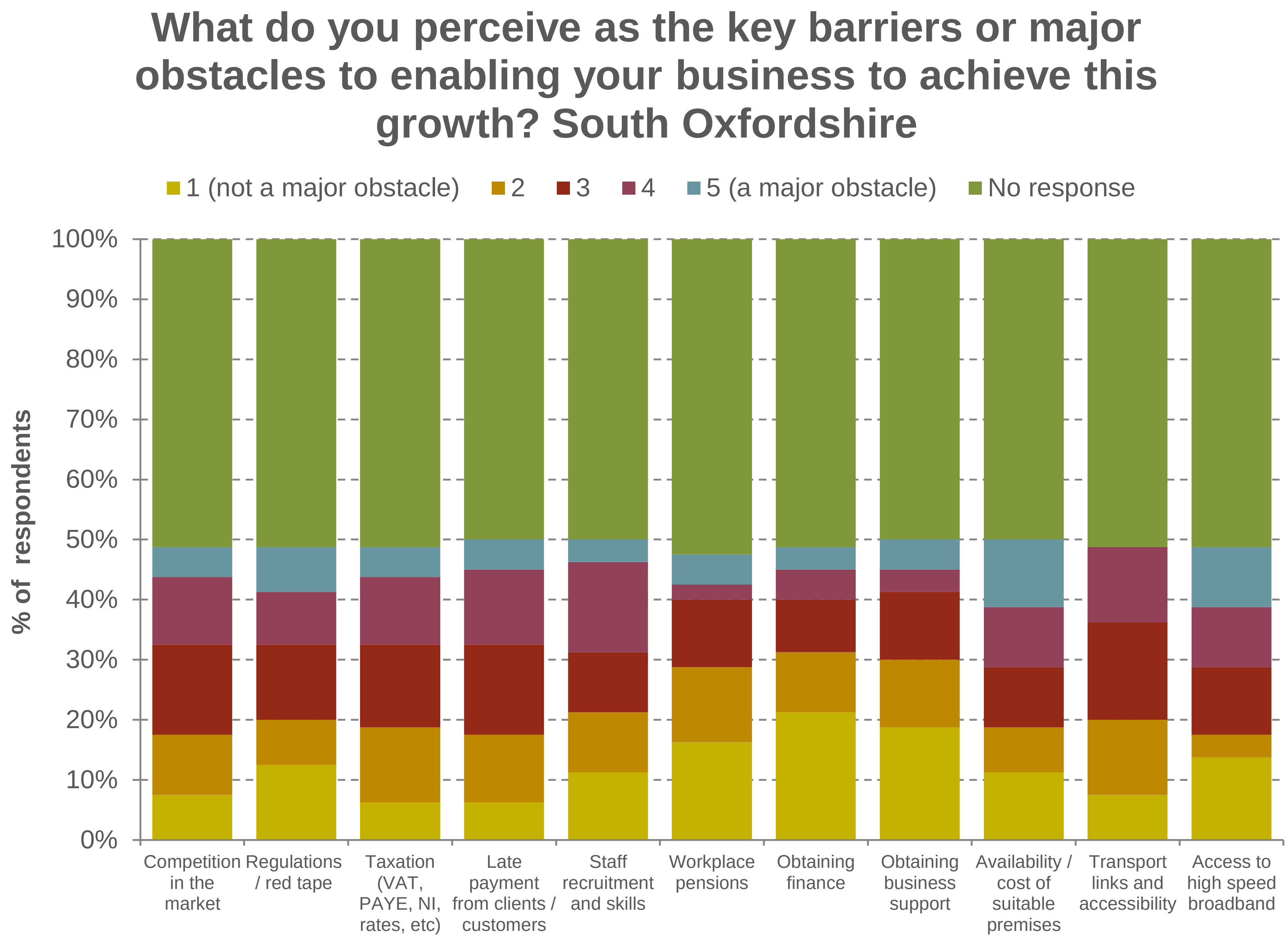

Have you previously experienced any difficulties growing / expanding your business in South Oxfordshire / Vale of White Horse?
60%
50%
40%
30%
20%
10%
0%
% of respondents
South Oxfordshire
Vale of White Horse
Yes
No
No response

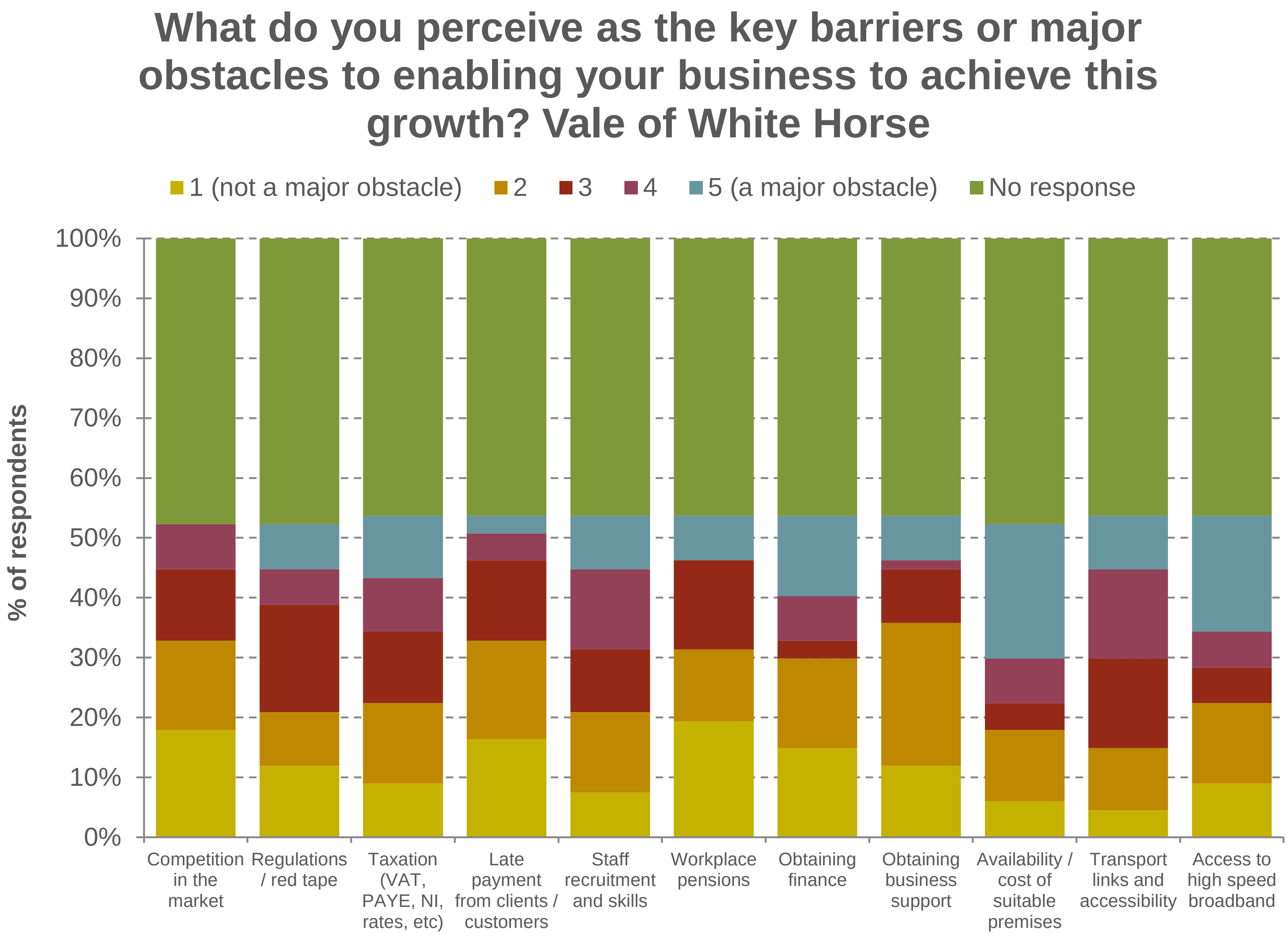

Do you expect to grow your business over the next 5 to 10 years?
70%
60%
50%
40%
30%
20%
10%
0%
% of respondents
South Oxfordshire
Vale of White Horse
Yes
No
Don't know
No response

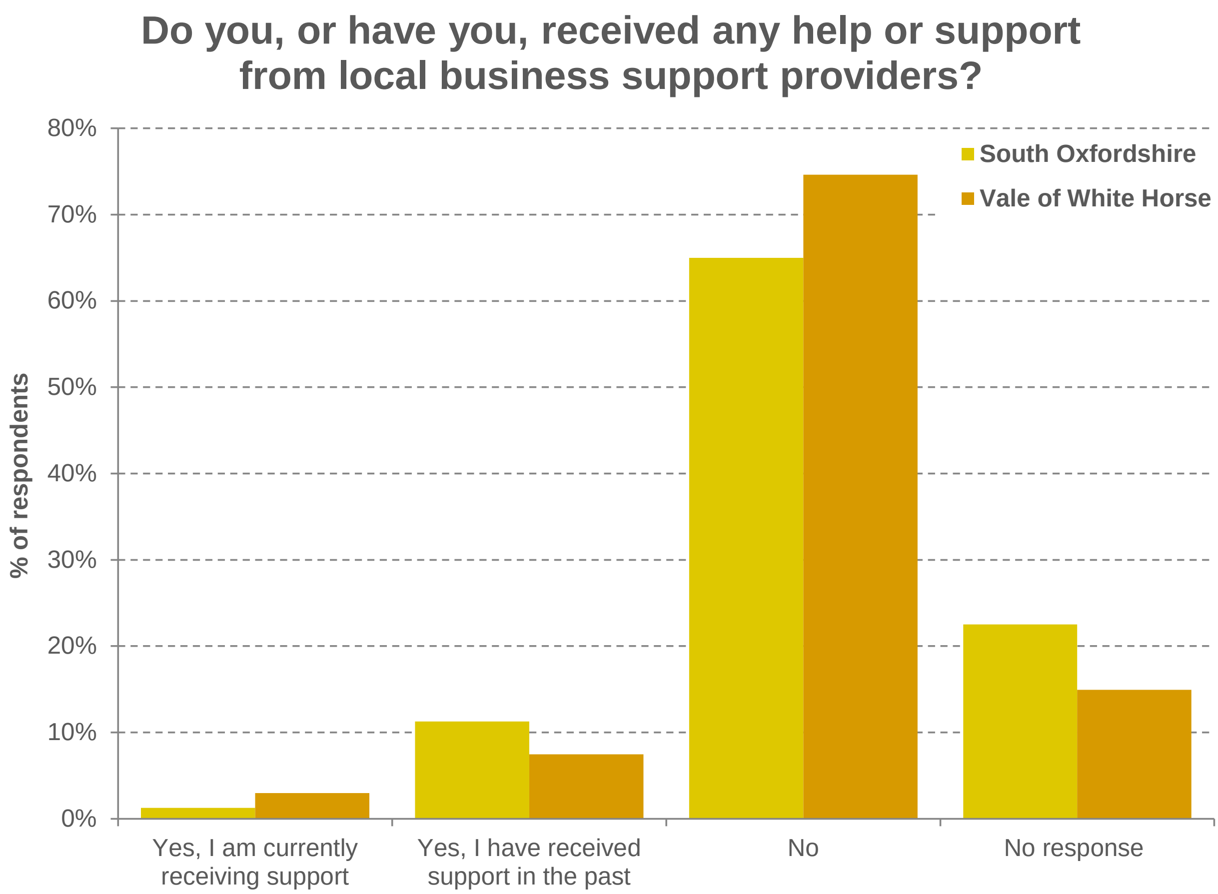

In what ways do you expect to grow your business?
South Oxfordshire
Vale of White Horse
% of respondents
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Workforce/staff headcount
Turnover
Premises
Other


How important do you think the following factors will be in enabling your business to grow? South Oxfordshire
Very important
Quite important
Not important
N/A
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Availability of premises - right type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance


How important do you think the following factors will be in enabling your business to grow? Vale of White Horse
Very important
Quite important
Not important
N/A
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Availability of premises - right type and quality
Availability of premises - right location
Availability of premises - affordable price
Availability of skilled labour
Accessibility / transport links
Access to high speed broadband
Proximity to customers
Proximity to supply chain
Proximity to competitors
Proximity to other businesses
Accessibility to training providers
Availability of business support
Access to external finance


What do you perceive as the key barriers or major obstacles to enabling your business to achieve this growth? South Oxfordshire
1 (not a major obstacle)
2
3
4
5 (a major obstacle)
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Competition in the market
Regulations / red tape
Taxation (VAT, PAYE, NI, rates, etc)
Late payment from clients / customers
Staff recruitment and skills
Workplace pensions
Obtaining finance
Obtaining business support
Availability / cost of suitable premises
Transport links and accessibility
Access to high speed broadband


What do you perceive as the key barriers or major obstacles to enabling your business to achieve this growth? Vale of White Horse
1 (not a major obstacle)
2
3
4
5 (a major obstacle)
No response
% of respondents
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Competition in the market
Regulations / red tape
Taxation (VAT, PAYE, NI, rates, etc)
Late payment from clients / customers
Staff recruitment and skills
Workplace pensions
Obtaining finance
Obtaining business support
Availability / cost of suitable premises
Transport links and accessibility
Access to high speed broadband


Do you, or have you, received any help or support from local business support providers?
80%
70%
60%
50%
40%
30%
20%
10%
0%
% of respondents
South Oxfordshire
Vale of White Horse
Yes, I am currently receiving support
Yes, I have received support in the past
No
No response

Appendix 3: Focus Group Questions

Developing a Business and Innovation Strategy for South Oxfordshire and Vale of White Horse

SME Business Workshops – Discussion Topics

- Brief introductions – company name, activity, number of employees, location, type of premises

1) Doing business in South Oxfordshire / Vale of White Horse

- Where is your business based? Why are you located there? What do you like most about your location? Is there anywhere else that you would prefer to be?

2) Business needs and priorities

- What gets in your way most as a business?
- Has the Council been of any help in addressing those issues? Have you asked?
- Premises issues top our poll so far as the issue of most concern to most local SMEs. If you could move to new premises more easily (for home workers: if you could move into an office outside your home …) would you do so? What holds you back?
- Broadband comes second. There's a county-wide plan to get high-speed broadband for everyone: what is provision of broadband like in your location? Does it provide a barrier or constraint to growing your business at all?
- Getting the right people to join you comes third. What's the problem? Is it finding them? Affording them? Persuading them to work here? Finding people with the right skills for your business? Something else entirely?
- For home workers: if you work from home you probably don't employ others, but you probably do work with other people, as partners and collaborators of some description. Is there anything in the local business environment which gets in the way of you making the most of those relationships?

3) Growing your business

- Are you planning to grow your business over the next few years? If so, in what ways? Are you optimistic about achieving this growth? What do you see as the likely barriers or obstacles? How could these be overcome?
- Have you faced any difficulties trying to grow your business over the last few years?

4) Accessing support for your business

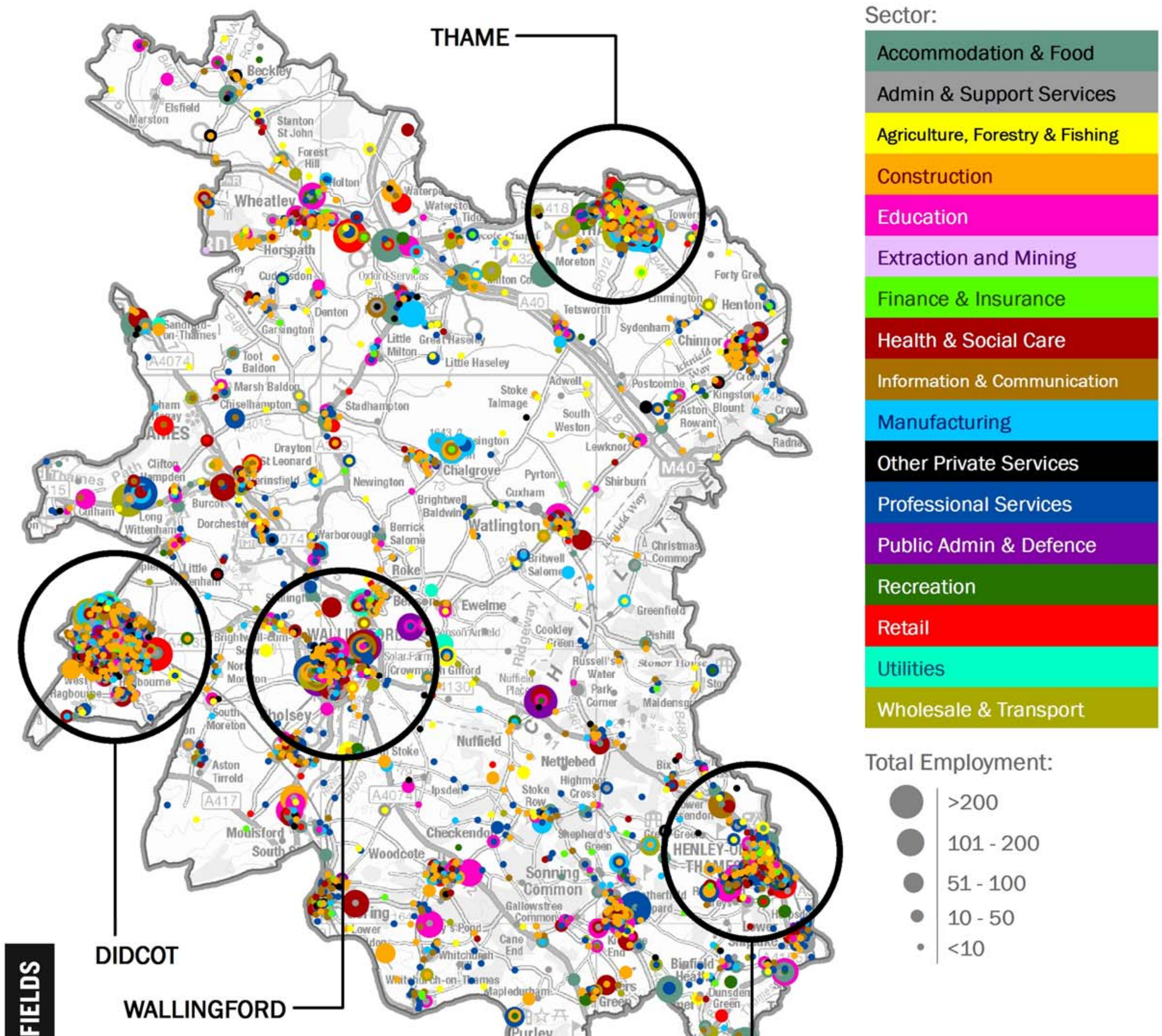
- Do you get business help or advice from any other source? A professional association? Your accountant? Some other network you're part of? The internet? Is there a gap left? – support you can't find? Have you used the Council's business support services (e.g. SO Business, Vale4Business)?
- If you had an issue to raise with your local council, how confident would you feel that you'd get a good hearing?

- Is there anything else that you would like to raise/discuss?

Appendix 4: Individual Consultees

- Andrew Brown, Marriotts Property
- Caroline Livingstone, Culham Science Centre
- David Williams, Bidwells
- Gavin Spencer, Thames Valley Chamber of Commerce
- Glyn Hall, Didcot Chamber of Commerce
- Heather Martin, Oxfordshire Local Enterprise Partnership (OxLEP)
- Jacqui Canton, Abingdon & Witney College
- Margaret Coles, Federation of Small Business
- Mike Jennings, Jennings Business Mentors
- Paddy Patterson, Oxfordshire Apprenticeships
- Richard Byard, Oxfordshire Local Enterprise Partnership (OxLEP)
- Sarah Allen-Stevens, Wicklesham Commercial Properties
- Sarah Cullimore, Oxfordshire Apprenticeships
- Steven Moss, Culham Science Centre
- Tom Barton, VSL & Partners

Appendix 5: IDBR Business Maps



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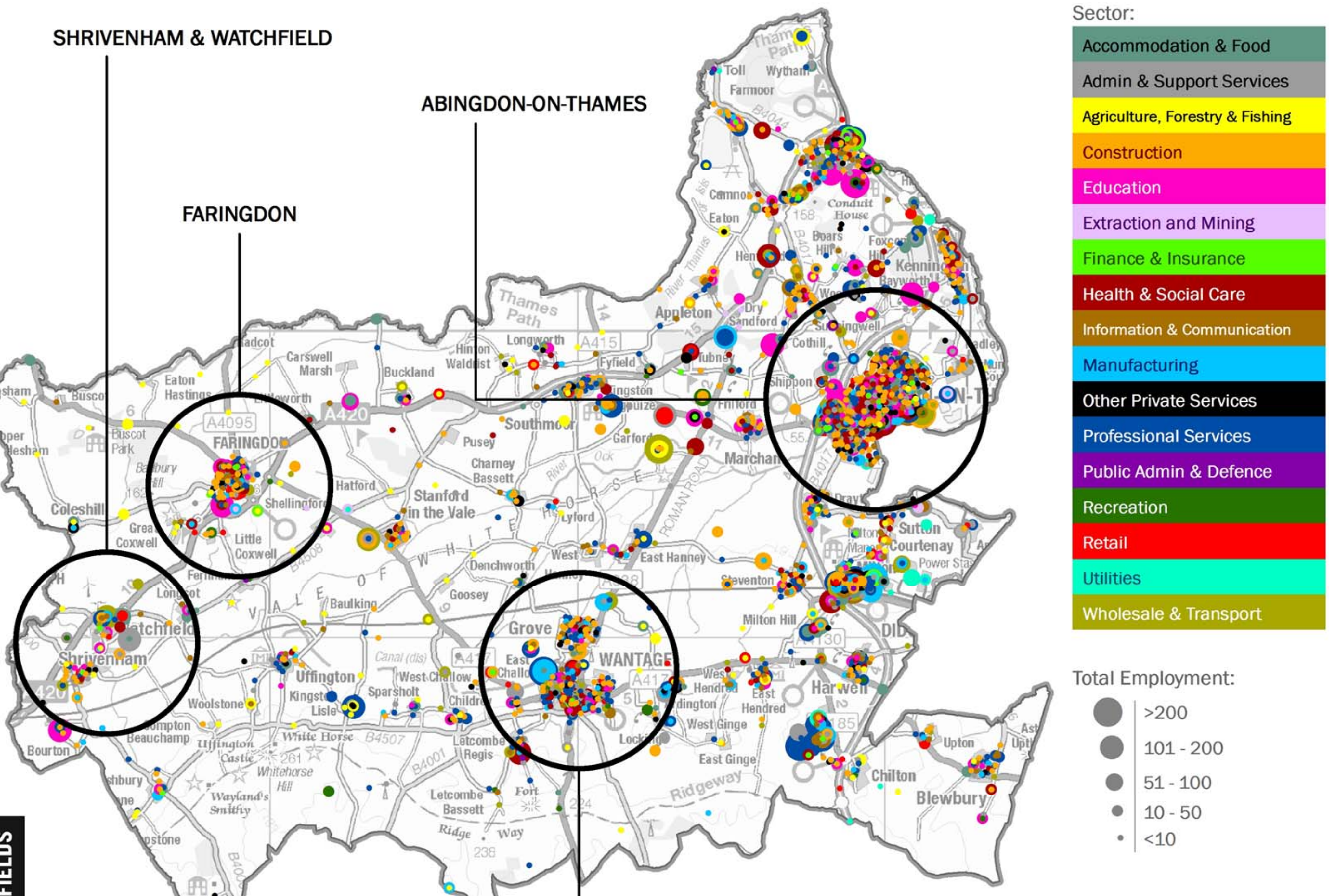

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