

Greater Manchester Business Survey 2016 – Report

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Prepared for;



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I. Executive Summary

I.1 Introduction

The 2016 Greater Manchester Business Survey is the fourth large-scale business survey that has been coordinated across Greater Manchester (similar surveys were undertaken in 2012, 2013 and 2014). The sample frame was selected to make it representative of the business base, in terms of size (number of employees), sector and location. The 2016 survey saw 1,403 firms complete a telephone survey. The Greater Manchester Business Survey is one of a number of surveys that provide information at a Greater Manchester (GM) level – including the Chamber of Commerce Quarterly Economic Survey; the UK Commission for Employment & Skills Employer Skills Survey; and the Business Register Employment Survey. GM business Sentiment following on from the decision to leave the EU has also been monitored via a monthly MGC Post-Referendum Survey of over 500 clients.

All GM local authorities were given the chance to fund boosted samples in their districts and two local authorities (Manchester and Bolton) did so this year. As well as providing local authorities with consistent and robust business survey findings, this coordination ensured that businesses in GM were not asked to do very similar surveys at similar times by partner organisations.

In addition to providing the detailed survey results, this year's business survey also includes for the first time additional business profiling. This has been undertaken to profile recent high performing businesses to better understand their key characteristics and how they might be distinct from non-high performers. It also explores the key components of growth – with profiles of skills active, 'international traders,' 'business support users' and businesses that 'engage in innovative activities' to enable greater understanding of those businesses that engage in these activities as distinct from those that do not. Differences between data values described as indicating a greater/lesser likelihood or as significant are all statistically significant at a confidence level of 95%. The details of this analysis are included within section 1.2 below and in the main report in section 5 and 6.

I.2 Survey Results

Business Outlook

Business confidence over the last 12 months has been relatively strong, with a third of companies (31%) reporting an increase in employment over the last 12 months (up from 26% in 2014). Sectors that were most likely to have experienced growth in employment levels were Health & Social Care and Health Innovation (44%) and Creative & Digital (40%) and Business, Finance & Professional Services (39%). Half of firms reported an increase in turnover over the last 12 months (up from 43% in 2014). Those most likely to have experienced growth in turnover in the past 12 months were Creative & Digital (59%), Business, Finance & Professional Services and Manufacturing (56% respectively).

Business respondents were asked about their confidence in growth prospects for the next 12 months, and whilst this was undertaken prior to the referendum, given the cautious optimism from GM businesses since the result, it remains a valid assumption of future prospects. 35% of firms reported in the 2016 Business Survey that they expected employment to increase. This was up from 30% in 2014 and 25% in the 2013 results. Optimism amongst firms was broad based with the most positive being in the Creative & Digital sector (68%), Business, Finance & Professional Services (65%), Health & Social Care and Health Innovation (58%) and Manufacturing (56%) sectors. The sectors most likely to anticipate increased turnover in the next 12 months were the Creative & Digital sector (68%), Business, Finance & Professional Services (65%) and Health &

Social Care and Health Innovation sector (58%)

As highlighted, business sentiment has been tracked within GM post the referendum and, to date, most businesses have remained optimistic about the future, aligning with national trends. It is too early in the process to reflect on the major impacts though, particularly on lagging indicators such as the impact on the labour market. The latest survey response for November from MGC Post-Referendum Survey of clients (556) confirms this with 71% reporting that there would be no impact on investment decisions at UK site, 6% said that they would increase investment, and 10% said that they would be placed on hold or decrease (13% said they didn't know). This has remained broadly similar over the last 3 months (noting that the sample size has grown significantly from 194 businesses in September). Further, 71% would continue hiring at the same pace and 3% said that they would increase their pace of hiring. It must be noted however that 5% said that they would continue to hire but at a decreased pace, 4% said that they would freeze hiring new staff and 1% said that they would make redundancies. Again this has remained similar over the last 3 months.

Further work has been undertaken in this year's Business Survey to profile the strongest performers of the last 12 months, acknowledging the critical role that they play in driving growth. 20% of the businesses interviewed were classed as 'Recent high performing businesses' (they had grown by 20% or more in turnover and/or employment over the last 12 months). Profiling analysis below reveals the characteristics of recent high performers as distinct from non-high performers.

Key characteristics: Recent High Performers

- More likely to be within Business Financial & Professional Services sector (27% vs 18% of non-high performers), or the Creative and Digital sector (20% vs 10%), this reflects national trends within these sectors but also individual firm success.
- More likely to be engaged in training (84% compared with 70% of non-high performers) and more likely to trade internationally (30% against 22% for non-high performers).
- Recent High Performers are more likely to seek advice/support on leadership and management, 35% compared to 24% of non-recent high performers. Further, 48% say they will seek advice/support on leadership and management skills in the next 12 months. In comparison only 29% of non- Recent High Performers can envisage doing so in the foreseeable future. Recent High Performers are more likely to draw upon leadership skills of mentors (30% compared to 18% of non- Recent High Performers), and to use their own leadership experience to act as mentors to others (20% vs 12%).
- Engagement in innovative activity is significantly higher: 90% reported undertaking some form of innovation activity in the last three years compared with 78% of non-recent high performers.
- More likely to have accessed business support (53% against 38% for non-high performers) and to report that they intend to do so in future (86% vs. 76%).
- To be smaller businesses with over eight out of ten recent high performers (87%) currently employing 10 or fewer staff compared to 70% for non-high performers
- To be established but still relatively young businesses. 17% of recent high performers were aged over 3 and up to 5 years compared to 10% of non-recent high performers

Drivers of, and barriers to, growth

The survey asked firms to identify their top drivers of, and barriers to, growth. By some distance the main drivers of growth were the products and services their company provides (47%) and their workforce and skills (45%). They have both seen modest declines from 2014 but remain top (see Figure 1). The main barriers (see Figure 2) to growth are lack of staff or skills (30%), access to markets/sales opportunities (27%) and access to finance (22%). The major barriers have either stayed the same or grown in terms of the number of businesses reporting them. Lack of staff and skills, for example, has grown from 24% in 2014 to 30% in 2016.

Figure 1. Top drivers of growth in GM

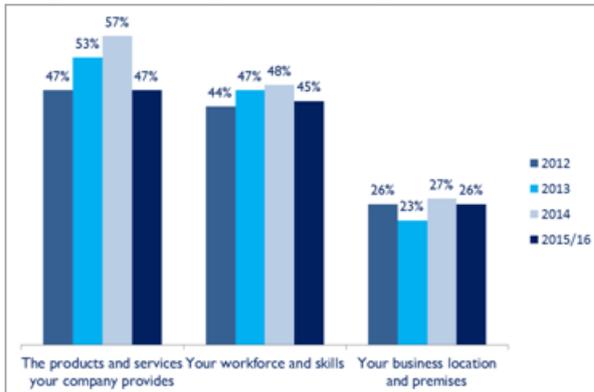
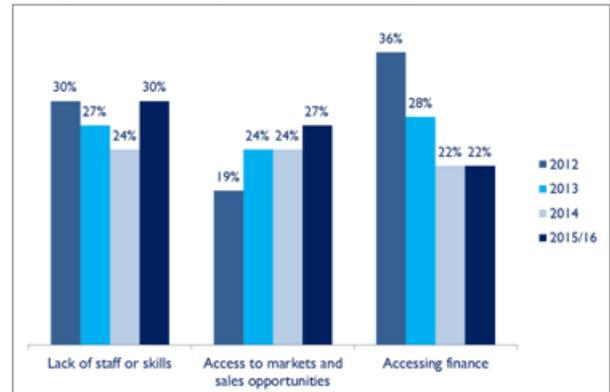


Figure 2. Top barriers to growth in GM



Workforce and Skills

The main findings in terms of workforce and skills are:

- Skills are a key business driver:** Across companies of all sectors and sizes, workforce skills are a key driver of business growth (identified by 45% of firms). This reaffirms findings from a wider body of evidence, including GM's deep dive analysis. Businesses employing over fifty people were significantly more likely to identify 'workforce and skills' as a driver of business growth (67%).
- Hard-to-fill vacancies:** Around 14% of firms have hard-to-fill vacancies, which was similar to previous years. Manufacturing, transport & storage and information & communication all had 60% or more for firms citing lack of skills/qualifications as a reason for having hard-to-fill vacancies.
- Investing in the future workforce:** Around three quarters of GM businesses (73%) reported having provided some form of training to staff (either internal or external in the last 12 months). The results show an increase of 9% (up from 64% in 2014). The results show a steadily increase since 2013 in the provision of external training (from 39% in 2013 to 51% 2016). Over the same period, the level of internal training has decreased (from 71% in 2013 to 56% in 2016). This may suggest that businesses are increasingly inclined to outsource training. 24% of businesses either hold Investors in People accreditation or are working towards it. The apprenticeship penetration rate into businesses has increased by 2% (from 20% in 2014 to 22% in 2016). Analysis by sector indicates that firms in the Construction sector (30%), Health and Social Care and Health Innovation (28%), the Manufacturing sector (24%), and Business, Financial & Professional Services sector (21%) were significantly more likely to employ apprentices across all age groups. Almost a fifth of firms offer paid work experience/internships, whilst a quarter offer these on an unpaid basis; (17% offer paid; 25% unpaid).

Further profiling analysis has been undertaken to explore the characteristics of the most Skills Active firms. Skills Active businesses were defined as having provided staff training, either internally or externally within the past twelve months; having a staff training plan/budget and currently offering work placements or internships (either paid or unpaid). They comprise 30% of the businesses interviewed.

Key characteristics: Skills Active businesses

- Include businesses from all sectors, but were less likely to be found in Retail and Wholesale in particular.
- Age of business did not have a significant impact on its likelihood of being skills active.
- Microbusinesses were less likely to be skills active and this may reflect capacity to undertake training and other skills based activities.
- They were more likely to hold Investors in People status (21% against 9% for non-skills active businesses) and to actively offer opportunities through apprenticeships (38% vs. 10%).
- Despite this approach, skills active businesses were more likely to report hard-to-fill vacancies (19% vs. 7%) and see a lack of staff or skills as a barrier to business growth (34% vs. 24%).
- More likely to have innovated within the last three years (88% against 70% for non-skills active businesses) and to want to develop export trade links (6% vs. 2%).
- Skills active businesses were also more likely to have accessed business support services (46% against 34% for non-skills active businesses) (including a business mentor [22% vs. 18%]) and to intend to do so in future (84% vs. 69%).

Exports

The main findings around international markets and exporting by GM companies can be summarised as follows:

- **Propensity to export:** A fifth of GM businesses (20%) reported that they exported, up from 12% in 2014. Caution must be taken in interpreting this as it is a trend based on only one year's data. Further, it is important to note that the wording of the question within the survey has changed this year which may have impacted on the outcome. In previous years the survey included a question asking businesses if they 'currently have any operations that deal with international markets'. This was a changed in the 2016 survey to a question that simply asked 'Do you trade internationally'. Additionally, in 2012-14 only businesses that said they do deal with international markets were asked if this related to exporting or importing. The results suggest however, that export activity in Greater Manchester is broadly comparable to the national average; outlined at 19% in the BIS Longitudinal Small Business Survey (SBS). Whilst the SBS provides analysis of businesses with 249 or fewer employees, the similarity in the figures would suggest that GM is performing broadly in-line with the national average, however for a conurbation of its size GM is underperforming by half the value that would be expected as identified in the Internationalisation Strategy.
- **Sectors and markets:** Export intensive sectors include: Manufacturing (55%); Creative & Digital (43%) and Retail & Wholesale (31%). The locations that businesses involved in international trade indicated that they had trade links with included 'EU states' (75%),

- 'North America' (48%), 'non-EU Europe' (46%) and 'China' (37%).
- **Future export growth:** Only 5% of GM businesses plan to export in the future, with this figure broadly similar to past waves of the research (5% in 2014 and 4% in 2013).

Further profiling analysis has been undertaken on firms that have a propensity to export.

Key characteristics: Exporters

- The manufacturing sector has the highest proportion of businesses that export (55%).
- Neither the number of people employed by a business nor its age had a significant impact on its likelihood of being an exporter
- More likely to be in Trafford (18%), Stockport (16%), and Manchester (28%).
- Reported growth in turnover and employment was a trend that exporters expect to continue. Employment growth was particularly strong, with exporters significantly more likely both to report previous (25% against 7% for non-exporters) and to expect future (29% against 8% for non-exporters) employment growth in excess of 50%.
- Were significantly more likely to view continued EU membership as being critical to their business (35% against 17% of non-exporters),
- While exporters were less likely to have faced business challenges, they were nonetheless committed to seeking further opportunities to improve their business performance. This encompassed innovative activity, in which exporters were more likely to be involved (87% against 79% for non-exporters).

Products and services a company provides: Innovation

80% of GM businesses reported having undertaken at least one innovative activity in the last year and this has risen from 66% in 2014. These activities range from investing in new machinery/plant/ICT equipment/software through to accessing knowledge to implementing major changes in business structure or processes. Evidently the extent to which these activities are innovative varies widely, but it is a positive sign and suggests that progress is being made towards addressing gaps in innovation with the city region as identified in the Deep Dive research and SIA.

The findings reveal that there are low levels of understanding and take-up of tax incentives currently available for R&D activities. Almost two-thirds of businesses (63%) said they did not understand the tax incentives currently offered to UK companies that carry out R&D activity. Only one in ten respondents (10%) said that they currently understand and use these incentives.

Further profiling analysis has been undertaken for two of the more highly innovative activities accessing knowledge from universities and implementing major changes in business structure or processes to identify the characteristics of the most innovative firms and it is detailed below.

Capturing data on innovation is difficult. Official data is often available only at a regional and not sub-regional or district level, making comparators difficult.

Key characteristics of innovative firms

- Capturing and measuring the extent to which firms innovate is difficult. Two of the innovation activities within the 2016 Business Survey have been selected to act as a proxy for highly innovative firms and the characteristics of firms engaging in these areas is highlighted below.
- *Accessing knowledge from Universities*
 - Only a small number of GM Businesses access knowledge from Universities over the last 3 years, 18%, but this number is growing (it was 10% in 2014). Whilst there is no direct comparator nationally for this figure – evidence from the Higher Education (HE) Business and Community Interaction Survey 2014/15 which monitors income from business interactions with Universities (including contract research and consultancy and intellectual property) revealed that income from this source in the north west has risen by 4% between 2013/14 to 2014/15. England over the same period has remained flat.
 - Businesses that had accessed knowledge from universities were more likely to employ 50+ employees (28%)
 - Businesses that identified themselves as Health & Social Care and Health Innovation and Manufacturing, Business financial and professional services firms and creative and digital firms were the most likely to have accessed knowledge from Universities.
 - They were also more likely to be an exporter (26% exporters v 16% non-exporters), to access business support (27% access business support v 13% non-business support) and to be skills active (25% skills active v 16% non-skills active)
- *Implementing major changes in business structure or processes*
 - 35% of businesses have implemented major changes in business structure or processes compared to 22% in 2014
 - They were more likely to be in the Business, Financial & Professional Services Sector (48%), and the Creative & Digital sector (41%).
 - They were also significantly more likely to have sought business support in the last 12 months (43%).

Business support & Access to finance

Key findings on business support were:

- Awareness/use of the Business Growth Hub in particular has increased significantly. It is now at 45%, rising from 31% in 2014. The manufacturing and creative and digital sectors in particular were more likely to have accessed the Business Growth Hub than other sectors.
- Around two-fifths (41%) of firms indicated they had accessed some form of business support over the last 12 months. Whilst this figure highlights an overall decline since the last wave of the research, further analysis highlights fluctuations in the take-up of different types of support services: There has been a decline in the proportion of businesses that accessed support via banks (from 14% in 2014 to 9% in 2016), and accountants/solicitors (24% in 2014 to 16% in 2016). In comparison, those seeking support from local authorities and the UKTI Export Advisory Service remained at 11% and 4% respectively over both years, and support from the Business Growth Hub increased by 6 percentage points (from 6% in 2014 to 12% in 2016).

- The biggest reasons for accessing support services were to 'increase sales through marketing' (last 12 months: 44%, future: 44%) and more general 'business growth and advice' (last 12 months: 36%, future: 37%). Help with the workforce is also important, including both 'developing your workforce...' (last 12 months: 38%, future: 42%) and 'expanding the workforce...' (last 12 months: 34%, future: 39%).
- 20% of firms reported using business mentoring in this years' study, this represents a steady rise from 2012 when the figure was 9%.
- Continuity planning is an area which is lacking across many GM firms. Whilst 28% of businesses in the last 12 months had experienced a major business disruption in particular with respect to transport and congestion and utilities interruption, just under 40% of firms interviewed either didn't have continuity plans in place or were unsure or unaware of this type of planning and this figure has been relatively consistent over the last three years.

On the issue of access to finance the key findings were:

- Rising costs are an increasing concern for GM businesses when compared to the 2014 survey. Rising costs were reported by around three-quarters of businesses (77%) and there are upward trends, particularly in terms of staff and IT costs, but also raw materials and pay settlements.
- 17% of firms had sought finance in the last 12 months, aligning with 17% of SME employers nationally who had sought external finance in the 12 months preceding interview (note that this does not cover all firms in the GM business survey and as such is not directly comparable). This is just above the 2013 and 2014 figures of 15%. The proportion that had sought finance for growth financing including: capital equipment or vehicles, buying land or buildings has grown substantially over the last year (20% to 26% for the former and 7% to 17% for the latter). Promisingly, the proportion of businesses accessing finance for cashflow at 27% in the 2016 study has remained well below the peak of 49% in 2012 – this is likely to be due to the more favourable conditions that have been experienced post-recession.
- In terms of future sources of growth finance, businesses in the Manufacturing and Construction sectors were significantly more likely to report that they would be seeking growth finance in future.
- 36% of firms who sought finance reported experiencing difficulties, a slight increase from 34% in 2014. The main reason cited were that the business did not meet the criteria (33% of all firms experiencing difficulty said this).
- 28% of all firms said they would look for finance from local & central government to finance long-term growth and this has doubled since 2014 (14%).
- There are a growing number of alternative forms of financing which have come forward; including crowdfunding (10% of businesses reported that they might use this method to support their activities).
- 8% of firms would use Business Angels to support growth, a fourfold increase up from 2% in 2014. Use of venture capital however has remained the same with 2% reporting that they would use venture capital in the future.

Further profiling analysis has been undertaken on business support users to profile the characteristics of these businesses as distinct from those businesses that are not business support users.

Key characteristics of business support users

- Business support users were significantly overrepresented in the Creative & Digital sector (15%)
- Growth in turnover was more likely to be reported by business support users, both in the past twelve months (60% against 43% for non-business support users) and anticipated in the next twelve months (65% vs. 51% non-business support users).
- They were more likely to provide staff training (77% vs. 71% of businesses that have not accessed business support).
- A significantly greater proportion of business support users intend to offer apprenticeships in future to all three specified age groups than non-business support users
- Business support users were more likely to trade internationally than those that had not engaged with business support in the past year (25% vs. 17%).

Business location and premises: Satisfaction with Local Area

Businesses were asked to rate their level of satisfaction with aspects of their local area. They gave a rating of between 1 and 5, where 1 is very dissatisfied and 5 is very satisfied. For all aspects of the local area (with the exception of business rates) respondents were more likely to indicate that they were satisfied rather than dissatisfied, For 'business rate costs' broadly equal proportions were satisfied and dissatisfied (25% and 23% respectively), although many felt unable to provide an answer here and simply said that they 'don't know' (26%).

With the exception of access to public transport and broadband speed, levels of satisfaction have fallen slightly since 2014, although the general trend over time is for an increase in satisfaction, as shown below.

Figure 3. TIME-SERIES: Satisfaction with local area

Key Measure and Question Number (2015 survey)	2012	2013	2014	2015/16	Direction of travel
Aspects of local area (Q24) - % satisfied					
Business rate costs	23%	22%	28%	25%	-
Quality of premises	44%	55%	67%	63%	↑
Affordability of premises	30%	36%	51%	45%	↑
Availability of parking	47%	48%	54%	51%	↑
Crime and anti-social behaviour	36%	42%	49%	41%	-
Access to Public transport, i.e. Bus/Train/Metro	54%	66%	71%	72%	↑
Road transport access	57%	66%	69%	63%	-
Image of area	43%	41%	50%	48%	↑
Broadband speed	N/A	49%	52%	52%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Just under a fifth of businesses (17%) reported that they were considering either a full or partial relocation of their business, with the majority of these indicating that they intended to relocate within the same district.

2. Introduction and Objectives

2.1 Introduction

The Business Growth Hub supports growing and ambitious businesses by offering access to a wide range of business support services.

Since 2012 the Business Growth Hub, Manchester City Council, Bolton Council and other partners have worked together to deliver a Greater Manchester-wide (GM) business survey to build up a picture of GM's business base, to understand how it is changing, and how business support can help firms to grow.

Qa Research (Qa) and economic development and research consultancy TBR (TBR) were jointly commissioned to deliver the 2016 survey.

This report outlines findings from the latest business survey amongst the full Greater Manchester sample and also includes specific chapters covering findings amongst businesses based in the Manchester City Council area and that of Bolton Council. More specifically the report covers the following key chapters:

- Chapter 3: Methodology and sampling: outlining the methodological approach
- Chapter 4: Analysis of the data: details the method used to analyse the data
- Chapter 5: High Performing businesses: profiles recent high performing businesses
- Chapter 6: Key Growth Themes: profiles businesses based on key growth themes
- Chapter 7: Detailed findings: presents each survey question with time series where possible
- Chapter 8: Local Report: Manchester Business Summary
- Chapter 9: Local Report: Bolton Business Summary
- Chapter 10: Appendix: questionnaire

2.2 Aims and objectives

The aim of the GM-wide survey is to provide data on current and future economic performance and practices especially for growth businesses, across a range of themes, including:

- Enterprise demographics and performance
- Local trading environment
- Drivers and barriers to growth including access to finance
- Views on existing and potential support services for enterprise
- International trade and connectivity
- Innovation and digital
- Recruitment & skills

3. Methodology and Sampling

This is the fourth time this survey has been carried out and a similar approach to that used in previous years was also applied, with interviewing completed by telephone.

3.1 Methodology

In total, 1,403 telephone interviews were completed with businesses across Greater Manchester by Qa Research from its contact centre based in York. Interviewing was completed by Spring 2016, shortly before the outcome of the EU referendum.

To ensure that comparisons could be made with data from previous years, the same questionnaire was used, although some revisions were included to ensure questions continued to cover the main areas of interest and that they remained relevant.

Interviewing was restricted to private sector businesses and voluntary/non profit-making organisations that make some income from trading. Additionally, all businesses had to have at least one employee.

3.2 Sampling

Contacts for the survey were provided by TBR from its in-house business database Trends Central Resource (TCR) and all respondents were screened to ensure the survey was completed with a key decision maker within each business, who was capable of talking about the business at that site as a whole.

To ensure the final achieved sample was representative, quotas were set on recruitment based on local authority, business size (employee number) and sector (2007 SIC) and based on data from the Inter Departmental Business Register (IDBR). Quotas were set as follows;

- **Local Authority** – Manchester and Bolton were oversampled to ensure suitably sized samples of businesses in these local authority areas to enable stand-alone analysis. A similar target was set for all other local authorities.
- **Size (Number of Employees)** – overall quota targets were set based on number of employees and this was determined during the interview. Small businesses (1-10 employees) were under-sampled, while those with 11 or more employees were over-sampled.
- **Sector (2007 SIC)** – generally, 2007 SIC codes A, B, O, T & U were completely excluded, In addition, analysis was undertaken to remove public sector organisations from the other qualifying SIC codes (e.g. schools) as far as this was possible – otherwise they were excluded from the survey at the interview screening stage.

3.3 Sample Profile

The table below summarises the profile of the sample. It shows the profile of businesses in Greater Manchester (based on businesses that qualify for this research), along with the unweighted sample and the weighted sample.

Figure 4. Sample profile

	Population Count (2014 IDBR)		Achieved Sample			
			Unweighted Sample		Weighted Sample	
Local Authority						
Manchester	16,003	21%	500	36%	290	21%
Bolton	7,329	9%	360	26%	134	10%
Bury	5,259	7%	68	5%	95	7%
Oldham	5,309	7%	65	5%	96	7%
Rochdale	5,068	7%	65	5%	92	7%
Salford	6,910	9%	70	5%	125	9%
Stockport	9,394	12%	70	5%	170	12%
Tameside	5,161	7%	65	5%	94	7%
Trafford	9,492	12%	70	5%	172	12%
Wigan	7,467	10%	70	5%	135	10%
SIC (2007)						
C - Manufacturing	4,812	6%	107	8%	87	6%
DE - Utilities	348	<1%	9	1%	6	<1%
F - Construction	6,473	8%	112	8%	117	8%
G - Wholesale and retail trade	13,018	17%	238	17%	236	17%
H - Transportation and storage	2,026	3%	42	3%	37	3%
I - Accommodation and food services	4,857	6%	85	6%	89	6%
J - Information and communication	3,429	4%	61	4%	62	4%
KL - Finance and real estate	3,861	5%	55	4%	70	5%
M - Professional, scientific and technical activities	12,297	16%	225	16%	223	16%
NPQRS - Administrative, education, human health, arts and other activities	26,271	34%	469	33%	476	34%
Size (number of employees)						
1-10	60,398	78%	845	60%	1,094	78%
11-49	13,209	17%	414	30%	240	17%
50-199	3,072	4%	115	8%	53	4%
200+	713	1%	36	2%	15	2%
Total	77,392		1,403		1,403	

4. Analysis of the Data

4.1 Data Preparation

On completion of the CATI surveys all data were processed by Qa Research using Askia software, a software package specifically designed for the market research industry. Verbatim responses to open questions were coded into similar themes (over-codes) to enable analysis and within this report responses to open questions have been reported based on these over-codes.

Once coding had been completed, data tables were produced in Askia and these included cross-breaks and significance testing (student T-Test) to enable detailed analysis between sub-groups such as businesses in the different local authority areas, businesses operating in different sectors and businesses of different sizes.

Corrective weighting was applied to the data ahead of the report writing for the following purposes;

- As businesses in Manchester and Bolton were over-sampled, it was necessary to weight the sample to bring the profile of businesses in each local authority into line with the actual proportion (based on the IDBR).
- Weighting was required to correct for variation in the sector and size profile of the achieved sample and businesses in Greater Manchester as a whole. This applied particularly to the over-sampling of larger businesses which was carried out to ensure that sufficient larger businesses were included for analysis purposes.

Analysis within this report is based on the final, weighted data tables.

4.2 Profiling businesses

Sections 5 and 6 of the report have profiled businesses based on key characteristics and details of these are summarised below;

- **Recent High Performing Businesses** – these are businesses that responded in the survey that they had seen ‘increased’ turnover in the last 12 months and that they had done so by 20% or more and/or that they had ‘increased’ staff numbers in the last 12 months and that they had done so by 20% or more. Note that this definition does not align with the OECD definition of high growth enterprises, which are defined as enterprises with 10 or more employees that have achieved average annualised growth (in employment or turnover) greater than 20% per annum **over three years**. This has been used by NESTA in their analysis of high performing businesses across the UK. It does, however, provide a useful indication of the characteristics of those businesses that are driving growth within the Greater Manchester economy.
- **Skills Active** – businesses that were skills active must have: provided staff training, either internally or externally, within the past twelve months; have a staff training plan/budget, currently offer work placements or internships (either paid or unpaid).
- **Exporters** – when asked if they export, businesses that said that they do by responding that they are involved in the ‘export and import trade’ or ‘export trade only’ have been classified as *Exporters*.
- **Accessed Business Support** – businesses that indicated that they had used any organisations to get information or advice for their business (other than for accounting or regulatory purposes) in the last 12 months were classified as *Business Support Users*.
- **Innovative Businesses** – Given the difficulty in identifying the extent to which activities are innovative, two activities have been identified as highly innovative as a proxy for

innovative firms: accessing knowledge from Universities and implementing major changes in business structure or processes. The characteristics of businesses who have undertaken these specific activities will be explored in this section.

Additional sub-groups have been added to the data tables as cross-breaks and analysis of these is covered in Section 7.

4.3 How to Read This Report

Please note the following when reading this report;

- All quoted sample sizes are unweighted
- All quoted figures (percentages) are based on weighted data
- Throughout the report, including the executive summary, where the text refers to a 'significant difference' or *greater/lesser likelihood*, this indicates a statistically significant difference within the data at a confidence level of 95%. For example, the difference between two observed data values is sufficient that we can be (at least) 95% confident that this difference is greater than the associated confidence intervals.
- At appropriate points, the report contains comparisons to data from the previous 3 surveys (2012, 2013 & 2014) to identify trends over-time. This data is presented as tables and within these tables arrows indicate the 'direction of travel' to highlight how these measures have changed over-time, as follows;

	Statistically significant increase over-time
	Statistically significant decrease over-time
-	No significant difference over-time.

5. Profiling Recent High Performing Businesses

Understanding the characteristics of high performing businesses is critical, as it can facilitate a greater understanding the ingredients required for growth and subsequently how these businesses can most effectively be supported.

This section develops a definition of recent high performer's and analyses the characteristics of these firms across Greater Manchester to understand what makes them distinct from non-high performers.

Key Characteristics: Recent High Performers

- More likely to be within Business Financial & Professional Services sector (27% vs 18% of non-high performers), or the Creative and Digital sector (20% vs 10%)
- To be smaller businesses with over eight out of ten recent high performers (87%) currently employing 10 or fewer staff compared to 70% for non-high performers
- To be established but still relatively young businesses. 41% of recent high performers had been operating for 3-10 years compared to 26% of non-high performers
- More likely to be engaged in training (84% compared with 70% of non-high performers) and more likely to trade internationally (30% against 22% for non-high performers).
- Engagement in innovative activity is significantly higher: 90% reported undertaking some form of innovation activity in the last three years compared with 78% of non-recent high performers.
- More likely to have accessed business support (53% against 38% for non-high performers) and to report that they intend to do so in future (86% vs. 76%).

Definition of recent high performers

Business confidence over the last 12 months has been relatively strong, with a third of companies (31%) reporting an increase in employment over the last 12 months (up from 26% in 2014). Sectors that were most likely to have experienced growth in employment levels were Health & Social Care and Health Innovation (44%) and Creative & Digital (40%) and Business, Finance & professional Services (39%). Half of firms reported an increase in turnover over the last 12 months (up from 43% in 2014). Those most likely to have experienced growth in turnover in the past 12 months were Creative & Digital (59%), Business, Finance & Professional Services and Manufacturing (56% respectively).

Work by NESTA provides evidence that a small number of high performing businesses are responsible for a disproportionately large number of new jobs across the UK. The definition of high growth businesses adopted for their 2009 study uses the OECD definition of high growth enterprises, defined as those with 10 or more employees that have achieved average annualised growth (in employment or turnover) greater than 20% per annum over three years. It found that

the 6% of businesses that met this definition were responsible for creating c.50% of employment opportunities created by established businesses in the UK between 2002 and 2008¹.

To develop a definition of “recent high performers” respondents to the GM Business Survey were included if they had seen ‘increased’ turnover in the last 12 months and that they had done so by 20% or more and/or that they had ‘increased’ staff numbers in the last 12 months and that they had done so by 20% or more. Of the 1,403 businesses interviewed, 286 (20%) were classified in this way. Note that this definition, given the timescale (12 months only) is not comparable with the NESTA analysis.

The table below, presents the proportion of survey respondents falling into each of the classifications.

Figure 5. Business performance, full sample

Response	Percentage of total sample
Turnover growth and/or employment growth in the past twelve months	20%
Growth in neither turnover nor employment/Don't know ²	80%

Source: Qa Research 2016 Q9 and Q13 (n=1,403)

The analysis that follows provides a snapshot of the key characteristics and behaviours that distinguish recent high performers from non-high performers, based on the findings of this study³.

Business characteristics and growth prospects

Recent high performing businesses were significantly more likely to have been trading for 10 years or less. Around a fifth of recent high performing businesses reported that they had been trading for 3 years or less (19% vs. 6%), and more than double this proportion (41%) had been trading for 3 - 10 years (vs. 26%). As well as having a shorter trading history, recent high performers were significantly more likely to be small businesses. More than eight out of ten (86%) said they currently employ 10 or fewer staff, compared with 76% of non-recent high performers. They were also more likely to be within Business Financial & Professional Services sector (27% vs 18% of non-high performers), or the Creative and Digital sector (20% vs 10%)⁴.

The results suggest that recent high performers have an optimistic outlook about future levels of turnover and employment. More than three-quarters of recent high performers (78%) said they expected turnover to increase over the next 12 months, compared with around half of recent non-high performers (51%). Of these, almost two-fifths of recent high performers (39%) anticipated their turnover would increase by between 20% and 50% in the next year, compared with 15% of recent non-high performers. Around one in seven recent high performers (15%) expected their turnover to increase by over 50% in the next year, whilst only 2% of recent non-high performers anticipated increases of this level.

Two thirds (64%) of recent high performers expect their staff levels to increase, compared with a quarter (28%) of recent non-high performers. Amongst those who expect to see increased staff levels in the next 12 months, recent high performers are significantly more likely to expect to see

¹ NESTA (2009) *The Vital 6 per cent* (<http://www.nesta.org.uk/publications/vital-6>)

² 4% of the overall sample did not know if turnover had increased and 1% of the overall sample did not know if employment had increased. In both classifications, those indicating don't know have been assumed not to have increased and the overall total has been combined.

³ All observed differences are statistically significant

⁴ Self-observed sector definition

increases of over 20%: A third of recent high performers (33%) expect to see staff increases of between 20% and 50% in the next year compared with 17% of non-recent high performers. Similarly around a fifth (18%) expect the number of staff they employ to increase by over 50% compared with 11% of non-recent high performers who expect to see the same pattern in their firms.

Workforce skills and management

Recent high performing businesses were significantly more likely than recent non-high performers to have provided training to their staff in the last 12 months (84% vs. 70%). This commitment to training could be driven in part by recruitment difficulties: Recent high performing businesses are significantly more likely to report having hard to fill vacancies (23% against 11% for recent non-high performers), and are also significantly more likely to identify lack of staff or skills as a key barrier to growth. (See below). The results may suggest that access to a local talent pool with the right balance of skills and being able to retain well trained staff is central to the way in which recent high performers operate.

Recent high performers were significantly more likely to offer paid work experience placements or internships (23% vs. 15% for non-high performers) and significantly more likely to employ apprentices (27% compared with 21% of non-high performers).

Recent high performers were also significantly more likely to indicate an intention to employ apprentices in the future, and the results illustrate this to be the case across all age groups.

Figure 6. Likely to employ apprentices in future: High Performers/Analysis by age group

	Apprentice Age Group		
	16 – 18 years	19 – 24 years	25+years
Recent High Performers	35%	45%	35%
Recent Non-High Performers	23%	29%	23%

Innovation and international trade

There is a relatively low level of understanding of tax incentives offered to UK companies that undertake R&D across the whole sample (68% of recent high performers and 70% of non-recent high performers said they do not understand incentives offered to UK companies involved in R&D). Despite this, high performers were significantly more likely to have engaged in innovative activity within the last three years (90% against 78% for non-high performers). The following specific activities were listed significantly more often by high performing businesses than by non-high performers:

- Investing in new machinery/plant, additional ICT equipment, software (73% high performers vs. 62% non-high performers)
- Develop new knowledge, improved goods, services or processes (69% vs. 54%)
- Undertaking management and staff training which will support innovation and the introduction of new ideas, products, services, business or processes (55% vs. 44%)
- Implementing major changes in business structure or processes (48% vs. 32%).

The findings also highlight that recent high performers are significantly more likely to trade internationally (30% against 22% for non-high performers, they also have a higher propensity to have developed trade links with China (48% vs. 34% of non-recent high performers).

Access to business support

Recent high performers are also more likely to have a greater level of awareness and engagement with business support services: over half of high performing businesses (53%) reported having used a business support service (vs. 38% of non-high performers), and around a third (30%) mentioned having drawn upon the support of a business mentor, compared with just under a fifth (18%) of non-high performers. Similarly, awareness of the Business Growth Hub and the services that it offers was significantly higher amongst high-performing firms (61% vs. 41%).

6. Key growth themes

6.1 Introduction

Following on from Section 5, this section explores key themes that have been identified as critical to high performance. It develops profiles for each of the key growth characteristics below:

- Skills active
- International traders
- Likely to engage in business support
- Innovative firms

Survey respondents were separated by a binary classification for each theme so that, for example, each respondent would be classified as skills active, distinct from non-skills active. Details explaining these definitions can be found in Section 4.2 and at the beginning of each respective section.

Significant differences between the classifications in each of the four themes have been collated and analysed to generate insight into the **characteristics** of each. Characteristics include observations linked to location, sector, age and size of the businesses, but extend into a more analytical assessment of where the classifications display difference.

The findings from this section enable a greater understanding of the distinct make-up of firms that exhibit the growth characteristics above.

6.2 Key theme findings

6.2.1 Skills

Accessing a supply of appropriately skilled labour is crucial to business success. The survey suggests that 73% of GM businesses provided some form of staff training in the last 12 months; this is slightly lower than 2014 which was 77%. A responsive skills system remains integral to enabling businesses to capitalise on market opportunities as they emerge.

This sub-section explores the characteristics of those businesses interviewed that actively engage in workforce development, (i.e. that are skills active) as distinct from those that are not.

Key characteristics: Skills Active businesses

- Include businesses from all sectors, but were less likely to be found in retail and wholesale in particular.
- Age of business did not have a significant impact on its likelihood of being skills active.
- Microbusinesses were less likely to be skills active and this may reflect capacity to undertake training and other skills based activities.
- They were more likely to hold Investors in People status (21% against 9% for non-skills active businesses) and to actively offer opportunities through apprenticeships (38% vs. 10%).
- Despite this approach, skills active businesses were more likely to report hard-to-fill vacancies (19% vs. 7%) and see a lack of staff or skills as a barrier to business growth (34% vs. 24%).
- More likely to have innovated within the last three years (88% against 70% for non-skills active businesses) and to want develop export trade links (6% vs. 2%).
- Skills active businesses were also more likely to have accessed business support services (46% against 34% for non-skills active businesses) (including a business mentor [22% vs. 18%]) and to intend to do so in future (84% vs. 69%).

Definition

A series of questions were used to categorise skills active businesses and form the analysis. Respondents were asked if they:

- Had provided staff training, either internally or externally, within the past twelve months;
- If they had a staff training plan/budget
- If they currently offer work placements or internships (either paid or unpaid).

In total, 30% of businesses met these criteria: these were classified as skills active, whilst the remaining 70% that did not meet all of the above criteria were classified as non-skills active.

Figure 7. Skills active, full sample

Classification	Percentage of total sample
Skills active	30%
Non-skills active	70%

Source: Qa Research 2016 Q17&Q18 (n=1,403)

The analysis that follows provides a snapshot of the key characteristics and behaviours that distinguish skills active businesses from non-skills active businesses, based on the findings of this study⁵.

Business characteristics and growth prospects

⁵ All observed differences are statistically significant

Skills active businesses are most likely to be located in Manchester (23%) and Trafford (12%). They include businesses from all sectors, but were less likely to be found in retail and wholesale in particular.

The number of years that businesses have been trading does not have a significant impact on their likelihood of being skills active, however, the findings do show links between business size and likelihood of being skills active. Microbusinesses were less likely to be skills active: 64% of skills active businesses employed up to 10 staff compared with 84% of non-skills active businesses employing the same numbers.

Whilst skills active businesses were as likely as non-skills active business to report turnover increase in the last 12 months, the results do show that skills active businesses were significantly more likely have seen their turnover increase by more than 50%: around one in eight skills active businesses (13%) reported having seen an increase in turnover of 50%+ compared with 7% of non-skills active businesses.

Skills active businesses were significantly more likely to report fluctuations in the staffing levels over the last 12 months; almost half (45%) reported an increase in the number of staff they employed compared with a quarter of non-skills active businesses (25%). In addition to this, the findings suggest some optimism amongst skills active businesses with almost half saying that they expected the number of staff they employ to increase in the next 12 months (46% compared to 30% non-skills active businesses). Non-skills active businesses in comparison were more likely to report their staffing levels having remained static over the past 12 months (62% of non-skills active compared with 49% of skills active businesses).

Workforce development

A significantly greater proportion of skills active businesses held Investors in People status (21% against 9% for non-skills active businesses).

As well as offering work placements, skills active businesses were significantly more likely to employ apprentices across all age groups: aged 16 to 18 (22% against 6% for non-skills active businesses), aged 19 to 24 (23% against 11%), and aged 25+ (8% against 2%). In addition to this, skills active businesses were more likely to employ apprentices of all ages in the future.

Figure 8. Likely to employ apprentices in future: Skills Active/Analysis by age group

	Apprentice Age Group		
	16 – 18 years	19 – 24 years	25+years
Skills Active	40%	41%	35%
Non-Skills Active	20%	29%	21%

Despite commitments to workforce development, skills active businesses were significantly more likely to report having hard to fill vacancies (20% against 11% for non-skills active businesses. The results suggest that skills active businesses are more likely to be faced with hard to fill vacancies compared with the sample as a whole (14%).

Trading Conditions

A significantly greater proportion of skills active businesses reported experiencing at least one rising cost (83% against 74% for skills inactive businesses). Skills active businesses were more likely to have experienced rising costs in *Pay settlements* (19% against 14% for skills inactive businesses), *Staff costs* (58% against 42%), *energy prices* (47% vs. 39%) and *IT costs* (32% against 27%).

Two issues emerged as being significantly more likely to be perceived as barriers to growth by skills active companies: over a third (36%) reported a lack of staff or skills as key barrier to business growth (compared with 28% of non-skills active businesses). Looking at the previous wave of this research suggests that lack of staff or skills is a persistent problem for GM businesses. In 2014, a quarter of businesses across the whole sample identified a lack of staff or skills as a key barrier to growth, and similar levels were identified in 2013 and 2012.

Innovation and international trade

The results also illustrate that skills-active businesses have a higher likelihood of having engaged in innovative activity in the last three years (86% against 78% for skills inactive businesses).

Skills active businesses are also more likely to view EU membership as a source of opportunity, in terms of offering solutions to workforce challenges: Skills active businesses emerged as significantly more likely to see EU membership as important to their business in relation to *Staff recruitment and retention* (34% against 21%).

Interaction with support services and incentives

A significantly greater proportion of skills active businesses had used a business support service (48% against 38% for non-skills active businesses) and had used support services across various areas, including *developing your workforce through training, improved efficiency and communications* (55% against 29% for skills inactive businesses) and *expanding the workforce through recruitment/job creation, including recruitment of apprenticeships* (43% against 28% for skills inactive businesses). Skills active businesses were significantly more likely to report that they intended to seek business support in the future (86% against 74% for non-skills active businesses), with *developing your workforce through training, improved efficiency and communications* being the most frequently selected service (by 58% of skills active businesses).

6.2.2 International trade

International trade has been identified by the UK Government as a key contributor to future economic vitality and the outcome of the EU referendum further elevates the importance of developing global trade networks. This is recognised in Greater Manchester's Internationalisation Strategy, which articulates the assets, sector strengths and ambition that exist within GM to elevate the city region's global status and profile.

A fifth of GM businesses (20%) reported that they exported: This figure is higher than the 2014 figure of 12% but could be reflective of small changes to the question asked of interviewees. Further, as this is just one year of data caution should be applied in interpreting it as a trend. This sub-section explores the characteristics of businesses interviewed that export, providing greater detail on those businesses that have the highest propensity to export

Key characteristics of exporters

- The manufacturing sector has the highest proportion of businesses that export (55%).
- Neither the number of people employed by a business nor its age had a significant impact on its likelihood of being an exporter.
- More likely to be in Trafford (18%), Stockport (16%), and Manchester (28%).
- Reported growth in turnover and employment was a trend that exporters expect to continue. Employment growth was particularly strong, with exporters significantly more likely both to report previous (25% against 7% for non-exporters) and to expect future (29% against 8% for non-exporters) employment growth in excess of 50%.
- Were significantly more likely to view continued EU membership as being critical to their business (35% against 17% of non-exporters),
- While exporters were less likely to have faced business challenges, they were nonetheless committed to seeking further opportunities to improve their business performance. This encompassed innovative activity, in which exporters were more likely to be involved (87% against 79% for non-exporters).

Definition

Goods and services are both traded internationally and although individual Businesses' attitudes to international trade are important, trade is also affected by prevailing macroeconomic conditions. For example, the relative strength of Sterling can impact upon the affordability of UK goods and services in overseas markets. The UK's decision to leave the EU and the subsequent trade negotiations that are brokered will have a big impact on exporting potential for businesses in the future.

Respondents were asked if their business export. Their responses were used to classify businesses into those that export and those that do not export. In total, 20% of respondents reported having exported; these businesses are classified in this section as exporters. The 80% of businesses that did not report having exported are classified as non-exporters.

A fifth of GM businesses (20%) reported that they exported up from 12% in 2014. Caution must be taken in interpreting it as a trend based on only one year's data. Further, it is important to note that the wording of the question within the survey has changed this year which may have impacted on the outcome. In previous years the survey included a question asking businesses if they 'currently have any operations that deal with international markets'. This was changed in the 2016 survey to a question that simply asked 'Do you trade internationally'. Additionally, in 2012-14 only businesses that said they do deal with international markets were asked if this related to exporting or importing. The results suggest however, that export activity in Greater Manchester is broadly comparable to the national average; outlined at 19% in the BIS Longitudinal Small Business Survey (SBS). Whilst the SBS provides analysis of businesses with 249 or fewer employees, the similarity in the figures would suggest that GM is performing broadly in-line with the national average.

The majority of exports were to EU countries (77%), followed by North America (52%) and Europe outside the EU (50%).

An additional 5% of GM businesses plan to export in the future (5% in 2014 and 4% in 2013). The main sectors in this respect are: Business, Professional & Financial Services, and Retail & Wholesale.

The analysis that follows provides a snapshot of the key characteristics and behaviours that distinguish exporters from non-exporters, based on the findings of this study⁶.

Business characteristics and growth prospects

Exporters were more likely to be in Manchester (28%), Trafford (18%), and Stockport (16%). Analysis by sector highlights that the Manufacturing sector is most likely to export (55%).

Exporters were more likely to report increased turnover in the past 12 months (55% against 49% for non-exporters). Exporters are also more likely to expect this trend to continue and turnover to increase in the next twelve months (68% against 54% for non-exporters).

Similarly, respondents whose businesses export were significantly more likely to report having grown their workforce in the past 12 months (37% against 29% for non-exporters), and expected this to continue in the next twelve months (45% vs. 32%). Furthermore, the scale of employment growth amongst exporters was notable; a significantly greater proportion reported employment growth in excess of 50% (25% against 7% for non-exporters) and expected this to continue over the next twelve months (29% against 8% for non-exporters).

Two key barriers to growth were significantly more likely to be flagged as potential barriers to growth by businesses that export. These were *access to markets and sales opportunities* (35% against 24% for non-exporters) and *the products and services your company provides* (14% vs. 10%).

EU membership

Exporters were significantly more likely to view continued EU membership as being critical to their business (35% against 17% of non-exporters): They rated continued EU membership as important to their businesses in terms of supply chains (66% vs. 42% of non-exporters) and they also placed particular importance on continued EU membership to provide access to new export markets (72% vs. 22% of non-exporters) (Note the 2016 study was undertaken prior to the results of the EU Referendum).

Amongst GM businesses that currently export, the key markets were EU states (77%), North America (52%), and European countries located outside the EU (50%). The results also suggest that exporters are increasingly forging links with emerging economies: Over a third of exporters said they had built trade links with the Middle East (39%) and China (37%), and over a quarter reported having trade links with India (29%).

Innovation

Exporters displayed a greater likelihood to have engaged in innovative activity within the last three years (87% against 79% for non-exporters). Businesses that export were significantly more likely to have invested in new machinery/plant, additional ICT equipment, software (71% vs. 62% for non-exporters), to have developed new knowledge, improved goods, services or processes (69% vs. 55%) or to have implemented major changes in business structure or process (42% vs. 33%).

Businesses that export were also more likely than those that do not to identify at least one barrier to undertaking innovation activity (31% vs. 19%), with *lack of finance* (14%) being the most frequently cited obstacle to innovation.

⁶ All observed differences are statistically significant

Exporters' engagement in innovative activity was also reflected in an increased likelihood both of understanding UK tax incentives offered to businesses investing in R&D (43% against 27% for non-exporters) and of taking advantage of such incentives (49% vs. 25%).

Interaction with support services and incentives

Exporters were more likely to have sought finance for their business in the last twelve months (21% against 15% for non-exporters). Exporters were also more open to considering accessing finance in the future to support the growth of their businesses (71% vs. 56% of non-exporters). A more detailed look at the responses given highlights that compared to businesses that don't export, those who export are most likely to consider using banks/debt (42% vs. 34% of non-exporters), internal capital (41% vs. 32%) and local and central government grants/loans/funding schemes (35% vs. 26%) as a means of financing and supporting business growth.

Companies that export were more likely to indicate they were aware of and have accessed a business support service. Almost six out of ten exporters were aware of the Business Growth Hub and the services it offers (58% of exporters vs. 42%). Half indicated that they had used a business support service (50%) compared with just over a third (38%) of non-exporting businesses. Interestingly, around a fifth of exporting business (19%) indicated that they had used the Business Growth Hub, Access to Finance or ENWORKS for support compared with 10% of non-exporting businesses.

Around one in seven exporting businesses reported having accessed support from the Greater Manchester Chamber of Commerce (14%), compared to just 7% of non-exporting business. Around one in seven exporters (15%) reported having approached a trade association or employer association for business support or advice, compared with 9% of non-exporters. Exporting businesses also emerge as being significantly more likely to access business support from Universities, with 12% having cited this as a source of help compared with 5% of non-exporting businesses.

The findings highlight UKTI Export Advisory Service as the greatest contrast in sources of support accessed by exporting and non-exporting businesses: in total 14% of businesses that export reported using UKTI compared with 2% of non-exporting businesses.

6.2.3 Business support

High quality business support services are important for growth and development and services may be provided by experts in a professional field (e.g. accountancy/law/finance) that operate as commercial enterprises, or by public agencies that have been established to advise on a range of policy areas, including exporting. This sub-section explores the distinct characteristics of those businesses interviewed that are most likely to engage in business support.

Key characteristics of business support users

- Business support users were significantly overrepresented in the Creative & Digital sector (15%)
- Growth in turnover was more likely to be reported by business support users, both in the past twelve months (60% against 43% for non-business support users) and anticipated in the next twelve months (65% vs. 51% non-business support users).
- They were more likely to provide staff training (77% vs. 71% of businesses that have not accessed business support).
- A significantly greater proportion of business support users intend to offer apprenticeships in future to all three specified age groups than non-business support users
- Business support users were more likely to trade internationally than those had not engaged with business support in the past year (25% vs. 17%).

Definition

Respondents were asked if they had accessed business support, and those who had were presented with a list of business support services and asked to indicate which they had used. Around two-fifths of respondents (41%) reported having used one or more business support services; these businesses are classified in this section as business support users. The 59% of businesses that did not report having used any business support services are classified as non-business support users. The figure below provides an outline of the frequency with which respondents indicated having used support services.

The proportion of businesses that had accessed business support has declined from 2014 however further analysis highlights fluctuations in the take-up of different types of support services: There has been a decline in the proportion of businesses that accessed support via banks (from 14% in 2014 to 9% in 2016), and accountants/solicitors (24% in 2014 to 16% in 2016). In comparison those seeking support from local authorities and the UKTI Export Advisory Service remained at 11% and 4% respectively over both years, and support from the Business Growth Hub increased by 6 percentage points% (from 6% in 2014 to 12% in 2016).

Figure 9. Access to business support services, full sample

Business support service used	% total sample
Had used at least one business support service	41%
Accountants/solicitors [over and beyond for bookkeeping/auditing or statutory/regulatory purposes]	16%
Business Growth Hub, Access to Finance or ENWORKS	12%
Local Authority	11%
Business Consultancy / Consultants	10%
Trade Association/employer organisations	10%
Bank	9%
Greater Manchester Chamber of Commerce	8%
Universities	6%
Haven't used any/Don't know ⁷	59%

Source: Qa Research 2016 Q44 (n=1,403)

⁷ 8% of the overall sample did not know if they had accessed a business support service, whilst 52% indicated they had not accessed any business support service. Those indicating don't know have been assumed not to have accessed a business support service and the overall total has been combined.

A 2014 Evaluation of the Business Support Helpline and GOV.UK website excluding online business support access (which was not reported on in this survey) reported that 46.2% of businesses had accessed business support/advice over the previous twelve months, broadly aligning with the figure for Greater Manchester.

The analysis that follows provides a snapshot of the key characteristics and behaviours that distinguish business support users from non-business support users, based on the findings of this study⁸.

Business characteristics and growth prospects

Business support users were significantly overrepresented in the Creative & Digital sector (15%)

Growth in turnover was more likely to be reported by business support users, both in the past twelve months (60% against 43% for non-business support users) and anticipated in the next twelve months (65% vs. 51% non-business support users).

Similarly, a significantly greater proportion of business support users reported increased employment in the past twelve months (36% against 28% for non-business support users), and expected this to continue in the next twelve months (43% against 29% for non-business support users).

Workforce skills

Business support users embraced the value of skills and qualifications within their workforce across a range of indicators. Significantly more of this group identified *workforce and skills* as a driver of business growth, than non-business support users (51% against 37%).

They showed a greater propensity to provide staff training in the past twelve months (77% against 71% for non-business support users). This was driven by provision of external training (55% against 48% for non-business support users).

A significantly greater proportion of business support users intend to offer apprenticeships in future to all three specified age groups: *aged 16-18* (31% against 21% for non-business support users), *aged 19-24* (39% against 28% for non-business support users), and *aged 25+* (30% against 21% for non-business support users).

Business support users were also less likely to employ staff without qualifications and more likely to employ staff with higher level qualifications: In total, 17% of firms that had used a business support service employed staff with no qualifications. In comparison, over a quarter of firms that had not engaged with any form of business support said that they currently employed staff with no qualifications (29%).

Trading conditions

Businesses that engaged with support services were more likely to report having experienced a major business disruption in the past twelve months (31% against 25% for non-business support users) and at least one rising cost (82% against 74% for non-business support users). The most frequently cited barriers to growth amongst business support users were: *Lack of staff or skills*

⁸ All observed differences are statistically significant

(36% against 26% for non-business support users), *Access to markets and sales opportunities* (34% against 21%), and *Accessing finance* (25% against 19%).

Business support users often reported proactively seeking solutions to the challenges they had encountered. A significantly greater proportion of business support users had business continuity plans in place (70% against 55% for non-business support users), planned to seek business advice in future (87% against 71% for non-business support users), and had accessed a business mentor (30% against 14% for non-business support users).

Innovation

Business support users were significantly more likely to have engaged in innovative activity within the last three years (89% against 75% for non-business support users). Nonetheless, business support users were more likely to identify at least one barrier to innovation (34% against 14% for non-business support users), with *lack of finance* being the most frequently identified barrier (by 14% of business support users). A significantly greater proportion of business support users both understood (33% against 28% for non-business support users) and had taken advantage of (39% vs. 26% for non-business support users) UK tax incentives offered to businesses investing in R&D.

International outlook

Business support users were significantly more likely to trade internationally (25% vs. 17% for non-business support users). Business support users that do not currently export are more likely to report that they intend to develop these in the future (8% against 2% for non-business support users). However, business support users were also significantly more likely to identify a range of barriers to exporting, most notably *lack of knowledge* (10% vs. 4% for non-business support users), *compliance with local regulations* (8% against 3%), and *language/cultural barriers* (7% against 2%).

6.2.4 Innovation

At the core of the industrial strategy for Greater Manchester (GM) is the need to harness knowledge, innovation, skills, and infrastructure to drive the local economy, create jobs and raise productivity. Innovation is a critical component to business growth and can take a number of forms, including process and product innovations or developing a new or different business model.

Capturing data on innovation is difficult and official data is often available only at a regional and not sub-regional or district level, making comparators difficult.

Most GM businesses reported having undertaken at least one innovative activity (80%) in the last year and this has risen from 66% in 2014. These range from investing in new machinery/plant/ICT equipment/software through to accessing knowledge to implementing major changes in business structure of processes. Evidently the extent to which these activities are highly innovative varies widely, but it is a positive sign.

Further profiling analysis has been undertaken for two of the more highly innovative activities accessing knowledge from universities and implementing major changes in business structure or processes to identify the characteristics of the most innovative firms and it is detailed below.

Key characteristics of innovative firms

- Capturing and measure the extent to which firms innovate is difficult. Two of the innovation activities within the 2016 Business Survey have been selected to act as a proxy for highly innovative firms and the characteristics of firms engaging in these areas is highlighted below.
- *Accessing knowledge from Universities*
 - Only a small number of GM Businesses access knowledge from Universities over the last 3 years, 18%, but this number is growing (it was 10% in 2014)
 - Businesses that had accessed knowledge from universities were more likely to export their products/services overseas (24%).
 - They were also more likely to employ 50+ employees (28%)
 - Businesses that identified themselves as Health & Social Care and Health Innovation and Manufacturing firms were the most likely to have accessed knowledge from Universities.
- *Implementing major changes in business structure or processes*
 - 35% of businesses have implemented major changes in business structure or processes compared to 22% in 2014
 - They were more likely to be in the Business, Financial & Professional Services Sector (48%), and the Creative & Digital sector (41%).
 - They were also significantly more likely to have sought business support in the last 12 months (43%).

Definition

Respondents were given a list of six innovation activities and asked if their business had undertaken any of these within the last 3 years. These were:

- Developing new knowledge, improved goods, services or processes
- Paying for specialist innovation advice or support (e.g., from external consultants or suppliers)
- Accessing knowledge from Universities
- Investing in new machinery/plant, additional ICT equipment, software
- Undertaking management and Staff Training which will support innovation and the introduction of new ideas, products, services, business or processes
- Implementing major changes in business structure or processes

In total, 80% of respondents had engaged with at least one of the six examples of innovation, and these businesses are classified in this section as having engaged in innovation activities. This has risen from last year (66% of businesses reported having undertaken at least one innovation activity in the previous 3 years), but has fluctuated with the figure in 2013 (74% and in 2012 79%).

The table below presents the proportion of survey respondents reporting that they had engaged in each of the 6 examples of innovative activity, in descending order.

Figure 10. Engagement in Innovative Activity within the last 3 years, full sample

Innovative Activity	Percentage of total sample
Net – Any innovative activity	80%
Investing in new machinery/plant, additional ICT equipment, software	64%
Developing new knowledge, improved goods, services or processes	57%
Undertaking management and Staff Training which will support innovation and the introduction of new ideas, products, services, business or processes	46%
Implementing major changes in business structure or processes	35%
Paying for specialist innovation advice or support (e.g., from external consultants or suppliers)	20%
Accessing knowledge from Universities	18%
None of the above/Don't know ⁹	20%

Source: Qa Research 2016 Q60 (n=1,403)

Whilst the activities above are all innovative – there are evidently different degrees of innovation. As a result, further analysis has been undertaken on two of the six sub-categories: implementing major changes in business structure or processes and accessing knowledge from Universities. These activities have been identified as highly innovative activities on account of the level of engagement required and the role of Higher Education Institutes in particular within the second. Evidently there will be highly innovative firms that do not undertake these activities but it does provide a proxy for exploring the most innovative firms.

Businesses that access knowledge from universities

Only a small number of GM Businesses accessed knowledge from Universities over the last 3 years (18%) but this number is growing (up from 10% in 2014). Businesses most likely to report having accessed knowledge from universities were significantly more likely to be those with 50+ employees (28%) and to be engaged in exporting (24%). They were also more likely to be in the Health & Social Care and Health Innovation sector (49%) and Manufacturing sector (26%).

Businesses that have implemented major changes in business structure or processes

35% of businesses have implemented major changes in business structure or processes compared to 22% in 2014. Businesses that implemented major changes in business structure or processes were significantly more likely to be in the Business, Financial & Professional Services Sector (48%), and the Creative & Digital sector (41%). These businesses were also significantly more likely to have sought business support in the last 12 months (43%) and to trade internationally (42%).

⁹ 1 % of the overall sample did not know if they were involved in the six key innovation activities whilst 19% indicated they were not involved. Those indicating don't know have been assumed not to be innovators and the overall total has been combined

7. Detailed Findings

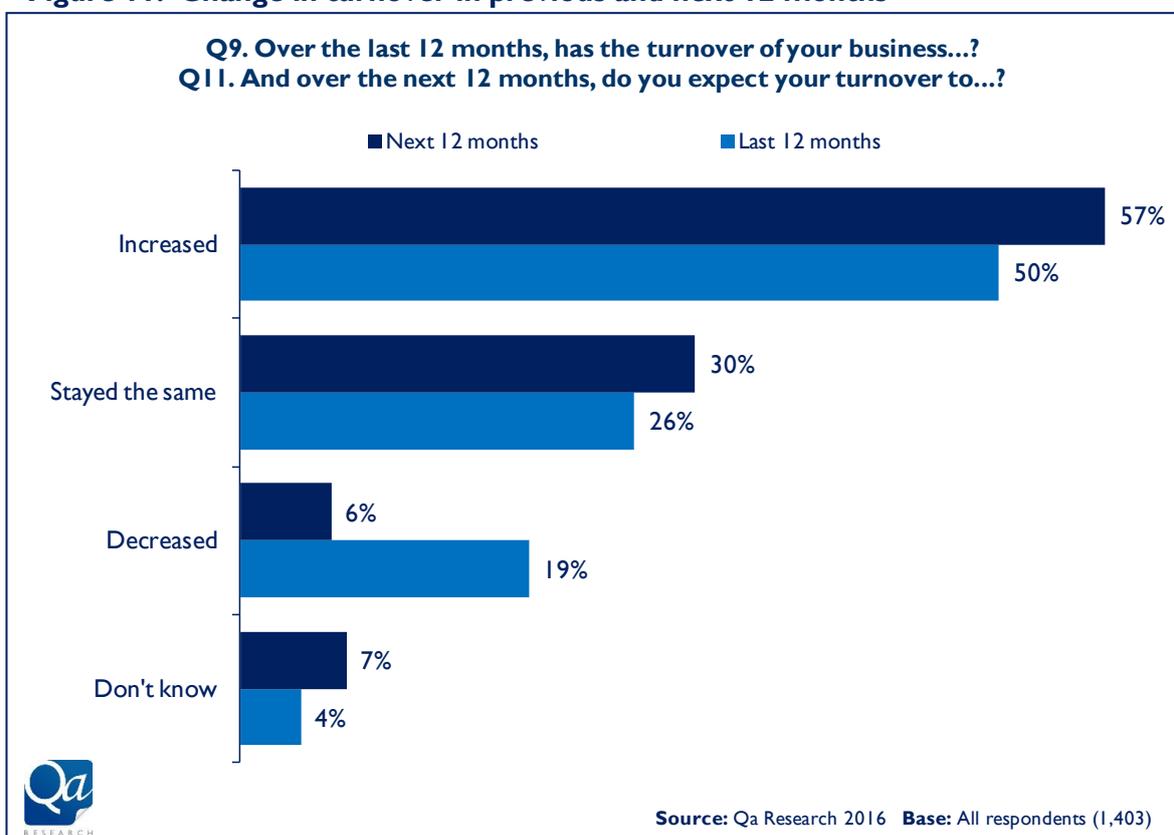
Following on from Sections 5 and 6 which profile the characteristics of businesses interviewed based on their performance over the last 12 months, and upon growth themes: skills, innovation international trade and business support, section 7 now takes a more linear approach to the business survey to ensure that the full detail is captured. It assesses each question from the 2016 business survey in turn presenting the findings and where possible comparing to previous years' results to assess the major trends within the business base.

7.1 Business Growth

7.1.1 Changes in turnover in the previous and next 12 months

All respondents were asked to indicate how their business's turnover had changed in the previous 12 months and also how they felt it would change over the next 12 months and responses are summarised below;

Figure 11. Change in turnover in previous and next 12 months



Half of businesses reported an increase in turnover over the previous 12 months (50%) and the majority expect turnover to increase over the next year (57%).

There is some evidence that businesses that have recently experienced growth are more likely to be optimistic about future growth.

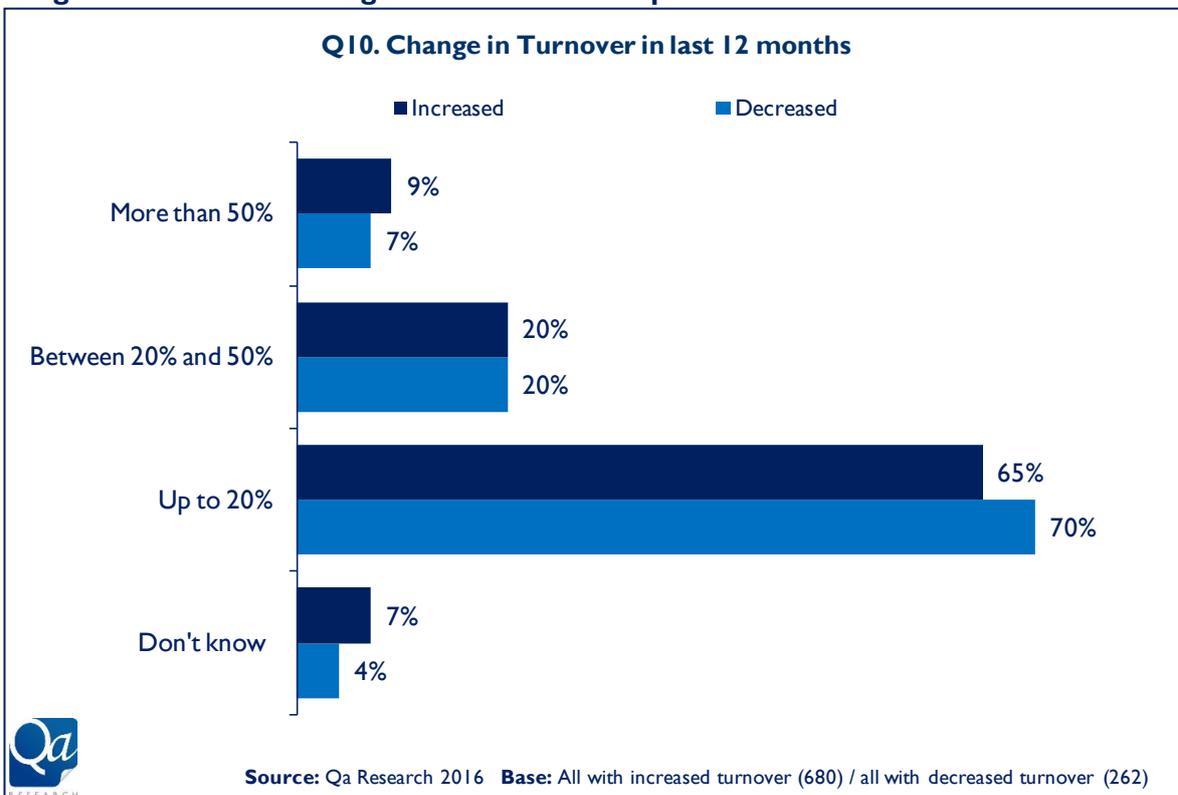
Although this is not always the case – recent growth may limit a business’s capacity to realise further growth in the near future. Previous research for BIS found that while the majority of businesses have ambitions of growth, only a small proportion actually realise that growth¹⁰.

Additionally, while one-in-five (19%) indicated that they’d experienced decreased turnover in the previous year, this proportion was much lower when respondents were asked to consider the forthcoming year (6%).

These findings suggest that businesses are generally more positive about their future prospects compared with what they experienced in the previous year. Businesses tend to be optimistic about their future, despite recent poor performance, possibly as a mechanism to continue. It is also possible that businesses responding to surveys report more optimistic results and forecasts than is actually the case¹¹.

Respondents that indicated that turnover had either increased or decreased over the previous 12 months were asked to indicate by how much and responses were as follows;

Figure 12. Level of change in turnover in the previous 12 months



The data here suggest that most businesses experienced changes in turnover of less than 20%.

Specifically, around two-thirds (65%) of those experiencing an increase and of those experiencing a decrease (70%) give a figure ‘up to 20%’. This is unsurprising as growth of up to 20% tends to be more sustainable than more substantial growth, which could create problems for businesses, or could be short lasting.

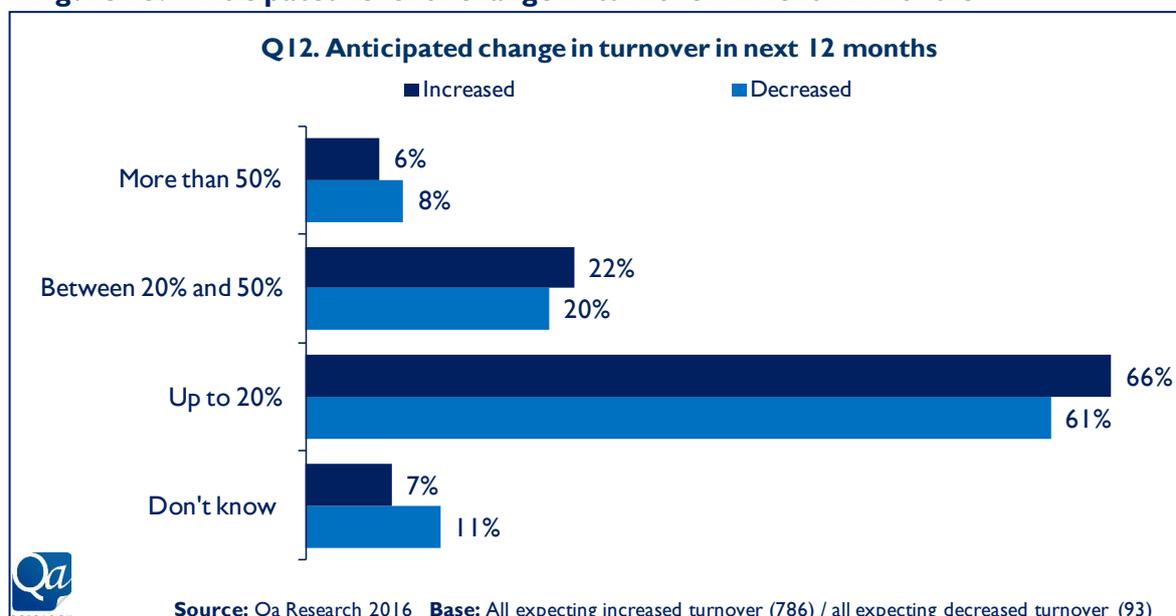
¹⁰ TBR (2012), Business Growth Ambitions amongst SMEs BIS, Scottish Enterprise, InvestNI and Welsh Government. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/187058/12-1169-business-growth-ambitions-amongst-smes.pdf

¹¹ Stanworth et al (1993) ‘Small firms in recession in Britain’. In Chittenden et al *Small firms: Recession and Recovery*.

While around a quarter of both types of businesses gave a figure of 20% or more, it should be remembered that in absolute terms this equates to almost twice as many businesses experiencing this level of growth in the last year than experienced a decline in turnover.

Similarly, those respondents that indicated that they expect turnover to either increase or decrease over the next 12 months were asked to indicate by how much;

Figure 13. Anticipated level of change in turnover in next 12 months



The majority of businesses, whether expecting a decrease or increase in turnover, felt that any change would be relatively small and only 'up to 20%'. This was equally true of those expecting a decrease (61%) as those expecting an increase (66%).

7.1.1.1 Analysis of variations within data

Time series

The chart below outlines changes in turnover experienced in the last 12 months and expectations for the next 12 months;

Figure 14. TIME-SERIES: Change in turnover in next 12 months and anticipated change in next 12 months

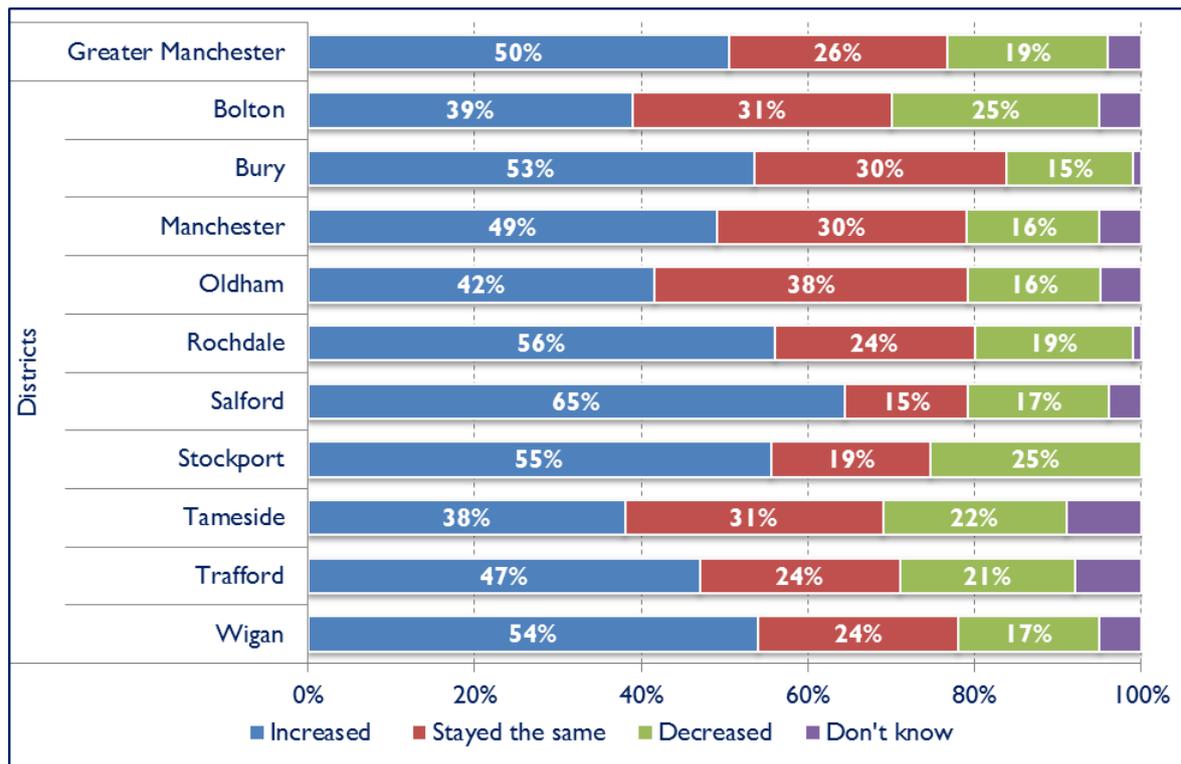
Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Change in turnover in last 12 months (Q9)					
Increased	35%	35%	43%	50%	↑
Decreased	26%	23%	18%	19%	↓
Stayed the same	34%	32%	34%	26%	↓
Don't know	5%	9%	5%	4%	-
Change in turnover in next 12 months (Q11)					
Increased	43%	50%	53%	57%	↑
Decreased	11%	7%	7%	6%	-
Stayed the same	39%	33%	34%	30%	↓
Don't know	6%	10%	6%	7%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Since 2012, there has been a steady increase in the proportion of businesses reporting increased turnover over the last 12 months and anticipating an increase over the next 12 months.

Location

The profile of past turnover performance is relatively consistent across all ten Greater Manchester (GM) districts, although businesses in Salford were significantly more likely to report an increase and businesses in Oldham were significantly more likely to report that turnover had remained unchanged.

Figure 15. Reported turnover change in last 12 months, by district



Changes in turnover (both increases and decreases) were most often by up to 20% across all 10 GM districts. However, businesses in Trafford were significantly more likely to report increases of 20-50% and in Wigan almost a quarter (24%) of businesses that reported an increase in turnover recorded growth in excess of 50% (a significantly greater proportion).

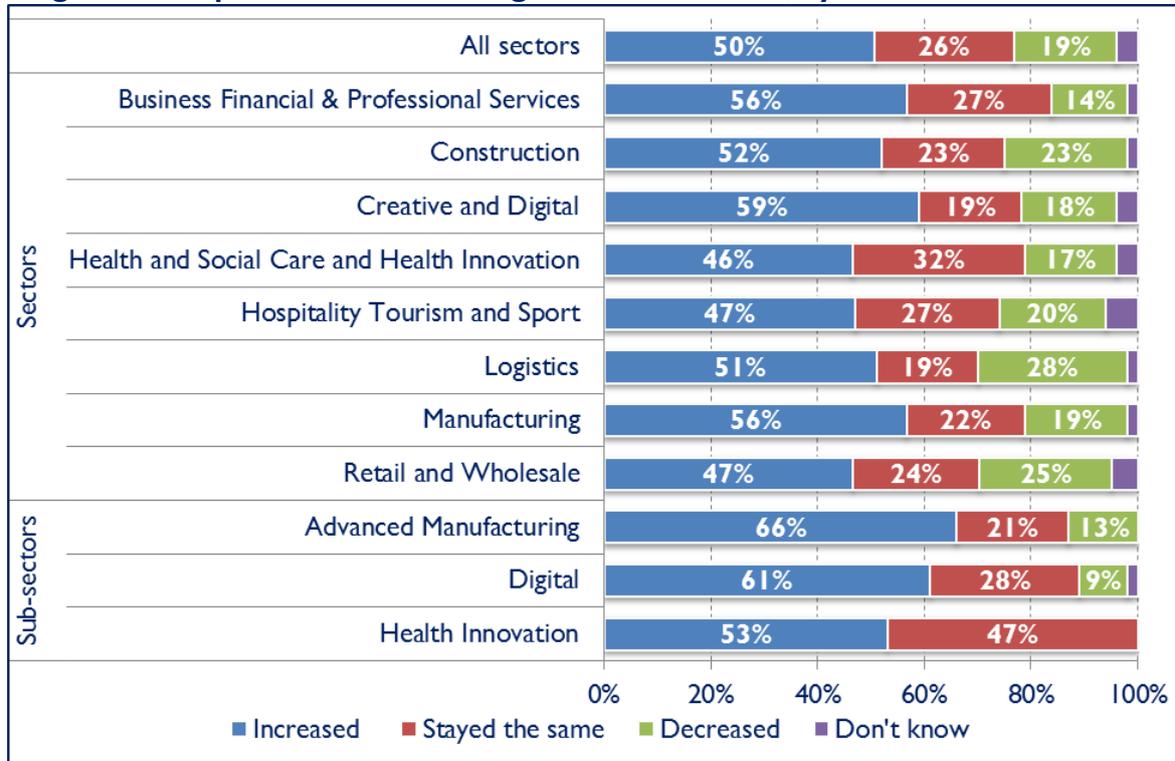
The only significant variation from GM in terms of expectation of future turnover was in Bury, where businesses were significantly more likely to expect turnover to stay the same. Across all ten GM districts, the only significant variation in terms of level of anticipated turnover growth was in Trafford, where businesses that forecast a contraction in turnover were significantly more assured that this would be no greater than 20%.

Sector

The profile of past turnover performance is relatively consistent across all principal sectors of economic activity and shown in the figure below, although businesses in Manufacturing and Creative and Digital were significantly more likely to report an increase and businesses in Retail and Wholesale were significantly more likely to report a decrease.

Turnover performance across the three subsectors¹² was more variable. However, due to the smaller sample sizes, the only significant variation was that businesses in Advanced Manufacturing were more likely to report turnover growth.

Figure 16. Reported turnover change in last 12 months, by sector and sub-sector



Changes in turnover (both increases and decreases) were most often by up to 20% across all eight principal sectors. Within this observation, various sectors were significantly more likely to report change in turnover (both increases and decreases) of up to 20%. Outside of this observation, businesses in Business Financial & Professional Services were significantly more likely to report increased turnover of between 20% and 50% and businesses in Creative and Digital were significantly more likely to report increased turnover that exceeded 50%.

The only significant sectoral variations in expected future turnover were in the two sectors that were significantly more likely to report previous turnover growth in excess of 20%: Business Financial & Professional Services and Creative and Digital. Businesses in these two sectors were significantly more likely to expect turnover to increase. Across all eight principal sectors, the only significant variation in terms of level of anticipated turnover growth was in Creative and Digital, where businesses that forecast an increase in turnover were significantly more likely to predict that this would exceed 50%.

Size

Businesses employing up to 10 people were significantly more likely to report a decrease in turnover over the previous twelve months, whilst businesses employing between 11 and 49 people were significantly more likely to report an increase. However, those businesses employing up to 10 people that did report an increase in turnover were significantly more likely to report turnover growth that exceeded 20%, whereas businesses employing between 11 and 49 people were significantly more likely to report turnover growth of up to 20%.

¹² Advanced Manufacturing (a subset of Manufacturing), Digital (a subset of Creative and Digital) and Health Innovation (a subset of Health and Social Care and Health Innovation).

Age

Businesses up to 10 years old were significantly more likely to report an increase in turnover, with those up to 3 years old (70%) significantly more likely to report turnover growth that exceeded 20%.

Business over 10 years old were significantly more likely to report a decrease in turnover, and even those that did report an increase were significantly more likely to report more modest growth of up to 20%. Looking to the future, businesses over 10 years old were also more cautious; they were significantly more likely to forecast static turnover and, for those that forecast increased turnover, significantly more likely to expect this growth to be up to 20%.

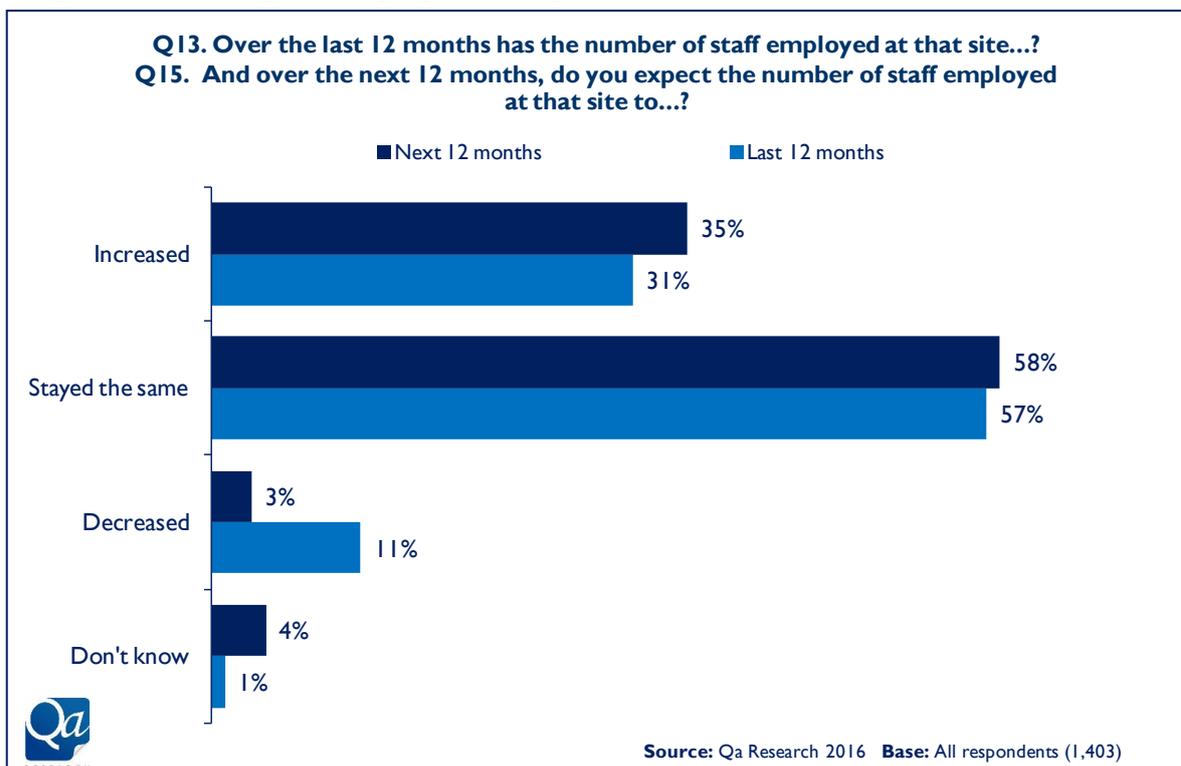
These findings are consistent with intuition in a variety of respects. Older, more established businesses are generally more likely to:

- Exhibit higher levels of turnover. Higher existing turnovers make achieving higher relative increases more difficult in absolute terms.
- Be well capitalised and therefore able to manage temporary decreases in turnover. Younger businesses that experience equivalent absolute decreases in turnover may not be able to accommodate this and may cease trading, and therefore not be present to report the decrease.
- Possess an advanced understanding of trends in their marketplace and therefore be better able to accurately forecast changes in market demand.

7.1.2 Changes in employment in the previous and next 12 months

Respondents were asked to detail changes in employment levels experienced over the previous 12 months and to indicate their expectations for the next 12 months. More than half had maintained the same staff numbers over the previous 12 months and expected their headcount to stay the same over the next year.

Figure 17. Change in employment in previous and next 12 months



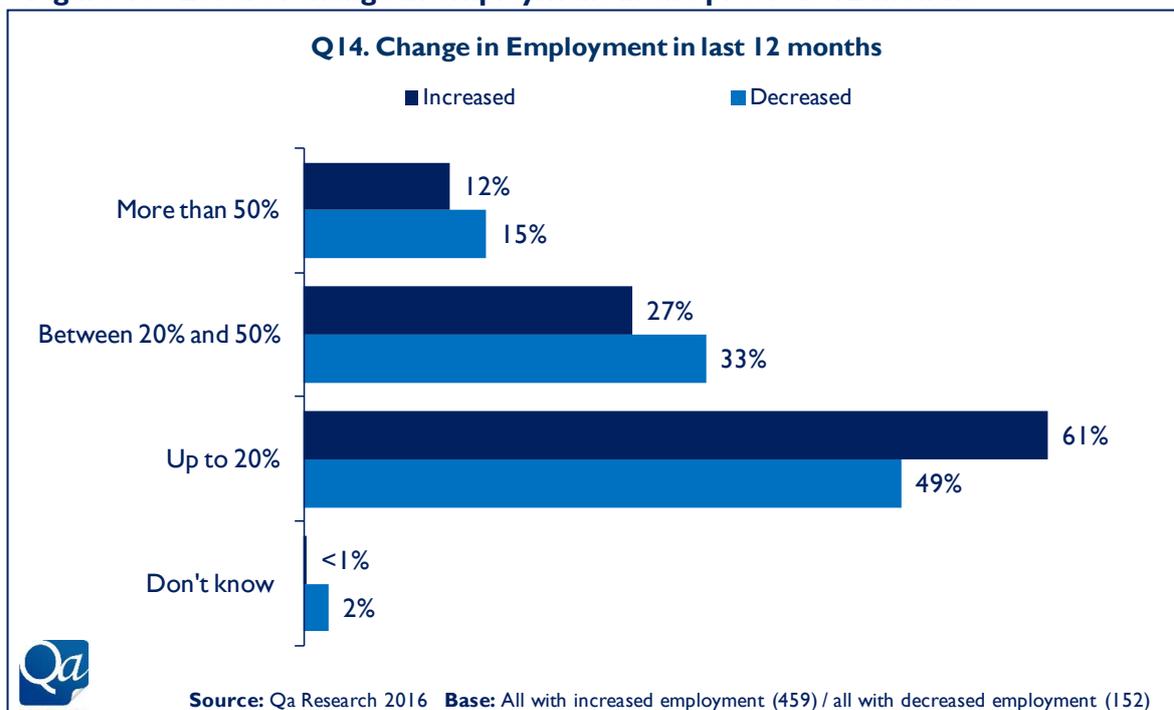
Although, the majority of respondents felt that their turnover would increase in the next 12 months and half said it had increased in the previous 12 months, the same was not true when reporting on employment levels; the majority of businesses indicated that employment levels had 'stayed the same' in the last year (57%) and will do so over the next 12 months (58%).

That said, around a third had seen an increase over the last year (31%) and a similar proportion expected to see an increase going forward (35%). Nationally in 2015, 24% of SMEs had increased employment during the previous 12 months¹³, suggesting that a greater proportion of Greater Manchester businesses than UK businesses have increased employment (although this comparison is imperfect, because the GM Business Survey includes larger businesses as well as SMEs).

Annual Population Survey data suggest that overall employment levels increased between 2014 and 2015 in nine of the ten Local Authorities of Greater Manchester (the only exception is Salford, which experienced a very small decrease). This increase reflects a similar trend across the wider North West region and nationally, and suggests that economic growth is giving businesses sufficient confidence to recruit employees.

Those respondents that said employment had either increased or decreased over the previous 12 months were asked to indicate by how much and responses were as follows;

Figure 18. Level of change in employment in the previous 12 months



This data suggests that amongst those experiencing change, there has been a greater degree of variation in levels of employment over than the last 12 months than levels of turnover.

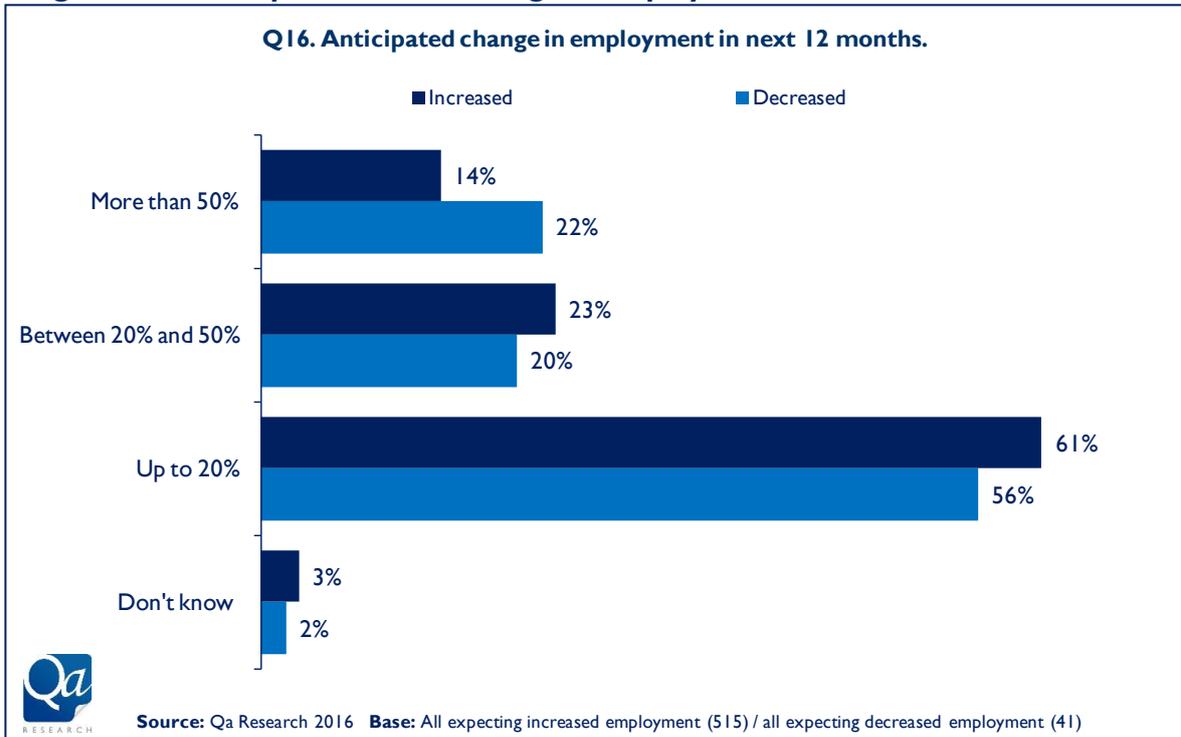
Although the majority of businesses recording an increase in employment said this had only been 'up to 20%' (61%), more than a quarter had recorded 'between 20% and 50%' change (27%) and more than one-in-ten had seen a change of 'more than 50%' (12%).

¹³ BMG Research Ltd (2016) Longitudinal Small Business Survey Year 1 (2015) SME employers. Department for Business Innovation & Skills

Even more variation was recorded amongst those experiencing a decrease, with a third experiencing a decrease of 'between 20% and 50%' (33%) and around one-in-seven seeing their workforce decline over the last year by 'more than 50%' (15%). This suggests that those businesses that saw a decline in employment experienced significant job losses.

The chart below outlines the amount of change amongst those expecting an increase or decrease in employment over the next 12 months;

Figure 19. Anticipated level of change in employment in next 12 months



Most businesses that expected to increase their headcount thought they'd do so by 'up to 20%' (61%), but more than one-in-seven thought this could be by 'more than 50%' (14%).

Relatively few respondents expected a decrease over the next 12 months, but amongst those that did, a fifth anticipated a decline of 'more than 50%' (22%), although for the majority the expectation was more modest at 'up to 20%' (56%). This is broadly consistent with the levels of decrease experienced in the previous twelve months.

7.1.2.1 Analysis of variations within data

Time series

Changes in levels of employment over time are detailed below;

Figure 20. TIME-SERIES: Change in employment in next 12 months and anticipated change in next 12 months

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Changes in number of staff employed at site in last 12 months (Q13)					
Increased	17%	22%	26%	31%	↑
Decreased	15%	15%	11%	11%	-
Stayed the same	68%	63%	62%	57%	↓
Don't know	<1%	1%	<1%	1%	-
Changes in number of staff employed at site in next 12 months (Q15)					
Increased	21%	25%	30%	35%	↑
Decreased	6%	5%	4%	3%	-
Stayed the same	69%	66%	64%	58%	↓
Don't know	3%	3%	2%	4%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Since 2012, there has been a steady increase in the proportion of businesses reporting increased levels of employment over the last 12 months and anticipating an increase over the next 12 months.

Location

The districts displaying levels of employment change that were significantly different from GM overall were Wigan (which increased), Oldham (which decreased) and Rochdale and Tameside (which were static). Rochdale was the only district where businesses were significantly more likely to report employment growth at a rate that exceeded 20%. Conversely, Stockport was the only district where businesses were significantly more likely to report employment decline at a rate that exceeded 20%.

Businesses in Wigan were confident of sustaining their employment growth; it was the only district where businesses were significantly more likely to forecast future employment growth. The only other significant variation by district was in Bolton, where businesses were significantly more likely to expect the size of the workforce to remain the same. For those businesses that were forecasting employment growth, growth of up to 20% was the most frequently selected rate across all districts.

Sector

The sectors displaying levels of employment change that were significantly different from the overall response profile were Business Financial & Professional Services, Health and Social Care and Health Innovation and Creative and Digital (all three of which increased). Business Financial & Professional Services and Creative and Digital were key sectors where businesses were significantly more likely to report employment growth at a rate that exceeded 20%.

Businesses in the Business Financial & Professional Services and Creative and Digital sectors were

confident of sustaining their employment growth; these were the only sectors where businesses were significantly more likely to forecast future employment growth. The only other significant variation by sector was in Retail and Wholesale, where businesses were significantly more likely to expect the size of the workforce to remain the same. For those businesses that were forecasting employment growth or decline, change of up to 20% was the most frequently selected rate across all sectors, although businesses in the Creative and Digital sector were significantly more likely to forecast employment growth that exceeded 50%.

Size

Businesses employing more than ten people were significantly more likely to report employment growth than those employing up to ten people. The rate of employment change was also more stable amongst businesses that employed more than ten people; they were significantly more likely to report employment change (both increased and decreased) of up to 20%. Conversely, employment change amongst businesses that employed up to ten people was more volatile.

Age

Businesses over ten years old were significantly more likely to report a reduction in employment over the previous 12 months than younger businesses.

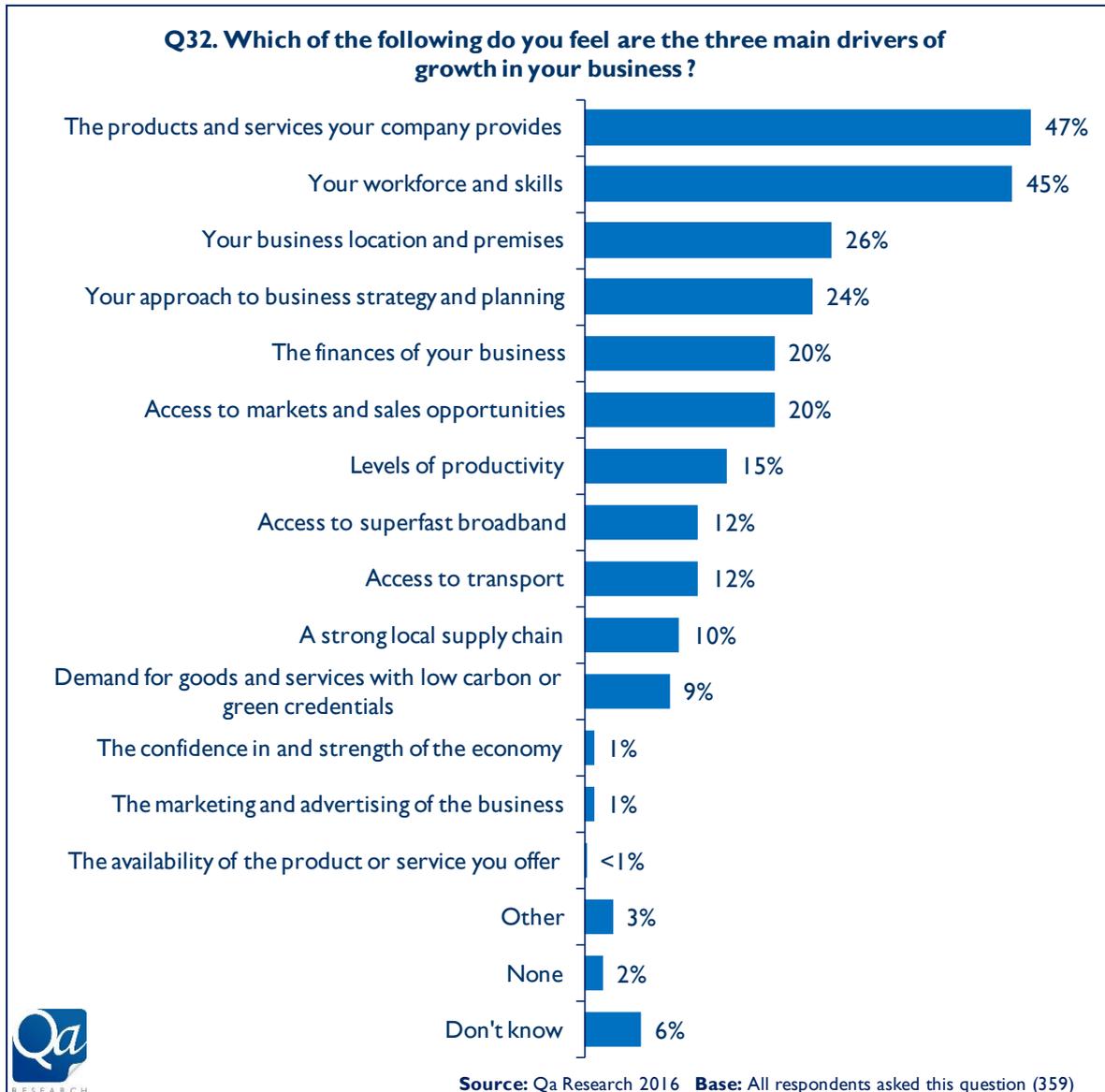
When looking at actual rates of growth amongst businesses that reported an increase in employment over the last 12 months, higher rates were apparent amongst younger businesses. Specifically, businesses aged up to three years were significantly more likely to report employment growth that exceeded 20%, while businesses aged between three and ten years were significantly more likely to report employment growth of between 20% and 50%. The oldest businesses (aged over ten years) reported the lowest levels of growth, being significantly more likely to report employment growth of up to 20%.

Businesses that were 10 years old or younger were more optimistic about employment growth over the next 12 months than the previous 12 months.

7.1.3 Drivers and barriers to growth

For the first part of the fieldwork period, a question was included to understand respondents' views regarding the main drivers of growth in their business and responses were as follows¹⁴;

Figure 21. Main drivers of growth



Generally, the main drivers identified here related to operational elements of the business, rather than external factors. The two key drivers identified, were their company's '*...products and services...*' (47%) and it's '*...workforce and skills*' (45%), but one-in-four mentioned '*...location and premises*' (26%) and '*...strategy and planning*' (24%).

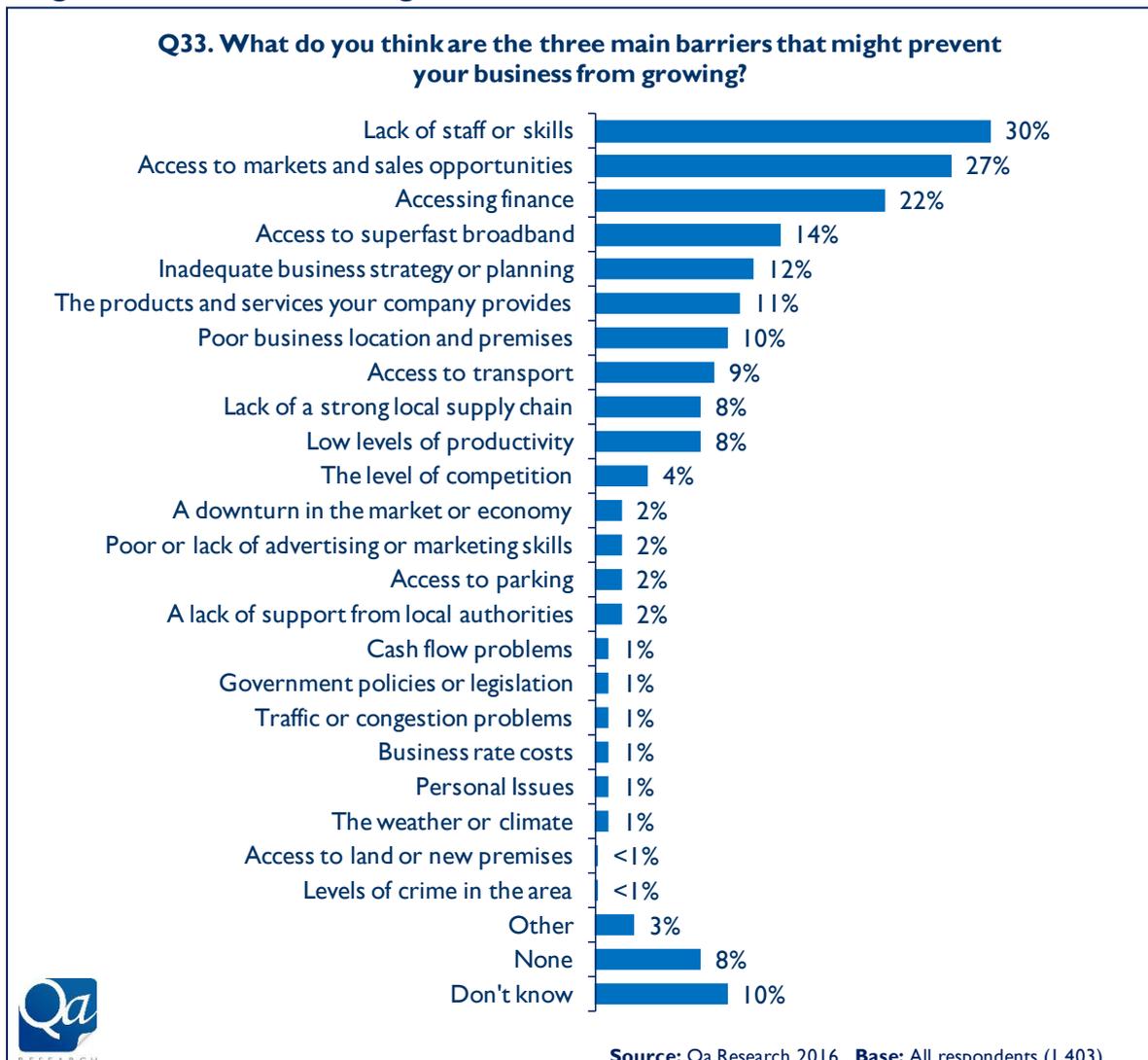
The most frequently mentioned external factors were '*access to markets and sales opportunities*' (20%) and '*access to superfast broadband*' (12%). When asked to identify drivers of growth, there were very few significant differences between those identified by businesses that increased turnover and those identified by businesses that decreased turnover.

¹⁴ As this question was asked of only the first 359 respondents the data are not representative of all businesses and these figures should be seen as indicative.

The notable exception being ‘levels of productivity’; businesses that had seen turnover fall were more likely than businesses that had seen turnover increase to see productivity as a driver of growth. It is difficult to discern from quantitative data whether this indicates that either (a) these businesses have faced tough market conditions and their turnover contracted in spite of high productivity, or (b) that it is only following the contraction in turnover that they have reviewed productivity and have recently determined that it can be improved and, therefore, be a genuine driver of growth in the future.

A question about barriers to growth was asked of all respondents and responses were as follows;

Figure 22. Main barriers to growth



Compared to the drivers of growth, respondents tended to highlight external factors more readily as hindering growth in their business, particularly ‘access to markets and sales opportunities’ (27%) and ‘accessing finance’ (22%). Other external factors include ‘access to superfast broadband’ (14%) and ‘access to transport’ (9%).

Arguably, a ‘lack of staff and skills’ (30%) represents both an internal and external factor, but this was seen as the main barrier to growth by respondents, despite also being a main driver of growth for 45% of respondents. Interestingly, businesses that had offered training in the last twelve months were somewhat more likely to identify this barrier (34%), which suggests that they are taking active steps to overcome it.

When asked specifically if they currently have any vacancies in Greater Manchester that are proving hard to fill, 14% of businesses responded that they did.

When asked to consider barriers to growth, there was greater divergence between businesses that had increased turnover and those that had decreased turnover. Firms that had seen turnover decrease were more inclined to select structural barriers to growth, such as ‘access to markets and sales opportunities’, ‘poor business location and premises’, and ‘the level of competition’. These responses suggest that the businesses themselves feel that their recent tough trading has been a consequence of factors largely beyond their control and difficult to remedy, at least in the short term.

Firms that had seen turnover contract were less likely to cite ‘lack of staff or skills’ as a barrier to growth. This is a barrier that sometimes arises as a consequence of businesses entering new markets and/or introducing new goods and/or services, activities which are not typically associated with businesses with declining turnovers. This is supported by responses when asked about innovation; just 38% of businesses that had not innovated in the past three years reported turnover growth.

7.1.3.1 Analysis of variations within data

Time series

Comparable data is only available for barriers to growth and this is outlined in the table below;

Figure 23. TIME-SERIES: Barriers to growth

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Three main barriers to growth (Q33)					
Access to markets and sales opportunities	N/A	27%	24%	27%	-
The products and services your company provides	N/A	12%	10%	11%	-
Accessing finance (2015) / Need for finance in your business (2013-14)	N/A	28%	22%	22%	-
Low levels of productivity	N/A	14%	10%	8%	↓
Inadequate business strategy or planning	N/A	14%	11%	12%	-
Lack of staff or skills	N/A	24%	24%	30%	↑
Poor business location and premises	N/A	14%	13%	10%	↓
Access to transport	N/A	14%	9%	9%	-
Access to superfast broadband	N/A	N/A	11%	14%	-
Lack of a strong local supply chain	N/A	N/A	7%	8%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Very little movement over time has been recorded here and in all years ‘access to markets and sales opportunities’, ‘accessing finance’ and ‘lack of staff or skills’ were the 3 barriers mentioned most often.

Location

Significant variations from the overall drivers of growth by district were fairly isolated. The only districts to display significant differences from the two most frequently referenced drivers were Oldham, where businesses were significantly more likely to have cited ‘...products and services...’ and Tameside, where businesses were significantly more likely to have cited ‘...workforce and skills’. Businesses in Manchester were significantly more likely to have cited ‘access to transport’. In terms of barriers to growth, the most striking observation is that businesses in Bury were significantly more likely to identify no fewer than four separate barriers: ‘accessing finance’, ‘lack of staff or skills’, ‘poor business location and premises’, and ‘lack of a strong local supply chain’.

Sector

Significant variations from the overall drivers of growth by sector did not adopt an obvious pattern. The single significant difference from the two most frequently referenced drivers was in Retail and Wholesale, where businesses were significantly more likely to have cited '*...products and services...*'. Other sectoral variations were as follows:

- Businesses in the Business Financial & Professional Services sector were significantly more likely to have cited '*the finances of your business*' as a driver of growth
- Businesses in the Creative and Digital sector were significantly more likely to have cited '*access to superfast broadband*' as a driver of growth
- Businesses in the Retail and Wholesale sector were significantly more likely to have cited '*...business location and premises*' as a driver of growth.

Businesses in the Business Financial & Professional Services and the Health and Social Care and Health Innovation sectors were significantly more likely not to identify any barriers to growth. Other sectoral variations were as follows:

- Businesses in the Business Financial & Professional Services sector were significantly more likely to have cited '*lack of staff or skills*' and '*access to superfast broadband*' as barriers
- Businesses in the Manufacturing sector were significantly more likely to have cited '*access to markets and sales opportunities*' as a barrier to growth
- Businesses in the Retail and Wholesale sector were significantly more likely to have cited '*poor business location and premises*' as a barrier to growth.

Size

Businesses employing over fifty people were significantly more likely to identify '*...workforce and skills*' as a driver of business growth (67% vs. 55% of businesses employing 11 – 49 people and 42% of businesses employing 10 people or less). It is possible to suggest, albeit speculatively, that businesses that have reached this size have more mature HR functions and are better able to manage and recognise the skills present within their workforces. Businesses employing up to ten people were significantly more likely to identify '*inadequate business strategy or planning*' as a barrier to growth. This suggests that microbusinesses would benefit from quality support services that assist business strategy development, although it is unclear whether demand for this assistance exists amongst these businesses.

Age

Businesses aged up to three years were significantly more likely to identify '*...location and premises*' as a driver for growth. Without further qualitative insight it is impossible to determine exactly what about their location and premises contributed to their growth, but there are some speculative explanations that could be considered:

- These businesses occupy space in an incubator where proximity to other similar and/or complementary businesses enabled them to benefit from their expertise and experience.
- The availability of flexible business space with easy entry and exit arrangements has enabled the business to focus more energy on development in its very early stages.
- Occupying space in a prestigious location could have accelerated the business's ability to establish its reputation.

In terms of barriers to growth, businesses aged up to three years were significantly more likely to identify '*accessing finance*' as a potential barrier. The notion that newer businesses struggle to secure finance is well established nationwide and has stimulated direct policy responses from the UK Government; it is a challenge that the British Business Bank seeks to address¹⁵, for example.

¹⁵ British Business Bank (2016) Small Business Finance Markets 2015 (pp. 38-39).

7.2 Training and Apprenticeships

This section explores businesses' approach to providing training and offering apprenticeships.

7.2.1 Training

The chart below details the proportion of businesses that offer training. Note that staff and skills is the second-most commonly selected driver of growth and the most common barrier to growth reported by respondent businesses, highlighting the value of investing in training staff.

Figure 24. Provided staff training in the last 12 months



Almost three quarters (73%) of Greater Manchester businesses had provided some form of training during the previous twelve months, more than the 66% of businesses nationally that reported they'd provided training in response to UKCES Employer Skills Survey 2013¹⁶, and more than the 55% of SMEs nationally reporting having provided training in 2015¹⁷. These findings indicate that Greater Manchester businesses are aware of the importance and value of investing in training staff.

Training provided by respondent businesses is a mixture of both internal and external training. A third provide both internal and external training (33%), while 22% provide internal training only and 17% only provide external training.

Of those offering no training, most don't have a 'training plan or budget' (20%), but one-in-twenty of all respondents said that their business doesn't offer training but does have a training plan/budget (5%).

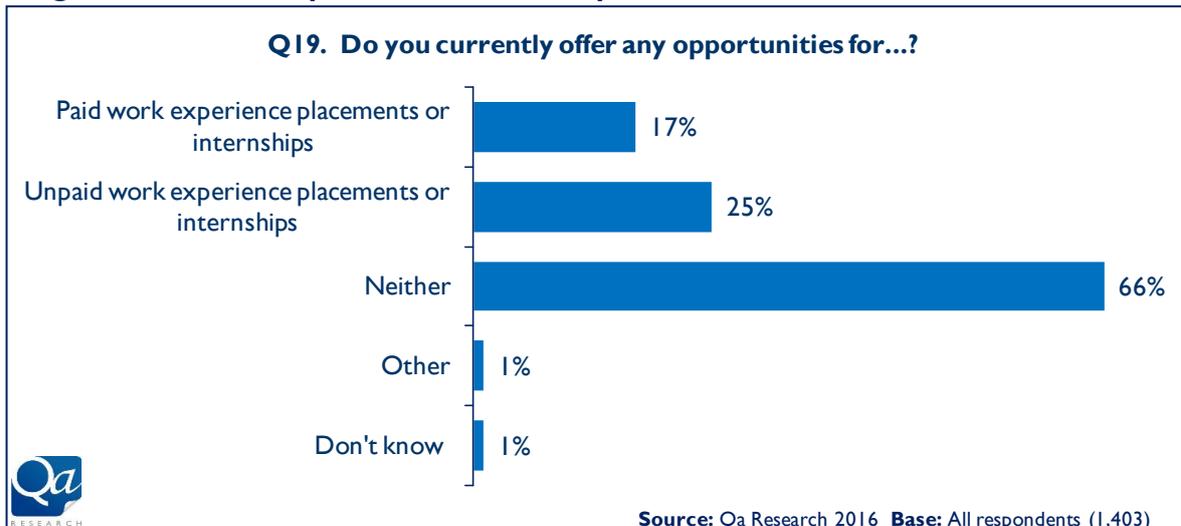
¹⁶ UKCES (2014) UK Commission's Employer Skills Survey 2013: UK Results. Evidence Report 81.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327492/evidence-report-81-ukces-employer-skills-survey-13-full-report-final.pdf

¹⁷ BMG Research Ltd (2016) Longitudinal Small Business Survey Year 1 (2015): SME employers. Department for Business Innovation & Skills

Respondents were asked to outline whether they offer work experience or internships;

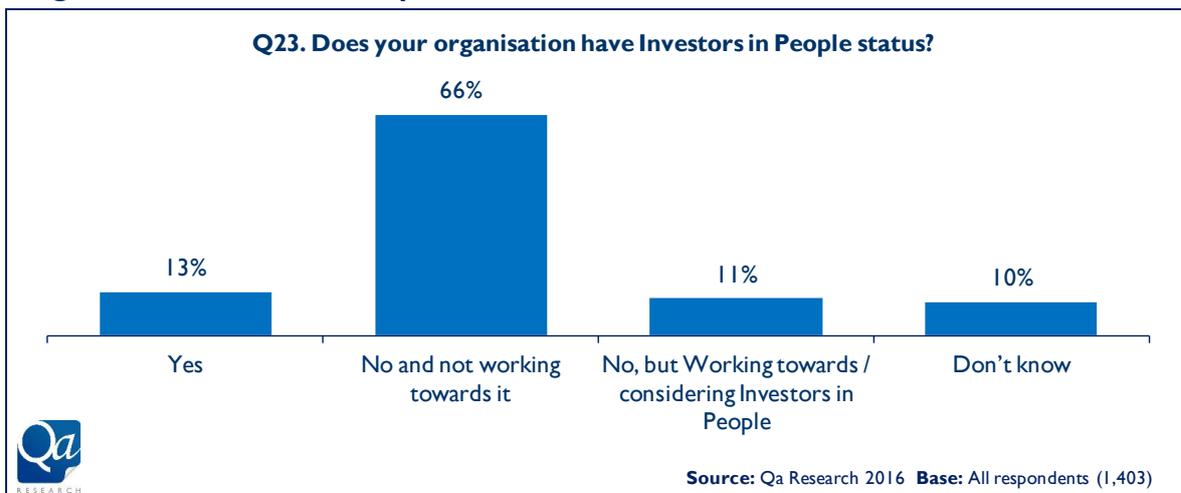
Figure 25. Work experience or internships offered



Businesses are more likely to offer unpaid rather than paid work experience or internships (25% vs. 17%), but most offer neither (66%).

The chart below shows the proportion offering Investors in People;

Figure 26. Investors in People



Despite the majority of businesses offering training to employees, only around one-in-ten (13%) hold Investors in People accreditation, although a similar proportion are working towards it (11%).

Over 13,000 businesses in England hold Investors in People accreditation (as of 2014), 2,000 of those being in the North West¹⁸.

¹⁸ UKCES (2014) Investors in People accredited companies. Information published under the Freedom of Information Act

7.2.1.1 Analysis of variations within data

Time series

Questions about Investors in People were only included in the 2015/6 survey, but data over time relating to training provision and work experience is shown below;

Figure 27. TIME-SERIES: Training and work experience

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Provided staff training in the last 12 months (Q17)					
Yes, provided internally by own staff (Internal Training)	44%	71%	64%	56%	
Yes, by an external training provider (External Training)	41%	39%	46%	51%	
No training provided, but do have a training plan/budget	40%	6%	8%	5%	-
No training provided, and do not have a training plan/budget in place	answering 'None'	15%	14%	20%	-
Don't know/refused	-	<1%	1%	2%	-
Currently offer any opportunities for... (Q19)					
Paid work experience placements or internships	N/A	N/A	17%	17%	-
Unpaid work experience placements or internships	N/A	N/A	25%	25%	-
Other	N/A	N/A	N/A	1%	-
None	N/A	N/A	41%	66%	
Don't know	N/A	N/A	27%	1%	
Base: All respondents	2,425	1,224	2,161	1,403	

The data above highlight that the proportion of businesses providing internal training has declined steadily since 2013; this is mirrored by a steady increase in the provision of external training. These findings suggest that businesses are increasingly inclined to outsource training.

Location

The only significant variations by district in terms of staff training provision were found in Rochdale, where businesses were more likely to have provided training in the previous twelve months, and Stockport, where they were less likely to have done so. Businesses in Salford were significantly more likely than those elsewhere in GM to be actively working towards achieving Investors in People status.

Sector

Businesses in the Business Financial & Professional Services and Health and Social Care and Health Innovation sectors were significantly more likely to have provided training in the past twelve months, while those in the Retail and Wholesale sector were significantly less likely to have.

Businesses in the Health and Social Care and Health Innovation and Creative and Digital sectors were significantly more likely to offer 'unpaid work experience placements or internships', while businesses in the Logistics and the Retail and Wholesale sectors were significantly less likely to offer any work experience of internship opportunities.

Businesses in the Health and Social Care and Health Innovation sector were significantly more likely to hold Investors in People status. Of the businesses that did not hold Investors in People status, businesses in the Manufacturing and Logistics sectors were significantly less likely to be considering or working towards achieving the status.

Size

A correlation exists between firm size and the provision of training over the previous twelve months. Smaller businesses were less likely to have provided training in the last twelve months and 99% of the businesses surveyed that had not provided training employed up to ten people. Of those, the majority (81%) did not have a training plan or budget in place. The profile of both business size-bands that employ more than ten people (11–49; 50+) were similar; virtually all had provided training in the twelve months and the proportion that had, in both size-bands, was significantly greater than businesses outside the size-bands.

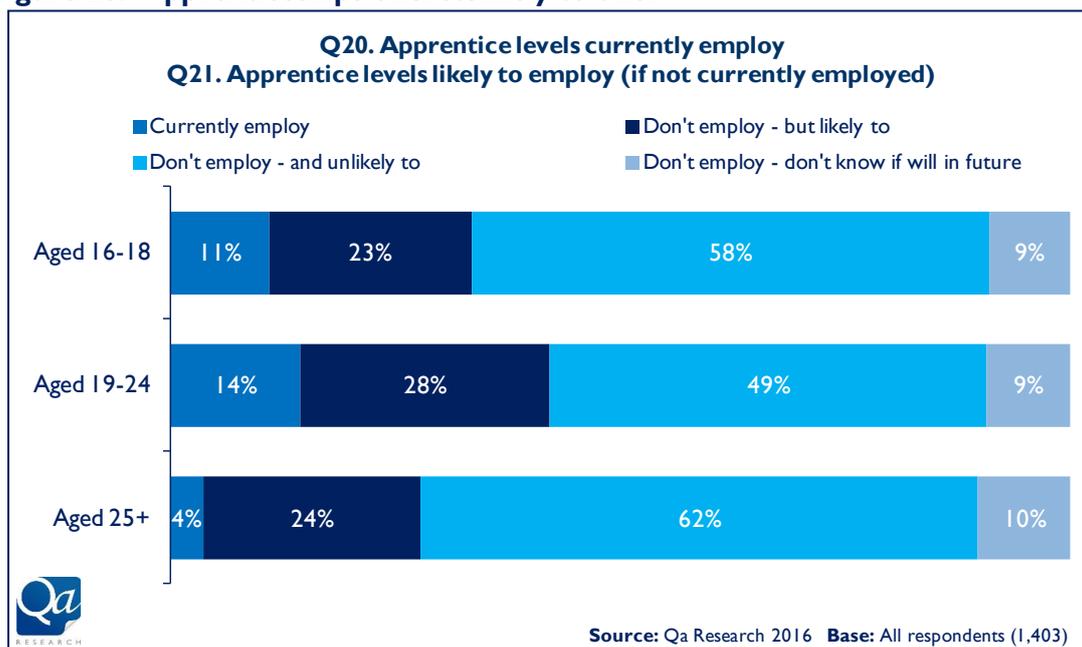
Businesses employing up to ten people were also significantly less likely to offer work experience placements and internships (both paid and unpaid) and to hold Investors in People status than those employing more than ten people.

7.2.2 Apprenticeships

A series of questions were included to understand the degree to which businesses offer apprenticeships and responses are summarised in the chart below. By way of context, in 2014/15, 251,300 workplaces across England were employing apprentices, 42,030 in the North West¹⁹.

The overall penetration rate of apprentices into businesses is 22%; this figure has increased by 2% since 2014 (20%). The chart below outlines the employment levels for apprentices of different ages;

Figure 28. Apprenticeships offered/likely to offer



Generally, businesses are most likely to employ apprentices 'aged 19-24', with 14% indicating that they currently do so and a further 28% responding that while they don't currently do so, they are likely to in future.

¹⁹ Skills Funding Agency / Department for Business, Innovation & Skills (2016) Workplaces employing apprentices. Part of FE data library.

Employment of apprentices 'aged 16-18' was slightly lower (11%), but around a quarter anticipate that they will in future (23%). Only around one-in-twenty businesses employ apprentices 'aged 25+' (4%), although a quarter (24%) said they were likely to.

Businesses that do not currently employ apprentices but stated that they were likely to expressed no preference over the age of the apprentices they may recruit. If these intentions were to be realised, it would lead to a much greater relative increase in the number of apprenticeships available to those aged over 25: it would increase the number of apprenticeships for 16-18 year olds and 19-24 year olds by a factor of 3, whereas the number of apprenticeships for those aged 25+ would increase by a factor of 7.

However, in reality, it is possible that an expansion in apprenticeships for those aged 25+ would not be fully realised, due to the low pay to first year apprenticeships and the potentially higher income requirements of this group than, for example, 16 – 18 year olds. Further evidence would be required before this supposition could be substantiated, however. The pay issue could also mean that younger apprentices are more attractive to some employers since the minimum wage remains at £3.30 for apprentices aged 16 – 18.

7.2.2.1 Analysis of variations within data

Time series

Data relating to the employment of apprentices from all surveys is shown below;

Figure 29. TIME-SERIES: Barriers to growth

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Employ apprentices (Q20/Q21)					
Aged 16-19					
Currently employ	9%	9%	10%	11%	-
Don't employ but likely to	28%	Unavailable	27%	23%	-
Don't employ and unlikely to	58%	Unavailable	58%	58%	-
Don't employ and don't know if will in future	6%	Unavailable	5%	9%	-
Aged 20-24					
Currently employ	12%	11%	12%	14%	-
Don't employ but likely to	32%	Unavailable	29%	28%	-
Don't employ and unlikely to	50%	Unavailable	54%	49%	-
Don't employ and don't know if will in future	6%	Unavailable	5%	9%	-
Aged 25+					
Currently employ	6%	3%	4%	4%	-
Don't employ but likely to	33%	Unavailable	29%	24%	↓
Don't employ and unlikely to	55%	Unavailable	61%	62%	↑
Don't employ and don't know if will in future	6%	Unavailable	6%	10%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Very little variation is evident overtime, although there is some suggestion that businesses are becoming less inclined to employ apprentices aged 25+.

Location

Businesses in Rochdale and Wigan were significantly more likely to currently employ apprentices of any age. In Rochdale, the proportions of businesses employing apprentices was greater across all three age groups (16-18; 19-24; 25+) but only significantly greater in the 16-18 age group. In Wigan, the proportion of businesses employing apprentices was also greater across all three age groups, but only significantly greater in the 19-24 age group. There were examples of businesses being significantly less likely to employ apprentices in individual age groups in some districts, but these ceased to be significant when all age groups were combined.

Businesses in Rochdale not currently employing apprentices were more likely to signal an intention to do so across all age groups, with the increased likelihood being significant in the 16-18 age group. In Wigan, businesses were more likely to have replied 'don't know' across all age groups, with this difference being significant in the 16-18 and 19-24 age groups.

Sector

Analysis by sector indicates that firms in the Construction sector (30%), Health and Social Care and Health Innovation (28%), Manufacturing sector (24%), and Business, Financial & Professional Services sector (21%) were significantly more likely to employ apprentices across all age groups.

Businesses in the Retail and Wholesale sector were significantly less likely to currently employ apprentices of any age. In comparison, businesses in the Health and Social Care and Health Innovation and Construction sectors were significantly more likely to employ apprentices in the 19-24 age group.

Businesses in the Creative and Digital sector not currently employing apprentices were less likely to signal an intention to do so across all age groups, with the lower likelihood being significant in the 16-18 age group. Similarly, businesses in the Logistics sector not currently employing apprentices were less likely to signal an intention to do so across all age groups, with the lower likelihood being significant in the 19-24 age group.

Size

Businesses employing up to ten people were significantly less likely to currently employ apprentices. Furthermore, businesses in this category were significantly less likely in all three age groups to consider employing an apprentice in future. Further work is required to establish *why* businesses that employ fewer people are so averse to employing an apprentice. One potential explanation could be that these businesses associate employing an apprentice with excess paperwork that they do not have the capacity to engage with. Should this be the case, it is something that these businesses could receive assistance with.

Age

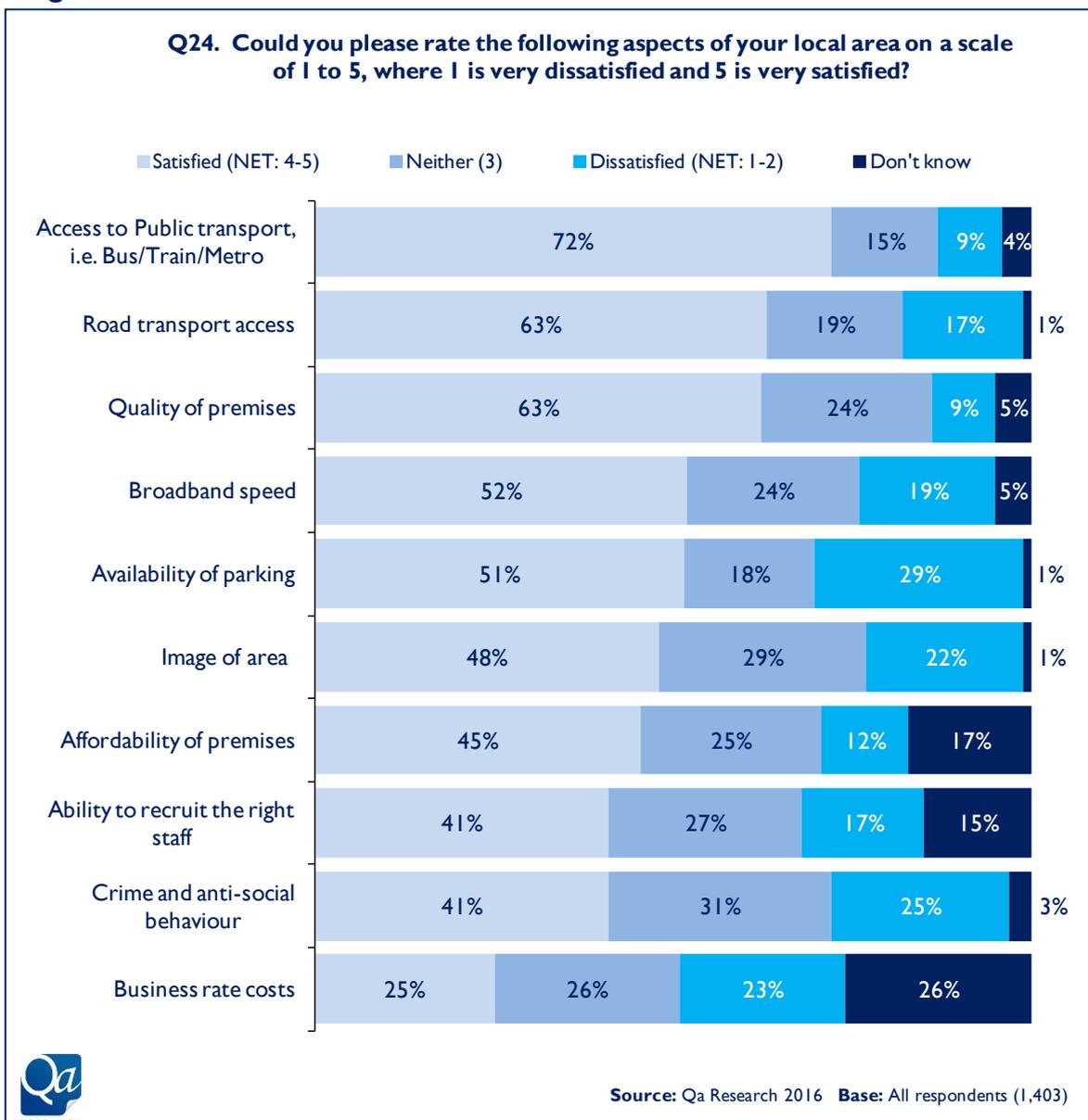
There are no significant variations by business age in the proportion of businesses currently employing apprentices (either by individual or combined apprentice age groups). Businesses aged up to three years were significantly more likely to employ an apprentice in future, across all three age groups. Conversely, businesses aged over ten years were significantly less likely to employ an apprentice in future in the 19-24 and 25+ age groups.

7.3 Local Area and Community

7.3.1 Satisfaction with the local area

Questions were included to understand respondents' views regarding specific aspects of their local area and responses were as follows;

Figure 30. Satisfaction with the local area



For all aspects of the local area asked about here, respondents were more likely to indicate that they were satisfied rather than dissatisfied.

The one exception to this was with regard to 'business rate costs' where broadly equal proportions were satisfied and dissatisfied (25% and 23% respectively), although many felt unable to provide an answer here and simply said that they 'don't know' (26%).

The highest levels of satisfaction were evident for aspects of the local area relating to transport, particularly '...public transport, i.e. Bus/Train/Metro' (72%) and 'road transport access' (63%) and the majority were also satisfied with the 'availability of parking' (51%).

That said, the *'availability of parking'* is the one aspect of the local area that generates the highest level of dissatisfaction (29%), so there is clearly a mixed picture across Greater Manchester.

Other aspects with relatively high levels of satisfaction include the *'quality of premises'* (63%), although levels were lower for the *'affordability of premises'* (45%) and also *'broadband speed'* (52%).

When asked to outline the main barriers to growth for their business, the most frequently given response (mentioned by 30%) was *'lack of staff or skills'*. In this context, it's notable that only two-fifths indicated that they were satisfied with their *'ability to recruit the right staff'* (41%). However, 15% said they *'don't know'* to this question and a further 27% gave the middle score of 3 out of 5 suggesting that this is not something they can give an opinion on either way. If responses are rebased with these respondents removed, then 71% were satisfied and 29% were dissatisfied. This suggests that problems recruiting and/or retaining suitable staff are likely to be a barrier to growth for some businesses in Greater Manchester.

7.3.1.1 Analysis of variations within data

Time series

The table below outlines levels of satisfaction over time;

Figure 31. TIME-SERIES: Satisfaction with local area

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Aspects of local area (Q24) - % satisfied					
Business rate costs	23%	22%	28%	25%	-
Quality of premises	44%	55%	67%	63%	↑
Affordability of premises	30%	36%	51%	45%	↑
Availability of parking	47%	48%	54%	51%	↑
Crime and anti-social behaviour	36%	42%	49%	41%	-
Access to Public transport, i.e. Bus/Train/Metro	54%	66%	71%	72%	↑
Road transport access	57%	66%	69%	63%	-
Image of area	43%	41%	50%	48%	↑
Broadband speed	N/A	49%	52%	52%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Generally, businesses have become more satisfied with many aspects of their local area over the last 4 years.

Location

The figure below presents the ten aspects of satisfaction in order of overall net satisfaction. For each aspect, those districts that display a significant difference from the overall survey sample (either a greater proportion of satisfied businesses or a greater proportion of dissatisfied businesses) are listed.

Generally, aspects which achieved a higher degree of consensus across all ten districts will not generate as many districts with significant variance from the overall response profile. This logic would suggest that satisfaction with *'broadband speed'* and the *'ability to recruit the right staff'* are fairly consistent across GM. Conversely, greater divergence is present in aspects such as *'road transport access'* and the *'image of area'*.

Figure 32. Variation in business satisfaction across different aspects, by district

	Districts where a significantly greater proportion of businesses reported...	
	satisfaction	dissatisfaction
Access to Public transport	Manchester, Oldham	Wigan
Road transport access	Bury, Oldham, Stockport, Trafford	Manchester, Salford
Quality of premises	Stockport, Trafford	Salford
Broadband speed	Stockport	Rochdale
Availability of parking	Bury, Stockport	Manchester
Image of area	Bury, Stockport, Trafford	Bolton, Rochdale, Tameside,
Affordability of premises	Oldham, Wigan	Trafford
Ability to recruit the right staff	Manchester	Tameside
Crime and anti-social behaviour	Trafford	Manchester, Rochdale, Tameside
Business rate costs		Trafford

Trafford presented an interesting case study; businesses there were significantly more likely to be dissatisfied by the *'affordability of premises'* and *'business rate costs'*, and yet significantly more likely to be satisfied by the *'quality of premises'*, the *'image of area'* and crime and *'anti-social behaviour'*.

This suggests that although businesses in Trafford were frustrated by some of the costs they incurred, they were simultaneously appreciative of the local environment they were located in. It is unclear from the data gathered for this survey whether the businesses make this connection.

Businesses in Stockport appeared to be the most content; they were significantly more satisfied across five separate aspects, and not significantly more dissatisfied in any. This suggests that it might be worth investigating any activity currently underway in Stockport that could be replicated elsewhere.

Sector

The figure below presents the ten aspects of satisfaction in order of overall net satisfaction. For each aspect, those sectors that display a significant difference from the overall survey sample (either a greater proportion of satisfied businesses or a greater proportion of dissatisfied businesses) are listed.

One observation is that businesses in the Business Financial & Professional Services and Manufacturing sectors invert in terms of the satisfaction/dissatisfaction with public transport and parking. Businesses in the Business Financial & Professional Services sector are significantly more satisfied with *'...public transport, i.e. Bus/Train/Metro'* and significantly less satisfied with *'availability of parking'*; the inverse is true of businesses in the Manufacturing sector.

This is consistent with an intuitive view that manufacturing businesses often locate in areas on the outskirts of conurbations with lower business densities and land values, while business financial & professional services often locate in more central locations with higher business densities and land values.

The consequences of these trends are visible in these data; higher business densities create a market for public transport, while lower land values make it easier to provide parking.

Figure 33. Variation in business satisfaction across different aspects, by sector

	Sectors where a significantly greater proportion of businesses reported...	
	satisfaction	dissatisfaction
Access to Public transport	Business Financial & Professional Services, Health and Social Care and Health Innovation	Manufacturing
Road transport access		
Quality of premises	Business Financial & Professional Services	Retail and Wholesale
Broadband speed	Logistics	
Availability of parking	Manufacturing, Retail and Wholesale	Business Financial & Professional Services
Image of area		
Affordability of premises	Business Financial & Professional Services	
Ability to recruit the right staff	Logistics, Hospitality Tourism and Sport	
Crime and anti-social behaviour		Hospitality Tourism and Sport
Business rate costs	Health and Social Care and Health Innovation	Retail and Wholesale

Size

Across all ten aspects, there was not a single instance of businesses of any of the three size-bands (1-10; 11-49; 50+) being significantly more dissatisfied. There are occasional examples of size-bands being significantly more satisfied. These examples principally concern the 11-49 size-band, where a significantly greater proportion of businesses were satisfied with 'access to public transport', 'ability to recruit the right staff', and 'crime and anti-social behaviour'. Additionally, a significantly greater proportion of businesses with up to ten employees were satisfied with 'business rate costs' and with 50+ employees were satisfied with 'ability to recruit the right staff'.

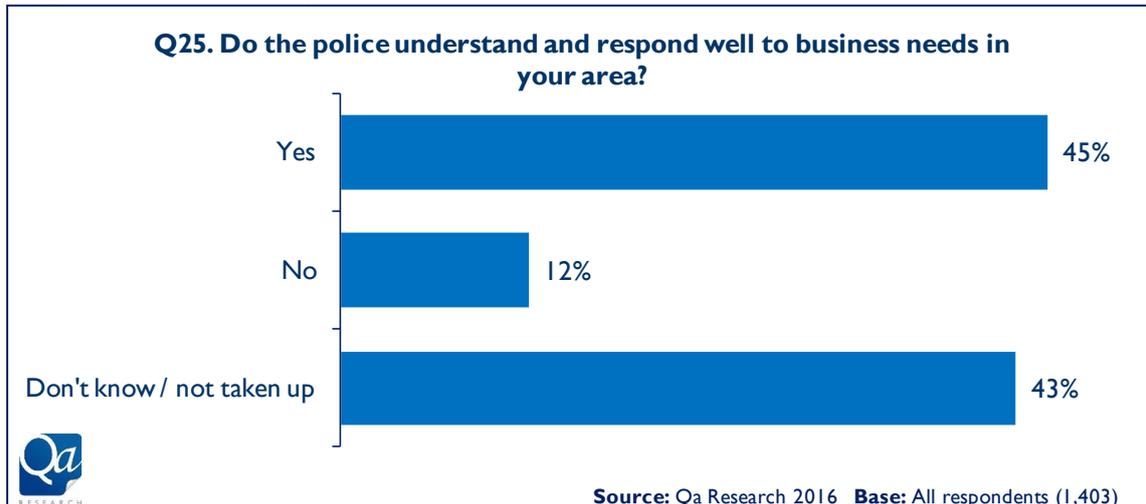
Age

A significantly greater proportion of businesses that had been trading for up to three years were more likely to express satisfaction across three of ten aspects: 'road transport access', 'image of area', and 'affordability of premises'. This could be explained as a 'perception versus reality' issue; when people started the business they were anxious that poor road transport access, poor image of the locality in which they were based, and affordability of premises may negatively impact on their ability to establish a successful enterprise. Now that they are successfully trading, they have been pleasantly surprised to find that these issues have not impacted negatively upon their operations.

7.3.2 Crime and local policing

As outlined in Section 7.3.1.1, when asked how satisfied they are with ‘crime and anti-social behaviour’, 41% indicated they were satisfied, while one-in four said they were dissatisfied (25%). The remaining third were unable or unwilling to give an answer either way. Additionally, all respondents were asked specifically whether they felt that police understand and respond well to business needs in their area and responses were as follows;

Figure 34. Police response to business needs in the local area



Clearly there are many who feel unable to answer this question having never had a need for the police, but amongst those expressing an opinion either way, there is generally support for the way the police respond to business needs – 45% agreed that they do ‘respond well’.

By way of context, according to Crime Survey England & Wales, 57% of Greater Manchester residents rate local police as doing an excellent or good job and 58% agree that police deal with local concerns, slightly lower than the England average of 61% for both. This suggests that residents of Greater Manchester are less satisfied with local policing than the national average. However with 43% of businesses not able to answer the question, it is hard to say whether this lower satisfaction is experienced by businesses.

In interviewing completed before February 2016, questions were included to understand why respondents felt that the police either did or didn’t respond well.

Responses given here were mainly quite general and most often related to the police responding in good time when required, as highlighted by the following example verbatim comments;

“They respond fairly quickly and have boarded our premises when needed. They sometimes keep an eye on the premises when there have been incidents in the past.”

“The police always come out if you ring them.”

These questions were fully open and verbatim responses have been coded into over-codes for analysis and are shown below;

Figure 35. How police respond well to business needs in the local area

Q26a. What one thing do the police do well when responding to business crime?		
Good response time	87	43%
Good level of communication	38	19%
Strong presence	11	6%
Nice to deal with	6	3%
Take the job seriously	8	4%
Other	16	8%
Not needed to use them	10	5%
Don't know	27	14%
Base: All respondents asked (182)		

Areas for improvement were captured amongst those who felt the police don't respond well and these were as follows. It should be noted though that only 56 respondents were asked this question.

Figure 36. The one thing police could do better

Q26b. What one thing could the police do better?		
Need to respond faster	28	41%
Need more police presence	25	35%
Need to take the job more seriously	13	19%
Need better level of communication	1	1%
Other	3	4%
Don't know	4	5%
Base: All respondents asked (56)		

Responses here mainly covered the need to '*...respond faster*' (41%) and for '*...more police presence*' (35%), although a fifth of these respondents felt the police need to '*...take the job more seriously*' (19%).

The clear message emerging for the police is that response times are paramount to businesses; it's the single most important reason that those that have used the service either approve of it or disapprove of it.

7.3.2.1 Analysis of variations within data

Time series

Questions relating to the performance of the police were added in 2015/6 and consequently no time series analysis is possible.

Location

The only significant variations in responses to whether or not the police understand and respond to business needs were found in Wigan (where businesses were more likely to report that their needs were not being met) and in Stockport (where businesses were more likely to report that they did not know or had not used the service).

Sector

None of the eight principal sectors were significantly more likely to report that their needs were not being met. Four of the eight were significantly more likely to report that their needs were being met (Health and Social Care and Health Innovation, Logistics, Retail and Wholesale, and Hospitality Tourism and Sport) and a further three were significantly more likely to report that they did not know or had not used the service (Manufacturing, Creative and Digital, and Construction).

Size

Businesses with over ten employees were significantly more likely to report that the police service did understand and respond to business needs. Businesses with up to ten employees were significantly more likely to report that they did not know or had not used the police service.

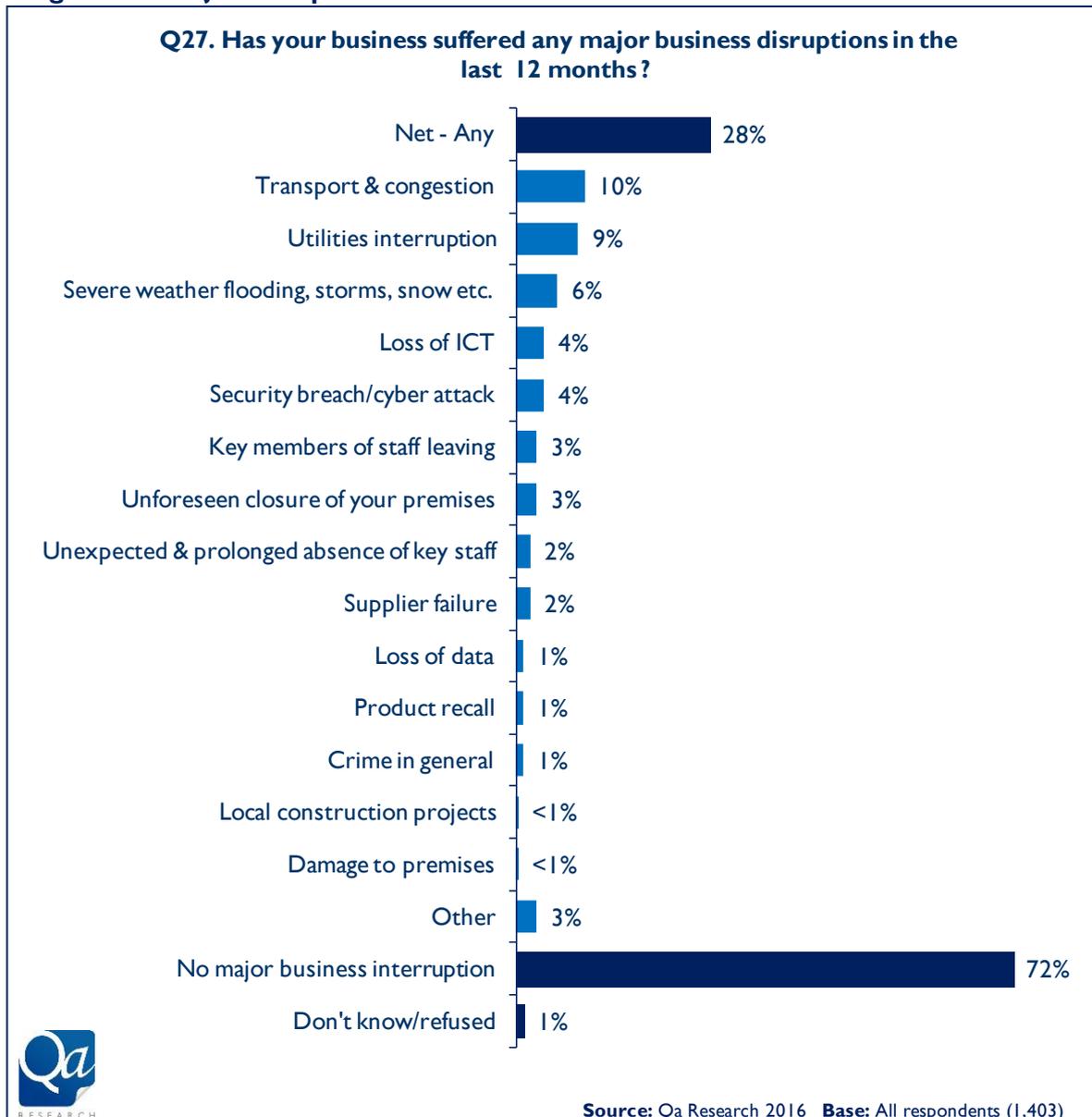
Age

Businesses that had been trading for up to three years were significantly more likely to report that they did not know or had not used the police service.

7.3.3 Business disruption and continuity

In the last 12 months, around a quarter of businesses (28%) had experienced a major business disruption and the types of disruption experienced were as follows²⁰;

Figure 37. Major disruptions suffered in last 12 months

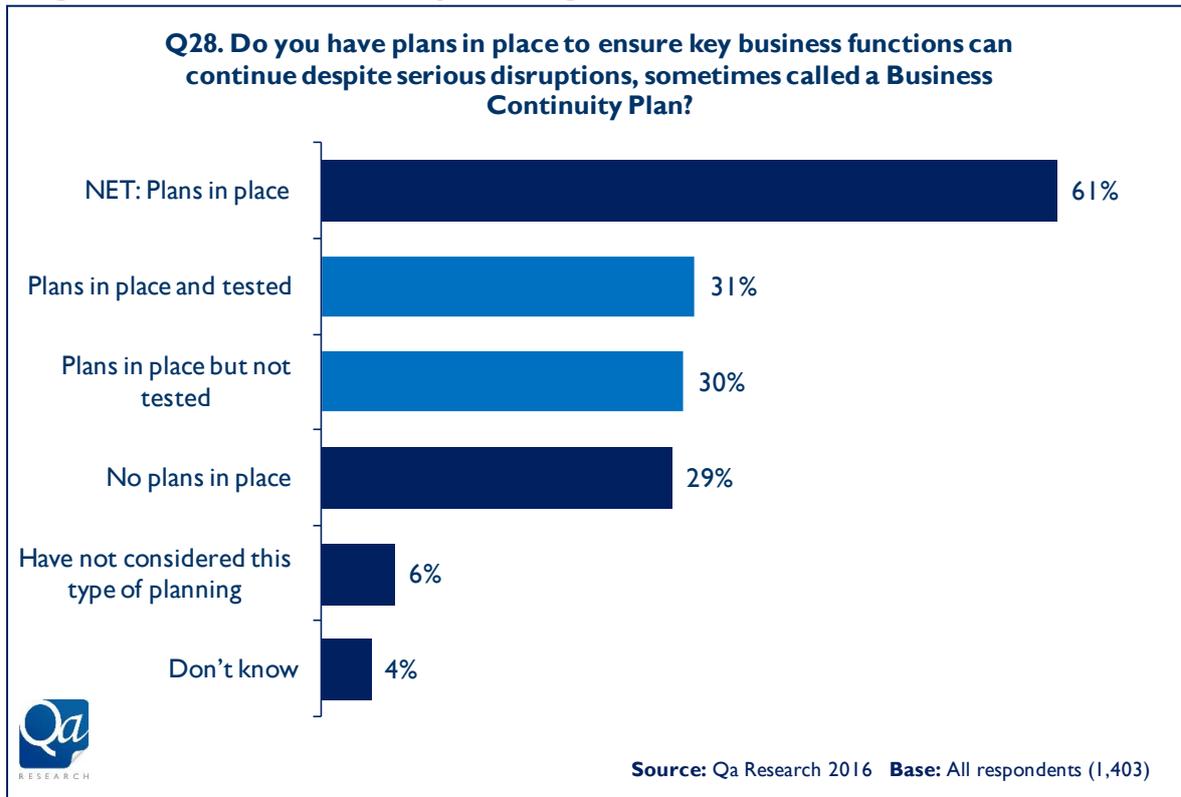


No single type of disruption was evident here and many factors were mentioned. The most frequently mentioned disruption caused by 'transport and congestion' was mentioned by just 10% of respondents.

²⁰ Note that a filter question was included in the 2016 survey, so these data are not directly comparable with previous years.

Shown below is the proportion of businesses that have Business Continuity Planning in place;

Figure 38. Business Continuity Planning



The majority of respondents said that their business did have a Continuity Plan in place (61%), and broadly equal proportions had ‘...tested’ and ‘...not tested’ them (31% and 30% respectively). Most of the remainder simply had ‘no plans in place’ (29%), but around one-in-twenty had never ‘...considered this type of planning’ (6%).

7.3.3.1 Analysis of variations within data

Time series

The introduction of a filter question before Q27 in the 2015/6 survey means that data for this question is not comparable over time. The table below outlines levels of business continuity planning across each year of the survey;

Figure 39. TIME-SERIES: Business continuity planning

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Plans in place to ensure key business functions can continue despite serious disruptions (Q28)					
Plans in place and tested	N/A	36%	39%	31%	-
Plans in place but not tested	N/A	25%	25%	30%	-
No plans in place	N/A	31%	29%	29%	-
Have not considered this type of planning	N/A	3%	5%	6%	-
Don't know	N/A	6%	3%	4%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Levels of business continuity planning within businesses have remained consistent over time.

Location

The only GM district where businesses were significantly more likely to have experienced a major business disruption in the last twelve months was Salford. This appears to have been driven by 'utilities interruption', which was a specific disruption that businesses in Salford were also significantly more likely to report. Conversely, the only GM district where businesses were significantly more likely to have reported no major business disruption was Stockport.

Businesses in both Tameside and Trafford were significantly more likely to have business continuity plans in place. However, these districts differed in the sense that businesses in Tameside were significantly more likely to have continuity plans that had not been tested, and businesses in Trafford were significantly more likely to have continuity plans that had been tested.

Sector

Businesses were not significantly more likely to have experienced a major business disruption in the last twelve months in any of the eight principal sectors. Businesses in the Business Financial & Professional Services and Health and Social Care and Health Innovation sectors were significantly more likely to have business continuity plans in place (and also significantly more likely that these have been tested). Businesses in the Manufacturing and Retail and Wholesale sectors were significantly less likely to have business continuity plans in place. Businesses in the Retail and Wholesale and Construction sectors were significantly less likely to have considered this type of planning.

Size

There were no significant differences by size-band between the proportions of businesses that had and had not experienced a major business disruption during the past twelve months. Businesses employing more than ten people were significantly more likely both to have continuity plans in place and to have tested these.

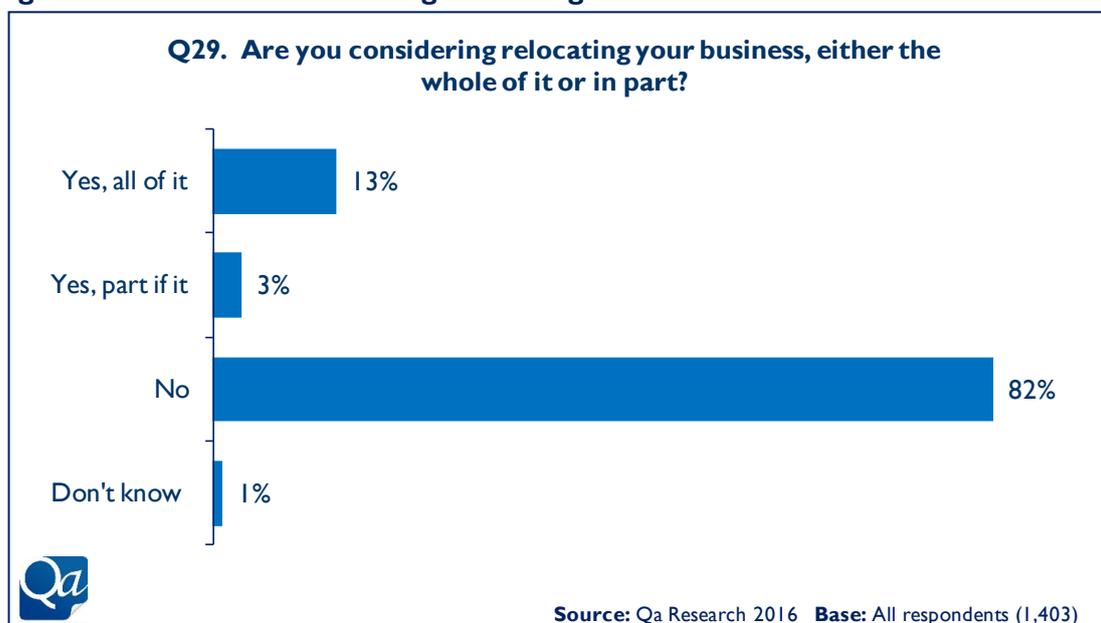
Age

There were no significant differences by age-band between the proportions of businesses that had and had not experienced a major business disruption during the past twelve months. Businesses aged over ten years were significantly more likely both to have continuity plans in place and to have tested these. Businesses aged between three and ten years were significantly more likely to not have continuity plans in place, while businesses aged up to three years were significantly more likely to have not considered this type of planning.

7.3.4 Business relocation

Previous surveys have included questions to explore whether businesses are considering relocating and to understand the reasons for this and where they may relocate to. This line of questioning was scaled back slightly in 2015/6, but the chart below outlines the proportion considering relocation;

Figure 40. Whether considering relocating business



In total, 17% of businesses identified that they were considering either a full or partial relocation of their business and it's notable that where businesses consider relocation they tend to consider moving the whole business (13%) rather than the just a part of it (3%).

Amongst those that were considering either a partial or full relocation, the majority anticipated moving 'within the current local authority area' (55%) or 'elsewhere in greater Manchester' (33%).

7.3.4.1 Analysis of variations within data

Time series

Data for this measure over time is shown below;

Figure 41. TIME-SERIES: Whether considering relocating business

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Whether considering relocating business, either the whole of it or in part (Q29)					
Yes	15%	11%	13%	17%	↑
No	83%	87%	86%	82%	↓
Don't know	2%	2%	1%	1%	-
Base: All respondents	2,425	1,224	2,161	1,403	

The table above highlights that since 2013 the proportion of businesses considering relocating has increased steadily from 11% to 17%. It should be noted that the proportion considering relocation in 2016 is comparable with that recorded in 2012.

Location

Businesses in Rochdale and Stockport were significantly less likely to be considering relocating than businesses in other GM districts. Conversely, businesses in Salford were significantly more likely to be considering relocating. The businesses in Salford that indicated that they were considering relocating were interested exclusively in alternative locations either in Salford itself or elsewhere in GM.

Sector

Businesses in the Business Financial & Professional Services and Hospitality Tourism and Sport sectors were significantly less likely to be considering relocating than businesses in other sectors. Conversely, businesses in the Creative and Digital sector were significantly more likely to be considering relocating. The majority (91%) of businesses in the Creative and Digital sector that indicated that they were considering relocating would seek to remain in their existing local authority area (55%) or elsewhere in GM (36%).

Size

There were no significant differences by size-band between the proportions of businesses that were and were not considering relocating. Although businesses employing up to 49 people that were considering relocating were more likely to confine their search to GM, this was not statistically significant.

Age

Businesses between three and ten years old were significantly more likely to be considering relocating, while businesses over ten years old were significantly less likely to be considering relocating.

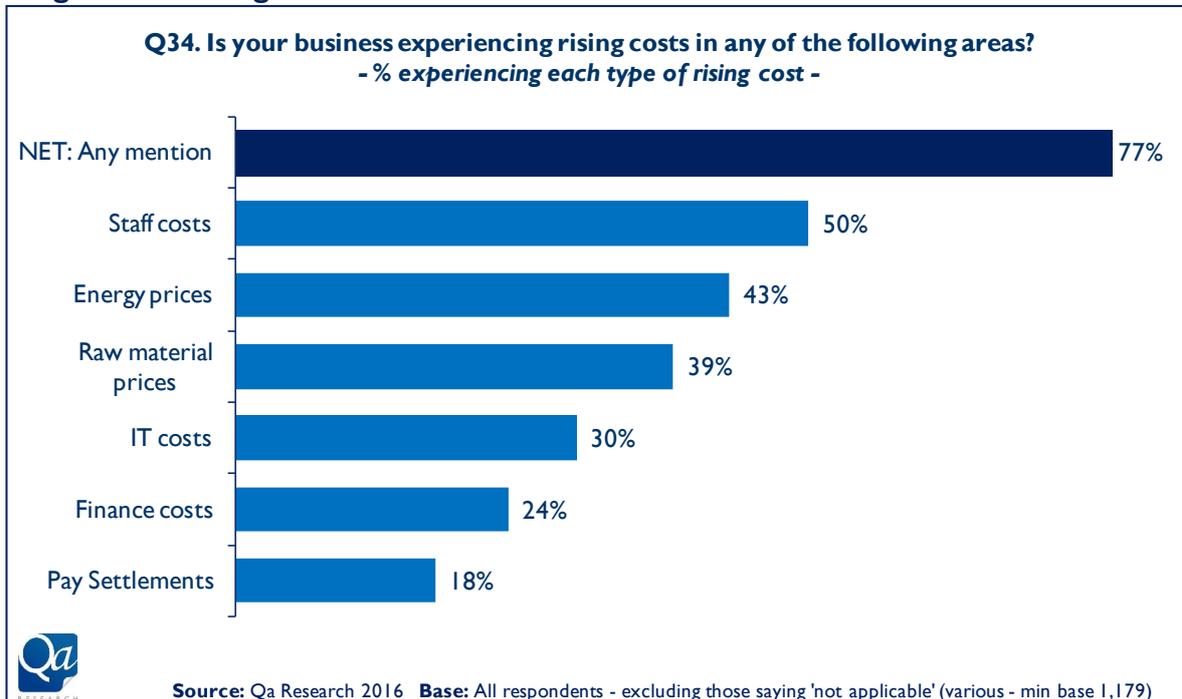
7.4 Costs and Finance

7.4.1 Cost pressures

Respondents were prompted with a short list of costs and asked to indicate if their business was experiencing rising costs in any of those areas and responses were as follows.

Note, for each cost a proportion of respondents indicated that it was '*not applicable*' to their business, so these respondents have been removed from the calculations below to provide a more accurate assessment – this means that the proportions below are not directly comparable to those included in the 2014 report.

Figure 42. Rising costs



Evidently, rising costs are something currently experienced by around three-quarters of businesses (77%) and this is mainly driven by pressures on 'staff costs' (50%), although notably only around a fifth mentioned 'pay settlements' (18%) suggesting that increased staff costs relate to other factors such as increased headcount, changes to the minimum wage and auto-enrolment and/or increased workforce churn (which incurs associated recruitment and training costs).

Additionally, the other main cost pressures are from 'energy prices' (43%) and 'raw material prices' (39%).

7.4.1.1 Analysis of variations within data

Time series

A question relating to business costs was included in the survey in 2012 and 2014 (but not 2013), although in those two years it asked about 'upward costs pressure' rather than 'rising costs'. Analysis over time is shown below;

Figure 43. TIME-SERIES: Rising costs

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Reasons for seeking finance in last 12 months (Q37)					
Pay settlements	19%	N/A	10%	15%	↑
Finance costs	37%	N/A	20%	21%	-
Raw material prices	51%	N/A	27%	32%	↑
Energy prices	65%	N/A	40%	42%	-
Staff costs	41%	N/A	35%	47%	↑
IT costs	29%	N/A	18%	28%	↑
Base: All respondents	2,425	1,224	2,161	1,403	

Due to the change in wording of the question the data above do need to be treated with some degree of caution, but the suggestion here is that businesses are experiencing rising costs (particularly since 2014) in a number of areas.

Location

No district in GM varied significantly (either greater or lesser) from the net proportion of businesses that made mention of one or more rising costs (77%).

There were variations in the individual cost pressures, though; businesses in Tameside were significantly more likely to identify 'staff costs', 'energy prices' and 'raw material prices' as costs that have risen, while businesses in Wigan also identified 'staff costs' as a cost pressure.

Sector

Businesses in the Logistics sector were significantly more likely to identify one or more rising costs. Sectoral variations in the likelihood of experiencing individual cost pressures were common, though.

These are presented in the figure below in order of frequency experienced. Rising 'staff costs' were significantly more likely to be reported across three separate sectors, with no sector being significantly less likely to report this cost pressure.

Businesses tend to be significantly more likely to report rising costs in areas that are most associated with their sector.

For example, businesses in the Manufacturing and Construction sectors were significantly more likely to report rising 'raw material prices' and businesses in the Creative and Digital sector were significantly more likely to report rising 'IT costs'.

This suggests that businesses may be more sensitive to (and therefore likely to report) rising costs that are integral to their business activities.

Figure 44. Variation in rising costs, by sector

	Sectors where a significantly greater proportion of businesses reported...	
	Rising costs	No rising costs
Staff costs	Business Financial & Professional Services Health and Social Care and Health Innovation Hospitality Tourism and Sport	
Energy prices	Hospitality Tourism and Sport	Manufacturing
Raw material prices	Manufacturing, Construction	Creative and Digital
IT costs	Creative and Digital	Construction, Hospitality Tourism and Sport
Finance costs	Health and Social Care and Health Innovation	Creative and Digital
Pay settlements	Business Financial & Professional Services	

Size

Businesses employing up to ten people were significantly more likely not to identify any rising costs. Although businesses employing over ten people were not significantly more likely than other businesses to identify one or more rising costs, there were specific costs that these businesses were significantly more likely to identify. These were 'staff costs' and 'pay settlements'.

Age

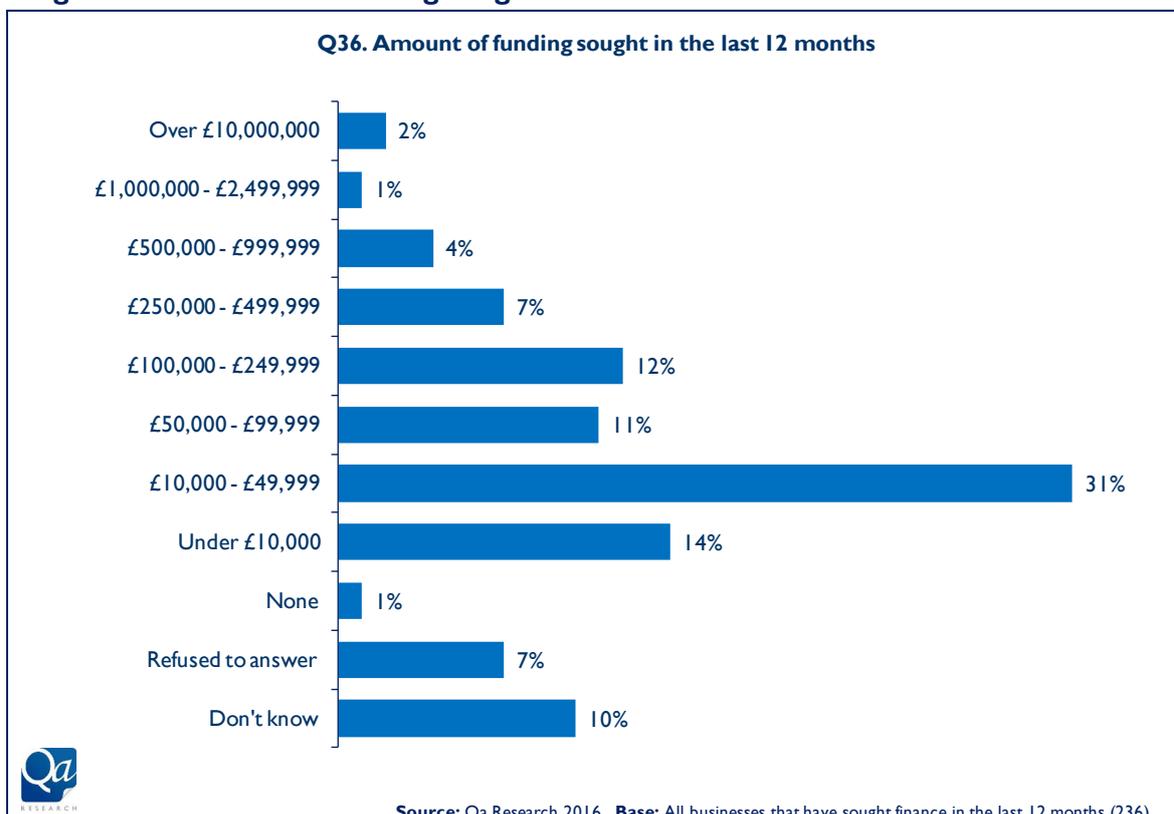
Although businesses trading for over ten years were not significantly more likely than other businesses to identify one or more rising costs, there were a series of specific costs that these businesses were significantly more likely to identify. These were 'staff costs', 'energy prices', 'raw material prices' and 'pay settlements'.

7.4.2 Seeking finance in the last 12 months

Respondents were asked specifically if they had sought finance for their business in the last 12 months and 17% indicated that they had.

Amongst those that had sought finance, the amount required was as follows;

Figure 45. Amount of funding sought in last 12 months



The data here highlight that where companies have looked for finance in the last year, this has mainly been for less than £250,000 (67%) and most had actually been looking for less than £50,000 (45%).

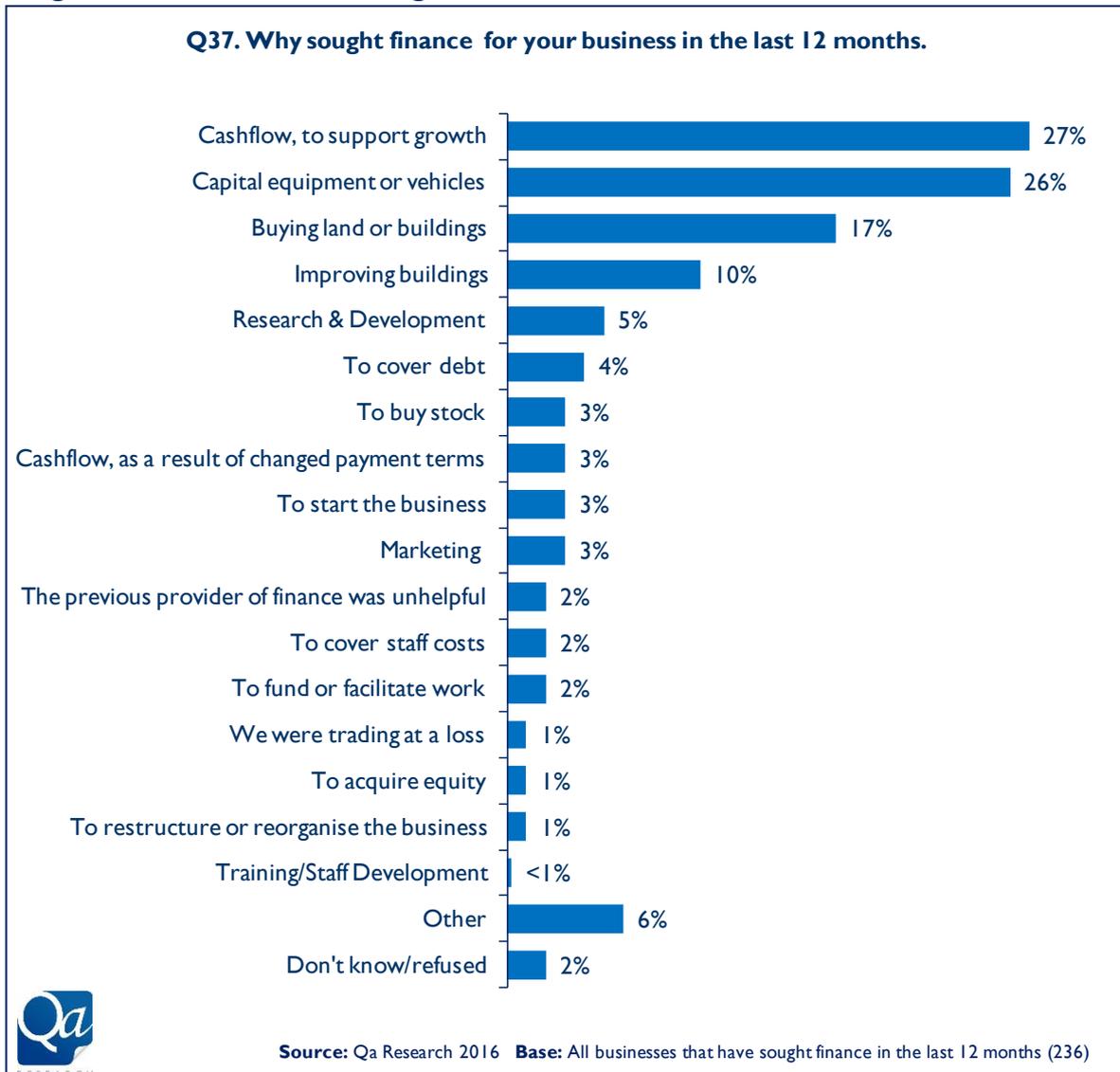
A small number of companies (equivalent to 0.3% of all respondents to the survey) had sought more than £10million in finance.

Being able to access finance if required can have a significant impact on a business's ability to grow²¹. The majority of those businesses which had looked for finance in the previous twelve months had not experienced any difficulties (61%), but one-in-three (36%) had. Amongst those that had experienced difficulties, the main issues were that their business 'did not meet the criteria' (33%), that it was 'a slow or long process' (19%) or that the 'businesses was too small or too new' (10%) and 'finance was unavailable' (10%).

²¹ TBR (2012) Business Growth Ambitions amongst SMEs BIS, Scottish Enterprise, InvestNI and Welsh Government. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/187058/12-1169-business-growth-ambitions-amongst-smes.pdf

A range of reasons were given as to why the businesses had sought finance as outlined below;

Figure 46. Reasons for seeking finance



Based on these responses, it would seem that most businesses seeking finance have a specific need in mind and often one requiring a significant financial outlay, particularly to invest in ‘*capital equipment or vehicles*’ (26%) but also in relation to buildings, whether ‘*buying*’ (17%) or ‘*improving*’ (10%). That said, around a quarter highlighted that they generally just needed finance for ‘*cashflow, to support growth*’ (27%).

The two most frequently given reasons as to why Greater Manchester businesses sought finance are in line with those amongst SMEs surveyed by the British Business Bank in 2014 and 2015. The options selected most by UK SMEs were needing finance for ‘*working capital/cashflow*’ and to ‘*purchase fixed assets*’ - these two options combined were responsible for over 75% of applications for finance by UK SMEs in both 2014 and 2015²².

²² British Business Bank (2016) Small Business Finance Markets (page 23)

7.4.2.1 Analysis of variations within data

Time series

The table below outlines the proportion of businesses that had sought finance in the last 12 months and the reasons for doing so, where data is available.

Figure 47. TIME-SERIES: Whether sought finance and reasons for do so

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Sought finance for business in last 12 months (Q35)					
Yes	18%	15%	15%	17%	-
Base: All respondents	2,425	1,224	2,161	1,403	
Reasons for seeking finance in last 12 months (Q37)					
Cashflow, to support growth (2015/16) / Working capital, cashflow (2012-2014)	49%	37%	24%	27%	
Capital equipment or vehicles	18%	17%	20%	26%	
Buying land or buildings	5%	2%	7%	17%	
Improving buildings	6%	9%	9%	10%	-
Research & Development	2%	3%	1%	5%	-
To start the business	N/A	4%	4%	3%	-
Marketing	1%	<1%	3%	3%	-
Training/Staff Development	3%	2%	2%	<1%	-
Base: All respondents who've sought finance	469	192	328	236	

No change in the proportion of businesses that have sought finance in the last 12 months has been recorded.

Amongst those who have sought finance, some changes in the way answers have been recorded year-on-year are apparent, but the data suggest that businesses are less likely to have sought finance for cashflow reasons than they were 2-3 years ago and more likely to be looking to invest in equipment and property.

Location

Businesses in Bury were significantly more likely than businesses elsewhere in GM to have sought finance in the past twelve months. Businesses in Trafford were significantly more likely to have selected 'capital equipment or vehicles' as their reason for having sought finance.

Sector

Businesses in the Manufacturing and Logistics sectors were significantly more likely than businesses in other sectors to have sought finance in the past twelve months. Businesses in the Creative and Digital sector were significantly more likely to have selected 'capital equipment or vehicles' as their reason for having sought finance, while businesses in the Retail and Wholesale sector were significantly more likely to have selected 'cashflow, to support growth' as their reason for having sought finance.

Size

Businesses employing up to ten people were significantly less likely to have sought finance in the past twelve months, although the amounts sought were significantly more likely to have been less than £50,000.

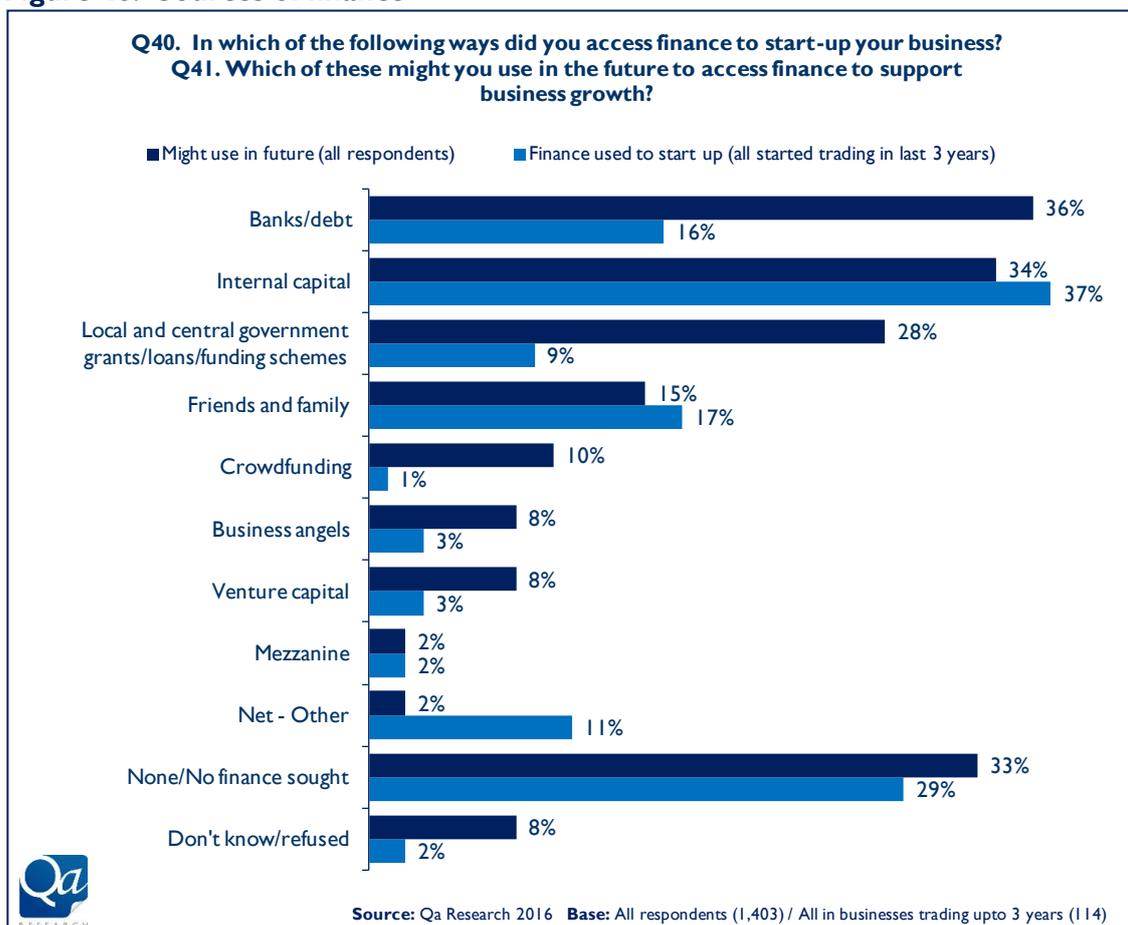
Age

Businesses up to three years old were significantly more likely to have sought finance in the past twelve months. Businesses over ten years old were significantly more likely to have sought finance at a scale between £250,000 and £500,000. The reasons that motivated the businesses to seek finance were also significantly different for those that were over ten years old; they were more likely to cite capital investments such as *'improving buildings'* and *'buying land or buildings'* as a rationale for seeking finance.

7.4.3 Methods of accessing finance

Two questions were included to understand how businesses may have accessed finance when starting up (if they'd started up in the last 3 years) and also where they may go should they need to access finance in future. Responses to both measures is shown below;

Figure 48. Sources of finance



Businesses that had set-up in the last 3 years were most likely to say that they'd either not required any finance (29%) or, if they had, they'd used *'internal capital'* (37%), *'friends or family'* (17%) or *'banks/debt'* (16%).

Once a business is established, if finance is then needed it becomes more likely that this will come from *'banks/debt'* (36%) or *'local and central government grants/loans/funding schemes'* (28%) although *'internal capital'* (34%) and *'friends and family'* (15%) remain important sources.

There is a discord between the sources of finance previously accessed and the sources that businesses expect to access in the future.

It could be that businesses have (correctly) assessed that some sources of finance that are difficult for start-ups to access are more readily available to more established businesses. Were this to be the case, it would be rational for 36% of businesses to expect to be able to access bank finance in future when only 16% have accessed this in the past. Alternatively, it could be that businesses have an unrealistic expectation of their ability to access bank finance once they are established and therefore many will be disappointed to find that bank finance will not be available to all those that expect it to be. Additionally, more sources of finance are seemingly open to companies once established as around one-in-ten mentioned 'Crowdfunding' (10%), 'venture capital' (8%) and 'Business Angels' (8%).

7.4.3.1 Analysis of variations within data

Time series

The number of businesses that had started trading in the last 3 years is small in some years so year-on-year analysis of data for that question is not possible. The table below shows how businesses would access finance in the future;

Figure 49. TIME-SERIES: Sources of finance would use in future

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Might use in the future to access finance to support business growth (Q41)					
Banks/debt	46%	43%	45%	36%	-
Internal capital	53%	33%	35%	34%	-
Mezzanine	N/A	N/A	N/A	8%	-
Venture capital	11%	5%	5%	2%	-
Business angels	9%	-	5%	8%	-
Friends and family	20%	14%	10%	15%	-
Local and central government grants/loans/funding	38%	24%	21%	28%	-
Crowdfunding	N/A	N/A	N/A	10%	-
Other	N/A	8%	4%	2%	-
No finance sought	13%	13%	14%	33%	-
Don't know/refused	6%	11%	8%	8%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Generally, sources of finance that might be used are consistent year-on-year, although it's notable that mentions of 'bank/debt' declined between 2014 and 2016.

Location

The only significant variation in the source of start-up finance by district was in Trafford, where businesses were significantly more likely to have drawn upon 'internal capital' to fund start-up. In terms of future sources of growth finance, businesses in Bury and Stockport were significantly more likely to report that they would be seeking growth finance in future. Businesses in Bury were significantly more likely to indicate that they would seek growth finance from familiar sources; 'banks/debt', 'internal capital' and 'friends and family'. Conversely, businesses in Wigan were significantly more likely to seek growth finance from more innovative sources; 'venture capital' and 'Business Angels'.

Sector

The only significant variation in the source of start-up finance by sector was in the Retail and Wholesale sector, where businesses were significantly more likely to have drawn upon 'internal capital' to fund start-up. In terms of future sources of growth finance, businesses in the Manufacturing and Construction sectors were significantly more likely to report that they would be seeking growth finance in future, while businesses in the Hospitality Tourism and Sport sector were significantly more likely to report that they would *not* be seeking growth finance in future.

Significant variations by sector in the sources of growth capital that businesses intended to seek growth capital from are presented below. These encompass traditional sources of finance (e.g. banks/debt, internal capital) along with more innovative sources of finance (e.g. business angels, crowdfunding).

Figure 50. Significant variations in sources of growth capital, by sector

	Sectors where businesses were significantly more likely to indicate an intention to access growth finance from...					
	Banks/debt	Internal capital	Business Angels	Friends and family	Local and central government grants / loans / funding schemes	Crowdfunding
Business Financial & Professional Services		✓		✓		
Construction	✓					
Creative and Digital			✓			
Health and Social Care and Health Innovation					✓	✓
Manufacturing		✓			✓	

Size

There were no significant differences by size-band in the sources of start-up finance accessed by businesses. In terms of future sources of growth finance, businesses employing up to ten people were significantly more likely to report that they would be seeking growth finance in future. These businesses were significantly more likely to identify 'Business Angels' and 'friends and family' as potential sources of this growth finance.

Age

Only up to three years old were asked about the sources of start-up finance, which makes it impossible to identify any variation by age group. Businesses up to three years old were significantly more likely to select 'friends and family' as a source of future growth finance, while businesses between three and ten years old were significantly more likely to select 'venture capital' as a source of future growth capital.

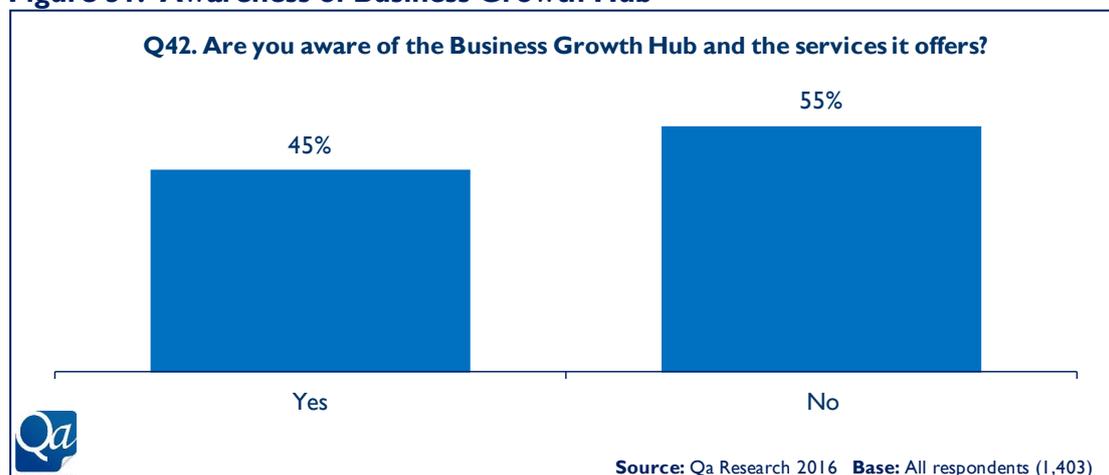
7.5 Business Support

Questions were included to understand businesses' experiences of accessing support and advice.

7.5.1 Awareness of Business Growth Hub

Respondents were asked if they were aware of the Growth Hub and the services it offers;

Figure 51. Awareness of Business Growth Hub



Responses to this question simply highlight that businesses in Greater Manchester are slightly more likely to be unaware of the Business Growth Hub than aware of it.

7.5.1.1 Analysis of variations within data

Time series

A specific question regarding awareness of the Business Growth Hub was included from 2014 and data are shown below;

Figure 52. TIME-SERIES: Awareness of Business Growth Hub

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Aware of Business Growth Hub and services it offers (Q42)					
Yes	N/A	N/A	31%	45%	↑
No	N/A	N/A	69%	55%	↓
Base: All respondents	2,425	1,224	2,161	1,403	

Awareness of the Growth Hub has increased significantly since 2014.

Location

Businesses in Wigan were significantly more likely to be aware of the Business Growth Hub and the services it offers, while businesses in Bolton were significantly less likely to be aware of the Business Growth Hub and the services it offers.

Sector

Businesses in the Business Financial & Professional Services, Manufacturing, and Creative and Digital sectors were significantly more likely to be aware of the Business Growth Hub and the services it offers, while businesses in the Logistics, Retail and Wholesale, and Hospitality Tourism and Sport sectors were significantly less likely to be aware of the Business Growth Hub and the services it offers.

Size

There were no significant differences by size-band between the proportions of businesses that were and were not aware of the Business Growth Hub and the services it offers.

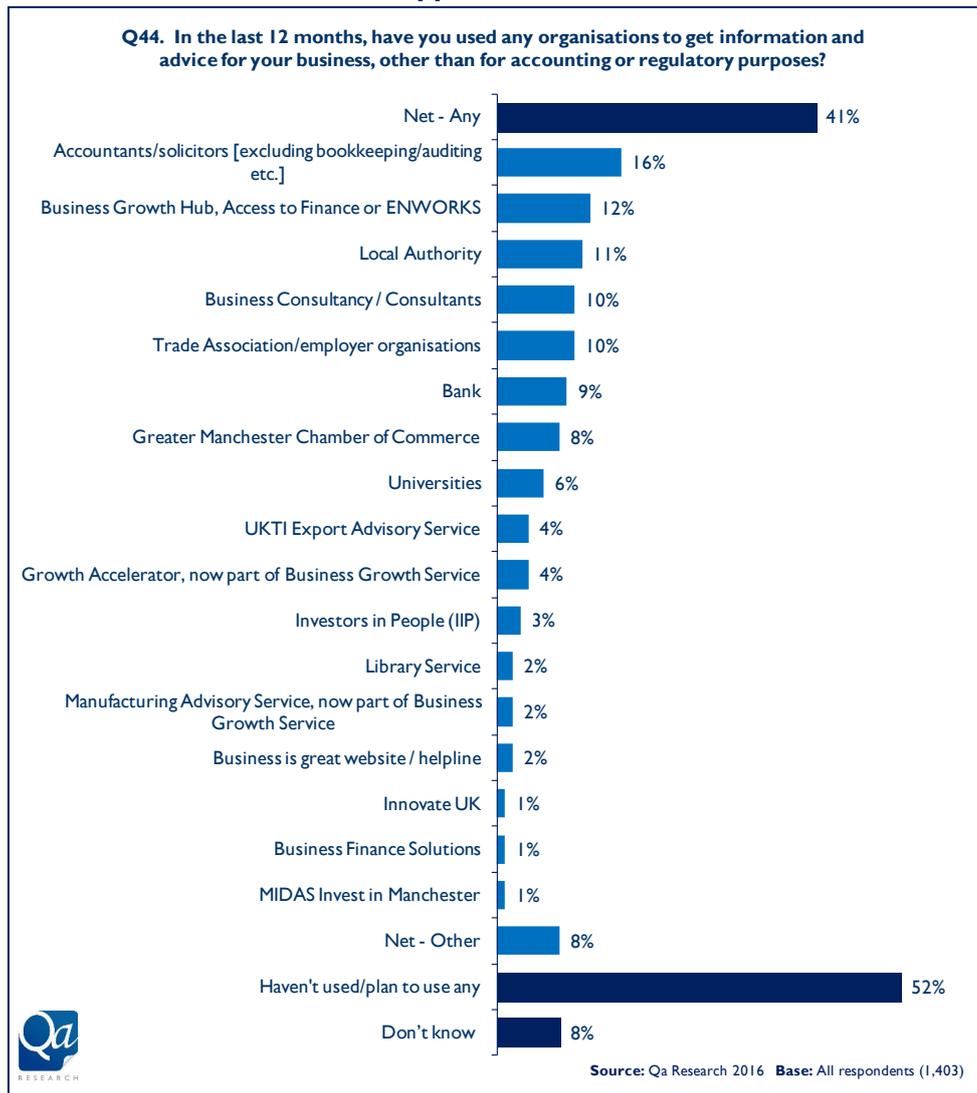
Age

Businesses between three and ten years old were significantly more likely than businesses in other age-bands to be aware of the Business Growth Hub and the services it offers.

7.5.2 Accessing support in the last 12 months

The chart below shows the proportion accessing support in the last year²³;

Figure 53. Sources of advice & support accessed in the last 12 months



As this chart highlights, two-fifths (41%) of businesses have sought information and advice from at least one organisation in the last 12 months.

²³ A question relating to accessing business support when setting up the business was initially included in the survey but later removed. This data has not been analysed due to the small base size (25 respondents).

The data highlights that a range of organisations have been accessed in this way and no single source of support dominates responses.

Notably, 60% of the respondents that had sought advice had experienced turnover growth in the past twelve months, compared to just 43% of respondents who had not sought advice. Although this should not infer that seeking advice was the *cause* of turnover growth, it does suggest that it is a characteristic typical of a growing business. Additionally, the number of sources mentioned on average by those businesses that had sought external support and advice was 2.9, highlighting that businesses looking for external support tend to use multiple sources to receive this.

Seeking external support from almost three separate sources could be a positive finding, in the sense that it demonstrates that businesses are open to external input and happy to embrace new ideas. Conversely, it could be a negative finding, should businesses only want to approach one source, but find that they have to approach multiple sources in an attempt to resolve their issue; once they approach their third source of advice they appear to either resolve the issue or give up searching.

Amongst businesses that had accessed support and advice in the last year, almost one-in-ten (9%) indicated that they'd had difficulties getting the advice, information or support they needed. This equates to 60 respondents and amongst these respondents, the difficulties faced were as follows;

Figure 54. Support accessed in the last 12 months



The main challenge reported here was a lack of awareness of where to go to access '...the right support/advice' (60%), while others talked about the '...difficulty determining the support and advice required' (34%). It would seem that these businesses would benefit from more guidance. Other difficulties related to support being '...too expensive' (30%) and '...time to seek/access it' (26%).

Respondents that hadn't sought support and advice in the last 12 months were asked why this was the case and overwhelmingly this was simply because they 'had no need of support or advice' (65%). Of the remainder, most didn't know (15%), but one-in-twenty said that 'it is sorted by Head Office, another department or another internal source' (6%), while a similar proportion said they 'had difficulty finding out where to obtain the right support/advice' (6%).

7.5.2.1 Analysis of variations within data

Time series

A question about organisations used in the last 12 months for information and advice has been included in all waves of the research, although the answer list has changed. In addition, while the answer list was read out in full in 2012-14, respondents in 2016 were only read this list if they had confirmed at a previous filter question that they had used an organisation. Therefore, some degree of caution is required when tracking responses over-time, but these are detailed below;

Figure 55. TIME-SERIES: Sources of advice & support accessed in the last 12 months

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Used any organisations to get information and advice for business in last 12 months (Q44)					
NET: Any	74%	50%	53%	41%	↓
Greater Manchester Chamber of Commerce	15%	11%	10%	8%	↓
Business Growth Hub, Access to Finance or ENWORKS	n/a	2%	6%	12%	↑
Bank	4%	13%	14%	9%	-
UKTI Export Advisory Service	5%	4%	4%	4%	-
Growth Accelerator, now part of Business Growth Service	1%	2%	4%	4%	-
Manufacturing Advisory Service, now part of Business Growth	N/A	1%	2%	2%	-
MIDAS – Invest in Manchester	2%	2%	1%	1%	-
Universities	8%	7%	6%	6%	-
Accountants/solicitors	60%	22%	24%	16%	-
Trade Association/employer organisations	24%	18%	10%	10%	-
Local Authority	16%	12%	11%	11%	-
Business Consultancy / Consultants	12%	9%	6%	10%	-
Other	4%	7%	7%	8%	-
Haven't used any	24%	47%	44%	52%	↑
Don't know	2%	4%	3%	8%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Around two-fifths (41%) of firms indicated they had accessed some form of business support over the last 12 months. Whilst this figure highlights an overall decline since the last wave of the research, further analysis highlights fluctuations in the take-up of different types of support services: There has been a decline in the proportion of businesses that accessed privately funded support via banks (from 14% in 2014 to 9% in 2016), and accountants/solicitors (24% in 2014 to 16% in 2016). In comparison those accessing support from local authorities and the UKTI Export Advisory Service have remained the same (11% and 4% respectively over both years). Support from the Business Growth Hub has increased by 6% (from 6% in 2014 to 12% in 2016)

Interestingly, respondents in 2016 were generally less likely to say they had accessed any organisation in the last 12 months and specifically less likely to mention 'Greater Manchester Chamber of Commerce'.

Mentions of the 'Business Growth Hub, Access to Finance or ENWORKS' have increased steadily since 2013; however, this answer has changed over time with the inclusion of '...Access to Finance or ENWORKS' which may or may not account for some of this increase.

Location

Businesses in Trafford were significantly more likely to have engaged external organisations to access information and/or advice in the last twelve months, while businesses in Bolton and Wigan were significantly less likely to have. There were no significant differences by district in the difficulties businesses experienced when they sought support and/or advice in the last twelve months.

Sector

Businesses in the Creative and Digital sector were significantly more likely to have engaged external organisations to access information and/or advice in the last twelve months. Businesses in the Manufacturing and Creative and Digital sectors were significantly more likely to have accessed information and/or advice from the 'Business Growth Hub...' in the last twelve months. There were no significant differences by sector in the difficulties businesses experienced when they sought support and/or advice in the last twelve months.

Size

There were no significant differences by size-band between the proportions of businesses that had and had not engaged external organisations to access information and/or advice twelve months. There were no significant differences by size-band in the difficulties businesses experienced when they sought support and/or advice in the last twelve months.

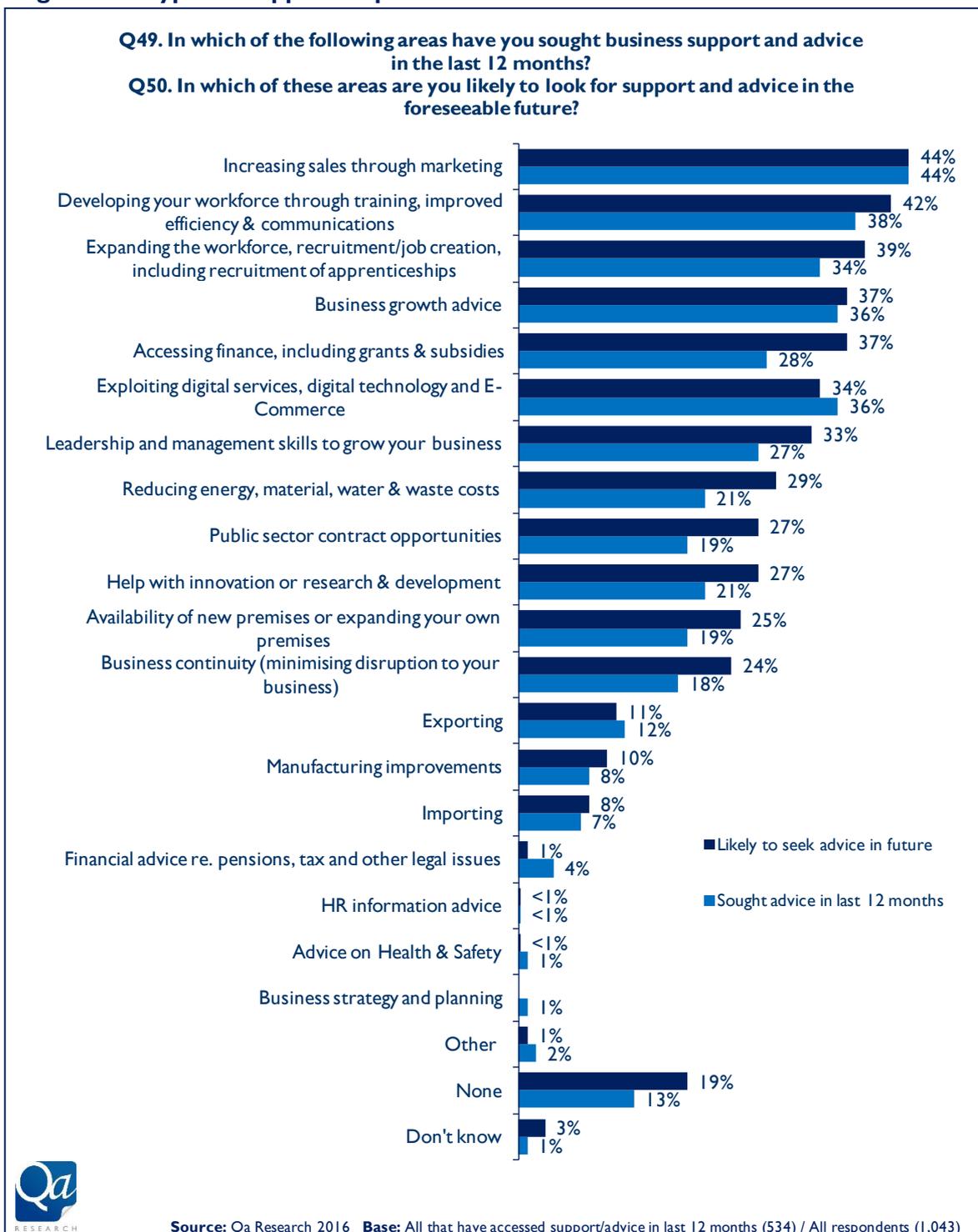
Age

There were no significant differences by age-band between the proportions of businesses that had and had not engaged external organisations to access information and/or advice twelve months. Businesses between three and ten years old were significantly more likely, having sought support and/or advice in the last twelve months, to report that the advice/support they identified was too expensive.

7.5.3 Types of advice and support needed

Those that had sought help in the last 12 months were prompted with a list of types of advice and support and asked to indicate which they had been looking for. In addition, all respondents were shown the same list and asked which they were likely to look for support and advice 'in the foreseeable future'. Responses to both questions are shown on the chart below;

Figure 56. Types of support required in the last 12 months/foreseeable future



The previous chart highlights that the advice and support sought by businesses in Greater Manchester in the last 12 months (L12M) and going forward (future) represents the types of

advice and support businesses would ordinarily expect to need.

This is most often *'increasing sales through marketing'* (L12M: 44%, future: 44%) and more general *'business growth and advice'* (L12M: 36%, future: 37%)

Help with the workforce is also important, including both *'developing your workforce...'* (L12M: 28%, future: 42%) and *'expanding the workforce...'* (L12M: 38%, future: 42%). Businesses of different sizes or ages are likely to have different needs in terms of support. When considering business size, 59% of businesses employing 11-49 and 61% of those employing more than 50 had sought support in developing their workforce through training in the previous year, compared to 33% of those employing ten or fewer.

Businesses do envisage *'accessing finance, including grants & subsidies'* in the future, but fewer had done so in the last 12 months (L12M: 28%, future: 37%).

Compared to the other types of advice sought over the last 12 months, a comparatively high proportion of businesses seeking advice and support in the last year had looked for help with *'exploiting digital services, digital technology and E-Commerce'* (L12M: 36%, future: 34%). This might suggest that there is currently a greater need for this level of support amongst businesses than would ordinarily be the case.

Across nearly all areas, businesses are more likely to seek advice in future than they have been in the past. It could be the case that businesses will seek more advice, but it could equally be the case that businesses typically end up seeking less advice than they expect to. Interestingly, this trend extends to include *'none'*; which suggests that those businesses that *are* seeking support are likely to seek it in more areas.

7.5.3.1 Analysis of variations within data

Time series

The answers lists for these questions have undergone considerable change and updating each year and consequently year-on-year comparisons are not possible.

Location

The figure below presents the nineteen areas of business advice/support that businesses could have identified either as areas in which they have previously sought support or areas in which they intend to in future. The order of these areas is consistent with Figure 56 (page 82). For each area, those districts that are significantly more likely to have accessed (left hand column) or plan to access (right hand column) business advice/support are listed in Figure 57.

Figure 57. Significant variations in business advice/support requirements, past and future, by district

	Areas in which business advice/support has been used/is likely to be used in the...	
	last 12 months	future
Increasing sales through marketing	Oldham, Trafford	Trafford
Developing your workforce through training, improved efficiency & communications	Tameside	Wigan
Expanding the workforce, recruitment/job creation, including recruitment of apprenticeships	Trafford	Wigan
Business growth advice	Tameside, Trafford	Rochdale, Wigan
Accessing finance, including grants & subsidies	Manchester, Wigan	Salford
Exploiting digital services, digital technology and E-Commerce	Trafford	
Leadership and management skills to grow your business	Trafford	Tameside, Wigan
Reducing energy, material, water & waste costs		
Public sector contract opportunities		Wigan
Help with innovation or research & development		Rochdale, Wigan
Availability of new premises or expanding your own premises	Trafford	Trafford
Business continuity (minimising disruption to your business)	Trafford	Trafford
Exporting		Stockport
Manufacturing improvements		Oldham
Importing	Trafford	
Financial advice re. pensions, tax and other legal issues		
HR information advice		
Advice on Health & Safety		
Business strategy and planning		
Other		
None	Stockport	
Don't know		

Businesses in Trafford presented an interesting case study. Not only were they significantly more likely to have accessed business advice/support in the last twelve months across eight areas, they also indicated a desire to continue to access business advice/support in future across three of those areas. This suggests consistency of purpose amongst businesses in Trafford; they identify their advice/support needs and then pursue them over a more prolonged period.

Businesses in Wigan are also interesting in the sense that they were only significantly more likely to have accessed business advice/support in one area in the last twelve months, and yet indicated

that they were significantly more likely to seek support in six areas in the future.

Sector

The figure below presents the nineteen areas of business advice/support that businesses could have identified either as areas in which they have previously sought support or areas in which they intend to in future. For each area, those sectors that are significantly more likely to have accessed (left hand column) or plan to access (right hand column) business advice/support are listed.

Figure 58. Significant variations in business advice/support requirements, past and future, by sector

	Areas in which business advice/support has been used/is likely to be used in the...	
	last 12 months	future
Increasing sales through marketing	Hospitality Tourism and Sport	Business Financial & Professional Services, Manufacturing
Developing your workforce through training, improved efficiency & communications	Health and Social Care and Health Innovation	Business Financial & Professional Services, Health and Social Care and Health Innovation
Expanding the workforce, recruitment/job creation, including recruitment of apprenticeships	Health and Social Care and Health Innovation	Business Financial & Professional Services, Construction
Business growth advice	Manufacturing, Hospitality Tourism and Sport	Manufacturing, Creative and Digital
Accessing finance, including grants & subsidies	Health and Social Care and Health Innovation	Manufacturing, Health and Social Care and Health Innovation
Exploiting digital services, digital technology and E-Commerce	Creative and Digital	Business Financial & Professional Services, Creative and Digital
Leadership and management skills to grow your business	Health and Social Care and Health Innovation	Business Financial & Professional Services
Reducing energy, material, water & waste costs	Manufacturing, Construction	Manufacturing, Hospitality Tourism and Sport
Public sector contract opportunities	Health and Social Care and Health Innovation	Health and Social Care and Health Innovation, Construction
Help with innovation or research & development	Health and Social Care and Health Innovation	Manufacturing, Health and Social Care and Health Innovation
Availability of new premises or expanding your own premises	Health and Social Care and Health Innovation	Health and Social Care and Health Innovation
Business continuity (minimising disruption to your business)	Health and Social Care and Health Innovation	Construction
Exporting	Manufacturing, Retail and Wholesale	Manufacturing
Manufacturing improvements		Manufacturing
Importing	Retail and Wholesale	Manufacturing, Retail and

	Areas in which business advice/support has been used/is likely to be used in the...	
	last 12 months	future
		Wholesale
Financial advice re. pensions, tax and other legal issues		
HR information advice		
Advice on Health & Safety		
Business strategy and planning		
Other		
None		
Don't know		

Businesses in the Health and Social Care and Health Innovation sector presented an interesting case study. Not only were they significantly more likely to have accessed business advice/support in the last twelve months across eight areas (by far the most of any sector), they also indicated a desire to continue to access business advice/support in future across five of those areas. This suggests consistency of purpose amongst businesses in this sector; they identify their advice/support needs and then pursue them over a more prolonged period.

Size

Businesses with up to ten employees were significantly more likely not to have accessed any business advice/support services in the past twelve months. Businesses with more than ten employees were significantly more likely to have accessed business advice/support in 'developing your workforce...', 'expanding the workforce...' and 'reducing energy, material, water & waste costs'. Businesses in the 11-49 size-band were also significantly more likely to have accessed business advice/support in 'accessing finance, including grants & subsidies' and 'leadership and management skills to grow your business'. However, the only advice/support area that one of the three size-bands is significantly more likely to use in future is 'leadership and management skills to grow your business', by businesses in the 11-49 size-band.

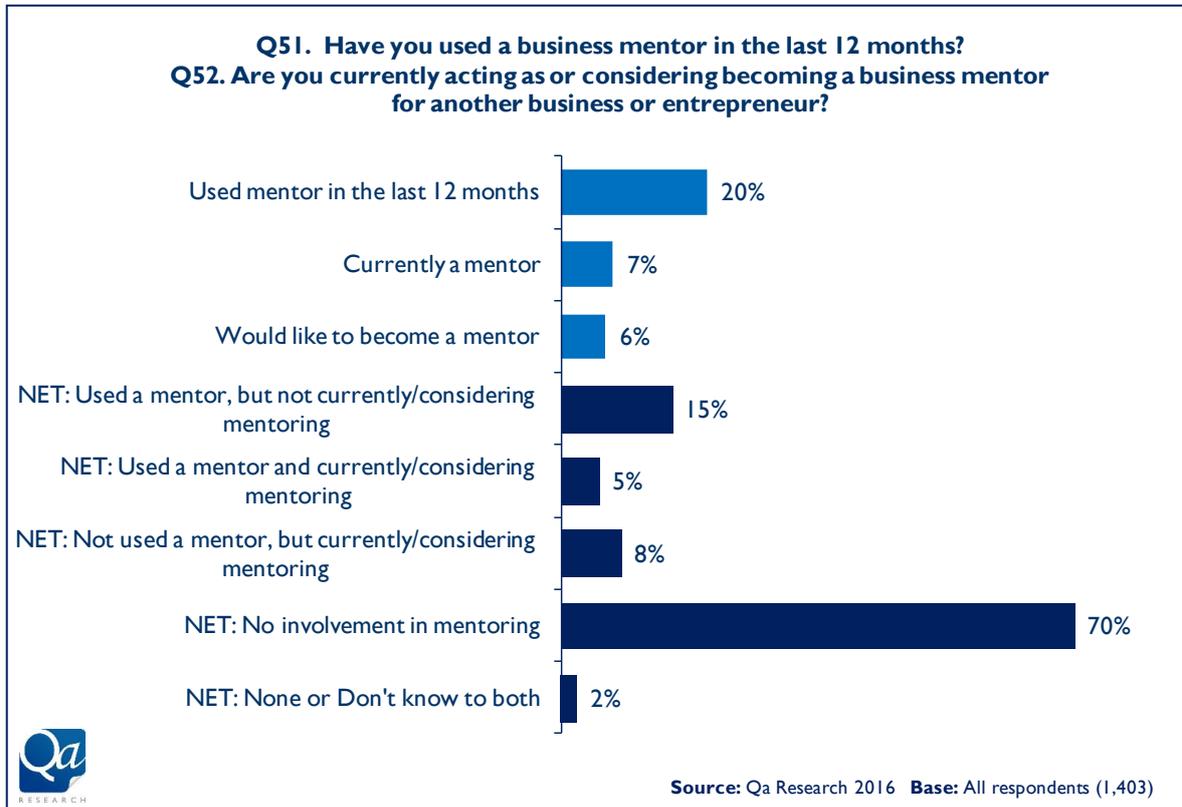
Age

Businesses over ten years old were not significantly more likely to require any business support/advice services in future. Businesses up to three years old were significantly more likely to access business advice/support in 'expanding the workforce...' and 'accessing finance, including grants & subsidies' in future. Businesses between three and ten years old were significantly more likely to access business advice/support in 'business growth advice', 'exploiting digital services, digital technology and E-Commerce' and 'availability of new premises...' in future.

7.5.4 Business mentoring

Two questions were included to explore mentoring, the first asked if businesses has used a business mentor in the last 12 months and the second if they are currently acting as, or considering becoming, a business mentor for another business or entrepreneur. Responses to both questions are summarised below;

Figure 59. Business mentoring



As this chart demonstrates, a fifth have used a business mentor over the last year (20%), while one-in-twenty have used a mentor and are also either currently acting as a mentor or considering doing so. However, most that have used a mentor have no other involvement in mentoring (15%).

Notably, more than one-in-twenty have not used a mentor in the last 12 months, but are either currently a mentor or would like to become one (8%).

However, it remains the case that most businesses have had no involvement in mentoring over the last 12 months and aren't currently acting as a mentor or planning to (70%).

7.5.4.1 Analysis of variations within data

Time series

Data over time is outlined below;

Figure 60. TIME-SERIES: Business mentoring

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Used a mentor in the last 12 months (Q51)					
Yes	9%	10%	13%	20%	
No	91%	89%	86%	78%	
Don't know	1%	1%	1%	1%	-
Currently acting or considering acting as a mentor (Q52)					
Yes – currently a mentor	5%	4%	4%	7%	-
Yes – would like to become a mentor	9%	2%	6%	6%	-
No	86%	92%	89%	85%	
Don't know	1%	1%	1%	1%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Since 2012 use of mentors has increased amongst businesses in Greater Manchester and there has also been a steady increase in the proportion of businesses that are either acting as, or are considering acting as, a mentor.

Location

There was a lot of variance by district in the proportion of businesses that had used a business mentor in the past twelve months; seven out of ten districts differed significantly from the overall response profile. Businesses in Trafford and Wigan were significantly more likely to have used a business mentor in the past twelve months. Businesses in Bolton, Oldham, Salford, Stockport, and Tameside were significantly less likely to have used a business mentor in the past twelve months. Businesses in Wigan were significantly more likely either to currently be a mentor or be willing to become a mentor; this was driven by businesses being significantly more likely to be willing to consider becoming a mentor.

Sector

There was relatively little variance by sector in the proportion of businesses that had used a business mentor in the past twelve months; two out of eight principal sectors differed significantly from the overall response profile. Businesses in the Creative and Digital sector were significantly more likely to have used a business mentor in the past twelve months, while businesses in the Health and Social Care and Health Innovation sector were significantly less likely to have done so.

Businesses in the Business Financial & Professional Services and Creative and Digital sectors were significantly more likely either to currently be a mentor or be willing to become a mentor. In both sectors, this was driven by businesses being significantly more likely to be willing to consider becoming a mentor. Conversely, businesses in both the Manufacturing and Construction sectors were significantly less likely either to currently be a mentor or be willing to become a mentor.

Size

There were no significant differences by size-band between the proportion of businesses that had and had not used a business mentor in the last twelve months. There were no significant differences by size-band between the proportion of businesses that were and were not either currently a business mentor and/or considering becoming a business mentor.

Age

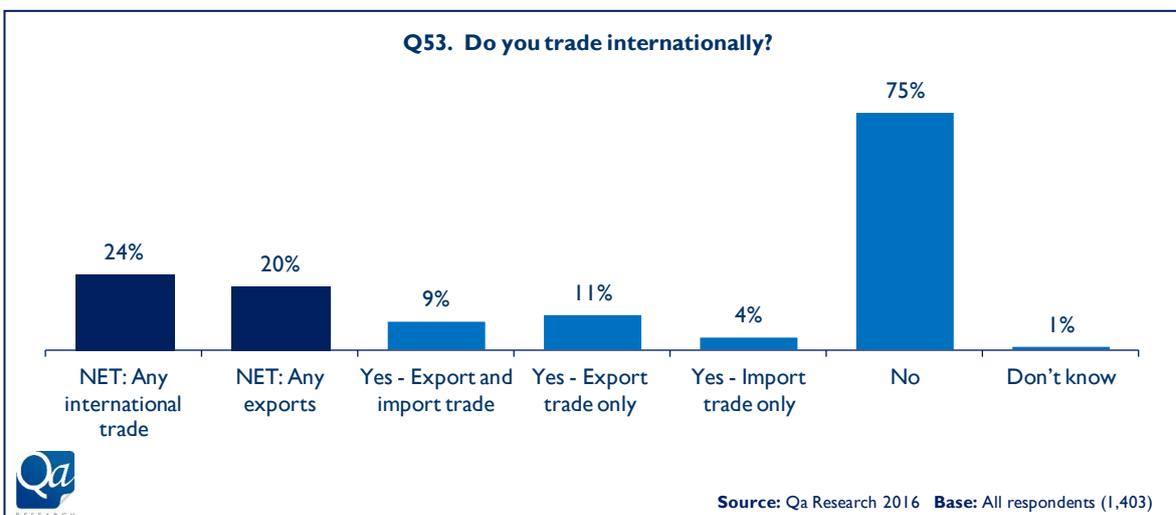
Businesses up to three years old were significantly more likely to have used a business mentor in the last twelve months, while businesses over ten years old were significantly less likely to have used a business mentor in the last twelve months. Businesses between three and ten years old were significantly more likely both to currently be a mentor and be willing to consider becoming a mentor. Businesses over ten years old were significantly less likely either to currently be a mentor or be willing to consider becoming a mentor.

7.6 International Trade

7.6.1 Current levels of international trade

The chart below summarises the proportion of businesses involved in international trade;

Figure 61. Involvement in importing and exporting



Firms engaged in international trade were slightly more likely than all businesses to have recorded turnover growth, regardless of the nature of their international trade. Less than one-in-twenty Greater Manchester businesses are involved in the 'import trade only' (4%), while less than one-in-ten both 'export and import' (9%). However, the majority of Greater Manchester businesses currently have no involvement in exporting or importing at all (75%).

Further questioning identified the following:

- Amongst those businesses currently only involved in importing or not involved in international trade at all, one-in-twenty agreed that they have 'any plans to develop export trade links in the next 1-2 years' (5%).
- The locations businesses involved in international trade indicated that they had trade links with included 'EU states' (75%), 'North America' (48%), 'non-EU Europe' (46%) and 'China' (37%).

Additional questioning also identified that one-in-ten businesses have their 'products and services exported by other companies' (12%). Notably, 4% of businesses that do not undertake importing or exporting indicated that their 'products and services exported by other companies', suggesting that 28% of businesses in total are involved in international trade in some form.

7.6.1.1 Analysis of variations within data

Time series

In previous years the survey included a question asking businesses if they ‘currently have any operations that deal with international markets’. This was a changed in the 2016 survey to a question that simply asked ‘Do you trade internationally’. Additionally, in 2012-14 only businesses that said they do deal with international markets were asked if this related to exporting or importing.

It is possible to compare this data over time, although some care must be taken when drawing conclusions given the different question wording;

Figure 62. TIME-SERIES: International trade

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Whether trade internationally (Q53)					
Yes	20%	19%	19%	24%	-
- Yes - Export and import trade	7%	6%	6%	9%	-
- Yes - Export trade only	6%	5%	6%	11%	-
- Yes- Import trade only	3%	2%	2%	4%	-
No	78%	78%	79%	75%	-
Don't know	2%	3%	1%	1%	-
Base: All respondents	2,425	1,224	2,161	1,403	

NB: The 2012-14 survey also asked businesses trading internationally about ‘Other business relationship, e.g. good contact links / networks / parent & subsidiary company links’. These proportions are not shown in the table above

A fifth of respondents (20%) reported that their businesses currently export: Of these, around one in ten indicated involvement in both exports and imports (9%) or in export trade only (11%): This figure is a notable increase on the 2014 research, and whilst caution must be taken in interpreting this as a trend based on only one year’s data, it is a positive sign. Data from the 2015 Small Business Survey found that 19% of UK SMEs export goods or services²⁴ – similar to the 20% of GM businesses reporting that they export.

Generally, around one-in-five businesses have identified that they are involved in international trade and this has remained relatively consistent across the three years of the survey.

Location

Businesses in the districts of Manchester, Stockport and Trafford were significantly more likely to trade internationally than businesses elsewhere in GM. These significantly increased likelihoods of international trade were driven either by ‘import and export’ (Trafford) or ‘export only’ (Manchester and Stockport); none were driven by ‘import only’. Conversely, businesses in Rochdale, Salford and Wigan were significantly less likely to trade internationally than businesses elsewhere in GM.

Sector

Seven of the eight principal sectors were either significantly more likely or significantly less likely to trade internationally (the only sector not to vary significantly was Logistics). The three sectors that were significantly more likely to trade internationally were Manufacturing, Creative and

²⁴ BMG Research Ltd (2016) Longitudinal Small Business Survey Year 1 (2015): SME employers. Department for Business, Innovation & Skills

Digital, and Retail and Wholesale. The four sectors that were significantly less likely to trade internationally were Business Financial & Professional Services, Health and Social Care and Health Innovation, Construction, and Hospitality Tourism and Sport.

Size

There were no significant differences by size-band between the proportions of businesses that did and did not trade internationally.

7.6.2 Barriers to exporting

Businesses not involved in exporting were prompted with a number of factors which may act as a barrier to exporting and asked which applied to them. Responses were as follows;

Figure 63. Barriers to exporting



Overwhelmingly, non-exporting businesses did not identify any barriers to exporting (80%). The data isn't clear on this, but there may be a number of reasons as to why this is the case including a genuine absence of barriers or no previous exploration of the practicalities of exporting or indeed involvement in a businesses that is unsuitable for involvement in exporting.

However, a majority of businesses in Greater Manchester (79%) do not currently export and the majority of these (94%) do not have any plans to develop any export links in the next 2 years. Therefore, 74% of all businesses are not exporting and not considering exporting. Raising awareness of the potential benefits of exporting may be beneficial to businesses in Greater Manchester; the more that report barriers such as those listed above, the more effectively support services will be able to tailor their offer to meet businesses' needs.

7.6.2.1 Analysis of variations within data

Time series

Comparable data is not available to enable time series analysis of barriers to exporting.

Location

The only specific barrier to exporting that was significantly more likely to be identified by businesses in a particular district was *'lack of knowledge'*, in Wigan. Businesses in Salford were significantly more likely to have selected *'none'* of the barriers to export.

Sector

Businesses in the Creative and Digital and Retail and Wholesale sectors were significantly more likely to identify *'lack of knowledge'* as a barrier to exporting. Businesses in the Retail and Wholesale sector were also significantly more likely to identify *'taxation/tariffs'*, *'finance'* and *'compliance with local regulations'* as barriers to exporting. This is a counterintuitive finding, because businesses in both the Creative and Digital and Retail and Wholesale sectors were significantly more likely to currently be trading internationally. This suggests that it is perhaps their superior knowledge of export markets that enables them to provide more specific feedback on what the barriers to (further) exporting are. Businesses in the Health and Social Care and Health Innovation sector were significantly more likely to have selected *'none'* of the barriers to export.

Size

Businesses with up to ten employees were significantly more likely to have selected a series of barriers to export: *'lack of knowledge'*, *'language/cultural barriers'*, *'taxation/tariffs'* and *'finance'*. Businesses with between 11 and 49 employees were significantly more likely to have selected *'none'* of the barriers to export.

Age

Businesses between three and ten years old were significantly more likely to have selected *'lack of knowledge'* and *'language/cultural barriers'* as barriers to exporting. This was the only significant difference by age-band.

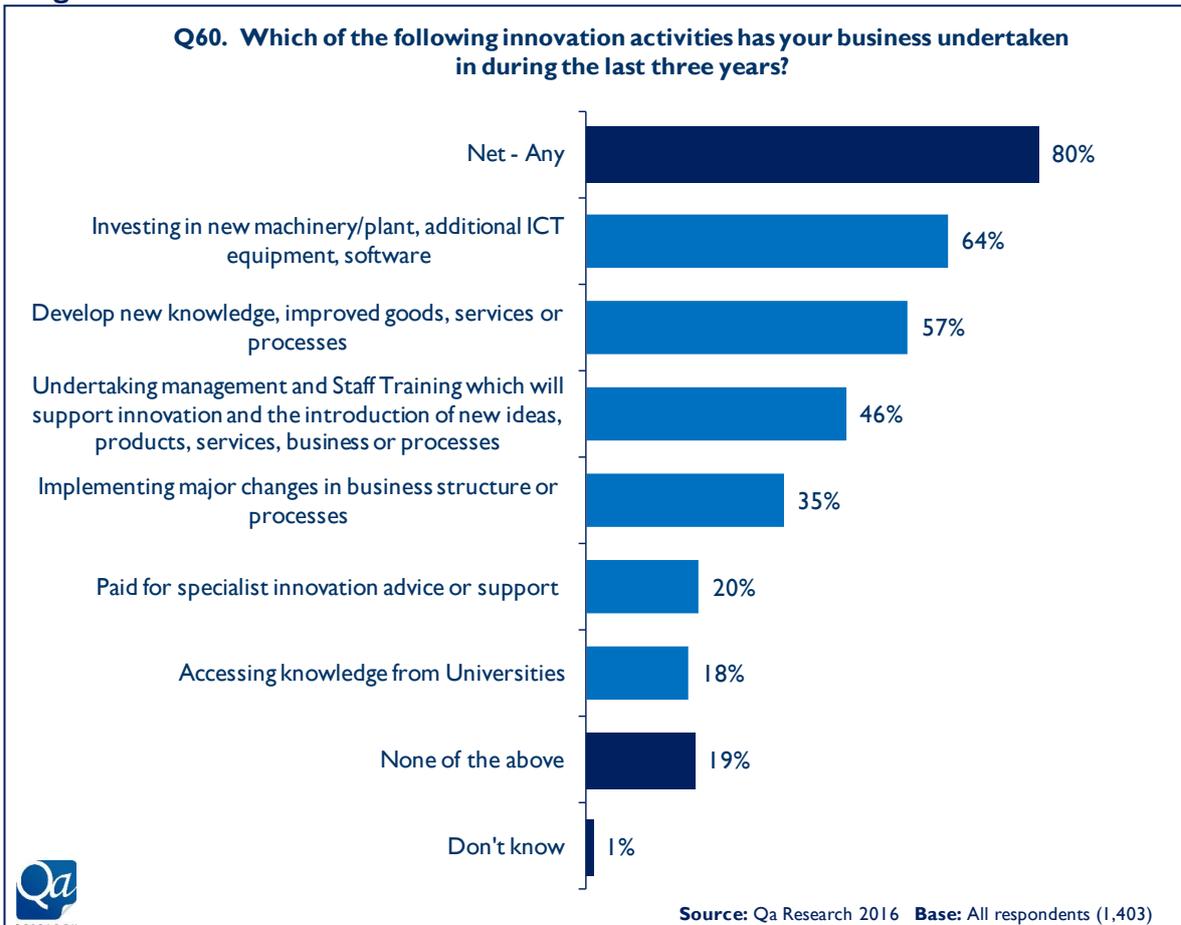
7.7 Investment, Innovation and Digital Technologies

At the end of the survey a series of questions were included to explore levels of investment and the use of digital services.

7.7.1 Innovation

Respondents were prompted with a list of innovation activities and asked to indicate which, if any, their business had undertaken in the last 3 years and responses were as follows;

Figure 64. Innovation activities undertaken

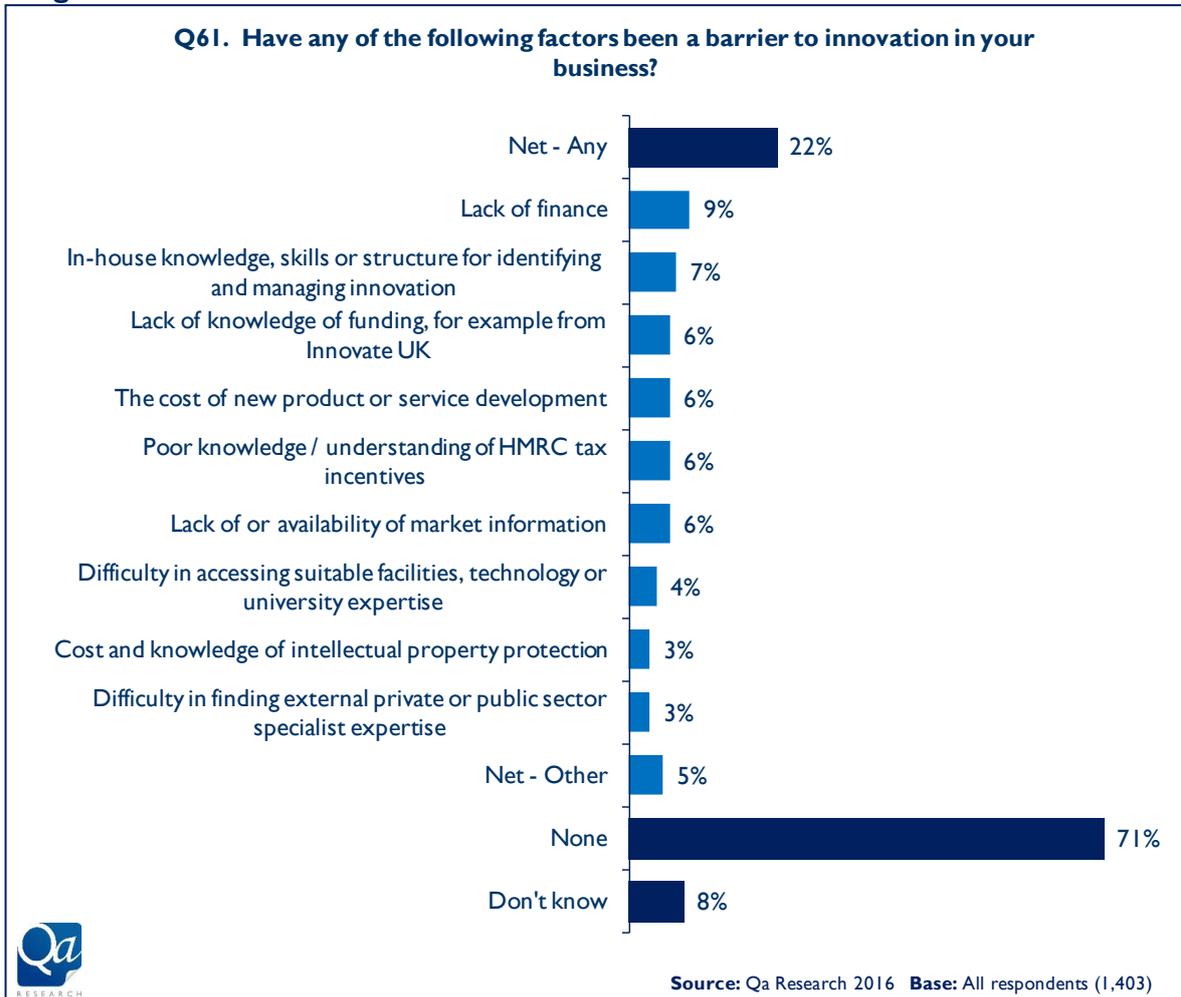


Four-fifths of respondents indicated that at least one of these activities had taken place in their business in the last 3 years (80%). Innovation activities were most common amongst businesses in Information & Communication (92%), Professional, Scientific & Technical (88%) and Utilities (86%).

The majority said that they had been 'investing in new machinery/plant, additional ICT equipment, software' (64%) and/or had 'developing new knowledge, improved goods, services or processes' (57%).

As the chart below demonstrates, most businesses did not unprompted, identify any barriers to innovation in their business²⁵;

Figure 65. Barriers to innovation



More than two-thirds of respondents (71%) felt that their business did not face any barriers. Notably, barriers to innovation were most frequently reported by businesses in Information & Communication (27%) – the sector undertaking the most innovation.

Where barriers were felt to exist, these were varied and no single factor dominated, with 'lack of finance' (9%) and 'in-house knowledge, skills or structure...' (7%) mentioned most frequently.

²⁵ In previous years, this question was asked as a fully 'prompted' question, but in 2016 an initial filter question was added making 2016 responses 'unprompted' – year-on-year comparisons are therefore not valid.

7.7.1.1 Analysis of variations within data

Time series

Some small changes to the descriptions of specific innovation activities asked about have taken place year-on-year, but it is possible to compare findings over-time;

Figure 66. TIME-SERIES: Innovation activities undertaken

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Innovation activities undertaken in the last 3 years (Q60)					
NET: Any	79%	74%	66%	80%	-
Develop new knowledge, improved goods, services or	35%	35%	31%	57%	-
Paid for specialist innovation advice or support (for	12%	10%	10%	20%	-
Accessing knowledge from Universities	N/A	N/A	10%	18%	-
Investing in new machinery/plant, additional ICT	63%	57%	48%	64%	-
Undertaking management and Staff Training which will	45%	49%	35%	46%	-
Implementing major changes in business structure or	27%	38%	22%	35%	-
None of the above	21%	26%	34%	19%	-
Don't know	-	-	-	1%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Between 2012 and 2014 the proportion of businesses that had undertaken innovation activities in the last 3 years declined steadily year-on-year. This trend seems to have been reversed amongst 2016 respondents and once again (as was the case in 2012) around four-fifths indicated that they had undertaken any of the activities asked about in the last 3 years.

Comparable data on barriers to innovation is not available.

Location

Businesses in Manchester and Trafford were significantly more likely to have undertaken some form of innovation activity over the past three years. Other isolated examples of businesses in a particular district being significantly more likely to have undertaken innovation activity of a particular form were also present. In none of the ten GM districts were businesses significantly more likely to have undertaken no innovation activity over the past three years.

The only significant variations in the likelihood of businesses either identifying any barrier to innovation or identifying no barriers to innovation by district were in Tameside and Wigan, where businesses were significantly more likely to identify no barriers to innovation.

Sector

Businesses in the Business Financial & Professional Services, Manufacturing, and Creative and Digital sectors were significantly more likely to have undertaken some form of innovation activity over the past three years. Other isolated examples of businesses in a particular sector being significantly more likely to have undertaken innovation activity of a particular form did exist. In none of the eight principal sectors were businesses significantly more likely to have undertaken no innovation activity over the past three years.

There were no significant variations in the likelihood of businesses either identifying any barrier to innovation or identifying no barriers to innovation by sector.

Size

Businesses employing between 11 and 49 people were significantly more likely to have undertaken some form of innovation activity over the past three years, while businesses employing up to ten people were significantly more likely to have undertaken no innovation activity over the past three years. Perhaps unsurprisingly, businesses employing between 11 and 49 people were significantly more likely to identify no barriers to innovation, while businesses employing up to ten people were significantly more likely to identify at least one barrier to innovation.

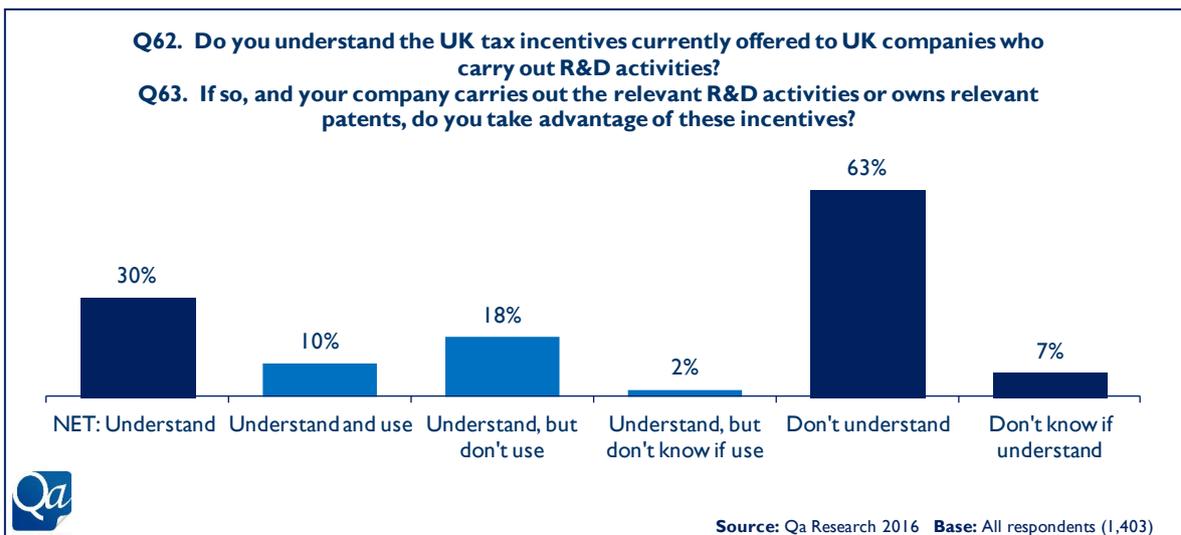
Age

There were no significant differences by age-band either between the proportions of businesses that had and had not undertaken some form of innovation activity over the past three years. There were no significant variations in the likelihood of businesses either identifying any barrier to innovation or identifying no barriers to innovation by age-band.

7.7.2 UK Tax Incentives for R&D

A short series of questions was included to explore awareness and usage of UK tax incentives for R&D and the chart below summarises levels of understanding and usage;

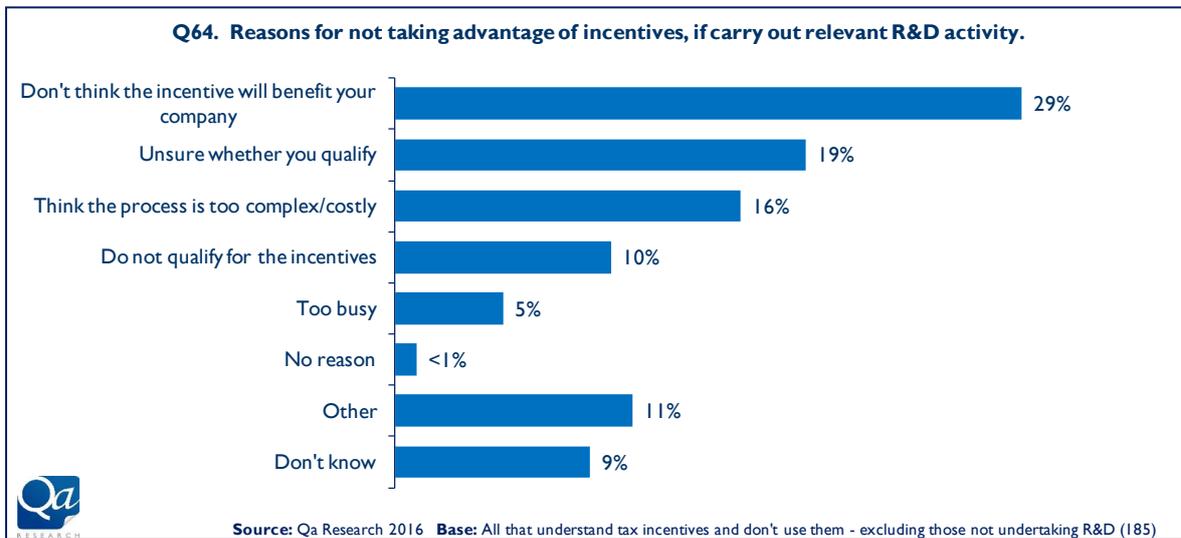
Figure 67. Understanding and usage of UK tax incentives for R&D



Almost a third (30%) claim to understand these incentives and one-in-ten respondents said that their business does use them (10%). Notably, most businesses that understand these incentives claim to not be using them (18%).

The chart below shows reasons for not using these incentives, amongst those businesses that undertake R&D activity;

Figure 68. Reasons for not using UK tax incentives for R&D



Responses here suggest a general lack of certainty about what benefit the incentives would bring (29%) and also a lack of understanding regarding the specifics of the incentives, both in terms of whether the business will qualify (19%) and the complexity and cost of the process (16%).

7.7.2.1 Analysis of variations within data

Time series

Questions relating to tax incentives for R&D were included in the survey from 2016, so no comparable data is available from previous years.

Location

Businesses in Bury were significantly more likely to understand the UK tax incentives currently on offer to UK companies who carry out R&D activities, while businesses in Stockport were significantly less likely to understand these incentives. Of those businesses that understood the incentives and that were eligible to claim them, businesses in Tameside and Trafford were significantly more likely to participate in the scheme, while businesses in Salford and Wigan were significantly less likely to do so.

Of the businesses that understood the incentives and were eligible to claim them but did not do so, there was no single explanation that was significantly more likely to be referenced by businesses in a particular district.

Sector

Businesses in the Business Financial & Professional Services, Manufacturing, and Creative and Digital sectors were significantly more likely to understand the UK tax incentives currently on offer to UK companies who carry out R&D activities, while businesses in the Retail and Wholesale and Construction sectors were significantly less likely to understand these incentives. Of those businesses that understood the incentives and that were eligible to claim them, businesses in the Manufacturing and Health and Social Care and Health Innovation sectors were significantly more likely to participate in the scheme, while businesses in the Hospitality Tourism and Sport sector were significantly less likely to do so.

Of the businesses that understood the incentives and were eligible to claim them but did not do so, businesses in the Business Financial & Professional Services sector were significantly more likely to attribute this to being *'unsure whether you qualify'*.

Size

Businesses employing between 11 and 49 people were significantly more likely both to understand the UK tax incentives currently on offer to UK companies who carry out R&D activities and to have participated in the scheme. Conversely, businesses employing up to ten people were significantly less likely both to understand the UK tax incentives currently on offer to UK companies who carry out R&D activities and to have participated in the scheme.

Of the businesses that understood the incentives and were eligible to claim them but did not do so, there was no single explanation that was significantly more likely to be referenced by businesses in a particular size-band.

Age

Businesses over ten years old were significantly more likely to understand the UK tax incentives currently on offer to UK companies who carry out R&D activities, while businesses between three and ten years old were significantly less likely to understand these incentives. Of the businesses that understood the incentives and were eligible to claim them, there was no significant variation by age-band of those that did or did not.

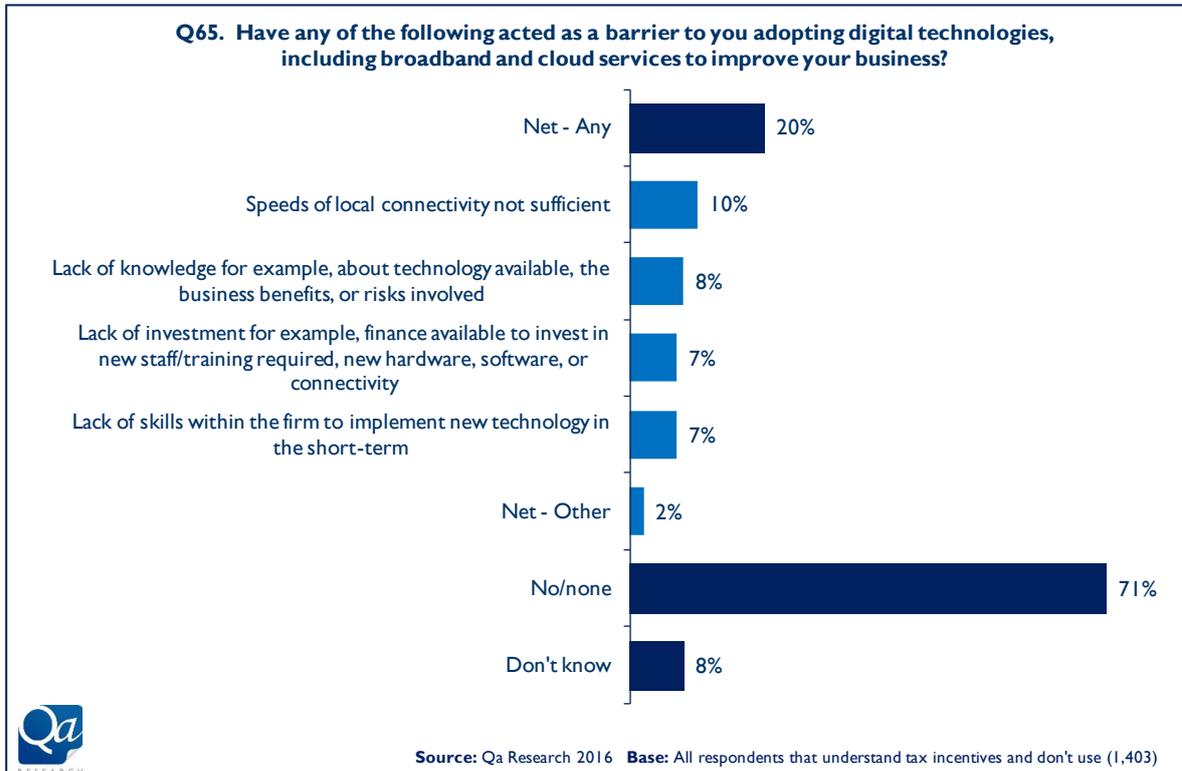
Of the businesses that understood the incentives and were eligible to claim them but did not do so, businesses between three and ten years old were significantly more likely to attribute this to being *'unsure whether you qualify'*.

7.7.3 Barriers to adopting digital technologies and resource efficiency

Questions were included to determine the proportion of businesses that had faced barriers to adopting digital technologies and resource efficiency and to establish what these barriers were²⁶.

Responses for digital technologies were as follows;

Figure 69. Barriers to adopting digital technologies



Spontaneously, a fifth (20%) indicated that they did face barriers and this was most likely to be the 'speed of local connectivity...' (10%), although 'lack of knowledge' (8%), 'lack of finance' (7%) and 'lack of skills' (7%) were all mentioned.

Additionally, just over one-in-ten (13%) said that their businesses faced barriers to increasing resource efficiency and the main barriers were 'access to finance' (6%), 'knowledge' (5%) and 'cost of innovation' (5%).

²⁶ In previous years, this question was asked as a fully 'prompted' question, but in 2016 an initial filter question was added making 2016 responses 'spontaneous' – year-on-year comparisons are therefore not valid.

7.7.3.1 Analysis of variations within data

Time series

Data over time is outlined below;

Figure 70. TIME-SERIES: Barriers to adopting digital technologies

Key Measure and Question Number (2015/16 survey)	2012	2013	2014	2015/16	Direction of travel
Barriers to adopting digital technologies (Q65)					
NET: Any	N/A	34%	34%	20%	-
Lack of knowledge – for example, about technology	N/A	13%	12%	8%	-
Lack of skills – within the firm to implement new	N/A	10%	10%	7%	-
Lack of investment – for example, finance available to	N/A	14%	10%	7%	↓
Speeds of local connectivity not sufficient	N/A	15%	19%	10%	-
Other (Write in)	N/A	4%	1%	2%	-
No/none	N/A	66%	66%	71%	-
Base: All respondents	2,425	1,224	2,161	1,403	

Businesses in 2016 were less likely to report facing barriers than those in 2013 and 2014, although further data would be required to conclude if this is an ongoing trend. In particular, 'lack of investment' has become less of a barrier over time.

Location

Businesses in Stockport were significantly more likely to have experienced one or more barriers to adopting digital technologies, driven by businesses in that area being significantly more likely to report a 'lack of knowledge...'. Conversely, businesses in Salford and Trafford were significantly more likely to have experienced no barriers to adopting digital technologies. Isolated examples of individual barriers being significantly more likely to be referenced in individual districts were present.

Sector

There were no significant variations in the likelihood of businesses either identifying any barrier to adopting digital technologies or identifying no barriers to adopting digital technologies by sector.

Size

Businesses with 11-49 employees were significantly more likely to have experienced no barriers to adopting digital technologies.

Age

Businesses over ten years old were significantly more likely to have experienced one or more barriers to adopting digital technologies, driven by businesses in this age-band being significantly more likely to report a 'speed of local connectivity...'. Conversely, businesses up to ten years old were significantly more likely to have experienced no barriers to adopting digital technologies.

8. Local Report - Manchester Businesses Summary

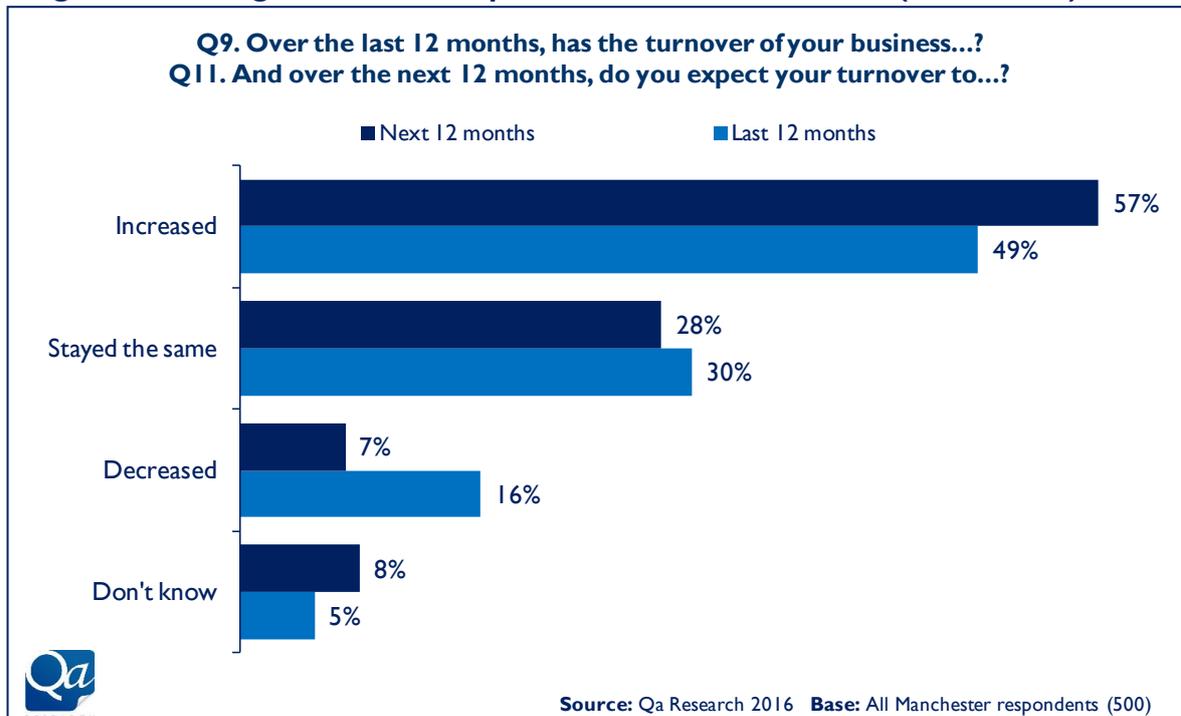
This section outlines findings for key measures amongst respondents based in the Manchester City Council local authority area (referred to here as *Manchester*). Additionally, significant and notable differences between responses from Manchester respondents and respondents in the rest of Greater Manchester have been highlighted in blue boxes, where these exist.

8.1 Business Growth

8.1.1 Changes in turnover in the previous and next 12 months

The findings suggest that the majority of respondents have had a positive trading year with around half (49%) reporting that they experienced an increase in turnover in the past 12 months, in contrast to 16% who indicated their turnover had decreased over the same period. Most businesses in the Manchester cohort also appear to be positive about the outlook for their businesses over the next 12 months: Almost 6 out of ten (57%) said they envisaged an increase in turnover in the next 12 months compared with just 7% who expected decreased turnover in the next 12 months.

Figure 71. Change in turnover in previous and next 12 months (Manchester)



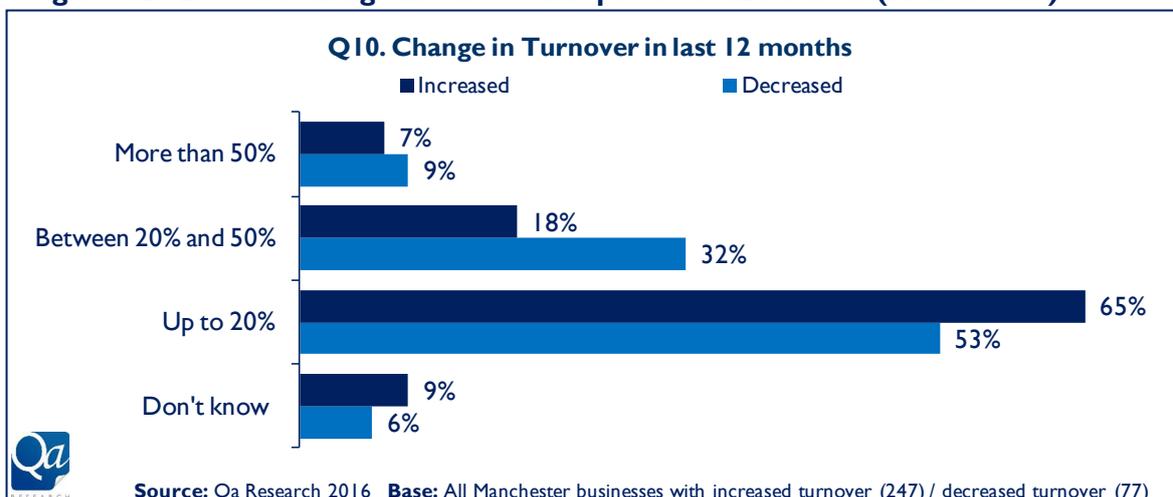
Comparison with other GM businesses;

Amongst Manchester respondents, responses for the last 12 months and expectations for the next 12 months were in line with those amongst all other respondents in Greater Manchester.

Most respondents who experienced an increase in turnover in the past 12 months reported having seen a rise of up to 20% (65% in total), whilst almost a fifth (18%) indicated that their turnover had increased by between 20% and 50%.

Amongst businesses whose turnover had decreased in the last 12 months, whilst most (53%) reported a fall of up to 20%, a notable proportion indicated that the decrease in turnover they experienced had been more significant, falling by between 20% and 50%. Fewer than one in ten respondents experienced an increase or decrease in turnover of more than 50% in the past year (7% and 9% respectively).

Figure 72. Level of change in turnover in previous 12 months (Manchester)

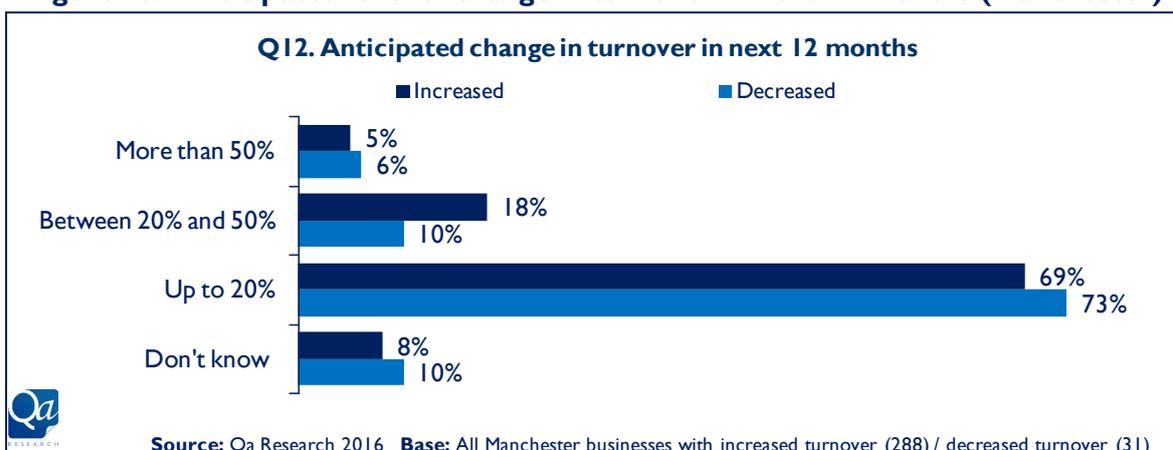


Comparison with other GM businesses;

Amongst those experiencing an increase in turnover, the proportions recorded amongst Manchester respondents were comparable with the rest of Greater Manchester. Amongst those recording a decrease, Manchester respondents were more likely to have experienced a decrease of '20% or more' (40%) than those in GM (24%). Essentially, this means that some Manchester businesses have seen a comparatively large decline in turnover in the last year.

Businesses in Manchester were much more likely to believe that they would see an increase in turnover rather than a decrease in the next year. Amongst both types of businesses, the majority felt that they would see a change of only 'up to 20%' (69% and 73% respectively).

Figure 73. Anticipated level of change in turnover in next 12 months (Manchester)



Comparison with other GM businesses;

These findings are in line with those amongst all other respondents in Greater Manchester.

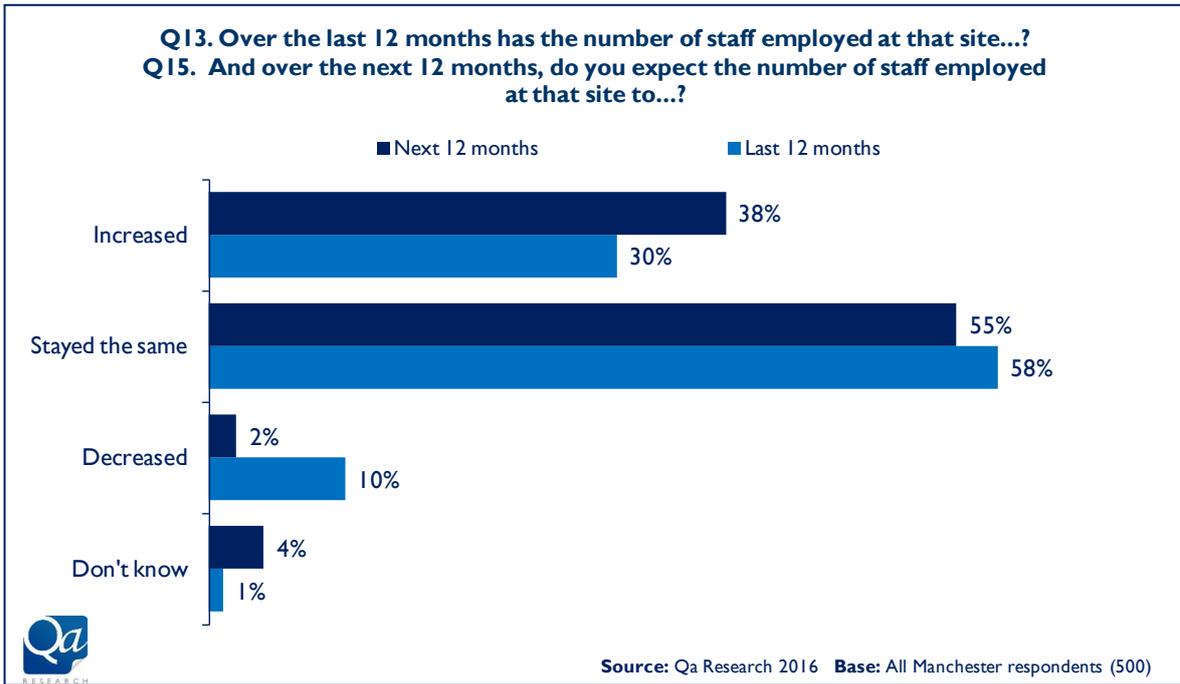
8.1.2 Changes in employment in the previous and next 12 months

In line with businesses in the rest of Greater Manchester, 13% of those in Manchester said that they had any vacancies that are *'proving hard to fill'*.

Over half of Manchester respondents, reported having seen no change in the number of staff they employ over the last 12 months (58%), and a similar proportion (55%) also said they expected the number of staff they employ to remain the same over the next 12 months (55%).

Interestingly, around a third of businesses reported having increased the number of staff they employ in the last year (30%), and almost two-fifths (38%) envisaged they would increase their headcount next year.

Figure 74. Change in employment in previous and next 12 months (Manchester)



Comparison with other GM businesses;

These findings are in line with those amongst all other respondents in Greater Manchester.

The table below compares responses to these two questions amongst respondents to the 2014 survey and the 2016 survey;

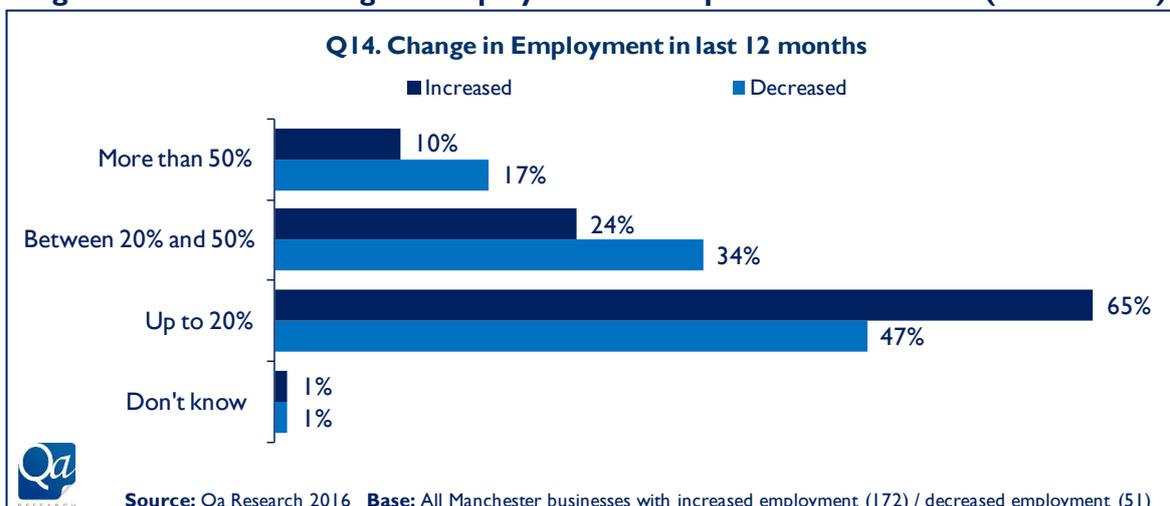
Figure 75. TIME-SERIES: Change in employment in previous and next 12 months (Manchester)

Key Measure and Question Number (2015/16 survey)	2014	2015/16	Direction of travel
Change in staff employed in last 12 months (Q13)			
Increased	28%	30%	-
Decreased	12%	10%	-
Stayed the same	59%	58%	-
Expected change in staff employed in next 12 months (Q15)			
Increased	31%	38%	↑
Decreased	4%	2%	-
Stayed the same	62%	55%	↓
Base: All respondents	504	500	

As this table demonstrates, the only significant difference recorded year-on-year is that respondents in 2016 were significantly more likely than those interviewed in 2014 to indicate that they expect the number of staff they employ to 'increase'.

Respondents that said turnover had either increased or decreased over the previous 12 months were asked to indicate by how much and responses were as follows;

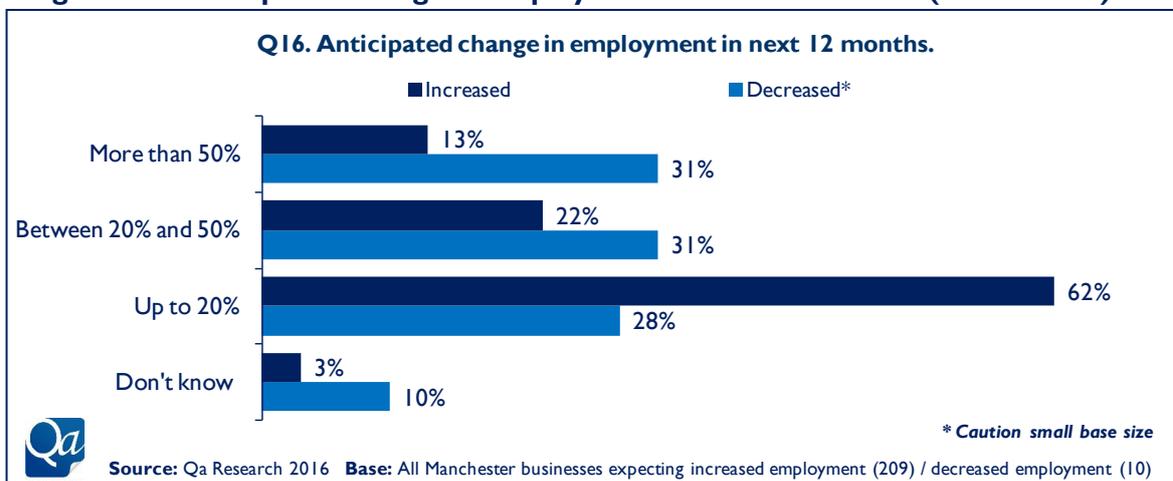
Figure 76. Level of change in employment in the previous 12 months (Manchester)



Compared to turnover, much more variation was recorded amongst Manchester businesses that had experienced changes in employment in the last 12 months. Amongst those that had experienced an increase, a third (34%) had seen an increase of '20% or more' and amongst those experiencing a decrease half (50%) has experienced a decrease of '20% or more'.

The chart below outlines the amount of change amongst those expecting an increase in employment over the next 12 months and the small number expecting a decrease. Most Manchester businesses expecting an increase felt that they would see a change of 'up to 20%' (62%), although more than one-in-ten felt that they would see an increase in headcount of 'more than 50%' (13%).

Figure 77. Anticipated change in employment in next 12 months (Manchester)



Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

The table below compares the level of increased employment recorded over the previous 12 months and expected over the next 12 months amongst respondents to the 2014 and 2016 surveys. Small bases mean an equivalent table for those experiencing a decrease is not possible.

Figure 78. TIME-SERIES: Increase in employment in previous/next 12 months (Manchester)

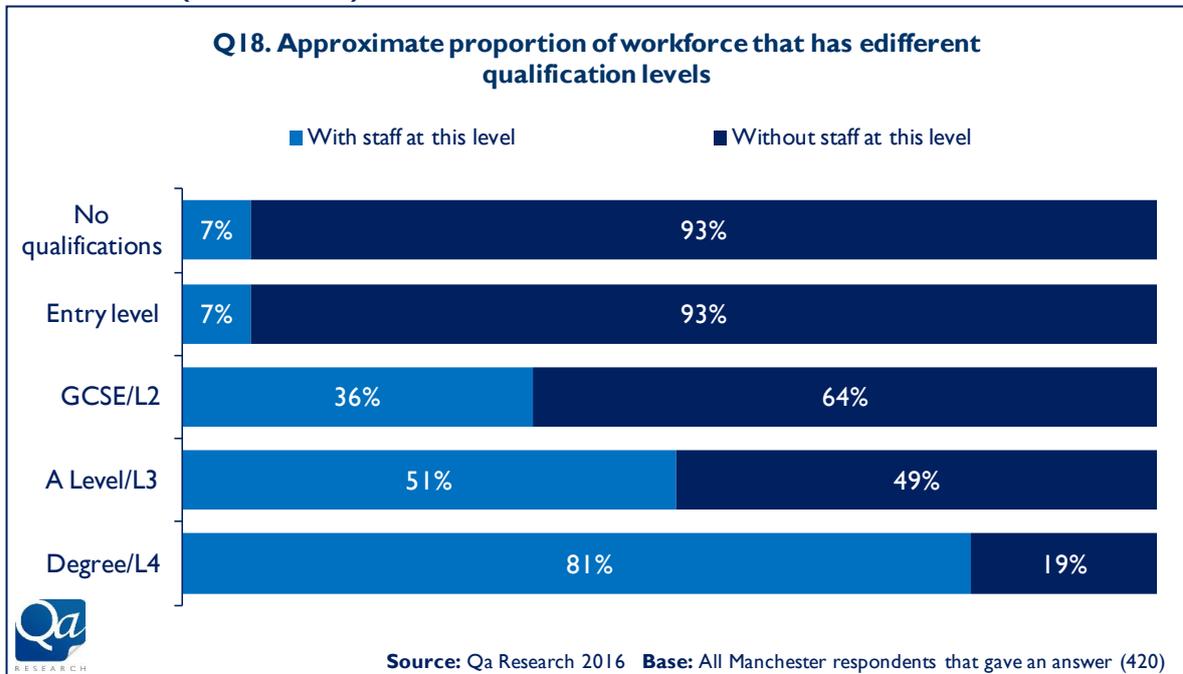
Key Measure and Question Number (2015 /16 survey)	2014	2015/16	Direction of travel
Level of change in employment in last 12 months (Q14)			
More than 50%	15%	10%	-
Between 20% and 50%	30%	24%	-
Up to 20%	51%	65%	↑
Base: All experiencing increased employment	150	172	
Anticipated level of change in employment in next 12 months (Q16)			
More than 50%	17%	13%	-
Between 20% and 50%	28%	22%	-
Up to 20%	43%	62%	↑
Base: All anticipating increased employment	163	209	

The table above highlights that 2016 respondents that had experienced an 'increase' in employment, or anticipated one, were significantly more likely than those in 2014 to say that this would be in order of 'up to 20%'.

8.1.3 Workforce qualifications

The results below illustrate the distribution of qualifications across businesses in Manchester that responded to the survey and who gave a response to this question.

Figure 79. Proportion of employees holding different qualification levels (Manchester)

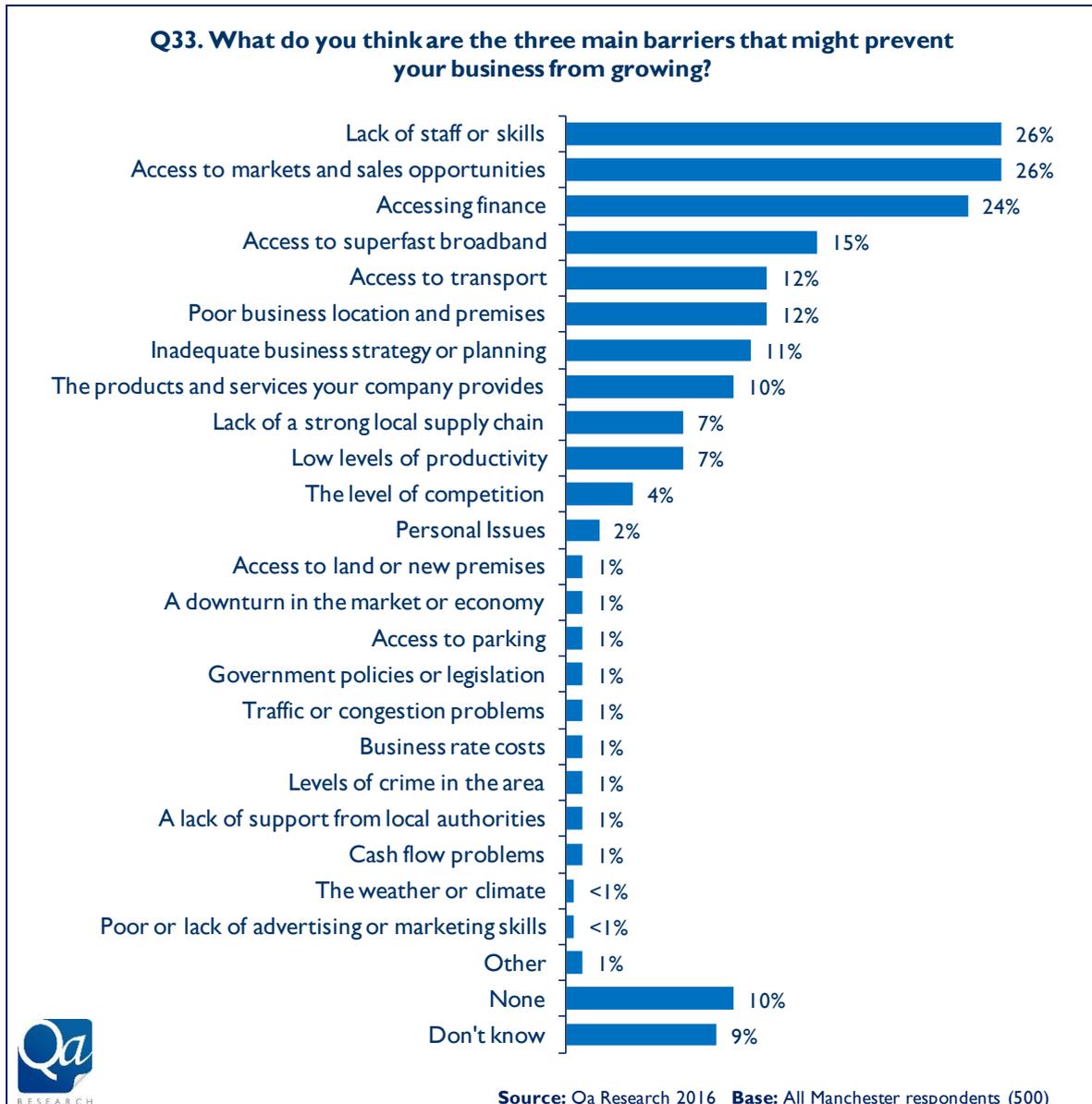


Fewer than one in ten businesses reported having employees with entry level qualifications or who hold no qualifications at all (7% respectively), whilst eight out of ten businesses reported that they employ staff qualified up to degree level.

8.1.4 Barriers to growth

All respondents were prompted with a list of potential barriers to growth that their business may face and asked to pick those that applied to them, with responses as follows;

Figure 80. Main barriers to growth (Manchester)



A range of barriers were mentioned, but three barriers in particular were mentioned here relating to 'lack of staff or skills' (26%), 'access to markets and sales opportunities' (26%) and 'accessing finance' (24%), all very much key requirements when running a business.

Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

8.2 Training and Apprenticeships

This section summarises the approach of Manchester businesses to providing training.

8.2.1 Training

The chart below details the proportion of respondents' businesses that offer training;

Figure 81. Provided staff training in the last 12 months (Manchester)



The majority of businesses in Manchester do provide training (74%) and this is slightly more likely to be '...provided internally...' than '...by an external training provider...' (60% vs. 49%). Amongst those businesses that don't provide training, most indicated that they '...do not have a training plan/budget in place' (19%).

Additionally, in relation to training;

- Although most Manchester businesses don't offer 'work experience placements or internships' (62%), a fifth said that they do so on a 'paid' basis (20%), while more than a quarter do so on an 'unpaid' basis (27%).
- Just over one-in-ten (13%) said their business has Investors in People status.

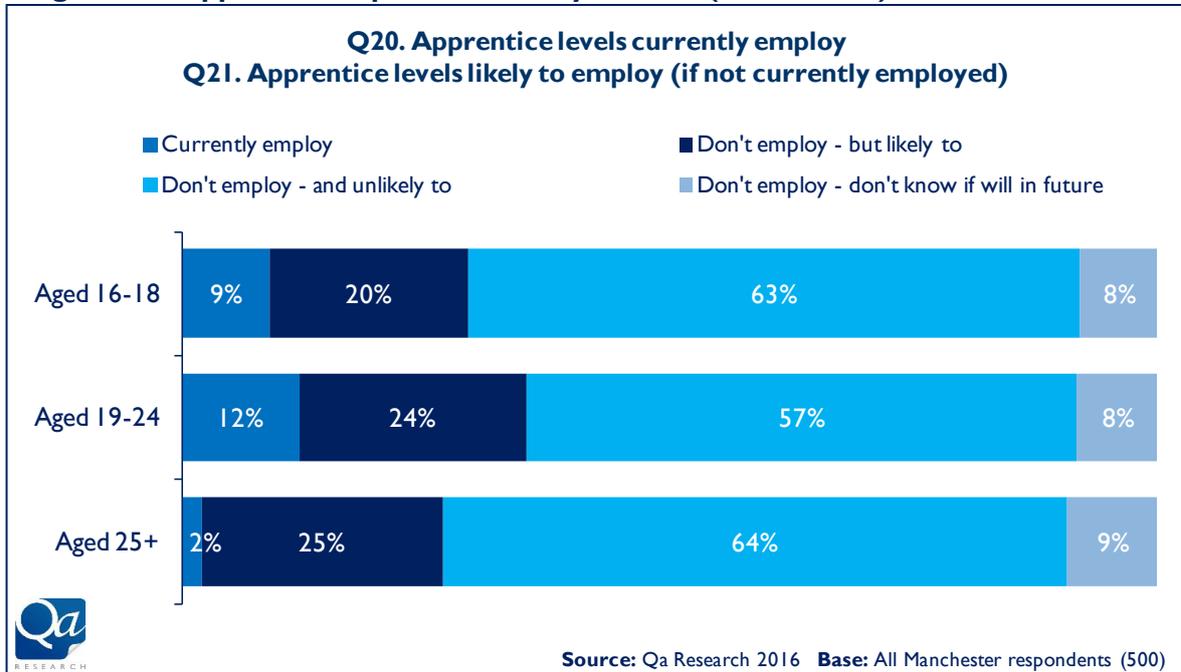
Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

8.2.2 Apprenticeships

A series of questions were included to understand the degree to which businesses offer apprenticeships and responses are summarised in the chart below;

Figure 82. Apprenticeships offered/likely to offer (Manchester)



For all three age groups, the majority of businesses in Manchester indicated that they do not employ apprentices, and that they are not likely to do so in future. Whilst around one-in-ten employ apprentices aged 16-18 (9%) and 19-24 (12%), very few respondents indicated that their business employs older apprentices aged 25+ (2%).

Comparison with other GM businesses;

Manchester respondents were less likely than those in the rest of Greater Manchester to say they employ apprentices aged 25+ (2% vs. 4%), but otherwise levels of employment were similar.

The table below compares apprenticeships amongst 2014 respondents and those from the 2016 survey;

Figure 83. TIME-SERIES: Apprenticeships offered/likely to offer (Manchester)

Key Measure and Question Number (2015/16 survey)	2014	2015/16	Direction of travel
Apprentice levels currently employ (Q20) & Apprentice levels likely to employ (if not currently employed) (Q21)			
Aged 16-18			
Currently employ	7%	9%	-
Don't employ - but likely to	25%	20%	-
Don't employ - and unlikely to	62%	63%	-
Don't employ - don't know if will in future	6%	8%	-
Aged 19-24			
Currently employ	10%	12%	-
Don't employ - but likely to	34%	24%	↓
Don't employ - and unlikely to	50%	57%	↑
Don't employ - don't know if will in future	5%	8%	-
Aged 25+			
Currently employ	3%	2%	-
Don't employ - but likely to	34%	25%	↓
Don't employ - and unlikely to	57%	64%	↑
Don't employ - don't know if will in future	6%	9%	-
Base: All respondents	504	500	

There has been no significant change in the proportion of businesses that indicated they employ apprentices in each age group.

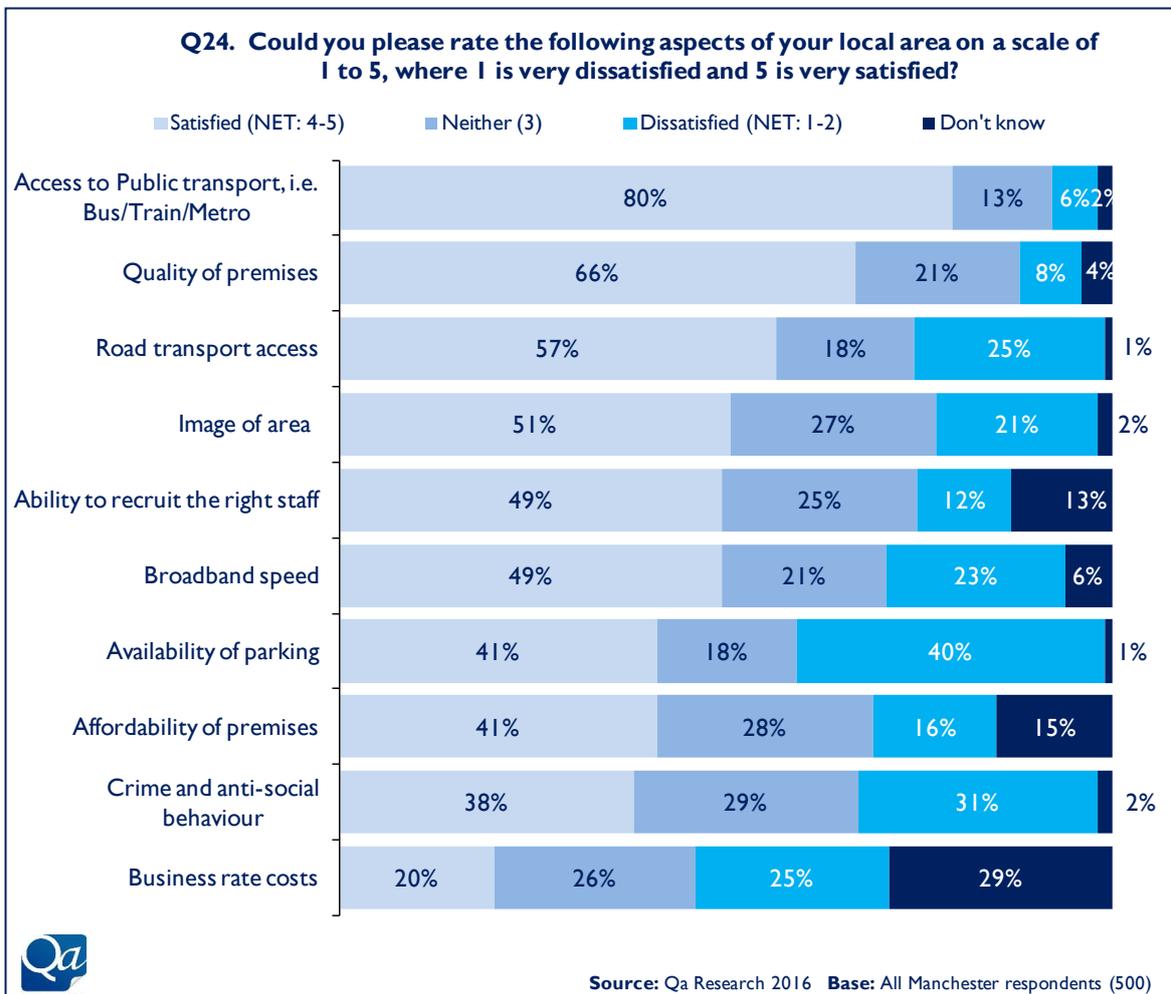
Compared with 2014, businesses interviewed in 2016 that do not employ apprentices aged 19-24 were less inclined to indicate that they'd be likely to do so in the future. A similar trend was evident amongst businesses that don't currently employ apprentices aged 25+, suggesting that Manchester businesses find the prospect of employing apprentices in these age groups less appealing than was the case in 2014.

8.3 Local Area and Community

8.3.1 Satisfaction with the local area

The views of Manchester businesses regarding different aspects of their local area were as follows;

Figure 84. Satisfaction with the local area (Manchester)



Generally, Manchester respondents were most likely to express satisfaction with transport in their local area, particularly 'access to public transport...' (80%) and also 'road transport access' (57%). However, lower levels of satisfaction were recorded for the 'availability of parking' (41%) and almost the same proportion expressed dissatisfaction (40%) with this aspect of their local area.

The majority were also satisfied with the 'quality of premises' (66%) and the 'image of the area' (51%). The only aspect which recorded a higher proportion expressing dissatisfaction than satisfaction was with 'business rate costs' (25% vs. 20%).

Additionally, when asked specifically, almost half of all Manchester respondents agreed that in their local area 'police understand and respond well to business needs' (48%).

Comparison with other GM businesses;

Some significant differences are apparent here between respondents in Manchester and those in the rest of Greater Manchester, as summarised below;

Negatives

- Manchester respondents were **less likely** to be satisfied with 'business rate costs' (20% vs. 26%)
- Manchester respondents were **less likely** to be satisfied with the 'availability of parking' (41% vs. 54%)
- Manchester respondents were **less likely** to be satisfied with 'road transport access' (57% vs. 65%)
- Manchester respondents were **more likely** to be dissatisfied with 'crime and anti-social behaviour' (31% vs. 23%).

Positives

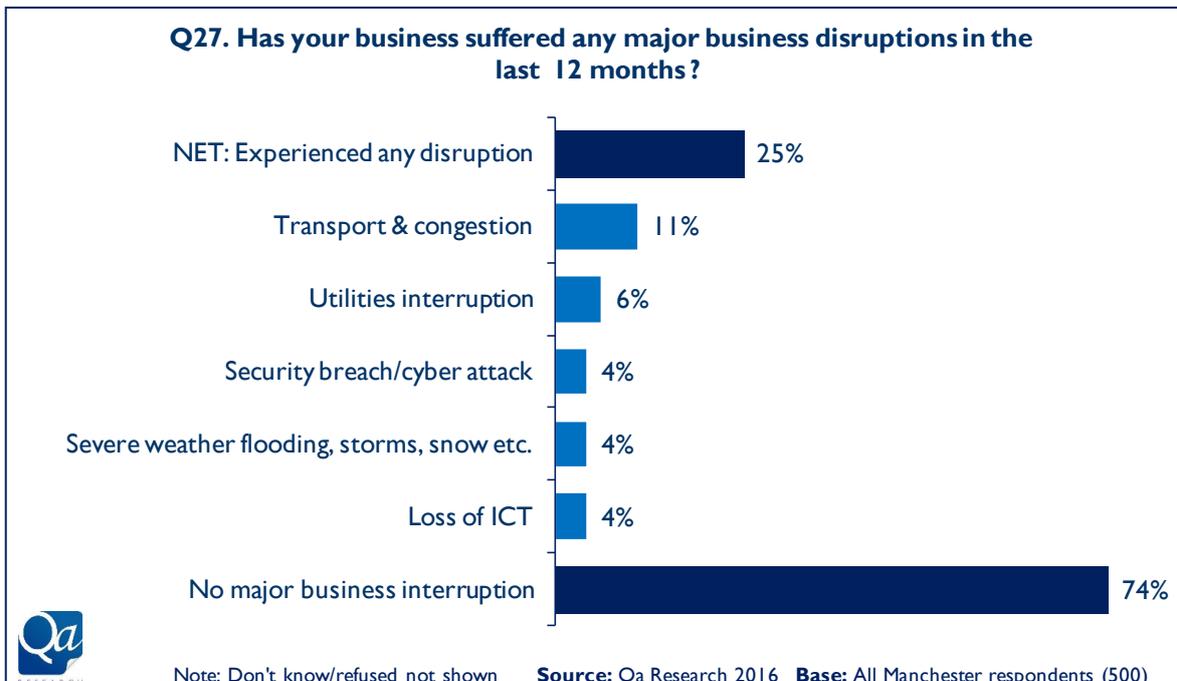
- Manchester respondents were **more likely** to be satisfied with 'access to public transport i.e. Bus/Train/Metro' (80% vs. 70%)
- Manchester respondents were **more likely** to be satisfied with their 'ability to recruit the right staff' (49% vs. 39%).

The proportion of Manchester businesses agreeing that the police respond well is in line with all other businesses in Greater Manchester.

8.3.2 Business disruption and continuity

In the last 12 months, a quarter of Manchester businesses (25%) had experienced a major business disruption and the chart below shows the top 5 causes of this;

Figure 85. Top 5 business disruptions experienced in the last 12 months (Manchester)

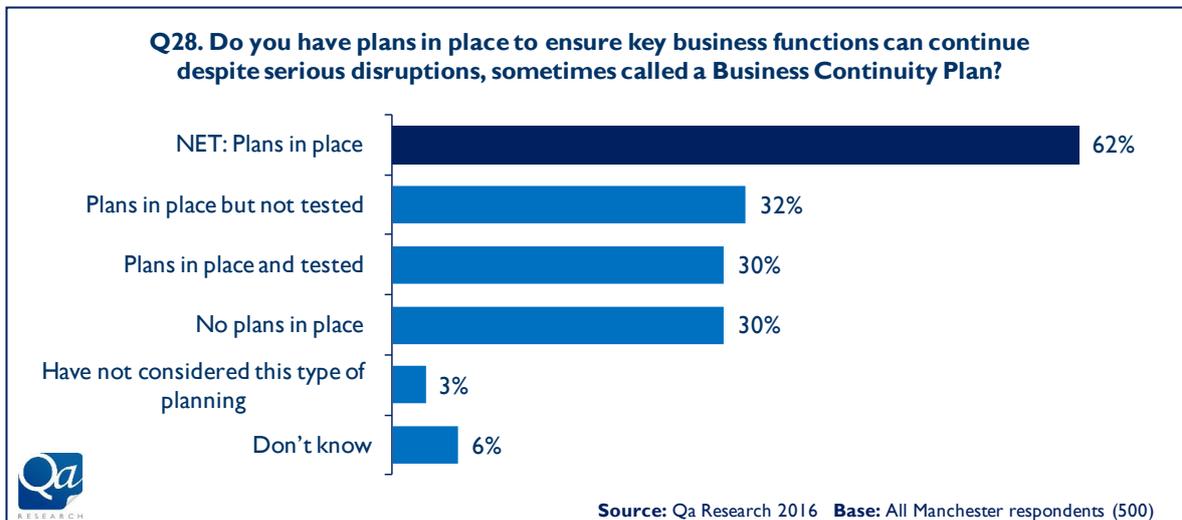


'Transport & congestion' were mentioned almost twice as often as any of the other causes of disruption, with around one-in-ten (11%) of all Manchester businesses experiencing 'major business

disruption' as a result of this in the last 12 months.

The chart below shows the proportion that has Business Continuity Planning in place;

Figure 86. Major disruptions suffered in last 12 months (Manchester)



The majority indicated that they have plans in place (62%) and this is split between those that have plans that are '...not tested' (32%) and those with plans that are '...tested' (30%).

Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

8.3.3 Business relocation

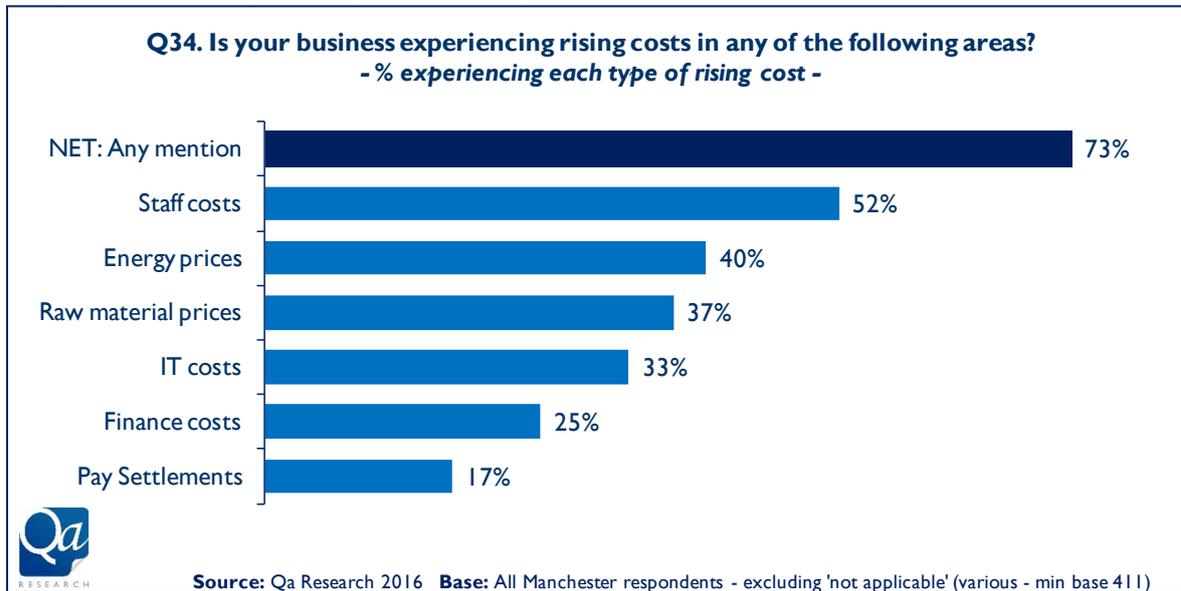
In total, 17% of Manchester businesses said they were considering relocating their business, and around half of these said they expected to do so 'within the current local authority area' (48%).

8.4 Costs and Finance

8.4.1 Cost pressures

Around three-quarters (73%) of business in Manchester felt that their business was experiencing rising costs in at least one of these areas and this was most frequently 'staff costs' (52%).

Figure 87. Rising costs (Manchester)



Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

8.4.2 Seeking finance in the last 12 months

Just under a fifth (17%) of Manchester businesses reported having sought finance in the last 12 months and amongst these;

- The most frequently given reason was for 'cashflow, to support growth' (27%)
- Almost half had experienced any difficulty arranging finance (49%) – a range of difficulties were mentioned and no single problem dominated responses.

If requiring finance in future, Manchester businesses were most likely to mention that they'd look to use 'banks/debt' (29%), 'internal capital' (26%) and 'local and central government grants/loans/funding schemes' (25%).

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

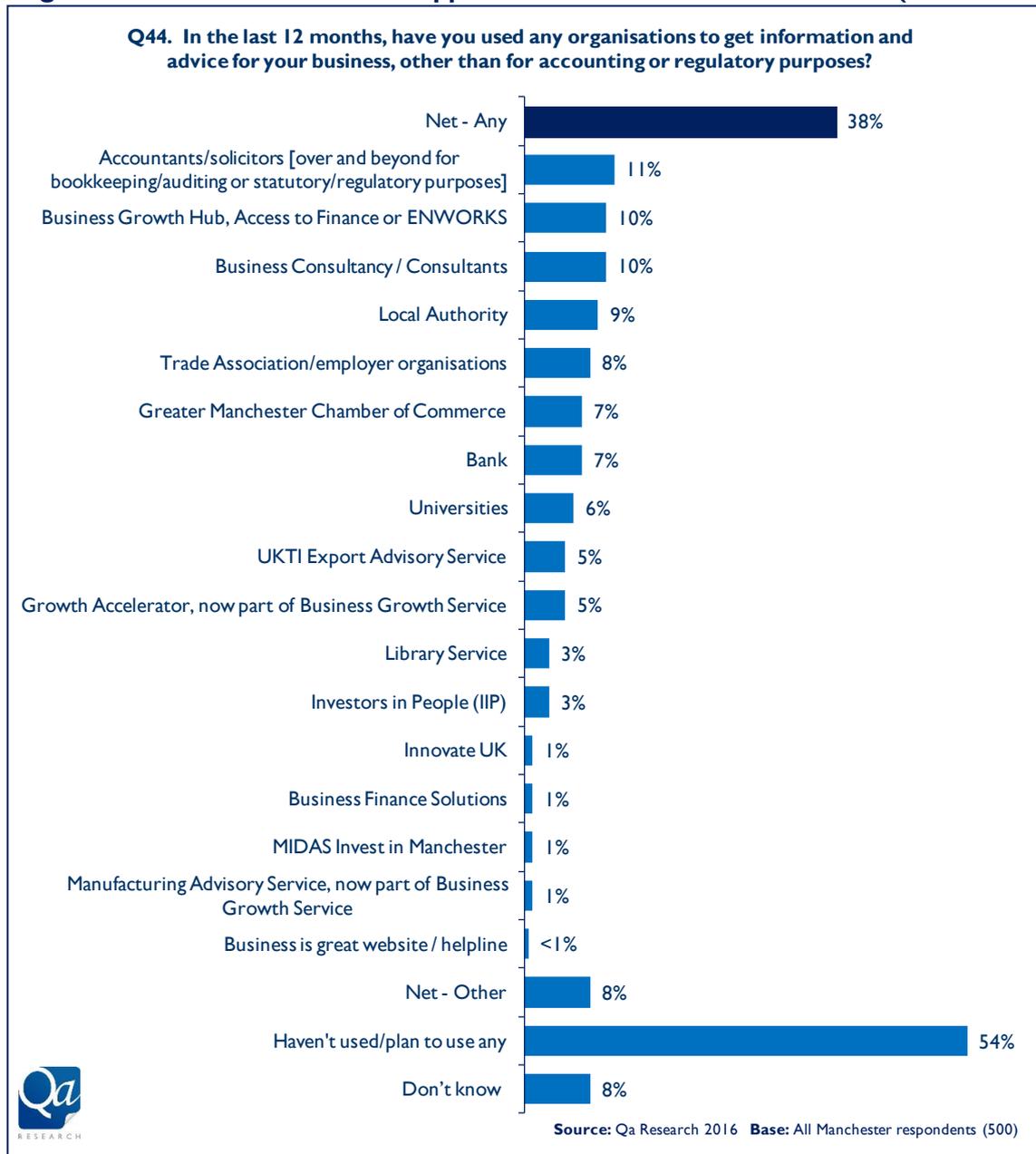
8.5 Business Support

Questions were included to understand businesses' experiences of accessing support and advice.

8.5.1 Accessing support in the last 12 months

The chart below shows the proportion accessing support in the last year;

Figure 88. Sources of advice & support accessed in the last 12 months (Manchester)



Around two-fifths had accessed information and support in the last 12 months (38%).

Respondents who said that had not sought business support or advice in the last 12 months were asked why this was the case. The majority of these respondents said that this was simply because they 'had no need of support or advice' (65%), while a further 15% said that they 'don't know'. Other than this, the main reasons given were that 'it is sorted by Head Office, another department or another internal source' (6%) or that the business had 'had difficulty finding out where to obtain the right support/advice' (6%).

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

The table below compares responses amongst 2014 respondents and those from the 2016 survey.

Figure 89. TIME-SERIES: Advice & support accessed in last 12 months (Manchester)

Key Measure and Question Number (2015/16 survey)	2014	2015/16	Direction of travel
Used any organisations to get information and advice in the last 12 months (Q44)			
Net - Any	52%	38%	↓
Accountants/solicitors [over and beyond for bookkeeping/auditing or statutory/regulatory purposes]	22%	11%	↓
Business Consultancy / Consultants	11%	10%	-
Business Growth Hub, Access to Finance or ENWORKS	6%	10%	↑
Local Authority	14%	9%	↓
Trade Association/employer organisations	12%	8%	↓
Bank	16%	7%	↓
Greater Manchester Chamber of Commerce	13%	7%	↓
Universities	11%	6%	↓
Growth Accelerator, now part of Business Growth Service	-	5%	-
UKTI Export Advisory Service	6%	5%	-
Investors in People (IIP)	-	3%	-
Library Service	3%	3%	-
Business Finance Solutions	-	1%	-
Manufacturing Advisory Service, now part of Business Growth Service	2%	1%	-
Innovate UK	-	1%	-
MIDAS Invest in Manchester	3%	1%	-
Net - Other	6%	8%	-
Haven't used/plan to use any	44%	54%	↑
Don't know	3%	8%	↑
Base: All respondents	504	500	

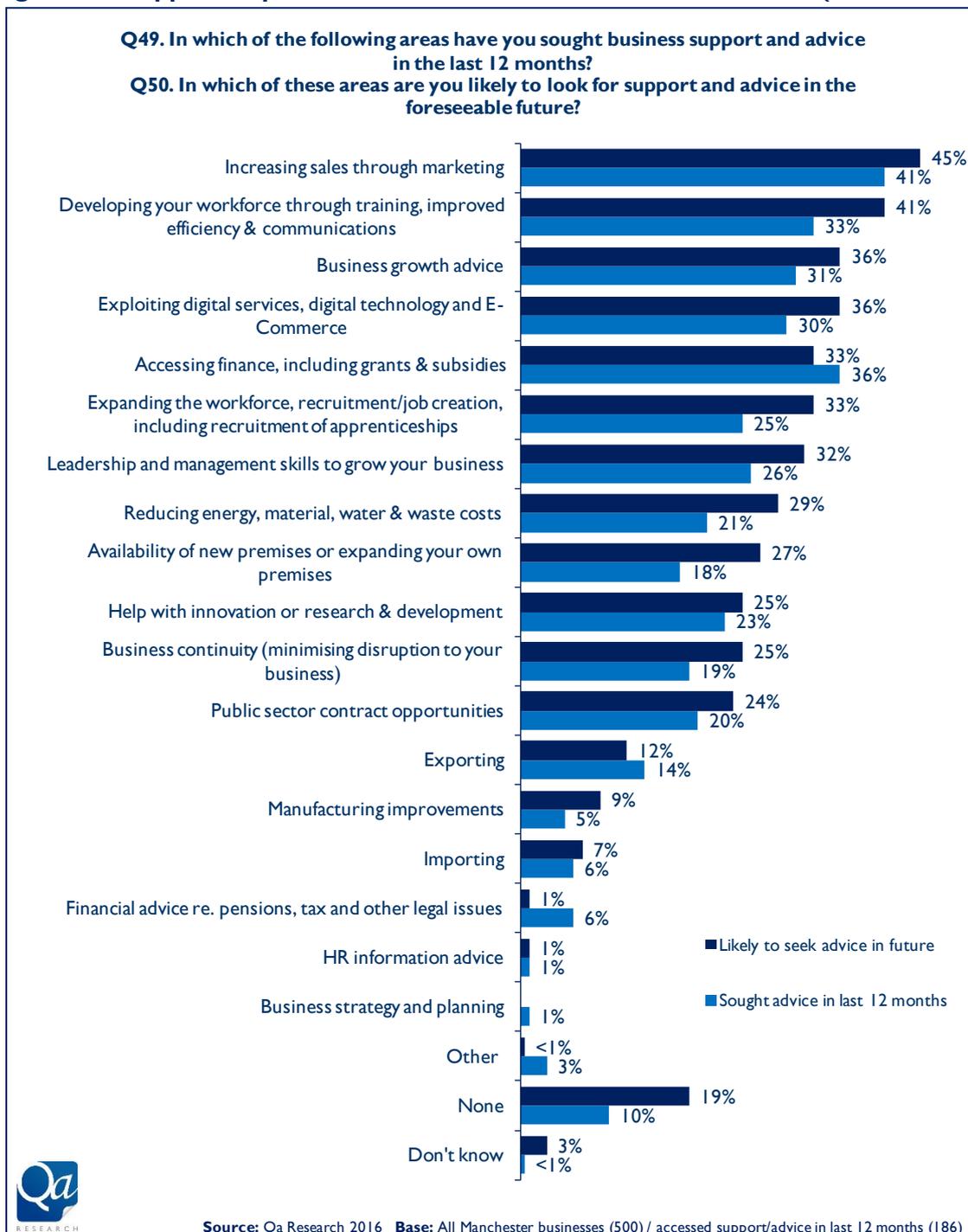
Businesses in Manchester were significantly less likely to say they'd accessed advice and support in 2016 compared with 2014.

Mentions of the 'Business Growth Hub, Access to Finance or ENWORKS' have increased since 2014; however, this answer has changed over time with the inclusion of '...Access to Finance or ENWORKS' which may or may not account for some of this increase.

8.5.2 Types of advice and support needed

Types of support and advice sought in the last 12 months are shown below. In addition, all respondents were shown the same list and asked which they were likely to look for support and advice with 'in the foreseeable future'.

Figure 90. Support required in the last 12 months/foreseeable future (Manchester)



The most frequently cited reason for seeking advice or support in the last 12 months was to get help around 'increasing sales through marketing' (41%). Around a third of respondents mentioned having sought help on 'accessing finance, including grants and subsidies' (36%) or support on 'developing your workforce through training, improved efficiency & communications' (33%).

Thinking about the areas in which they would be most likely to seek advice or support in the foreseeable future, almost half of respondents mentioned 'increasing sales through marketing' (45%), whilst a similar proportion envisaged that they would seek help around workforce development via 'training, improved efficiency and communication' (41%). Over a third of respondents cited 'exploiting digital services, digital technology and e-commerce' as potential areas for support in the future (36% respectively).

Comparison with other GM businesses;

Some significant differences between businesses in Manchester and those in other parts of Greater Manchester were recorded, as follows;

Support and advice in the last 12 months

- Manchester respondents were **more likely** to have looked for support/advice on 'accessing finance, including grants & subsidies' (36% vs. 26%)
- Manchester respondents were **less likely** to have looked for support/advice on 'expanding the workforce, recruitment/job creation, including recruitment of apprenticeships' (25% vs. 36%).

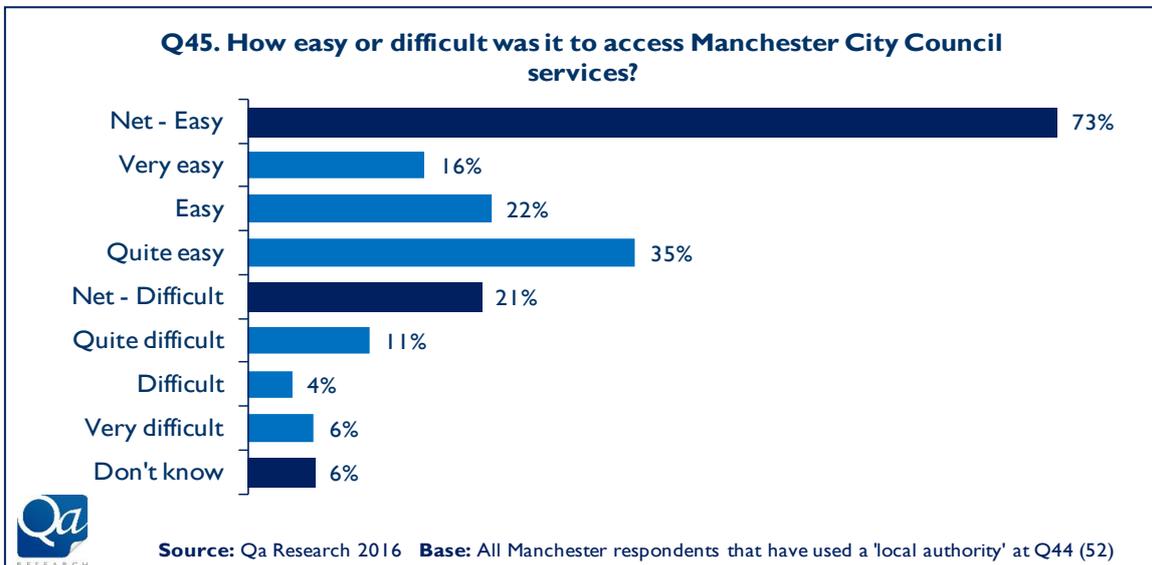
Support and advice in the future

- Manchester respondents are **less likely** to expect to look for support/advice on 'expanding the workforce, recruitment/job creation, including recruitment of apprenticeships' (33% vs. 40%).

8.5.3 Satisfaction with support provided by Manchester City Council

All Manchester respondents that had accessed support/ advice from a local authority in last 12 months were asked how easy or difficult it was to access Manchester City Council services;

Figure 91. Sources of advice & support accessed in the last 12 months (Manchester)



Reassuringly, the majority of respondents felt that accessing MCC services was 'easy' (73%), although they were more likely to consider this to be 'quite easy' (35%) rather than 'very easy' (16%).

8.5.4 Business mentoring

In total, around a fifth of Manchester businesses had used a business mentor in the last 12 months (19%). Additionally, around one-in-ten said they were 'currently a mentor' (10%) and one-twenty 'would like to become a mentor' (6%).

Comparison with other GM businesses;

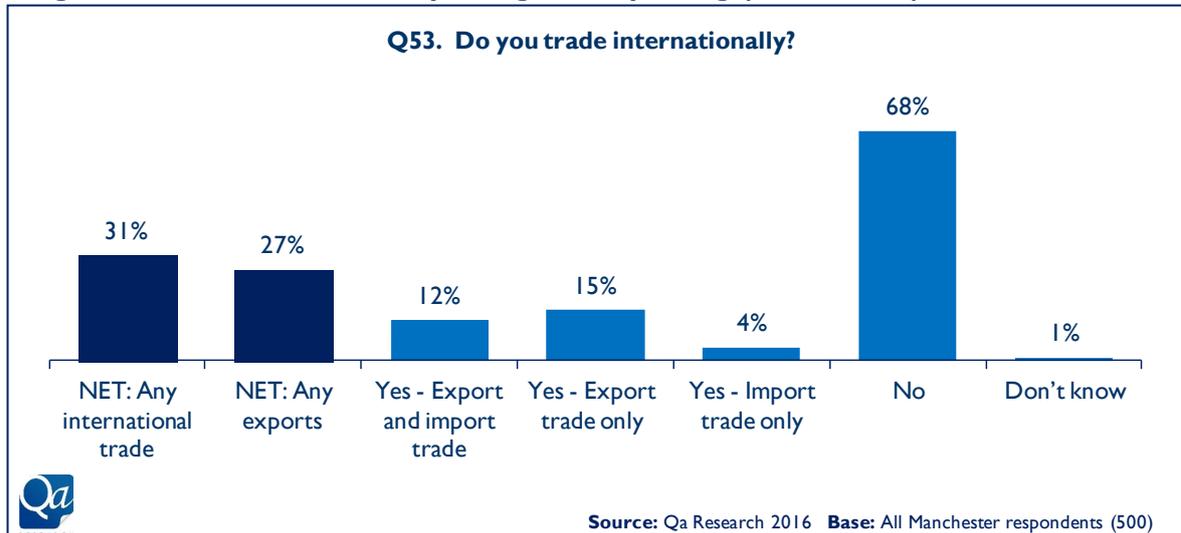
These responses are in line with those amongst all other respondents in Greater Manchester.

8.6 International Trade

8.6.1 Current levels of international trade

The chart below summarises the proportion of Manchester businesses involved in international trade;

Figure 92. Involvement in importing and exporting (Manchester)



Almost a third of Manchester businesses trade internationally (31%) and most of these are involved in exporting (27%).

Additionally, 8% of Manchester businesses that don't currently export said that they 'have any plans to develop export trade links in the next 1-2 years'.

Comparison with other GM businesses;

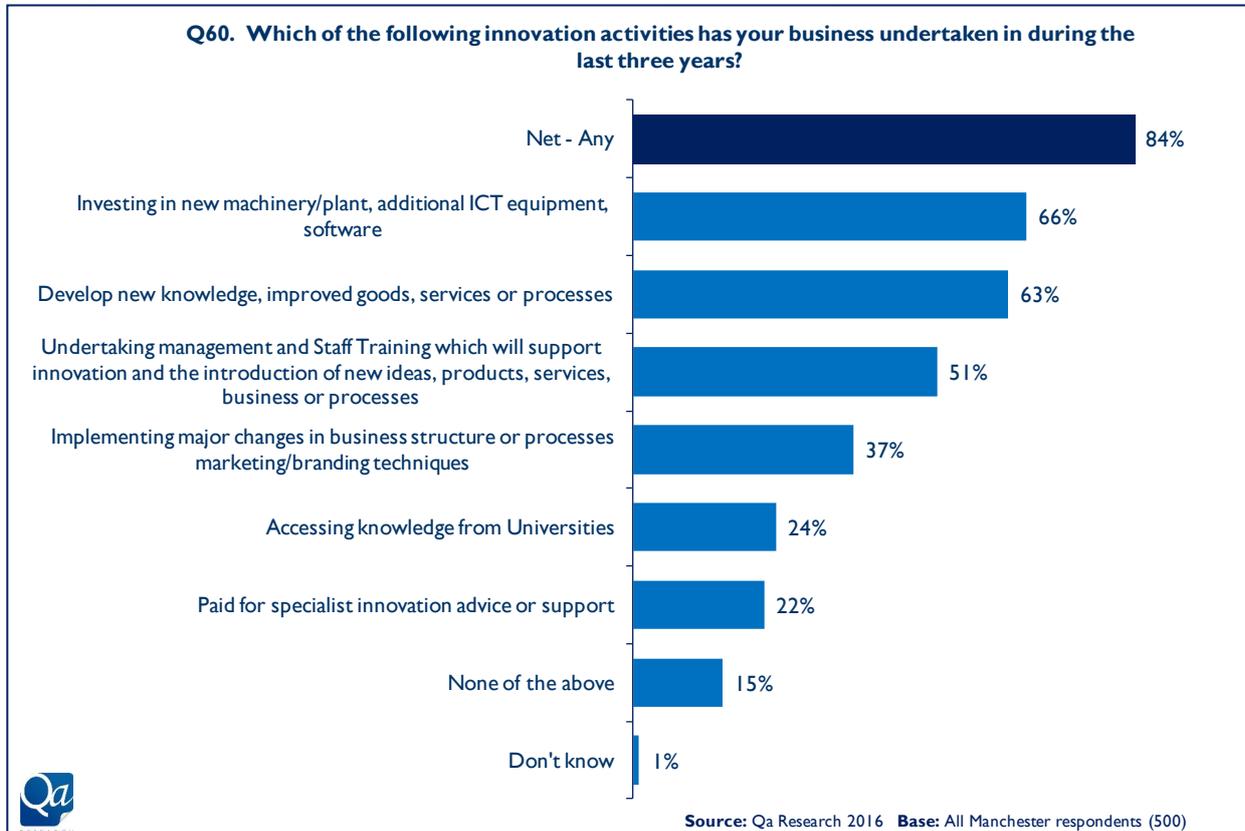
Businesses in Manchester were significantly more likely than those in the rest of Greater Manchester to trade internationally (31% vs. 22%) and this was driven by the proportion involved in the export trade particularly (27% vs. 18%). In addition, the proportion of non-exporting Manchester businesses that said they had plans to do so was higher than amongst other Greater Manchester businesses (8% vs. 4%).

8.7 Investment, Innovation and Digital Technology

8.7.1 Innovation

Respondents were prompted with a list of innovation activities and asked to indicate which, if any, their business had undertaken in the last 3 years and responses were as follows;

Figure 93. Innovation activities undertaken (Manchester)



Overall, 84% of businesses in Manchester said they'd taken part in at least one of these activities and this was most often related to 'investing in new machinery/plant, additional ICT equipment, software' (66%) and to 'develop new knowledge, improved goods, services or processes' (63%).

Comparison with other GM businesses;

Businesses in Manchester were significantly more likely than those in the rest of Greater Manchester to indicate at this question that they'd undertaken any innovation activities in the last three years (84% vs. 79%). Specifically, this was driven by higher levels of innovation to 'develop new knowledge, improved goods, services or processes' (63% vs. 56%) and 'accessing knowledge from universities' (24% vs. 17%).

8.7.2 UK Tax Incentives for R&D

The findings point to relatively low understanding and take-up of tax incentives for R&D. Almost a third of Manchester businesses (31%) said that they understand the UK tax incentives currently offered to UK companies who carry out R&D activities and amongst these respondents a similar proportion said that they take advantage of them (31%).

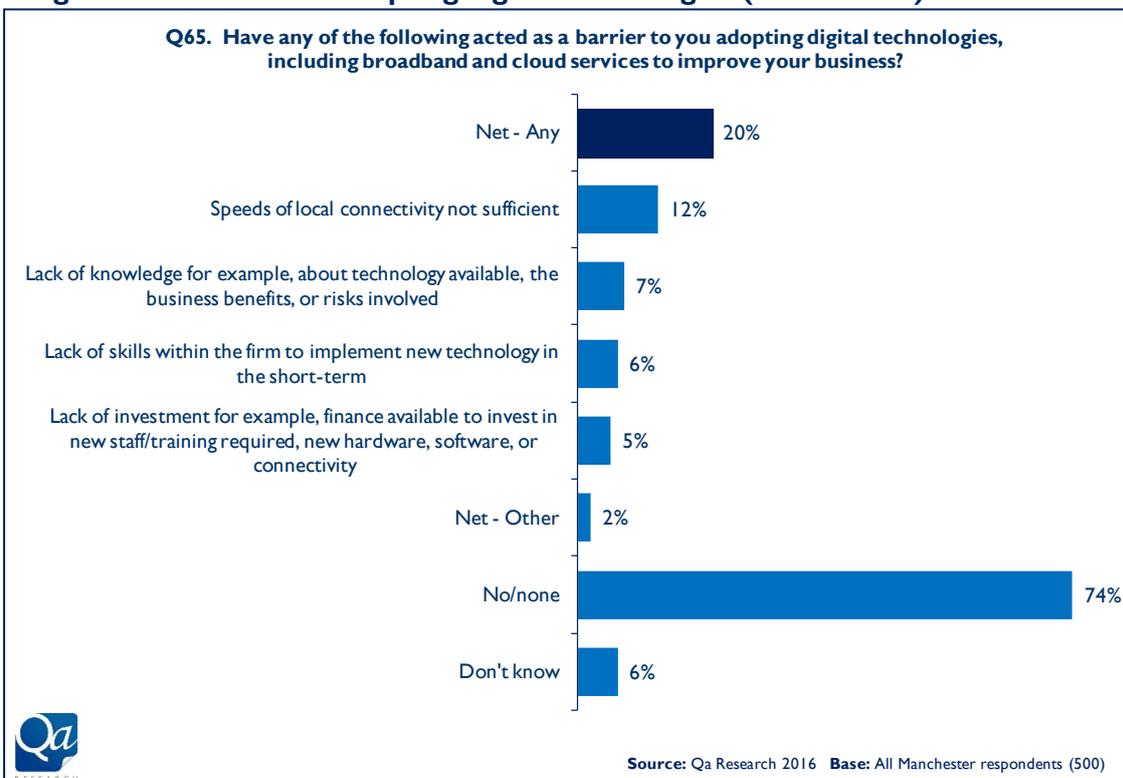
Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

8.7.3 Barriers to adopting digital technologies and resource efficiency

Questions were included to determine the proportion of businesses that had faced barriers to adopting digital technologies and resource efficiency and to establish what these barriers were²⁷. Responses for digital technologies were as follows;

Figure 94. Barriers to adopting digital technologies (Manchester)



As this chart demonstrates, a fifth of Manchester businesses (20%) felt they faced barriers to adopting digital technology, with 'speed of local connectivity not sufficient' mentioned most (12%). Additionally, one-in-ten Manchester businesses (10%) indicated that they faced barriers to increasing resource efficiency, although no single barriers dominated mentions.

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

²⁷ In previous years, this question was asked as a fully 'prompted' question, but in 2016 an initial filter question was added making 2016 responses 'unprompted' – year-on-year comparisons are therefore not valid.

9. Local Report - Bolton Businesses Summary

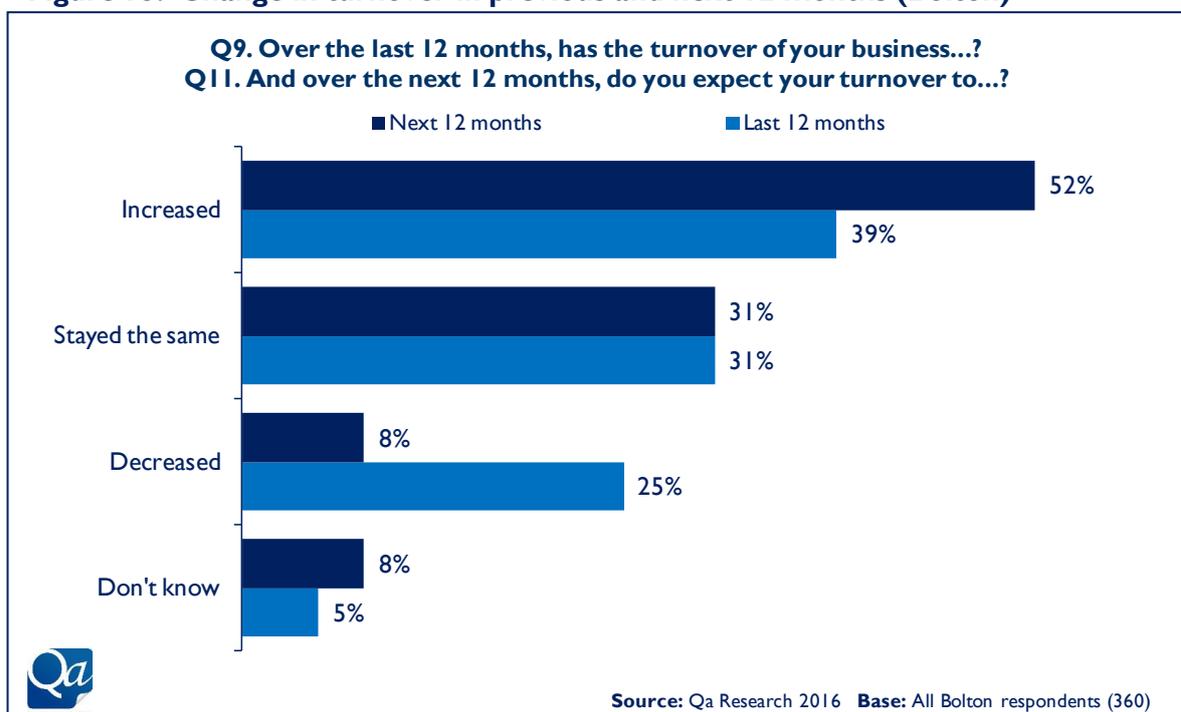
This section outlines findings for key measures amongst respondents based in the Bolton Council local authority area (referred to here as *Bolton*). Additionally, significant and notable differences between responses from Bolton respondents and respondents in the rest of Greater Manchester have been highlighted in blue boxes, where these exist.

9.1 Business Growth

9.1.1 Changes in turnover in the previous and next 12 months

The chart below outlines changes to turnover amongst Bolton businesses in the past year and expectations regarding future turnover;

Figure 95. Change in turnover in previous and next 12 months (Bolton)



Two-fifths of Bolton respondents said that their business had experienced increased turnover in the last 12 months (39%), while a quarter had experienced a decline during this period (25%).

More positively, the majority felt that turnover would increase in the next 12 months (52%) and less than one-in-ten had concerns that it would decrease (8%).

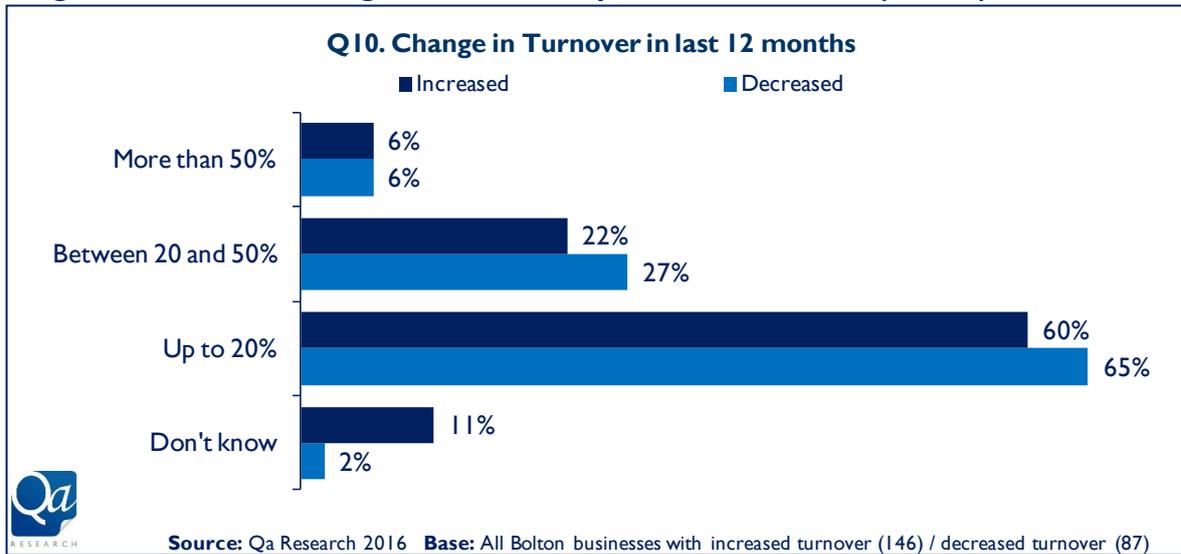
Comparison with other GM businesses;

Respondents in Bolton businesses were significantly less likely than those in businesses in other parts of Greater Manchester to say they'd seen an increase in turnover in the last 12 months (39% vs. 51%).

However, expectations for the next 12 months were in line with the rest of Greater Manchester.

Respondents that indicated that turnover had either increased or decreased over the previous 12 months were asked to outline by how much and responses were as follows;

Figure 96. Level of change in turnover in previous 12 months (Bolton)



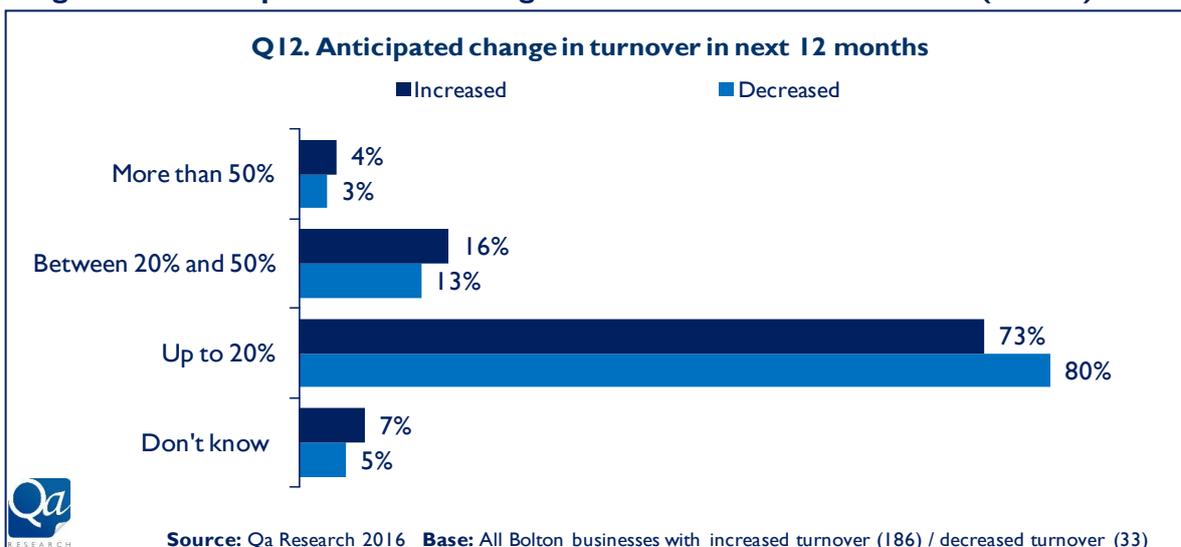
The majority of businesses in Bolton that had experienced either a decrease or increase in turnover has seen a change of 'up to 20%', with more experiencing a decrease (65%) rather than an increase of this much (60%).

Comparison with other GM businesses;

These findings are in line with those amongst all other respondents in Greater Manchester.

Respondents that indicated that they expect turnover to either increase or decrease over the next 12 months were asked to indicate by how much;

Figure 97. Anticipated level of change in turnover in next 12 months (Bolton)



Amongst both types of businesses, the majority felt that they would see a change of only 'up to 20%', with 80% of those expecting a decrease and 73% of those expecting an increase giving this figure.

Comparison with other GM businesses;

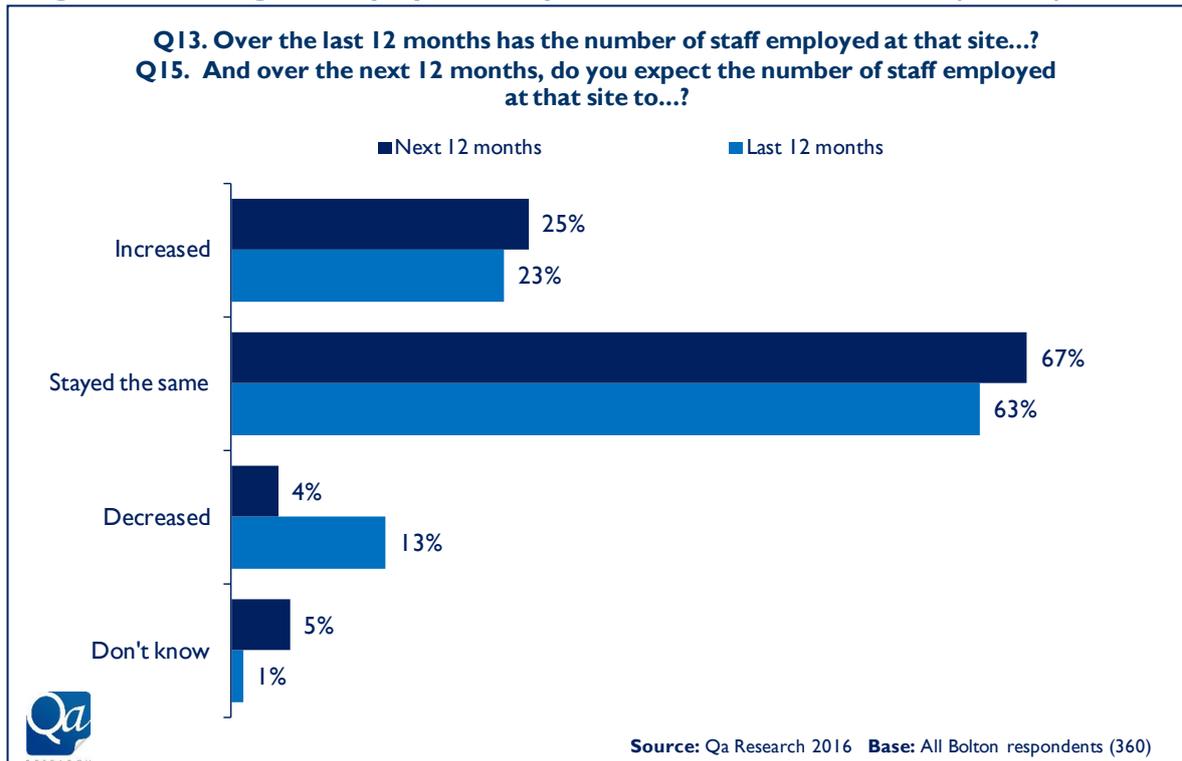
These findings are in line with those amongst all other respondents in Greater Manchester.

9.1.2 Changes in employment in the previous and next 12 months

In line with businesses in the rest of Greater Manchester, 12% of those in Bolton said that they had any vacancies that are 'proving hard to fill'.

Changes in employment in the previous year and expectations for the next year were as follows;

Figure 98. Change in employment in previous and next 12 months (Bolton)



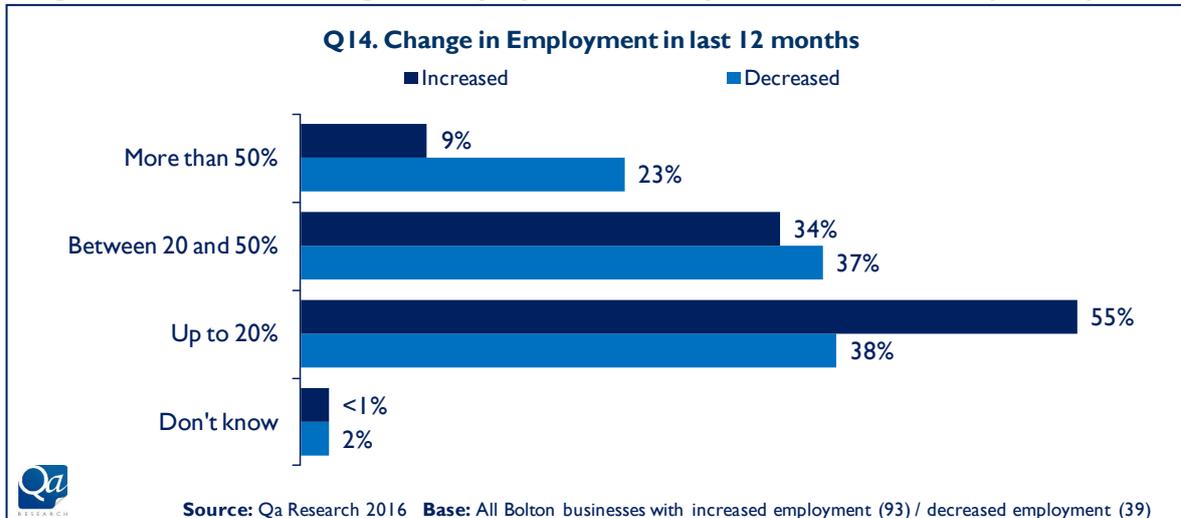
Generally, businesses in Bolton reported employment levels staying the same both in the last 12 months (63%) and the next 12 months (67%). Around a quarter had seen an increase in the past year (23%) and a similar proportion felt that headcount would increase next year (25%).

Comparison with other GM businesses;

Respondents in Bolton were significantly less likely than those in the rest of Greater Manchester to report that the number of staff they employ has increased over the last 12 months (23% vs. 32%). They were also less likely to believe that the number would increase in the next 12 months (25% vs. 36%) – instead Bolton businesses were more likely to feel it would 'stay the same' (67% vs. 58%).

All respondents that said turnover had either increased or decreased over the previous 12 months were asked to indicate by how much and responses were as follows;

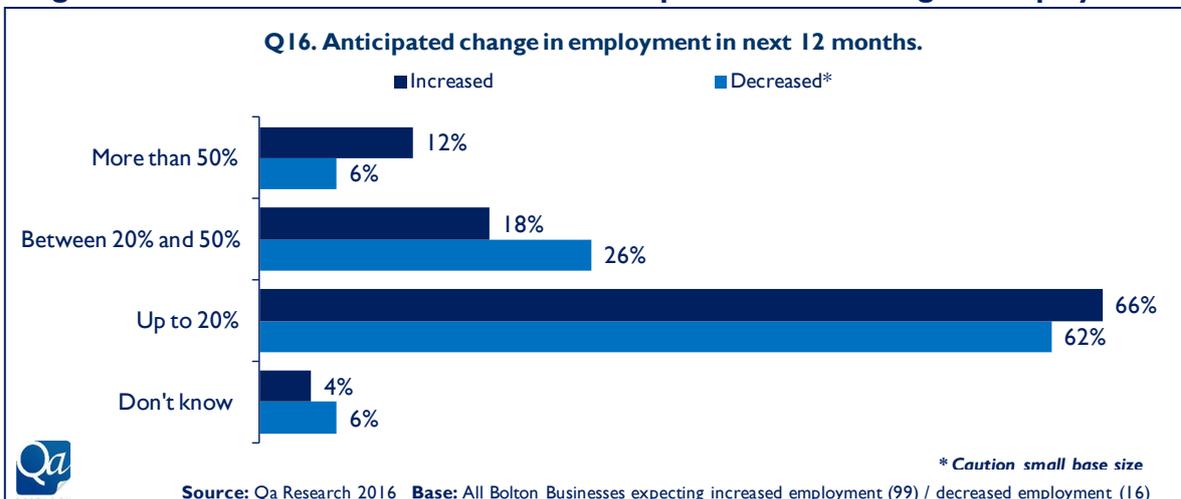
Figure 99. Level of change in employment in the previous 12 months (Bolton)



Amongst those that had seen an increase, the majority had seen an uplift of 'up to 20%' (55%), although one-in-ten recorded 'more than 50%' change (9%). More variation was recorded amongst the small number of Bolton businesses that had experienced a decrease, with almost equal proportions recording 'up to 20%' (38%) and 'between 20% and 50%' (37%) and a quarter experiencing a 'more than 50%' decline (23%).

The chart below outlines the amount of change amongst those expecting an increase in employment over the next 12 months and the small number expecting a decrease;

Figure 100. Anticipated level of change in employment



in next 12 months (Bolton)

Most Bolton businesses expecting an increase felt that they would see a change of 'up to 20%' (66%), although more than one-in-ten felt that they would see an increase in headcount of 'more than 50%' (12%).

Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

9.1.3 Barriers to growth

All respondents were prompted with a list of potential barriers to growth that their business may face and asked to pick those that applied to them, with responses as follows;

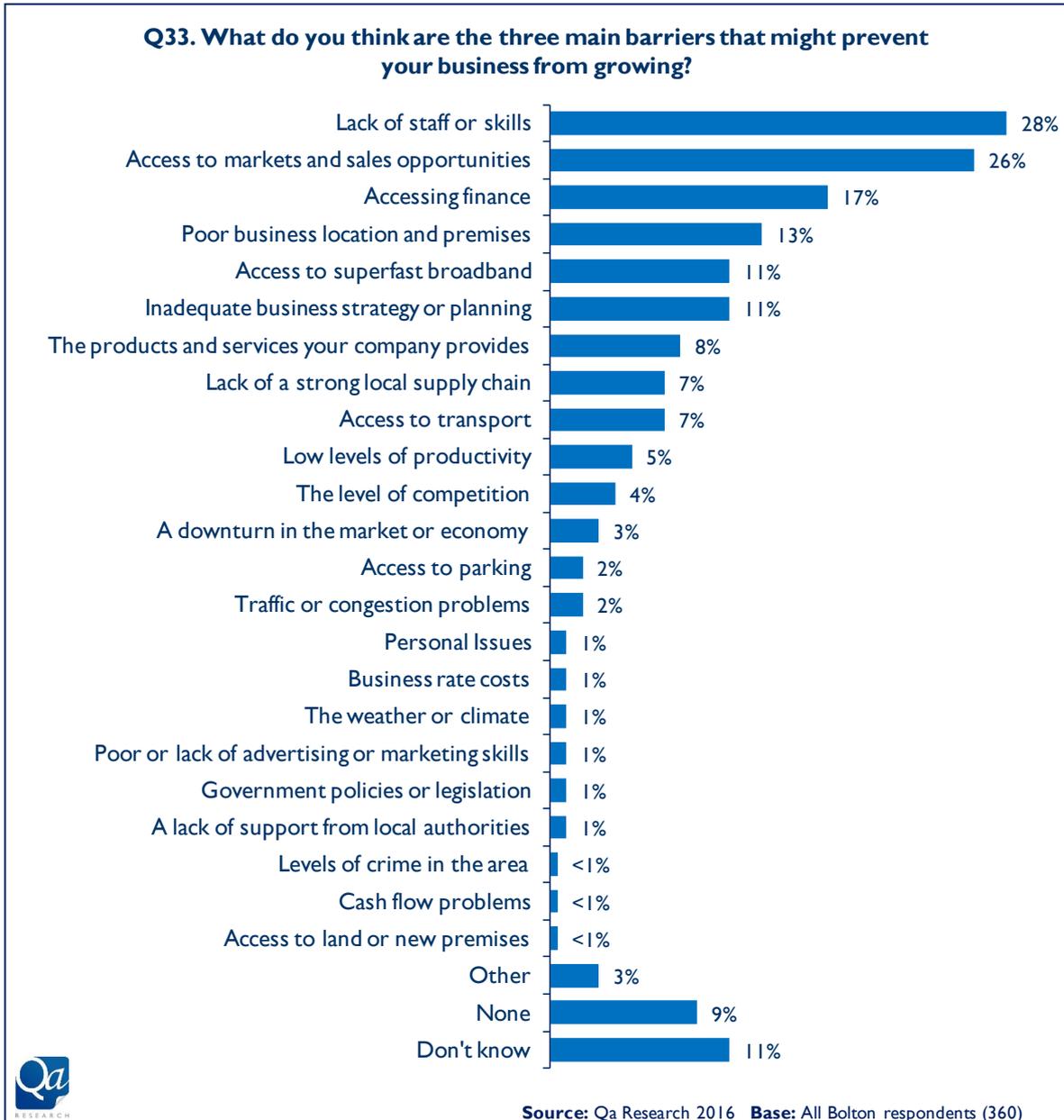


Figure 101. Main barriers to growth (Bolton)

A range of barriers were mentioned, but two barriers in particular were mentioned here relating to 'lack of staff or skills' (28%) and 'access to markets and sales opportunities' (26%). Additionally, around one-in-six mentioned 'accessing finance' (17%).

Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

9.2 Training and Apprenticeships

This section summaries the approach of Bolton businesses to providing training.

9.2.1 Training

The chart below details the proportion of respondents' businesses that offer training;

Figure 102. Provided staff training in the last 12 months (Bolton)



The majority of businesses in Bolton do provide training (75%) and this is more likely to be '...provided internally...' than '...by an external training provider...' (60% vs. 50%). Most that don't provide training also '...do not have a training plan/budget in place' (19%).

Additionally, in relation to training;

- Most Bolton businesses don't offer 'work experience placements or internships' (66%), but a fifth said that they do so on a 'paid' basis (18%), while more than a quarter do so on an 'unpaid' basis (26%).
- Just over one-in-ten (11%) said their business has Investors in People status.

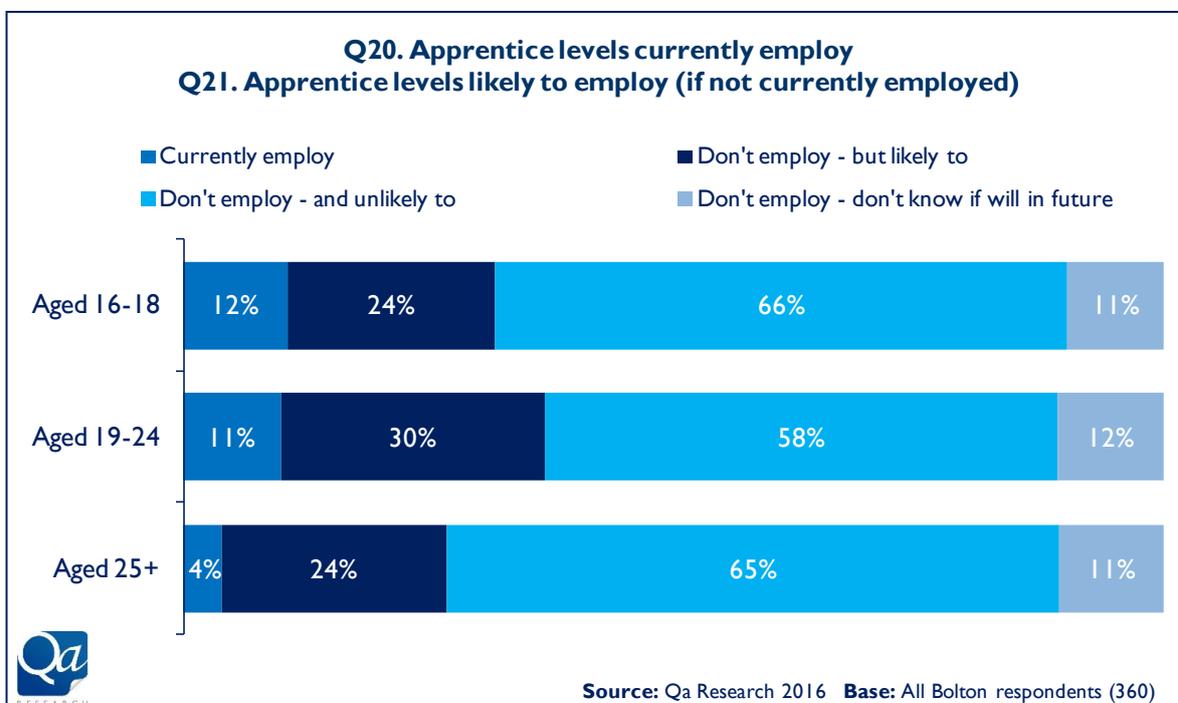
Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

9.2.2 Apprenticeships

A series of questions were included to understand the degree to which businesses offer apprenticeships and responses are summarised in the chart below;

Figure 103. Apprenticeships offered/likely to offer



(Bolton)

For all three age groups, the majority of businesses in Bolton indicated that they don't employ apprentices of that age and aren't likely to. However, around one-in-ten employ apprentices aged 16-18 (12%) and 19-24 (11%) and one-in-twenty indicated that their business employs older apprentices aged 25+ (4%).

Comparison with other GM businesses;

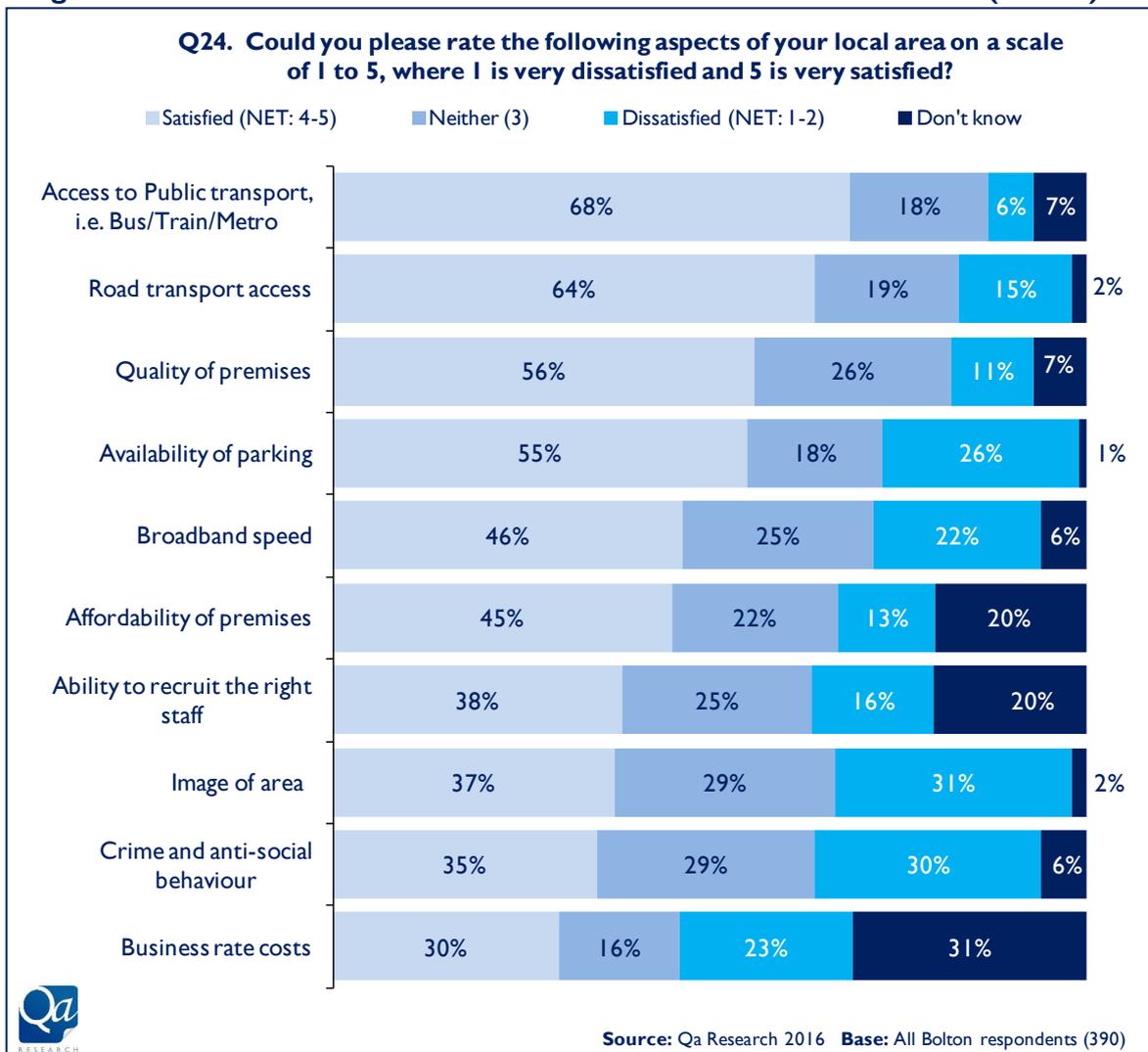
These responses are in line with those amongst all other respondents in Greater Manchester.

9.3 Local Area and Community

9.3.1 Satisfaction with the local area

The views of Bolton businesses regarding different aspects of their local area were as follows;

Figure 104. Satisfaction with the local area (Bolton)



The majority of respondents expressed satisfaction with four of these aspects of their local area and three of these related to transport. Satisfaction was highest with 'access to public transport...' (68%) and 'road transport access' (64%), while more than half were satisfied with the 'availability of parking' (55%) – that said, one-in-four Bolton businesses indicated that they were not satisfied with parking. The majority were also satisfied with the 'quality of premises' (56%).

Lower levels of satisfaction were recorded for the 'image of the area' (37%) and 'crime and anti-social behaviour' (35%) and around a third actually expressed dissatisfaction with these two aspects of their local area (31% and 30% respectively).

Despite comparatively low levels of satisfaction with 'crime and anti-social behaviour', almost half of all Bolton respondents agreed that in their local area 'police understand and respond well to business needs' (48%).

Comparison with other GM businesses;

Only one significant difference was recorded between respondents from businesses in Bolton and those from businesses in the rest of Greater Manchester.

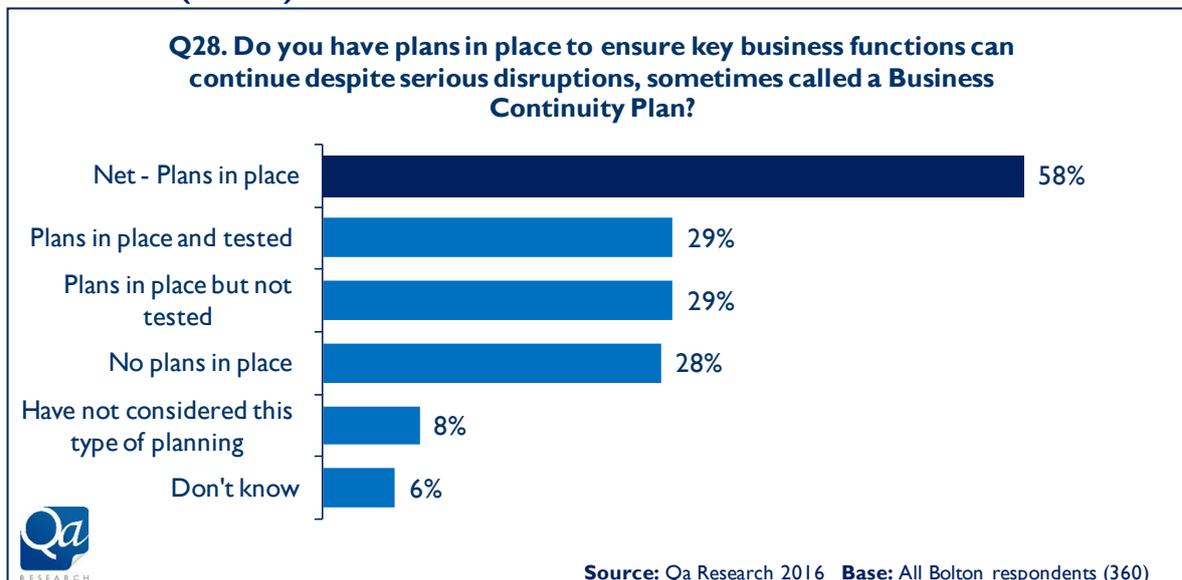
Bolton respondents were **less likely** to be satisfied with the 'image of the area' (37% vs. 49%).

Levels of satisfaction with all other aspects of the local area were in line with other businesses in Greater Manchester and the proportion of Bolton businesses agreeing that the police respond well was also comparable.

9.3.2 Business disruption and continuity

In the last 12 months, a quarter of Bolton businesses (26%) had experienced a major business disruption. The chart below shows the proportion that has Business Continuity Planning in place;

Figure 105. Major disruptions suffered in last 12 months (Bolton)



The majority seemingly do have plans in place (58%) and this is split between those that have plans that are '...not tested' (29%) and those with plans that are '...tested' (29%).

Comparison with other GM businesses;

All these responses are in line with those amongst all other respondents in Greater Manchester.

9.3.3 Business relocation

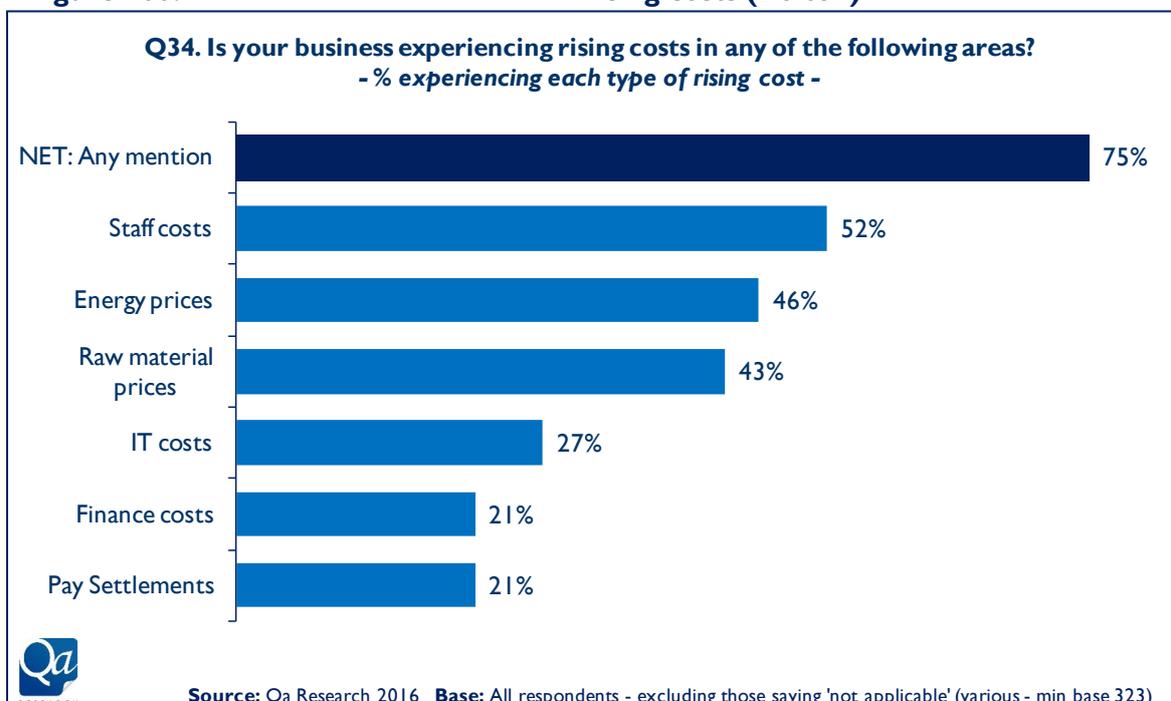
In total, 17% of Bolton respondents said they were considering relocating their business, and around half of these said they expected to do so 'within the current local authority area' (56%).

9.4 Costs and Finance

9.4.1 Cost pressures

Respondents were prompted with a short list of costs and asked to indicate if their business was experiencing rising costs in any of those areas and responses were as follows.

Figure 106. Rising costs (Bolton)



Three-quarters (75%) of businesses in Bolton stated that their business was experiencing rising costs in at least one of these areas and this was most frequently 'staff costs' (52%).

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

9.4.2 Seeking finance in the last 12 months

In total, 14% of Bolton businesses had sought finance in the last 12 month and amongst these;

- The most frequently given reasons were for 'cashflow, to support growth' (31%) and for 'capital equipment and vehicles' (30%)
- Less than a third experienced any difficulty arranging finance (29%).

If requiring finance in future, Bolton businesses were most likely to mention that they'd look to use 'banks/debt' (28%), 'local and central government grants/loans/funding schemes' (26%) and 'internal capital' (25%).

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

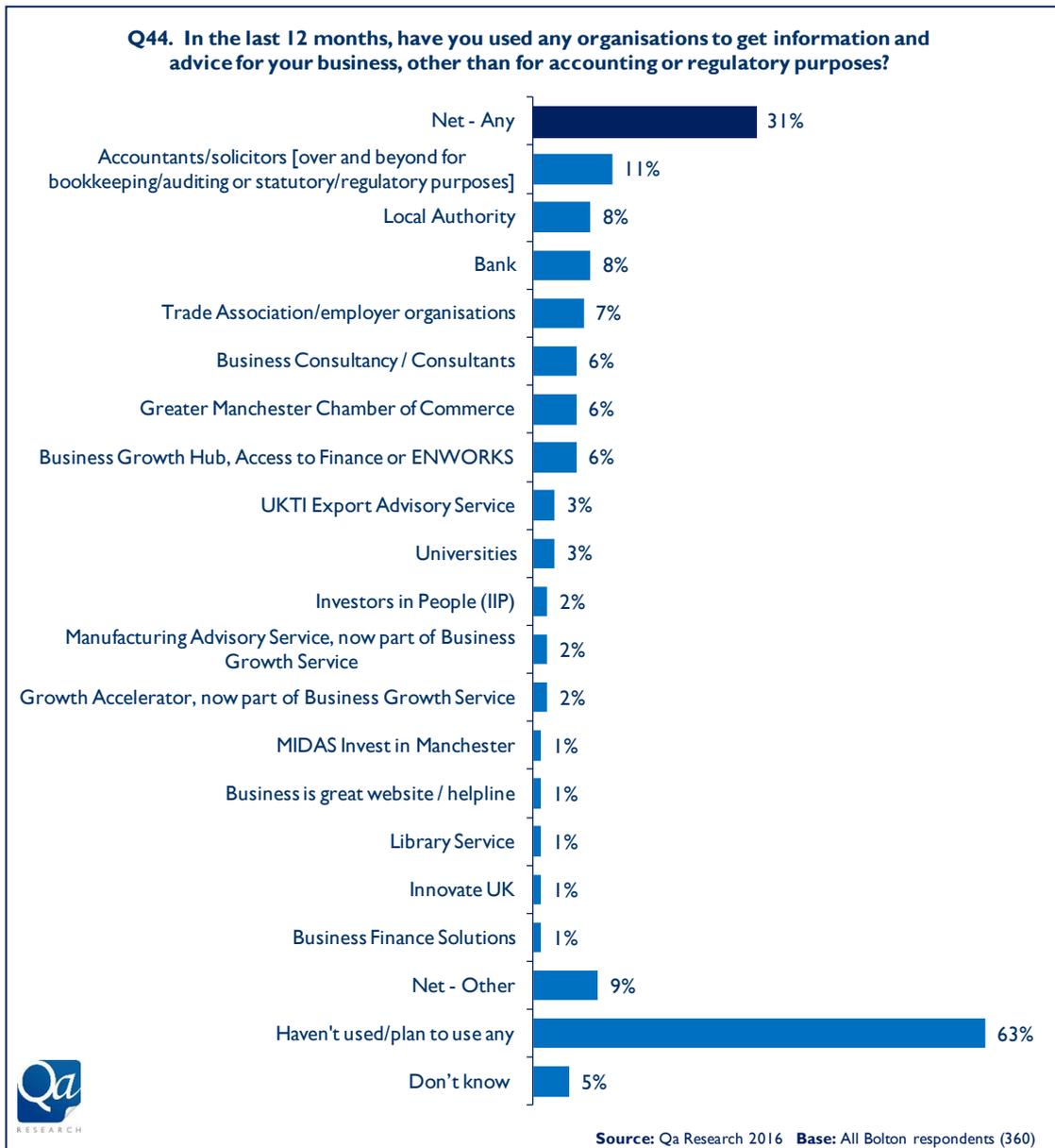
9.5 Business Support

Questions were included to understand businesses' experiences of accessing support and advice.

9.5.1 Accessing support in the last 12 months

The chart below shows the proportion accessing support in the last year;

Figure 107. Sources of advice & support accessed in the last 12 months



Almost a third had accessed information and support (31%).

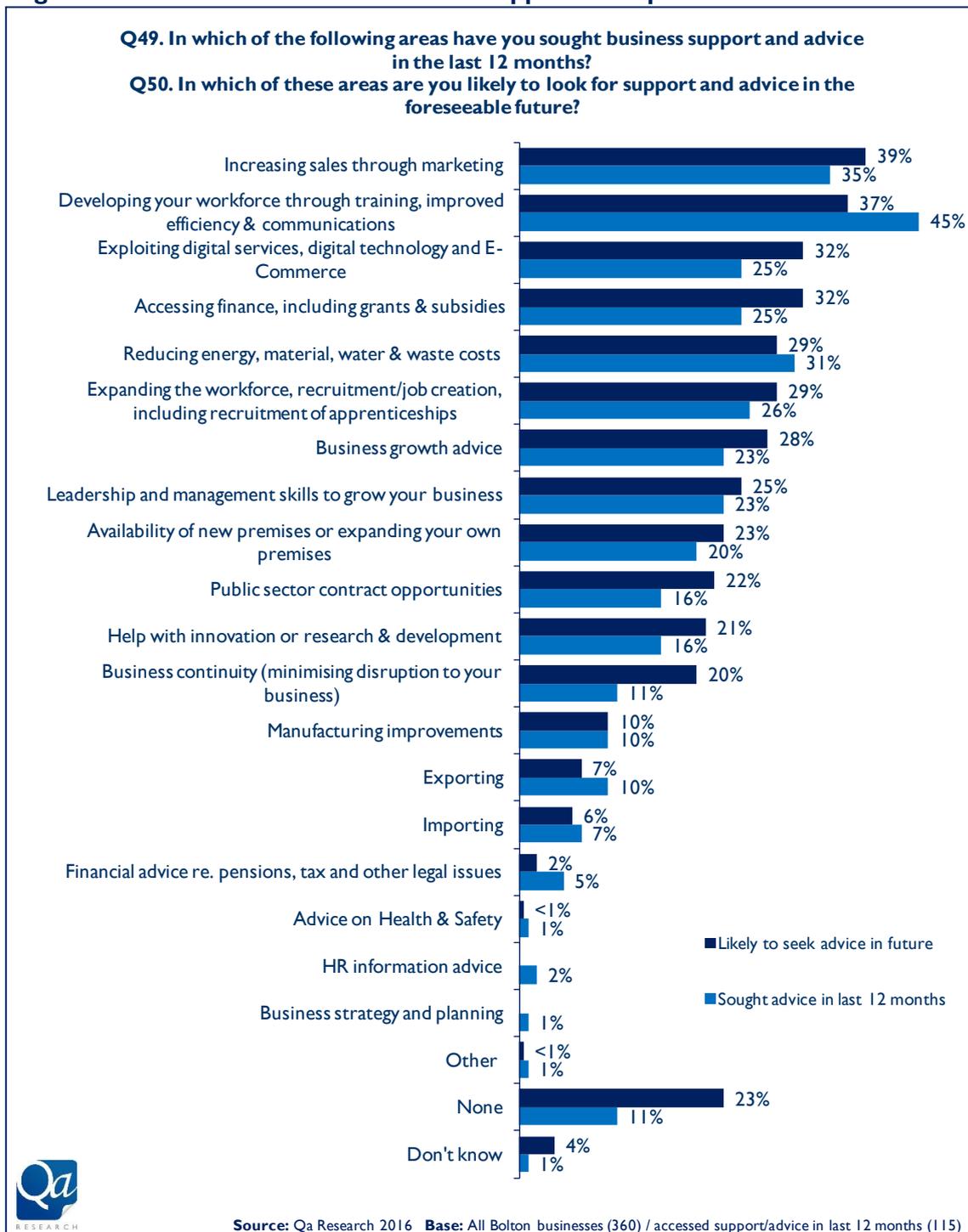
Comparison with other GM businesses;

Compared with the rest of Greater Manchester, Bolton businesses were significantly less likely to have accessed information and advice (31% vs. 42%) – for example, they were half as likely to have used 'Business Growth Hub, Access to Finance or ENWORKS' (6% vs. 13%).

9.5.2 Types of advice and support needed

Types of support and advice sought in the last 12 months are shown below. In addition, all respondents were shown the same list and asked which they were likely to look for support and advice with 'in the foreseeable future'.

Figure 108. Support required in the last 12 months



months/foreseeable future (Bolton)

A range of types of information were mentioned here, but in future Bolton respondents were most likely to expect to look for information and advice about 'developing your workforce through

training, improved efficiency & communications' (41%) and *'increasing sales through marketing'* (39%). In the past year, respondents had most frequently looked for support and advice about *'developing your workforce through training, improved efficiency & communications'* (45%) and *'increasing sales through marketing'* (35%) and also *'accessing finance, including grants & subsidies'* (36%) and *'reducing energy, material, water & waste costs'* (31%).

Comparison with other GM businesses;

Some significant differences between businesses in Bolton and those in other parts of Greater Manchester were recorded, as follows;

Support and advice in the last 12 months

- Bolton respondents were **less likely** to have looked for *'business growth advice'* (23% vs. 37%).

Support and advice in the future

- Bolton respondents were **less likely** to expect to look for *'leadership and management skills to grow your business'* (25% vs. 33%)
- Bolton respondents were **less likely** to expect to look for help with *'expanding the workforce, recruitment/job creation, including recruitment of apprenticeships'* (29% vs. 40%)
- Bolton respondents were **less likely** to expect to look for *'business growth advice'* (28% vs. 38%).

9.5.3 Business mentoring

In total, just over one-in-ten respondents from Bolton said that their business had used a business mentor in the last 12 months (12%). Additionally, around one-in-twenty said they were *'currently a mentor'* (7%) and/or *'would like to become a mentor'* (5%).

Comparison with other GM businesses;

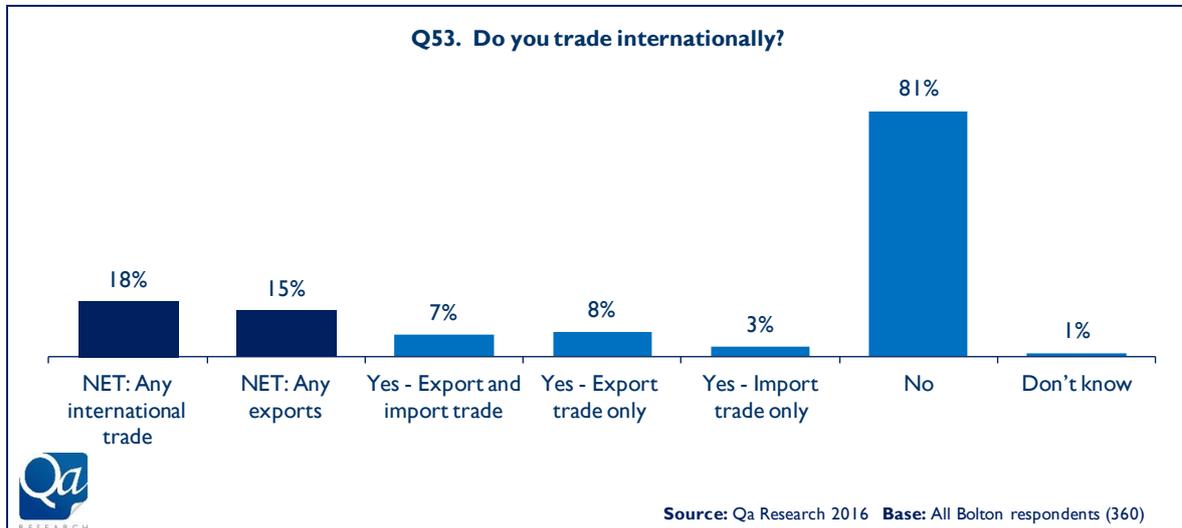
Compared with businesses in the rest of Greater Manchester, those in Bolton were significantly less likely to have used a mentor in the last 12 months (12% vs. 21%).

9.6 International Trade

9.6.1 Current levels of international trade

The chart below summarises the proportion of Bolton businesses involved in international trade;

Figure 109. Involvement in importing and exporting



(Bolton)

Almost a fifth of Bolton businesses trade internationally (18%) and most of these are involved in exporting (15%).

Additionally, 4% of Bolton businesses that don't currently export said that they 'have any plans to develop export trade links in the next 1-2 years'.

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

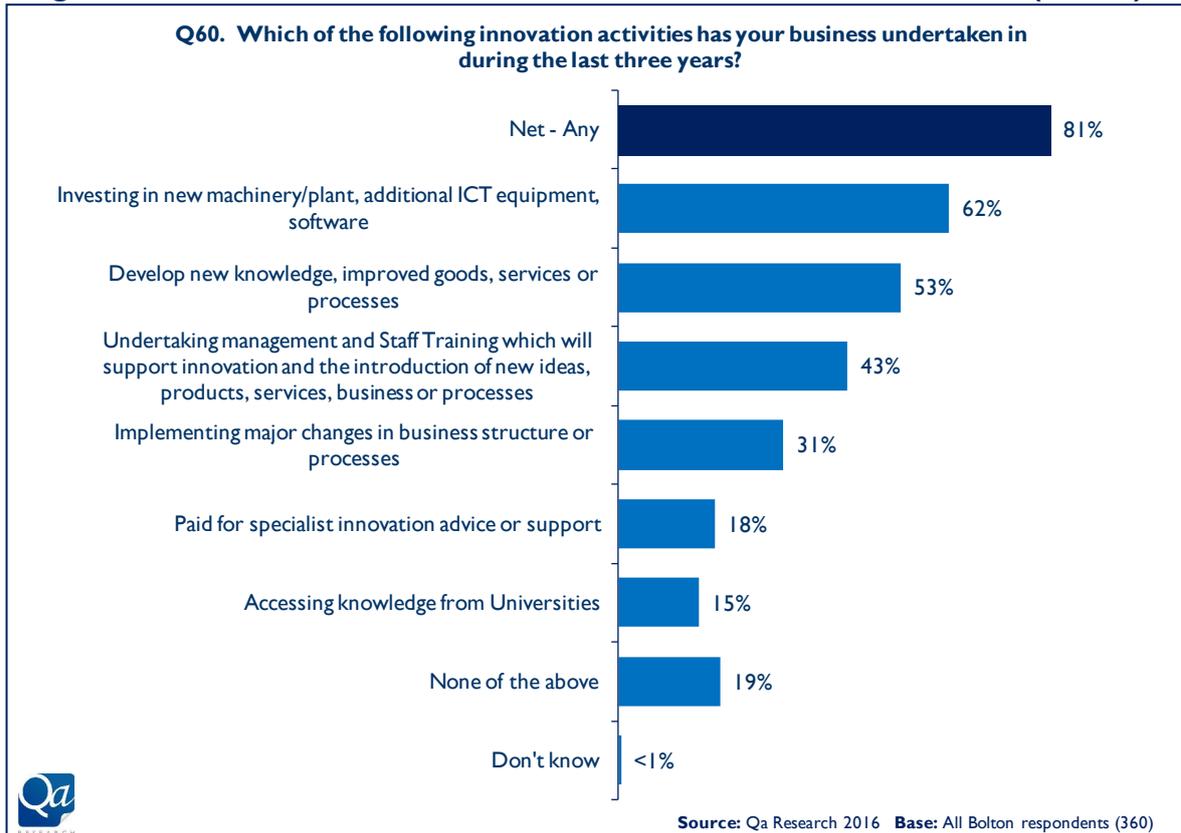
9.7 Investment, Innovation and Digital Technology

At the end of the survey a series of questions were included to explore levels of investment and the use of digital services.

9.7.1 Innovation

Respondents were prompted with a list of innovation activities and asked to indicate which, if any, their business had undertaken in the last 3 years and responses were as follows;

Figure 110. Innovation activities undertaken (Bolton)



Overall, 81% of businesses in Bolton said they'd taken part in at least one of these activities and this was most often related to 'investing in new machinery/plant, additional ICT equipment, software' (62%) and to 'develop new knowledge, improved goods, services or processes' (53%).

Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

9.7.2 UK Tax Incentives for R&D

Amongst Bolton businesses 31% said that they understand the UK tax incentives currently offered to UK companies who carry out R&D activities and amongst these respondents a quarter said that they take advantage of them (26%).

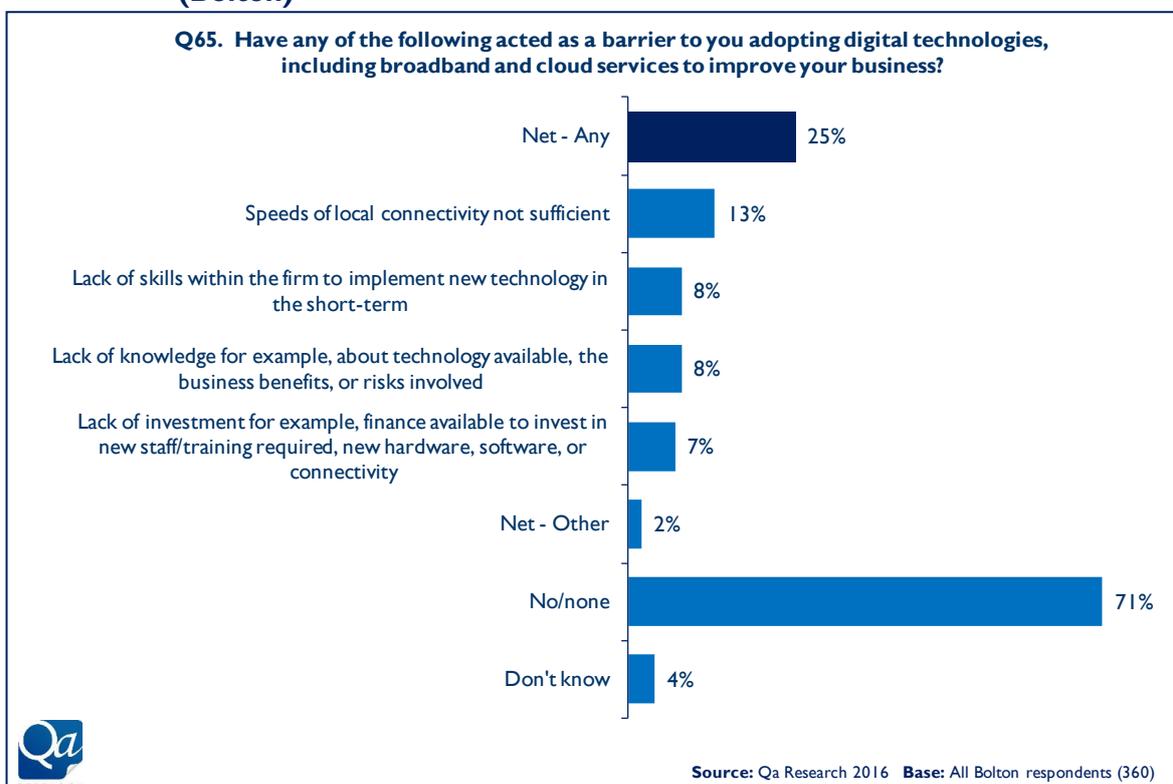
Comparison with other GM businesses;

These responses are in line with those amongst all other respondents in Greater Manchester.

9.7.3 Barriers to adopting digital technologies and resource efficiency

Questions were included to determine the proportion of businesses that had faced barriers to adopting digital technologies and resource efficiency and to establish what these barriers were²⁸. Responses for digital technologies were as follows;

Figure III. Barriers to adopting digital technologies (Bolton)



A quarter of Bolton respondents (25%) agreed that at least one of these factors was a barrier to them adopting digital technology. No single factor dominated responses, but respondents were most likely to mention 'speed of local connectivity not sufficient' (13%).

²⁸ In previous years, this question was asked as a fully 'prompted' question, but in 2016 an initial filter question was added making 2016 responses 'unprompted' – year-on-year comparisons are therefore not valid.

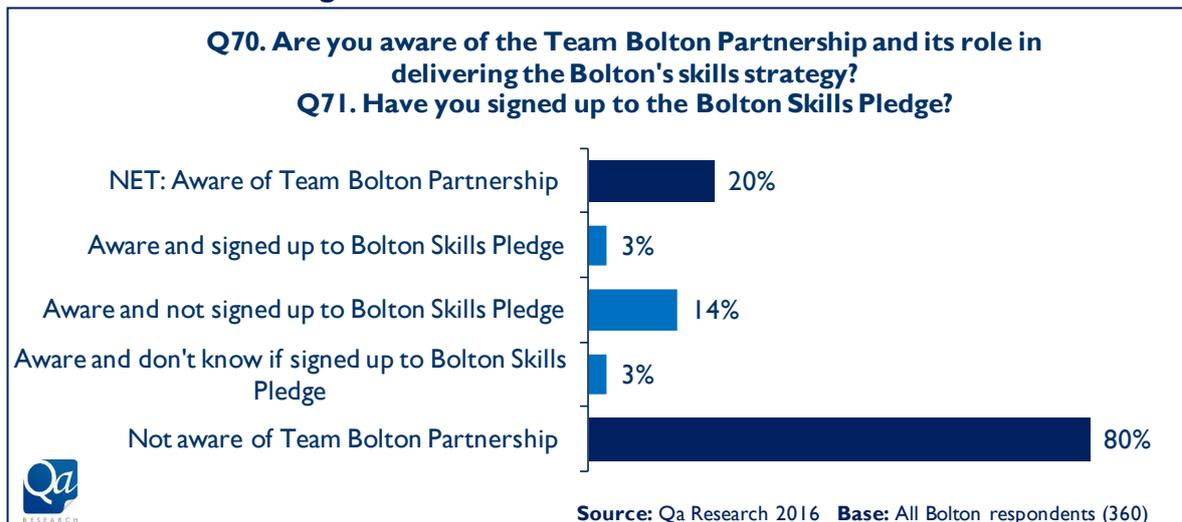
9.8 Bolton Only Questions

At the end of the survey respondents from businesses in Bolton were asked a number of questions relating to Bolton and responses are summarised in this section.

9.8.1 Team Bolton Partnership and the Bolton Skills Pledge

Responses relating to the Team Bolton Partnership and Bolton Skills Pledge are shown below;

Figure 112. Team Bolton Partnership and the Bolton Skills Pledge

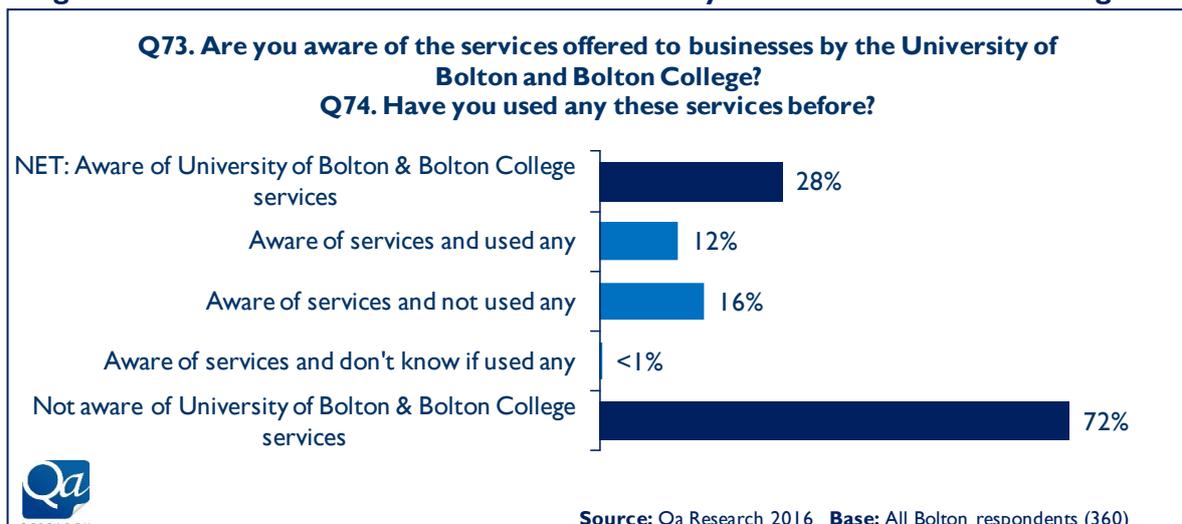


A fifth are aware of the Partnership (20%), but most that are have not signed up to the Skills Pledge (14%).

9.8.2 University of Bolton and Bolton College

Respondents were asked if they were aware of the services offered by the University of Bolton and Bolton College and whether they'd used either and responses have been combined below;

Figure 113. University of Bolton and Bolton College



Amongst all Bolton businesses, more than one in four are aware of these services (28%) and over one-in-ten indicated that they'd actually used services from these two providers (12%).

10. Appendix: Questionnaire

Good morning/afternoon. My name is xxxx and I'm calling from Qa Research. We have been commissioned to carry out the Greater Manchester 2016 Business survey on behalf of The Business Growth Hub and [import Council name from database].

It is designed to help the Hub, and other organisations responsible for the area, to continue to support businesses in future, in terms of growth, skills, productivity, innovation & marketing.

May I speak to a senior person based at this site, such as an owner, director, or manager?

INTERVIEWER INSTRUCTION (IF REQUIRED): The Business Growth Hub is for businesses in Manchester and the wider North West that have the potential, ambition and commitment to grow. The Hub can help, whether you need access to finance, want to expand your markets, develop new products and services, build a new business network, develop leadership skills, explore marketing opportunities, improve productivity or invent the next life-changing product or service.

Can I just check that you are an appropriate senior person at this site to discuss overall issues about your organisation?

INTERVIEWER INSTRUCTION (IF REQUIRED): You should be able to answer detailed questions about the organisation and its operations, and provide information on recent and future trends in employment and trading activity.

We would really appreciate it if you would be able to spare some time to participate in this research.

The interview should take no more than 20 minutes, depending on your answers. Would it be convenient to conduct the interview now?

IF BUSY, CREATE AN APPOINTMENT OR OFFER TO DO SURVEY IN TWO PARTS OR OFFER THE HOTLINE FOR THEM TO CALL BACK AT THEIR CONVENIENCE, WHICHEVER WORKS FOR THEM..

Just to reassure you, this interview will be carried out in accordance with the Market Research Society's code of conduct. That means your responses will be confidential and the call will be recorded for quality purposes. Is that ok?

**S1. RECORD RESPONDENT NAME
CODES OPEN**

**S2. What is your position within the business? PROMPT AS NECESSARY
SINGLECODE**

- Owner
- Partner
- MD/CEO (Managing director/Chief Executive Officer)
- Company Secretary
- Most senior onsite role (Write in)
- Finance Director
- Senior Executive
- Other (Write in)

SECTION I: ABOUT YOUR BUSINESS

ASK ALL

Q1. Can I just check, are you a private business, a public sector organisation or a voluntary/non profit-making business?

SINGLECODE

A private business

A public sector organisation

A voluntary/non profit-making organisation - GO TO Q2

IF 'Private Business' GOTO Q3

IF 'A public sector organisation' - THANK AND CLOSE SAYING: Thank you for your help but we are only interviewing private businesses

ASK Q2 IF 'A voluntary/non profile organisation'

Q2. Approximately what proportion of your turnover is income generated from trading?

ADD IF NECESSARY: i.e. not from grants or donations?

INTERVIEWER NOTE: IF NECESSARY, ADD "IN A TYPICAL YEAR"

NUMERICAL RESPONSE (1-100%)

None

Don't know

Refused

IF 'None/Don't know/Refused' THEN THANK AND CLOSE SAYING: Thank you for your help but we are only interviewing voluntary organisations that generate income from trading

ASK ALL

Q3. Does the business just operate from this site or does it have other sites? IF MORE THAN ONE SITE ASK: Is this site a branch/subsidiary or is it the Head Office/HQ?

SINGLECODE

Single site

This site is a branch/subsidiary

This site is HQ

Don't know

Refused

Q4. How many people does your business employ at this site? Please exclude proprietors, partners, volunteers and anyone who does not receive a salary direct from the payroll.

PROBE FOR BEST ESTIMATE. WRITE IN AND CODE BELOW

INCLUDE FULL AND PART TIME

INCLUDE TEMPORARIES/CASUALS, BUT NOT AGENCY STAFF

EXCLUDE SELF-EMPLOYED

EXCLUDE OWNERS/PARTNERS AND OTHER DIRECTORS

NUMERICAL RESPONSE

IF NECESSARY CODE TO BANDS BELOW

1-10

11-49

50-199

200-249

250+

Don't know

Q5. What percentage of your workforce at this site is...? PROMPT FOR APPROXIMATE FIGURE AND WRITE IN

Full-time

NUMERICAL RESPONSE

Part-time

NUMERICAL RESPONSE

Temporary/Casual

NUMERICAL RESPONSE

Don't know

Refused

Q6. I have [READ OUT SIC DESCRIPTION FROM SAMPLE] as a general classification for your business. Does this sound right?

SINGLECODE

Yes

No

ASK Q7 IF 'No' AT Q6.

Q7. What is your main business activity at this site? PROBE AS NECESSARY:

What is the main product or service of this organisation?

What exactly is made or done at this organisation?

What material or machinery does that involve using?

CODES OPEN

CODE TO SIC 2007 4 DIGIT

ASK ALL

Q8. How many years has your business been trading overall? PROBE FOR AN ANSWER

SINGLECODE

Less than 12 months

1 up to 2 years

Over 2 up to 3 years

Over 3 up to 5 years

6 to 10 years

11 to 20 years

Over 20 years

Don't know

Q9. Over the last 12 months, has the turnover of your business...? READ OUT

SINGLECODE

Increased

Decreased

Stayed the same

Don't know

ASK Q10 IF 'Increased' OR 'Decreased' AT Q9, OTHERS GOTO Q11

Q10. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

Up to 20%

Between 20 and 50%

More than 50%

Don't know

ASK ALL

Q11. And over the next 12 months, do you expect your turnover to...? READ OUT

SINGLECODE

Increase

Decrease

Stayed the same

Don't know

ASK Q12 IF 'Increased' OR 'Decreased' AT Q11, OTHERS GOTO Q13

Q12. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

- Up to 20%
- Between 20 and 50%
- More than 50%
- Don't know

ASK ALL

Q13. Over the last 12 months has the number of staff employed at that site...? READ OUT

SINGLECODE

- Increase
- Decrease
- Stayed the same
- Don't know

ASK Q14 IF 'Increased' OR 'Decreased' AT Q13, OTHERS GOTO Q15

Q14. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

- Up to 20%
- Between 20 and 50%
- More than 50%
- Don't know

ASK ALL

Q15. And over the next 12 months, do you expect the number of staff employed at that site to...? READ OUT

SINGLECODE

- Increase
- Decrease
- Stayed the same
- Don't know

ASK Q16 IF 'Increased' OR 'Decreased' AT Q15, OTHERS GOTO Q17

Q16. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

- Up to 20%
- Between 20 and 50%
- More than 50%
- Don't know

SECTION 2: RECRUITMENT & SKILLS

ASK ALL

**Q17. Have you provided staff training in the last 12 months? PROMPT AS REQUIRED
MULTICODE FIRST TWO ONLY**

- Yes, provided internally by own staff (Internal Training)
- Yes, by an external training provider (External Training)
- No training provided, but do have a training plan/budget
- No training provided, and do not have a training plan/budget in place
- Don't know/refused

**Q18. Approximately what proportion of your workforce has: READ OUT AND PROMPT
FOR APPROXIMATION
ENSURE PERCENTAGES ADD TO 100%**

No qualifications

NUMERICAL RESPONSE - %

Entry level

NUMERICAL RESPONSE - %

Up to GCSE / L2

NUMERICAL RESPONSE - %

Up to A Level / L3

NUMERICAL RESPONSE - %

Degree / L4

NUMERICAL RESPONSE - %

Don't know

Refused

**Q19. Do you currently offer any opportunities for...? READ OUT
SINGLECODE**

- Paid work experience placements or internships
- Unpaid work experience placements or internships
- Other
- None
- Don't know

**Q20. Do you currently employ any Apprentices? READ OUT
SINGLECODE**

Yes

No

Don't know

LOOP – DO NOT RANDOMISE

Apprentices aged 16 to 18

Apprentices aged 19 to 24

Apprentices aged 25+

ASK Q21 FOR ALL DO NOT CURRENTLY EMPLOY AT Q20, OTHERS GOTO Q22

**Q21. Are you likely to employ any Apprentices (TEXT SUB FROM Q20) in the future?
SINGLECODE**

Yes

No

Don't know

LOOP – DO NOT RANDOMISE

Apprentices aged 16 to 18

Apprentices aged 19 to 24

Apprentices aged 25+

ASK ALL

Q22. Do you currently have any vacancies in Greater Manchester that are proving hard to fill?

SINGLECODE

Yes
No
Don't know
Refused

Q23. Does your organisation have Investors in People status?

SINGLECODE

Yes
No and not working towards it
No, but Working towards / considering Investors in People
Don't know
Refused

SECTION 3: LOCAL AREA

Q24. Could you please rate the following aspects of your local area on a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied? READ OUT

SINGLECODE

1 – Very dissatisfied
2
3
4
5 – Very satisfied
Don't know

LOOP – RANDOMISE ORDER FO ASKING

Business rate costs
Quality of premises
Affordability of premises
Availability of parking
Crime and anti-social behaviour
Access to Public transport, i.e. Bus/Train/Metro
Road transport access
Image of area
Broadband speed
Ability to recruit the right staff

Q25. Do the police understand and respond well to business needs in your area?

SINGLECODE

Yes
No
Don't know/ not taken up

ASK Q26a IF 'Yes' AT Q25, OTHERS GOTO Q26b

REMOVED FROM FEBRUARY 2016: Q26a. What one thing do the police do well when responding to business crime? IF REQUIRED, PROMPT;

Digital Security
Physical Security
Keeping you informed of risk
Listening to what you're telling them
Responding quickly and appropriately

CODES OPEN

ASK Q26b IF 'No' AT Q25, OTHERS GOTO Q27

REMOVED FROM FEBRUARY 2016: Q26b. What one thing could the police do better? IF REQUIRED, PROMPT;

Digital Security
Physical Security
Keeping you informed of risk

**Listening to what you're telling them
Responding quickly and appropriately
CODES OPEN**

**QA. Has your business suffered any major business disruptions in the last 12 months?
SINGLECODE**

- Yes
- No
- Don't know

ASK Q27 IF 'Yes' AT QA, OTHERS GOTO Q28

**Q27. Were those disruptions caused by one or more of the following issues? READ OUT
MULTICODE**

- Utilities interruption
- Loss of ICT
- Loss of data
- Security breach/cyber attack
- Key members of staff leaving
- Unexpected & prolonged absence of key staff
- Unforeseen closure of your premises
- Supplier failure
- Product recall
- Severe weather – flooding, storms, snow etc.
- Transport & congestion
- Other (write in)
- Don't know/refused

**Q28. Do you have plans in place to ensure key business functions can continue despite serious
disruptions, sometimes called a Business Continuity Plan? READ OUT
SINGLECODE**

- Plans in place and tested
- Plans in place but not tested
- No plans in place
- Have not considered this type of planning
- Don't know

**Q29. Are you considering relocating your business, either the whole of it or in part?
SINGLECODE**

- Yes, all of it
- Yes, part of it
- No
- Don't know

ASK Q30 IF 'Yes...' AT Q29, OTHERS GOTO Q31

Q30. Where are you considering moving to? PROMPT AS NECESSARY. SINGLECODE

- Within current local authority area
- Elsewhere in Greater Manchester (Write in)
- Elsewhere in the Northwest (Write in)
- Elsewhere in the UK (outside the Northwest) (Write in)
- Outside UK (Write in)
- Don't know

ASK ALL

**REMOVED FROM FEBRUARY 2016: Q31. We are looking to understand how businesses
support their local economy and community.**

**For each of the following statements can you tell me if it currently applies to your business, it
is something you are likely to consider doing in future, or it is not something you are not likely
to consider in the future? READ OUT**

SINGLECODE

- Currently applies

Likely to consider in the future
Not likely to consider in the future
Don't know

LOOP – RANDOMISE ORDER OF ASKING

We support / work with local schools
We support local community groups/charities
We help local residents back into work
We promote local trading e.g. where possible use suppliers within a 5 mile radius first
We are actively adapting our business because of climate change
We actively reduce material usage and minimise waste
We actively try to reduce work-related car emissions

SECTION 4: IDENTIFYING DRIVERS & BARRIERS TO GROWTH

ASK ALL

REMOVED FROM FEBRUARY 2016: Q32. Which of the following do you feel are the three main drivers of growth in your business? READ OUT

INVERT ORDER - CODE 3 MAXIMUM

Access to markets and sales opportunities
The products and services your company provides
The finances of your business
Levels of productivity
Your approach to business strategy and planning
Your workforce and skills
Your business location and premises
Access to transport
Access to superfast broadband
A strong local supply chain
Demand for goods and services with low carbon or green credentials
Other (Write in)
Don't know

Q33. What do you think are the three main barriers that might prevent your business from growing? READ OUT

INVERT ORDER - CODE 3 MAXIMUM

Access to markets and sales opportunities
The products and services your company provides
Accessing finance
Low levels of productivity
Inadequate business strategy or planning
Lack of staff or skills
Poor business location and premises
Access to transport
Access to superfast broadband
Lack of a strong local supply chain
Other (Write in)
Don't know

Q34. Is your business experiencing rising costs in any of the following areas? READ OUT AND CODE ONE FOR EACH. ROTATE

SINGLECODE

Yes
No
Not applicable
Don't know

LOOP - RANDOMISE ORDER OF ASKING

Pay Settlements
Finance costs
Raw material prices
Energy prices

Staff costs
IT costs

Q35. Have you sought finance for your business in the last 12 months?

SINGLECODE

- Yes
- No
- Don't know

ASK Q36-Q39 IF 'Yes' AT Q35, OTHERS GOTO Q40

Q36. How much funding was required? PROMPT FOR AN APPROXIMATION AND WRITE IN AMOUNT.

NUMERICAL RESPONSE

- Don't know
- Refused

IF UNSURE PROMPT WITH BANDS BELOW AND CODE

- £0-£2,999
- £3,000-9,999
- £10,000-£49,999
- £50,000-£99,999
- £100,000-£499,999
- £500,000-£999,999
- £1-£4.99M
- £5M-£9.99M
- £10M+

Q37. Why did you apply for finance? DO NOT READ OUT - PROBE FULLY.

MULTICODE

- To start the business
- Cashflow, to support growth
- Cashflow, as a result of changed payment terms
- Capital equipment or vehicles
- Improving buildings
- Buying land or buildings
- Marketing
- Research & Development
- Training/Staff Development
- Other (Write in)
- Don't know/refused

Q38. Did you experience any difficulty arranging finance?

SINGLECODE

- Yes
- No
- Don't know

ASK Q39 IF 'Yes' AT Q38, OTHERS GOTO Q40

Q39. What difficulties did you experience in trying to arrange this finance? DO NOT READ OUT - PROBE FULLY

MULTICODE

- Did not meet criteria
- Inadequate business plans
- Business sector too risky for investment
- Unaware of where to get finance
- Not sure which products/funders are right for the business
- Poor business credit history
- Insufficient/no security
- No credit history/not been in business long enough
- Applied for too much
- Business too small/too new

Company has rejected the terms of finance offered
Finance unavailable
Other (Write in)
Don't know/refused

**ASK Q40 IF BUSINESS TRADING UPTO 3 YEARS (CODES 1-3) AT Q8, OTHERS GOTO Q41
Q40. In which of the following ways did you access finance to start-up your business? READ
OUT**

MULTICODE – RANDOMISE ORDER

Banks/debt
Internal capital
Venture capital
Mezzanine
Business angels
Friends and family
Local and central government grants/loans/funding schemes
Crowdfunding
Other (Write in)
No finance sought
Don't know/refused

ASK ALL

**Q41. Which of these might you use in the future to access finance to support business
growth? READ OUT**

MULTICODE – RAMDOMISE ORDER

Banks/debt
Internal capital
Venture capital
Mezzanine
Business angels
Friends and family
Local and central government grants/loans/funding schemes
Crowdfunding
Other (Write in)

No finance sought
Don't know/refused

SECTION 5: BUSINESS SUPPORT

Q42. Are you aware of the Business Growth Hub and the services it offers?

SINGLECODE

Yes

No

**ASK Q43 IF BUSINESS TRADING UPTO 3 YEARS (CODES 1-3) AT Q8, OTHERS GOTO Q44
REMOVED FROM FEBRUARY 2016: Q43. Thinking back to when you started the business,
did you use any of the following organisations for information and advice to start up your
business? READ OUT**

MULTICODE

Accountants/solicitors [over and beyond for bookkeeping/auditing or statutory/regulatory purposes]

Business Consultancy / Consultants

Bank

Business Growth Hub, Access to Finance or ENWORKS

Business Finance Solutions

Trade Association/employer organisations

Local Authority

Universities

Growth Accelerator, now part of Business Growth Service

Manufacturing Advisory Service, now part of Business Growth Service

Innovate UK

Investors in People (IIP)

UKTI Export Advisory Service

Library Service

MIDAS – Invest in Manchester

Greater Manchester Chamber of Commerce

Business is great website / helpline

Other (Write in)

Haven't used/plan to use any

Don't know

ASK ALL

**QB. In the last 12 months, have you used any organisations to get information and advice for
your business, other than for accounting or regulatory purposes?**

SINGLECODE

Yes

No

Don't know

ASK Q44 IF 'Yes' AT QB, OTHERS GOTO Q48

Q44. Which of the following have you used? READ OUT

MULTICODE

Accountants/solicitors [over and beyond for bookkeeping/auditing or statutory/regulatory purposes]

Business Consultancy / Consultants

Bank

Business Growth Hub, Access to Finance or ENWORKS

Business Finance Solutions

Trade Association/employer organisations

Local Authority

Universities

Growth Accelerator, now part of Business Growth Service

Manufacturing Advisory Service, now part of Business Growth Service

Innovate UK

Investors in People (IIP)

UKTI Export Advisory Service

Library Service

MIDAS – Invest in Manchester

Greater Manchester Chamber of Commerce
Business is great website / helpline
Other (Write in)
Don't know

ASK Q45 IF MANCHESTER BUSINESS ON SAMPLE AND 'Local Authority' AT Q44, OTHERS GOTO Q46

Q45. How easy or difficult was it to access Manchester City Council services? READ OUT SINGLECODE - INVERT

Very easy
Easy
Quite easy
Quite difficult
Difficult
Very difficult
Don't know

ASK Q46 IF USED SUPPORT/ADVICE AT Q44, OTHERS GOTO Q48

Q46. Have you had any difficulties getting the advice, information or support you needed in the last 12 months?

SINGLECODE

Yes
No
Don't know

ASK Q47 IF 'Yes' AT Q46, OTHERS GOTO Q49

Q47. Which of the following reflect the difficulties you have experienced in seeking support and advice for your business in the last 12 months? READ OUT

MULTICODE

Had difficulty finding out where to obtain the right support/advice
Had difficulty determining the support and advice required
Advice/support available was too expensive
Found it difficult to find the time to seek/access external advice
Something else (Write in)
Don't know

ASK Q48 IF SUPPORT/ADVICE NOT SOUGHT AT Q44, OTHERS GOTO Q49

Q48. Why haven't you used support or advice for your business in the last 12 months? DO NOT READ OUT - PROBE FULLY.

MULTICODE

Had no need of support or advice
Had difficulty finding out where to obtain the right support/advice
Had difficulty determining the support and advice required
Advice/support available was too expensive
Other (Write in)
Don't know

ASK Q49 IF USED SUPPORT/ADVICE AT Q44, OTHERS GOTO Q50

Q49. In which of the following areas have you sought business support and advice in the last 12 months? READ OUT

INVERT ORDER – MULTICODE

Accessing finance, including grants & subsidies
Increasing sales through marketing
Leadership and management skills to grow your business
Expanding the workforce, recruitment/job creation, including recruitment of apprenticeships
Exploiting digital services, digital technology and E-Commerce
Exporting
Importing
Developing your workforce through training, improved efficiency & communications
Availability of new premises or expanding your own premises
Help with innovation or research & development
Business growth advice
Manufacturing improvements
Reducing energy, material, water & waste costs
Business continuity (minimising disruption to your business)
Public sector contract opportunities
Other (Write in)
None
Don't know

ASK ALL

Q50. In which of these areas are you likely to look for support and advice in the foreseeable future? READ OUT

INVERT ORDER – MULTICODE

Accessing finance, including grants & subsidies
Increasing sales through marketing
Leadership and management skills to grow your business
Expanding the workforce, recruitment/job creation, including recruitment of apprenticeships
Exploiting digital services, digital technology and E-Commerce
Exporting
Importing
Developing your workforce through training, improved efficiency & communications
Availability of new premises or expanding your own premises
Help with innovation or research & development
Business growth advice
Manufacturing improvements
Reducing energy, material, water & waste costs
Business continuity (minimising disruption to your business)
Public sector contract opportunities
Other (Write in)
None
Don't know

ASK ALL

Q51. Have you used a business mentor in the last 12 months – somebody with business expertise who supports you in your personal and/or business development?

SINGLECODE

Yes
No
Don't know

Q52. Are you currently acting as or considering becoming a business mentor for another business or entrepreneur?

SINGLECODE

Yes – currently a mentor

Yes – would like to become a mentor
No
Don't know

SECTION 6: EXPORT, TRADE AND CONNECTIVITY

ASK ALL

Q53. Do you trade internationally? READ OUT

SINGLECODE

Yes - Export and import trade
Yes - Export trade only
Yes - Import trade only
No
Don't know

Q54. Do your products and services get exported by other companies?

SINGLECODE

Yes
No
Don't know

ASK Q55 IF 'Yes - Import trade only' OR 'No' AT Q54, OTHERS GOTO Q56

Q55. Do you have any plans to develop export trade links in the next 1-2 years?

SINGLECODE

Yes
No
Don't know

ASK Q56-57 IF 'Yes - Export and import trade', 'Yes - Export trade only' OR 'Yes - Import trade only' AT Q53, OTHERS GOTO Q58

Q56. Which of the following locations do you have trade links with?

READ OUT

MULTICODE

EU States
Non-EU Europe
North America
China
India
Other Asia-Pacific
Latin America
Middle East
Africa
Other (Write in)
Don't know

ASK Q57 IF 'Import trade only' OR 'No' AT Q53, OTHERS GOTO Q58

Q57. Have any of the following acted as a barrier to you exporting/wanting to export? READ OUT

MULTICODE

Lack of knowledge
Language/cultural barriers
Taxation/tariffs
Finance
Fear of losing IP
Compliance with local regulations
Other (Write in)
None
Don't know

ASK ALL

Q58. Do you see continued membership of the EU as being critical to your business?

SINGLECODE

Yes

No

Don't know

ASK Q59 IF 'Yes' AT Q58, OTHERS GOTO Q60

Q59. On a scale of 1-5, where 1 is not important at all and 5 is very important, how important to your business is being in the EU in terms of

SINGLECODE

1 – Not important at all

2

3

4

5 – Very important

Don't know

LOOP – RANDOMISE ORDER

Accessing supply chains

Staff recruitment and retention

Accessing to grants and funding

Access to new export markets

SECTION 7: INNOVATION & TECHNOLOGY

The next set of questions is about innovation.

ONLY READ OUT WHEN RESPONDENT UNSURE WHAT INNOVATION MEANS:

Innovation can mean developing new ideas inside your business, or with external support, it can mean new services, processes or products. These don't have to be entirely new to be considered as innovation, when answering these questions.

ASK ALL

Q60. Which of the following innovation activities has your business undertaken in during the last three years? READ OUT - GIVE EXAMPLES IF REQUIRED

MULTICODE - RANDOMISE ORDER OF ASKING

Develop new knowledge, improved goods, services or processes

Paid for specialist innovation advice or support (for example, from external consultants or suppliers)

Accessing knowledge from Universities

Investing in new machinery/plant, additional ICT equipment, software (for example, totally new or improved existing equipment)

Undertaking management and Staff Training which will support innovation and the introduction of new ideas, products, services, business or processes (for example, not basic health and safety training)

Implementing major changes in business structure or processes (for example, adoption of advanced management concepts, outsourcing, supply chain integration, changes in marketing/branding techniques)

None of the above

Don't know

QC. Has your business experienced any barriers to innovation?

SINGLECODE

Yes

No

Don't know

ASK Q61 IF 'Yes' AT QB, OTHERS GOTO Q62

Q61. Have any of the following factors been a barrier to innovation in your business? READ OUT

INVERT ANSWERS - MULTICODE

In-house knowledge, skills or structure for identifying and managing innovation
The cost of new product or service development
Difficulty in accessing suitable facilities, technology or university expertise
Difficulty in finding external private or public sector specialist expertise
Lack of finance
Poor knowledge / understanding of HMRC tax incentives
Lack of knowledge of funding, for example from Innovate UK
Lack of or availability of market information
Cost and knowledge of intellectual property protection
Other (Write in)
Don't know

Q62. Do you understand the UK tax incentives currently offered to UK companies who carry out R&D activities?

SINGLECODE

Yes
No
Don't know
Refused

ASK Q63 IF 'Yes' AT Q62, OTHERS GOTO Q64

Q63. If so, and your company carries out the relevant R&D activities or owns relevant patents, do you take advantage of these incentives?

SINGLECODE

Yes
No
Don't know
Refused

ASK Q64 IF 'No' AT Q63, OTHERS GOTO Q65

Q64. Is this because...READ OUT

SINGLECODE

Unsure whether you qualify
Don't think the incentive will benefit your company
Think the process is too complex/costly
Any other reason - please provide a short explanation (Write in)
Don't know

ASK ALL

QD. Has your business experienced any barriers to adopting digital technologies to improve your business, such as broadband and cloud services?

SINGLECODE

Yes
No
Don't know

ASK Q65 IF 'Yes' AT QD, OTHERS GOTO QD

Q65. Which, if any, of the following have acted as a barrier? READ OUT

MULTICODE

Lack of knowledge – for example, about technology available, the business benefits, or risks involved
Lack of skills – within the firm to implement new technology in the short-term
Lack of investment – for example, finance available to invest in new staff/training required, new hardware, software, or connectivity
Speeds of local connectivity not sufficient
Other (Write in)
Don't know

QE. Has your business experienced any barriers to increasing resource efficiency to improve your business?

SINGLECODE

Yes
No
Don't know

ASK Q66 IF 'Yes' AT QD, OTHERS GOTO Q67

Q66. Have any of the following acted as a barrier? READ OUT MULTICODE

Access to Finance
Technology
Cost of innovation
Markets
Knowledge
Other (Write in)
Don't know

SECTION 8: TURNOVER AND CONTACT

I have a few final questions that will help us classify your business.

Q67. Approximately what was the turnover of your business in Greater Manchester over the past year? PROMPT FOR AN APPROXIMATION

SINGLECODE

Less than £82,000 [VAT threshold]
£82,000–£250,000
£250,000–£0.5M
£0.5M–£1M
£1M–£5M
£5M–£10M
£10M–£25M
£25M+
Don't know
Unwilling to answer

Q68. Would you like the Growth Hub (TEXT SUB IF MANCHESTER OR BOLTON ON SAMPLE: or your local Council) to contact you to discuss your business support needs?

SINGLECODE

Business Growth Hub
IF MANCHESTER OR BOLTON ON SAMPLE Local council
Both
No

IF 'Yes' AT Q68 SHOW:

Thank you we will pass on your details.

ASK Q69 IF 'Yes' AT Q68, OTHERS GOTO Q70 OR T&C

Q69. Please can I have your email address? DOUBLE INPUT OBTAIN PERSONAL EMAIL ADDRESS AT BUSINESS RATHER THAN GENERIC EMAIL ADDRESS INPUT ADDRESS

IF A BOLTON BUSINESS ON SAMPLE ASK Q70-72, OTHERS T&C

Q70. Are you aware of the Team Bolton Partnership and its role in delivering the Bolton's skills strategy?

SINGLECODE

Yes
No

ASK Q71 IF 'Yes' AT Q70, OTHERS GOTO Q72

Q71. Have you signed up to the Bolton Skills Pledge?

SINGLECODE

Yes

No
Don't know

ASK Q72 IF 'No' AT Q70, OTHERS GOTO Q73
Q72. Would you like to receive further information?
SINGLECODE

Yes
No
Don't know

Q73. Are you aware of the services offered to businesses by the University of Bolton and Bolton College?
SINGLECODE

Yes
No

ASK Q74 IF 'Yes' AT Q73, OTHERS GOTO Q75
Q74. Have you used any these services before?
SINGLECODE

Yes
No
Don't know

ASK Q75 IF 'No' AT Q73, OTHERS GOTO Q76
Q75. Would you like to receive further information on the services available?
SINGLECODE

Yes
No
Don't know

Q76. As part of Bolton's town centre strategy, we host a number of key events such as the Bolton Food and Drink Festival which attracted 200,000 visitors in 2015. Would you be interested in finding out more on sponsorship and advertising for your business?
SINGLECODE

Yes
No
Don't know

ASK Q77 IF 'Yes' AT Q72, Q75 OR Q76 AND CONTACT DETAILS NOT COLLECTED ALREADY
Q77. Please can I have your email address? DOUBLE INPUT OBTAIN PERSONAL EMAIL ADDRESS AT BUSINESS RATHER THAN GENERIC EMAIL ADDRESS
INPUT ADDRESS

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This research has been carried out in compliance with the International standard ISO 20252, (the International Standard for Market and Social research), The Market Research Society's Code of Conduct and UK Data Protection law	