

Hounslow Local Economic Assessment

III: Findings from a survey of 500
Hounslow businesses

April 2011

SQW

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Contact:	Robert Willis	Tel:	0207 307 7140	email:	rwillis@sqw.co.uk
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Approved work in progress:	Christine Doel Director	Date:	April 2011
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1: Introduction

- 1.1 A survey of businesses formed one key element of the evidence base in developing the Hounslow Local Economic Assessment (LEA). The survey itself was conducted by Qa Research. In this document we report on the findings from the survey.
- 1.2 The purpose of the businesses survey was to ‘*get beyond*’ the secondary data in order to develop a more detailed understanding of the Borough’s business base. More specifically, the business survey investigated:
- the nature of, and motivations for, businesses operating in Hounslow
 - recruitment and labour market issues
 - supply-chains and customer/client patterns and trends
 - future business prospects, including barriers to growth and the measures required to address these.

How the survey was structured

- 1.3 The survey was undertaken in January and February 2011. In total, 500 businesses were interviewed. Following piloting during the first week of fieldwork, a number of minor adjustments were made to the questionnaire. The responses from all of the businesses interviewed as part of the pilot phase were included in the main sample (of 500 businesses). The final questionnaire can be found in Annex A.
- 1.4 The survey relied on a stratified random sample. In other words, rather than take a purely randomised sampling approach, we ‘manipulated’ the sample in order to help ensure that the survey provides a reasonable overview of the Borough’s business and employment base. Taking the entire business base in the borough as the starting point, this stratified sample involved:
- ***Removing businesses that employ 200 or more individuals from the survey:*** there are around 90 businesses that employ 200 or more individuals – these businesses operate in different markets compared to the majority of businesses in the Borough and have specific views on the barriers to and opportunities for growth in the Borough. With 90 large businesses in the Borough among a population of over 10,000, we would not expect a survey to be able to capture more than a small handful of responses. Hence the decision was made to focus the survey on small and medium-sized businesses within the Borough.
 - ***Ensuring that the survey is broadly representative of the Borough’s industrial structure:*** by obtaining the Standard Industrial Classification (SIC) codes for all business contacts used to construct the sample, we worked with Qa to ensure that the

businesses that took part in the survey were broadly reflective of the Borough's industrial structure. All public sector organisations were removed from the survey.

- ***Ensuring that the sample is broadly representative of the Borough's economic geography:*** this involved ensuring that we selected business contacts from across all post codes in the Borough. A map showing the locations of businesses that took part in the survey (and also those of the large businesses which were interviewed in the context of other LEA workstreams) is provided in **Error! Reference source not found.** overleaf.
- ***Adjusting the weighting in constructing the sample in order to ensure that the survey captures a proportion of the larger SME businesses*** (recognising that the proportion of workers employed by small businesses is very much lower than the representation of small businesses within the business population): the achieved sample by size-band breakdown is provided in Table 1-1 along with how this breakdown compares to that for all businesses in the Borough.

Table 1-1: Breakdown of achieved survey sample (by employee size-band) compared to the breakdown for all Hounslow Borough businesses

Number of employees	Number of units (Hounslow)	% of all units (Hounslow)	% size-band breakdown of the achieved survey sample
0 – 4	7,285	71%	48%
5 – 19	2,040	20%	41%
20 +	895	9%	11%

Source: IDBR – ONS and SQW

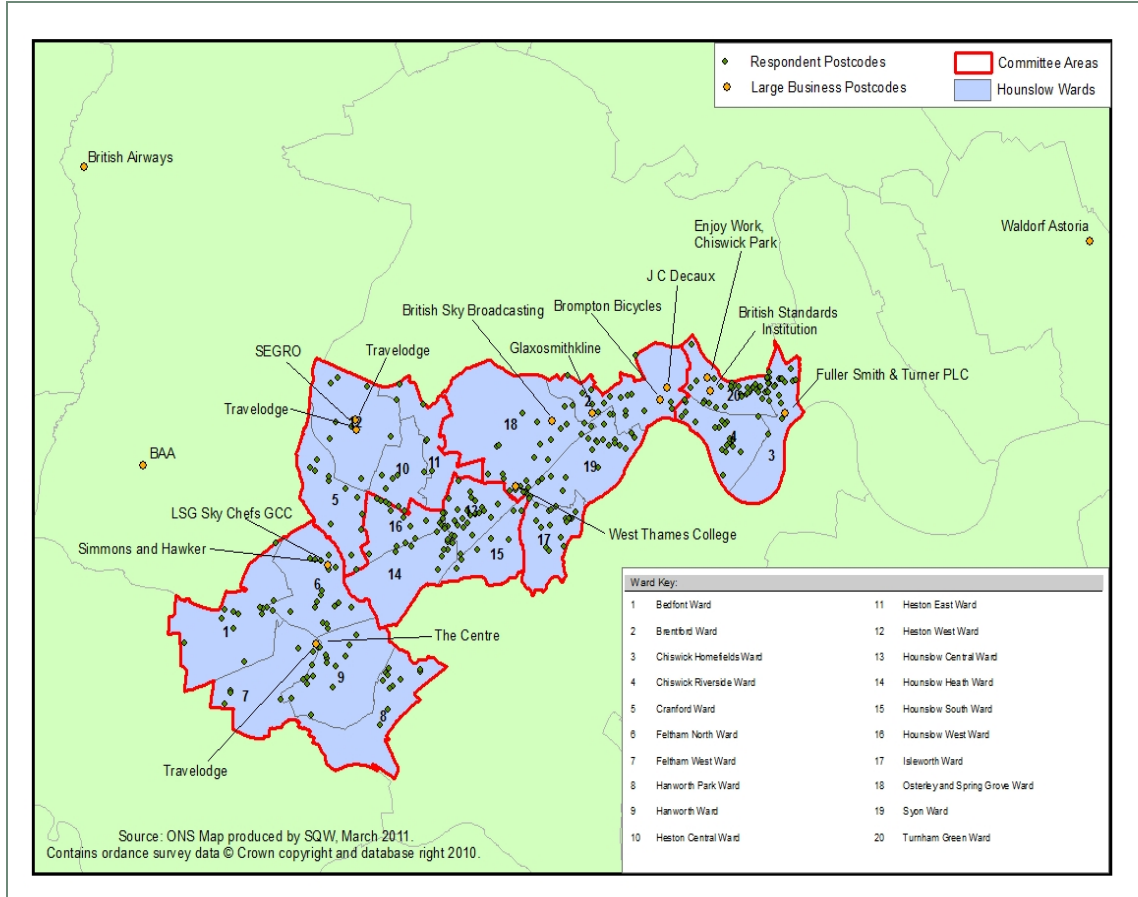
1.5 In sum therefore, the sample was stratified to ensure that the survey captured the views of Hounslow's businesses across geography, business unit size-band, and industrial sector. For the reasons given above, the sample excluded large businesses and public sector organisations.

Structure of this document

1.6 This document presents the findings of the survey, broken down in terms of:

- the nature of businesses operating in Hounslow – by sector, location, ethnicity, etc.
- recent business performance
- doing business in Hounslow
- recruitment and labour market issues
- supply-chains and customer/client patterns and trends
- future business plans and prospects, including barriers to growth and measures required to address these.

Figure 1-1: Spatial distribution of survey respondents (and business consultations)



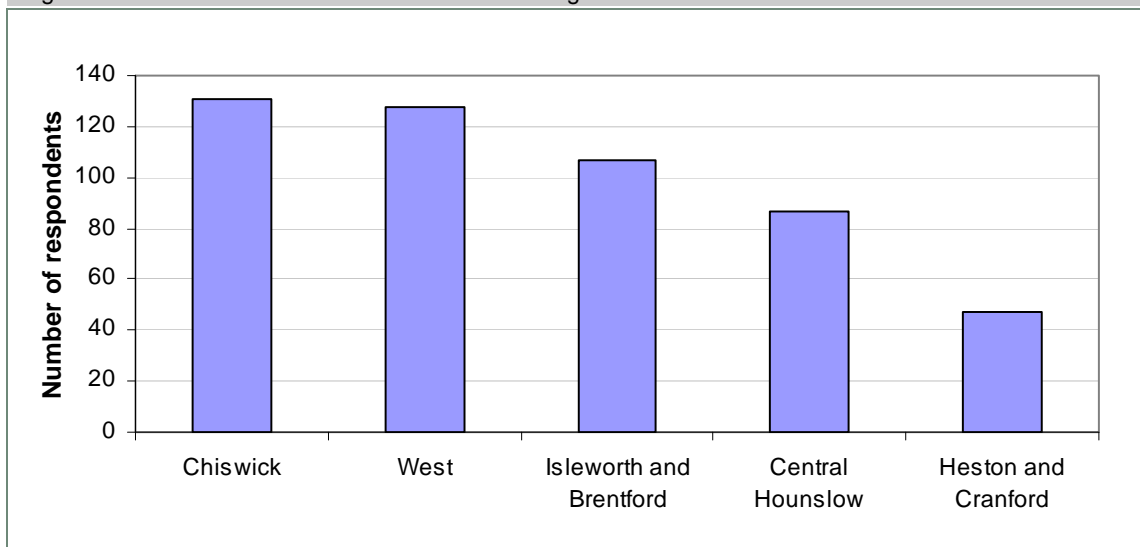
Source: SQW – Note that because of the scale of the map, multiple businesses might be represented by the same dot on the map

2: The nature of businesses operating in Hounslow

Location

- 2.1 As shown in **Error! Reference source not found.** in section 1, responding businesses were spatially spread across the Borough (Figure 2-1).

Figure 2-1: Location of businesses within the Borough



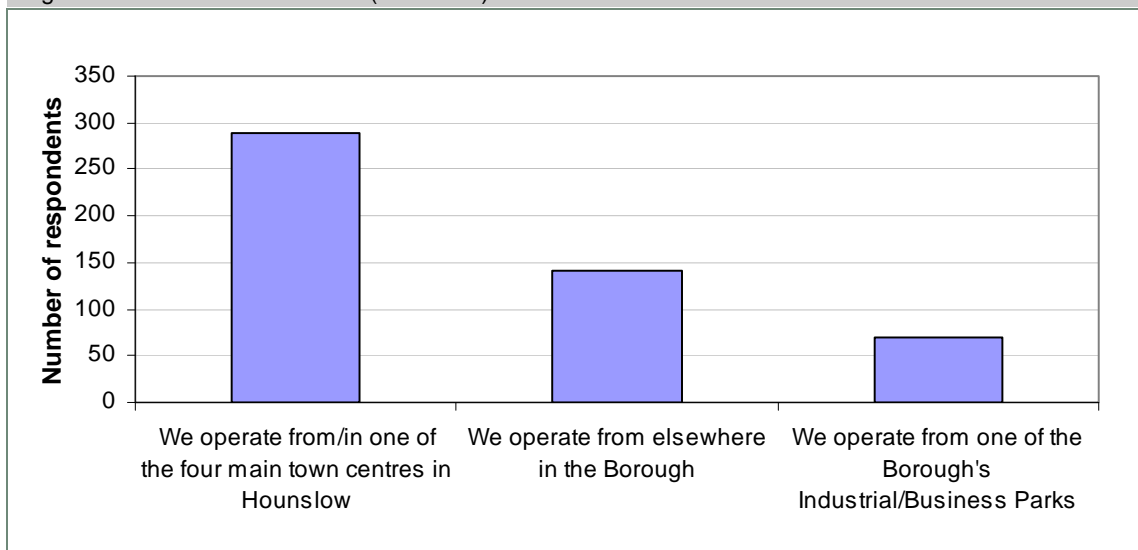
N= 500

Source: SQW

- 2.2 Over half of the businesses surveyed were based in Chiswick or the west of the Borough (131 and 128 respondents respectively), while a smaller number of businesses (47, 9% of respondents) were based in Heston and Cranford.
- 2.3 Three quarters of the businesses (371) operated from the one site within the Borough. These tended to be the smaller surveyed businesses, with 343 of them employing 20 or less workers.
- 2.4 Of the 129 businesses that reported having other business sites, 62 had their headquarters within Hounslow. Other sites were located:
- elsewhere in Hounslow (37 businesses)
 - elsewhere in West London (38)
 - elsewhere in London (36)
 - in the South East (36)
 - elsewhere in the UK (49)
 - overseas (36).

2.5 The majority of respondents (289, 58%) operate from one of the four main town centres in Hounslow (Figure 2-2).

Figure 2-2: Location of business (at the site)



N=500

Source: SQW

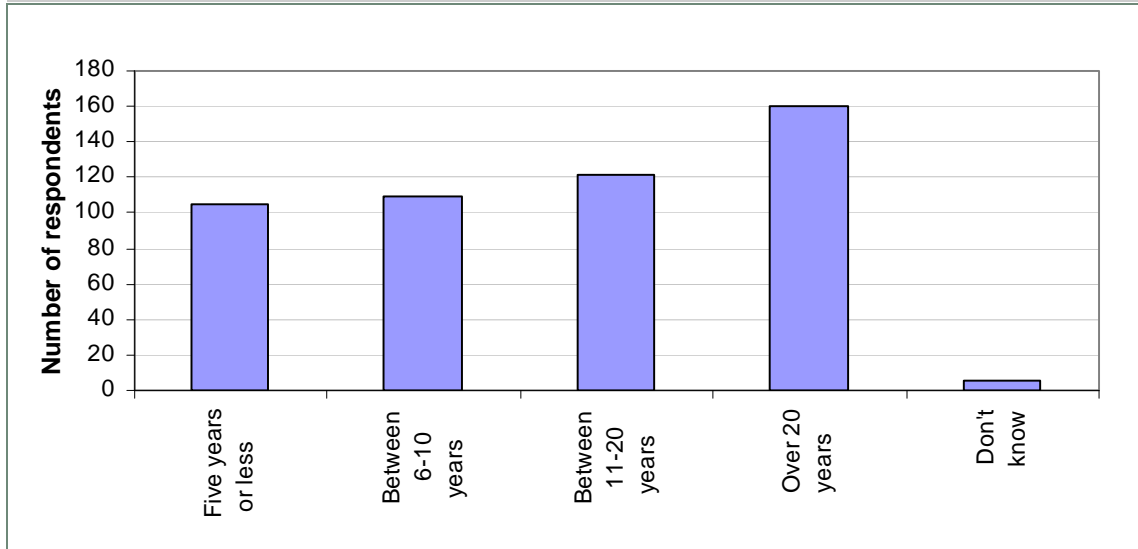
2.6 Of these businesses operating from/in one of the four main centres, most are located within:

- Chiswick (96 businesses)
- The West (67)
- Isleworth and Brentford (59)
- Central Hounslow (48).

2.7 However, 69 of the surveyed businesses (14%) operated from one of the Borough's Industrial or Business Parks. A larger proportion of businesses operating from one of the Borough's Industrial/Business parks had additional sites overseas, when compared to businesses operating out of one of the main town centres or elsewhere in the Borough. This would be consistent with an observation that these were, in general, larger operations and often part of multi-site firms.

2.8 The surveyed firms tended to have a long history in the Borough, as illustrated in Figure 2-3.

Figure 2-3: Length of time the firm has been located in Hounslow



N=500

Source: SQW

- 2.9 Over three quarters of the firms surveyed (390) had been located within Hounslow for over five years, including 160 firms which had been in Hounslow for over 20 years.
- 2.10 However, the five firms employing at least 100 workers tended to have located in Hounslow more recently. Four of these businesses had located in the Borough within the last five years.

Sectoral profile

- 2.11 The businesses surveyed were distributed across a range of industrial sectors (Table 2-1).

Table 2-1: Sector of surveyed businesses (by broad industrial groups)

	Number of business survey respondents	Percent of business survey respondents
Agriculture and fishing (SIC A, B)	6	1%
Energy and water (SIC C, E)	0	0%
Manufacturing (SIC D)	59	12%
Construction (SIC F)	34	7%
Distribution, hotels and restaurants (SIC G, H)	191	38%
Transport and communications (SIC I)	69	14%
Banking, finance and insurance, etc (SIC J, K)	130	26%
Public administration, education and health (SIC L, M, N)	4	1%
Other services (SIC O, P, Q)	7	1%

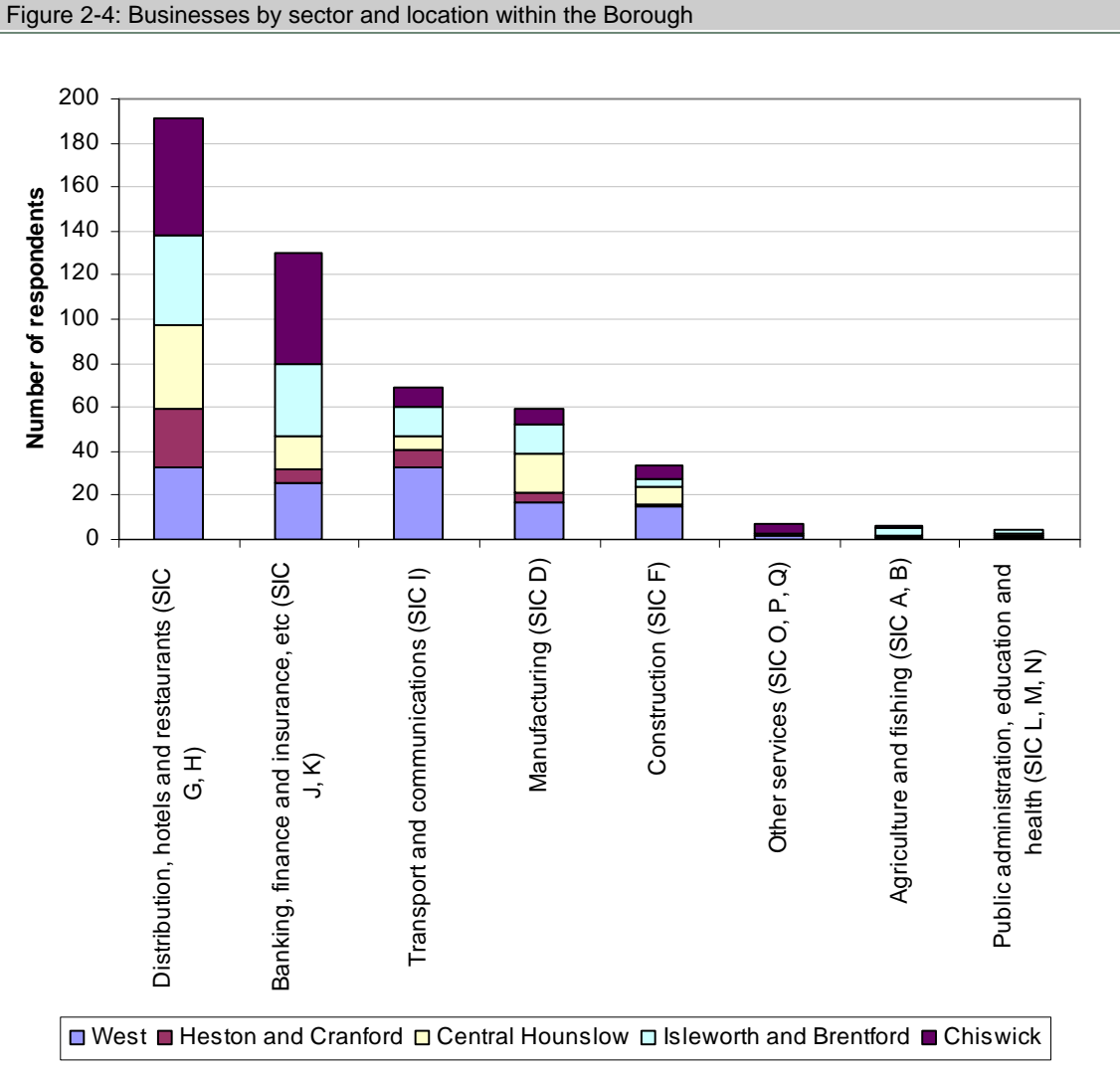
N=500

Source: SQW

- 2.12 The most common broad industrial sectors of surveyed firms were 'distribution, hotels and restaurants' and 'banking, finance and insurance, etc.', in which approximately two-thirds of surveyed businesses were based.

Relationship between sector and location

- 2.13 The focus of the economy appeared to vary across the Borough, with clusters of businesses in certain industries located in different parts of Hounslow. Figure 2-4 illustrates the breakdown of businesses across different sectors by location.



N=500
 Source: SQW

- 2.14 Over half the businesses surveyed from Heston and Cranford were in the ‘distribution, hotels and restaurants’ broad industrial group (22 firms), while Isleworth and Brentford and Chiswick also contained a relatively large number of businesses within the ‘banking, finance and insurance’ sectors. In contrast, 18 of the 87 firms from the Central Hounslow area fitted into the ‘manufacturing’ broad industrial group, of which 7 operated within town centre locations. The Central Hounslow area had a higher proportion of manufacturing firms than across the rest of the Borough.
- 2.15 The focus of the economy in the west appeared to be quite different from the rest of the Borough, with a quarter of the area’s businesses (33) based in the ‘transport and communications’ broad industrial group. This is likely to be as a result of close proximity to Heathrow Airport.

Town centres

- 2.16 The town centres in Hounslow had different sectoral profiles.
- 2.17 Businesses within town centres in the west of the Borough (principally Feltham) looked quite different, in terms of their sectoral split, to businesses in other town centres. The town centre was the location for 10 construction firms (56% of the construction firms located in Hounslow town centres), 15 transport and communication firms (47% of those in town centres) and 10 manufacturing firms (37% of those in town centres), in addition to 18 businesses in the ‘distribution, hotels and restaurants’ sector.
- 2.18 Chiswick appeared to be particularly service oriented. The town centre housed 46% of the ‘banking, finance and insurance’ businesses in the Borough’s town centres (42 businesses), although it also housed 33% of surveyed ‘distribution, hotels and restaurants’ (36 businesses).

Ethnic profile

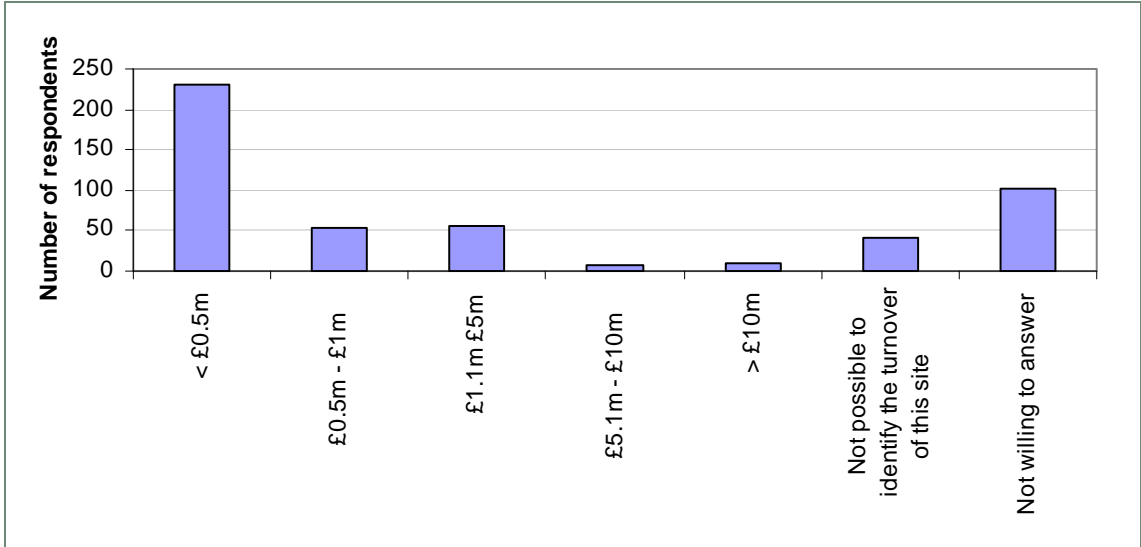
- 2.19 A relatively high number (201, 40%) of the businesses interviewed were owned by (or the majority of partners or stakeholders were from) Black Asian or Minority Ethnic Groups.¹
- 2.20 Of these, the majority were small businesses - 100 (50%) employed less than five employees and a further 80 (38%) employed between five and 20. They tended to sit within the ‘distribution, hotels and restaurants’ broad industrial group. Indeed, over half of the businesses within the ‘distribution, hotels and restaurants’ sector were owned by (or had a majority of stakeholders from) Black, Asian or Minority ethnic groups.
- 2.21 Business ownership by BAME groups was particularly prominent in Central Hounslow and Heston and Cranford. The business owners or majority shareholders for 53 of the 87 businesses in Central Hounslow were from Black, Asian or Minority Ethnic Minority ethnic groups, while 33 of the 47 surveyed businesses in Heston and Cranford were owned by (or included majority shareholders from) Black, Asian or Minority ethnic groups.

Turnover

- 2.22 Almost half (231) of the firms in the Borough reported a turnover of less than £0.5million (Figure 2-5). Of these, 164 employed less than five staff.

¹ Self employment is a useful proxy for business ownership. According to figures from Census 2001, 30% of self employed individuals in Hounslow (and 20% from London) were from an ethnic minority. This proportion is likely to have increased in the last ten years as a result of the net inflow of international migrants. However, the figure of 40% of interviewed businesses being owned by BAME groups remains high.

Figure 2-5: Scale of the firm's turnover (in Hounslow) in the most recent financial year



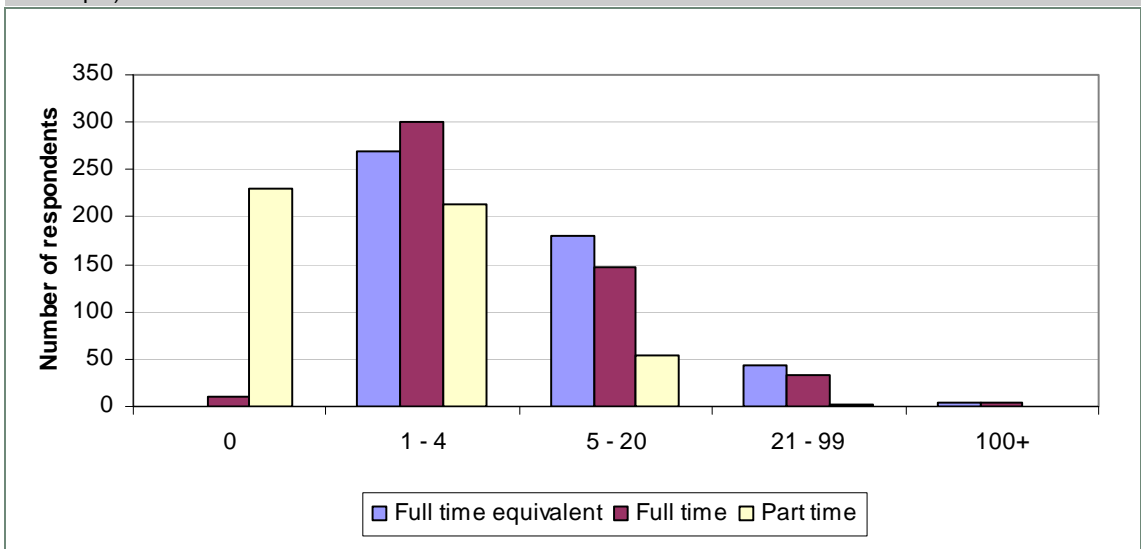
N = 500
 Source: SQW

2.23 The smaller businesses tended to operate 'within the four main town centres' and 'elsewhere in the Borough' rather than from 'the Borough's Industrial/Business Parks.' While 57% of the 289 businesses that operated out of the Borough's town centres turned over £1million or less in the last financial year along with 64% of the 142 firms 'elsewhere in the Borough', 42% of the 69 firms located on one of the Borough's Industrial/Business parks reported annual turnover of less than £1million.

Employment

2.24 Figure 2-6 sets out the number of workers employed by the interviewed businesses in Hounslow.

Figure 2-6: Total number of permanent workers employed by business (broken down by full time, part time split)

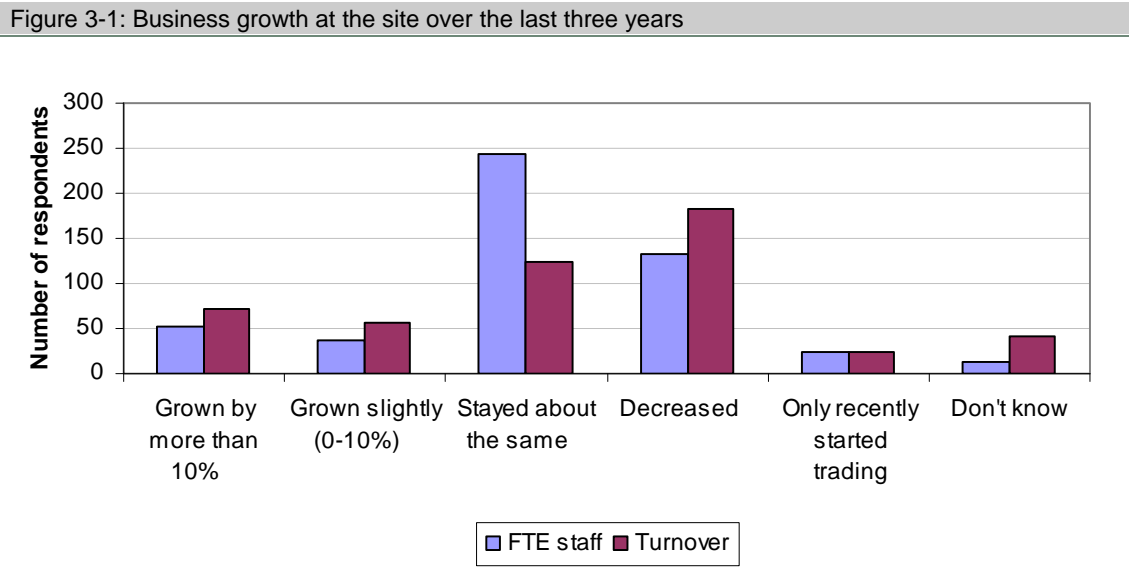


N = 498
 Source: SQW

- 2.25 Across the businesses interviewed, the mean number of employees was 10 (full and part-time time combined). Of the respondents, 239 (48%) employed less than five (employee) workers in total, while a further 204 businesses (41%) employed between five and twenty.
- 2.26 The largest employers (employing 100+) were based in Isleworth and Brentford (3 businesses) and in the west of the Borough (2). Employers of 21-99 staff also tended to be concentrated in the west (18 of the 50 employers of 21-99 staff). In contrast, over half of the interviewed businesses from Chiswick (72 businesses) employed under five staff.

3: Firms' recent performance

3.1 Businesses were asked to assess their business growth at the site within the last three years (Figure 3-1).



N=500
 Source: SQW

3.2 Employment was reported to have stayed about the same in half (243) of the businesses surveyed, but 53 businesses (11%) had experienced growth in full time equivalent staff at the site of more than 10% in the period. Strong employment growth was most common in businesses that operate from one of the Borough's Industrial/Business Parks.

3.3 Seventy two respondents (14%) stated that they had had turnover growth of over 10% in the last three years. Of these firms, 39 (54%) operate from/in one of the Borough's four main town centres, and just under half (32) serve clients outside of London.

3.4 However, businesses whose main clients are based within London, but outside of Heathrow Airport, have been hit to a larger extent in the last three years than those whose clients are intrinsically linked to Heathrow, or based elsewhere in the UK. Thirty nine percent of businesses whose main clients are based in the Borough have experienced declining turnover in the last three years, alongside 42% of firms who are based elsewhere in London. By contrast, 27% of businesses whose clients are intrinsically linked to the airport have experienced decreasing turnover in the same period, and 32% of those whose main clients are located elsewhere in the UK, or further afield.

3.5 The growth of very small businesses (employing less than five workers) also seems to have been particularly hit in the last three years. Turnover of 108 of these firms (45%) is reported to have decreased in the past three years, compared to a decrease in turnover of 32% of firms employing 5-20 staff, 18% of firms employing 21-99 employees and none of the surveyed five businesses employing 100+ workers.

- 3.6 Businesses across all sectors have experienced decreases in turnover in the last three years. However, the manufacturing and construction industries appear to have been particularly badly hit – with 44% and 41% of businesses within the sectors reporting a decrease in turnover in the last three years.

4: Doing business in Hounslow

Benefits of the Borough

- 4.1 When asked about the key benefits of being located in the Borough, the most common benefits related to proximity to central London and the transport links in the area. Key benefits include:
- being within easy reach of central London (199, 40% of surveyed businesses felt that this was a key benefit)
 - good access to motorway networks (191, 38%)
 - good access to public transport networks (177, 35%)
 - good access to Heathrow airport – for international travel, etc. (176, 35%).
- 4.2 Almost a quarter of responding businesses (113) also felt that key benefits included being able to ‘find premises which are appropriate in relation to our needs’ and that ‘our key staff enjoy a good quality of life locally – schools and other amenities are good’.
- 4.3 Seventy six businesses stated that ‘there are no benefits’ of location within the Borough. Among these firms, 59% employed less than five employees.

Networks

- 4.4 Seventy businesses (14%) reported being members of a Hounslow or West London business to business network. The most commonly mentioned network was Hounslow Chamber of Commerce, which 12 businesses (2%) specifically reported belonging to.

5: Recruitment and labour market issues

Employee characteristics

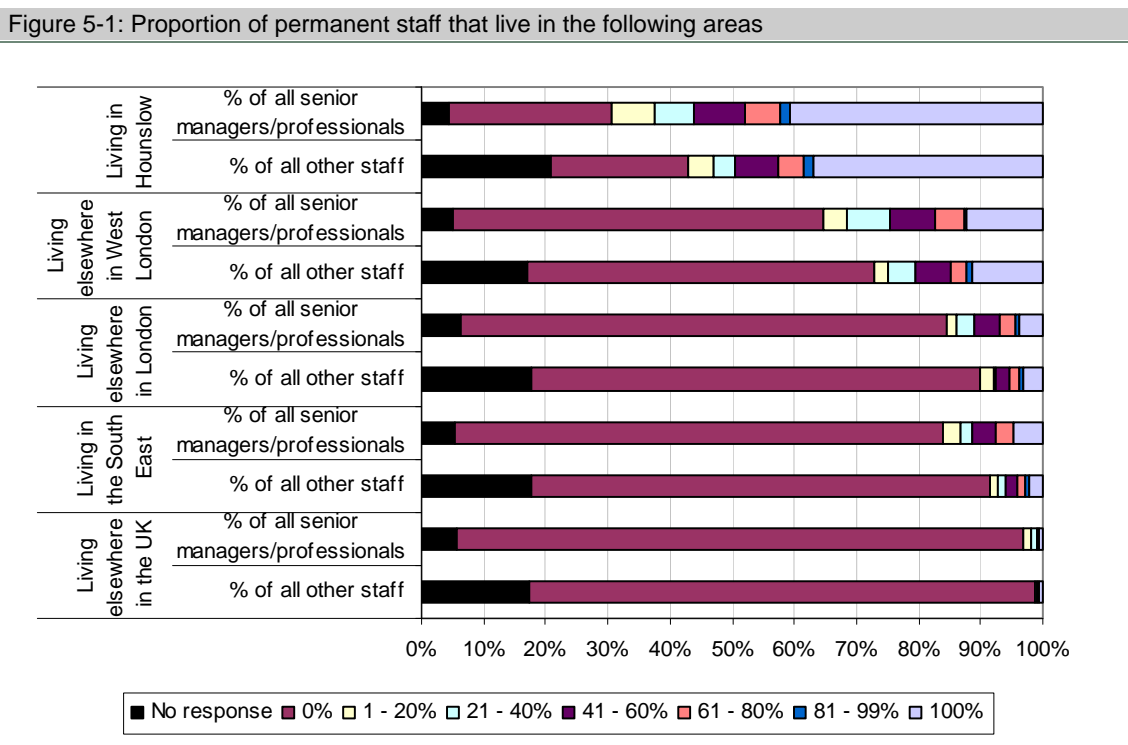
- 5.1 Although employee characteristics varied between organisations, 459 of responding businesses (92%) employed twenty or less full time permanent workers, with 311 of these (62%) employing less than five permanent full time employees.
- 5.2 While 475 (95%) responding businesses reported employing at least one full time ‘professional, managerial and technical’ member of staff, 218 (44%) of the survey respondents reported employing no ‘other’ full time staff. In addition, just under half (229) of all businesses reported that they employed no permanent part-time employees, while a further 214 (43%) employed less than five.

Use of temporary workers

- 5.3 Over a quarter of the interviewed businesses (146) reported ‘making significant use of temporary workers’. Some seven businesses reported finding it ‘most’ difficult to recruit temporary staff to the site – compared to recruiting staff to permanent positions.
- 5.4 The propensity to take on temporary workers did not vary significantly across the different sizes of business.

Where firms’ workers live

- 5.5 Residency of employees was explored in the survey, and is illustrated in Figure 5-1.



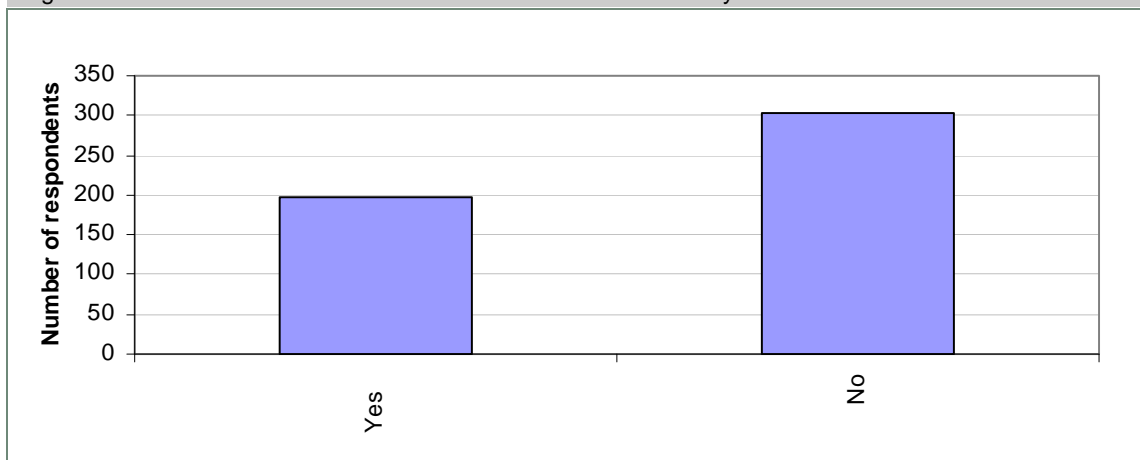
N=500, Source: SQW

- 5.6 Of the surveyed firms, 204 (41%) reported that all of their senior managers/professional live within Hounslow, and 185 (37%) reported that all other staff are located in the Borough. Businesses employing 20 or less staff were particularly likely to employ all senior managers/professionals and other staff who live within the Borough.
- 5.7 A relatively small proportion of firms employed workers that live outside of West London. Seventy seven firms (15%) reported employing some (or all) senior managers/professionals who live elsewhere in London and 50 (10% of businesses) employ ‘other’ staff outside of the sub region.

Staff turnover and recruitment

- 5.8 Staff turnover was low across the majority of the surveyed businesses. 311 firms reported that there was, on average, no staff turnover at the site per year, including 200 of the 239 businesses employing less than five staff. A further 116 businesses reported a turnover of between 1% and 20% of permanent staff on average each year at the site.
- 5.9 As Figure 5-2 illustrates, a sizeable minority of the surveyed businesses (197, 39%) had recruited staff to work at the site over the last year. These tended to be the larger of the surveyed firms. All five of the firms employing 100+ had recruited in the last year, as had over three quarters of the firms that employ between 21 and 99.

Figure 5-2: Have staff been recruited to work at the site in the last year?



N=500
 Source: SQW

- 5.10 Of the businesses that have recruited in the past year, the most common recruitment methods were:
- use of informal methods/word of mouth (64, 32% of the firms that had recruited)
 - use of recruitment agencies (49, 25%)
 - recruitment through Job Centre Plus (34, 17%).
- 5.11 The most common recruitment method among businesses with 20 or less employees was the use of informal networks/ word of mouth. In contrast, businesses employing over 20 most commonly reported using recruitment agencies to recruit new staff.

- 5.12 When asked to highlight the biggest issue faced with regards to their workforce at the site, the majority of businesses (327) reported having ‘no issues’ (Table 5-1).

Table 5-1: Biggest issue faced with regards to the workforce at the site

	Number of businesses	Percent of businesses
No issues	327	65%
Recruitment of permanent staff	91	18%
Recruitment of temporary staff	22	4%
Retention of existing staff	33	7%
Other	27	5%

N=500

Source: SQW

- 5.13 However, a number of the businesses that reported issues recruiting permanent staff commented that they struggled to find staff with suitable characteristics (reliable, hard working etc) and skill sets. Sixty six businesses reported difficulties recruiting staff within certain occupational groups, although the occupational groups specified varied between respondents.
- 5.14 A large minority (210) felt that more could be done to encourage them to recruit more local people at the site (Table 5-2).

Table 5-2: What would encourage you to recruit more local people at this site

	Number of businesses	Percent of businesses
Wage subsidies for apprenticeships	79	16%
Free advice and support delivered locally during the recruitment process	51	10%
Improved ties with local secondary schools, FE, and HE institutions	48	10%
Improved local response to vacancy advertisements	47	9%
Improved public sector employment brokerage and training services	43	9%
Improved local transport	43	9%
Other	165	33%
Nothing would encourage me to recruit more local people	142	28%

N=500. Respondents could select more than one option

Source: SQW

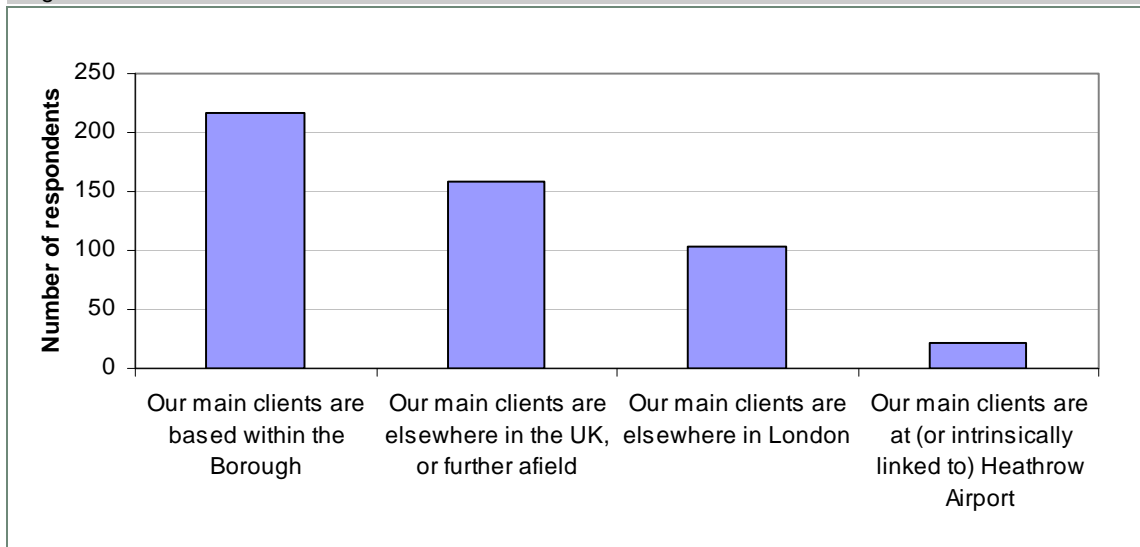
- 5.15 Other factors that could encourage more local recruitment ranged from a better or more appropriately skilled local workforce to less red tape or legislation associated with recruitment.
- 5.16 Twenty percent of respondents (99) stated that the business would have to grow before they could consider recruiting more people locally.

6: Supply-chains and customer/client patterns and trends

Clients/customers

- 6.1 A sizeable minority of responding businesses (217, 43%) reported that their main clients were based within the Borough (Figure 6-1).

Figure 6-1: Location of main business clients

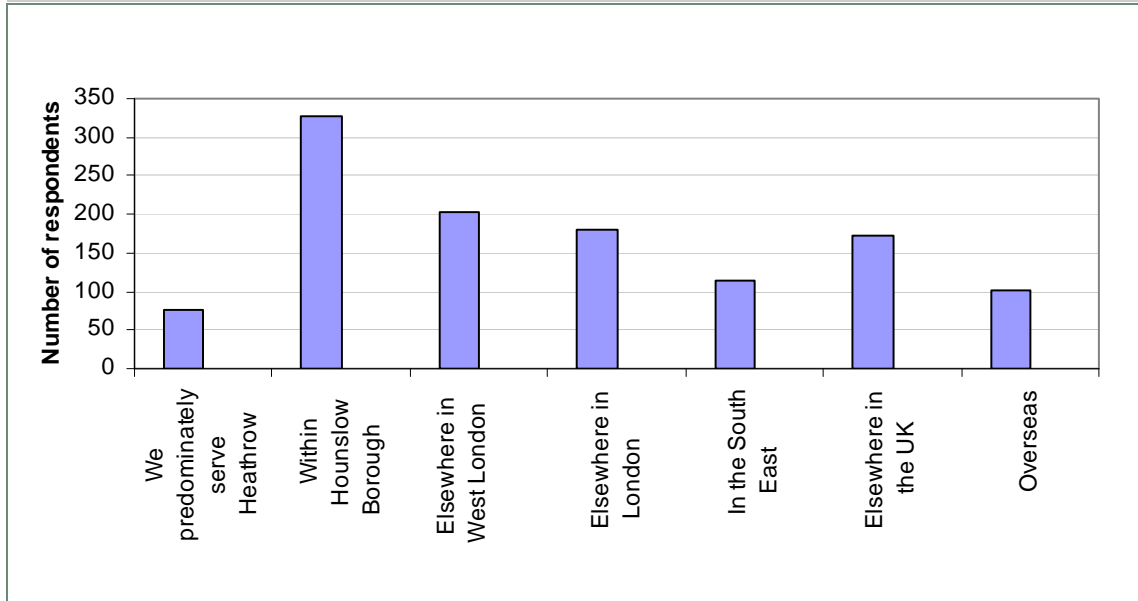


N=500

Source: SQW

- 6.2 When asked for one answer only, 22 respondents (4%) stated that their main clients were at (or intrinsically linked to) Heathrow Airport. Of these businesses, eight operate from/in one of the four main town centres in Hounslow, four operate from one of the Borough's Industrial/Business Parks and ten operate from elsewhere in the Borough.
- 6.3 However, when given the option of multiple responses, 75 businesses (15%) said that they served clients at Heathrow Airport (Figure 6-2).

Figure 6-2: Main markets/customers for the products/services produced at or from the site



*N=500. Respondents could select more than one option
 Source: SQW*

- 6.4 Businesses that considered Heathrow Airport to be one of their main markets tended to be located in the west of the Borough, with close proximity to the Airport. Twenty-seven of the 75 businesses that reported that they ‘predominantly serve Heathrow Airport’ are based in the west of the Borough, while 11 of the 36 businesses in Heston and Cranford (30%) also serve the Airport. Although 21 of the 86 Isleworth and Brentford firms reported ‘predominantly serving the Airport’, Chiswick had a particularly low proportion of firms that served the Airport (3% of its firms).
- 6.5 Over two thirds of businesses ‘predominantly serving the Airport’ were based in the ‘distribution, hotels and restaurants’ and ‘transport and communication’ sectors – 26 and 25 firms respectively.
- 6.6 The businesses operating from the Borough’s Industrial/Business Parks seemed to be somewhat less dependent on the Hounslow market than other businesses in the Borough. Some 52% of these businesses reported a market for their products/services in the Borough, compared with 67% of businesses based in one of the town centres and 69% of businesses operating from elsewhere in the Borough.

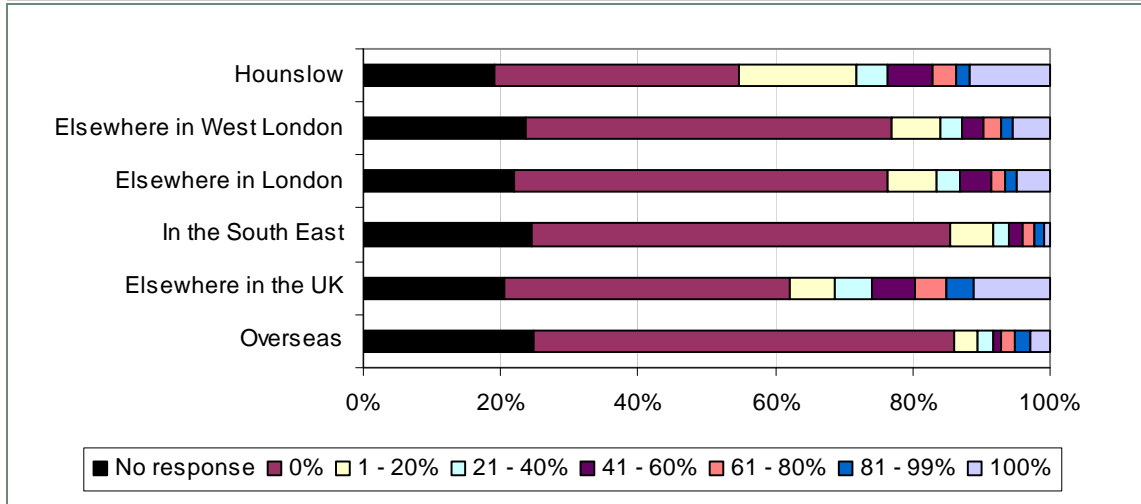
Advertising services

- 6.7 The most common ways of advertising services include:
- through word of mouth (248, 50% of respondents)
 - on our website (230, 46%)
 - in the local press (63, 13%).
- 6.8 Fifty businesses (10%) also reported that they advertise through business networks.
- 6.9 However, thirty businesses (6%) reported that they do not advertise their services.

Suppliers

- 6.10 Almost half of businesses (226) reported that at least some of their input costs were sourced from suppliers within Hounslow. However, as illustrated in Figure 6-3, the firms input costs appear to be spread across the UK, and in some cases overseas.

Figure 6-3: Estimated proportion of input costs at the site



N=500

Source: SQW

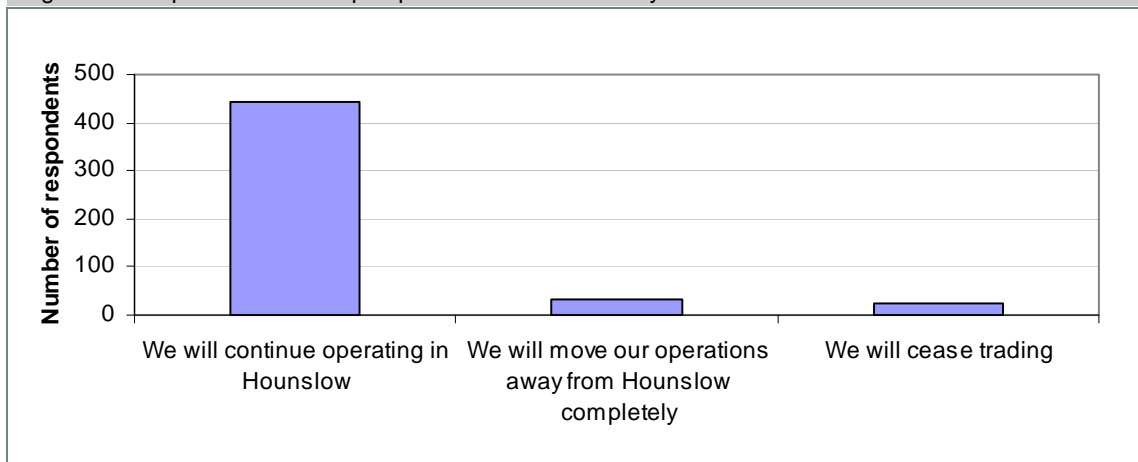
- 6.11 Businesses reported various methods of sourcing supplies. The most common were through web searches (137 businesses, 27%), business networks (83, 17%) and word of mouth (75, 15%). A further 45 respondents (9%) stated that they source supplies through businesses that they have a long-term relationship with. Three hundred of the surveyed firms (60%) reported that they had a preferred supplier list, although this was less common with firms that employed less than five.
- 6.12 Twenty eight businesses (6%) stated that they source specifically through local suppliers.

7: Future location plans and business prospects

Location plans

- 7.1 The majority of businesses (444, 89%) expected to continue operating in Hounslow over the next two to three years, with a further 32 businesses (6%) expecting to move operations away from Hounslow and 24 (5%) expecting to cease trading (Figure 7-1).

Figure 7-1: Expected business prospects over the next 2-3 years



N=500
Source: SQW

- 7.2 The larger businesses appeared to be more secure in their operations in the Borough. None of the businesses employing over 20 staff expected to cease trading in the next 2-3 years, although two were expecting to move operations outside of Hounslow; this would have implications for the Borough.

Reasons for relocating

- 7.3 The 32 businesses planning to move away were relatively evenly split in their relocation plans between moving elsewhere in West London, London, the South East and elsewhere in the UK. The companies employing over 20 staff were planning to relocate to the South East.

- 7.4 Reasons for relocating varied, although a number of responses included:

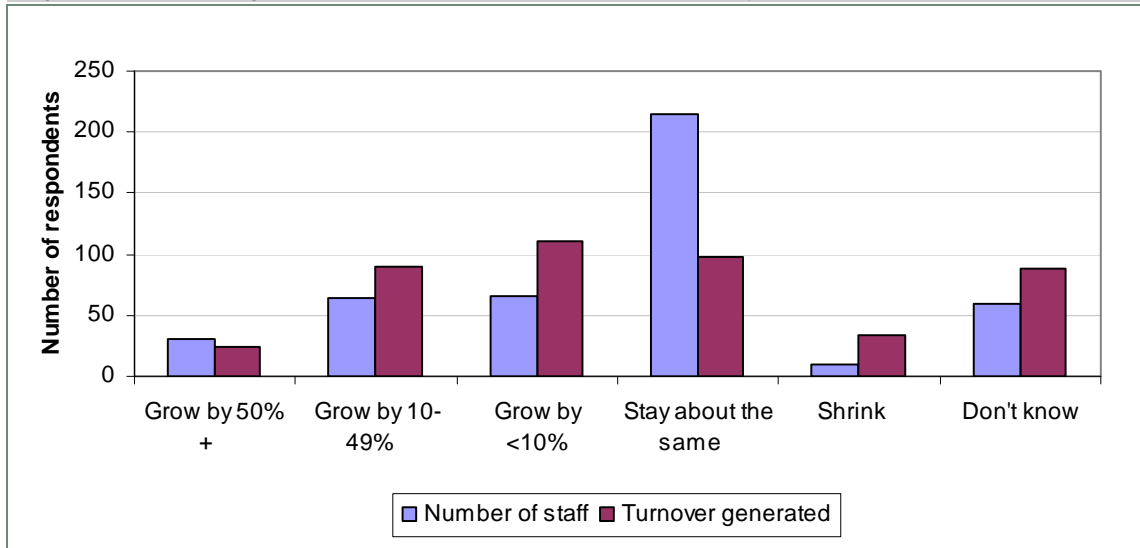
- to find premises which are appropriate in relation to needs
- to have lower business rates and overheads
- so that we have more suitable availability of car parking
- to be closer to major customers.

- 7.5 Of the 444 businesses that expect to continue operating in Hounslow in the next 2-3 years, 39 expect to move to a different premises within the Borough, while 372 intend to remain in their existing premises (a further 33 were unsure).

Prospects for firms remaining in Hounslow

7.6 Compared to past performance, growth prospects are more positive moving forward (Figure 7-2).

Figure 7-2: Business growth at the site anticipated over the next 2-3 years



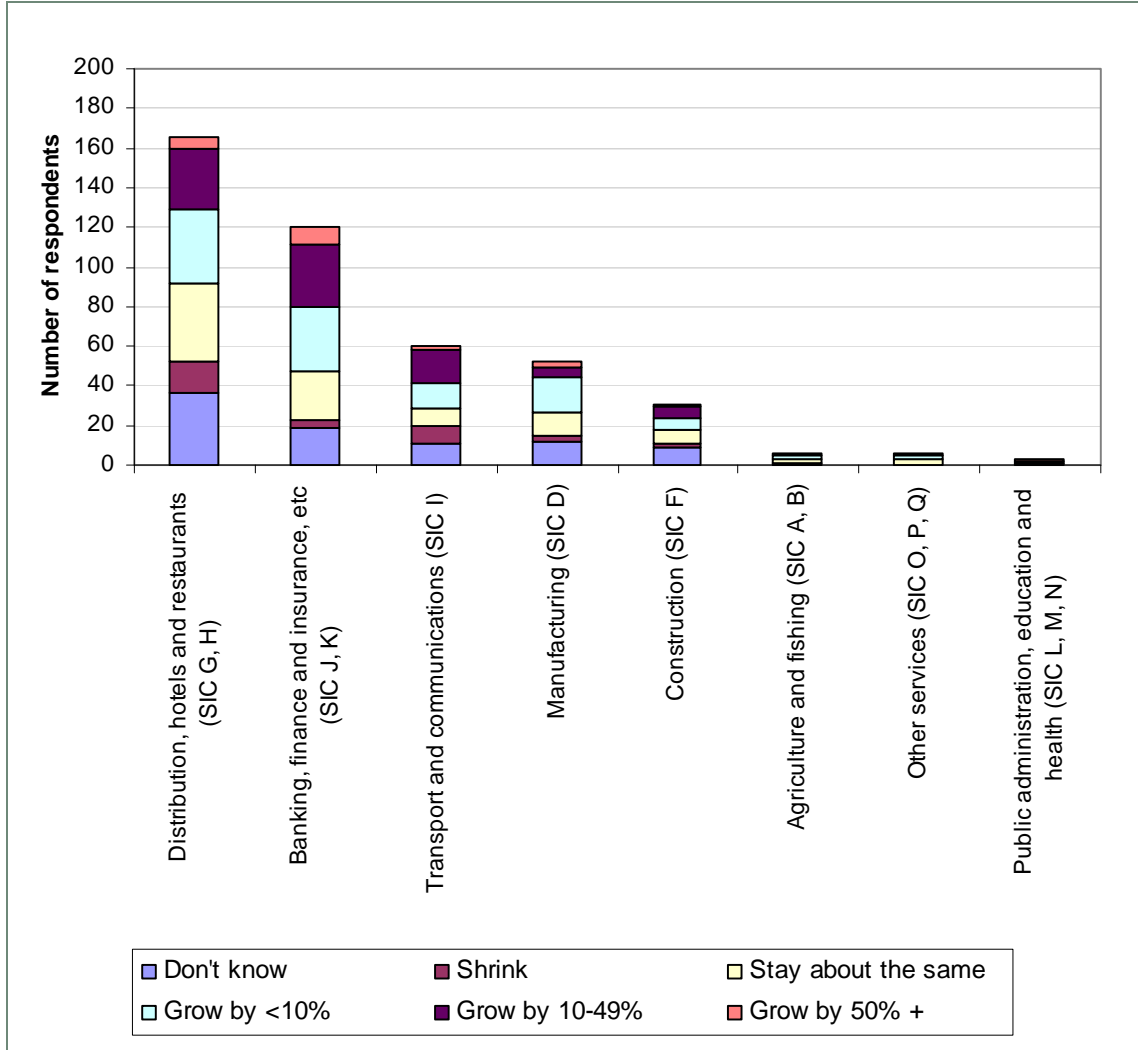
*N=444. Question answered by businesses planning to stay in the Borough over the next 2-3 years.
 Source: SQW*

7.7 Approximately half of the businesses planning to remain in the Borough (224) anticipated that turnover would grow in the next 2-3 years, with a quarter (114) anticipating growth of at least 10%. Some 34 businesses (8%) expected turnover to shrink.

7.8 Generally firms were more cautious about predicting employment growth. Some 159 businesses (36% of those planning to remain in the Borough) anticipated employment growth in the next 2-3 years. Some 10 businesses expected employment to shrink in the period; all of these employ 20 or less staff.

7.9 Expectations of future business growth varied by sector (Figure 7-3).

Figure 7-3: Expected changes in turnover over the next 2-3 years, by sector



N=444
 Source: SQW

7.10 Almost a third of businesses within the ‘banking, finance and insurance’ and ‘transport and communications’ sectors are expected to grow by at least 10% over the next 2-3 years, although 15% of firms in the ‘transport and communications’ sector are expected to shrink in the same period. As stated earlier, businesses in these sectors tend to be located around Chiswick, Isleworth and Brentford and the west of the Borough.

Opportunities and barriers associated with future growth

7.11 Of the surveyed businesses, 174 (39% of those planning to remain in the area) were not aware of any new opportunities to help the business move forward locally. However, others reported a range of opportunities stemming from:

- overall economic recovery
- infrastructure improvements within the Borough (i.e. to transport and regeneration)
- moving, adding or expanding premises
- business generating from the 2012 Olympic Games.

- 7.12 A number of businesses also saw an opportunity to improve themselves, by proactively seeking out more business, launching websites and advertising.
- 7.13 However, businesses reported a number of barriers to business growth, both in the short-term and the longer-term (Table 7-1).

Table 7-1: Key barriers to business growth in the short-term and longer-term in Hounslow

	Short/ medium term (next 1-2 years)		Longer term (3 years and more)	
	N	%	N	%
Parking facilities	138	31%	125	28%
Increasing market competition	124	28%	117	26%
Road congestion	97	22%	87	20%
Access to finance to invest/innovate	78	18%	66	15%
Availability of land/premises of suitable cost	60	14%	65	15%
Availability of suitably qualified and/or experienced staff	56	13%	59	13%
Continued economic recession	50	11%	47	11%
General attractiveness of Hounslow as a place to work	45	10%	45	10%
Attractiveness of Hounslow's town centres as a place to work	41	9%	23	5%
Perceptions surrounding the future prospects of Hounslow's town centres	37	8%	32	7%
Public transport	36	8%	28	6%
Availability of land/premises of suitable size	27	6%	33	7%
Restrictions to Heathrow's expansion	26	6%	30	7%
Availability of land/premises of suitable quality	21	5%	29	7%
Access to expertise and knowledge (e.g. innovation, accessing new markets)	20	5%	20	5%
High taxation	15	3%	3	1%
Increasing UK/overseas out-sourcing and automation of Heathrow operations	14	3%	18	4%
Excessive legislation or "red tape"	14	3%	10	2%
Other	9	2%	4	1%
High costs of running business generally	8	2%	8	2%

*N=444. Question answered by businesses planning to stay in the Borough over the next 2-3 years.
 Source: SQW*

The most commonly acknowledged actions to overcome these barriers/constraints related to improving:

- transport (through improved road traffic management schemes, investment in shuttle busses/public transport and improved availability of parking)
- reconnecting and revitalising Hounslow's town centres

- recruitment of specific skills and staff training
- access to advice from the public and private sectors (including through improved networks/ supply links with local businesses)
- reduction in rates and other business taxes
- improvement of firms' own business practices.

7.14 Firms were willing to contribute to the growth of the wider business community. Activities that they were willing to contemplate included taking on apprentices, mentoring and building mutually advantageous links with other local businesses.

Annex A: Hounslow business survey questionnaire

Note: the sample should not include any public sector organisations

Hello, I work for QA. We are an independent company that has been commissioned by the London Borough of Hounslow, alongside SQW, to undertake a Local Economic Assessment of the Borough. Within this context, we are trying to talk to firms within Hounslow about the challenges and opportunities linked to “doing business” within the Borough. We would be grateful if you could spare a few minutes to answer some questions – from the perspective of your firm – on issues relating to recruitment and skills, supply chains and markets, and opportunities and barriers to growth both now and in the future.

All responses will be treated in confidence, and will be aggregated with those from other businesses. The input from businesses is crucial in terms of the overall Economic Assessment and it should ensure that future plans for the Borough are aligned with key business issues.

Introduction

Name of respondent	
Position within firm	
Name of firm	
Postcode of firm	
Which of the following best describes your business (at this site) (tick one)	
a)	We operate from/in one of the four main town centres in Hounslow (Hounslow, Feltham, Brentford and Chiswick)
b)	We operate from one of the Borough's Industrial/Business Parks
c)	We operate from elsewhere in the Borough
Which of the following best describes your business (at this site) (tick one)	
a)	Our main clients are based within the Borough
b)	Our main clients are at (or intrinsically linked to) Heathrow Airport
c)	Our main clients are elsewhere in London
d)	Our main clients are elsewhere in the UK, or further afield
Is the business owner or the majority (i.e. over 50%) of partners or shareholders in the business from Black, Asian or Minority Ethnic* Groups?	
Yes	
No	
Refused	

* BAME is defined as: Asian, Asian British, Black, Black British, Chinese, other ethnic group, and Mixed race (i.e. *non-BAME* is defined as: White British, White Irish, White Other).

Section 1: Profile of business

1. In which sector does your firm operate at this site? e.g. construction, wholesale, financial services etc.

2. How many full time and part time workers does the firm employ at this site in total and at each occupational level?			
Response	Full time (30+ hrs per week)	Part time (<30 hrs per week)	FTE (QA to calculate: FTE = FT + (PT/2))
Total number of permanent workers			
Of which: Professional, managerial and technical			
Other staff (incl. admin and support)			
Don't know			

3. In addition, do you make significant use of temporary workers (e.g. in peak periods)?	
Yes	
No	

4. Are you willing to give us an indication of the firm's (in Hounslow) annual turnover? If so, what was the scale of turnover during your most recent financial year?	
< £0.5m	
£0.5m - £1m	
£1.1m – £5m	
£5.1m - £10m	
> £10m	
Not possible to identify the turnover of this site	
Not willing to answer	

5. Does the firm have sites elsewhere? If 'no' go to Q8	
Yes	
No	

6. If yes, where? (tick all that apply)	
In Hounslow	
Elsewhere in West London (Harrow, Brent, Ealing, Hillingdon, Hammersmith & Fulham)	
Elsewhere in London	
In the South East (i.e. Milton Keynes, Oxfordshire, Bucks in north, Slough to the immediate south, Hampshire and West Sussex further south, Kent and East Sussex in south east)	
Elsewhere in the UK (please specify)	
Overseas (please specify)	
7. Where are the firm's headquarters? (tick one)	
At the same location as the firm being interviewed	
Elsewhere in Hounslow	
Elsewhere in West London	
Elsewhere in London	
In the South East	
Elsewhere in the UK (please specify)	
Overseas (please specify)	
8. How did the firm come to be in Hounslow (please tick one)	
The firm started-up/commenced business in the Borough	
The firm re-located to the Borough from elsewhere	
This branch/site in Hounslow was opened as part of the wider business operation	
Other reasons (please specify)	
Don't know	

9. How long has the firm been located in Hounslow (please tick one)	
Five years or less	
Between 6-10 years	
Between 11-20 years	
Over 20 years	
Don't know	

10. Over the last three years, how has your business grown? a. In terms full time equivalent staff (at this site)	
Response	Overall number of full time equivalent staff (at this site) (tick one)
Grown by more than 10%	
Grown slightly (0-10%)	
Stayed about the same	
Decreased	
[The business's operations within Hounslow have only started within the last three years]	
Don't know	
b. In terms of overall turnover (from this site)	
Response	Overall turnover (from this site) (tick one)
Grown by more than 10%	
Grown slightly (0-10%)	
Stayed about the same	
Decreased	
[The business's operations within Hounslow have only started within the last three years]	
Don't know	

11. What are the key benefits of being located in the Borough?	
	Tick all that apply
We can recruit the people we need	
We can find premises which are appropriate in relation to our needs	
We have good access to motorway networks	
We have good access to public transport networks	
We have good access to Heathrow airport (for international travel, etc.)	
Our major customers are at Heathrow airport and the operations associated with it	
We are within easy reach of central London	
Our key staff enjoy a good quality of life locally – schools and other amenities are good	
Other reasons (please specify)	

Section 2: Current business activity

12. What % of your permanent staff (at this site) live in the following areas?		
	% of all senior managers/professionals	% of all other staff
Hounslow		
Elsewhere in West London		
Elsewhere in London		
In the South East		
Elsewhere in the UK		
Overseas		
Total	100%	100%

13. Have you recruited any staff to work at this site over the last year?	
Yes	
No	

If yes, what methods did you use (please tick all that apply)	
Advertise in local press	
Advertise in national/international press	
Advertise in specialist journals	
Advertise in-store	
Advertise on online job sites	
Advertise on own website	
Use recruitment agencies	
Recruit through Job Centre Plus	
Wait for CVs / enquires to come in	
Use informal networks/word of mouth	
Don't know	

14. What is your staff turnover (as a % of total permanent staff) on average each year at this site?	
Please insert percentage	%

15. What is the single biggest issue you face with regards to your workforce at this site? (please tick one)	
Retention of existing staff	
Recruitment of permanent staff	
Recruitment of temporary workers	
Other (please specify)	

If stated recruitment issues in Q15 go to Q16, if not go to Q17

16. Which occupational groups have you found it most difficult to recruit at this site? Limited to main three	
1.	
2.	
3.	

17. What would encourage you to recruit more local people at this site? (please tick all that apply)	
Improved public sector employment brokerage and training services	
Improved ties with local secondary schools, FE, and HE institutions	
Improved local transport	
Free advice and support delivered locally during the recruitment process	
Wage subsidies for apprenticeships	
Improved local response to vacancy advertisements	
Other (please specify)	

18. Please can you estimate what % of your input costs at this site (i.e. materials and services bought in) are sourced from suppliers in the following areas?	
Hounslow	
Elsewhere in West London	
Elsewhere in London	
In the South East	
Elsewhere in the UK (please state where)	
Overseas (please state where)	
Total	100%
Don't know (<i>this should be selected as a last option</i>)	

19. a: How are your services generally advertised? (tick one)	
On our website	
In trade journals	
In the local press	
In national press	
Through word of mouth	
Through business networks	
Through business directories	
Other (please specify)	

19. b: How are your supplies generally sourced? (tick one)	
Through web searches	
Through trade journals	
Through the local press	
Through national press	
Through word of mouth	
Through business networks	
Through business directories	
Other (please specify)	
20. Do you have a preferred supplier list? (tick one)	
Yes	
No	
21. Do you belong to any Hounslow/West London business to business network? If so, please name which one (open question)	

22. Where are the main markets/customers for the products/services produced at or from this site?		
	Please tick all that apply	Please estimate % of sales (by value) from each area
We predominately serve Heathrow airport		
Within Hounslow Borough		
Elsewhere in West London		
Elsewhere in London		
In the South East		
Elsewhere in the UK (please state where)		
Overseas (please state where)		
Total		100%
Don't know		
23. Does this vary depending on the type of product/service you sell?		
Yes		
No		

24. If yes, please explain how it varies

Section 3: Future plans, challenges and opportunities

25. Over the next 2-3 years, which of the following is most likely...		
	Tick one	
We will continue operating in Hounslow		Go to...Q26
We will move our operations away from Hounslow completely		Go to...Q32
We will cease trading		Go to...Q33

26. For firms planning to stay... over the next 2-3 years, what changes do you anticipate in	
a. The number of permanent staff at this site (tick one)	
Grow by <10%	
Grow by 10-49%	
Grow by 50% +	
Stay about the same	
Shrink	
Don't know	
b. The value of turnover generated by this site (tick one)	
Grow by <10%	
Grow by 10-49%	
Grow by 50% +	
Stay about the same	
Shrink	
Don't know	

27. Do you expect to move to different premises within Hounslow?			
	Yes	No	Don't know
In the next 2-3 years?			
At a later date			

27. Do you expect to move to different premises within Hounslow?
28. Are you aware of any new opportunities available to help your business to move forward, whether this is locally, nationally and internationally? Prompts: e.g. increased demand for specific products/services, opportunities to increase exports

29. What are the key barriers to business growth in the short-term and longer-term in Hounslow?		
	Please tick all that apply	
	Short / medium term (next 1-2 years)	Longer-term (3 years or more)
Access to finance to invest/innovate		
Access to expertise and knowledge (e.g. innovation, accessing new markets)		
Availability of suitably qualified and/or experienced staff		
Availability of land/premises of suitable size		
Availability of land/premises of suitable quality		
Availability of land/premises of suitable cost		
Attractiveness of Hounslow's town centres as a place to work		
General attractiveness of Hounslow as a place to work		
Perceptions surrounding the future prospects of Hounslow's town centres		
Increasing market competition		
Restrictions to Heathrow's expansion		
Increasing UK/overseas out-sourcing and automation of Heathrow operations		
Public transport		
Parking facilities		
Road congestion		
Other barriers (please specify)		

30. What are the possible actions to overcome these barriers/constraints? (Please tick all that apply)	
Access to advice from the public sector	
Environmental/Energy Saving Advice	
Access to advice from the private sector	
Innovation/investment in R&D	
Access to Public sector procurement	
Staff training	
Recruitment of specific skills	
Improved mechanisms for recruiting locally	
(Re) connecting and revitalising Hounslow's town centres as places to work and do business	
Product/service/market diversification to reduce reliance on Heathrow airport	
Improved networks/supply links with local businesses	
Improved investment in shuttle buses/public transport	
Improved road traffic management schemes	
Other (please specify)	

31. What three things could your firm offer to the wider business community in Hounslow to help address these issues?	
1.	
2.	
3.	

Go to Q33

32. FOR FIRMS THAT ARE MOVING AWAY FROM HOUNSLOW	
32a: Where are you moving to	
	Please tick one
Elsewhere in West London	
Elsewhere in London	
In the South East	
Elsewhere in the UK (please state where)	
Overseas (please state where)	
Don't know	

32b: Why are you moving?	
So that we can recruit the people we need	
So that we can find premises which are appropriate in relation to our needs	
So that we have good access to motorway networks	
So that we have good access to public transport networks	
So that we have good access to Heathrow airport (for international travel, etc.)	
To be closer to major customers	
So that we are within easy reach of central London	
So that our key staff can enjoy a good quality of life locally – schools and other amenities are good	
Other reasons (please specify)	

33. Hounslow Council would like to be able to contact firms when business and finance advice/opportunities arise. Would you be willing for your name to be added to this list? Your details will not be passed on to any third party	
No	
Yes (please give email address below)	
Email address	

Thank you for your time.