Appendix

Survey Results

Business characteristics

Business Size

73% of the businesses surveyed were micro businesses (employing fewer than ten employees) and a further 21% were small businesses (between 10 and 49 employees).

Table A.1 shows that the survey included a disproportionately large number of small, medium and large businesses compared to the business population.

Table A.1: Size of businesses that responded to survey

	Survey	Business base
Micro	73%	89%
Small	21%	9%
Medium	4%	2%
Large	2%	0%
Unknown	1%	

Sector

Table A.2 shows the sector profile of businesses who responded to the survey and how this compares to the general business population. There is over-representation of wholesale and retail and arts, entertainment and recreation businesses and an under-representation of construction and professional services businesses.

This also shows how these have been grouped for the purpose of reporting differences by sector. This aggregation was necessary to increase sample sizes so that we have greater confidence that differences between sectors are statistically significant. However this does impose constraints on the level of sector detail that we are able to infer from the survey results.

Table A.1: Sector of businesses that responded to survey

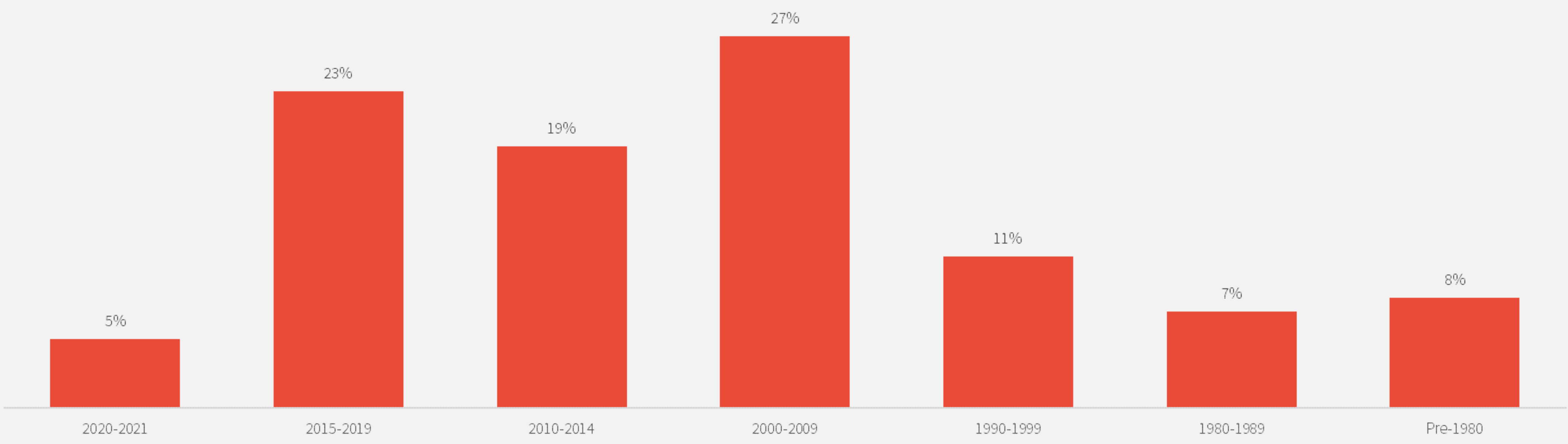
Sector category for analysis	Sector	Number of responses	% split	Business base
Raw materials	Agriculture, Forestry, Fishing and Mining	8	2%	1%
	Utilities and Remediation Activities	1	0%	0%
Manufacturing and construction	Manufacturing	41	10%	8%
	Construction	21	5%	16%
Retail and hospitality	Wholesale And Retail Trade	87	22%	15%
	Transportation And Storage	4	1%	6%
	Accommodation And Food Service Activities	44	11%	10%
Professional services	Information And Communication	5	1%	4%
	Finance and insurance	18	5%	1%
	Real Estate Activities	5	1%	2%
	Professional, Scientific and Technical Activities	24	6%	15%
Public and other services	Administrative and Support Service Activities	3	1%	8%
	Education	7	2%	2%
	Human Health and Social Work Activities	19	5%	4%
	Arts, Entertainment, Recreation & other	31	21%	8%
	Part of community and voluntary sector	28	7%	n/a
	Don't know	2		

Business characteristics

Age of Business

92% of business owners disclosed the age of their business (368 businesses). The sample included a broad distribution of ages, although nearly three quarters (74%) have been created sine 2000, and over a quarter since 2015.

Figure A.1 Age of Business N=368



Business characteristics

Exporting/Importing Businesses

Over 70% of surveyed businesses had never exported or imported goods or services. Comparatively, 13% were found to have exported previously and 22% had imported.

Exporters:

+ Manufacturing and construction sector businesses were most likely to export (21%) with human service businesses least likely (3%).
+ There is a direct relationship between business size and likelihood that the business exports. Microbusinesses were the least likely to export (6%) and large businesses the most likely (33%).

Importers:

+ Micro businesses were the least likely to import (12%) and large businesses the most likely (33%).
+ Similarly, the manufacturing and construction sector was the most likely to import (29%) and Public Services the least likely (6%).

Note: Findings were statistically significant at the 5% level for businesses, overall and at a sector level. However, given the sample size when discussing business sizes, only microbusinesses produced a statistically significant result.

Figure A.2 Exporting Businesses N=398

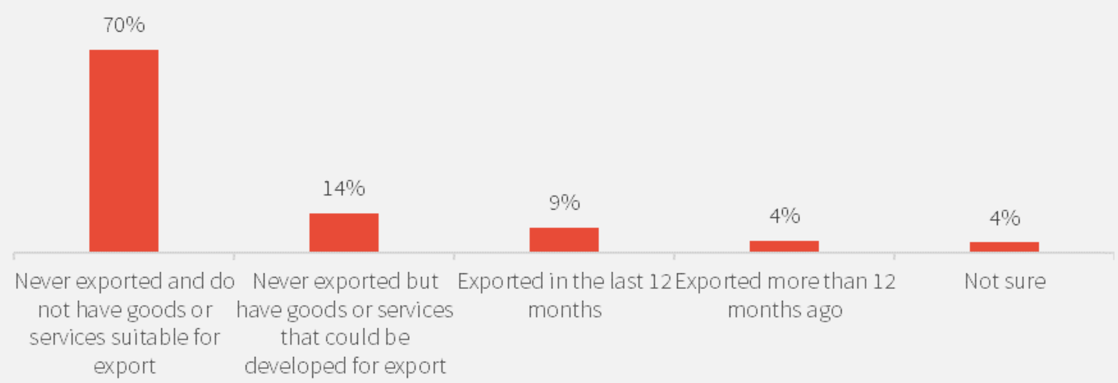
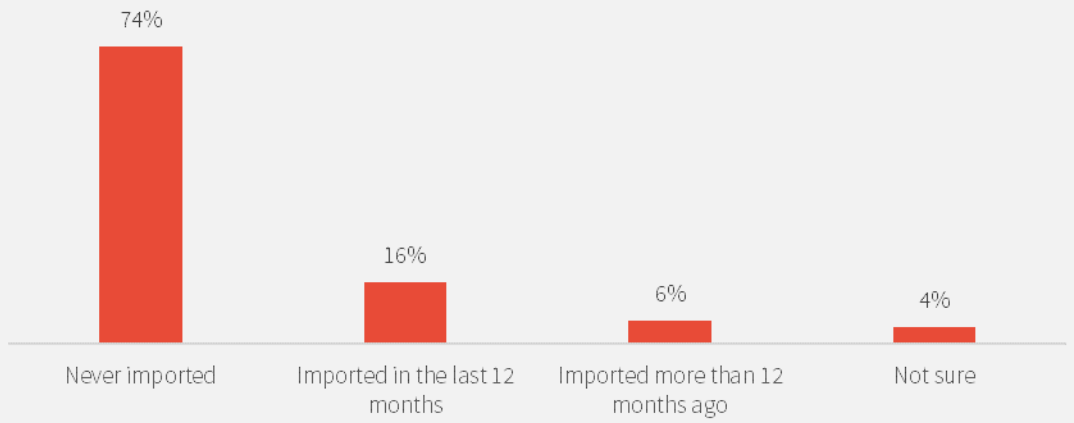


Figure A.3 Importing Businesses N=398



Recent performance

Change in turnover

When asked "How does your turnover for the past 12 months compare to normal expectations?", 55% of businesses responded that it had decreased, while 24% of businesses recorded an increase. Responses varied by sector and size.

Sectors:

+ Businesses in public services and retail and hospitality were the most likely to report a fall in turnover
+ Businesses in raw materials and professional services were the most likely to report an increase.

Size:

+ Microbusinesses were most likely to have experienced a decrease in turnover (59%).
+ Medium-sized businesses were most likely to report an increase in turnover (53%).

Table A.3 Turnover by Business Sector N=377

	Substantially increased	Increased a little	Met expectations	Decreased a little	Decreased a lot	Don't know	Unwilling to say	No. of Businesses that answered
Raw materials	22%	11%	22%	11%	22%	0%	11%	9
Manufacturing and construction	13%	16%	18%	23%	27%	2%	2%	62
Retail and hospitality	7%	21%	16%	13%	40%	2%	2%	130
Professional services	4%	31%	15%	19%	27%	2%	2%	52
Public Services	4%	10%	13%	16%	51%	3%	3%	124
All Businesses	7%	17%	15%	16%	39%	2%	2%	378

Table A.4 Turnover by Business Size N=377

	Substantially increased	Increased a little	Met expectations	Decreased a little	Decreased a lot	Don't know	Unwilling to say	No. of Businesses that answered
Micro	5%	15%	17%	15%	44%	1%	2%	279
Small	7%	24%	9%	20%	27%	8%	4%	74
Medium	33%	20%	13%	27%	7%	0%	0%	15
Large	0%	50%	17%	0%	33%	0%	0%	6
Unknown	33%	0%	0%	0%	33%	0%	33%	3

Recent performance

Change in employment

When asked "How does employment for the past 12 months compare to normal expectations?", 32% of businesses reported that it had decreased while 17% of businesses recorded an increase. Responses varied by sector and size.

Sectors:

+ Public Services (36%) and Retail and hospitality (35%) were the most likely to report a decrease.
+ The professional services sector was the most likely to report an increase (27%).

Size:

+ Medium sized businesses were most likely to report a decrease in employment (40%). However, large businesses experienced more substantial reductions in employment.
+ Large businesses were also the most likely to report an increase in employment (50%)

Table A.5 Employment by Business Sector N=391

	Substantially increased	Increased a little	Met expectations	Decreased a little	Decreased a lot	Don't know	Unwilling to say	No. of Businesses that answered
Raw materials	0%	22%	56%	0%	11%	0%	11%	9
Manufacturing and construction	8%	10%	56%	18%	8%	0%	0%	62
Retail and hospitality	4%	12%	44%	20%	15%	4%	2%	130
Professional services	8%	19%	46%	10%	12%	6%	0%	52
Public Services	3%	9%	38%	17%	19%	9%	4%	138
All Businesses	5%	12%	44%	17%	15%	6%	2%	392

Table A.6 Employment by Business Size N=391

	Substantially increased	Increased a little	Met expectations	Decreased a little	Decreased a lot	Don't know	Unwilling to say	No. of Businesses that answered
Micro	3%	10%	49%	15%	15%	6%	2%	286
Small	6%	16%	36%	22%	11%	6%	2%	81
Medium	20%	20%	20%	27%	13%	0%	0%	15
Large	33%	17%	17%	17%	17%	0%	0%	6
Unknown	0%	33%	0%	0%	0%	33%	33%	3

Recent performance

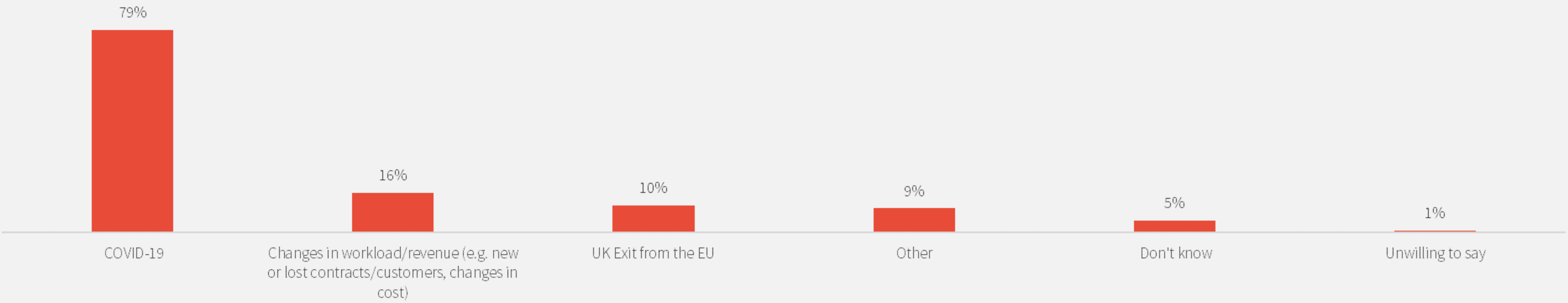
Reasons for change in turnover and employment

This question provided further insight into the reasons behind any reported changes in turnover and employment.

79% of businesses reported that COVID-19 was the main reason for any experienced change. This result was statistically significant. Across business sectors and sizes, it remained the largest reported reason.

Business sectors excluding raw materials experienced ≥70% of businesses reporting COVID-19 as the main reason for change. Conversely, only 57% of businesses in raw materials reported COVID-19 as their main reason for change. Changes in workload/revenue was the second most common reason given (43%).

Figure A.4 Main reasons for any exhibited change in turnover or employment N=277



Business optimism & Future plans

Expectations about future turnover

When asked “How do you think your business turnover for the next 12 months will compare to normal expectations?”, 31% of businesses believed that turnover would increase. By contrast, 27% of businesses expect a decrease.

Businesses within manufacturing and construction (46%), raw materials (44%) and professional services (39%) were most optimistic about future turnover. Retail and hospitality businesses were the least optimistic with 39% of businesses expecting a decrease.

Figure A.5 Overall expectations about turnover in the next 12 months N=374

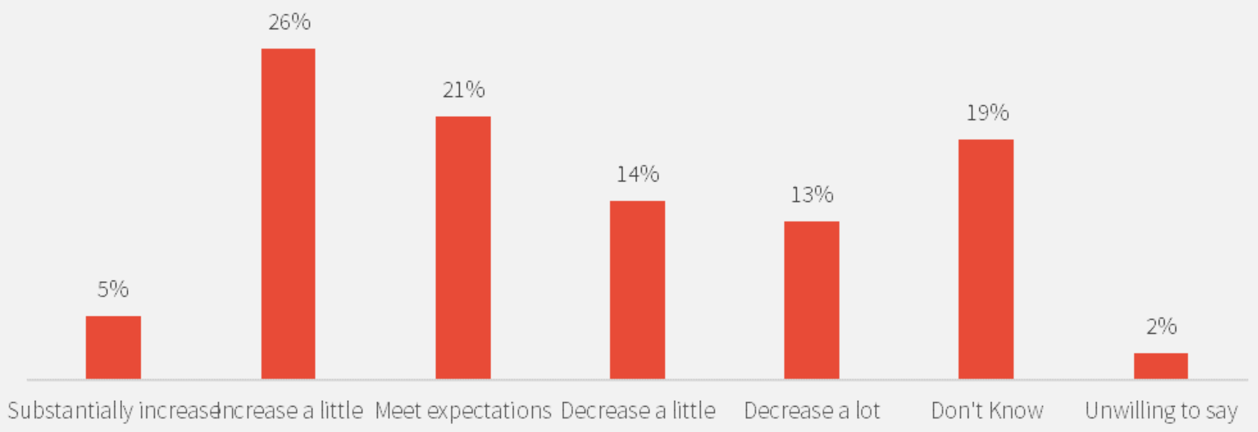


Table A.7 Overall expectations about turnover in the next 12 months N=374

	Raw materials	Manufacturing and construction	Retail and hospitality	Professional services	Public Services	All Businesses
Substantially increase	11%	8%	2%	6%	7%	5%
Increase a little	33%	38%	27%	33%	17%	26%
Meet expectations	11%	25%	18%	25%	21%	21%
Decrease a little	11%	11%	15%	13%	15%	14%
Decrease a lot	11%	5%	14%	10%	17%	13%
Don't know	11%	11%	22%	13%	21%	19%
Unwilling to say	11%	2%	2%	0%	3%	2%

Business optimism & Future Plans

Ambitions for businesses over the next 12 months

Figure A.6 shows the main ambitions of businesses for the next 12 months. Finding new customers and introducing new products were the two most common ambitions of the business sample (80% and 58%). Key sector/size differences were as follows:

+ A large proportion of manufacturing and construction businesses are seeking to recruit new employees (69%) which was significantly higher than the average (50%). In the same sector 18% of businesses intend to start to export to new markets which was also significantly higher than the average (6%).
+ Businesses within raw materials as well as manufacturing and construction were also most likely to be seeking new premises (44% and 25% respectively). Of those seeking new premises, 56% were seeking small premises of less than 5,000 sq ft (see Figure A.7).
+ There was a direct relationship between business size and intentions to recruit over the next 12 months, with larger businesses significantly more likely to be looking to recruit new staff than smaller businesses. Medium sized businesses were also significantly more likely than other businesses to be planning to adopt new technology (93% compared to 42% overall).

Figure A.6 Ambitions for businesses over the next 12 months N=391

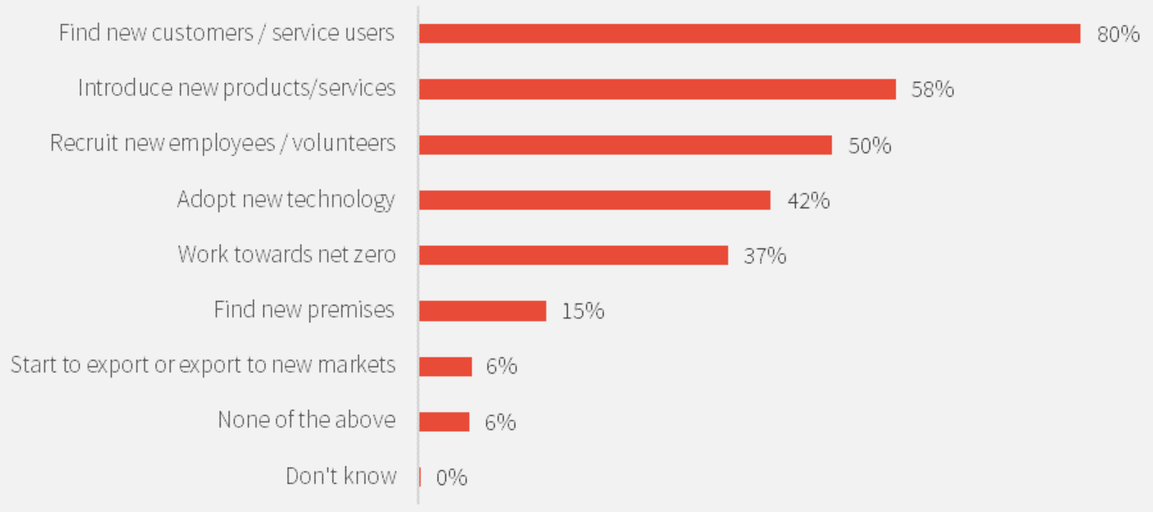
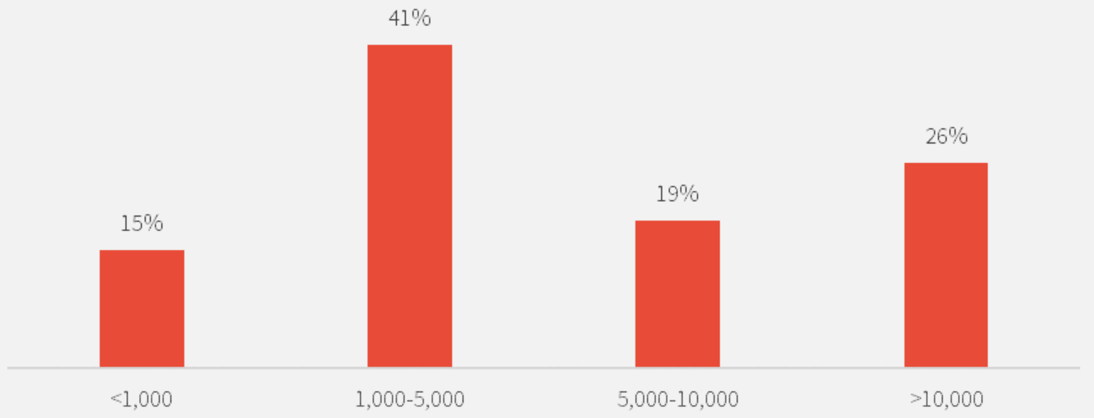


Figure A.7 Size of new premises (in Sqft) N=27



Business optimism & Future Plans

Confidence in achieving ambitions in South Tyneside

69% of businesses were at least fairly confident in achieving their ambitions with most businesses (88%) expecting to stay in South Tyneside to do so.

Although most sectors' businesses reported >65% confidence in achieving their ambitions, businesses within raw materials were the least optimistic. 22% of businesses reported that they were not at all confident in achieving their ambition.

For the 5% of businesses that stated they would not stay in South Tyneside to achieve their ambitions, reasons are listed below in order of prevalence:

- Lack of premises in South Tyneside
- Competitiveness of council offering/support compared to other areas
- Customer/Work prevalence outside of South Tyneside
- Other (Moving house/non-business-related preferences)

Figure A.7 Confidence in achieving detailed ambitions N=384

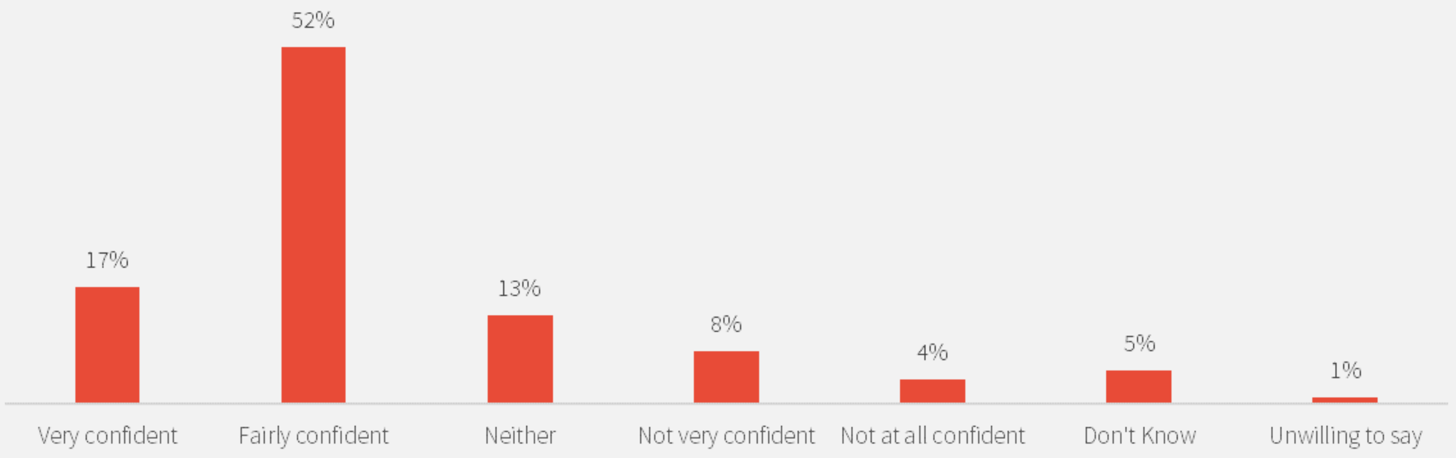
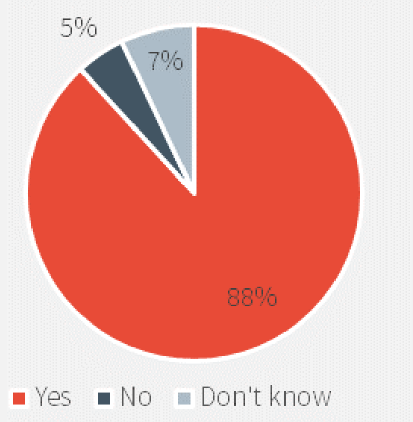


Figure A.8 Proportion of businesses staying in South Tyneside to achieve their ambition N=381



Business optimism & Future Plans

How South Tyneside Council could help to achieve ambitions

Businesses were asked how South Tyneside Council could help them to achieve their ambitions.

Additional funding was the support most required by businesses (23%), followed by support finding or improving business premises (10%).

Note: 46% of the 400 businesses did not answer or chose not to specify. Digital Infrastructure, improve public transport, promotion of green issues, transport investment, rounded to 0% and hence have not been displayed in Figure A.9.

Figure A.9 How South Tyneside Council can help to achieve ambitions N=400

Business optimism & Future Plans

Barriers to achieving ambitions

Businesses were asked to identify the main barriers to addressing their growth ambitions. Overall, access to finance (24% of businesses) and Taxation (18% of businesses) were the two most common barriers that businesses faced.

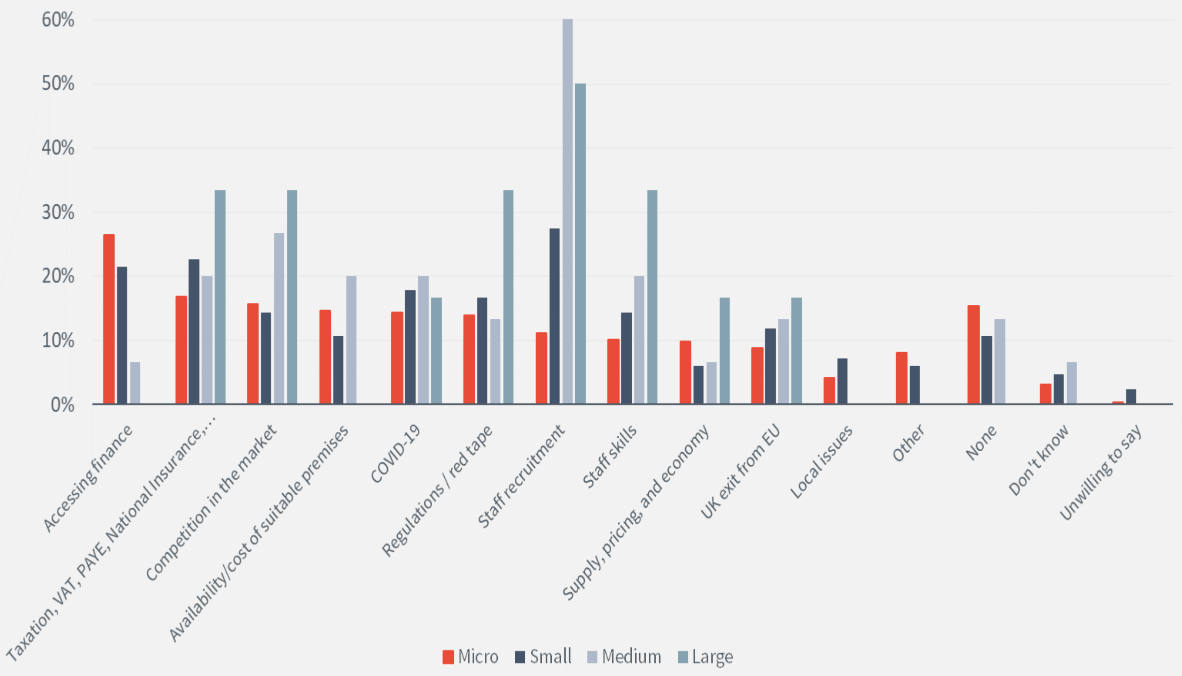
As shown in Table A.8, barriers varied by sector. The only statistically significant sector findings were that staff recruitment and skills were identified as a barrier by a higher proportion of manufacturing and construction businesses than the average.

By business size, the largest barrier for microbusinesses to achieve ambitions was accessing finance, whilst staff recruitment was a much greater challenge for medium and large businesses.

Table A.8 Barriers to achieving ambitions by business sector N=397

	Raw materials	Manufacturing and construction	Retail and hospitality	Prof services	Public services	Total
Accessing finance	22%	15%	22%	31%	28%	24%
Tax and business rates	0%	25%	22%	12%	16%	18%
Staff recruitment	22%	34%	11%	14%	17%	17%
Competition in the market	0%	18%	8%	25%	20%	16%
COVID-19	11%	10%	16%	12%	18%	15%
Regulations / red tape	22%	26%	13%	10%	13%	15%
Availability/cost of suitable premises	11%	10%	13%	18%	15%	14%
Staff skills	0%	30%	7%	12%	9%	12%
UK exit from EU	33%	13%	10%	10%	6%	10%
Economic environment	11%	16%	12%	6%	4%	9%
Other	0%	13%	3%	16%	6%	7%
Local issues	0%	3%	6%	2%	5%	5%

Figure A.10 Barriers to achieving ambitions by business size N=397



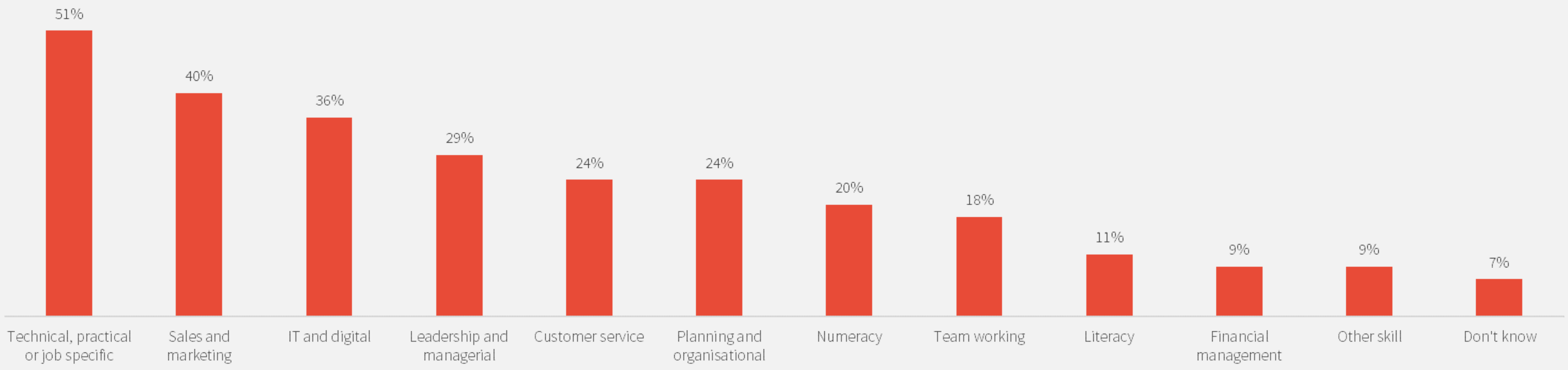
Skills that are currently barriers to businesses achieving their ambitions

Of those that identified access to skills as a barrier, technical, practical or job specific skills were the most difficult to recruit, cited by 51% of these businesses. .

This was particularly evident in manufacturing and construction sectors where 88% of business owners identified the skill as a barrier. This result was statistically significant and more than double the proportion of businesses reporting this in other sectors.

Note: Findings were statistically significant overall at the 5% level

Figure A.11 Skills that are currently barriers to businesses achieving their ambitions N=45



Seeking advice

External advice in the last 12 months

37% of businesses in the sample population sought advice in the last 12 months. A greater proportion of the sample did not (59%), however responses varied by business sector and size.

A greater proportion of businesses within the raw materials sector (50%) and professional services (49%) sector sought advice compared to other sectors. Business owners within retail and hospitality were least likely to seek advice with only 27% seeking advice in the past 12 months.

Larger businesses were also more likely to seek advice, with only 34% of micro-businesses seeking advice compared to 83% of large businesses.

Note: Findings were only statistically significant at the 5% level without sector or size breakdown.

Figure A.12 Businesses seeking help by Business Sector N=380

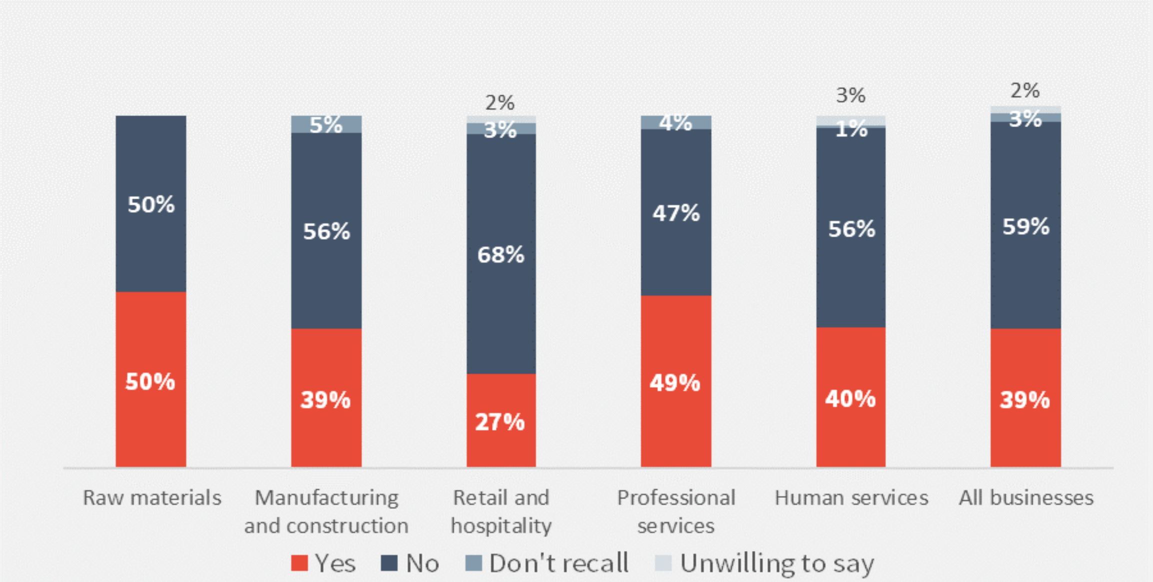
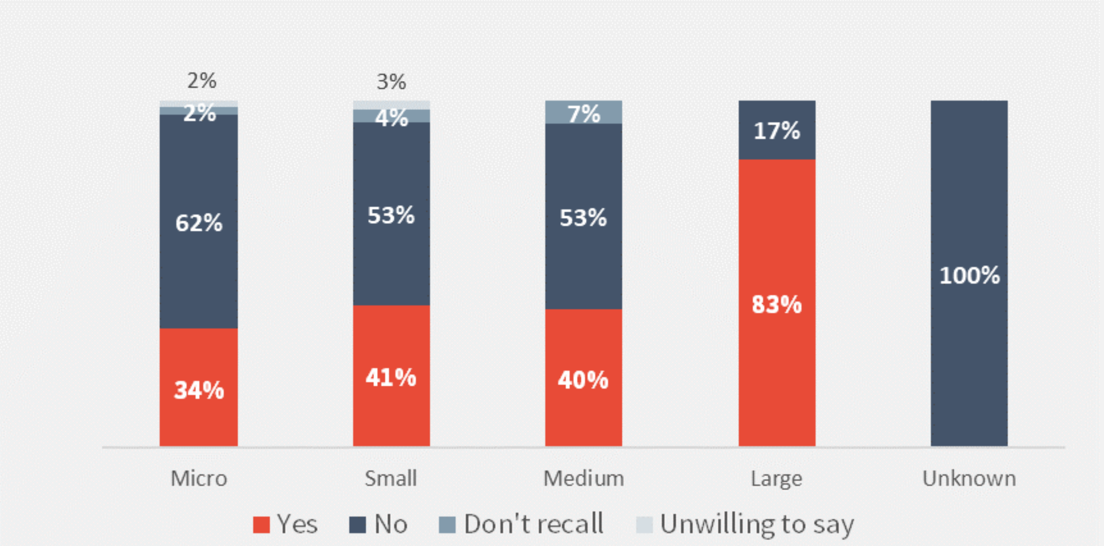


Figure A.13 Businesses seeking help by Business Size N=380



Seeking advice

Where have businesses sought advice from?

Half of all surveyed businesses sought advice from an accountant or financial adviser in the past 12 months. Business networks/trade associations (38%) and the .GOV website (35%) were also commonly used. Businesses were least likely to seek a public and charity sector or related organisation (10%).

Business Size Breakdown

+ Accountants or financial advisors were most commonly used in micro, small and medium businesses. Large businesses were more likely to seek advice from consultants or general business advisors.

+ Use of solicitors/lawyers, banks and related organizations were found to increase with business size.

Business Sector Breakdown

+ Similarly, accountants/financial advisors were most commonly used in all sectors besides professional services.

+ Professional services businesses tended to use Business networks/trade associations in seeking advice.

Figure A.14 Where businesses have sought advice (by Business Size) N=140

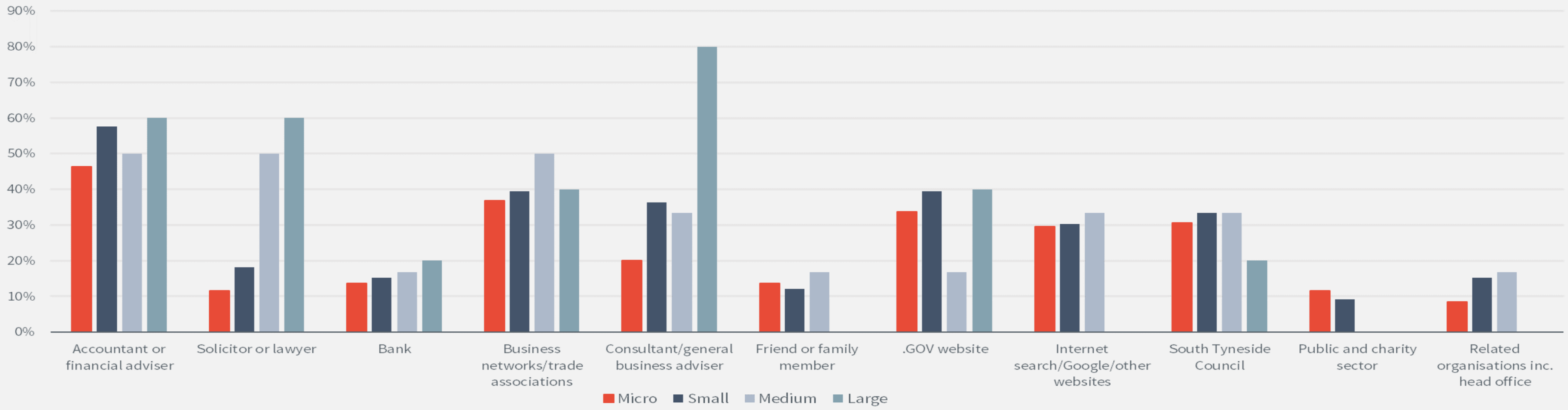


Table A.9 Where businesses have sought advice (by business sector) N=140

	Raw materials	Manufacturing and construction	Retail and hospitality	Professional services	Public Services	All Businesses
Accountant/ Financial adviser	25%	67%	62%	24%	49%	50%
Solicitor or lawyer	25%	17%	29%	12%	11%	17%
Business networks/trade associations	25%	54%	32%	44%	32%	38%
Consultant/general business adviser	25%	42%	35%	28%	13%	26%
.GOV website	25%	54%	44%	20%	28%	35%
Internet search/Google/other websites	25%	42%	41%	20%	21%	29%
South Tyneside Council	25%	13%	38%	20%	42%	31%
Other	25%	4%	0%	8%	2%	4%
Public and charity sector	25%	0%	3%	12%	17%	10%
Bank	0%	17%	26%	8%	11%	15%
Friend or family member	0%	13%	24%	12%	8%	13%
Related organizations	0%	21%	6%	4%	11%	10%
Don't recall	0%	0%	0%	0%	0%	0%
Unwilling to say	0%	4%	0%	0%	0%	1%

Seeking advice

How likely are business to seek advice again and where from?

48% of businesses in the sample population stated that they were likely to seek advice again, 32% stated it would be unlikely.

Businesses within the raw materials sector were least likely to return for a second round of advice, whereas businesses in the professional services are most likely. Findings further showed that the larger the business, the more likely they would be to return for advice. Businesses are most likely to seek advice again from South Tyneside Council (63%) or an accountant or financial advisor (47%).

Note: Findings were only statistically significant at the 5% level without sector or size breakdown.

Figure A.15 How likely are businesses to seek advice again N=381

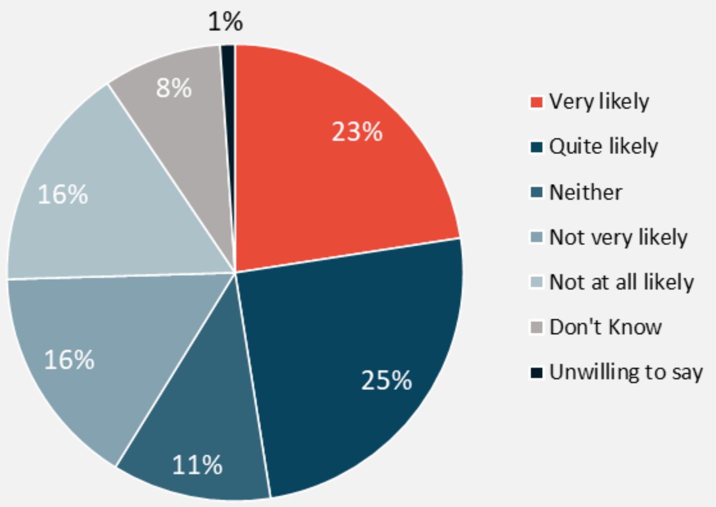
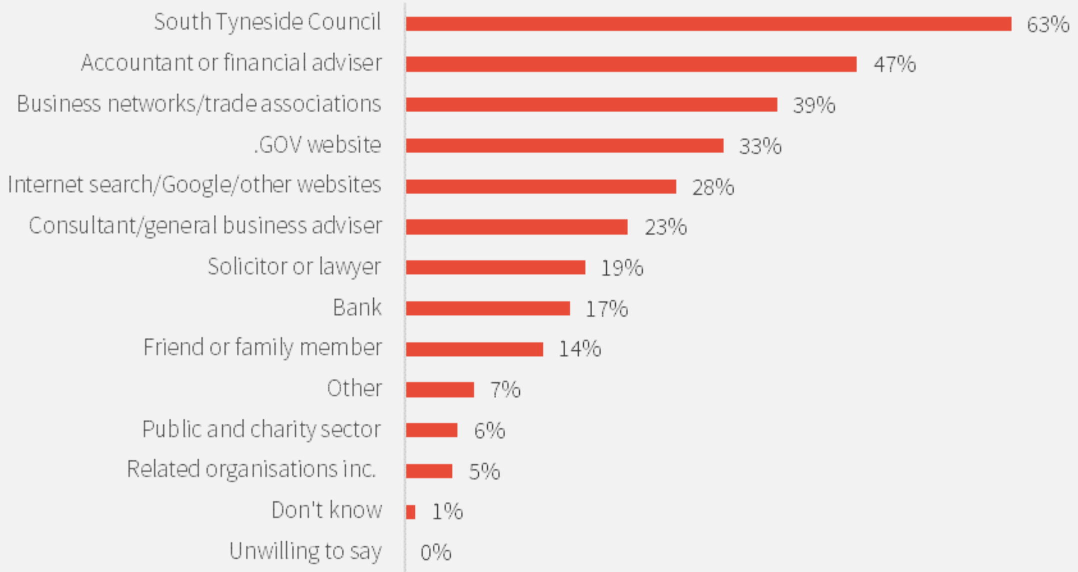


Figure A.16 Where would businesses seek advice again from? N=180



Seeking advice

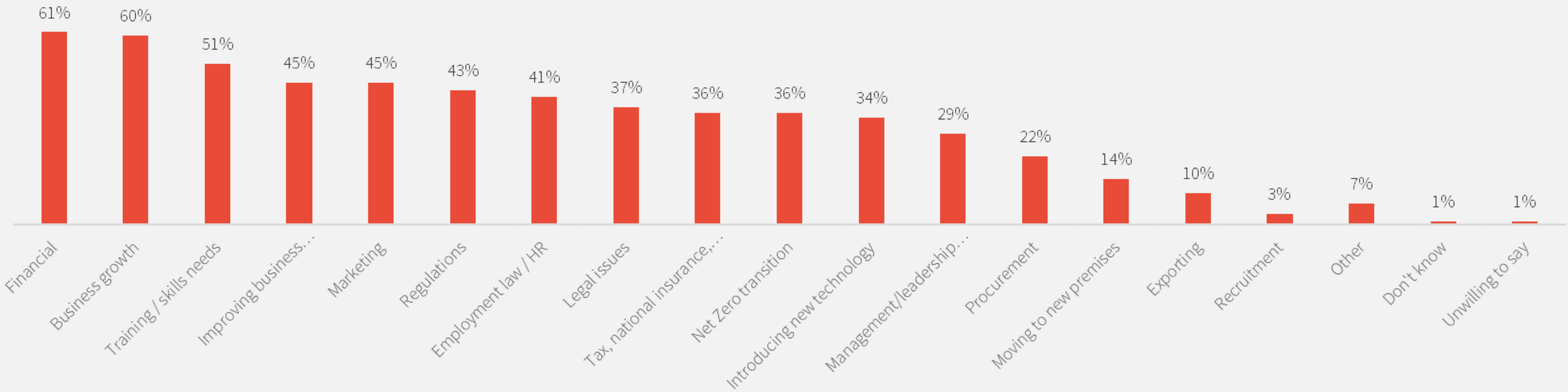
Matters affecting businesses

When asked 'what matters affecting your business are you likely to seek external advice or information on over the next 12 months?', 180 businesses responded. Financial and business growth were cited as the most common issues on which businesses might seek advice.

Businesses in public Services were most likely to seek advice on financial matters. Businesses in the raw materials sector, retail and hospitality and professional services were most likely to seek advice on business growth, while manufacturing and construction businesses were most likely to seek advice on employment law/HR (74%, which was significant at the 5% level). Over 50% of retail and hospitality businesses reported legal issues as the main issue on which they are likely to seek advice (also significant at the sector level).

There were no major differences between different size of business, with finance and business growth being the two most common issues on which all sizes of business seek advice.

Figure A.17 Matters affecting businesses that they would be likely to seek support on N=180



Seeking advice

Preferences for receiving external advice

Businesses were asked about their preference for receiving external advice or information on matters affecting their business.

Email was recorded as the most preferred communication with 62% of businesses recording this answer. Face-to-face support was the second-highest preference (41%).

These preferences were replicated across sectors. Significant findings showed that manufacturing and construction businesses preferred face-to-face advice compared to other sectors. Also notably, a higher proportion of Public Services businesses preferred to receive advice through email compared against other sectors.

Smaller businesses were more likely to prefer email communication (micro and small businesses), whereas medium and large businesses preferred face to face advice.

Reasons for not seeking external advice or information in the next 12 months

Businesses that had stated they would not be likely to seek external advice in the next 12 months were questioned on their reasoning.

20% of these businesses said there was no reason for these preferences (a statistically significant result) but 79% provided a reason. These were recorded and coded in Figure A.19 (*Note: 1% responded that they did not know).*

Most businesses responded that they did not need advice or could get advice internally (72%).

Responses for 'didn't know where to go, no support available or that they were too busy were not included in the chart as they made up 0% of the overall responses.

Figure A.18 Preferences for receiving external advice N=378

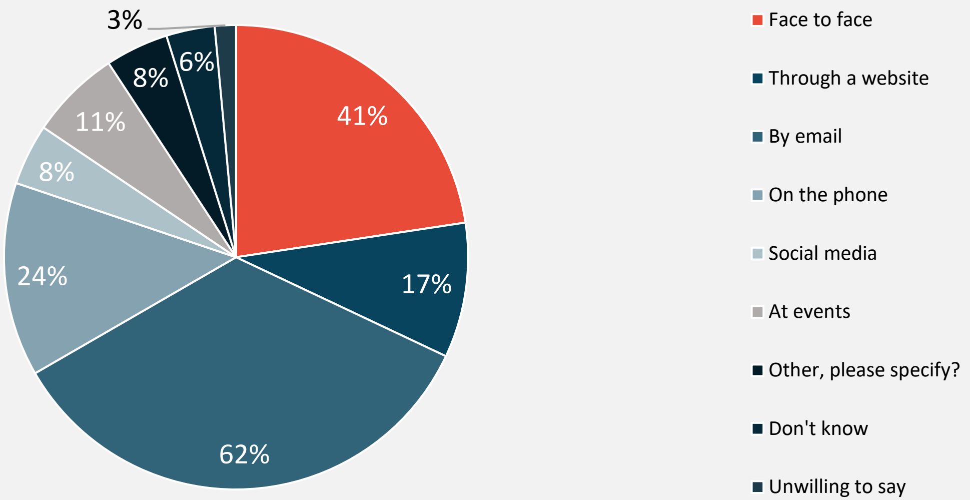
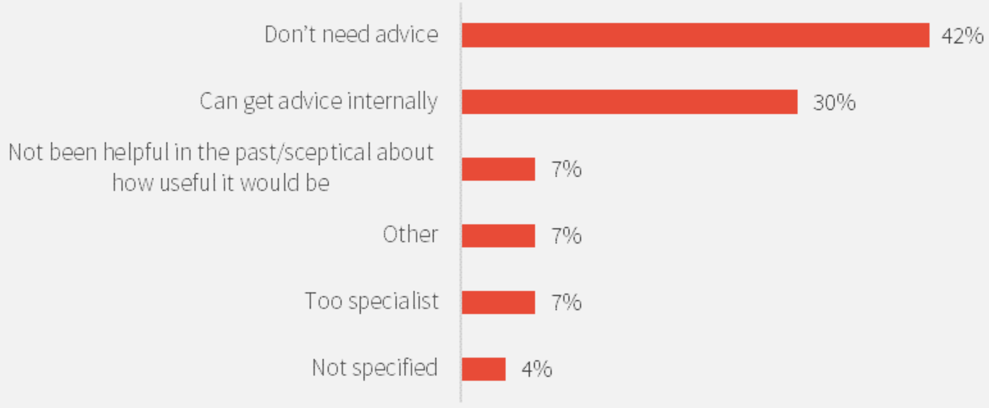


Figure A.19 Reasons for not seeking external advice in the next 12 months N=76



Seeking advice

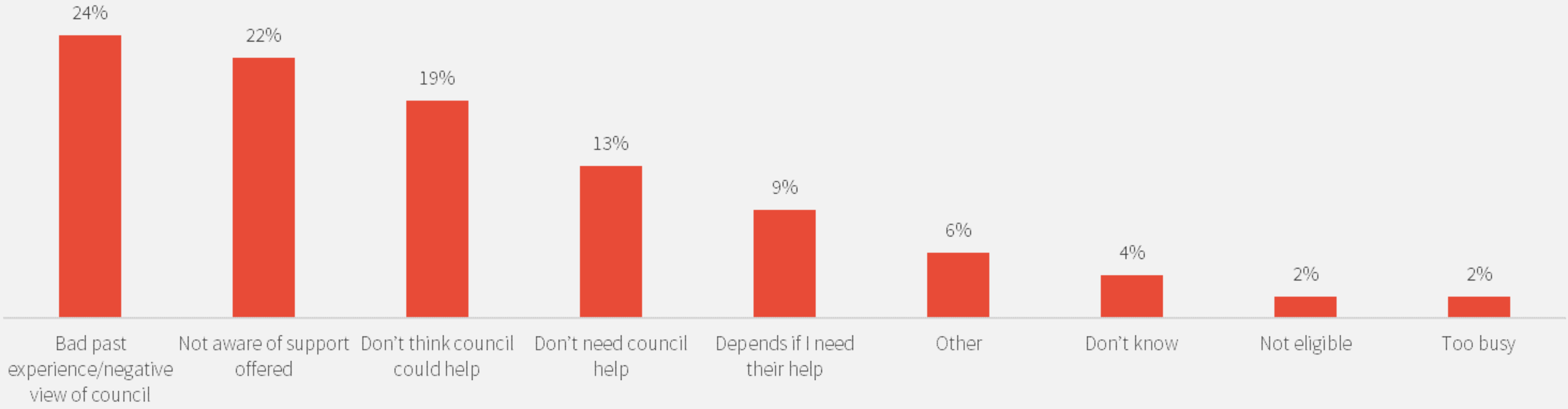
Reasons for not approaching South Tyneside Council for external advice or information on matters affecting businesses over the next 12 months.

124 businesses responded that they would not seek external advice from South Tyneside Council. Of these businesses, 48% responded that there was no particular reason for this.

52% of these businesses (N=57) stated a reason. These were recorded and coded, and the results displayed in Figure A.20. The main reasons given were because they received a bad experience or had a negative view of the council (24%), or that they were not aware of the support offered (22%).

Note: Findings were statistically significant at the 5% level.

Figure A.20 Reasons for not approaching South Tyneside Council for external advice over the next 12 months N=76



South Tyneside Location Rating

How do businesses rate South Tyneside as a place to run a business?

Views on South Tyneside as a place to run a businesses were favourable, with 16% rating it as excellent and 36% rating it as good. 13% of respondents rated it as poor or very poor.

Respondents gave a wide variety of reasons for their response. It appears a large number of respondents may have interpreted this question as asking for their view of South Tyneside Council. 49% of respondents who answered ‘good’ or ‘excellent’ said this was because they had a positive view of the council or had had positive experiences of working with them (particularly during the pandemic). Other strengths of South Tyneside included the fact that it was a nice place to live (11%) and its transport connections or other locational benefits (9%).

Similarly 41% of respondents who held a negative view of South Tyneside as a place to do business said this was due to their experience of working with South Tyneside Council. Other common responses were the fact it has a weak economy with limited spending in the local economy (16% of those with a negative view), and the cost/availability of premises (9%).

Figure A.21 How would you rate South Tyneside as a place to run a business? N=373