



Research Report



Calderdale District Employer Survey 2013

Prepared for: Calderdale Council

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Prepared for: Calderdale Council

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Table of Contents

1	Headlines.....	1
2	Executive Summary	3
2.1	Background.....	3
2.2	Employer profile.....	3
2.3	Business Performance	4
2.4	Workforce and Skills	6
2.5	Innovation	8
2.6	Location.....	9
2.7	Workplace Health.....	10
2.8	Internet and Broadband	10
2.9	Energy Efficiency and Corporate Social Responsibility	11
2.10	Business Support.....	11
2.11	High growth firms.....	11
3	Introduction	13
3.1	Background.....	13
3.2	Methodology	13
3.3	Analysis by growth indicators.....	15
3.4	About Calderdale	15
3.5	Employer profile.....	16
3.6	Business plans.....	20
4	Business Performance	22
4.1	Key findings	22
4.2	Business supply chain	23
4.3	Markets.....	24
4.3.1	Business for the public sector	25
4.4	Business turnover	26
4.4.1	Growth in employer turnover.....	26
4.4.2	Barriers to growth in employer turnover	29
4.5	Profitability	30
4.6	Employment change	31
4.7	Outlook for growth.....	32

4.7.1	Turnover trends	32
4.7.2	Workforce trends	33
5	Workforce and Skills	35
5.1	Key findings	35
5.2	Workforce profile.....	36
5.3	Working arrangements and staff retention	37
5.4	Recruitment	39
5.5	Skills Shortages and Skills Gaps.....	45
5.6	Addressing skills needs through training	48
5.6.1	Identification of staff training needs.....	48
5.6.2	In-house training facilities	49
5.6.3	Training budgets	49
5.7	Training activity	51
5.7.1	Accessing government funding for training	52
5.7.2	Training towards qualifications.....	53
5.7.3	Delivery of training	54
5.8	Provision of work experience or internships	55
6	Innovation	58
6.1	Key findings	58
6.2	Sources of innovation	58
6.3	R & D credits or Patent Box	59
6.4	Product or process improvements.....	60
6.5	Links with education establishments	61
7	Location	63
7.1	Key findings	63
7.2	Geographical profile of the employer population	63
7.3	Perceptions of the area	64
7.4	Site and premises	69
7.5	Relocation.....	69
8	Workplace Health.....	70
8.1	Key findings	70
8.2	Monitoring staff health.....	70
8.3	Health initiatives.....	71
9	Internet and Broadband	75

9.1	Key findings	75
9.2	Internet access	75
9.3	Views on current broadband and plans to upgrade	77
10	Energy Efficiency and Corporate Social Responsibility	79
10.1	Key findings	79
10.2	Energy efficiency measures	79
10.3	Corporate social responsibility	80
11	Business Support	84
11.1	Key findings	84
11.2	Business mentors	84
11.3	Business support	85
12	Focus on High Growth Firms	87
12.1	Definition of high growth firms	87
12.2	Key findings	87
12.3	Profile of high growth firms	88
12.4	Planning and staff development	90
12.5	Recruitment	91
12.6	Innovation	91
12.7	Location	92
12.8	Internet and broadband	92
12.9	Business support	93
12.10	Expectations of future growth	94

1 Headlines

Employers within Calderdale district are predominately small employers and single site establishments. The majority operate within the private sector.

One in three employers have been established in the last 5 years and these younger employers are more likely to be found within the information/communication sector, which includes publishing, software, computer programming and data processing, telecommunications and media/broadcasting employers.

This suggests that the technologically based, media sector is becoming of increasing significance in the area and this will impact on local skills needs and the requirement for a local IT infrastructure that will fully support it.

Formal business planning, as suggested by the existence of business plans within organisations, is still far from universal, with under half of Calderdale employers having a business plan in place. The fact that employers that report recent growth are more likely to have a business plan suggests that plans may exist for the purposes of the attracting funding and investment rather than to inform business strategy internally.

The vast majority of Calderdale employers rely on the local market, with one in four totally reliant on customers based within the district. This highlights the importance of a buoyant local economy to ensure that the level of demand for products and services sufficiently supports local employers.

In terms of where Calderdale employers purchase what they need, fewer employers now than two years ago are wholly dependent on local suppliers and there is a widespread use of suppliers based elsewhere. Employers, individuals too depending on the product or service required, can increasingly source whatever they need online and reduce their costs in the process.

Location is less of a selling point than offering customers ease of access on competitive terms, which is what employers that sell online are able to do from just about anywhere.

e-commerce is the biggest threat to employers that are reliant on the local economy unless they too exploit the opportunities presented by the worldwide web and cast their nets further afield.

This is underlined by the fact that just one in five employers believe that the local supply chain is key to increasing efficiency. It does not suggest that employers will prioritise maintaining links with local suppliers and customers.

There has been little change in the propensity for employers to grow or contract; turnover and employment growth suggests a largely steady state overall, rather than any real recovery following the economic downturn.

Survey findings suggest that some growth is stymied by restricted cash flow and lack of capital for investment. There is also some frustration with regard to over-regulation and 'red tape', as well as perceived limitations in market size.

The need for business support to provide employers with advice on overcoming these issues is strongly indicated. The top three areas in which employers feel they would benefit from

business support or advice in the next 12 months include grants and loans; marketing; statutory legislation and finance. These reflect the most frequently mentioned barriers to growth and suggests that some employers are looking externally for solutions.

Three in ten employers have arrangements in place for home working, increasing to four-fifths of information/communication and more than two-fifths of business services employers. There is a need, therefore, for fast, efficient, reliable broadband in the area. Currently around one in five employers with broadband access consider the current service level to be inadequate. This proportion is likely to increase with the growing provision for home working, as well as the increasing adoption of e-commerce.

A high proportion of Calderdale employers employ local residents and a significant minority are wholly reliant on the local workforce. Customer handling and technical, practical or job-specific skills remain the skills that are most likely to be in need of development. The specialist nature of the latter is such that training requirements will vary widely from business to business. Furthermore, it is likely that specific technical, practical or job-specific skills will not always be readily available among the local workforce, and employers should be encouraged to take action to develop the skills they need, rather than to expect to recruit them.

It is encouraging that more than three-quarters of Calderdale employers would consider employing an unemployed person or a young person with little work experience or offering work experience placements to school, college or university students. In reality, relatively few employers have done so in the last 12 months. Employers that are open to taking on someone with little work experience with a view to developing the skills their business needs; particularly in terms of technical, practical or job-specific skills, should be identified and perhaps incentivised to do that for the benefit of the local economy as a whole.

Levels of training have changed little from year to year and employers that have formal mechanisms for delivering training to their workforce in place are still in the minority. At the heart of this is the fact that just one in seven employers has accessed government funding to support training in the last 12 months. Providing employers with more information and assistance in terms of what they might be able to obtain to help them fund training may result in more training being arranged.

Innovation is also an area where there appears to be large, untapped potential. More than half of Calderdale employers consider they have the technical capacity within their business to make product or process improvements, but, with only minorities of employers in the district making use of R & D credits or Patent Box, or having links with local FE/HE establishments, it is likely that this capacity is not fully utilised. There is scope for further facilitating links between employers and educational establishments to spark innovation.

Within any of the areas that make up the district, transport links are key to employers' decisions to remain at their location. Inertia should not be under-estimated as a reason not to move however. This is suggested by the significance of personal/historic reasons to being located in the district. Very few employers are currently considering relocation and fewer still considering leaving the area.

Lack of parking and traffic congestion are the most frequently cited concerns in being based in the district.

2 Executive Summary

2.1 Background

This survey was commissioned by Kirklees, Calderdale and Wakefield Councils in order to gain:

- A better understanding of the local economy to inform a range of regeneration priorities and investment opportunities, with the aim of stimulating economic prosperity and growth;
- Information on the issues faced by employers in relation to their performance, workforce development/skills, location, land and premises requirements;
- A better understanding of how to achieve dialogue with local employers and meet their specific business support needs.

In this latest employer survey, 2,638 interviews were completed across the three Local Authority areas of Kirklees, Calderdale and Wakefield. Within Calderdale, 678 interviews were completed between February and April 2013. Where possible, results have been compared with responses to the 2011 Calderdale Employer Survey, also carried out on behalf of Calderdale Council.

2.2 Employer profile

Two-thirds of employers (67%) have up to four employees at that site, while one in six of all employers (17%) have between five and ten employees. Employers with more than ten employees at the site at which the interview took place account for just 16% of all employers in Calderdale.

More than four-fifths of employers in Calderdale (81%) are single site establishments.

Just 1% of all employers in the area have a headquarters based outside the UK.

The majority of employers (82%) operate in the private sector, with one in nine of all employers in Calderdale (11%) operating in the public sector and just over one in twenty (7%) in the voluntary/community sector.

Employers in Calderdale are most likely to be private limited companies (46%). Thirty-four per cent of employers in the Calderdale survey are sole proprietorships.

A third of employers (31%) have been established at their site (under all ownerships and all legal statuses) for more than 20 years. A higher proportion (35%) have been established for no more than 5 years, with one in six of all employers (18%) having been established at their site within the last 2 years.

Younger employers are more likely than average to be found within the information/communication sector (32% established in the last two years).

Nearly half of employers in Calderdale (46%) have a business plan; with the propensity to do so increasing with employer size.

Employers that have reported recent growth, in terms of both workforce and turnover, are significantly more likely than average to have a business plan (50% of 'growers'; 56% of 'high growers', compared with 36% of 'shrinkers'). This is likely to reflect the need to have a plan in place to show to potential investments when trying to fund growth.

2.3 Business Performance

More than two-fifths of private sector employers that provided an estimate (41%) purchase 50% or more of their raw materials or bought-in services locally, within the Calderdale district. This includes 17% that purchase all their raw materials or bought-in services locally. Around a quarter of all private sector employers (24%) do not use local suppliers.

Three-fifths of all private sector employers (59%) purchase raw materials or bought-in services elsewhere within the Yorkshire and Humber region, while a similar proportion, (61%) purchase from suppliers based outside of the Yorkshire and Humber region but still based within the UK.

Employers that make purchases overseas are in the minority, with just 14% purchasing any raw materials or bought-in services outside the UK but within the EU and just 7% making purchases from suppliers based outside the EU.

Compared with 2011, fewer employers are wholly dependent on local suppliers. It is apparent that employers are now more likely to share their custom across the different geographical markets.

Around a fifth of private sector employers (21%) feel that efficiency could be increased by encouraging greater competition or local representation in any aspect of the supply chain. This proportion increases to 40% of those with 100+ employees.

Survey findings suggest that local suppliers are an attractive proposition if they can offer similar terms and meet the needs of employers but their location vis a vis the business that wants to buy is not necessarily a selling point.

The majority of private sector employers that provided an estimate (88%) sell to customers that are based locally, within the Calderdale district. This includes 24% that make all their sales locally. More than three-fifths of all private sector employers (62%) make 50% or more of their sales to local customers.

More than two-fifths of all private sector employers (62%) sell to customers elsewhere within the Yorkshire and Humber region, while more than two-fifths of private sector employers (46%) sell to customers outside of the Yorkshire and Humber region but still based within the UK.

Employers that sell overseas are in the minority, with just 8% selling to customers outside the UK but within the EU and just 6% selling to customers based outside the EU.

Employers are more likely to have local customers now than they were in 2011 but, on the whole, there is a very similar picture in terms of the distribution of sales across the geographical areas now compared with two years ago.

A quarter of all private sector employers (25%) have done some business for the public sector. For the most part, business for the public sector contributes only a small proportion of employer turnover. More than half the employers that have done work for the public sector (54%) estimate that no more than 10% of their sales/revenue has come from the public sector. Just 5% are completely reliant on the public sector for their sales/revenue, which compares with 8% in 2011.

Of the 85% of private sector employers that provided an estimate of their employer turnover, around a third (31%) reported turnover below the VAT threshold for the financial year 2012/13 (£73,000). A further third of employers (31%) reported turnover between £73,000 and £250,000 in the past 12 months and a lower proportion (24%) reported turnover between £250,000 and £1 million. One in seven employers (14%) that provided information on turnover reported turnover of £1 million or more.

A third of private sector employers that had been established for at least a year (34%) reported an increase in turnover in the past 12 months, compared with the previous 12 months. This compares with 39% in 2011. Levels of turnover increase were modest on the whole. More than a third of employers reporting an increase (36%) reported up to a 10% increase.

Around a fifth of private sector employers (21%) reported a decrease in turnover over the same period (25% in 2011), with 38% of those experiencing a decrease reporting an up to 10% decline.

Looking ahead to the next 12 months, 53% of Calderdale private sector employers anticipate that their turnover will increase, while just 7% anticipate a decrease. Comparing this level of optimism with past performance suggests that hopes for turnover growth will not be realised within some of these employers.

More than two-fifths of private sector employers (43%) believe there are barriers to the employer growing turnover in the next 3 years. The top five selected barriers to turnover growth included: Cash flow (37%); over-regulation/red tape (36%); lack of capital for investment (35%); market size (34%); and transport costs (32%).

The more significant barriers to growth revolve around investment capital and costs. The strength of the pound not only impacts on exporting potential but also impacts on competition from cheaper imports. Lack of skills in the workforce is of lesser concern, but for those that have identified skills deficiencies as an issue they will be significant. Lack of appropriate business support is cited by a higher proportion of respondents however, suggesting the need for more advice on growth strategy.

More than a third of private sector employers (36%) report higher levels of profit now than 12 months ago, while 22% reported a decline in profit.

Similarly to 2011, for more than two-thirds of employers in Calderdale the size of the workforce has remained the same over the past 12 months (71%, compared with 67% in 2011), while 16% of employers reported an increase in the size of their workforce and 12% reported a contraction of their workforce.

Where there has been an increase, it is likely to have been small scale. Eighty-three per cent of those reporting workforce growth report between an additional 1 and 4 jobs. Similarly, the majority of those reporting a contraction in the size of their workforce report a loss of between 1 and 4 jobs (78%).

Looking ahead over the next 12 months, 53% of private sector employers anticipate an increase in their turnover. This compares with a similar proportion in 2011 (52% - then based on the next 3 years). Just 7% anticipate a decline.

Twenty-two per cent of all employers anticipate growth in the size of their workforce in the next 12 months. This contrasts with just 3% that expect their workforce to contract. This echoes 2011 survey findings (20% and 5% respectively).

2.4 Workforce and Skills

The local population form a high percentage of the workforce amongst employers in Calderdale. The majority of employers (87%) employ individuals that live within a 3 mile radius of their location, with 41% reporting that all their staff lives within this catchment.

Three in ten employers (30%) reported having arrangements in place for their staff to work from home during all or part of their working week.

There are particularly high levels of home working within the sectors of information/communication (79%) and business services (43%); both sectors in which information technology is widely adopted.

In 2011, when asked what their biggest selling point for recruiting and retaining their workforce might be, Calderdale employers referred to job security, pay and benefits and reputation (each cited by 18%). Two years later, job security and pay and benefits are less frequently cited (by 6% and 7% of employers respectively), with 20% citing reputation.

Nearly two-fifths of all employers (38%) have recruited any staff in the last 12 months. This proportion increases with employer size to all employers with 100 or more employees.

Very few employers in Calderdale appear to have concerns about staff turnover. When asked if they consider staff turnover at the establishment to be high, average or low, just 4% thought it high, while 77% considered it to be low. Employers in the accommodation/food services sector are more likely than average to consider staff turnover high (10%).

One in ten employers in Calderdale (10%) had current vacancies at the time of the interview. Again, this increases with employer size to 62% of 100+ employees.

In the last 12 months, 27% of all employers have recruited anyone on a government approved apprenticeship, any school leavers, new graduates or unemployed when applying for the job. Employers were most likely to have recruited the unemployed (22% of all employers), with around one in twenty recruiting anyone from any of the other in-scope groups.

While the proportion of Calderdale employers that have recruited from any of these groups is small, the proportion that would consider recruiting from any is much greater. Around a half of all employers in Calderdale would consider recruiting apprentices (50%) or new graduates (53%), while the proportion that would consider recruiting school leavers is slightly lower (48%). Nearly three-quarters of all employers would consider recruiting an unemployed person (73%). However, nearly one in four Calderdale employers (23%) say they would not consider recruiting people from any of these groups. Of employers that have not recruited from each of these groups; 56% would consider recruiting government approved apprentices; 58% would consider recruiting school leavers; 65% would consider recruiting new graduates; 86% would consider recruiting the unemployed.

Within Calderdale in the last 12 months, 36% of all vacancies reported were for caring, leisure or other service occupations, with less than half that proportion for elementary administration/service occupations (17%). One in eight were for sales or customer service occupations (12%), while less than one in ten each were in professional (8%), administrative, or secretarial (8%), associate professional or technical (6%), process, plant or machine operative (6%), skilled trades (5%) or as managers, directors/senior officials (2%).

One in six employers in Calderdale that have recruited in the last 12 months, or currently have vacancies (17%) considers any of the vacancies they have reported to have been hard-to-fill.

More than three-quarters of employers (78%) identified skills that need developing in their workforce in the next 2 to 3 years, with just 6% of all employers failing to identify any.

The most frequently mentioned skills in need of development were customer handling skills (43%), technical, practical or job specific skills (42%) and management skills – leadership/strategic (41%).

Compared with findings from the 2011 employer survey in Calderdale, technical, practical or job specific skills remain one of the most likely to be identified as needing development in the medium term (44% in 2011), but while IT user skills were cited by the same proportion of employers (37%), these have been overtaken by customer handling, management and sales and marketing skills. There is a greater need now than two years ago to develop sales and marketing, customer handling and management (both leadership/strategic and supervisory/operational) skills in the next 2 to 3 years.

The majority of employers in Calderdale (72%) do take steps to identify staff training needs. They are most likely to do so via informal meetings with line managers (60%), while half do so through staff appraisals (52%) and a few (just 22%) have a Training Needs Analysis (TNA) system in place.

The propensity to have any method of identifying training needs in place increases with employer size, to 67% of those employing between 1 and 10 employees to all the larger employers.

Around one in five employers in Calderdale (19%) has access to an in-house specialised and dedicated training officer. This proportion increases to 86% of employers with 100 or more employees.

Just over one in five employers in Calderdale (21%) has a budget for training expenditure. This is a similar proportion to that reported in 2011 (23%).

The propensity to have a training budget increases with employer size to 81% of employers with more than 100 employees.

Within Calderdale, 63% of employers have funded or arranged any training for their workforce over the last 12 months. This comprises 57% that have funded or arranged on the job training and 38% that have funded or arranged off the job training; 31% have funded or arranged both.

The propensity to provide training at all increases with employer size. All employers with 100 or more employees at the site have funded or arranged any training in the last 12 months

Compared with 2011, Calderdale employers are more likely to have provided any on-the-job (50% in 2011) or off-the-job (32% in 2011) training.

Just one in seven employers that have funded or arranged training in the last 12 months (14%) accessed government funding to support it.

Two-fifths of employers that have funded or arranged training in the last 12 months (40%) have provided any that leads to a nationally recognised qualification. This increases with employer size to 79% of those with 100+ employees.

Three-fifths of employers that have funded or arranged training (58%) have used external providers to deliver that training. This includes 32% that have only used external providers. A similar albeit slightly higher proportion (62%) has used internal facilities, including 36% that have only used internal facilities.

The majority of employers that have used external training providers (72%) have used private training companies. This is by far the most frequently cited source of external training. More than one in five (22%) have used a local college and fewer have used the local authority (13%).

A third of employers in Calderdale (32%) offer work experience placements for school, college or university students. This increases with employer size to 68% of those employing 25+ staff.

Fewer employers offer longer term volunteering or internship opportunities; 16% do so. Again, this proportion increases with employer size to 44% of those employing 25+ staff.

Of those employers not currently offering work experience placements, 38% would consider doing so. The proportion that would consider offering longer term volunteering or internship opportunities in the future is slightly lower at 30%.

Overall, 58% of all Calderdale employers offer or would consider offering work experience placements to school, college or university students and 35% offer or would consider offering longer term volunteering or internship opportunities.

2.5 Innovation

When asked about the main sources of product or process innovation in the business, the majority cited internal sources (33% mainly; 33% alongside external sources). One in five employers (21%) cited mainly external sources via suppliers.

Small minorities of employers cited a Knowledge Transfer Partnership (5%) or University (2%) as a source of product or process innovation. Linking in with universities to this end increases to 48% of employers with 100 or more employees.

Just 5% of Calderdale employers currently make use of R & D credits or Patent Box. This proportion is significantly higher within the administrative services sector (10%).

Seventeen per cent of employers that do not currently make use of R & D credits or Patent Box say they plan to in the future. This equates to 13% of all employers in addition to the 5% that already use them.

More than half of Calderdale employers (55%) consider they have the technical capacity within their business to make product or process improvements. This proportion increases to 71% of employers employing between 25 and 99 employees and 93% of those employing 100 or more. It is significantly higher within the manufacturing sector (73%).

The most frequently mentioned source of assistance in developing new products or making process improvements is suppliers (37%). Other sources of assistance in innovation are mentioned (all spontaneously) by no more than around one in twenty employers. These include: universities/higher education institutions (5%), the internet/online (5%), head office (4%) and 8% cite internal/in-house resources.

Respondents were asked if their business has any links to education establishments relating to product or process innovations.

One in five (19%) Calderdale employers reported links to education establishments relating to product or process innovations. These employers are more likely to link up with schools or colleges (12% of all employers) than universities or higher education institutions (9%) to push forward product or process innovations.

Seven per cent of employers have links with other organisations relating to business innovation. These other organisations include suppliers, professional bodies/trade associations, head office/internal departments, local authorities, manufacturers, government organisations and private employers.

The nature of the links that employers have with FE, HE or other organisations relating to innovation are more likely to be informal than formal. Two-fifths (40%) have formal links with any of these organisations; 20% with schools or colleges; 19% with universities or higher education institutions and 20% with other organisations. Sixty-two per cent of employers have informal links with any; 40% with schools or colleges; 29% with universities or higher education institutions and 18% with other organisations.

More than two-fifths of employers in Calderdale (43%) would consider developing closer links with a local school, college or university. This increases to 88% of those with 100 or more employees at their site.

2.6 Location

In 2011, access to transport links came out top (45%) as a benefit to being located in Calderdale. While mentioned by a higher proportion of respondents this year (60%), the top benefit is considered to be personal/historic reasons (61%).

In terms of how they rate the local area as a place to do business, more than half of employers in Calderdale rate it as good or excellent (58%), which is a similar proportion to 2011 (56%).

Although access to transport links is considered a key benefit to locating in the district, concerns about the location also revolve around transport issues. The most frequently selected concern or issue from a list that respondents were presented with was lack of parking (43%), followed by traffic congestion (39%). These were the top two issues in 2011 (lack of parking mentioned by 39% and traffic congestion by 36% then).

The third most frequently selected concern this year was theft and vandalism to property (31%), which was not such a significant concern in 2011 (22%).

Sixteen per cent of all employers in Calderdale are of the opinion that their business will require further land in the next 3 to 5 years.

Additional land or space is most likely to be needed for warehousing and storage (41% of those requiring more space), with 40% of employers that need more space requiring additional office space. One in four require more manufacturing space (24%), while slightly fewer (22%) require more retail space (selling goods and services face to face).

Of those requiring more land or space, 33% will remain at their current location and expand there. More than half (58%) will move and this proportion increases to 66% of employers needing more space in Lower Calder Valley.

The majority of those planning to relocate as a result of the need for extra space (86%) will remain within the district. Just 7% are likely to leave Calderdale, with the remaining 7% as yet unsure.

In aggregate, including those planning to relocate to gain more space, 20% of all employers in Calderdale may relocate within the next 3 to 5 years.

2.7 Workplace Health

Respondents were asked if they collect and monitor information about staff absence, including rates of absence and reasons for absence.

Half of employers in Calderdale (49%) collect and monitor information about staff absence, including both rates of absence and reasons for absence.

Respondents were asked if their business had any of a number of employee health initiatives in place, including: staff members with a remit for staff health, a budget for the promotion of staff health, a workplace health plan, training for managers around workplace health, counselling for staff members and private health insurance. Again, around half the Calderdale employers (49%) had any in place and this increases with employer size.

Overall, employers are most likely to have training for managers around workplace health in place (30%). They are least likely to have a budget in place for the promotion of staff health (10%).

2.8 Internet and Broadband

The majority of Calderdale employers have access to the internet (88%) with 86% having access via broadband.

In terms of what the internet is used for, employers are most likely to use it for promoting their goods and services through a website (71%), processing payments (by credit/debit card) and paying taxes online (both 62%).

Four-fifths of employers with broadband access (81%) consider it to be reliable and fast enough for their business needs. The remainder consider the download speed (18%) or the upload speed (13%) too slow.

By location, employers in Lower Calder Valley are most likely to be happy with their current broadband (87%), while those in Upper Calder Valley are less likely to be (72%).

When asked to describe their mobile connectivity (which includes use of 3G, 4G or GPRS), 57% of employers across Calderdale described it as good; 24% as average and 15% as poor (the remaining 4% did not know). Views on mobile connectivity are more positive amongst employers in Halifax and Lower Calder Valley (67% and 63% respectively rating it as good), than amongst employers in Upper Calder Valley (33%).

More than a quarter of all employers in Calderdale (27%) are considering upgrading or introducing broadband in the next 1 to 2 years. Of these 85% already have broadband and the remainder (29% of all those without broadband currently) are planning to introduce it.

Amongst the 14% of employers in Calderdale that do not have broadband access, lack of need is by far the most frequently cited (without prompting) reason (60%).

2.9 Energy Efficiency and Corporate Social Responsibility

One in three employers in Calderdale (32%) has introduced any energy efficiency measures in the last 12 months. This increases to nearly two-thirds of employers in Calderdale with 25 or more employees (64%).

Employers that have introduced energy efficiency measures in the last 12 months are most likely to have invested in lighting that is energy efficient (65%), followed by recycling or waste reduction measures (56%), then heating (54%) and energy efficient equipment (44%).

More than a quarter of employers (27%) have been involved in community activities. This increases by employer size to 55% of those with 100 or more employees.

One in seven employers (15%) has been involved in corporate social responsibility activities. This increases by employer size to 93% of those with 100 or more employees.

Around two-fifths of respondents (39%) reported that their business would consider working in partnership with the local authority and other social/voluntary and community groups in carrying out social activities. This proportion increases to 49% of employers with between 25 and 99 employees and 93% of those with 100 or more employees.

Employers within Halifax (42%) are more likely to be open to the possibility of working in such a partnership than employers in Upper Calder Valley (37%) and Lower Calder Valley (35%).

2.10 Business Support

One in six Calderdale employers (16%) has used a business mentor – that is to say, somebody with business expertise who has supported them through the development and running of their business on a continuous basis. This proportion is higher amongst employers with between 25 and 99 employees (35%) and within the other services sector (23%).

Amongst the majority that have not used a business mentor, 21% would be interested in using one in the future.

Finance, in the form of grants and loans, is the area that was most frequently cited as one in which employers would benefit from business support or advice in the next 12 months (35%), followed by marketing (27%).

A quarter of employers in Calderdale (25%) are involved in any local business networks.

2.11 High growth firms

High growth firms account for 6% of all employers in Calderdale. They tend to be larger than average and the majority have been established within the last 5 years.

Business planning, the provision of training and having an infrastructure in place to manage training and identify training needs are more commonplace within high growth firms.

Innovation is more likely to be sourced and supported internally, with high growth firms slightly more likely to consider they have the technical capacity to make product or process innovations (69%, compared with 55% of all employers). High growth firms are no more likely than average to have links with educational establishments for the purpose of innovation but are more likely to consider having such links.

The likelihood of the need to expand current premises is greater amongst high growth firms although these firms do not show signs of being more likely than average to leave the district.

High growth firms are more likely than average to have embraced information technology.

They are more likely than average to have used business mentors and to have an interest in sourcing business support and advice in a range of different areas.

There is considerable optimism for the next 12 months amongst high growth firms, reflecting recent past performance.

3 Introduction

3.1 Background

In January 2013, Kirklees, Calderdale and Wakefield Councils jointly commissioned BMG Research to undertake business surveys across the three Local Authority areas.

The main aim was to undertake a survey of a representative sample of employers (based on size, sector and location) within the districts of Kirklees, Calderdale and Wakefield;

A number of objectives were identified, namely to achieve:

- A better understanding of the local economy to inform a range of regeneration priorities and investment opportunities, with the aim of stimulating economic prosperity and growth;
- Information on the issues faced by employers in relation to their performance, workforce development/skills, location, land and premises requirements;
- A better understanding of how to achieve dialogue with local employers and meet their specific business support needs.

The survey is intended to complement and enhance a range of local strategies and to provide intelligence on how partners can effectively stimulate growth in the local economy. This report provides a summary of the findings to be used to inform future business support and engagement activity.

The last employer survey in Calderdale was undertaken in 2011. This survey provides an update on these findings and time trend analysis is provided where applicable.

In this latest employer survey, 2,638 interviews were completed across the three Local Authority areas of Kirklees, Calderdale and Wakefield. Within Calderdale, 678 interviews were completed.

3.2 Methodology

All interviews were undertaken using CATI (Computer Assisted Telephone Interviewing). Interviews took between 20 and 25 minutes, depending on the answers given. Interviewing took place between February and April 2013.

A quota for interviewing was set based on employer size (the number of employees at that site) and industry sector. In order to achieve a more robust sample of larger employers, larger employers were over-sampled at the expense of smaller employers. In addition, response rates varied by industry sector, with employers in some industries more willing to take part or more easily accessed than others. As a result the data was weighted to reflect the actual size and sector profile of the employer population by size and sector so as to accurately represent the responses of the employer population as a whole.

The following table summarises the population size by employer size and sector, the population profile, the number of interviews conducted and the number of case following weighting.

	Population (n)	Population %	No. of interviews conducted	Sample (n) - weighted
Employer size (at that site)				
1-4 employees	5,335	67%	353	438
5-10 employees	1,300	16%	178	113
11-24 employees	720	9%	82	61
25-199 employees	535	7%	60	37
200+ employees	45	1%	5	2
Industry sector (based on 1 digit Standard Industrial Classification (SIC) 2010)				
ABDE: Agriculture, forestry and fishing; mining and quarrying; electricity, gas etc; water supply, sewerage, waste management etc	305	4%	8	25
C: Manufacturing	750	9%	88	62
F: Construction	900	11%	50	74
G: Wholesale/retail trade; repair, etc	1675	21%	156	138
H: Transport and storage	255	3%	19	21
I: Accommodation and food services	550	7%	95	45
J: Information and communication	425	5%	16	35
K: Finance and insurance	170	2%	2	14
L: Real estate activities	240	3%	8	20
M: Professional, scientific and technical	875	11%	52	72
N: Administrative and support services	450	6%	27	37
O: Public administration and defence	75	1%	1	6
P: Education	230	3%	35	19
Q: Human health and social work	460	6%	48	38
R: Arts, entertainment and recreation	235	3%	24	19
S-U: Other service activities	340	4%	50	28
Total	7,935	100%	678	654

3.3 Analysis by growth indicators

Where statistically significant or deemed relevant to the subject under discussion, analysis has been undertaken by growth indicators relating to the workforce and turnover. Employers responding to the survey have been labelled according to whether they have reported growth in their workforce, turnover, or both workforce and turnover, in the last 12 months. The threshold for including employers as those having experienced growth is +/-5% compared with the previous year. This is to exclude those whose turnover has grown or decreased merely due to inflationary price rises and where the increase or decrease in the size of the workforce has been due to just one or two staff leaving or being added to the workforce. In combining the two factors of workforce and turnover growth, an additional category of employer has been added: those experiencing growth in workforce size and/or turnover of 20% or more, compared with the same time last year. These employers have been labelled 'high growers'.

3.4 About Calderdale

Calderdale is located in West Yorkshire, to the west of Leeds and Bradford and north east of Greater Manchester. It is the sixth largest of the 36 metropolitan authorities in terms of land areas and seventh smallest in terms of population.

In 2011 it had a resident population of approximately 204,000¹. The population has grown steadily since the last Census for which statistics are available (2001). The population is approximately five per cent larger now than in 2001.

The Calderdale district encompasses the towns of Halifax (which acts as the borough's main commercial, cultural and administrative centre), Brighouse, Ellend, Hebden Bridge, Sowerby Bridge and Todmorden. The district is split into three main areas for the purposes of presenting the employer survey results. These are Halifax; the Lower Calder Valley and the Upper Calder Valley.

The M62 runs along the southern and eastern boundaries of the district, providing good transport links with large conurbations in South Yorkshire, West Yorkshire and Greater Manchester.

The majority of the district is rural or urban fringe in character, with only a small percentage of the area (13%) that is built-up urban.

In Calderdale there are around 8,000 employers, which together employ more than 90,000 people.

Over the last 50 years, Calderdale has been renowned for its textiles, engineering and other manufacturing industries. However, manufacturing now only accounts for around one fifth of those working in the district, with around three-quarters of the working age population employed in the service sector.

Growth areas within the district include banking, finance and insurance and other service industries. Around one in businesses operates within the creative industries.

¹ ONS (2011) Mid Year Population Estimate

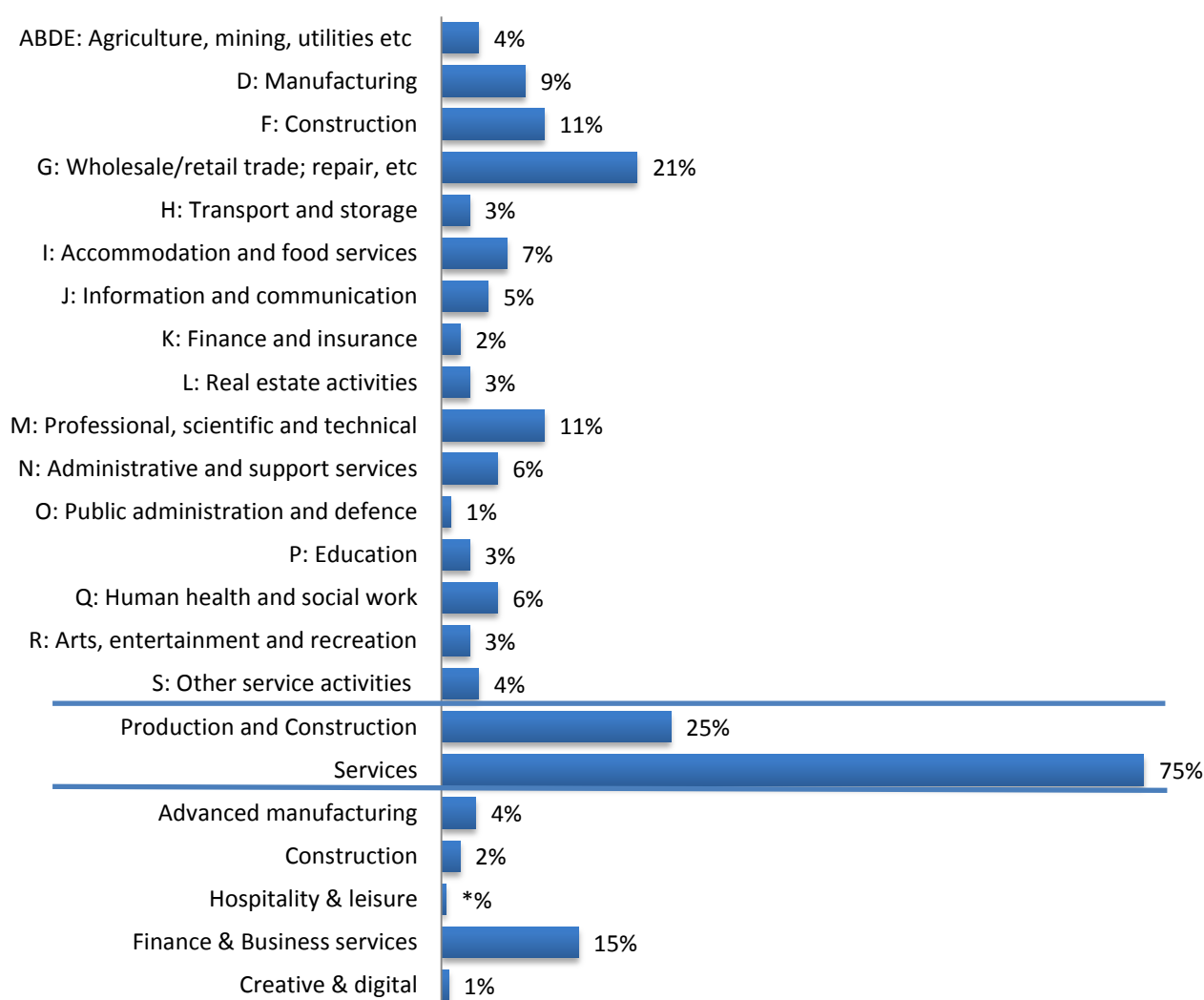
3.5 Employer profile

A total of 678 employers took part in the telephone survey. The sample included all businesses and employers with one or more employees.

The data was weighted so that responses were accorded a value that was in line with their representation within the population. Thus, the sample profile by business size and sector reflects that of the business population as a whole.

The following chart presents the sector profile, summarises the proportion of employers in Calderdale within production and construction sectors (A-F) and within services (G-S) and also highlights the proportion of all employers within the district in sub-sectors that have been identified by the Council as priorities in terms of their economic strategy²

Figure 3.1: Industry sector – Standard Industry Classification (SIC) 2010 (all respondents)



Unweighted base = 678 *denotes less than 0.5%

A2. What is the main business activity at this establishment?

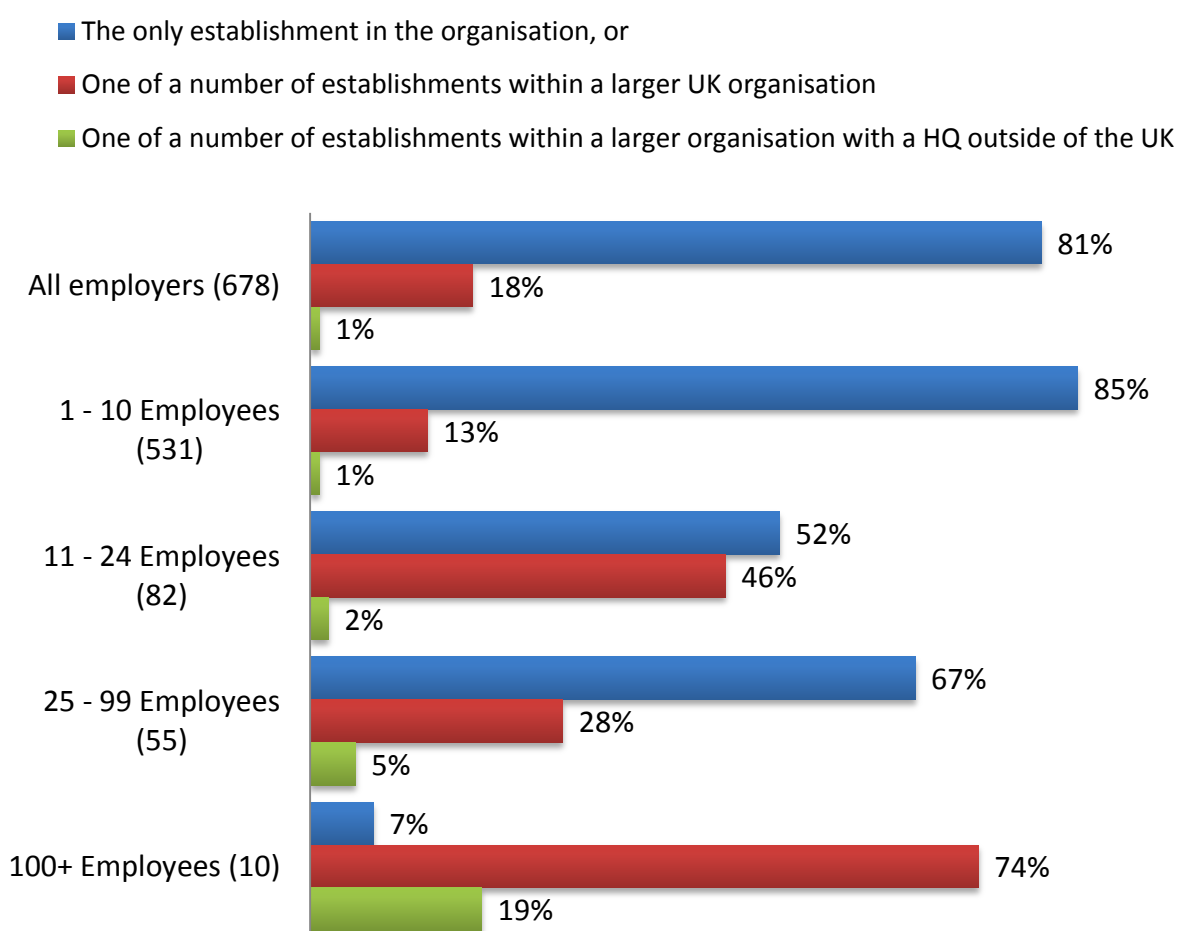
² Weighting factors are at the one digit SIC level and representation of sub-sectors within one digit SIC groups may not accurately reflect the population profile.

Two-thirds of employers (67%) have up to four employees at that site, while one in six of all employers (17%) have between five and ten employees. Employers with more than ten employees at the site at which the interview took place account for just 16% of all employers in Calderdale.

More than four-fifths of employers in Calderdale (81%) are single site establishments.

Just 1% of all employers in the area have a headquarters based outside the UK. This increases to 5% of employers with more than 25 employees.

Table 3.2: Organisation structure, by employer size (all respondents)



Unweighted bases in parentheses

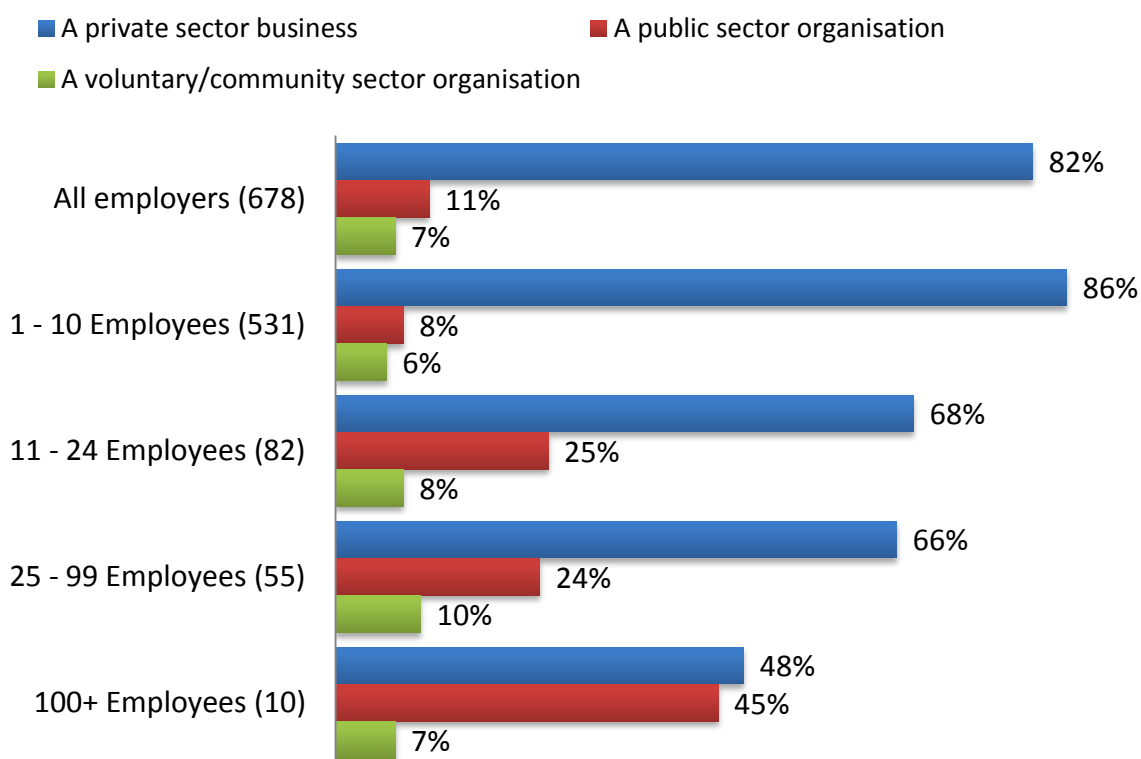
A4. *Is this establishment...*

By sector, there are a particularly high proportion of multi-site employers in the wholesale/retail (29%), accommodation/food services (22%) and other services (24%) sectors, while the vast majority of construction firms (97%) are single site organisations.

The majority of employers (82%) operate in the private sector, with one in nine of all employers in Calderdale (11%) operating in the public sector and just over one in twenty (7%) in the voluntary/community sector.

The propensity to operate in the public sector increases with employer size to 23% of employers with 11 or more staff at their site.

Table 3.3: Sector type, by employer size (all respondents)



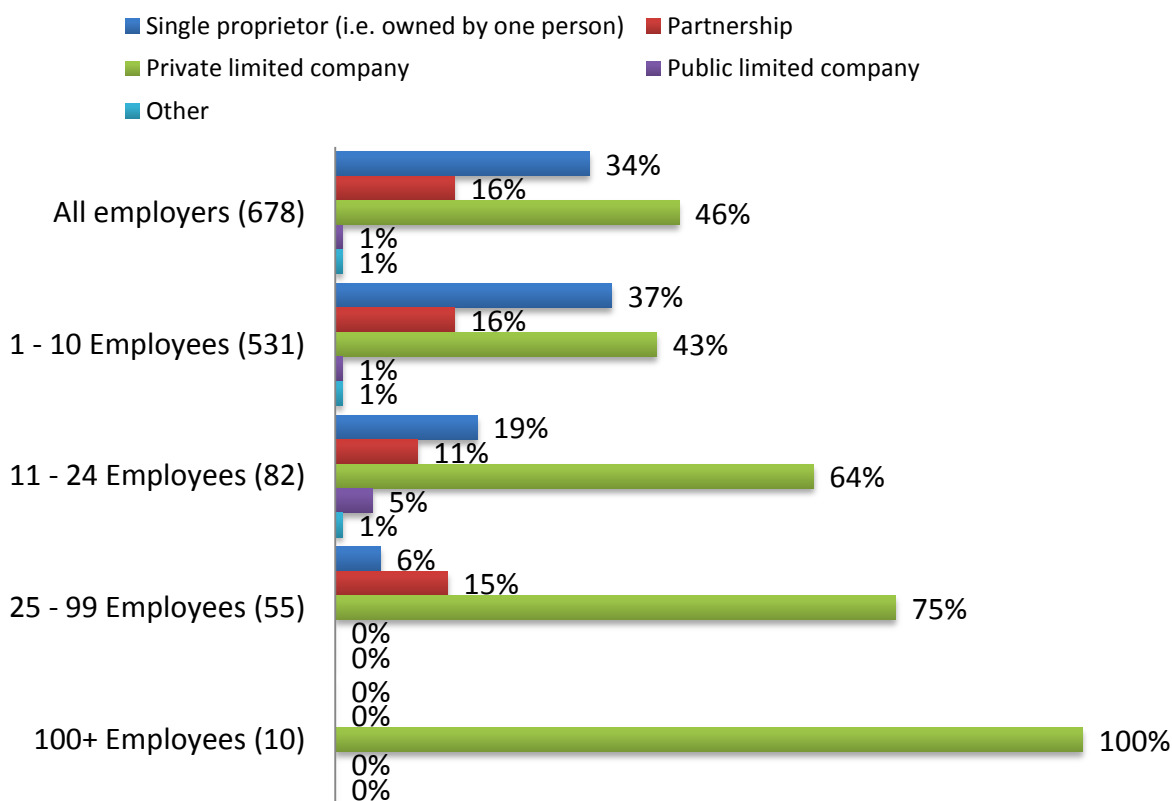
Unweighted bases in parentheses

A5. *Would you classify this establishment as.....?*

The public sector accounts for 29% of employers within administrative services, 25% of employers within accommodation/food services and 19% within other services sectors. Around one in four other services employers (24%) operate within the voluntary/community sector.

Employers in Calderdale are most likely to be private limited companies (46%), increasing to 78% of employers with more than 25 employees.

Thirty-four per cent of employers in Calderdale are sole proprietorships, increasing to 43% of employers with up to 4 employees.

Table 3.4: Legal status, by employer size (all respondents)

Unweighted bases in parentheses

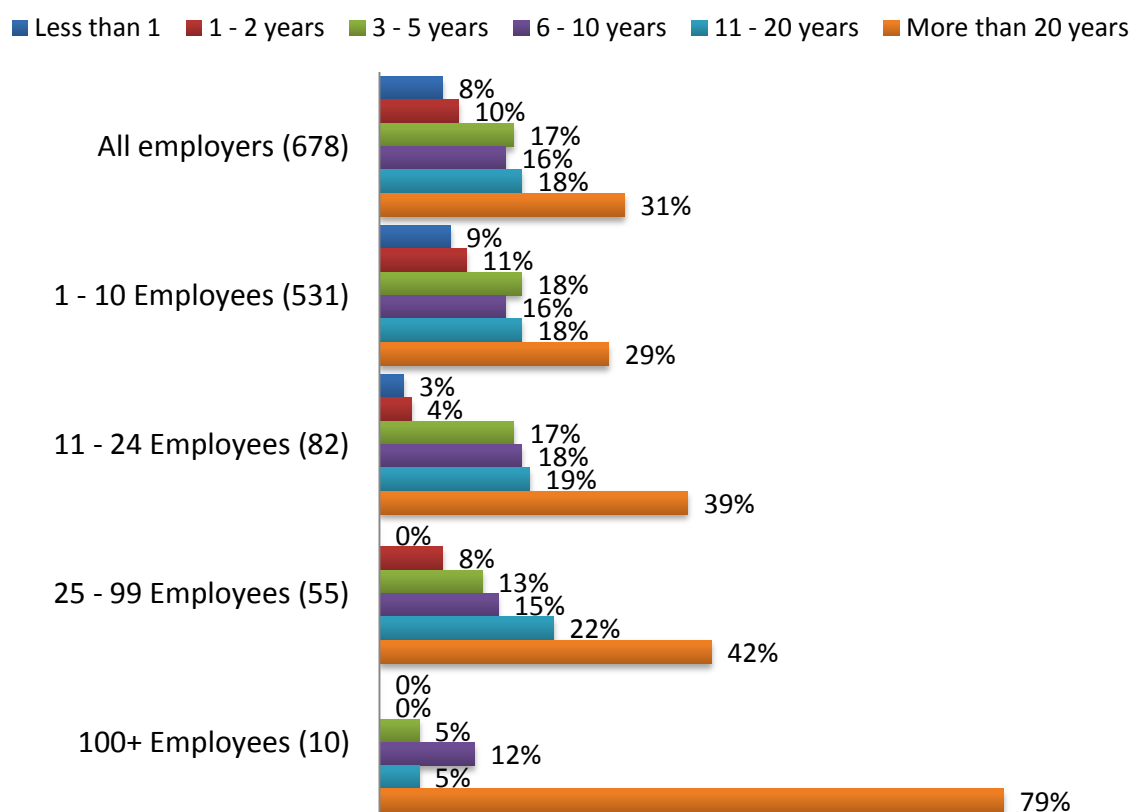
A6. What is the legal status of the company?

A third of employers (31%) have been established at their site (under all ownerships and all legal statuses) for more than 20 years. A higher proportion (35%) have been established for no more than 5 years, with one in six of all employers (18%) having been established at their site within the last 2 years.

As one would expect, smaller employers are more likely than average to be young employers, with 38% of those with up to 10 employees established in the last 5 years, compared with 22% of those with 11 or more.

Younger employers are more likely than average to be found within the information/communication sector (32% established in the last two years).

Table 3.5: Years established at that site, by employer size (all respondents)

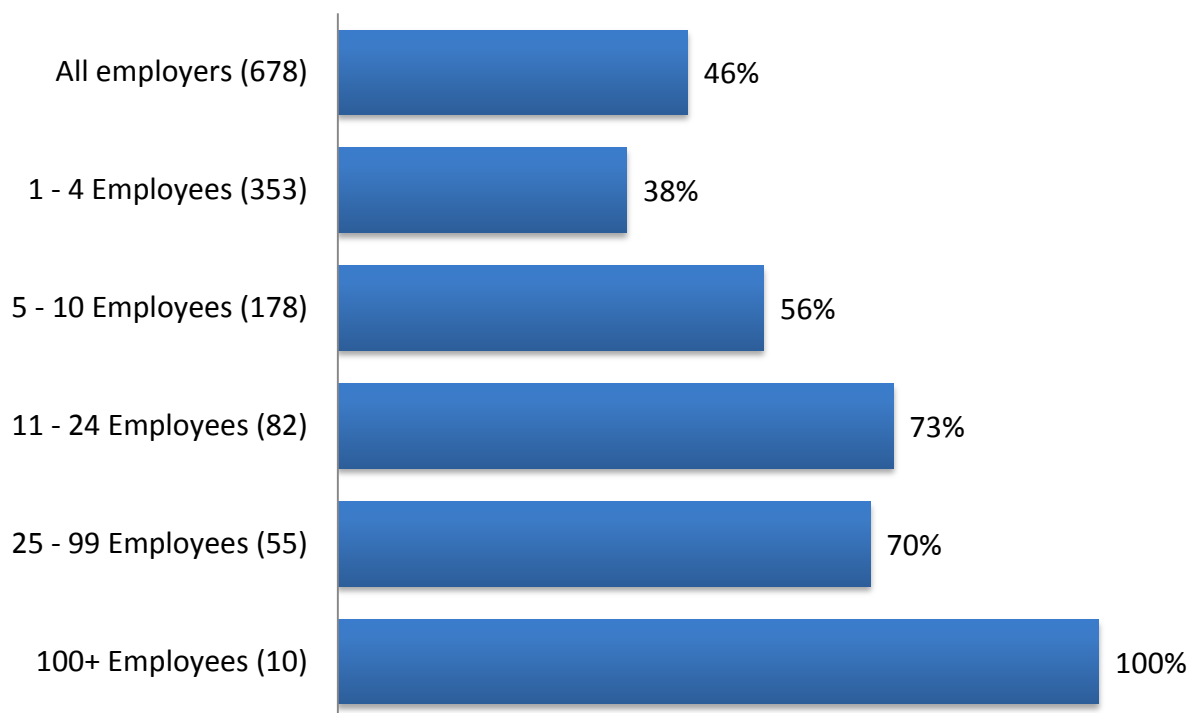


Unweighted bases in parentheses

A7. How many years have you been established at that site? This includes under all ownerships and all legal statuses

3.6 Business plans

Respondents were asked if their establishment has a business plan that specifies the objectives for the coming year. Nearly half (46%) do; with the propensity to do so increasing with employer size and the smallest employers significantly less likely than average to have business plan (see figure below).

Table 3.6: Whether have a business plan, by employer size (all respondents)

Unweighted bases in parentheses

A14. Does your establishment have a business plan that specifies the objectives for the coming year?

Having a business plan in place is chiefly determined by employer size. Therefore, sector variations are influenced by average employer size. This is certainly true of the construction sector, where a particularly high proportion of employers employ no more than 10 people and there is a lower than average propensity to have a business plan (27%). Conversely, employers within the other services sector, where employer size tends to be larger than average, are significantly more likely to have a business plan in place (58%).

The exceptions to this are found within the information/communication sector, where 58% of employers have a business plan despite the sector having no employers with no more than 10 staff and the great majority having between 1 and 4 employees and, to a lesser extent, within the business services sector (51% with a business plan), where very small employers also predominate.

There is a correlation between having a business plan and offering training (60% of those that do have a business plan) and having a training budget in place (78%). These are largely determined by employer size; a reflection of the number of staff and the extent of internal resources available.

Employers that have reported recent growth, in terms of both workforce and turnover, are significantly more likely to have a business plan (50% of 'growers'; 56% of 'high growers', compared with 36% of 'shrinkers'). This too is likely to reflect employer size, but also the need to fund growth and requirement to have a business plan to show to potential investors.

Compared with the findings of the 2011 survey, employers in Calderdale are less likely to have a business plan at their establishment (56% in 2011).

4 Business Performance

This chapter presents the findings of the employer survey relating to business performance. This includes a review of sources of supply and markets served; business turnover; recent performance and expectations for the near future; the status with regard to business profitability; and employment trends in the recent past and looking ahead for the next 12 months. These questions were asked only of private sector employers.

4.1 Key findings

Around three-quarters of private sector employers in Calderdale (76%) purchase from local suppliers. One in six (17%) purchase all their raw materials or bought-in services locally.

Compared with 2011, fewer employers are wholly dependent on local suppliers. It is apparent that employers are now more likely to share their custom across the different geographical markets.

Only a minority of private sector employers (21%) feel that efficiency could be increased by encouraging greater competition or local representation in any aspect of the supply chain. This suggests that local suppliers are an attractive proposition if they can offer similar terms and meet the needs of employers but their location vis a vis the employer that wants to buy is not necessarily a selling point.

The majority of private sector employers that provided an estimate (88%) sell to customers that are based locally, within the Calderdale district. About a quarter (24%) are totally reliant on the local market.

Employers that sell overseas are in the minority, with just 8% selling to customers outside the UK but within the EU and just 6% selling to customers based outside the EU.

Employers are more likely to have local customers now than they were in 2011 but, on the whole, there is a very similar picture in terms of the distribution of sales across the geographical areas now compared with two years ago.

A quarter of all private sector employers (25%) have done some business for the public sector; although for the most part, business for the public sector contributes only a small proportion of employer turnover.

A third of private sector employers that had been established for at least a year (34%) reported an increase in turnover in the past 12 months, with levels of increase modest on the whole.

A fifth of private sector employers (21%) reported a decrease in turnover over the same period.

More than two-fifths of private sector employers (43%) believe there are barriers to the employer growing turnover in the next 3 years. The top five selected barriers to turnover growth included: Cash flow (37%); over regulation/red tape (36%); lack of capital for investment (35%); market size (34%); and transport costs (32%).

More than a third of private sector employers (36%) report higher levels of profit now than 12 months ago, while 22% reported a decline in profit.

For more than two-thirds of employers in Calderdale the size of the workforce has remained the same over the past 12 months (71%), while 16% of employers reported an increase in the size of their workforce and 12% reported a contraction of their workforce.

Looking ahead to the next 12 months, 53% of Calderdale private sector employers anticipate that their turnover will increase, while just 7% anticipate a decrease. Comparing this level of optimism with past performance suggests that hopes for turnover growth will not be realised within some of these employers.

Twenty-two per cent of all employers anticipate growth in the size of their workforce in the next 12 months. This contrasts with just 3% that expect their workforce to contract.

4.2 Business supply chain

More than two-fifths of private sector employers that provided an estimate (41%) purchase 50% or more of their raw materials or bought-in services locally, within the Calderdale district. This includes 17% that purchase all their raw materials or bought-in services locally. Around a quarter of all private sector employers (24%) do not use local suppliers.

Three-fifths of all private sector employers (59%) purchase raw materials or bought-in services elsewhere within the Yorkshire and Humber region. This includes 21% that purchase at least half of these products and services from suppliers in the wider region; 4% that make all of these purchases from employers located there.

A similar proportion of private sector employers (61%) purchase from suppliers based outside of the Yorkshire and Humber region but still based within the UK. This includes 32% that make at least half of their purchases from suppliers based elsewhere in the UK; 6% make all their purchases outside of the region but still within the UK.

Employers that make purchases overseas are in the minority, with just 14% purchasing any raw materials or bought-in services outside the UK but within the EU and just 7% making purchases from suppliers based outside the EU.

Table 4.1: Where suppliers are located (private sector employers; where provided a response)

	None	1-49%	50-99%	100%
Locally – within Calderdale	24%	35%	24%	17%
Elsewhere within the Yorkshire and Humber region	41%	39%	17%	4%
Rest of the UK	39%	28%	26%	6%
Within the EU (not including the UK)	86%	11%	3%	*%
Outside the EU	93%	5%	2%	*%

Unweighted base = 470

G1. Thinking about your purchases (for example raw materials and bought-in services), can you please estimate the proportion of your purchases that are sourced...

Compared with 2011, fewer employers are wholly dependent on local suppliers (26% made all their purchases locally in 2011), while more likely to buy some of their raw materials and bought-in services elsewhere in the region (35% did so in 2011). It is apparent that employers are now more likely to share their custom across the different geographical markets as higher proportions than in 2011 purchase between 1% and 49% of what they need locally, regionally and across the rest of the UK (these proportions were 24%, 22% and 18% respectively in 2011).

Smaller employers tend to be more reliant on local suppliers (18% of 1-10 employees make all their purchases locally) and the proportion is higher than average within transport/storage (34%), and administrative services (32%) sectors.

Younger employers (established at the site for less than 2 years) are significantly more likely than average to be wholly dependent on local suppliers (27% made all their purchases locally).

Around a fifth of private sector employers (21%) feel that efficiency could be increased by encouraging greater competition or local representation in any aspect of the supply chain. This proportion increases with employer size, from 21% of those with 1 to 10 employees to 31% with 25 to 99 employees to 40% of those with 100+ employees. It is a more widely held belief within construction (31%).

The most frequently suggested ways in which efficiency in the local supply chain can be increased include lower product prices locally (25%), more local suppliers offering what is required (also 25%) and greater competition in general (20%). It is clear that local suppliers are an attractive proposition if they can offer similar terms and meet the needs of employers but their location is not necessarily a selling point.

4.3 Markets

The majority of private sector employers that provided an estimate (88%) sell to customers that are based locally, within the Calderdale district. This includes 24% that make all their sales locally. More than three-fifths of all private sector employers (62%) make 50% or more of their sales to local customers.

More than three-fifths of all private sector employers (62%) sell to customers elsewhere within the Yorkshire and Humber region. This includes 16% that make at least half their sales in the wider region; just 2% that make all of these purchases from employers located there.

More than two-fifths of private sector employers (46%) sell to customers outside of the Yorkshire and Humber region but still based within the UK. This includes 23% that make at least half of their sales to customers based elsewhere in the UK; 2% rely wholly on sales outside of the region but still within the UK.

Employers that sell overseas are in the minority, with just 8% selling to customers outside the UK but within the EU and just 6% selling to customers based outside the EU.

Table 4.2: Where sales/customers are generated/located (private sector employers; where provided a response)

	None	1-49%	50-99%	100%
Locally – within Calderdale	12%	26%	38%	24%
Elsewhere within the Yorkshire and Humber region	38%	47%	14%	2%
Rest of the UK	54%	23%	21%	2%
Within the EU (not including the UK)	92%	6%	1%	*%
Outside the EU	94%	5%	1%	0%

Unweighted base = 510

G4. Thinking now about your sales/customers, can you please estimate the proportion of your sales/customers that are generated/located...

Employers are more likely to have local customers now than they were in 2011 (15% generated no sales locally in 2011), but, on the whole, there is a very similar picture in terms of the distribution of sales across the geographical areas now compared with two years ago.

Smaller employers tend to be more reliant on local markets for sales (24% of employers with 1 to 10 employees generate all their sales locally, compared with 13% of those with 25 to 99 and 15% with 100+ employees) and the proportion is higher than average within accommodation/food services (42% generate all their sales locally), administrative services (38%) and other services (33%); all of whom are more likely than average to rely on local suppliers too.

Looking at overseas sales, employers with 100+ employees are more likely to make some sales outside the UK, within the EU (75% of those providing an estimate do so). These sales constitute less than 50% of their total sales. The sectors in which sales to other EU countries are most prevalent include manufacturing (21%) and wholesale/retail (14%). One per cent of manufacturers rely completely on sales to customers outside the UK but within the EU.

A similar pattern is apparent with regard to sales to non-EU countries. Seventy-five per cent of employers with 100+ employees generate sales in non-EU markets, although all of these specify that this accounts for between less than 50% of their sales. Sales to non-EU markets are more prevalent within the manufacturing sector (12%).

4.3.1 Business for the public sector

A quarter of all private sector employers (25%) have done some business for the public sector. This proportion increases to 29% of employers with between 5 and 10 employees; 40% of those with between 11 and 24 and 45% of those with between 25 or more employees. By sector, the propensity to have done any business for the public sector is higher than average within transport/storage (40%), manufacturing (35%), information/communications (34%), administrative services (also 34%) and construction (32%).

For the most part, business for the public sector contributes only a small proportion of employer turnover. More than half the employers that have done work for the public sector (54%) estimate that no more than 10% of their sales/revenue has come from the public sector. Just 5% are completely reliant on the public sector for their sales/revenue, which compares with 8% in 2011.

- 1-10% 54%
- 11-20% 12%
- 21-50% 12%
- 51-80% 4%
- 81-99% 4%
- 100% 5%

The mean proportion of sales/revenue obtained from work done for the public sector amongst those that serve this market is 24%.

4.4 Business turnover

Eighty-five per cent of private sector employers provided information on the approximate employer turnover in the past 12 months. Of these around a third (31%) reported turnover below the VAT threshold for the financial year 2012/13 (£73,000).

A further third of employers (31%) reported turnover between £73,000 and £250,000 in the past 12 months and a lower proportion (24%) reported turnover between £250,000 and £1 million. One in seven employers (14%) that provided information on turnover reported turnover of £1 million or more.

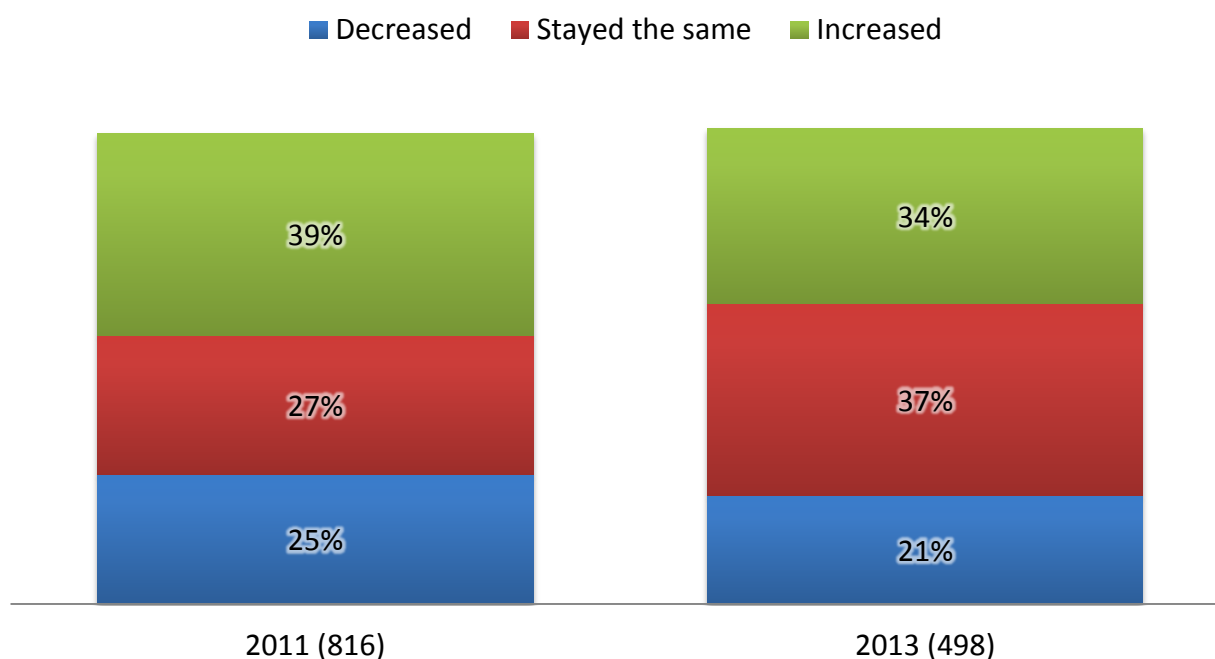
4.4.1 Growth in employer turnover

More than a third of private sector employers that had been established for at least a year (34%) reported an increase in turnover in the past 12 months, compared with the previous 12 months. This is a slight deterioration compared with employers surveyed in Calderdale in 2011, when 39% reported recent turnover growth, but compares favourably with findings from the Small Business Survey 2012 (SBS 2012)³, which reported 25% of employers with up to 250 employees experiencing growth in turnover in the past 12 months.

Just one in five employers (21%) reported a decrease in turnover over the same period. This is a more positive result than that reported in 2011, when 25% of employers reported turnover shrinkage. A comparison with SBS 2012 suggests a better performance amongst employers in Calderdale against the UK average, where 35% reported turnover decline.

³ The Small Business Survey (SBS) 2012, conducted by BMG Research Ltd on behalf of the Department for Business, Innovation and Skills (BIS) between July and September 2012.

Figure 4.3: Change in turnover within the past 12 months (private sector employers established for at least a year)

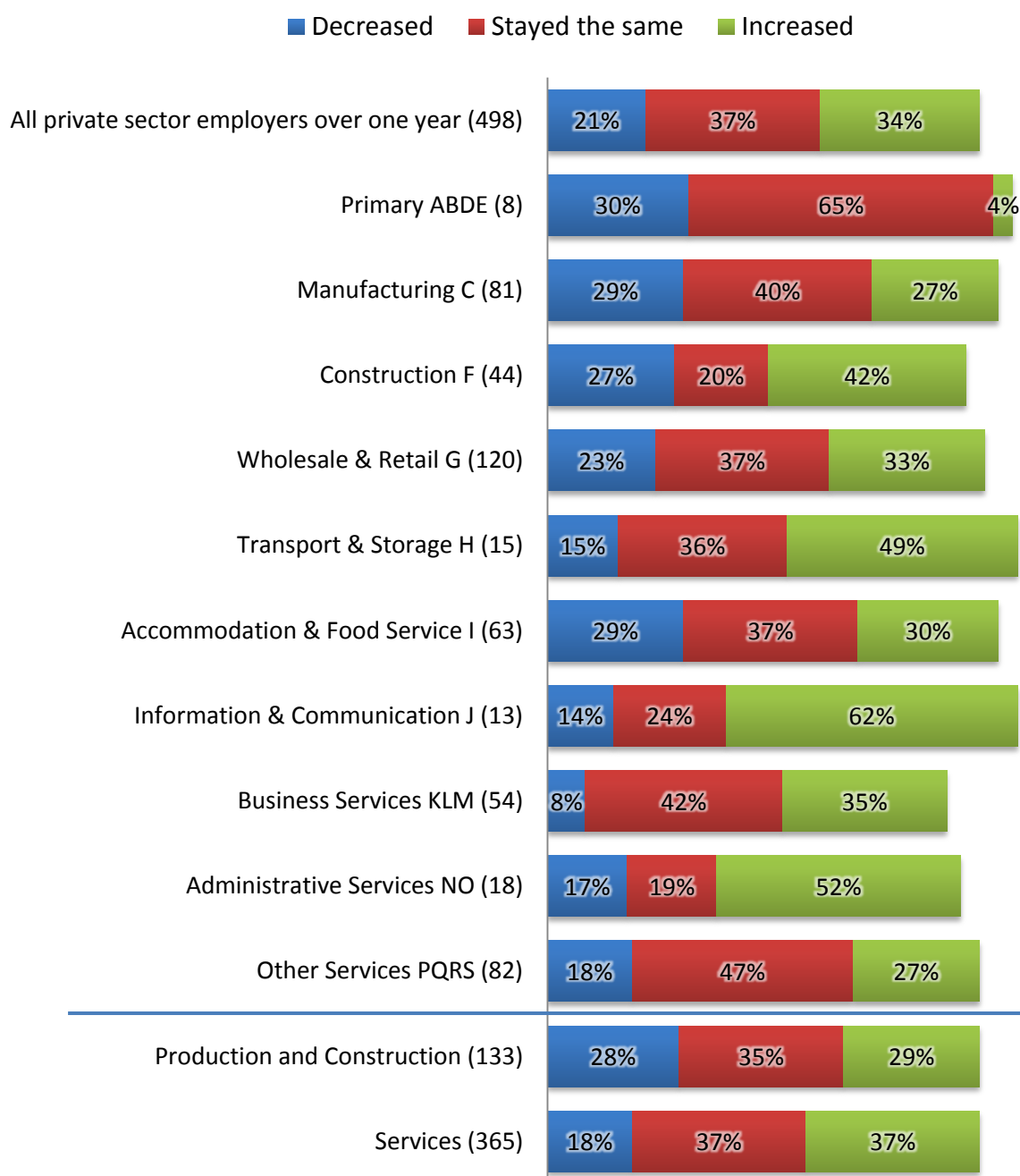


Unweighted bases in parentheses

G9. Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same?

Employers in the sectors of information and communication (62%) and administrative services (52%) are slightly more likely than average to report growth in turnover in the past 12 months. Those in production and construction sectors are more likely to report a decline than those in service sectors (28%, compared with 18%), and the proportion is significantly lower than average in business services (8%).

Figure 4.4: Change in turnover within the past 12 months, by sector (private sector employers established for at least a year)



Unweighted bases in parentheses

G9. Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same?

The majority of employers reported low levels of turnover increase. More than a third of employers (36%) reported an increase of up to 10%, with a further quarter of employers (27%) reporting an increase of between 10% and 20%. Thirty per cent of employers reporting an increase in turnover reported an increase of more than 20%.

It is a very similar picture with regard to turnover decline, with 38% of those experiencing a decrease reporting an up to 10% decline and 21% reporting a decline of between 10% and 20%. Just over a third (35%) reported a decline in turnover of more than 20%.

The mean percentage increase in turnover of 28% compares with a mean percentage decrease of 20%.

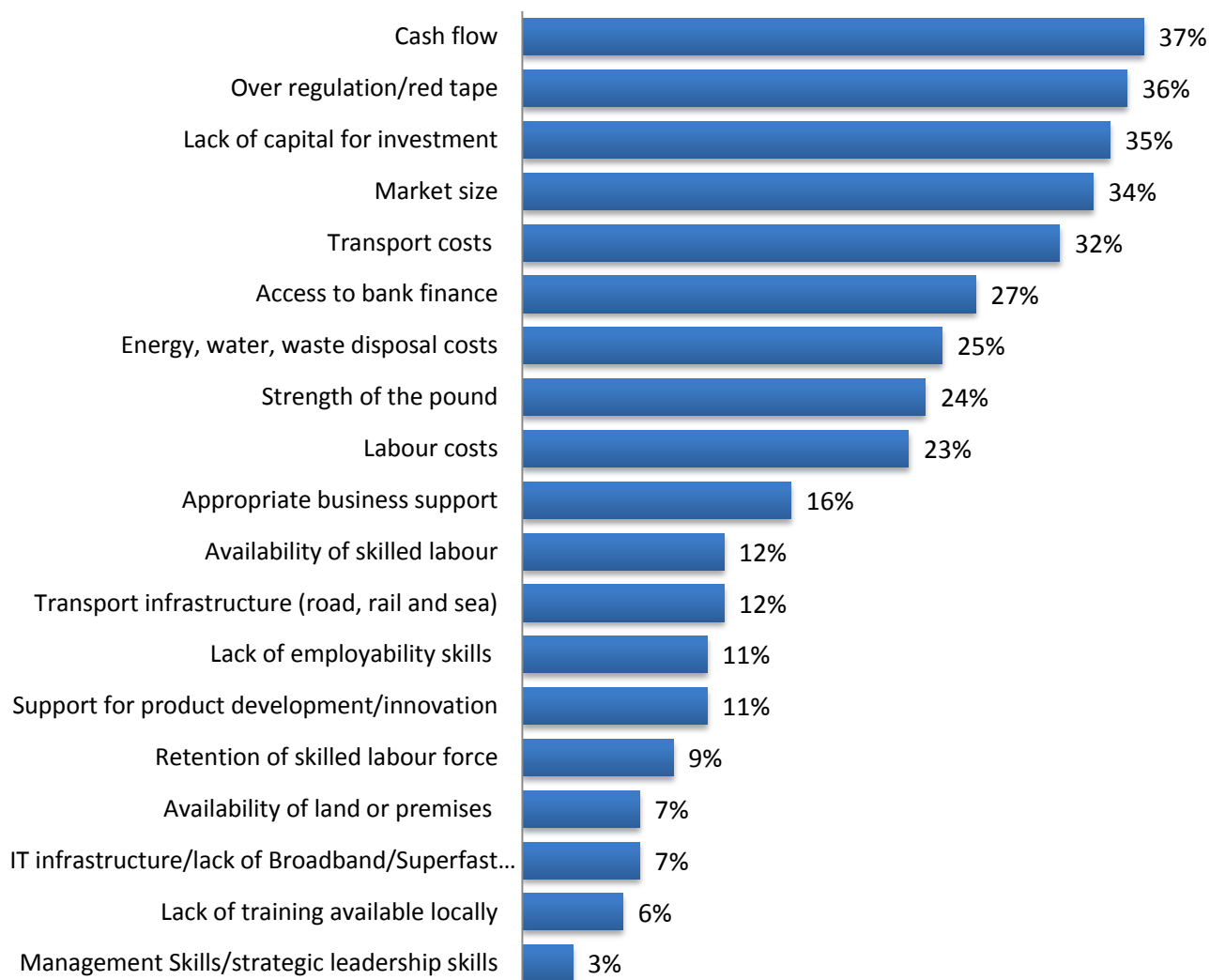
4.4.2 Barriers to growth in employer turnover

When asked if they consider that there are any barriers to the employer growing turnover in the next 3 years, more than two-fifths of private sector employers (43%) believe there are. This compares with 45% in 2011. The proportion this year is lower than average amongst employers with 100 or more employees (35%). There are no significant or notable differences by sector.

Respondents were read out a list of potential barriers and asked to indicate which they thought applied. (The list varied considerably from that used in 2011.) The top five selected barriers to turnover growth included: cash flow (37%); over-regulation/red tape (36%); lack of capital for investment (35%); market size (34%) and transport costs (32%).

Over-regulation/red tape is a particular concern within accommodation/food services sector (52%) and employers in this sector are also significantly more likely than average to mention energy, water, waste disposal costs (63%) and appropriate business support (38%).

Figure 4.5: Barriers to turnover growth in the next three years – prompted, multiple response (where barriers to growing turnover)



Unweighted base = 240

G17. Do you see any of the following as being barriers to the growth of your business turnover during the next 3 years?

The more significant barriers to growth revolve around investment capital, including the cash within the business that could be made available for that purpose, and costs. The strength of the pound, cited by around a quarter of employers with barriers to growth (24%), not only impacts on exporting potential but also increases competition from cheaper imports. Lack of skills in the workforce is of lesser concern, but for those that have identified skills deficiencies as an issue they will be significant. Lack of appropriate business support is cited by a higher proportion of respondents however, suggesting the need for more advice on a range of business issues.

4.5 Profitability

More than a third of private sector employers (36%) report higher levels of profit now than 12 months ago, similar to the proportion reporting higher levels of turnover (34%). Compared with this 22% reported a decline in profit.

Rising levels of profit are more likely in the sectors of administrative services (58%), information/communication (49%) and transport/storage (46%). Declining profit is significantly more likely within the accommodation/food services sector (42%).

Growth in profitability correlates with needing more land space in the next 3 to 5 years (50% of those that will, compared with 33% of those that will not). Young businesses (established for up to 2 years at the site) are significantly more likely than average to report growing profitability (50%).

Overall, a similar proportion of employers reported higher levels of profit, compared with 2011 (36%, compared with 35%). However, fewer reported a decline (28% in 2011), suggesting a more positive situation now than 2 years ago.

4.6 Employment change

Similarly to 2011, for more than two-thirds of employers in Calderdale the size of the workforce has remained the same over the past 12 months (71%, compared with 67% in 2011). Again, similarly to 2011, 16% of employers reported an increase in the size of their workforce, while 12% reported a contraction of their workforce (16% increase; 16% decrease in 2011).

By sector, employers with other services are significantly more likely than average to report an increase in workforce size (22%), while those in accommodation/food services are significantly more likely to report contraction (21%).

Looking at net growth, where the difference between the proportion whose workforce has grown and the proportion that have seen contraction is calculated, the most positive trends are to be found within the sectors of business services (24% report an increase; 5% a decrease; a net balance of +19%) and other services (22%; 6%; also a net balance of +16%). The most negative is to be found in accommodation/food services (10% report an increase; 21% a decrease; a net balance of -11%) and administration services (2% report an increase; 13% a decrease; a net balance of -11%).

Table 4.6: Change in workforce size over the last 12 months, by sector (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale & Retail G	Transport & Storage H	Accommodation & Food Service I	Information & Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted bases</i>	678	8	88	50	156	19	95	16	62	27	157
Increased	16%	3%	19%	18%	12%	26%	10%	13%	24%	2%	22%
Decreased	12%	2%	16%	16%	14%	20%	21%	8%	5%	13%	6%
Net balance (+/-)	+4%	+1%	+3%	+2%	-2%	+6%	-11%	+5%	+19%	-11%	+16%

A8. Over the past 12 months has the size of your workforce increased, decreased or stayed the same?

Highest net growth is suggested in employers with more than 100 employees (45% report an increase; none a decrease; a net balance of +45%), although there is strong net growth in employers with between 25 and 99 employees (47%; 7%; +40%).

Where there has been an increase, it is likely to have been small scale. Eighty-three per cent of those reporting workforce growth report between an additional 1 and 4 jobs. Similarly, 78% of those reporting a contraction in the size of their workforce report a loss of between 1 and 4 jobs.

As one would expect, the size of the increase or decrease is largely determined by employer size. On average, employers grew by an additional 3.5 staff. This increased to 6.6 staff within employers with between 25 and 99 employees and 37 staff within employers with 100 or more employees.

On average, those that contracted in terms of workforce size lost an average of 2.8 staff, increasing to 11.6 staff within employers with between 25 and 99 employees.

4.7 Outlook for growth

4.7.1 Turnover trends

Looking ahead to the next 12 months, 53% of Calderdale private sector employers anticipate that their turnover will increase, while just 7% anticipate a decrease. Comparing this level of optimism with past performance suggests that hopes for turnover growth will not be realised within some of these employers.

Compared with SBS 2012, where 31% of employers anticipated growth in the next 12 months, Calderdale employers are more optimistic.

A true comparison with the 2011 survey in Calderdale is not possible because then the question was about the next 3 years. However, it is worth noting that, then, 52% of employers anticipated growth in turnover going forward. Considering the shorter timeframe asked about in this year's survey, employers seem to be more optimistic than they were in 2011.

Reflecting a more positive than average performance in the last 12 months, employers within construction (61%) and information/communication (60%) sectors are more likely than average to anticipate an increase in turnover.

Looking at net anticipated growth, where the difference between the proportion who expect turnover to grow and the proportion expecting a decrease, the most positive trends are to be found within the sectors of transport/storage (57% report an increase; none a decrease; a net balance of +57%), construction (61%; 9%, a net balance of 52%) and business services (58%; 6%; also a net balance of +52%). There are no negative balances across the sectors.

Table 4.7: Anticipated change in turnover over the next 12 months, by sector (private sector employers)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale & Retail G	Transport & Storage H	Accommodation & Food Service I	Information & Communication J	Business Services KLM	Administrative Services NO	Other Services PQR
<i>Unweighted bases</i>	537	8	86	46	128	16	70	15	59	21	88
Increase	53%	37%	50%	61%	52%	57%	45%	60%	58%	50%	48%
Decrease	7%	30%	7%	9%	4%	0%	8%	17%	6%	0%	3%
Net balance (+/-)	+46%	+7%	+43%	+52%	+48%	+57%	+37%	+43%	+52%	+50%	+45%

G15. Over the next 12 months, do you anticipate that your company's turnover will increase, decrease or remain static?

There is a strong correlation to employment growth (as one would expect), with 70% of those reporting workforce growth in the last 12 months anticipating an increase in turnover in the next 12 months, compared with 35% of those that reported workforce contraction. There is also a strong link between recent turnover growth and expectations in this regard. Of those employers reporting turnover growth in the past 12 months, 73% anticipate further turnover growth in the next 12 months. This compares with 44% that have reported a decline in turnover in the past 12 months.

4.7.2 Workforce trends

Twenty-two per cent of all employers anticipate growth in the size of their workforce in the next 12 months. This contrasts with just 3% that expect their workforce to contract. This echoes 2011 survey findings (20% expected growth; 5% shrinkage).

By sector, there is no significant or notable differences in the proportions anticipating workforce growth, while manufacturers are significantly more likely than average to anticipate a reduction in their workforce (8%).

As in 2011, there is considerable optimism, but this may be a reflection of the fact that few workforce reductions are planned far in advance.

Table 4.8: Anticipated change in workforce size over the next 12 months, by sector (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale & Retail G	Transport & Storage H	Accommodation & Food Service I	Information & Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted bases</i>	678	8	88	50	156	19	95	16	62	27	157
Increase	22%	35%	28%	22%	17%	37%	18%	21%	23%	21%	18%
Decrease	3%	0%	8%	0%	6%	7%	5%	0%	0%	1%	4%
Net balance (+/-)	+19%	+35%	+20%	+22%	+11%	+30%	+13%	+21%	+23%	+20%	+14%

A10. Over the next 12 months do you expect the size of your workforce to...?

5 Workforce and Skills

This chapter examines characteristics of the workforce amongst Calderdale employers and where skills required by employers currently or in the foreseeable future are lacking or in need of further development.

5.1 Key findings

The local population form a high percentage of the workforce amongst employers in Calderdale. The majority of employers (87%) employ individuals that live within a 3 mile radius of their location, with 41% reporting that all their staff lives within this catchment.

Three in ten employers (30%) reported having arrangements in place for their staff to work from home during all or part of their working week.

Nearly two-fifths of all employers (38%) have recruited any staff in the last 12 months.

Very few employers in Calderdale appear to have concerns about staff turnover. When asked if they consider staff turnover at the establishment to be high, average or low, just 4% thought it high, while 77% considered it to be low.

One in ten employers in Calderdale (10%) had current vacancies at the time of the interview.

In the last 12 months, 27% of all employers have recruited anyone on a government approved apprenticeship, any school leavers, new graduates or unemployed when applying for the job.

However, around half of all employers in Calderdale would consider recruiting apprentices (50%) or new graduates (53%), while the proportion that would consider recruiting school leavers is slightly lower (48%). Nearly three-quarters of all employers, however, would consider recruiting an unemployed person (73%). A significant minority of Calderdale employers (23%) say they would not consider recruiting people from any of these groups.

One in six employers in Calderdale that have recruited in the last 12 months, or currently have vacancies (17%) considers any of the vacancies they have reported to have been hard-to-fill.

More than three-quarters of employers (78%) identified skills that need developing in their workforce in the next 2 to 3 years, with just 6% of all employers failing to identify any. The most frequently mentioned skills in need of development were customer handling skills (43%); technical, practical or job specific skills (42%) and management skills (41%).

The majority of employers in Calderdale (72%) take steps to identify staff training needs. They are most likely to do so via informal meetings with line managers (60%), while half do so through staff appraisals (52%) and a few (just 22%) have a Training Needs Analysis (TNA) system in place.

One in five employers in Calderdale (19%) has access to an in-house specialised and dedicated training officer. This proportion increases to 86% of employers with 100 or more employees.

Just over one in five employers in Calderdale (21%) has a budget for training expenditure.

Within Calderdale, 63% of employers have funded or arranged any training for their workforce over the last 12 months.

Just one in seven employers that have funded or arranged training in the last 12 months (14%) accessed government funding to support it.

Two-fifths of employers that have funded or arranged training in the last 12 months (40%) have provided any that leads to a nationally recognised qualification.

Three-fifths of employers that have funded or arranged training (58%) have used external providers to deliver that training.

A third of employers in Calderdale (32%) offer work experience placements for school, college or university students.

Fewer employers offer longer term volunteering or internship opportunities; 16% do so.

Overall, 58% of all Calderdale employers offer or would consider offering work experience placements to school, college or university students and 35% offer or would consider offering longer term volunteering or internship opportunities.

5.2 Workforce profile

Two-thirds of employers (67%) have up to four employees at that site, while one in six of all employers (17%) have between five and ten employees. Employers with more than ten employees at the site at which the interview took place account for just 16% of all employers in Calderdale.

The employer size profile by sector is summarised in table 5.1. It highlights the fact that there is a particularly high concentration of small employers within the sectors of construction (92% have between 1 and 10 employees) and information/communication (all of them). Manufacturing and other services sectors have a particularly high proportion of larger employers (15% each have 25+ employees).

Table 5.1: Employer size, by industry (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport /Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8	88	50	156	19	95	16	62	27	157
1-4 employees	67%	90%	49%	79%	65%	73%	57%	88%	78%	65%	51%
5-10 employees	17%	7%	20%	13%	22%	12%	23%	12%	15%	10%	21%
11-24 employees	9%	2%	16%	5%	9%	0%	14%	0%	7%	20%	12%
25 - 199 employees	6%	2%	14%	3%	4%	16%	6%	0%	0%	5%	13%
200+ employees	1%	0%	1%	0%	*%	0%	0%	0%	0%	0%	2%

*denotes less than 0.5% Figures in bold are statistically significantly higher or lower at the 95% confidence level than the average, minus the sub-group tested.

A1. Including you and any working proprietors, how many people are on the payroll at this location?

Single site organisations are more likely than those operating at more than one site to employ fewer than 5 staff (73%, compared with 40%). A quarter of multi-site employers (23%) employ between 5 and 10 staff at their site, while 14% employ 25 or more staff (5% of single site organisations).

Private sector employers tend to be smaller than public and voluntary sector employers (70% employ 1-4 staff, compared with 45% of public sector and 65% of voluntary/community organisations). Just 5% of private sector employers employ 25 or more staff, compared with 16% of public and 9% of voluntary/community employers.

5.3 Working arrangements and staff retention

The local population form a high percentage of the workforce amongst employers in Calderdale. The majority of employers (87%) employ individuals that live within a 3 mile radius of their location, with 41% reporting that all their staff lives within this catchment area.

- None 12%
- Less than 10% 5%
- 10-25% 7%
- 26-50% 14%
- 51-75% 12%
- 76-99% 8%
- 100% 41%

Altogether, 61% of Calderdale employers estimate that more than half their workforce lives within 3 miles of their establishment. While currently recruiting heavily from the pool of labour available locally, it does not necessarily mean that they are dependent on the skills and experience of the local population and that they are not averse to recruiting from further afield.

Three in ten employers (30%) reported having arrangements in place for their staff to work from home during all or part of their working week.

The propensity to accommodate home working is bound to be linked to industry sector and the extent to which it is viable for employees to undertake their working tasks not only away from the main business location but actually at their home. On that basis, the propensity to accommodate home working is significantly lower than average amongst employers within the sectors of wholesale/retail (16%) and accommodation/food services (6%); both sectors that involve a provision of a service or product at a particular location for the most part (and where mobile still involve working at a location away from home).

There are particularly high levels of home working within the sectors of information/communication (79%) and business services (43%); both sectors in which information technology is widely adopted.

Where home working is accommodated, the majority of employers report only a small minority of staff taking advantage of the arrangement; 46% reporting fewer than 10% of staff working at home during all or part of their working week, increasing to 81% of construction firms. However, three in ten employers that accommodate home working (30%) report that all their staff work from home during all or part of their working week. This proportion increases to 61% in information/communication; 45% in administrative services and 38% of those in business services sectors.

The table below summarises levels of home working by sector and employer size. It highlights lower concentrations of home working across all employees as employer size increases.

Table 5.2: Staff home working during all or part of their working week (all respondents/ where have home working arrangements)

	Unweighted bases	Have arrangements in place	Unweighted bases (where have arrangements)	Less than 10%	All staff	Mean home working
All employers	678	30%	170	46%	30%	39%
Primary ABDE	8*	31%	2	3%	0%	49%
Manufacturing C	88	26%	22	43%	9%	16%
Construction F	50	31%	15	81%	17%	19%
Wholesale/Retail G	156	16%	24	59%	26%	30%
Transport/Storage H	19*	7%	1	0%	100%	100%
Accommodation/Food Service I	95	6%	6	51%	49%	50%
Information/Communication G	16*	79%	12	0%	61%	77%
Business Services KLM	62	43%	26	49%	38%	44%
Administrative Services NO	27*	41%	10	45%	45%	47%
Other Services J	157	34%	52	61%	11%	21%
1-10 employees	531	30%	123	45%	36%	44%
11-24 employees	82	27%	23	50%	0%	12%
25-99 employees	55	33%	21	39%	0%	12%
100+ employees	10*	64%	3	100%	0%	2%

* caution: low sample bases Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

A12. Do any of your staff have arrangements in place where they can work from home during all or part of their working week?

A13. Approximately what proportion of you staff work from home during all or part of their working week?

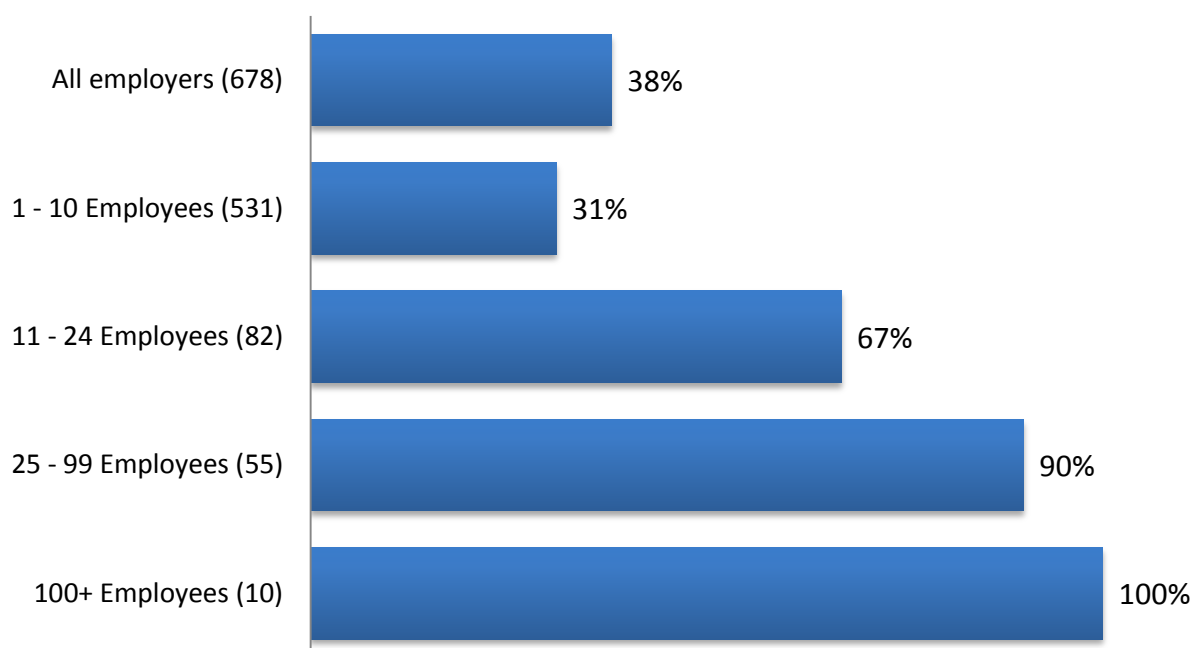
5.4 Recruitment

In 2011, when asked what their biggest selling point for recruiting and retaining their workforce might be, Calderdale employers referred to job security, pay and benefits and reputation (each cited by 18%). Two years later, job security and pay and benefits are less frequently cited (by 6% and 7% of employers respectively), with 20% of Calderdale employers citing reputation.

Around one in five employers each mentioned their selling points as being business ethos (5%), pleasant atmosphere/working environment (5%), being a good employer (as perceived by the employer) (4%) and career opportunities (4%).

Nearly two-fifths of all employers (38%) have recruited any staff in the last 12 months. This proportion increases with employer size to all the employers with 100 or more employees.

Figure 5.3: Whether recruited any staff in the last 12 months, by employer size (all respondents)



Unweighted bases in parentheses

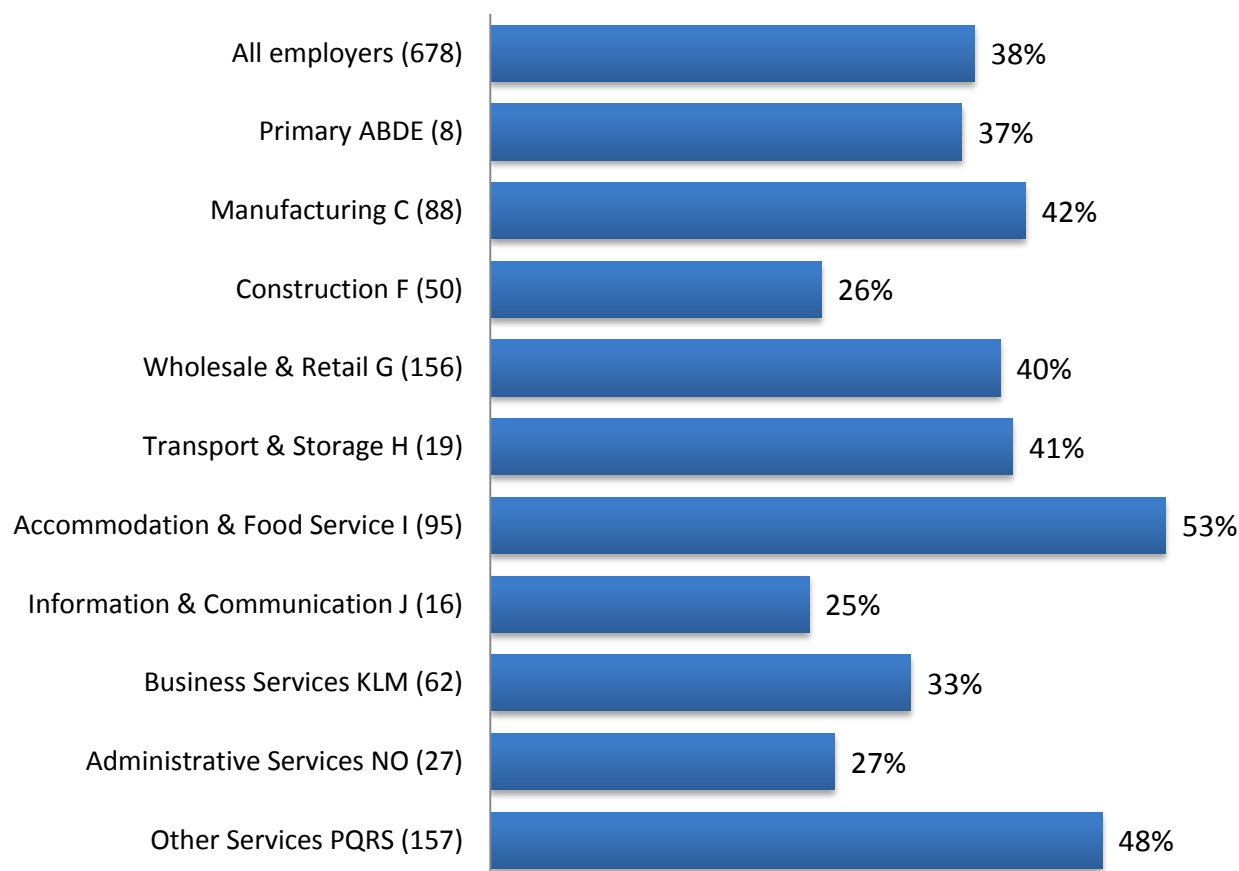
C2. Can I just check, have you recruited any staff in the last 12 months?

The key factor in recruitment activity will be employer size, as the larger the employer the greater the scope for replacing staff that leave. However, staff turnover will also be a factor and that will vary by sector based on working conditions, skill levels and the transience of certain occupations. This is illustrated by the fact that the propensity to have recruited any staff in the last 12 months is higher than average within the accommodation/food services sector (53%), a sector in which 80% of employers employ up to 10 staff at the site, compared with only a slightly higher average across Calderdale of 84%.

However, very few employers in the Calderdale district appear to have concerns about staff turnover. When asked if they consider staff turnover at the establishment to be high, average or low, just 4% thought it high, while 77% considered it to be low. Employers in the accommodation/food services sector (10%) are more likely than average to consider staff turnover high.

The figure below summarises recruitment levels overall, by sector.

Figure 5.4: Whether recruited any staff in the last 12 months, by industry sector (all respondents)



Unweighted bases in parentheses

C2. Can I just check, have you recruited any staff in the last 12 months?

One in ten employers in Calderdale (10%) had current vacancies at the time of the interview. Again, this increases with employer size (from 7% of 1-10 employees to 14% of 11-24 employees to 32% of 25-99 employees to 62% of 100+ employees).

There is little significant variation by sector, although one in three employers in the transport/storage sector have vacancies currently and the proportion is significantly higher than average in the other services sector (16%).

In terms of recruiting from so-called 'disadvantaged groups', 27% of all employers had recruited anyone on a government approved apprenticeship, any school leavers, new graduates or unemployed in the last 12 months. Employers were most likely to have recruited the unemployed (22% of all employers), with around one in twenty recruiting anyone from any of the other in-scope groups.

Employers in the accommodation/food services sector are significantly more likely than average to have recently recruited school leavers and the unemployed. Manufacturers were significantly more likely to have recruited someone on a government approved apprenticeship. Employers within the other services sector were significantly more likely to have recruited someone from each of the different groups, with the exception of the unemployed.

Table 5.5: Groups from which employers have recruited in the last 12 months – prompted, multiple response (all respondents)

	Unweighted bases	Government approved apprentice	School leavers	New graduates	Unemployed people
All employers	678	6%	5%	5%	22%
Primary ABDE	8*	0%	2%	2%	32%
Manufacturing C	88	12%	5%	7%	26%
Construction F	50	6%	3%	1%	12%
Wholesale/Retail G	156	4%	4%	3%	25%
Transport/Storage H	19*	16%	22%	0%	34%
Accommodation/Food Service I	95	8%	12%	6%	30%
Information/Communication G	16*	0%	2%	5%	10%
Business Services KLM	62	3%	3%	5%	14%
Administrative Services NO	27*	1%	0%	0%	22%
Other Services J	157	12%	9%	10%	24%
1-10 employees	531	4%	3%	2%	17%
11-24 employees	82	10%	8%	13%	33%
25-99 employees	55	25%	24%	18%	57%
100+ employees	10*	83%	52%	33%	100%

* caution: low sample bases Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

C4. Have you recruited from any of the following groups in the last 12 months?

The numbers within each group that have been recruited in the last 12 months by individual employers, tends to be small and in most cases account for just one employee.

While the proportion of Calderdale employers that have recruited from any of these groups is small, the proportion that would consider recruiting from any is much greater. Around a half of all employers in Calderdale would consider recruiting apprentices (50%) or new graduates (53%), while the proportion that would consider recruiting school leavers is slightly lower (48%). Nearly three-quarters of all employers, however, would consider recruiting an unemployed person (73%). However, nearly one in four employers (23%) say they would not consider recruiting people from any of these groups.

Table 5.6: Groups from which employers would consider recruiting – prompted, multiple response (all respondents)

	Unweighted bases	Government approved apprentice	School leavers	New graduates	Unemployed people
All employers	678	50%	48%	53%	73%
Primary ABDE	8*	63%	33%	2%	63%
Manufacturing C	88	56%	56%	47%	80%
Construction F	50	60%	52%	48%	80%
Wholesale/Retail G	156	45%	56%	57%	70%
Transport/Storage H	19*	49%	41%	44%	79%
Accommodation/Food Service I	95	51%	52%	60%	80%
Information/Communication G	16*	55%	18%	58%	74%
Business Services KLM	62	42%	34%	53%	67%
Administrative Services NO	27*	59%	67%	67%	81%
Other Services J	157	48%	48%	60%	71%
1-10 employees	531	48%	44%	49%	70%
11-24 employees	82	61%	64%	77%	93%
25-99 employees	55	69%	70%	77%	89%
100+ employees	10*	90%	90%	90%	100%

* caution: low sample bases Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

C6. Would you consider recruiting staff via ... in the future?

Of employers that have not recruited government approved apprentices, 56% would consider recruiting them. This increases to 77% across all production and construction sectors (51% across service sectors).

Of employers that have not recruited school leavers, 58% would consider recruiting them. Again, this increases to 73% in production and construction sectors (54% across service sectors).

Two-thirds of employers that have not recruited new graduates (65%) would consider recruiting from this group. This increases to 69% across service sectors (54% of those in production and construction sectors).

Of those employers that have not recruited any unemployed people in the last 12 months, 86% would consider doing so. There are no significant differences between sectors nor by whether employers operate within production and construction or services sectors.

Employers that have recruited staff or have current vacancies were asked to list the job titles or functions of posts they have recruited for in the last 12 months.

One in five recruiting employers mentioned administrative and secretarial occupations (20%), sales/customer service occupations (20%) or elementary administration/service occupations (19%), while fewer mentioned associate professional/technical occupations (15%), skilled trade occupations (14%) or positions for process, plant and machine operatives. Less than one in ten mentioned professional occupations (9%) or positions for managers, directors/senior officials (6%).

The profile of vacancies is similar when looking at the breakdown by occupation. Nineteen per cent of all vacancies reported in the last 12 months were for sales/customer service occupations, with fewer for elementary administration/service occupations (16%) or caring, leisure and other service occupations (15%), while just 7% were in professional occupations and 3% were for positions as managers, directors/senior officials.

Table 5.7: Occupations in which vacancies are reported/Breakdown of vacancies reported by occupation (where recruited/have vacancies)

	Of employers that have recruited/have vacancies	Of all vacancies reported	Higher than average demand as a % of all vacancies reported
<i>Unweighted bases</i>	316	1168	
Managers, directors/senior officials	6%	2%	Construction (15%)
Professional	9%	8%	Business services (14%)
Associate professional/ technical	15%	6%	Manufacturing (13%), other services (13%)
Administrative/secretarial	20%	8%	Administrative services (28%)
Skilled trades	14%	5%	Construction (39%), manufacturing (13%)
Caring, leisure/other service	12%	36%	Business services (72%), Other services (61%)
Sales/customer service	20%	12%	Wholesale/retail (71%)
Process, plant and machine operatives	12%	6%	Manufacturing (34%), construction (22%)
Elementary administration/service	19%	17%	Accommodation/food services (82%), administrative services (59%)

C7. Can you please tell me the job title or functions into which you have recruited staff over the last 12 months/have current vacancies?

5.5 Skills Shortages and Skills Gaps

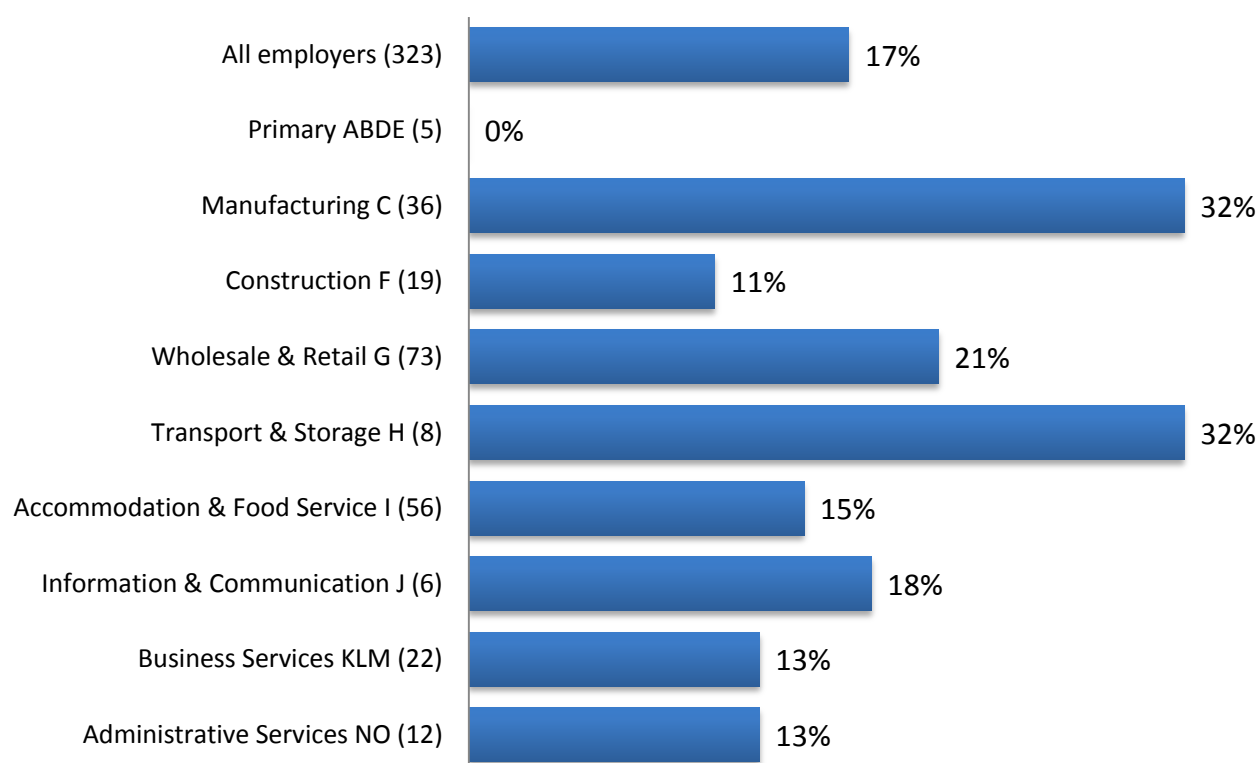
Skills shortages refer to the shortage of relevantly skilled or experienced people available in the labour market. Skills gaps refer to skills that are lacking within the existing workforce.

Skills shortages are generally represented by the existence of hard-to-fill vacancies. A vacancy exists but employers cannot find someone suitably skilled or experienced to fill the position. Sometimes this is due to unattractive working conditions or insufficient pay and benefits offered, but the lack of skilled or inexperienced applicants for a post points to a skill shortage.

Skills gaps are reflected in the skills that employers consider need developing within their workforce.

One in six employers that have recruited in the last 12 months, or currently have vacancies (17%) considers any of the vacancies they have reported to have been hard-to-fill. This proportion is higher than average within manufacturing (32%). It varies little by employer size (15% of employers with 1-10 employees; 22% of those with 11-24 employees; and 13% of those with 25-99 employees). It increases to 48% of those with 100+ employees, but based on sample size this is not statistically significant.

Figure 5.8: Whether have experienced hard-to-fill vacancies in the last 12 months, by industry sector (where have recruited/have current vacancies)



Unweighted bases in parentheses

C9. Have any of these vacancies proved hard-to-fill?

In terms of skill gaps; skills that will need developing in the workforce in the next 2 to 3 years, respondents were read out a list of skills and asked to select those that apply to their workforce.

One or more skills were selected by more than three-quarters of employers (78%), with just 6% of all employers saying none needed developing in their workforce in the next 2 to 3 years.

The most frequently mentioned was customer handling skills (43%), closely followed by technical, practical or job specific skills (42%) and management skills – leadership/strategic (41%).

Skills identified as being in need of developing in the workforce are summarised in the table below and significant differences by sector are highlighted.

Customer handling skills are particularly significant within the service sectors of wholesale/retail and accommodation/food services, while those in the wholesale/retail sector are more likely than average to look to develop IT user skills and sales and marketing skills and those in accommodation/food services are more likely to need team working, training/coaching and management (supervisory/operational) skills.

Table 5.9: Skills that will need developing in the next 2-3 years, by industry sector – prompted, multiple response (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport /Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8	88	50	156	19	95	16	62	27	157
Customer handling skills	43%	32%	34%	37%	56%	45%	66%	40%	25%	48%	48%
Technical, practical or job specific skills	42%	36%	49%	43%	45%	44%	44%	66%	29%	35%	43%
Management skills - leadership/strategic	41%	60%	32%	46%	38%	38%	40%	34%	36%	50%	47%
Management skills - supervisory/ operational	39%	61%	34%	46%	33%	60%	48%	26%	32%	41%	43%
Sales & Marketing skills	39%	33%	38%	41%	51%	20%	47%	50%	28%	30%	35%
IT user skills, both general and professional	37%	63%	32%	39%	44%	33%	16%	47%	27%	34%	41%
Team working skills	37%	36%	28%	38%	40%	47%	57%	18%	28%	31%	46%
Business Improvement techniques	37%	65%	37%	39%	35%	17%	44%	42%	27%	37%	43%
Training/coaching skills	36%	1%	32%	38%	35%	47%	53%	18%	25%	34%	56%
Oral communication	32%	64%	19%	29%	36%	30%	48%	26%	16%	34%	39%
Product development skills	29%	32%	33%	21%	36%	25%	37%	34%	24%	21%	24%
Problem solving skills	29%	31%	19%	31%	29%	25%	42%	34%	18%	42%	35%
Numeracy skills	24%	64%	11%	17%	25%	28%	40%	10%	13%	30%	29%
Energy, Waste and Water Efficiency skills	21%	31%	11%	24%	23%	10%	46%	8%	12%	28%	20%
Literacy skills	21%	34%	11%	19%	19%	21%	32%	10%	15%	29%	28%
English Language skills	14%	32%	6%	16%	15%	15%	19%	2%	8%	20%	14%
Foreign Language Skills for business	9%	30%	6%	13%	7%	23%	2%	26%	3%	6%	10%
Any other skills	3%	0%	4%	1%	4%	0%	1%	0%	3%	5%	4%
None	6%	0%	4%	5%	7%	7%	4%	0%	12%	3%	7%

Figures in bold are significantly higher than the average (minus the sub-group tested) based on a 95% confidence level

C13. Which of the following skills will need developing in your workforce over the next 2-3 years?

Compared with findings from the 2011 employer survey in Calderdale, technical, practical or job specific skills remain one of the most likely to be identified as needing development in the medium term (44% in 2011), but although IT user skills were identified as skill needs by the same proportion of employers (37% in 2011), they have been overtaken by customer handling, management and sales and marketing skills. In terms of growth areas, sales and marketing skills (30% in 2011); customer handling skills (then 21%) and management skills; both leadership/strategic (then 18%) and supervisory/operational (then 15%) are more likely now than two years ago to be at the forefront of areas to focus on in the next 2 to 3 years.

Employers that have funded or arranged any training are more likely than those that have not to have identified skills that need developing in the next 2-3 years (88% have done, compared with 58%). This is undoubtedly due to the fact that in identifying training needs, general skills needs have been uncovered. It is a reflection of awareness of skill needs rather than the propensity to have any.

5.6 Addressing skills needs through training

5.6.1 Identification of staff training needs

The majority of employers in the Calderdale district (72%) do take steps to identify staff training needs. They are most likely to do so via informal meetings with line managers (60%), while half do so through staff appraisals (52%) and a few (just 22%) have a Training Needs Analysis (TNA) system in place.

The propensity to have any method of identifying training needs in place increases with employer size, from 67% of employers employing between 1 and 10 employees, to 99% of those employing between 11 and 24 employees to all the larger employers.

Employers in manufacturing (81%) and the other services sector (78%) are significantly more likely than average to use any method.

Table 5.10: Methods for identifying staff training needs – prompted, multiple response (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport /Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8	88	50	156	19	95	16	62	27	157
Through staff appraisals	52%	67%	59%	30%	49%	57%	53%	36%	60%	35%	64%
Training Needs Analysis (TNA) system	22%	34%	21%	16%	15%	21%	27%	8%	30%	27%	28%
Informal meetings with line manager	60%	67%	68%	44%	65%	50%	62%	58%	59%	43%	67%
Any method	72%	70%	81%	64%	73%	74%	77%	68%	73%	51%	78%
Do not identify staff training needs	28%	30%	19%	36%	27%	26%	23%	32%	27%	49%	22%

Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

C21. How do you identify your staff's training needs?

As one would expect, employers that have funded or arranged any training in the last 12 months are significantly more likely to take steps to identify staff training needs than those that have not (91%, compared with 40%). Furthermore, those that have a training budget in place are more likely than those that have not to have done so (97% and 65% respectively). This is likely to reflect the fact that employers need to have processes in place to determine training needs in order to set a budget.

5.6.2 In-house training facilities

Nearly one in five employers in Calderdale (19%) have access to an in-house specialised and dedicated training officer. This proportion increases to 38% of employers with between 11 and 24 employees and 86% of employers with 100+ staff.

The extent to which this is linked to employer size is further illustrated by the fact that 42% of multi-site employers have access to an in-house specialised and dedicated training officer, compared with 14% of single site employers. The proportion is higher than average within the public sector (39%), which is linked to both employer size and the propensity to be part of a larger organisation.

5.6.3 Training budgets

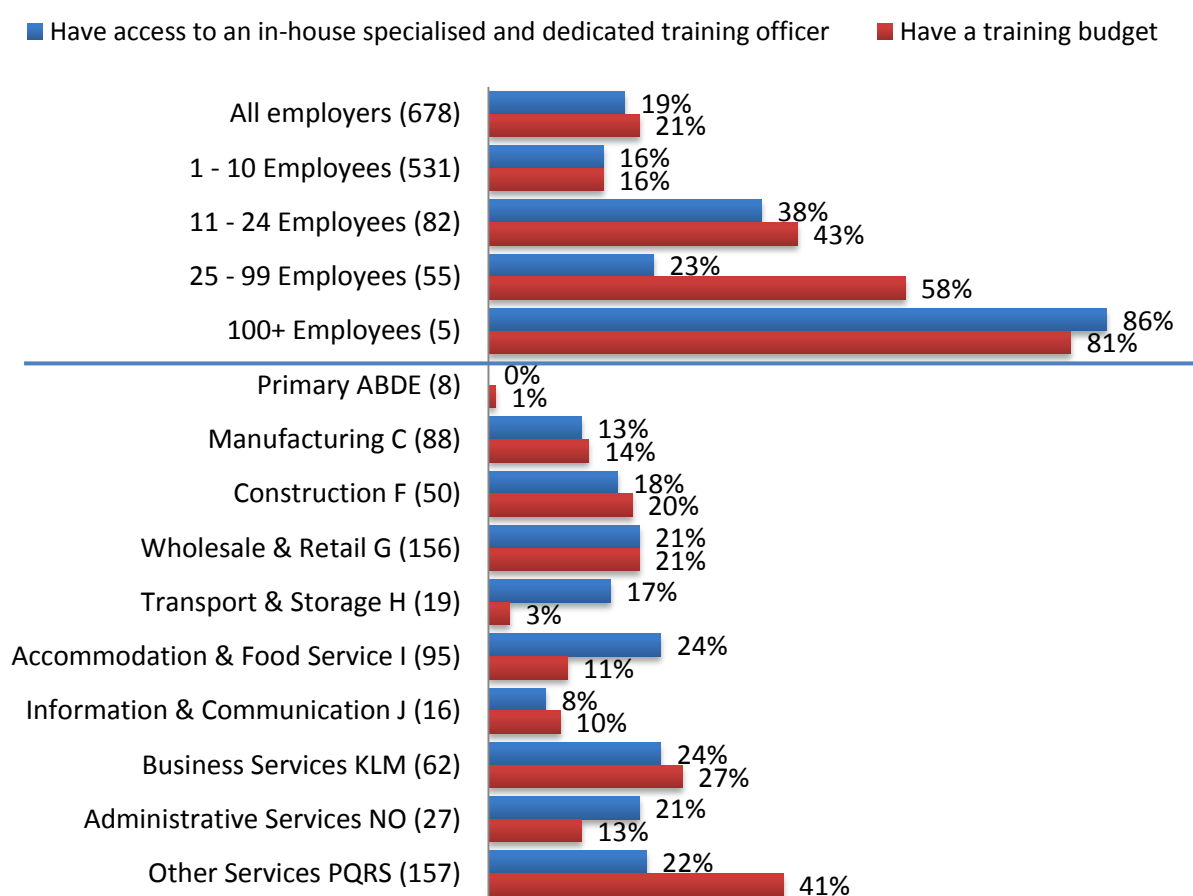
Just over one in five employers in Calderdale (21%) has a budget for training expenditure. This is a similar proportion to that reported in 2011 (23%).

The propensity to have a training budget increases with employer size, from 16% of employers with 1 to 10 employees to 43% of those with between 11 and 24 employees, to 58% of those with between 25 and 99 employees to 81% of employers with more than 100 employees.

Employers in the other services sector (41%) are significantly more likely than average to have a training budget in place, whilst those in the accommodation/food services sector are less likely to (11%).

The findings relating to in-house training facilities and training budgets are summarised in the figure below.

Figure 5.11: Whether employers have access to in-house training facilities and have a training budget, by sector (all respondents)



Unweighted bases in parentheses

C22. Do you have access to an in-house specialised and dedicated training officer? C23. Does your establishment have a budget for training expenditure?

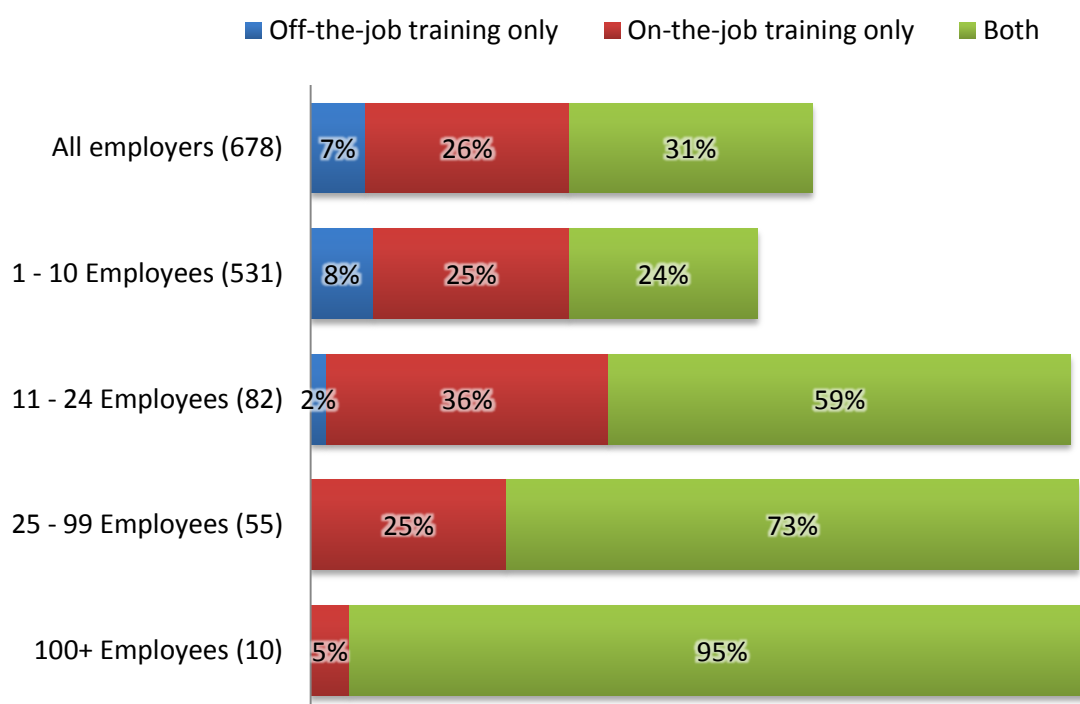
5.7 Training activity

There are two main ways to address skills deficiencies. One is to recruit people with the skills that are required. That is what many employers do but it is not always practical. The employer may not be able to support further employees even if they have the skills that are lacking in the existing workforce or it might struggle to find new employees with the right skill set.

Training is the other approach to addressing skills deficiencies. Within Calderdale, 63% of employers have funded or arranged any training for their workforce over the last 12 months. This comprises 57% that have funded or arranged on the job training and 38% that have funded or arranged off the job training; 31% have funded or arranged both.

The propensity to provide training at all increases with employer size. All employers with 100 or more employees at the site have funded or arranged any training in the last 12 months

Figure 5.12: Whether employers have funded or arranged on or off the job training in the last 12 months, by employer size (all respondents)



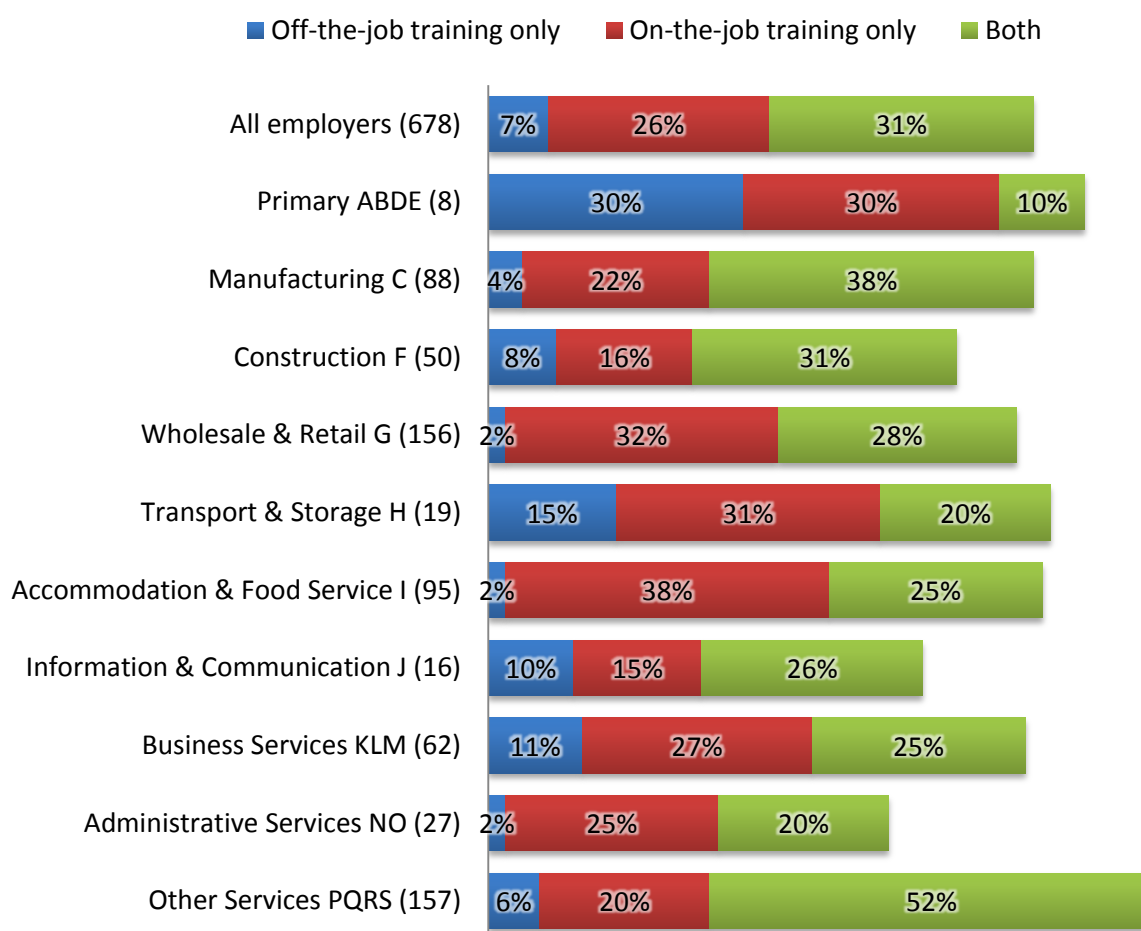
Unweighted bases in parentheses

C14/C15. Have you funded or arranged any such off-the-job or formal/on-the-job or informal training over the last 12 months?

Compared with 2011, Calderdale employers are more likely to have provided any on-the-job training (50% in 2011) and off-the-job training (32% in 2011).

By industry sector, employers in other services (78%) are significantly more likely to have funded or arranged any training, while those in the wholesale/retail sector are significantly less likely to have funded or arranged *only* off-the-job training (2%, compared with an average of 7%) but more likely to have funded or arranged *only* on-the-job training (32%, compared with an average of 26%).

Figure 5.13: Whether employers have funded or arranged on or off the job training in the last 12 months, by sector (all respondents)



Unweighted bases in parentheses

C14/C15. Have you funded or arranged any such off-the-job or formal/on-the-job or informal training over the last 12 months?

Employers that have had hard-to-fill vacancies in the last 12 months are significantly more likely than those that have not to have funded or arranged training (97%, compared with 61%), especially on-the-job training (97%, compared with 54%).

5.7.1 Accessing government funding for training

Just one in seven employers that have funded or arranged training in the last 12 months (14%) accessed government funding to support it. This proportion increases to 23% of employers with 25-99 employees. Around half the employers with 100 or more employees that funded or arranged training have accessed government funding to support training they delivered (48%).

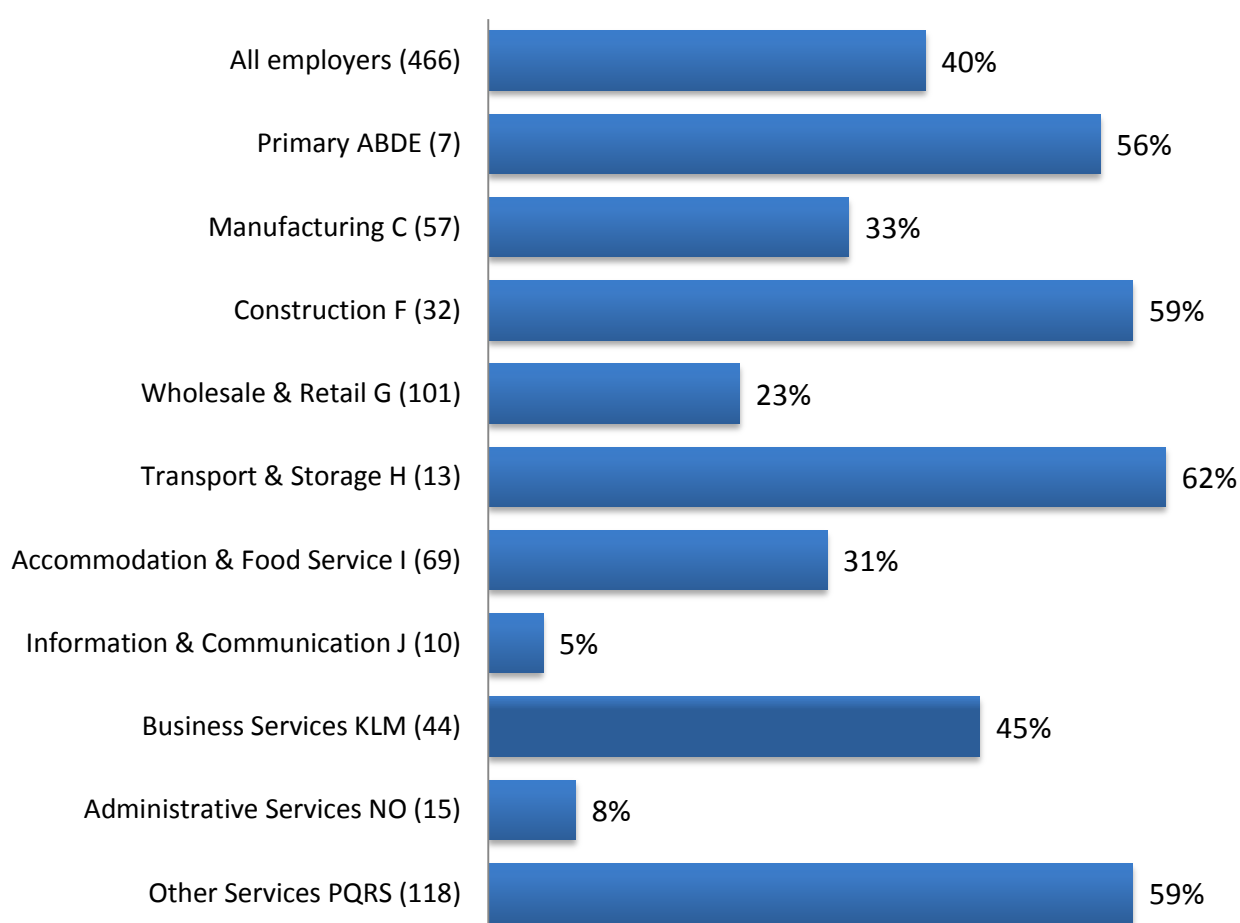
Employers that provided training in the other services sector (33%) are more likely than average to have accessed government funding, while those in wholesale/retail (7%) are significantly less likely than average to have done so. The proportion is also lower than average within the sectors of transport/storage (3%) and business services (8%) but this is not statistically significant.

5.7.2 Training towards qualifications

Two-fifths of employers that have funded or arranged training in the last 12 months (40%) have provided any that leads to a nationally recognised qualification. This increases with employer size, to 56% of those with 25-99 employees and 79% of those with 100+ employees.

There is considerable variation in the propensity to fund or arrange training leading to a qualification by industry sector. The proportions are significantly higher than average within construction (59%) and other services (59%) sectors and lower than average in wholesale/retail (23%).

Figure 5.14: Whether employers have funded or arranged training leading to a nationally recognised qualification in the last 12 months (where funded or arranged training in the last 12 months)



Unweighted bases in parentheses

C17. Thinking now about qualifications, has any of the training you have funded or arranged over the last 12 months been leading to a nationally recognised qualification?

The levels of qualifications involved are as follows:

- Level 1 (such as an NVQ level 1 or BTEC Introductory Diploma) 19%;
- Level 2 (such as an NVQ level 2, GCSEs or BTEC First Diploma) 45%;
- Level 3 (such as an NVQ level 3, A levels or BTEC National) 34%;
- Level 4 (such as degrees, HNC/HNDs, postgraduate degree, or high level specialist professional qualifications) 21%.

5.7.3 Delivery of training

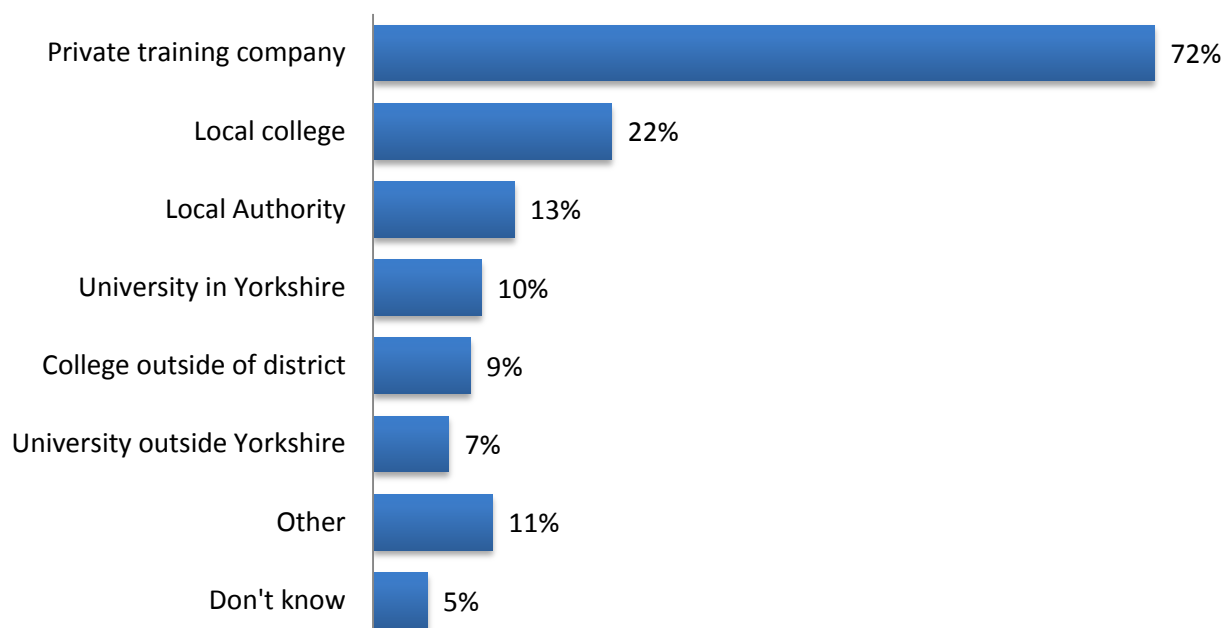
Three-fifths of employers that have funded or arranged training (58%) have used external providers to deliver that training. This includes 32% that have only used external providers. A similar albeit slightly higher proportion (62%) has used internal facilities, including 36% that have only used internal facilities.

While smaller employers are less likely than average to provide both internal and external training (21% of those with up to 10 employees), 93% of employers with 100+ employees have provided both and more than three-quarters of employers with between 11 and 24 employees (77%) have provided external training.

By sector, accommodation/food services (54%) and wholesale/retail (48%) establishments are significantly more likely than average to have provided internal training only, while other services employers are significantly more likely than average to have provided both internal and external training (44%).

The majority of employers that have used external training providers (72%) have used private training companies. This is by far the most frequently cited source of external training. Just over one in five (22%) has used a local college and fewer have used the local authority (13%) or a university in Yorkshire (10%).

Figure 5.15: Providers used to deliver external training in the last 12 months (where used an external training provider)



Unweighted base = 279

C20. Which of the following providers have you used in the last 12 months to deliver external training?

5.8 Provision of work experience or internships

Respondents were asked if the employer they work for offers work experience placements for school, college or university students and longer term volunteering or internship opportunities.

Both of these types of opportunities are a potential source of new employees, while the propensity to offer any suggests an awareness of the need to develop skills more widely within the workforce and the employer's role in terms of doing that.

A third of employers in Calderdale (32%) offer work experience placements for school, college or university students. This increases with employer size, from 27% of employers employing up to 10 staff to 59% of those employing between 11 and 24 staff to 68% of those employing between 25 and 99 staff and 69% of those employing 100+ staff.

The proportion that offer work experience placements to pupils or students is significantly higher than average within the other services sector (59%) and higher within multi-site employers than those operating at one site only (44%, compared with 30%).

The link between offering placements and awareness of the need to develop skills is neatly highlighted by the fact that employers that have funded or arranged training in the last 12 months are significantly more likely than those that have not to offer placements (42%, compared with 15%).

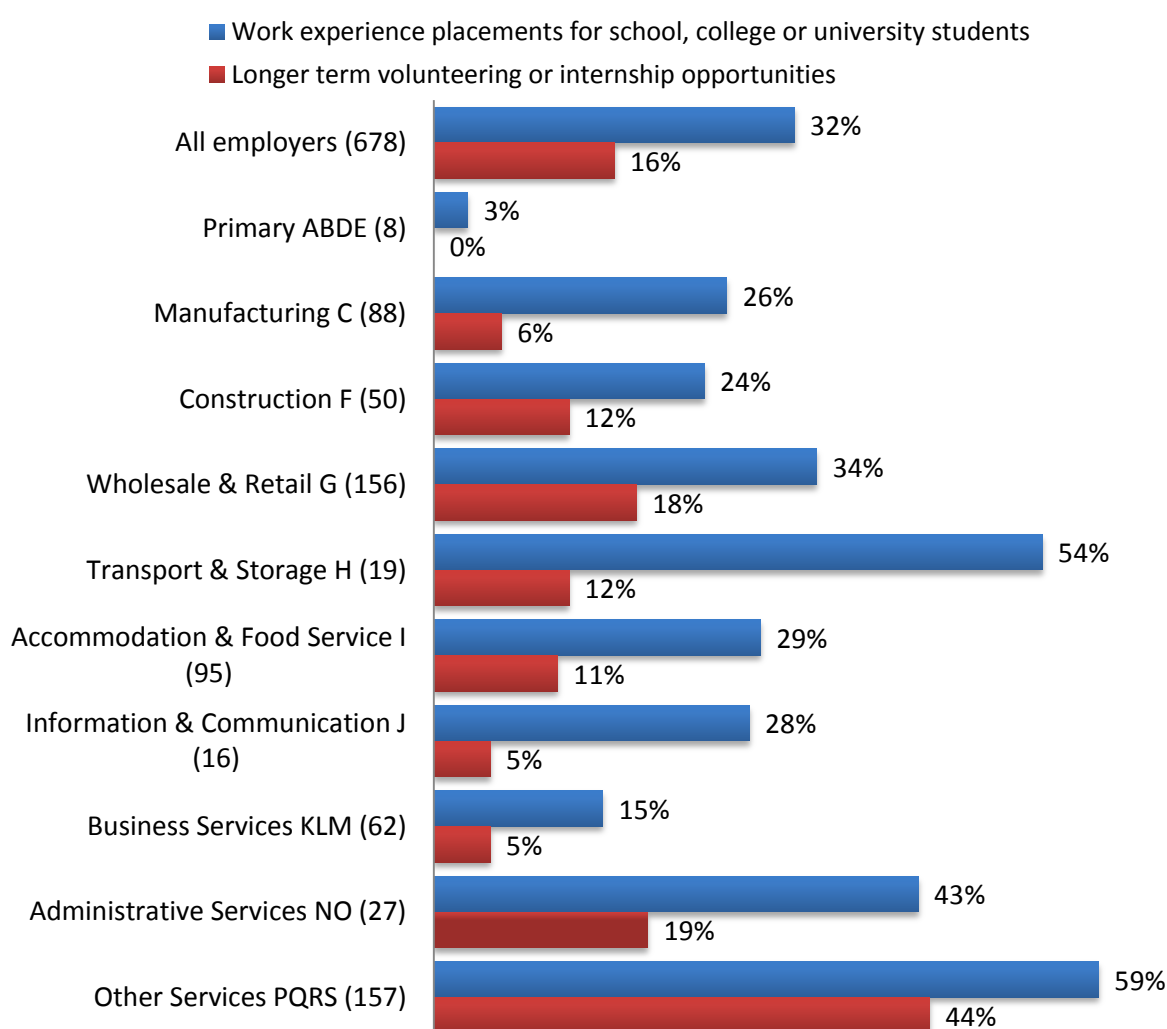
Fewer employers offer longer term volunteering or internship opportunities; 16% do so. Again, this proportion increases with employer size, from 14% of employers employing up to 10 staff to 22% of those employing between 11 and 24 staff to 44% of those employing between 25 and 99 staff and 50% of those employing 100+ staff.

Again, the proportion that offer these opportunities is significantly higher than average within the other services sector (44%) and higher within multi-site than single site employers (25%, compared with 14%).

Amongst employers that fund or arrange training for existing staff, or have done so in the last 12 months, the proportion is greater than average (22%, compared with 7% of those that have not trained).

The figure overleaf summarises the propensity to offer these opportunities by industry sector.

Figure 5.16: Whether offer work experience placements or longer term volunteering or internship opportunities, by sector (all respondents)



Unweighted bases in parentheses

C10. Would you consider offering: A. Work experience placements for school, college or university students? B. Longer term volunteering or internship opportunities?

Of those employers not currently offering work experience placements, 38% would consider doing so. This proportion varies little by employer size but is significantly higher than average within the construction sector (54%), where the proportion that do so now is currently lower than average (24% of all construction employers).

The proportion that would consider offering longer term volunteering or internship opportunities in the future is slightly lower at 30%. Again, there is little variation by employer size although the proportion that would consider offering these opportunities within the accommodation/food services sector is higher than average (44%), where the propensity to do so already is lower than average.

Overall, 58% of Calderdale employers offer or would consider offering work experience placements to school, college or university students and 41% offer or would consider offering longer term volunteering or internship opportunities.

6 Innovation

This chapter explores the activities that employers in Calderdale undertake relating to innovation within the business. Innovation can involve developing new products or processes or improving existing ones.

6.1 Key findings

The majority of employers cited internal sources as the main source of product or process innovation in the business (33% mainly; 33% alongside external sources). One in five employers (21%) cited mainly external sources via suppliers.

Only small minorities of employers cited a Knowledge Transfer Partnership (5%) or University (2%) as a source of product or process innovation.

Just 5% of Calderdale employers currently make use of R & D credits or Patent Box. A further 13% of all Calderdale employers do not currently make use of R & D credits or Patent Box but say they plan to in the future.

More than half of Calderdale employers (55%) consider they have the technical capacity within their business to make product or process improvements.

The most frequently mentioned source of assistance in developing new products or making process improvements is suppliers (37%).

One in five (19%) Calderdale employers reported links to education establishments relating to product or process innovations.

Seven per cent of employers have links with other organisations relating to business innovation.

Two-fifths of employers with links with any organisations relating to innovation (40%) have formal links with any of these organisations; 20% with schools or colleges; 19% with universities or higher education institutions and 20% with other organisations. Sixty-two per cent of employers have informal links with any; 40% with schools or colleges; 29% with universities or higher education institutions and 18% with other organisations.

More than two-fifths of employers in Calderdale (43%) would consider developing closer links with a local school, college or university.

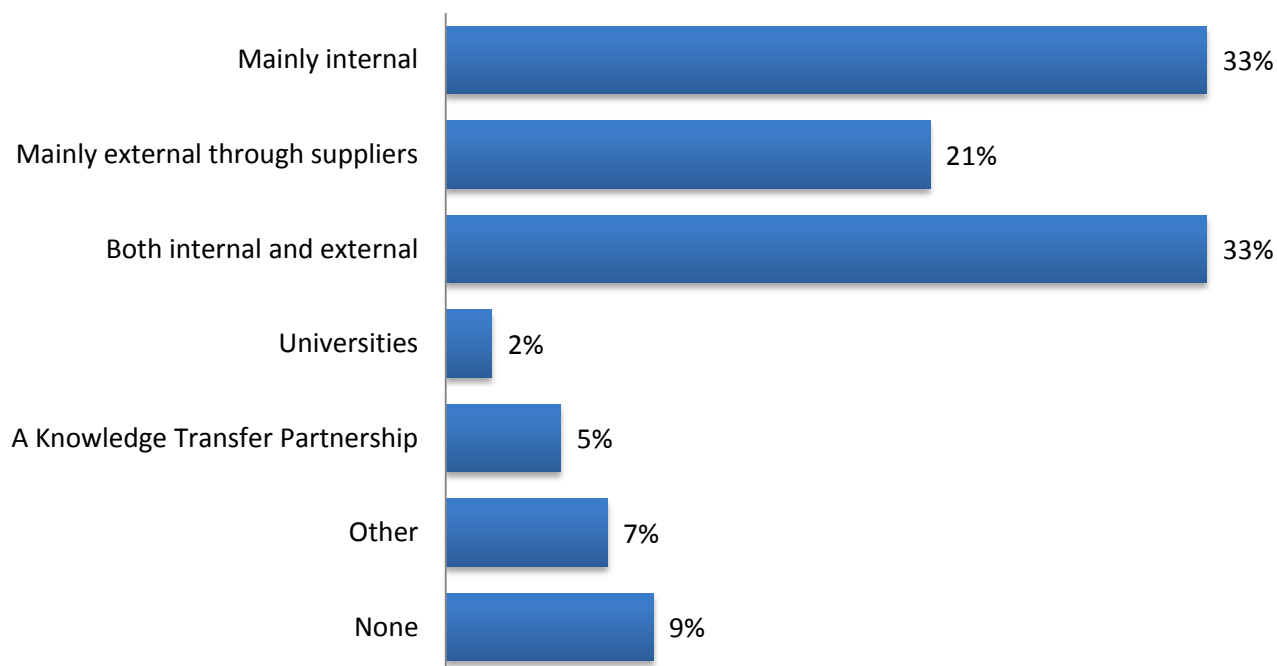
6.2 Sources of innovation

Respondents were asked about the main sources of product or process innovation in the business. Just 9% said there were none (which does not include any employers with 100+ employees).

The majority cited internal sources (33% mainly; 33% alongside external sources). One in five employers (21%) cited mainly external sources via suppliers.

Small minorities of employers cited a Knowledge Transfer Partnership (5%) or University (2%) as a source of product or process innovation. Linking in with universities to this end increases to 14% of employers with between 25 and 99 employees and 48% of employers with 100 or more employees. Links with a Knowledge Transfer Partnership increase to 8% of employers across production and construction services (mainly primary industries) compared with 3% of those in other services.

Figure 6.1: Main sources of product or process innovation in the business – prompted, multiple response (all respondents)



Unweighted base = 678

F1. What are the main sources of product or process innovation in your business?

6.3 R & D credits or Patent Box

Just 5% of Calderdale employers currently make use of R & D credits or Patent Box.

There are no significant differences by employer size or sector, but the proportion is slightly higher than average amongst employers with between 11 and 24 staff (7%) and amongst those with 100+ employees (21%). One in ten employers (10%) within the administrative services sector and slightly fewer (8%) of those within the other services sector have made use of these tools.

Seventeen per cent of employers that do not currently make use of R & D credits or Patent Box say they plan to in the future. This equates to 13% of all employers in addition to the 5% that already use them.

Again, there are no significant differences by employer size or sector, but the proportion that plan to make use of these tools is higher than average within the information/communication sector (34%; also 34% of all employers in this sector because none currently make use of them) and amongst construction firms (23%; again none do so already).

Table 6.2: Use of R & D credits or Patent Box (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport /Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8	88	50	156	19	95	16	62	27	157
Use R & D tax credits/Patent Box	5%	30%	8%	0%	3%	0%	3%	0%	2%	10%	8%
Plan to use	13%	1%	15%	23%	10%	1%	13%	34%	16%	19%	5%

Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

F2. Do you currently make use of R & D tax credits or Patent Box? F3. Do you plan to in the future?

Younger employers (established for up to 2 years) are significantly more likely than those established at their site for more than 10 years to plan to use R & D credits or Patent Box (40% of those established for up to 2 years; 8% of those established for 11+ years). There is no other suggestion of greater propensity to innovate within newer employers.

While no more likely than average to have made use of R & D credits or Patent Box, employers classified as 'High growers' are significantly more likely than those that are classified as 'Stable' to be planning to use them (34%, compared with 15%).

6.4 Product or process improvements

More than half of Calderdale employers (55%) consider they have the technical capacity within their business to make product or process improvements.

This proportion increases to 71% of employers employing between 25 and 99 employees and 93% of those employing 100 or more. It is significantly higher within the manufacturing sector (73%).

Employers that have plans in place are more likely to consider they have the technical capacity for business innovation than those that do not (69% of those with a business plan, compared with 44% of those without; 70% of those with a training budget, compared with 51% of those without). Having provided training is also a factor, with 61% of those having funded or arranged training in the last 12 months considering they have the technical capacity for innovation, compared with 45% of those without. So too is use of the internet and having a website, with 64% of those with a website considering they have the technical capacity, compared with just 33% of those that do not have a website and the proportion being 57% of those with a broadband connection, compared with just 42% of those without.

Employers that have reported recent growth are also more likely to consider they have the capacity for innovation (although this is not statistically significant). The proportion is 59%

amongst 'Growers'; 69% amongst 'High growers', compared with 56% of those 'Stable' and 50% of 'Shrinkers'.

The most frequently mentioned source of assistance in developing new products or making process improvements is suppliers (37%). Overall, 45% of employers with 100 or more employees at their site would seek the assistance of suppliers and the propensity to do so is higher than average within the construction sector (52%).

Other sources of assistance in innovation are mentioned (all spontaneously) by no more than around one in twenty employers. These include: universities/higher education institutions (5%), the internet/online (5%), head office (4%) and 8% cite internal/in-house resources.

Just 1-2% each mention: feedback from customers/clients, personal research, consultants, council/local authorities, external companies, family/friends/business contacts, higher management, governing bodies/trade associations and tradeshow/exhibitions.

6.5 Links with education establishments

Respondents were asked if their business has any links to education establishments relating to product or process innovations.

One in five (19%) reported links for this purpose. It increases to 21% of employers with 11 to 24 employees; 35% of employers with 25 to 99 employees and 88% of employers with 100 or more employees.

These employers are most likely to link up with schools or colleges (12% of all employers), with slightly fewer mentioning universities or higher education institutions (9%) as links to push forward product or process innovations.

Within larger employers, the balance falls more in favour of HE institutions (83% of all 100+ employers, compared with 67% that link with schools or colleges).

By industry sector, employers within other services are more likely than average to have any links for the purposes of product or process innovation (34%), while the proportion is also higher (but not significantly so) within transport/storage (37%) and the information/communication (31%) sectors.

In other services and transport/storage sectors, employers are more likely to link up with schools or colleges (24% and 35% respectively) than with universities or HE institutions (20% and 16% respectively). Within the information/communication sector, employers are more likely to link up with HE institutions (29%) than with schools or colleges (21%).

Seven per cent of employers have links with other organisations relating to business innovation. These other organisations include suppliers, professional bodies/trade associations, head office/internal departments, manufacturers, local authorities, government organisations and private employers.

The nature of the links that employers have with FE, HE or other organisations relating to innovation are more likely to be informal than formal. Two-fifths (40%) have formal links with any of these organisations; 20% with schools or colleges; 19% with universities or higher education institutions and 20% with other organisations. Sixty-two per cent of employers have informal links with any; 40% with schools or colleges; 29% with universities or higher education institutions and 18% with other organisations.

There is little variation by employer size in this respect.

More than two-fifths of employers in Calderdale (43%) would consider developing closer links with a local school, college or university. This increases to 55% of employers with between 25 and 99 staff and 88% of those with 100 or more employees at their site. The proportion is higher than average in the other services sector (56%) and amongst employers in information/communication (71%, although this is not statistically significant). It is lower than average within the wholesale/retail sector (32%).

Younger employers are significantly more likely than established employers to consider such links (55% of employers established up to 5 years, compared with 36% of longer established employers).

These findings are summarised in the table below:

Table 6.3: Links with organisations relating to product or process innovations (all respondents)

	<i>Unweighted bases</i>	Any links	Consider any
All employers	678	19%	43%
Primary ABDE	8*	2%	32%
Manufacturing C	88	15%	37%
Construction F	50	16%	44%
Wholesale/retail G	156	17%	32%
Transport/Storage H	19*	37%	45%
Accommodation/Food services I	95	10%	37%
Information/communication J	16*	31%	71%
Business services KLM	62	17%	34%
Administrative services NO	27*	9%	61%
Other services PQRS	157	34%	56%
1-10 employees	531	17%	41%
11-24 employees	82	21%	44%
25-99 employees	55	35%	55%
100+ employees	10*	88%	88%
Up to 2 years	107	14%	47%
3-5 years	100	22%	65%
6-10 years	113	18%	42%
11+ years	358	21%	34%

*denotes low sample base. Figures in bold are significantly higher or lower than the average (minus the subgroup tested) based on a 95% confidence level

F6. Do you have any links related to product or process innovations with....? F8. Would you consider developing closer links with a local school, college or university?

7 Location

This chapter examines perceptions of local areas amongst employers and any plans to relocate. The location of the employer, whether it is based in Halifax, Lower Calder Valley or Upper Calder Valley is an integral aspect in reporting these findings.

7.1 Key findings

More than half of employers in the Calderdale district rate the local area as a good or excellent place to do business (58%).

Personal/historic reasons (61%) and access to transport links (60%) are the most frequently cited benefits to being located in the district of Calderdale.

However, in terms of concerns or issues relating to being located in the area, two issues linked to transport links; lack of parking (43%) and traffic congestion (39%) are most frequently mentioned.

Sixteen per cent of all employers in Calderdale are of the opinion that their business will require further land in the next 3 to 5 years.

In aggregate, 20% of all employers in Calderdale may relocate within the next 3 to 5 years; the majority remaining within the district.

7.2 Geographical profile of the employer population

More than two-fifths of employers surveyed are based in Halifax (44%), with more than a quarter (28%) based in Lower Calder Valley, and a similar proportion (27%) based in Upper Calder Valley.

It should be noted that the survey data was weighted by local authority district and that this did not take into account populations within any smaller geographical areas. Thus, the survey data does not necessarily represent the population profile across the three locations that make up the Calderdale district.

Upper Calder Valley has the highest proportion of very small employers (75% have between 1 and 4 employees), while the proportion is significantly lower than average within Lower Calder Valley (62%) and Halifax (65%). Just 5% of employers in Halifax and Upper Calder Valley employ 25 or more staff, compared with 10% in Lower Calder Valley.

The wholesale/retail sector accounts for a quarter of employers in Lower Calder Valley (25%) and Upper Calder Valley (24%). Although this is the largest single sector in Halifax, it accounts for just 17% of employers there. One in seven employers in both Lower Calder Valley and Upper Calder Valley (15% in each case) are in the professional services sector, compared with less than one in ten in Halifax (8%). One in eight employers in Lower Calder Valley (13%) are in manufacturing, compared with just one in eleven in Halifax (9%) and Upper Calder Valley (8%).

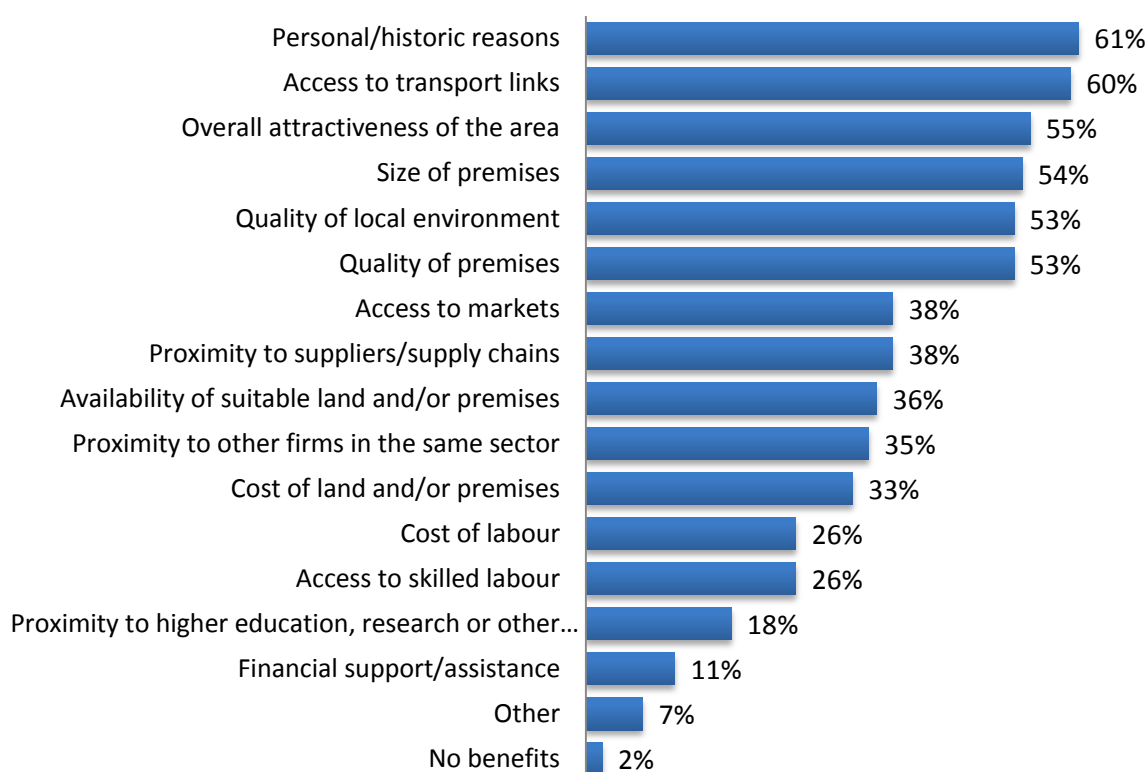
Single site organisations are more prevalent in Upper Calder Valley (87%, compared with 77% in Halifax and 79% in Lower Calder Valley). Twenty-one per cent of employers in Halifax are one off a number of establishments within a larger UK organisation, while the proportion is lower in Lower Calder Valley (17%) and Upper Calder Valley (13%).

7.3 Perceptions of the area

Respondents were asked what they perceive to be the benefits to being located in Calderdale. In 2011, access to transport links came out top (45%). It remains a key benefit in 2013 but, while mentioned by a significantly higher proportion (60%), is in second place to personal/historic reasons this year (61%).

The perceived benefits of the district are summarised in the figure below.

Figure 7.1: Perceived benefits of being located in Calderdale – prompted, multiple response (all respondents)



Unweighted base = 678

D1. What are the benefits of being located in Calderdale?

By sector, employers across the board are equally positive about transport links. Employers in the other services sector are significantly more likely than average to cite the attractiveness of the area (64%), while also more likely to cite proximity to higher education, research or other trade organisations (26%) and financial support/assistance (20%).

Employers within the accommodation/food services sector are also significantly more likely than average to cite the overall attractiveness of the area (69%), while construction firms are more likely than average to cite proximity to suppliers/supply chains.

The table that follows summarises responses for employers in each of the three geographical locations that make up Calderdale. Overall, while employers in Upper Calder Valley are more positive about the attractiveness of the area and the quality of the local environment.

Table 7.2: Perceived benefits of being located in Calderdale, by location – prompted, multiple response (all respondents)

	All employers	Halifax	Lower Calder Valley	Upper Calder Valley
<i>Unweighted Bases</i>	678	296	207	175
Personal/historic reasons	61%	59%	58%	66%
Access to transport links	60%	61%	63%	56%
Overall attractiveness of the area	55%	47%	57%	67%
Size of premises	54%	53%	52%	56%
Quality of local environment	53%	48%	53%	61%
Quality of premises	53%	55%	50%	53%
Access to markets	38%	38%	38%	38%
Proximity to suppliers/supply chains	38%	41%	38%	34%
Availability of suitable land and/or premises	36%	39%	34%	34%
Proximity to other firms in the same sector	35%	41%	27%	33%
Cost of land and/or premises	33%	35%	33%	28%
Cost of labour	26%	28%	22%	25%
Access to skilled labour	26%	25%	24%	29%
Proximity to higher education, research or other trade organisations	18%	18%	20%	17%
Financial support/assistance	11%	13%	10%	8%
Other	7%	6%	6%	10%
No benefits	2%	2%	3%	1%
Don't know	3%	3%	1%	3%

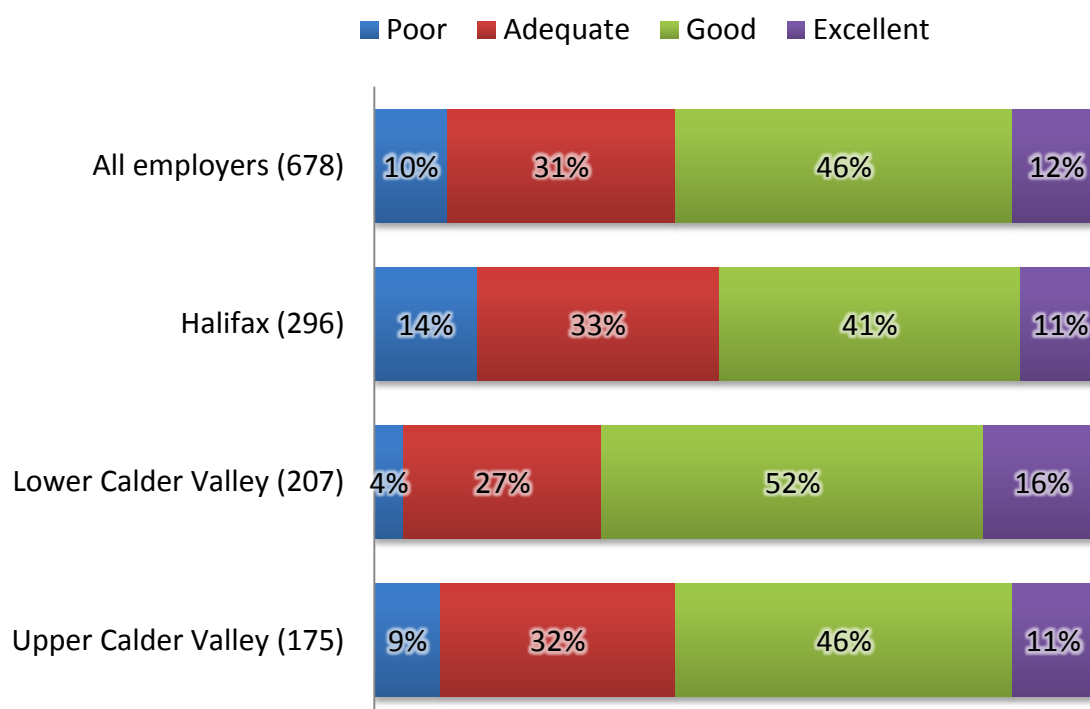
Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

D1. What are the benefits of being located in Calderdale?

In terms of how they rate the local area as a place to do business, more than half rate it as good or excellent (58%), which is a similar proportion to 2011 (56%).

A higher proportion of employers in Halifax (14%) rate the local area as poor in this respect, with those in Lower Calder Valley, significantly more likely than average to rate it as excellent (52%). Ratings by area are summarised in the figure below.

Figure 7.3: Rating of the local area as a place to conduct business, by location (all respondents)



Unweighted bases in parentheses

D2. How would you rate the local area as a place in which to conduct business?

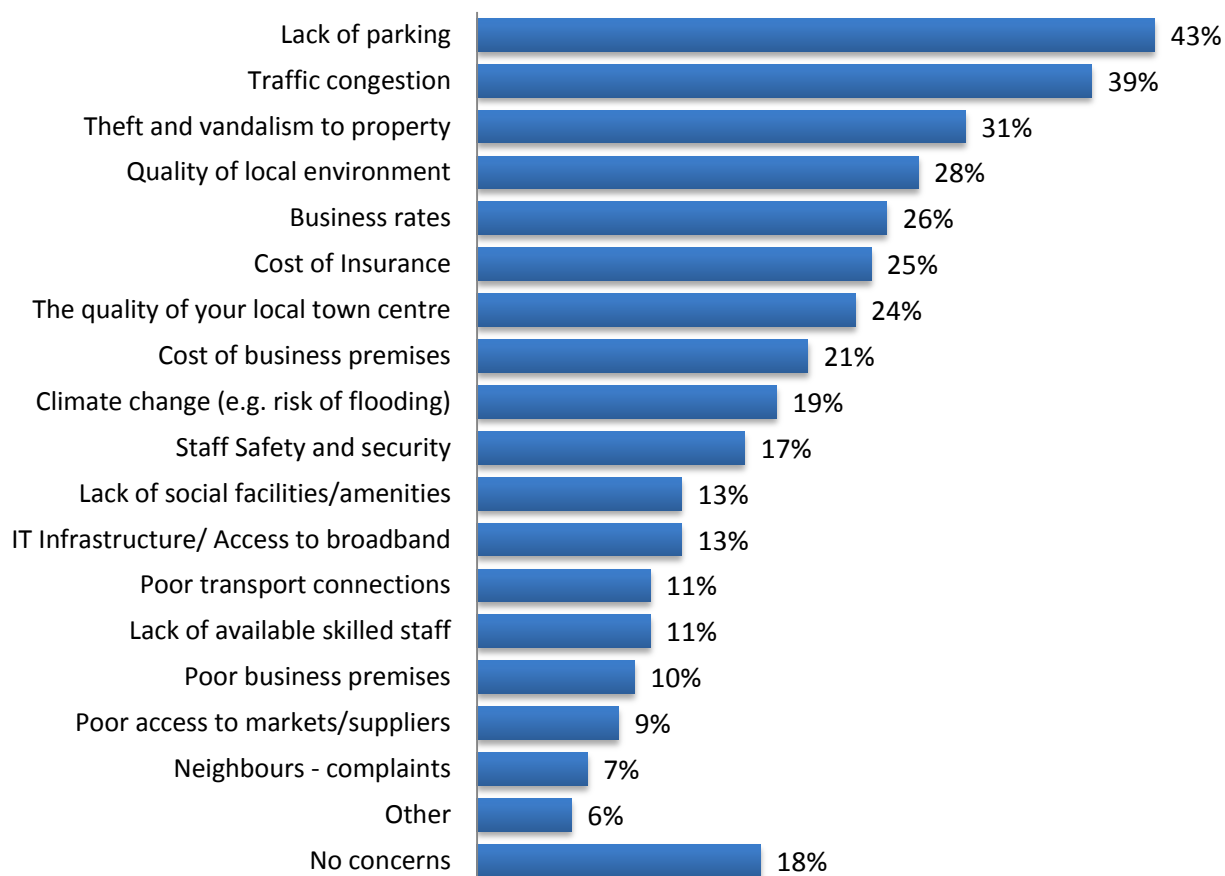
By sector, employers in the construction sector are most likely to consider the area as an excellent place to conduct business (23%), while overall, 66% of these employers rate it as good or excellent. This is matched by employers in the other services sector; 67% of whom rate it as good or excellent. Employers within the transport/storage sector are less likely than average to rate the area as a good or excellent place to do business (46%), but this does not represent a statistically significant variance from the average.

Although access to transport links is a key benefit to locating in the district, concerns about the location also revolve around transport issues. The most frequently selected concern or issue from a list that respondents were presented with was lack of parking (43%), followed by traffic congestion (39%). These were the top two issues in 2011 (lack of parking mentioned by 39% and traffic congestion by 36% then).

The third most frequently selected concern is theft and vandalism to property (31%), which is more frequently mentioned this year than in 2011 (22%) and was in fourth place two years ago.

These concerns are summarised in the figure below.

Figure 7.4: Concerns regarding the current location – prompted, multiple response (all respondents)



Unweighted base = 678

D3. Could you please tell me which of the following are a concern to you regarding your current location?

Manufacturing and accommodation/food services sector employers are particularly concerned about business rates (36% and 40% respectively), while accommodation/food services sector employers are also more likely than average to be concerned about lack of parking (55%) and manufacturers about the cost of insurance (34%), staff safety and security (28%) and poor business premises (16%). Employers in the wholesale/retail sector are more likely than average to be concerned about the quality of the town centre (33%) and the same is true of, again, employers in the accommodation/food services sector (35%).

The table below summarises concerns within each of the locations that make up Calderdale and highlights more concerns regarding theft and vandalism to property and the quality of the local environment in Halifax and more concerns regarding traffic congestion and climate change (i.e. risk of flooding) in Upper Calder Valley.

Table 7.5: Concerns regarding the current location – prompted, multiple response (all respondents)

	All employers	Halifax	Lower Calder Valley	Upper Calder Valley
<i>Unweighted bases</i>	678	296	207	175
Lack of parking	43%	46%	38%	44%
Traffic congestion	39%	34%	36%	52%
Theft and vandalism to property	31%	39%	29%	20%
Quality of local environment	28%	34%	25%	22%
Business rates	26%	24%	28%	26%
Cost of Insurance	25%	25%	20%	29%
The quality of your local town centre	24%	26%	24%	23%
Cost of business premises	21%	20%	18%	23%
Climate change (e.g. risk of flooding)	19%	13%	12%	35%
Staff safety and security	17%	18%	19%	14%
Lack of social facilities/amenities	13%	10%	15%	17%
IT infrastructure/access to broadband	13%	11%	10%	20%
Poor transport connections	11%	11%	9%	12%
Lack of available skilled staff	11%	8%	10%	16%
Poor business premises	10%	12%	9%	9%
Poor access to markets/suppliers	9%	7%	10%	10%
Neighbours - complaints	7%	8%	5%	7%
Other	6%	8%	4%	6%
No concerns	18%	18%	20%	15%

Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

D3. Could you please tell me which of the following are a concern to you regarding your current location?

One in nine respondents (11%) cited poor transport connections as a concern. These respondents were asked which transport connections specifically. They were most likely to cite roads (68% of those citing poor transport connections, increasing to 80% of those based in Halifax), while slightly fewer cited buses (40%, increasing to 50% of those based in Lower Calder Valley). One in five (19%) cited trains and this proportion ranged from 10% in Halifax to 24% in Lower Calder Valley to 30% in Upper Calder Valley.

7.4 Site and premises

When asked if their current site is of sufficient size for their requirements for the next 3 to 5 years, 82% said it is. Sixteen per cent are of the opinion that further land will be required. This increases to 24% of employers with between 25 and 99 staff at the site; 23% of manufacturers and 20% of those in Lower Calder Valley.

As one would expect, where there has been recent growth, the proportion that are likely to require further space is significantly higher than average; 39% of those whose workforce has grown in the last 12 months; 32% whose turnover has increased; and 32% of those that have grown in terms of both workforce and turnover, increasing to 44% of 'high growers'.

Additional land or space is most likely to be needed for warehousing and storage (41% of those requiring more space), with 40% of employers that need more space requiring additional office space.

One in four (24%) require more manufacturing space, while fewer (22%) require more retail space (selling goods and services face to face).

7.5 Relocation

Of those requiring more land or space, 33% will remain at their current location and expand there. More than half (58%) will move and this proportion increases to 66% of employers needing more space in Lower Calder Valley (compared with 58% in Halifax and 45% in Upper Calder Valley).

The majority of those planning to relocate as a result of the need for extra space (86%) will remain within the district. Just 7% are likely to leave Calderdale, with the remaining 7% as yet unsure.

Respondents who considered it unlikely that they would need further land or space were asked about the likelihood of relocation in the next 3 to 5 years. Just 12% (10% of all employers) considered it likely. In aggregate, including those planning to relocate to gain more space, 20% of all employers may relocate within the next 3 to 5 years.

The proportion likely to relocate amongst those not requiring more land or space varies little across the three areas that make up the district: 13% each in Halifax and Lower Calder Valley and 11% in Upper Calder Valley.

8 Workplace Health

8.1 Key findings

Half the employers in Calderdale (49%) collect and monitor information about staff absence, including both rates of absence and reasons for absence.

When asked if their business had any of a number of employee health initiatives in place, including: staff members with a remit for staff health, a budget for the promotion of staff health, a workplace health plan, training for managers around workplace health, counselling for staff members and private health insurance, again, around half the Calderdale employers (49%) had any in place.

Overall, employers are most likely to have training for managers around workplace health in place (30%). They are least likely to have a budget in place for the promotion of staff health (10%).

8.2 Monitoring staff health

Respondents were asked if they collect and monitor information about staff absence, including rates of absence and reasons for absence.

Around half do not (51%), and two-fifths (41%) do both.

The propensity to collect and monitor this information is significantly higher amongst employers with more than 10 staff than amongst those with fewer staff. It is also significantly higher than average within manufacturing and the other services sector; while significantly lower in the construction sector. This is shown in the table below:

Table 8.1: Collecting and monitoring information on staff absence (all respondents)

	Unweighted bases	Staff absence rates	Reasons for absence	Both	Neither
All employers	678	45	45	41	51
Primary ABDE	8*	37	40	37	60
Manufacturing C	88	62	60	55	33
Construction F	50	26	31	26	69
Wholesale/Retail G	156	40	44	38	53
Transport/Storage H	19*	44	28	27	54
Accommodation/Food Service I	95	50	53	48	44
Information/Communication G	16*	31	31	31	69
Business Services KLM	62	42	37	37	58
Administrative Services NO	27*	58	55	49	36
Other Services J	157	55	57	53	41
1-10 employees	531	36	37	33	60
11-24 employees	82	94	90	88	4
25-99 employees	55	85	78	76	13
100+ employees	10*	100	100	100	0

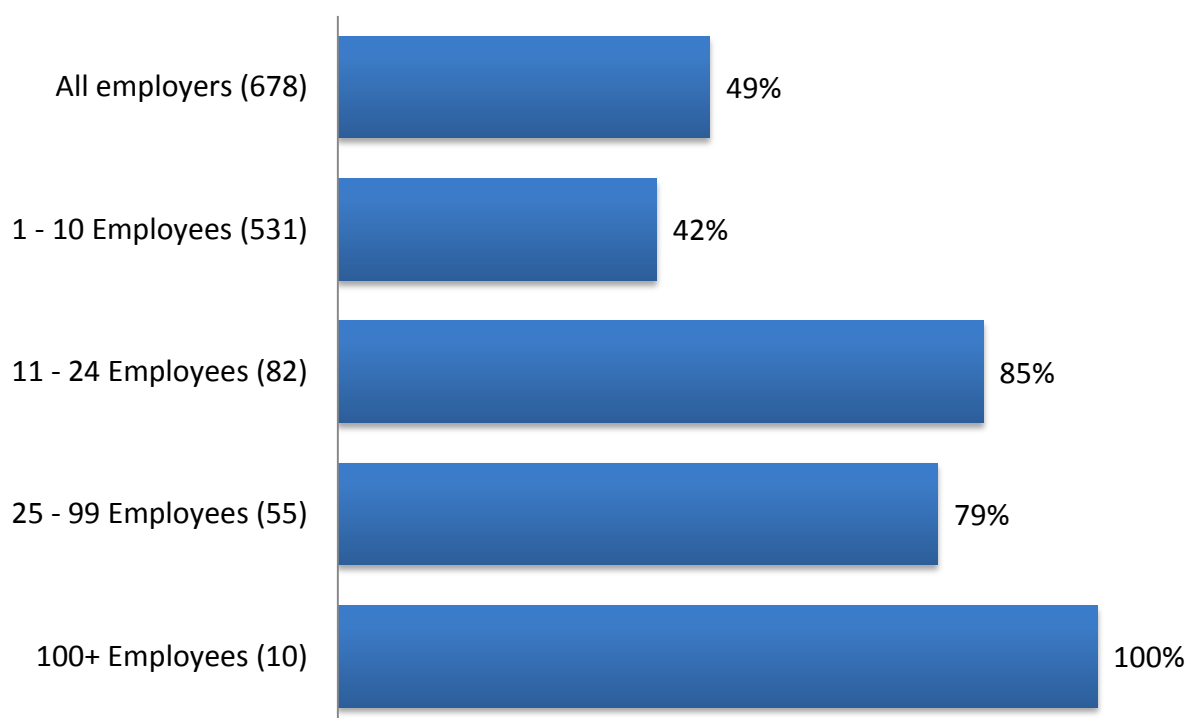
* caution: low sample bases Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

B1. Do you collect and monitor information about....?

8.3 Health initiatives

Respondents were asked if their business had any of a number of employee health initiatives in place. Of those listed, 49% of Calderdale employers had any in place and this increases with employer size.

Figure 8.2: Whether employers have any employee health initiatives in place, by employer size (all respondents)



Unweighted bases in parentheses

B2. Does your business have any of the following employee health initiatives in place?

Overall, employers are most likely to have training for managers around workplace health in place (30%). They are least likely to have a budget in place for the promotion of staff health (10%).

The propensity to have any health initiatives increases with employer size and provision of most is more commonplace within the administrative services sector 69% and least likely in the information/communications sector (15%).

Table 8.3: Employee health initiatives that employers have in place – prompted, multiple response (all respondents)

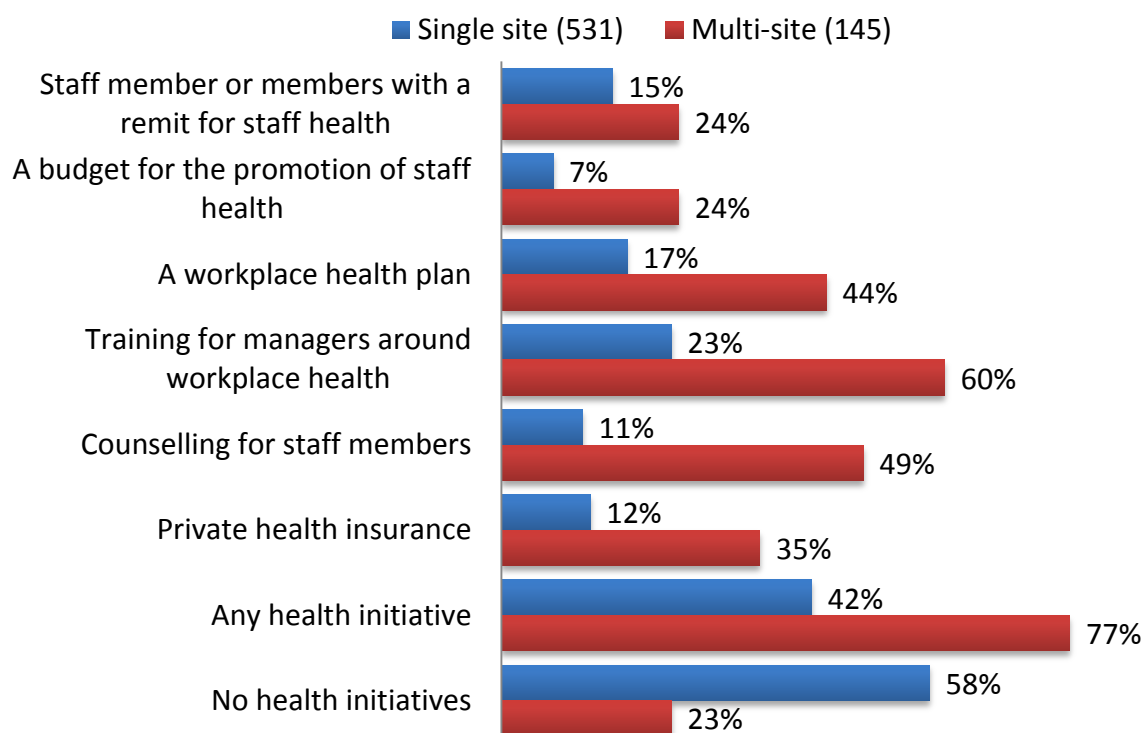
	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport /Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8*	88	50	156	19*	95	16*	62	27*	157
Staff member or members with a remit for staff health	17%	0%	12%	16%	16%	34%	20%	2%	9%	41%	22%
A budget for the promotion of staff health	10%	0%	7%	8%	11%	17%	10%	5%	7%	17%	16%
A workplace health plan	22%	30%	22%	17%	24%	5%	20%	5%	24%	43%	20%
Training for managers around workplace health	30%	1%	34%	25%	30%	15%	36%	15%	28%	45%	37%
Counselling for staff members	18%	0%	12%	10%	17%	8%	22%	10%	17%	30%	31%
Private health insurance	16%	2%	23%	6%	21%	5%	11%	10%	21%	33%	10%
Any health initiative	49%	33%	51%	48%	50%	50%	52%	15%	45%	69%	55%
No health initiatives	51%	67%	49%	52%	50%	50%	48%	85%	55%	31%	45%

*denotes less than 0.5%. Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

B2. Does your business have any of the following employee health initiatives in place?

Multi-site employers are more likely to have any of the health initiatives in place. This is a reflection of their overall employer size. This is summarised in the figure below.

Figure 8.4: Employee health initiatives that employers have in place, by business structure (all respondents)



Unweighted bases in parentheses

B2. Does your business have any of the following employee health initiatives in place?

9 Internet and Broadband

This chapter explores use of the internet and access to broadband amongst Calderdale employers.

9.1 Key findings

The majority of Calderdale employers have access to the internet (88%) with 86% having access via broadband.

In terms of what the internet is used for, employers are most likely to use it for promoting their goods and services through a website (71%), processing payments (by credit/debit card) (62%) and also paying taxes online (also 62%).

Four-fifths of employers with broadband access (81%) consider it to be reliable and fast enough for their business needs. The remainder consider the download speed (18%) or the upload speed (13%) too slow.

More than a quarter of all employers in Calderdale (27%) are considering upgrading or introducing broadband in the next 1 to 2 years. Of these 85% already have broadband and the remainder (29% of all those without broadband currently) are planning to introduce it.

Amongst the 14% of employers in Calderdale that do not have broadband access, lack of need is by far the most frequently cited (without prompting) reason (60%).

9.2 Internet access

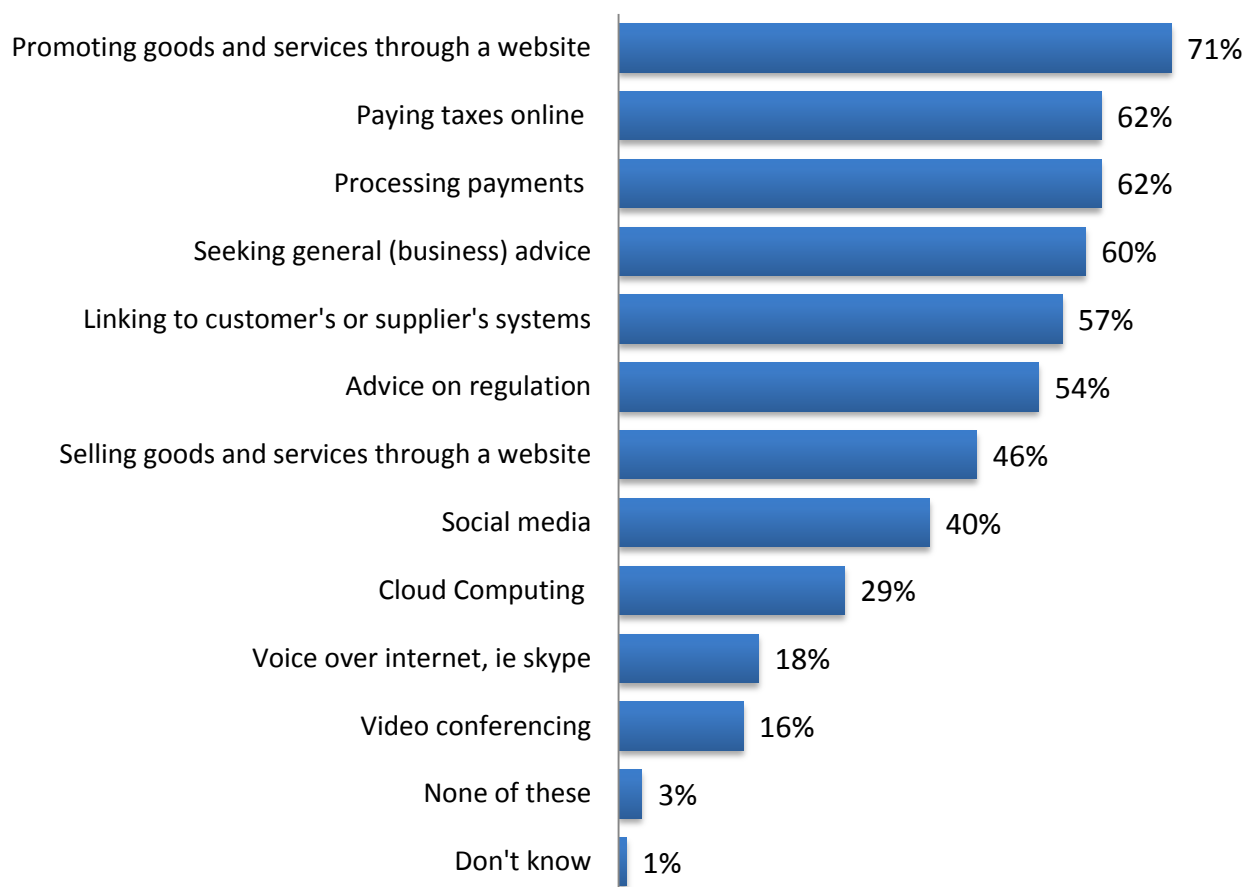
The majority of Calderdale employers have access to the internet (88%) with 86% having access via broadband.

Internet access is at relatively low levels within primary industries (40%) and within the sectors of accommodation/food services (69%) and wholesale/retail (77%).

It varies little by employer size (85% of employers with 1 to 10 employees, compares with 95% of those with 100 or more employees).

In terms of what the internet is used for, employers are most likely to use it for promoting their goods and services through a website (71%), processing payments (by credit/debit card) (62%) and paying taxes online (62%).

Figure 9.1: Purposes for which employers use the internet – prompted, multiple response (where have internet access for business purposes)



Unweighted base = 587

E3. Does your business use the internet for the following?

The table below summarises the purposes for which the internet is used by industry sector. It highlights significantly greater likelihood of sales through a website amongst wholesale/retail employers promoting goods and services through a website amongst those in the business services sector. The business services sector is also more likely to use Cloud computing and social media.

Table 9.2: Purposes for which employers use the internet – prompted, multiple response (where have internet access for business purposes)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport/Storage H	Accommodation/Food Service I	Information/Communication J	Business Services KLM	Administrative Services NO	Other Services PQRS
<i>Unweighted Bases</i>	587	6*	84	50	121	17*	70	16*	62	26*	135
Paying taxes online (not asked of public sector)	62%	16%	78%	62%	60%	75%	43%	92%	74%	44%	48%
Seeking general (business) advice	60%	98%	69%	53%	44%	75%	49%	83%	67%	44%	63%
Selling goods and services through a website	46%	23%	46%	39%	48%	68%	28%	82%	41%	57%	41%
Promoting goods and services through a website	71%	25%	75%	61%	69%	81%	55%	100%	75%	63%	72%
Advice on regulation	54%	98%	62%	58%	49%	79%	40%	53%	45%	44%	60%
Cloud Computing	29%	14%	24%	32%	27%	27%	18%	76%	28%	11%	31%
Processing payments	62%	12%	65%	58%	63%	79%	44%	84%	57%	70%	60%
Voice over internet, ie skype	18%	14%	16%	8%	15%	23%	4%	45%	31%	16%	14%
Video conferencing	16%	4%	14%	5%	8%	23%	9%	75%	25%	6%	10%
Social media	40%	14%	23%	31%	35%	42%	48%	87%	46%	22%	49%
Linking to customer's or supplier's systems	57%	100%	61%	54%	61%	55%	39%	84%	48%	51%	53%

*denotes low sample bases. Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

E3. Does your business use the internet for the following?

9.3 Views on current broadband and plans to upgrade

Eighty-six per cent of Calderdale employers access the internet via broadband. Four-fifths of these employers (81%) consider it to be reliable and fast enough for their business needs. The remainder consider the download speed (18%) or the upload speed (13%) too slow.

By location, employers in Lower Calder Valley (87%) are most likely to be happy with their current broadband, while those in Upper Calder Valley are less likely to be (72%).

When asked to describe their mobile connectivity (which includes use of 3G, 4G or GPRS), 57% of employers across Calderdale described it as good; 24% as average and 15% as poor (the remaining 4% did not know). Views on mobile connectivity are more positive amongst employers in Halifax and Lower Calder Valley (67% and 63% respectively rating it as good), than amongst employers in Upper Calder Valley (33%). A third of employers in Upper Calder Valley (35%) rate their mobile connectivity as poor.

More than a quarter of all employers in Calderdale (27%) are considering upgrading or introducing broadband in the next 1 to 2 years. Of these 85% already have broadband and the remainder (29% of all those without broadband currently) are planning to introduce it.

Having plans to upgrade or introduce broadband within the next 2 years is significantly higher than average amongst employers needing to gain more land space in the next 3 to 5 years (42%). This suggests that needing a faster internet connection is linked to dissatisfaction with current location.

Amongst the 14% of employers in Calderdale that do not have broadband access, lack of need is by far the most frequently cited (without prompting) reason (60%). Lack of the requisite skills is cited by 13% of employers without access, while 11% cite the expense.

A fifth of all Calderdale employers (20%) would like more information about using technology (such as eCommerce, Cloud computing etc) to improve their business performance. This proportion is significantly higher than average amongst employers that feel they need to expand in terms of land space in the next 3 to 5 years (30%).

10 Energy Efficiency and Corporate Social Responsibility

This chapter examines energy efficiency measures in which employers have invested during the last 12 months. It also looks at any community or corporate social activities⁴ employers have been involved in.

10.1 Key findings

One in three employers in Calderdale (32%) have introduced any energy efficiency measures in the last 12 months.

Employers that have introduced energy efficiency measures in the last 12 months are most likely to have invested in lighting that is energy efficient (65%), followed by recycling or waste reduction measures (56%), then heating (54%) and energy efficient equipment (44%).

More than a quarter of employers (27%) have been involved in community activities, while just over half this proportion (15%) has been involved in corporate social responsibility activities.

Around two-fifths of respondents (39%) reported that their business would consider working in partnership with the local authority and other social/voluntary and community groups in carrying out social activities.

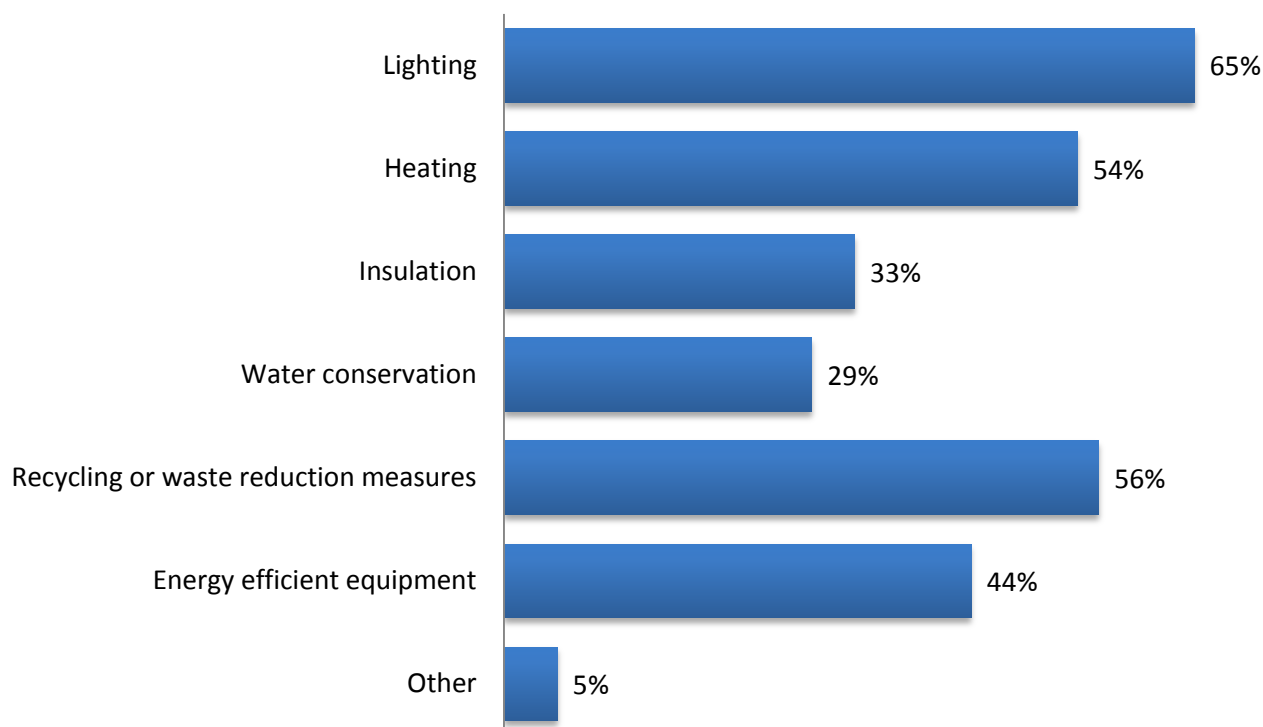
10.2 Energy efficiency measures

One in three employers in Calderdale (32%) has introduced any energy efficiency measures in the last 12 months. This increases to nearly two thirds of the employers in the Calderdale district with 25 or more employees (64%). The proportion is higher than average amongst employers in the accommodation/food services (54%), wholesale/retail (42%) and other services (41%) sectors.

Employers that have introduced energy efficiency measures in the last 12 months are most likely to have invested in lighting that is energy efficient (65%), followed by recycling or waste reduction measures (56%), then heating (54%) and energy efficient equipment (44%).

⁴ These activities were not defined to the respondent. The questioning relied on their interpretation of these activities.

Figure 10.1: Energy efficient measures introduced in the last 12 months – prompted, multiple response (where have introduced any)



Unweighted base = 249

H2. Which of the following areas have you invested in?

A quarter of respondents (23%) would like to receive more information about energy efficiency measures for their employers. This increases to 38% of larger employers (those 100+ employees) and is higher than average within the accommodation/food services sector (37%).

10.3 Corporate social responsibility

More than a quarter of employers (27%) have been involved in community activities.

This increases to 42% of employers with between 11 and 24 employees, 49% of those with between 25 and 99 employees and 55% of those with 100 or more employees. The proportion is significantly higher than average amongst employers within the other services (57%), accommodation/food services (37%) and wholesale/retail (34%) sectors.

Employers within service sectors are significantly more likely than those in production and construction sectors to be involved in community activities (32%, compared with 12%).

By location, employers in Upper Calder Valley are the most likely to be involved in community activities (32%), compared with a quarter of employers in Halifax (25%) and Lower Calder Valley (26%).

One in seven employers (15%) has been involved in corporate social responsibility activities. This increases to 26% of employers with between 11 and 24 employees, 22% of those with between 25 and 99 employees and 93% of those with 100 or more employees.

Again, employers within service sectors are significantly more likely than those in production and construction sectors to be involved in corporate social responsibility activities (17%, compared with 9%). However, in this case, employers within other services sector (24%) are most likely to be involved in these activities.

These observations are summarised in the table below.

Table 10.2: Involvement in community and corporate social responsibility activities (all respondents)

	Unweighted bases	Community activities	Corporate social responsibility activities
All employers	678	27%	15%
Primary ABDE	8	1%	2%
Manufacturing C	88	11%	7%
Construction F	50	16%	13%
Wholesale/Retail G	156	34%	14%
Transport/Storage H	19	31%	17%
Accommodation/Food Service I	95	37%	12%
Information/Communication G	16	24%	8%
Business Services KLM	62	13%	21%
Administrative Services NO	27	14%	11%
Other Services J	157	57%	24%
1-10 employees	531	24%	12%
11-24 employees	82	42%	26%
25-99 employees	55	49%	22%
100+ employees	10	55%	93%
Halifax	296	25%	16%
Lower Calder Valley	207	26%	13%
Upper Calder Valley	175	32%	15%

* caution: low sample bases Figures in bold are significantly higher or lower than the average (minus the sub-group tested) based on a 95% confidence level

H4. Is your business involved in any of the following....?

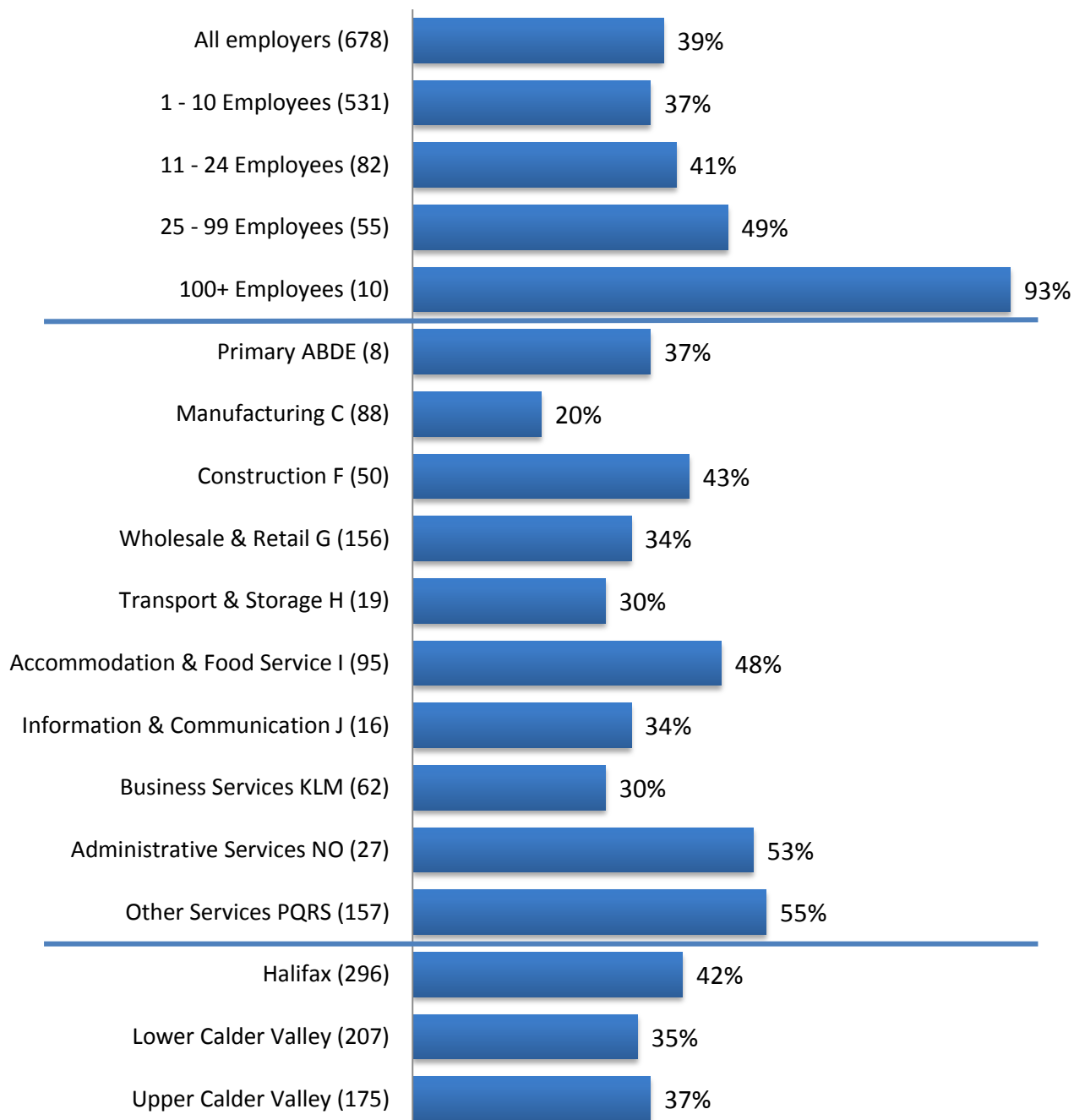
Around two-fifths of respondents (39%) reported that their business would consider working in partnership with the local authority and other social/voluntary and community groups in carrying out social activities.

This proportion increases to 49% of employers with between 25 and 99 employees and 93% of those with 100 or more employees. It is higher than average amongst employers in other services (55%) and accommodation/food services (48%) sectors.

Employers in Halifax (42%) are more likely to be open to the possibility of working in such a partnership than employers in Upper Calder Valley (37%) and Lower Calder Valley (35%).

Responses are summarised in the figure below.

Figure 10.3: Whether employers would consider working in partnership with the local authority and other social/voluntary and community groups in carrying out corporate social activity (all respondents)



Unweighted bases in parentheses

H5. Would you consider working in partnership with the local authority and other social/voluntary and community groups in carrying out corporate social activity?

Seventy-seven per cent of employers who would consider working with a local authority or community group would be interested in receiving further information about such a scheme.

11 Business Support

This chapter explores the level of interest in business support and in particular, business mentors.

11.1 Key findings

One in six Calderdale employers (16%) has used a business mentor, with 21% of those that have not used one interested in doing so in the future.

Finance, in the form of grants and loans, is the area that was most frequently cited as one in which employers would benefit from business support or advice in the next 12 months (35%), followed by marketing (27%).

A quarter of employers in Calderdale (25%) are involved in any local business networks.

11.2 Business mentors

One in six Calderdale employers (16%) has used a business mentor – that is to say, somebody with business expertise who has supported them through the development and running of their business on a continuous basis.

This proportion is higher than average amongst employers with between 25 and 99 employees (35%) and within the other services sector (23%).

There is no conclusive link between business growth and using a business mentor as usage is in the minority across the board, but it is interesting to note that employers with a business plan are significantly more likely than average to have used a business mentor (22%, compared with 11% of those that do not have one in place), as are those that have provided any training (19%, compared with 11% of those that have not) and have a training budget (27%, compared with 13% that have not).

Amongst the majority that have not used a business mentor (i.e. 84% of employers), 21% would be interested in using one in the future. This proportion is higher than average amongst employers in the voluntary sector (35%) and amongst employers that have been established for less than five years (30%).

There is particularly strong interest in using a business mentor amongst employers that feel it is likely they will need to expand their land/space in the next three to five years (38%). Employers that are classified as growers are more likely than those who have remained stable in terms of employment size and turnover to be interested in using a business mentor (30%, compared with 20%, and 32% of 'high growers'). However, 'shrinkers' are equally likely to show relatively strong interest in using a business mentor (32%), possibly for different reasons than 'growers'. While 'growers' are likely to wish to further exploit their current momentum and grow further, 'shrinkers' may be looking to turn their business around and may feel a business mentor can offer advice in this respect.

11.3 Business support

Respondents were asked if they thought that their business would benefit from business support or advice in any one of a number of areas in the next 12 months.

Finance, in the form of grants and loans, is the area that was most frequently cited (35%), followed by marketing (27%).

Their responses are summarised in the table below, which highlights the fact that employers in the accommodation/food services sector are significantly more likely to cite the need for business support or advice in a number of areas.

Table 11.1: Areas in which employers feel they could benefit from business support or advice in the next 12 months – prompted, multiple response (all respondents)

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport/Storage H	Accom./Food Service I	Information/Comms J	Business Services KLM	Admin Services NO	Other Services PQRS
<i>Unweighted Bases</i>	678	8*	88	50	156	19*	95	16*	62	27*	157
Grants and loans	35%	33%	39%	34%	25%	57%	43%	53%	32%	34%	36%
Marketing	27%	37%	24%	16%	26%	41%	37%	32%	28%	30%	26%
Statutory Legislation e.g. health and safety	23%	30%	16%	17%	19%	39%	35%	16%	27%	27%	23%
Finance	22%	33%	20%	16%	18%	25%	32%	26%	24%	27%	19%
General Business planning	22%	60%	17%	24%	18%	30%	31%	16%	13%	33%	21%
Better exploitation of ICT and broadband connectivity	20%	37%	12%	17%	22%	7%	26%	37%	21%	23%	14%
Help with developing new markets/exports	19%	37%	23%	12%	15%	32%	20%	34%	20%	22%	13%
Energy, waste and water efficiency	19%	33%	14%	16%	19%	15%	40%	24%	13%	16%	21%
General skills training	18%	30%	15%	20%	18%	12%	21%	32%	16%	16%	16%
Help to take on an Apprentice	17%	60%	14%	20%	12%	15%	27%	24%	5%	30%	16%
Technical training	17%	3%	14%	25%	15%	12%	17%	24%	17%	22%	15%
Help with research and development	17%	33%	21%	14%	14%	21%	23%	26%	12%	20%	17%
Improving Health of your Workforce	16%	33%	12%	13%	16%	12%	18%	26%	10%	24%	14%
Sites and/or premises expansion	16%	30%	10%	16%	14%	17%	17%	8%	12%	34%	14%
Recruitment	12%	30%	8%	13%	9%	15%	16%	8%	10%	20%	9%
Staffing issues	11%	30%	9%	9%	9%	7%	20%	16%	9%	10%	11%

	All employers	Primary ABDE	Manufacturing C	Construction F	Wholesale/Retail G	Transport/Storage H	Accom./Food Service I	Information/Comms J	Business Services KLM	Admin Services NO	Other Services PQRS
Planning and Building regulations	11%	30%	12%	11%	10%	15%	20%	0%	8%	15%	11%
Other	3%	0%	0%	3%	5%	8%	5%	8%	0%	0%	5%
None of these	38%	33%	41%	33%	39%	21%	37%	31%	35%	51%	43%

Figures in bold are significantly *higher* than the average (minus the sub-group tested) based on a 95% confidence level

13. Do you think you would benefit from any of the following types of business support or advice over the next 12 months?

A quarter of employers in Calderdale (25%) are involved in any local business networks. This could include, the Chamber of Commerce or the Federation of Small Employers or similar.

The proportion with any involvement increases to 86% of those with 100+ employees. It is significantly higher than average amongst young businesses (34% of those established for up to 2 years) and lowest amongst employers in the accommodation/food services sector (15%).

12 Focus on High Growth Firms

12.1 Definition of high growth firms

The two key factors indicating growth are an increase in turnover and expansion of the workforce. These are two simple and easily measured variables that provide a reliable indication of growth. Employers participating in the survey were identified as growth firms based on whether they have reported growth in their workforce, turnover, or both workforce and turnover, in the last 12 months.

The threshold for including employers as those having experienced growth is +5% or more compared with the previous year. That is to say that turnover and/or workforce size had to have increased by at least 5% over the last 12 months. Growth under 5% was discounted as turnover may have increased by this amount merely due to inflationary price rises, while the workforce may have gained just one or two staff due to a specific business requirement or because these were existing positions that were previously unfilled.

Employers that have experienced significant growth in turnover and/or workforce size are identified as high growth firms. Since the survey sample (reflecting the employer population) spans businesses of all sizes a threshold of increase of 20% or more has been applied to identify these 'high growers'.

In terms of workforce size, even a 20% increase represents a substantial number of additional staff to accommodate, although within smaller employers, this may only involve just one or two additional staff; within larger employers the number of additional staff may run into the hundreds. Setting the threshold for turnover growth at 20% or more is likely to rule out any increases that have been due to inflationary price increases and such a level of increase is most likely to come from new orders, customers or markets; all of which suggest real growth.

The Calderdale Employer Survey 2013 identified 41 high growth firms (weighted number). This represents 6% of all Calderdale employers.

12.2 Key findings

High growth firms tend to be larger than average and the majority have been established within the last 5 years.

Business planning, the provision of training and having an infrastructure in place to manage training and identify training needs are more commonplace within high growth firms.

Innovation is more likely to be sourced and supported internally, although high growth firms are no more likely than average to currently have links with educational establishments to that end.

The likelihood of the need to expand current premises is greater amongst high growth firms although these firms do not show signs of being more likely than average to leave the district.

High growth firms are more likely than average to have embraced information technology.

They are more likely than average to have used business mentors and to have an interest in sourcing business support and advice in a range of different areas.

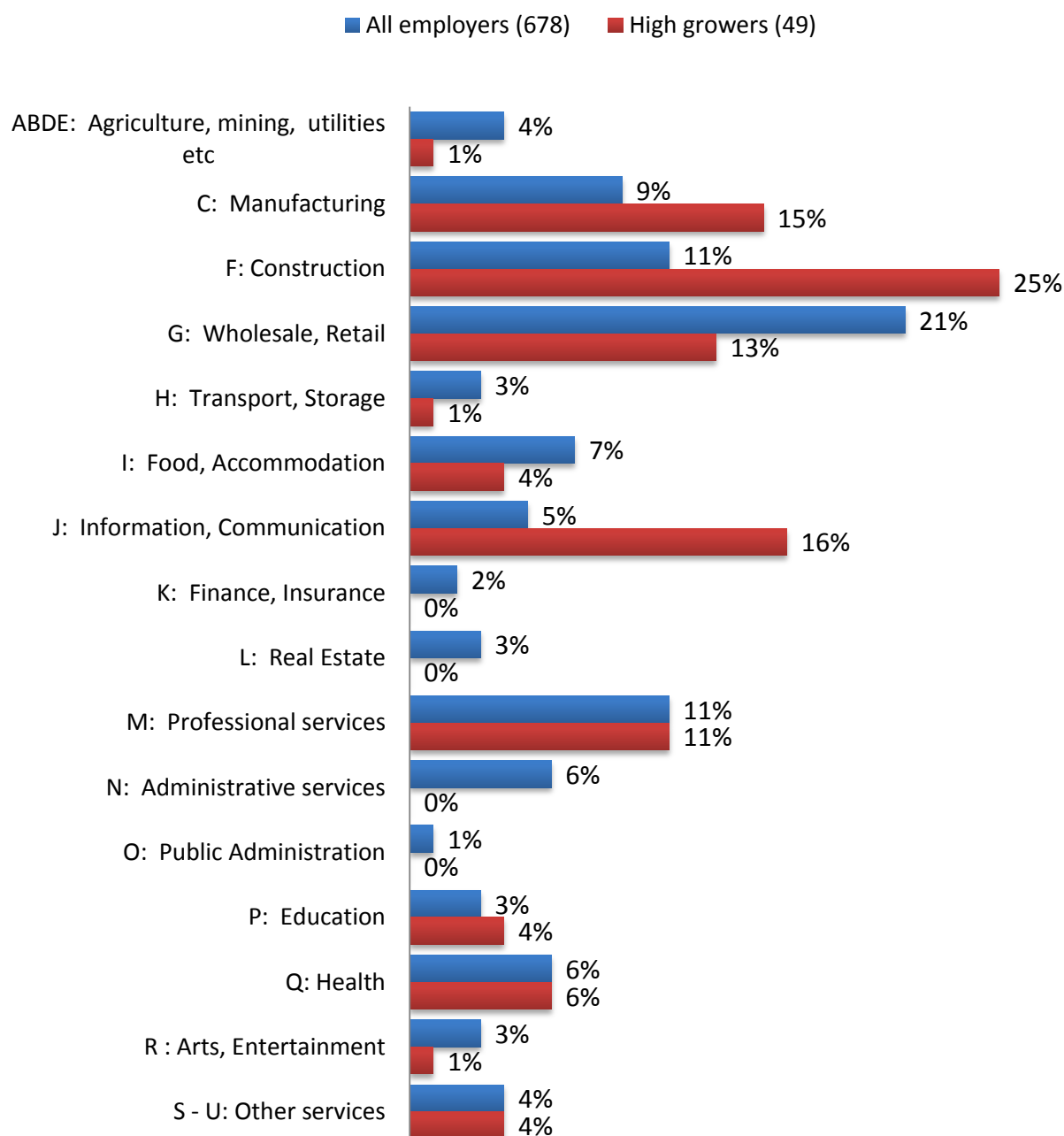
There is considerable optimism for the next 12 months amongst high growth firms, reflecting recent past performance.

12.3 Profile of high growth firms

In terms of their workforce size (at the establishment's site) high growth firms tend to be larger than average, although less than half a percent of the 200+ employers surveyed are considered high growth firms. Two-thirds (69%) employ up to 10 employees (84% across all employers); 14% employ between 11 and 24 employees (compared with a Calderdale average of 9%); and 14% employ between 25 and 199 employees (6% on average).

Their sector profile is summarised in the figure below, which highlights a higher than average proportion of employers with high growth characteristics within the sectors of manufacturing, construction and information/communication and fewer in the sectors of primary industries, wholesale/retail, transport/storage, accommodation/food services and administrative services.

Figure 12.1: High growth firms: Industry sector – Standard Industry Classification (SIC) 2010 (all respondents)



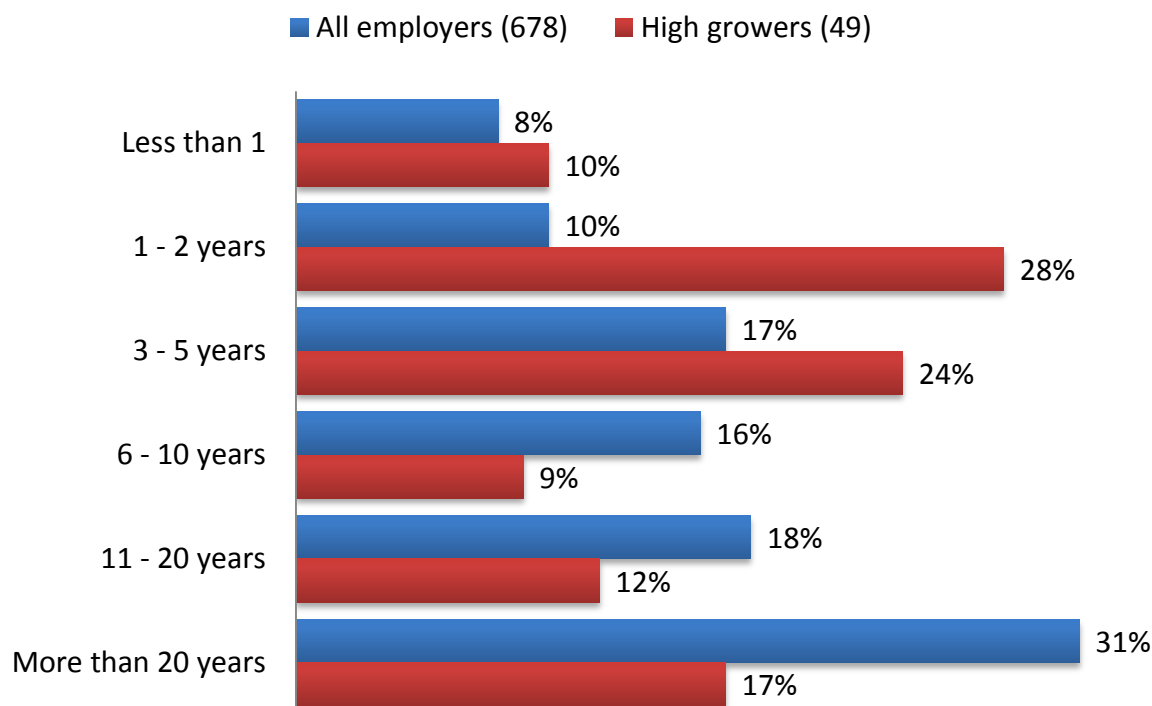
Unweighted bases in parentheses

A2. What is the main business activity at this establishment?

High growth firms are slightly less likely than average to be single site establishments (78%, compared with 81%) and slightly more likely to be part of a multi-site business with headquarters overseas (5%, compared with 1%).

In terms of years established, high growth firms are concentrated within the one to five year band (52%), with more than a quarter (28%) established for between one and two years and a further quarter (24%) established for between three and five years.

Table 12.2: High growth firms: Years established at that site (all respondents)



Unweighted bases in parentheses

A7. How many years have you been established at that site? This includes under all ownerships and all legal statuses

12.4 Planning and staff development

While nearly half of all employers in Calderdale have a business plan (46%), the proportion is higher amongst high growth firms (56%).

The greater propensity to have a business plan is likely to be influenced by the larger average employer size of high growth firms. It is difficult to unpick the extent to which having a business plan is linked to high growth and the extent to which it is a factor of having a larger workforce. The same is true of training practice. All the high growth firms have funded or arranged any training (compared with 63% of all employers) and assess staff training requirements (compared with 72% of all employers), while they are significantly more likely than average to have a training budget (40%, compared with 21%).

The need for having formal plans and processes for assessment in place with regard to business and human resource planning increases with employer size, but there is no doubt that having them in place will help employers to respond to opportunities for expansion in a timely manner.

12.5 Recruitment

As one would expect, given the criteria used for defining employers as high growth firms, a high proportion of high growth firms (78%) have recruited in the last 12 months (38% is the average across Calderdale). As prolific recruiters they are more likely to have current vacancies (26%, compared with 10%), but only slightly more high growth firms than average (22%, compared with 17%) have hard-to-fill vacancies.

They are more than twice as likely to have recruited from any disadvantaged⁵ group (68% have, compared with 27%), four times as likely to have recruited apprentices (23%, compared with 6%); three times as likely to have recruited school leavers (16%, compared with 5%), and twice as likely to have recruited new graduates (9%, compared with 5%) and the unemployed (51%, compared with 22%).

12.6 Innovation

Despite evidence that they are growing their business substantially, high growth firms are no more likely than average to engage in activities that suggest higher than average levels of product or process innovation. They are slightly more likely to consider they have the technical capacity to make product or process improvements (69%, compared with 55%), but this differential does not suggest anything other than greater average employer size.

There is some evidence (although the low sample base should be borne in mind) that innovation is internally driven and supported within high growth firms, rather than externally sourced from suppliers. High growth firms are slightly more likely than other employers to have links with educational establishments and more likely to consider developing them in the future.

Table 12.3: Links with organisations relating to product or process innovations (all respondents)

	High growth firms	All employers
<i>Unweighted bases</i>	46	678
Existing links:		
Schools or colleges	17%	12%
Universities or higher education institutions	9%	9%
Other	6%	7%
Any institution	21%	19%
No links	79%	81%
Would consider links	58%	43%

F6. Do you have any links related to product or process innovations with....? F8. Would you consider developing closer links with a local school, college or university?

⁵ Which includes government approved apprentices, school leavers, graduates and the unemployed

12.7 Location

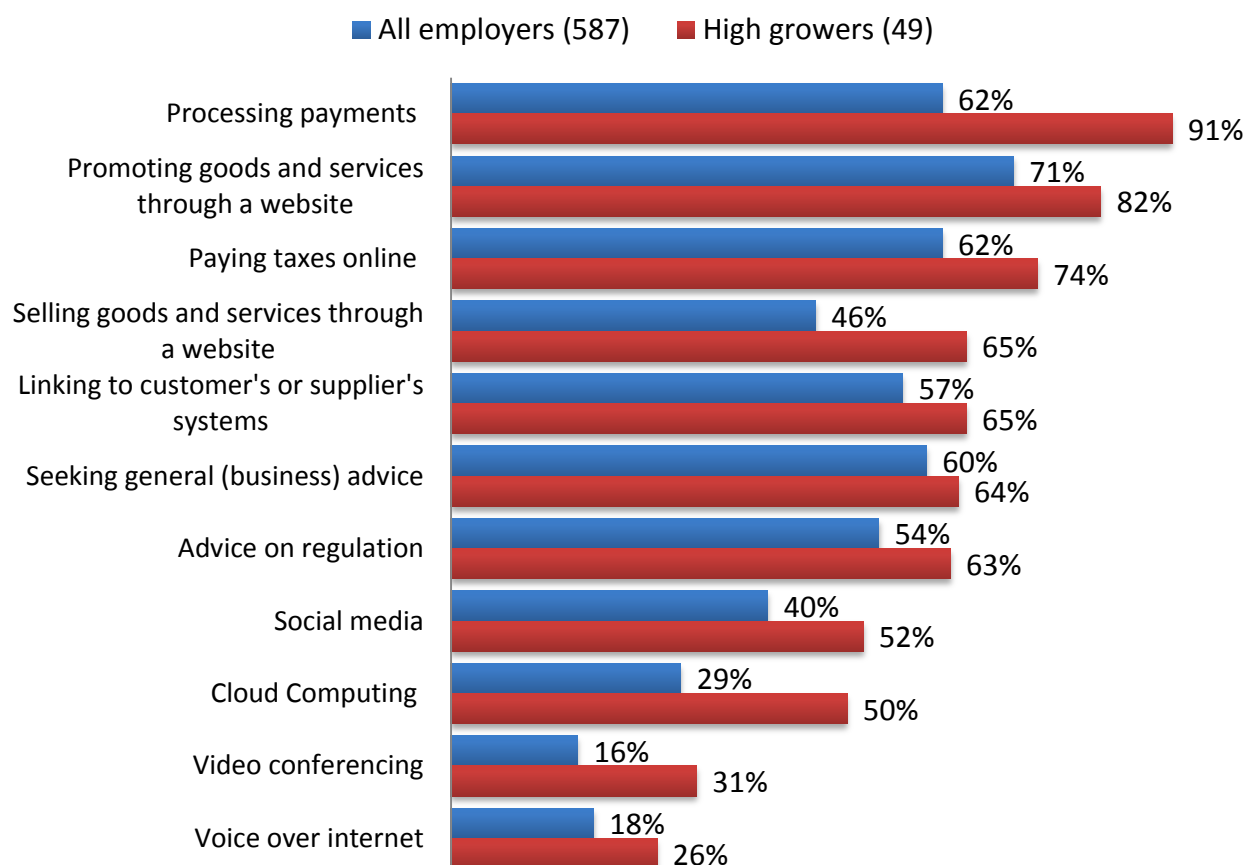
High growth firms hold similar views to other firms with regard to the benefits and drawbacks of being located in Calderdale, although they are more likely to be happy with the district as a place to do business (72% rated it good/excellent, compared with 58% of all employers). Although it is to be expected that a higher proportion of high growth firms than average will require further land/space in the near future (44%, compared with 16%), there is no greater threat of them relocating elsewhere i.e. outside of the district.

It is clear though, that unless expansion can be accommodated at their current site or within the district, relocation elsewhere is inevitable.

12.8 Internet and broadband

Although somewhat related to larger average employer size; high growth firms are more likely than average to have embraced the opportunities presented by the worldwide web. They are more likely than average to have a website (93%, compared with 72% of all employers) and to access the internet via broadband (all, compared with 86% of all employers). They are more likely than average to use the internet for a range of purposes.

Figure 12.4: Purposes for which employers use the internet – prompted, multiple response (where have internet access for business purposes)



Unweighted bases in parentheses

E3. Does your business use the internet for the following?

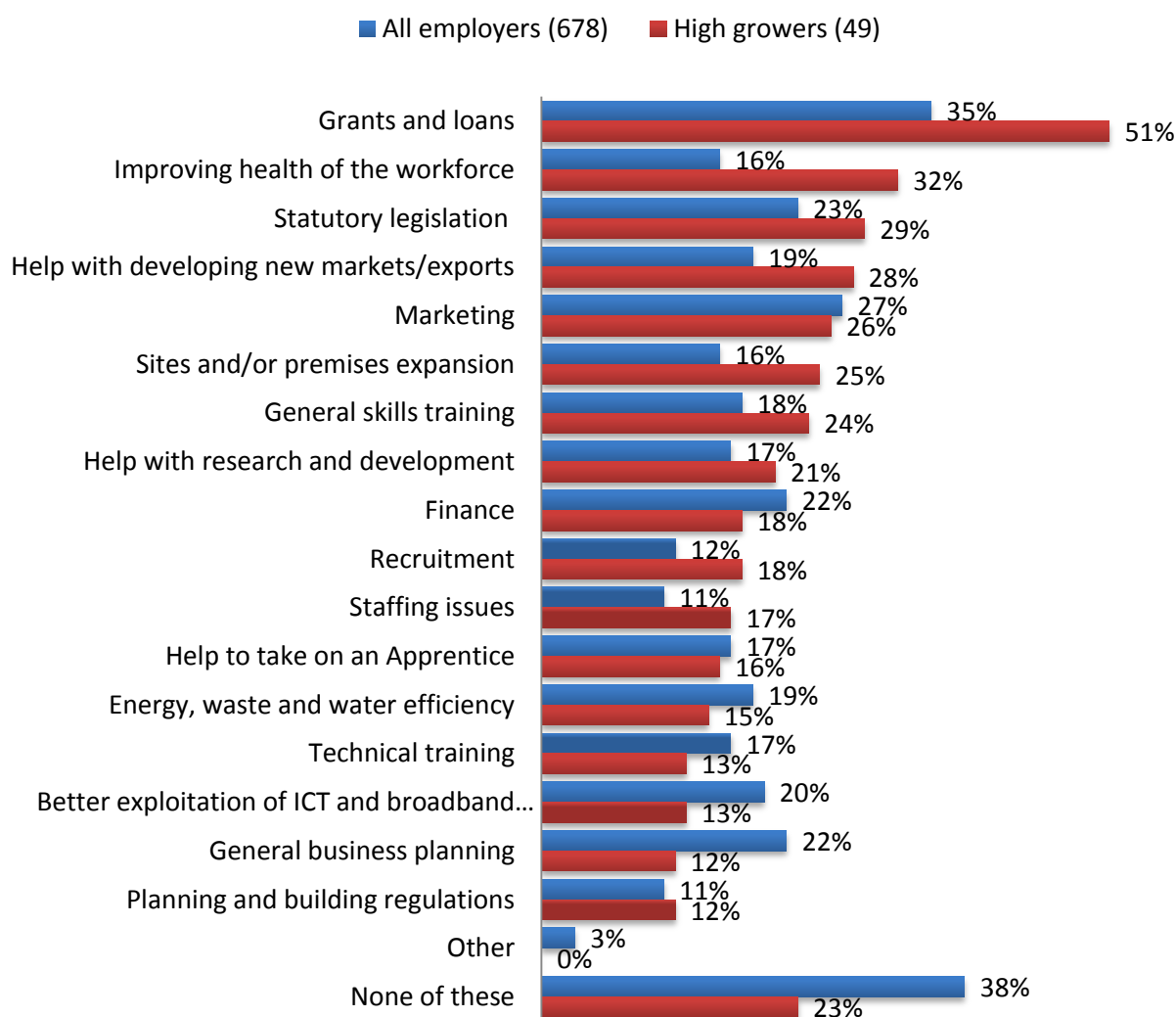
High growth employers are no more likely than average to be dissatisfied with their broadband service or their mobile connectivity or to want more information on how technology could improve their business performance.

12.9 Business support

High growth firms are more likely than average to have used a business mentor (22%, compared with 16%) but no more likely to be interested in using one (of those that have not used one; 18%, compared with 21%). They are also no more likely than average to have been involved in local business networks (24%, compared with 25%).

In terms of areas in which more support or advice would be beneficial, high growth firms are more likely to cite a range, but particularly grants and loans, improving the health of the workforce, help with developing new markets/exports, sites and/or premises expansion, general skills development and recruitment and help with statutory legislation.

Figure 12.5: Areas in which employers feel they could benefit from business support or advice in the next 12 months – prompted, multiple response (all respondents)



Unweighted bases in parentheses 13. Do you think you would benefit from any of the following types of business support or advice over the next 12 months?

12.10 Expectations of future growth

High growth firms in the private sector are more likely than average to expect their turnover and workforce size to continue to increase in the next 12 months.

Turnover:

High growth firms, 69%; All employers, 53%;

Workforce:

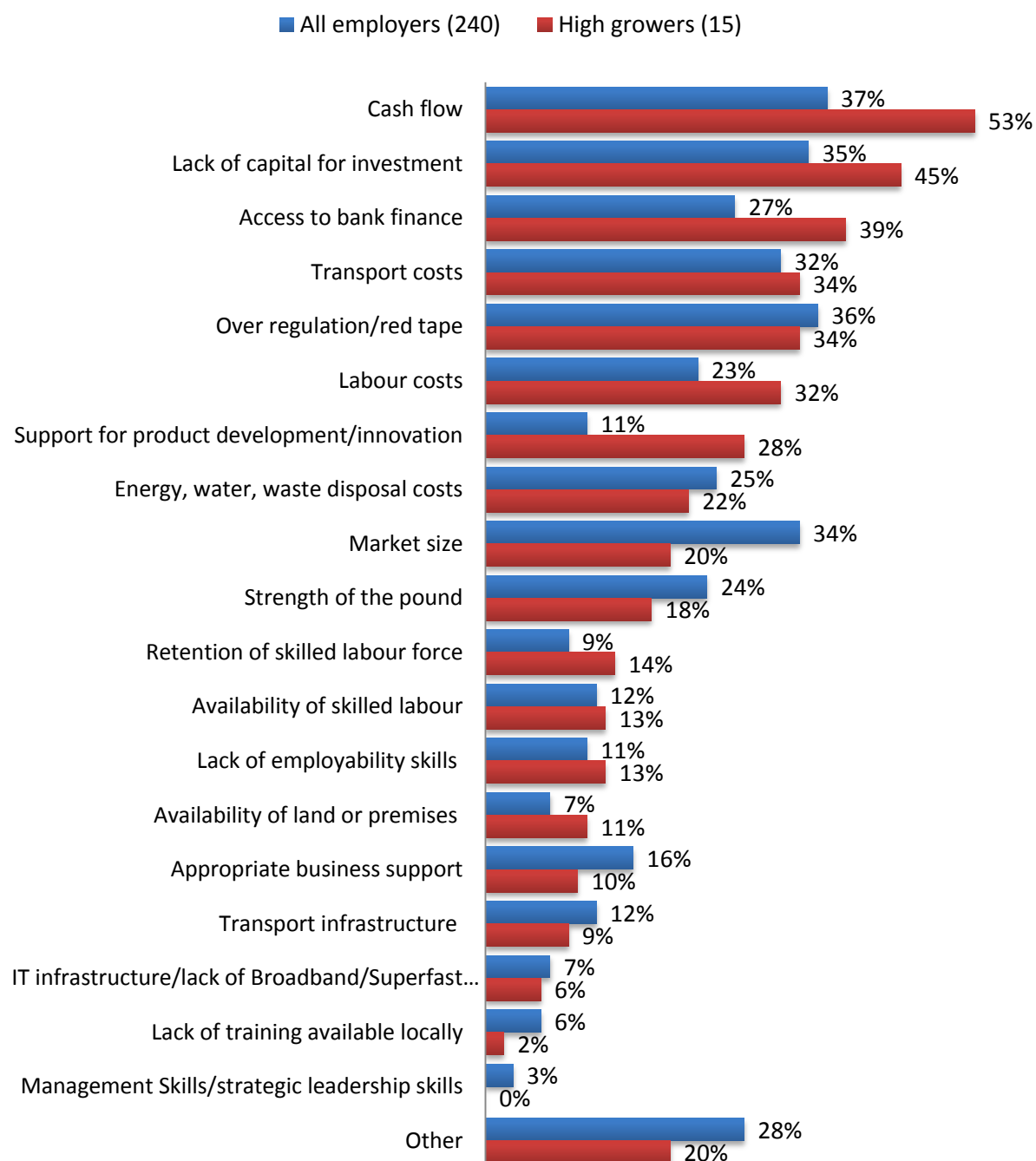
High growth firms, 51%; All employers, 22%;

This will be partly due to the fact that employers must base some of their expectations for their future business performance on recent past performance.

High growth firms are no more (or less) likely than average to identify any barriers to growth (41%, compared with 43%). However, they are likely to cite many of the potential barriers to growth.

They are particularly likely to cite cash flow, lack of capital to invest and access to finance as barriers, suggesting that the limits on their growth revolve around their capacity to fund it.

Figure 12.6: Barriers to turnover growth in the next three years – prompted, multiple response (where barriers to growing turnover)



Unweighted bases in parentheses

G17. Do you see any of the following as being barriers to the growth of your business turnover during the next 3 years?



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