



VOICE OF BUSINESS SURVEY 2009

A BUSINESS SURVEY BY
SUSSEX ENTERPRISE

BACKGROUND

Sussex Enterprise is the Chamber of Commerce for Sussex and our Members between them employ over a quarter of the working population in the county. We are a fully quality-accredited Chamber and work with the British Chambers of Commerce (BCC), in conjunction with a national network of other Chambers. This is our seventh consecutive Annual Voice of Business Survey with the largest number of responses received to date. We are delighted with the level of interest and participation shown in this survey.

BUSINESS AND RESEARCH OBJECTIVES

The main objective is to review our policy priorities to ensure that they reflect the current day opinions of business on policy matters. The results will help to set our policy priorities for the next year and serve our Members (and the wider business community) better.

- The research objectives are to:
- understand business attitudes towards the transport system
- ascertain businesses' opinions towards skills shortages
- understand the impact of regulations on business
- gather businesses' opinions of commercial premises
- determine the impact of crime on businesses
- understand attitudes towards energy efficiency measures
- ascertain businesses' attitudes towards local procurement with councils
- gather business opinion on the economy.

The ultimate aim of this survey is to inform other businesses in the wider business community help voice business concerns at a local, regional and national level by being distributed to decision-makers in local and central Government, to contribute towards positive changes and create a better business environment.

RESEARCH METHODOLOGY

The respondents are spread throughout the county and range from start-ups to multinational companies, across all sectors of industry. Companies were surveyed by online questionnaires and the fieldwork period ran from the 6th March to 24th March 2009.

The questionnaire was produced by Sussex Enterprise. Each business was emailed an invitation from Mark Froud, Chief Executive of Sussex Enterprise asking for their participation. Within the email background information to the survey, a web link and assurances of anonymity were given. Where a business had not clicked on the survey link, a reminder email was sent. Only one reminder email was sent.

SAMPLE AND RESPONSE RATE

Sussex Enterprise emailed the questionnaire to 14,093 businesses using sample data from our Pivotal database, which contains extensive information on Sussex business.

The sample consisted of both Members (1,877) and the Chamber also extended participation to other businesses in the area (randomly selected) that are not as yet part of the Chamber network (12, 216). A total of 671 respondents completed the questionnaire (355 Members, 198 Non-Members and the remainder are unaware of their Membership status).

The response rate overall is five per cent and, as would be expected, considerably higher among Members (at least 19 per cent) compared with Non-Members (at least two per cent).

With one out of five Members responding to the survey, this places us in a strong position to represent the views of our Members and ensure our policy formation, based on these findings, is robust and credible.

One out of ten respondents is from a business with over 100 employees.

ANALYSIS AND REPORTING

The report gives the findings for all respondents and, where appropriate, these findings are compared with the sub-areas of West Sussex (350 respondents), East Sussex (194 respondents), Brighton & Hove (95 respondents), Gatwick Diamond* (192 respondents) and Coastal West Sussex** (158 respondents). Where figures in this report do not sum to 100% this is due to rounding or multiple choice questions.

The topline details of results for 'all respondents' and for each of the five sub-areas in Sussex.

Please visit <http://www.sussexenterprise.co.uk/data/8337402.pdf> to view the Sussex Enterprise Voice of Business Survey Topline Results.

**The Gatwick Diamond area covers the Districts of Horsham and Mid Sussex and Crawley Borough.*

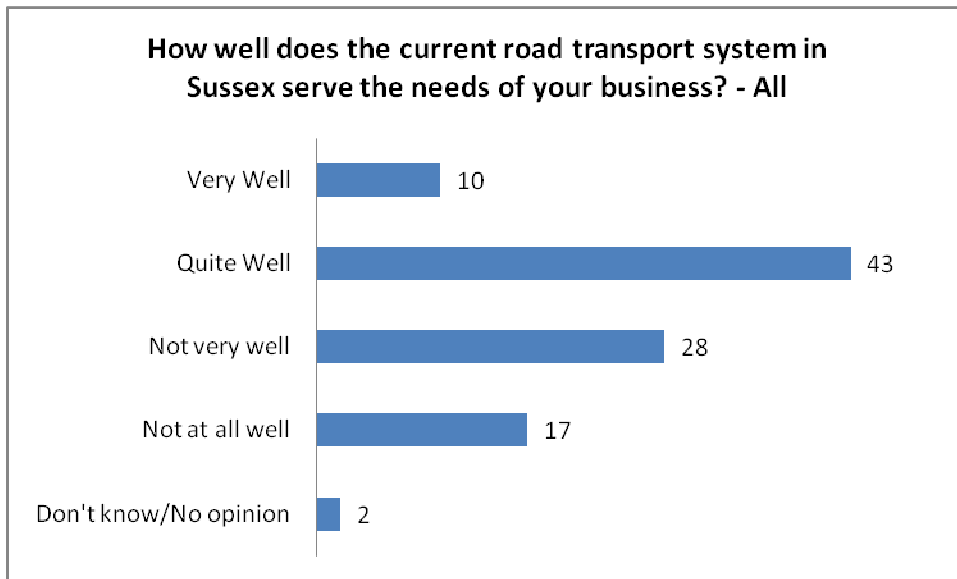
***The Coastal West Sussex area covers the Districts of Adur, Arun and Chichester and Worthing Borough.*

SECTION ONE: TRANSPORT

THE ROAD NETWORK

How well does the current transport system in Sussex serve the needs of your business ... Roads?

45% of Sussex businesses consider that the road network does not meet their needs. 53% believes the road network serves their needs 'very well' or 'quite well'. There is no clear consensus on businesses' opinions of the road network. However, with nearly half being dissatisfied with roads, this is a clear message from the business community that the Government needs to invest in the road networks in Sussex.

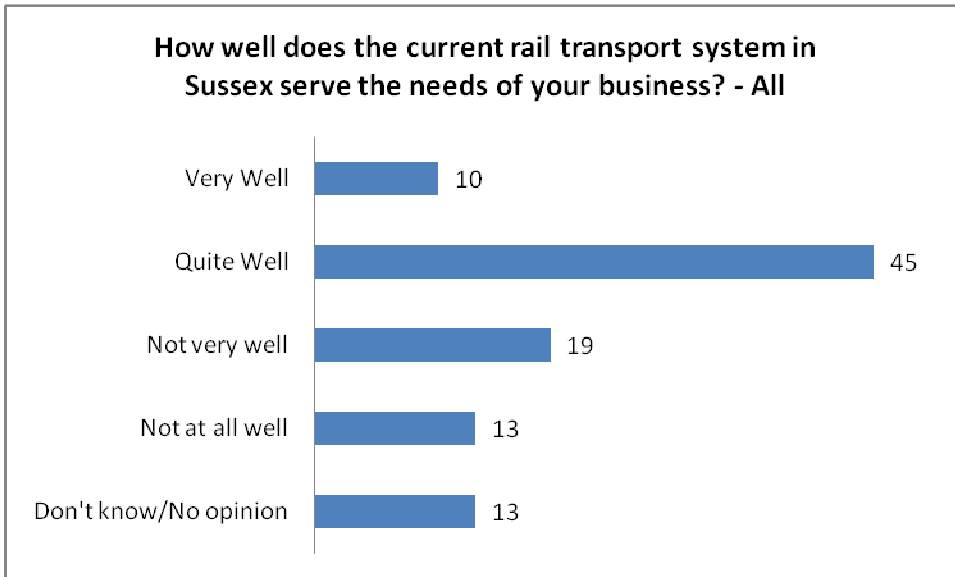


A higher proportion of businesses in East Sussex (60%) and Coastal West Sussex (52%), compared with the Sussex average, say the road network falls short of business needs.

THE RAIL NETWORK

How well does the current transport system in Sussex serve the needs of your business ... Rail?

The opinion of the rail network is generally better than that for roads, with a smaller proportion of negative responses. Nearly a third (32%) of Sussex businesses say that the rail network serves the needs of their business 'not very well' or 'not at all well'. Overall, opinions are more positive than negative with over half of Sussex businesses (55%) having a positive opinion. Despite this, a third is dissatisfied with the network and, again, it illustrates a clear need for investment in the railways.

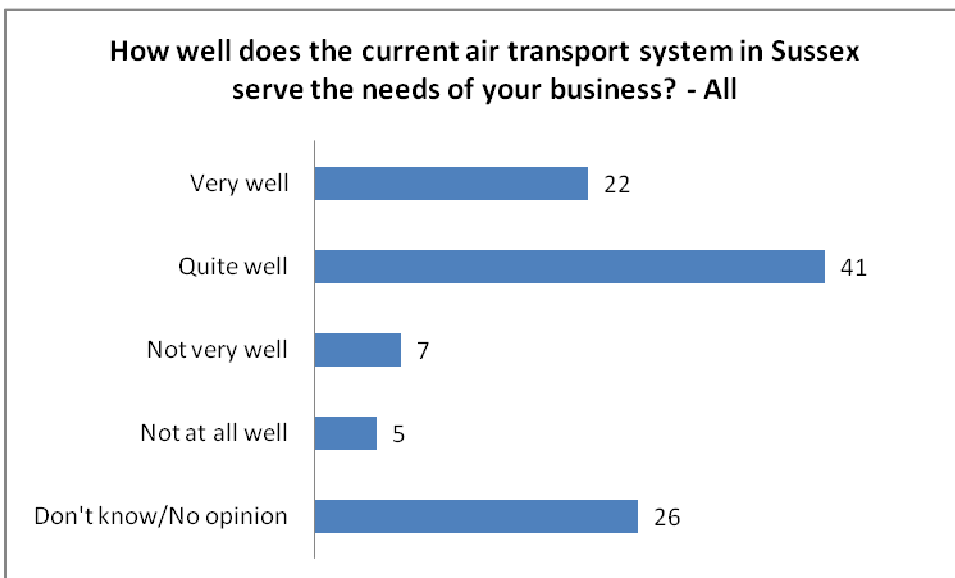


The proportion with a negative perception is considerably higher in East Sussex (44%) compared with the Sussex average.

THE AIR NETWORK

How well does the current transport system in Sussex serve the needs of your business ... Air?

Overall, businesses in Sussex say the air network meets their needs (63%). Just over one out of ten (12%) say it does not meet their needs. A quarter (26%) answered 'Don't know/no opinion'.



A higher proportion of businesses in West Sussex (70%) and Gatwick Diamond (74%) say the air network meets their requirements. This may be because of their close proximity to Gatwick Airport.

Businesses in East Sussex (16%) and Coastal West Sussex (16%) are most negative about the air network.

PARKING

Please indicate whether you agree or disagree ... Parking around here is a major issue for our staff.

Over half (52%) of Sussex businesses agree that parking is a major issue for their staff. Nearly a third (29%) disagrees with this statement. 16% have no opinion either way.

Businesses in Brighton & Hove City face significant problems with parking. Two-thirds consider parking is a major problem for their staff (55% strongly agree).

TRAFFIC CONGESTION

Please indicate whether you agree or disagree ... Traffic congestion locally has a negative impact on our business.

Half of Sussex businesses say traffic congestion locally has a negative impact on them. Nearly a quarter (24%) disagrees and the same proportion has no opinion either way.

A marginally higher proportion of businesses in Brighton & Hove (57%) and Coastal West Sussex (56%) say congestion is a problem.

PUBLIC TRANSPORT

Please indicate whether you agree or disagree ... If there were better public transport I think it would encourage my staff to use it.

Businesses were asked about public transport improvements and their impact on staff. 56% agree that public transport improvements would increase the proportion of staff which used it. 18% disagrees and 22% do not have an opinion either way.

The findings for the sub-areas in Sussex are similar to the figures above.

PRICING INITIATIVES

The Government's road pricing initiatives include pay per mile schemes. Which of the following conditions, if any, do you consider being the main circumstances under which you would support the principles of a pay per mile scheme?

65% of Sussex businesses support some kind of road pricing initiatives. Over a third (35%) would not support a road pricing scheme under any circumstances. The majority 54% say they would support road pricing initiatives if it replaces fuel duty and road tax. Just under a third (31%) if public transport is improved considerably prior to the introduction of road pricing and, lastly, 26% if the money is ring-fenced for public transport improvements.

The findings locally are similar for those across Sussex.

CONGESTION CHARGING

Please indicate whether you agree or disagree ... If our Local Authority set up a congestion charging scheme it would have a positive impact on our business.

The majority of Sussex businesses (73%) disagree that congestion charging will have a positive effect on them. Over one out of ten say a congestion scheme would be positive for business. A similar proportion has no opinion either way. Five per cent answered 'don't know/no opinions'.

WORKPLACE PARKING LEVY

Please indicate whether you agree or disagree ... If our Local Authority set up a workplace parking levy it would have a negative impact on our business.

76% of Sussex businesses believe that the workplace parking levy (WPL) will have a negative impact on them. Only seven per cent disagree and ten per cent have no opinion either way. Gatwick Diamond businesses are most opposed to the WPL proposals (81%). This indicates that the Government's proposals will be met with huge opposition by Sussex businesses.

Please indicate whether you agree or disagree ... We are likely to pass on the workplace parking charges to our employees.

Nearly half (47%) of Sussex businesses expect to pass on the WPL to their staff. Nearly a quarter (23%) say the company will pay the levy. 18% gave no opinion and 12% answered 'don't know/no opinions'. The findings for the sub-areas are similar to the county's average.

EAST-WEST LINKS

Please indicate whether you agree or disagree ... Better transport links east-west along the coast are vital for the future health of the local economy.

The vast majority (81%) of Sussex businesses believe there would be economic benefits to improving the east-west transport links in the area. Only four per cent disagrees. One out of ten gave no opinion.

East Sussex businesses (85%) and those along the coastal stretch in West Sussex (89%) are most likely to agree.

RELOCATION

Please indicate whether you agree or disagree ... We will have to consider relocating outside Sussex unless the transport infrastructure improves soon.

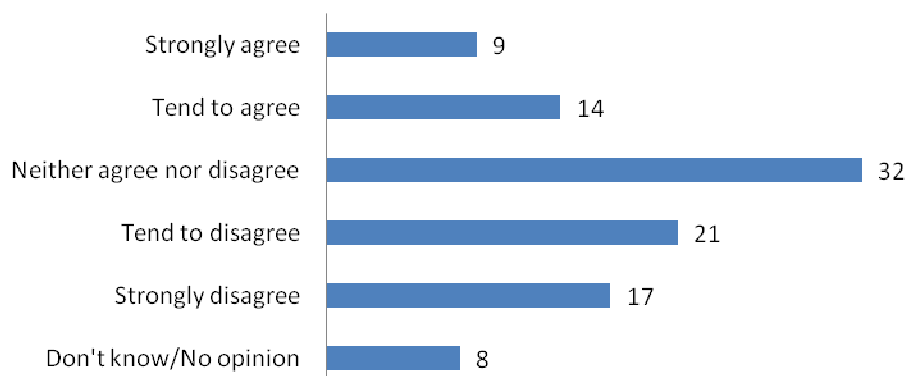
Over one out of ten (11%) businesses agrees that they 'will have to consider relocating outside Sussex unless the transport infrastructure improves soon'. The findings across different areas in Sussex are similar, albeit a marginally higher proportion is in agreement in Coastal West Sussex (14%).

CONSTRAINT ON GROWTH

Please indicate whether you agree or disagree ... The poor transport infrastructure in Sussex has been a major constraint on our business growth in the last 12 months.

Nearly a quarter of businesses in Sussex say the poor transport infrastructure in Sussex has been a major constraint on their business growth in the last 12 months. Transport is a significant inhibitor to economic growth in the area. A marginally higher proportion of business growth in Coastal West Sussex (28%) and East Sussex (27%) is restricted.

The poor transport infrastructure in Sussex has been a major constraint on our business growth in the last 12 months - All



ANNUAL COSTS

Please estimate the overall cost of transport problems in Sussex to your business in the last 12 months?

Transport is critical to the economy and particularly at a time of an economic downturn. The real cost to Sussex businesses is estimated at £29,000 per business over the last 12 months. These costs will only be exasperated over the coming year by rising fuel duty, proposed for September.

The impact would appear to be greatest in Coastal West Sussex, with annual average costs estimated at £53,771. The next highest annual cost is in West Sussex at £33,171. Investment in the infrastructure, especially in these areas, is long over-due.

The estimated annual costs in the following areas are below the Sussex average; East Sussex (nearly £27,907), Brighton & Hove (£19,212) and Gatwick Diamond (£15,014).

TRANSPORT INITIATIVES

Please indicate whether your business would be in favour or against ... The construction of a new bypass at Arundel.

Nearly seven out of ten (68%) of businesses across Sussex are in favour of a new bypass at Arundel. Only three per cent oppose it and 30% answered 'don't know/no opinions'.

Not surprisingly, support is significantly higher among businesses in Coastal West Sussex (88%), with only one per cent opposing the idea and 11% answered 'don't know/no opinions'.

Please indicate whether your business would be in favour or against ... A toll tunnel to alleviate congestion around Worthing.

Half (51%) want a toll tunnel around Worthing, 14% are against any such scheme and 35% answered 'don't know/no opinion'.

Again, support is much higher along the coast in West Sussex (62% in favour). 15% oppose the proposal and 23% answered 'don't know/no opinions'.

Please indicate whether your business would be in favour or against ... A Park and Ride facility just north of Brighton.

Nearly half (47%) want to see a Park and Ride just north of Brighton and Hove City. However, a similar proportion answered 'don't know/no opinions' but only six per cent opposed it.

As expected, a higher proportion of businesses in the City support the proposal (75%). Only five per cent oppose it and 20% answered 'don't know/no opinions'.

Please indicate whether your business would be in favour or against ... A second runway at Gatwick Airport.

Nearly half (46%) of Sussex businesses support a second runway at Gatwick Airport. A quarter opposes it and 28% answered 'don't know/no opinions'.

A higher proportion in the Gatwick Diamond area (56%) supports a second runway. 29% oppose it and 15% answered 'don't know/no opinions'. Likewise, businesses in Brighton & Hove are more likely to be in favour of a second runway (54%), 18% are against it and 28% answered 'don't know/no opinion'.

Please indicate whether your business would be in favour or against ... Bypasses at Selmeston and Wilmington.

Nearly four out of ten (39%) of Sussex businesses want bypasses at Selmeston and Wilmington. Only four per cent oppose the scheme but, a large proportion, 58% have no opinion.

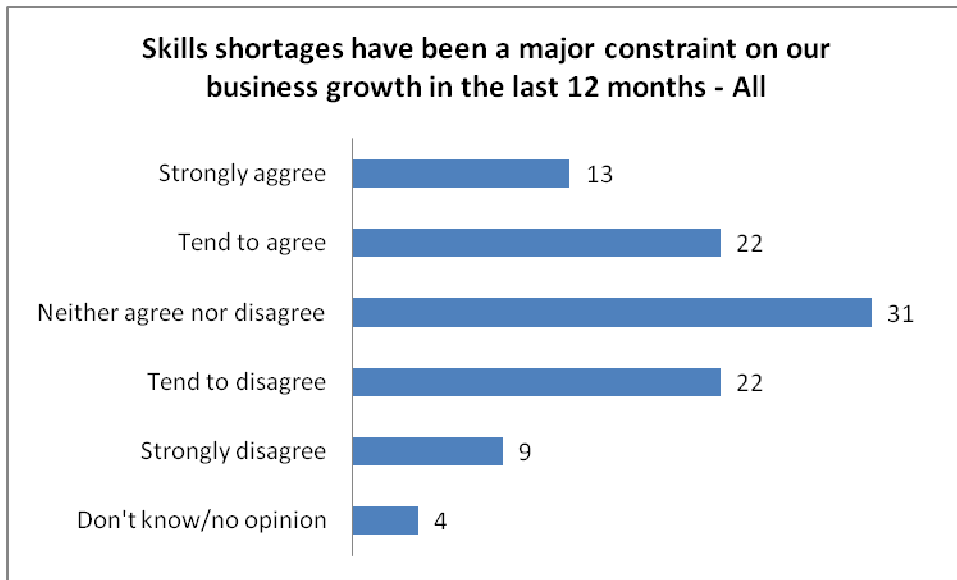
Businesses in East Sussex (48%) and Brighton & Hove (46%) are most likely to be in favour of the schemes.

SECTION TWO: SKILLS AND EMPLOYMENT

SKILLS IN THE WORKPLACE

Please indicate whether you agree or disagree with ... Skills shortages have been a major constraint on our business growth in the last 12 months.

Over a third (35%) of Sussex businesses are significantly affected by skills shortages. Similar proportions say they disagree (31%) or 'Neither agree nor disagree'. Interestingly, the proportion is marginally above average in East Sussex (40%), where skills have been a major constraint in the last year.



Please indicate whether you agree or disagree with ... The minimum wage increases have had a negative impact on our business.

There is no clear consensus on the impact of the minimum wage on Sussex businesses. Over a fifth (22%) of Sussex businesses say the minimum wage increased over recent years have impacted negatively on them, however, a higher proportion (44%) disagrees. 27% have no opinion either way. The findings by sub-areas across Sussex are similar.

Please indicate whether you agree or disagree with ... The Government wants to create a right for employees to request from their employer time to undertake relevant training, however, this process already takes place in our business and will merely create an additional legislative burden.

The vast majority of Sussex businesses already have a process for employees to request training. The majority (78%) say it is in place. Only nine per cent disagree. Ten per cent has no opinion either way and five per cent answered 'Don't know/no opinion'. This would indicate that most businesses would see the Government's new legislation as unnecessary.

Please indicate whether you agree or disagree with ... We are aware of the new funding for leadership and management training from the Government.

On balance, a greater proportion of businesses are aware of the new funds than those who are unaware (43% compared with 33% respectively). However, this still leaves one out of three businesses which are not aware of the new leadership and management training funds. 11% say they have no opinion either way and 12% answered 'Don't know/no opinion'. The findings are similar for each sub-area in Sussex. There is clearly an opportunity to raise awareness of these new funds.

Please indicate whether you agree or disagree with ... Training providers offer a comprehensive process for evaluating the actual business benefits of any training.

There is no clear consensus on whether or not Sussex businesses think that training providers offer a comprehensive process for evaluating the actual business benefit of any training. A quarter (27%) says that they do and a similar proportion (26%) disagrees. Again, a similar proportion (34%) gave no opinion either way. The figures across the sub-areas are consistent with the county's averages.

Please indicate whether you agree or disagree with ... We know what mandatory (i.e. Health & Safety) training it is essential to provide to our staff.

Most Sussex businesses (84%) are aware of the mandatory training they need to provide to their staff, such as Health & Safety. Only six per cent are unaware of what's required of them. Interestingly, businesses in East Sussex are more likely to say they know what training is statutorily required.

EXPERIENCE OF SKILLS SHORTAGES

Which of the following skills shortages, if any, has your business encountered among its employees in the last 12 months?

76% have experienced at least one skills shortage in the last 12 months. Skills shortages are slightly above the county's average in East Sussex, with 80% of businesses experiencing problems. The top three skills shortage most likely to be encountered are; management skills (33%), IT (32%) and communication skills (29%). Other key skills shortages are as follows:

- Marketing (26%)
- Sales (25%)
- Customer service (23%)
- Technical (22%)
- Literacy (21%)
- Numeracy (20%).

GOVERNMENT INTERVENTION

From the following list, which three initiatives, if any, do you think should be prioritise for the Government to address skills shortages?

The main message from Sussex businesses to Government is to ensure there are real-life, practical skills for the young workforce to be armed with to meet employer needs. This is evidenced by 46% of Sussex businesses who want Government to encourage students to pursue vocational education (rather than focus on 50% going to University). 44% want apprenticeships to be made a mainstream educational option for young people.

The other key areas of concern are centred on schooling. 41% is looking for improvements to the standards of school education overall and, the same proportion, want to see better discipline in schools. A third say schools should encourage a positive attitude to work. 29% think schools should focus on improving children's reading, writing and arithmetic.

Looking at apprenticeships again, 22% want a greater number of apprenticeship places.

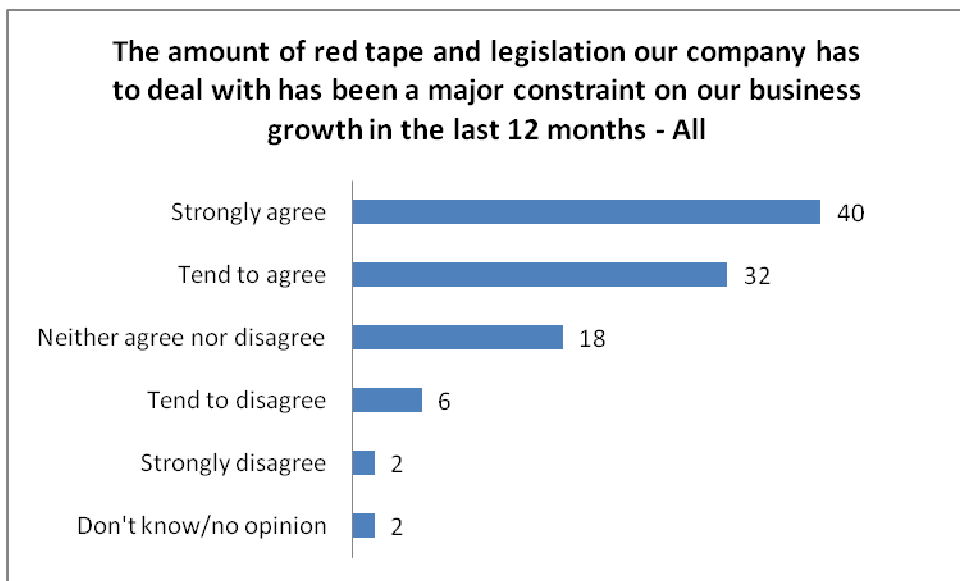
Only one out of ten want teachers' skills improved and eight per cent want harder exams.

SECTION THREE: REGULATIONS

IMPACT OF REGULATION

In general, do you agree or disagree with the following statement ... The amount of red tape and legislation our company has to deal with has been a major constraint on our business growth in the last 12 months?

It is worrying to find that 72% of Sussex businesses agree that the amount of red tape and legislation they had to process over the last year has been a major constraint. In fact, of these businesses, 40% strongly agree with the statement. In contrast, only eight per cent disagree. 18% has no opinion either way.



From the following list, which three types of legislation, if any, do you think have had the worst impact on your business in the last year?

The vast majority of Sussex businesses (85%) have been negatively affected by some type of regulation in the last year. Only 10% say no regulations have affected them and five per cent answered 'Don't know/no opinion'.

In fact, nearly half (44%) believe it is the cumulative effect of all the regulations which is detrimental to them. In terms of any one regulation, Health & Safety is cited as the having the worst impact by 29% of businesses. This is followed by; waste disposal regulations/WEEE Directive (17%), planning regulations (15%) and maternity leave (11%).

SECTION FOUR: SITES AND PREMISES

COMMERCIAL PREMISES AND NEW LEGISLATION

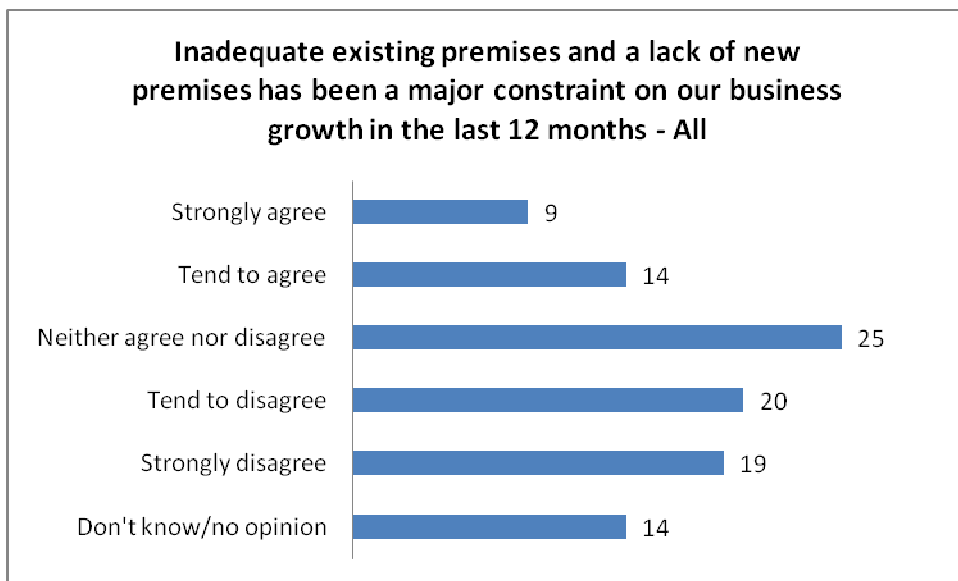
For each statement please indicate whether you agree or disagree ... The rent for our premises has increased far above the level of inflation during the last 12 months.

Nearly one out of four Sussex businesses says that the rent for their premises has risen above inflationary levels in the last 12 months. On balance, a slightly larger proportion (30%) disagrees. Likewise, a similar proportion (27%) has no opinion either way and 21% answered 'Don't know/no opinion'.

Interestingly, businesses based in Brighton & Hove are more inclined to be in agreement (31%) with this statement.

For each statement please indicate whether you agree or disagree ... Inadequate existing premises and a lack of new premises has been a major constraint on our business growth in the last 12 months.

Almost a quarter of Sussex businesses are being constrained by the lack of suitable commercial premises. Fortunately, a greater proportion disagrees (39%). A quarter 'neither agrees nor disagrees' and 14% answered 'Don't know/no opinions'.



Brighton & Hove based businesses are more inclined to say the lack of premises affects them (30%) and, in contrast, Gatwick Diamond businesses are the least likely to agree (18%).

For each statement please indicate whether you agree or disagree ... Our business rates have increased significantly in the last year.

Half of Sussex businesses say their business rates have increased significantly in the last year. A considerably smaller proportion disagrees (11%), a quarter gave no opinion either way. 15% answered 'Don't know/no opinion'.

Business rates are more of an issue in the Gatwick Diamond (57% indicate rates have increased in the last year) and West Sussex (54%) areas. It appears to be less of a concern among Brighton & Hove businesses (42%).

For each statement please indicate whether you agree or disagree ... Our business supports the Government's new initiative Business Rate Supplements (BRS) that Local Authorities will have the ability to levy an extra rate on businesses to fund and support economic development.

The Government plans to give Upper-Tire Local Authorities the power to levy an additional supplement of 2p in the pound on the national business rate in their area for businesses with a rateable value of over £50,000, to fund and support economic development. This is due to come into force in April 2010.

Half of businesses in Sussex oppose the introduction of business rate supplements. Only one out of ten support it. Two-fifths answered 'Don't know/no opinion' and 19% have no opinion either way.

Interestingly, West Sussex businesses are slightly most inclined to oppose the plans (55% do not support), whereas, those in Brighton & Hove are slightly warmer to the idea (38% do not support).

For each statement please indicate whether you agree or disagree ... The Government should reverse its decision to introduce full business rates on empty commercial properties with a rateable value of £15,000 or more.

As announced at the 2008 Pre-Budget Report, from 1 April 2009, the threshold at which business rates is charged on empty property in England has been temporarily increased from £2,200 to £15,000 until 31 March 2010. However, over half (52%) of Sussex businesses believe the Government should reverse its decision to introduce full business rates on empty commercial properties. Only 15% disagree, 17% gave no opinion either way and 15% answered 'Don't know/no answer'.

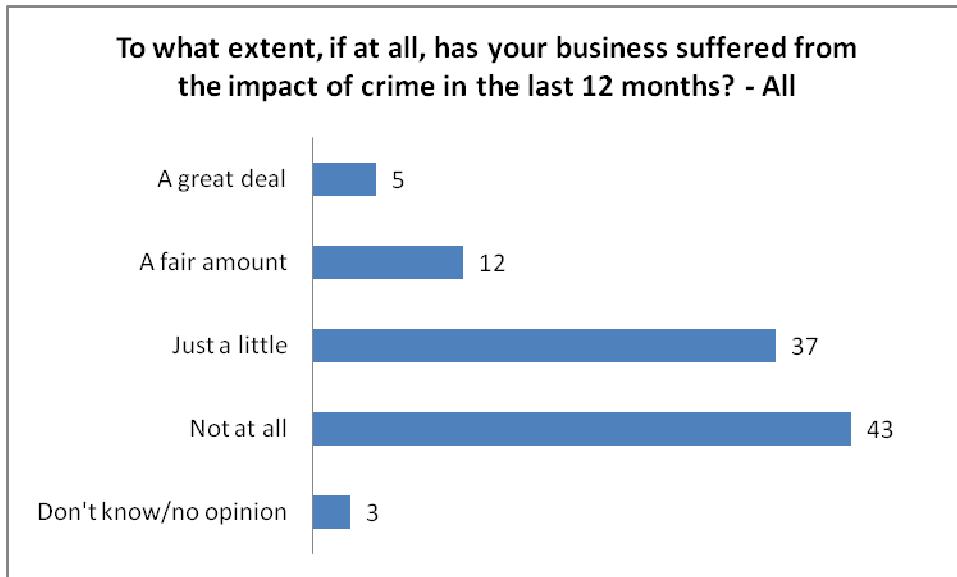
Businesses in Coastal West Sussex are most inclined to oppose the Government's tax on empty properties (57%).

SECTION FIVE: CRIME

IMPACT OF CRIME

To what extent, if at all, has your business suffered from the impact of crime in the last 12 months?

Just over half of Sussex businesses were affected by crime last year (54%). Of these, five per cent were affected a 'great deal' and 12% a 'fair amount'. 43% were 'not at all' affected.



Those businesses based in East Sussex are most likely to say they were affected by crime last year (60%). Gatwick Diamond firms are least likely to say crime affected them (49%).

Which types of criminal incident, if any, did your business experience in the last 12 months?

Vandalism is the main type of criminal incident which affected Sussex businesses last year (31% of firms were victims). Secondly, it was 'vehicle damage/theft' (22%) and then burglary (15%). Just less than ten per cent say they were victims of credit card fraud (nine per cent) or employee theft/fraud (seven per cent).

ANNUAL COST

Please estimate the overall cost of crime to your business in the last 12 months?

The average cost of crime among Sussex businesses is £89,659 per annum. It is important to caveat this figure with the note that it includes the answer for one business in East Sussex which estimated their annual costs owing to crime in the last year at £30 million. This is significantly above all of the other answers given and considerably raises the average figures for both Sussex businesses and those in East Sussex (£275,087), nonetheless, it is important to include it in the calculations as an honest reporting of the findings.

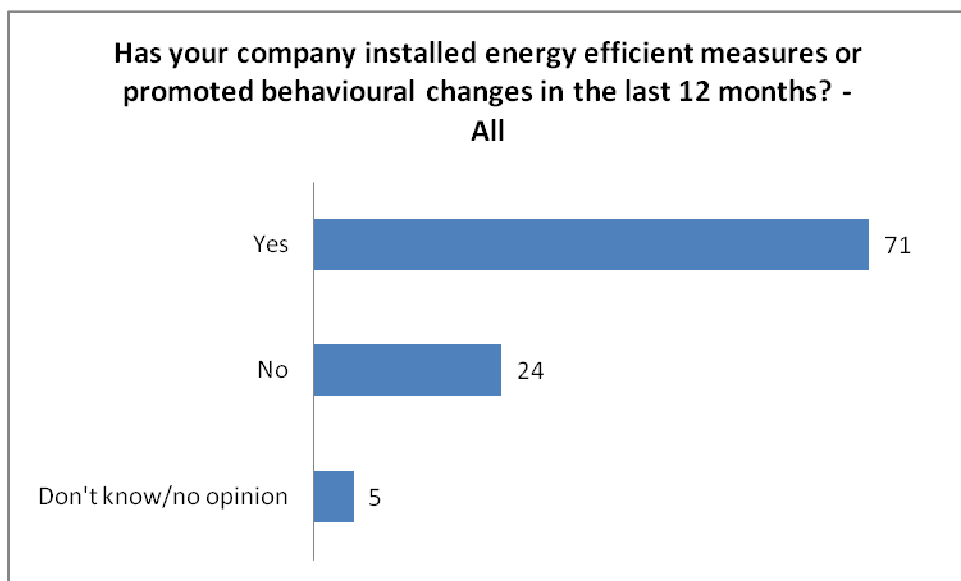
For illustrative purposes, if the £30 million is removed from the calculations, the Sussex average annual cost would be £5,876 and for East Sussex it would be £4,860 per annum. On this basis, the cost of crime in Coastal West Sussex (£9,928) and West Sussex (£7,596) last year was above the county's average.

Whichever method of calculation is used, the average cost of crime last year was lowest among firms in Brighton & Hove (£2,516).

SECTION SIX: ENVIRONMENT

Has your company installed energy efficient measures or promoted behavioural changes in the last 12 months?

Sussex businesses are keen to promote environmental efficient practices. 71% have taken steps to install energy efficient measures or promote behavioural changes in the last year. There is an opportunity to raise this future, with a quarter who say they have not made any energy efficient improvements over this period. Only five per cent answered 'Don't know/no opinions'. The figures across sub-areas of Sussex are comparable with the county's results.



If your business has taken steps to become more energy efficient, what measures have you taken?

Of those Sussex businesses who have taken steps to being more energy efficient, the vast majority (91%) have introduced recycling. Nearly seven out of ten (69%) now use energy efficient products and almost half (47%) have implemented employee training. Other initiatives are; new products/services (35%), energy policy development (26%) and using renewable energy sources (14%).

What, if anything, would encourage your business to become more energy efficient?

The vast majority (73%) say tax incentives or energy efficient grants i.e. financially lead by Government would encourage greater energy efficiency. There is clearly an opportunity for Local Authorities to encourage greater commercial recycling with 58% of Sussex businesses calling for 'cost-effective recycling'. 37% of Sussex firms would be encouraged by their concerns for the environment and 32% by higher energy bills. Nearly a third (30%) wants better Government support and advice. Lastly, 15% would be encouraged if they felt their actions would lower carbon emissions. The same proportion says that being forced by Government legislation would make them more environmentally friendly.

SECTION SEVEN: LOCAL GOVERNMENT

PROCUREMENT

Has your business tendered for a contract with a council in Sussex in the last couple of years?

Nearly a quarter (22%) of Sussex businesses say they have tendered for work with a council in the county in recent years. Disappointingly, the vast majority say they have not tendered for contracts with this sector (71%). Only seven per cent answered 'Don't know/no opinion'.

East Sussex businesses are most inclined to have tendered for work (31%). In contrast, firms on Coastal West Sussex are least likely (only 16% have tendered for council contracts).

This does not give the full picture, however, because those not tendering may include, for example, firms which consider their products/services are unsuitable for this sector. This is covered in more detail in the paragraph below.

What is the reason for this?

Of those Sussex firms who do not tend with councils, the reason they give is that the work is 'not applicable to our business' (33%). The next reason given among 18% of firms, is that there is 'no requirement for our product/services'. Thirdly, that there are 'no relevant contracts available' (13%). Nine per cent say they have a 'lack of knowledge of contracts available'. The other barriers are 'red tape' (six per cent) and 'poor communication with the council' (five per cent).

The verbatim comments include:

- ⇒ *Local Authority has no interest in coming to our premises and evaluating the quality of our staff and service. The evaluation process is all conducted from behind a desk.*
- ⇒ *They have never asked us to tender.....*
- ⇒ *Business is too small and rarely passes the pre-qual survey*
- ⇒ *Not perceived as relevant, but feel if it were then their bureaucracy and demands of red-tape compliance would make it a waste of time bothering.*
- ⇒ *Making the right contacts from local council is hard and getting the right person is near impossible. The tender process for councils is full of red tape and political correctness questions and little to do with the products required.*
- ⇒ *I monitor government tenders however no contracts have become available which suits my business.*
- ⇒ *Too time consuming to complete all the forms and PPQ's, and I still think they just go through the motions and give the work to the company they know from the outset. We have tried to tender for contracts in other areas, but have been shoddily treated - i.e. contract is put on hold or everything goes quiet after submitting pages and pages of answers.*
- ⇒ *Worried that too much 'red tape' would be incurred and therefore time spent versus income would be insufficient.*
- ⇒ *Cannot get to speak to right people in the councils to explain our bespoke money saving green services. Ignorance is bliss as far as local authority is concerned.*
- ⇒ *Negative/no response from local government despite many phone calls!*
- ⇒ *No publication of what council is purchasing.*

In 2006 all the councils in Sussex signed the Small Business Friendly Concordat; a Government initiative which aims to simplify the way small businesses can tender for contracts. If your business has experience of tendering with these councils, how much of an improvement, if any, have you seen in recent years?

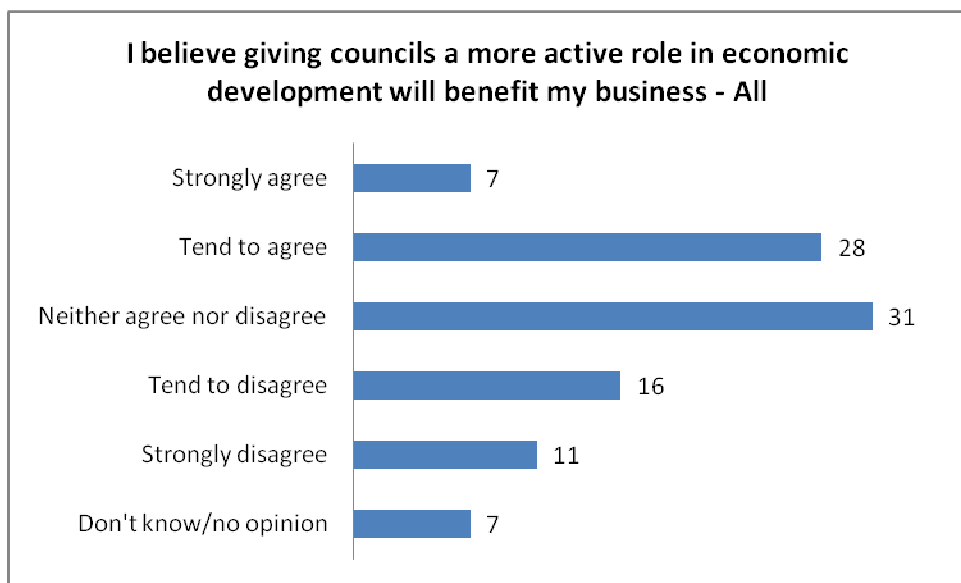
The Small Business Friendly Concordat was introduced in recent years to improve the local procurement process. All those Sussex businesses who have tendered for work with Councils in the last few years were asked whether they have seen an improvement. A quarter agrees that the process has got better (four per cent say a 'significant improvement'). Unfortunately, 44% believe there has been 'no improvement at all'. 31% answered 'Don't know/no opinion'.

East Sussex businesses (based on answers from 58 respondents) are most inclined to say they have noticed an improvement in the process. Please note, however, that the base sizes for the sub-areas in Sussex are small and the results should be treated as indicative only.

ECONOMIC DUTY

The Local Democracy, Economic Development and Construction Bill is looking to place a duty on Local Authorities to conduct economic assessments and, through stronger partnership working and cooperation, fulfil a greater role in economic development. In general, do you agree or disagree with ... I believe giving councils a more active role in economic development will benefit my business?

There is no clear consensus on the opinion of Sussex businesses on the Local Democracy, Economic Development and Construction Bill and its proposals to place greater responsibility on councils for economic development. 35% agrees with the Bill's intentions, 27% disagrees, 31% gave no opinion either way. Only seven per cent answered 'Don't know/no opinion'.



The findings for each sub-area in Sussex are broadly similar.

What is the ONE most important thing Local Authorities should do to support business?

In order of priority Sussex businesses want their Local Authorities to:

- Lower business rates (38%)
- Improve the local transport infrastructure (20%)
- Make the procurement process more 'user-friendly' for SMEs (14%)
- Make the planning application process less bureaucratic and faster (9%)
- Provide more parking spaces that are both affordable and accessible to staff (8%)
- Improve public transport services (6%).

SECTION EIGHT: ECONOMY

What is the ONE greatest inhibitor of growth to your business at the moment?

Sussex businesses tell us that the greatest inhibitor of growth is the 'recession/credit crunch and the banking crisis' (27%). This is followed by 'cash flow' (15%). Their other key concerns (mentioned by five per cent or more) are listed below in order of priority:

- Lack of funding/financial aid and grants (8%)
- Lack of confidence and uncertainty over the future (8%)
- Recruitment barriers (costs/legislation/difficulty recruiting skilled staff) (7%)
- Tax/VAT and other business costs (6%)
- Poor infrastructure (5%).

The verbatim comments include:

- ⇒ *The recession worsened by the government's indecision and lack of strong leadership.*
- ⇒ *The credit crunch has meant house building has reduced significantly and as a result we have had to produce less roof tiles. We have had to make many redundancies.*
- ⇒ *Inability to recover ever rising costs from customers and consumers*
- ⇒ *Cash flow, getting paid on time by our customers, we are a cash rich company with no loans, but when our customers have their overdrafts removed it effects us.*
- ⇒ *Lack of available funding from banks, regardless of what the government has put in place; banks are only playing lip service to these schemes.*
- ⇒ *Business fear in general - fuelled by increasing government driven costs of taxation and bureaucracy.*
- ⇒ *The economic uncertainty and lack of banks to pass on funding when they have been instructed by central government to do so.*
- ⇒ *Lack of appropriately skilled staff, particularly management skills.*

What ONE action should the Government take to help businesses survive the recession?

Nearly a quarter (23%) of Sussex businesses want 'better access to finance' and a fifth want 'lower taxation/ tax rebates or relief/defer payments'. Five per cent of businesses mention, 'reduce red tape', 'resign or call a General Election' or 'sort out the banking system'. There were several other comments made by less than five per cent of the business respondents.

The verbatim comments include:

- ⇒ *Force banks to lend. Stop silly initiatives like the VAT reduction, and put real money into people's pockets - vouchers to spend at shops, for example, to those who most need them.*
- ⇒ *Demand that the banks take a more proactive position on lending and financial support*
- ⇒ *Ensure banks do lend to business instead of giving them money to shore up their balance sheets.*
- ⇒ *Ensure banks start lending to businesses where a good business case can be demonstrated.*
- ⇒ *Force lenders to be more flexible in their approach to all businesses. Make loans available for proper business requirements. Try all avenues before calling in existing loans which may otherwise cause businesses to collapse.*
- ⇒ *Stop giving the Banks bail out money and reduce taxes and allow the people to spend their way out of this recession with more money in their pockets.*
- ⇒ *Reduce national insurance costs to encourage employment of more people.*
- ⇒ *Payment holiday on national insurance contributions by the employer. We would then be more likely to either keep existing staff or hopefully even recruit new staff.*
- ⇒ *Reduce tax burden, which is generally still payable even when you are not profitable. Reducing VAT makes no difference to a VAT registered business, cutting interest rates makes things worth for a responsible business with money in the bank and increasing fuel duty put our delivery costs up.*
- ⇒ *Clear some of the red tape that is involved with running a business so as to free people up allowing them to actually do some work.*
- ⇒ *Limit red tape and legislation by allowing longer periods for compliance.*