1.0 Business Questionnaire – Responses

Introduction

1. Recent policy and practice reforms at the national, regional and local levels of governance have placed greater emphasis on consultation and partnership with wider interest groups. In considering how to involve both North Dorset's communities and stakeholder groups in the development of the Employment Land Review (ELR), consultation on Stage 1 of the draft Report was conducted and a business questionnaire was made available on the Council's website and was sent to 520 businesses during January/February 2007.

2. The questionnaire was sent to all business addresses within committed and allocated employment sites identified in the North Dorset District-Wide Local Plan, 2003. It was also sent to a number of smaller business parks which have been developed, typically recently, as a result of rural diversification. Addresses were obtained from Ordnance Survey's 'Address Point' database.

3. As previously stated, the ELR is limited to B1, B2 and B8 use classes (i.e. offices, light and general industry, wholesale and freight distribution) on sites of 2,500 m^2 land area or greater (or 500 m^2 of floor space or greater). Certain retail and other non-business uses are located within the District's industrial and business parks and questionnaire responses from non-business use operators within identified employment areas have been included in this Report.

4. The aim of this questionnaire was to engage stakeholders within the District on the issues surrounding North Dorset's economy and to identify businesses' present issues and needs and future requirements. Involving the business community will help to develop policies in the LDF that have had the benefit of being tested against 'on the ground' and current market realities.

5. Of the 520 questionnaires sent out by the Council during the four week period, 26th January to 23rd February 2007, 159 responses were received; a 31% response rate. This Report discusses the District-wide findings, as well as the findings for the employment areas in the three main towns, Blandford (Forum and St. Mary), Gillingham and Shaftesbury.

6. Clearly there are limitations to making far-reaching conclusions from a relatively small number of responses; however this data is highly useful in identifying general trends and issues and it will be used to inform the development of employment policies in the LDF.

Results

7. Figure 1 identifies that the most common business types are Industrial/Manufacturing (43%) and Storage/Distribution and Warehousing (28%), with Offices being the third largest group (13%).

Figure 1

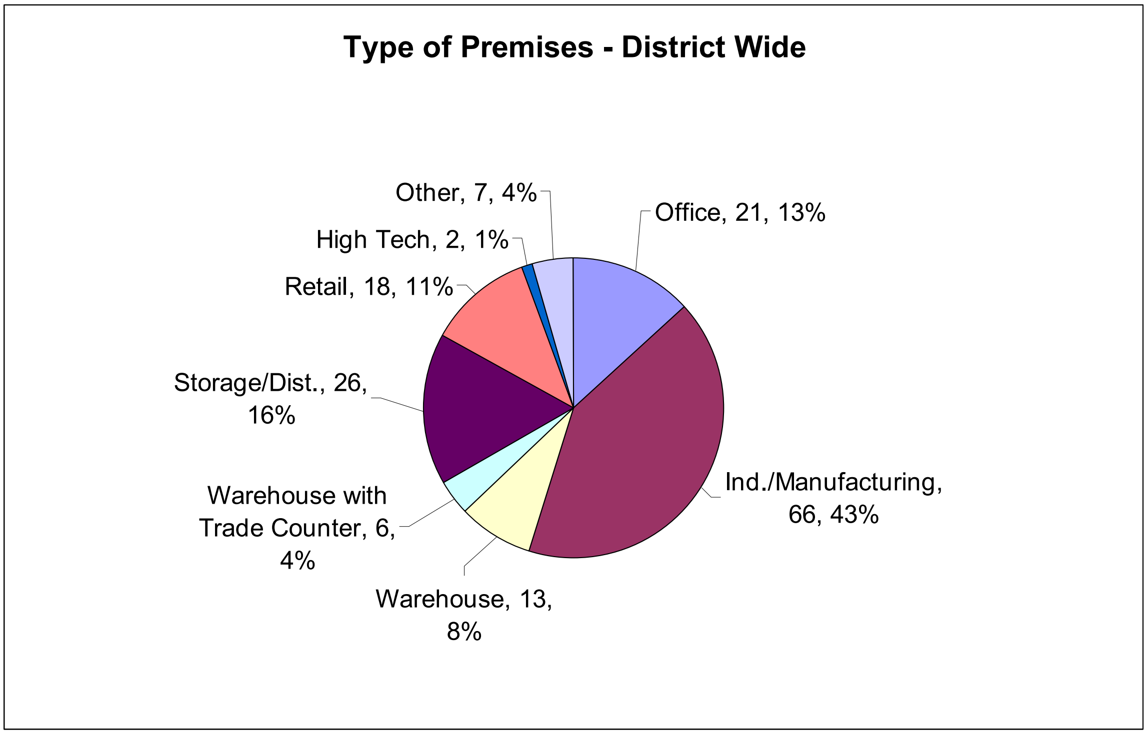
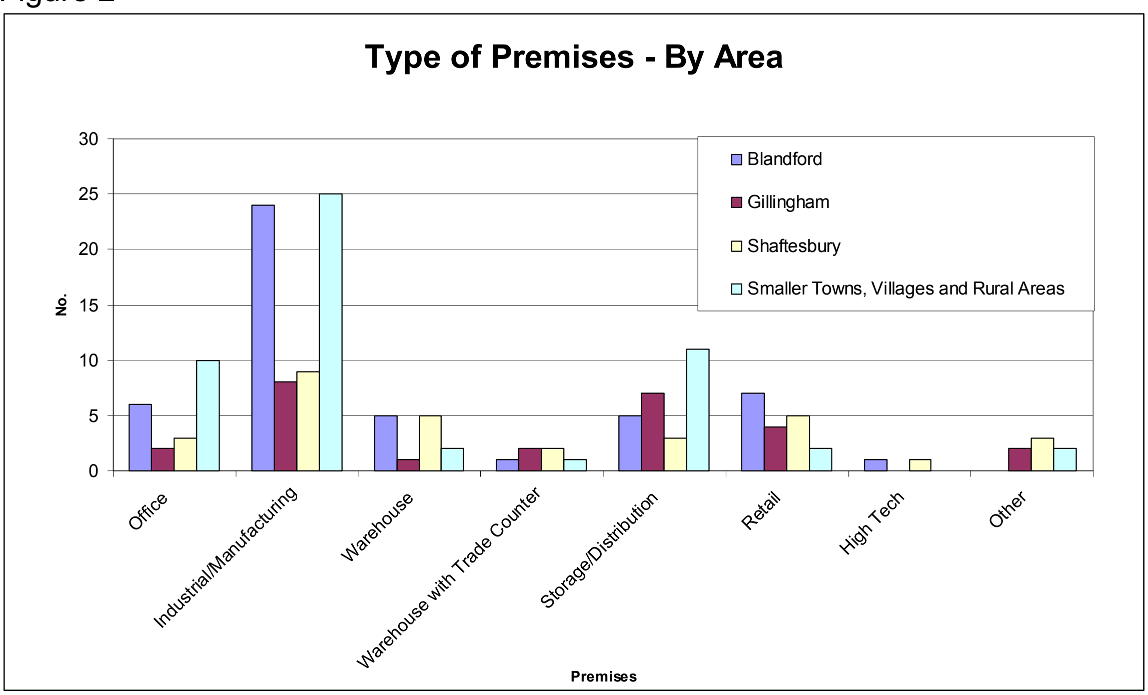
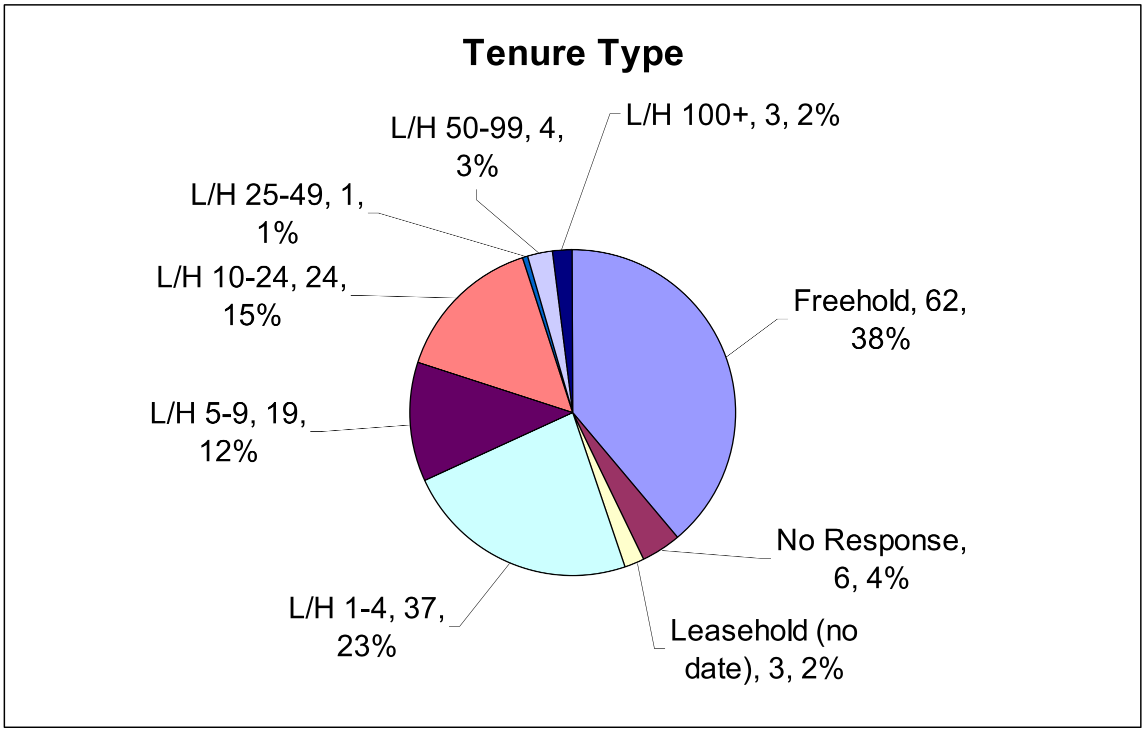


Figure 2



8. Figure 2 illustrates the breakdown of business types by settlement. It is evident that there is a concentration of industrial/manufacturing businesses within Blandford and within the smaller towns, villages and rural areas.

Figure 3



9. Figure 3 identifies that over one third of respondents are Freeholders. Typical Leasehold tenures are relatively short, with nearly one quarter of respondents having a tenure agreement of between 1 and 4 years, with just 8 respondents (6%) having a tenure agreement 25 years or longer.

Figure 4

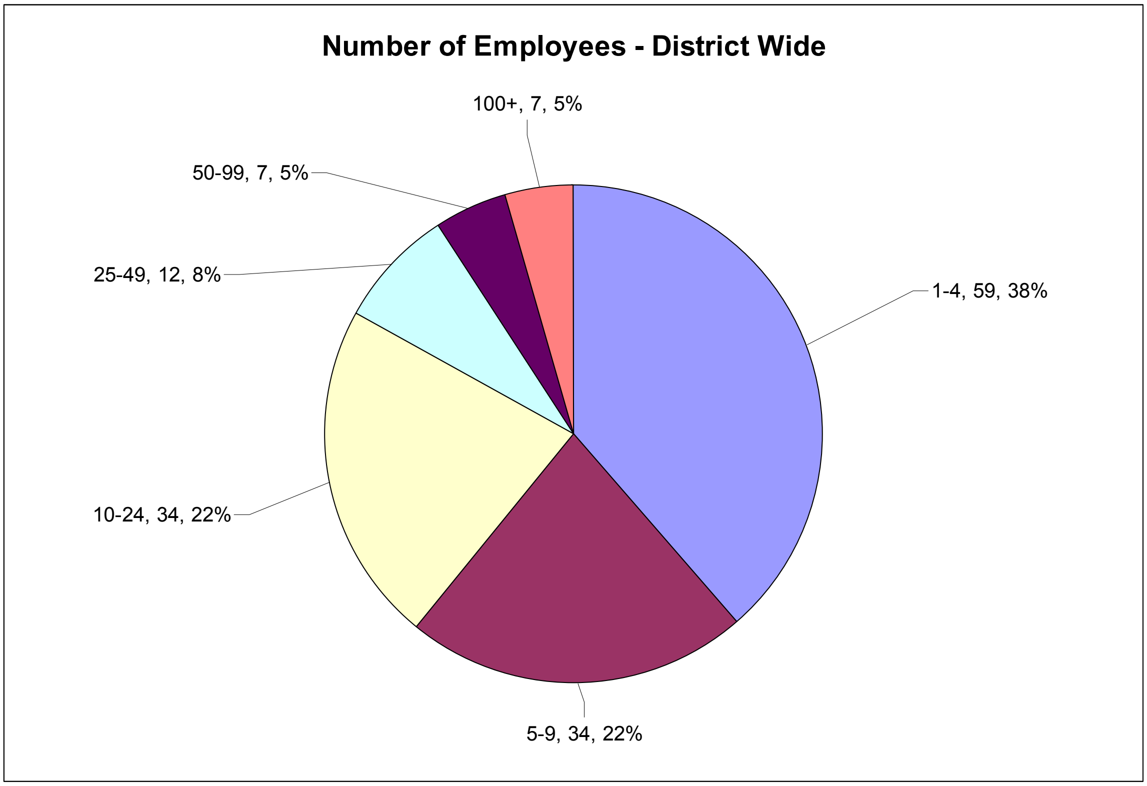
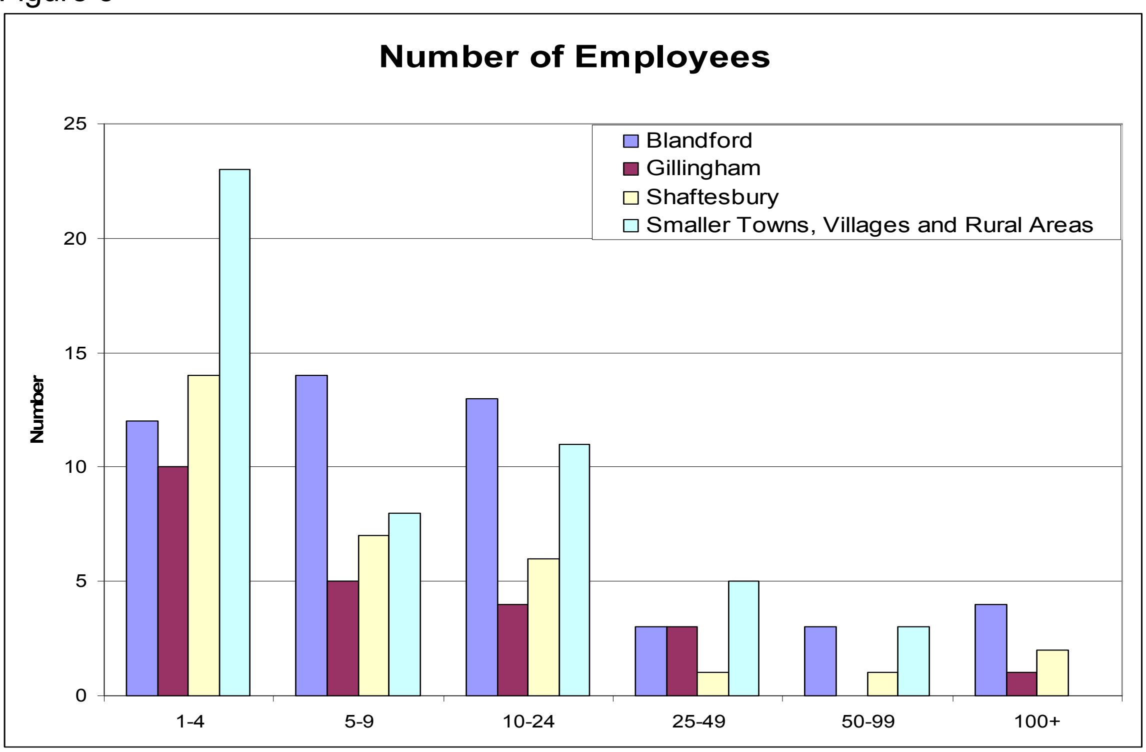


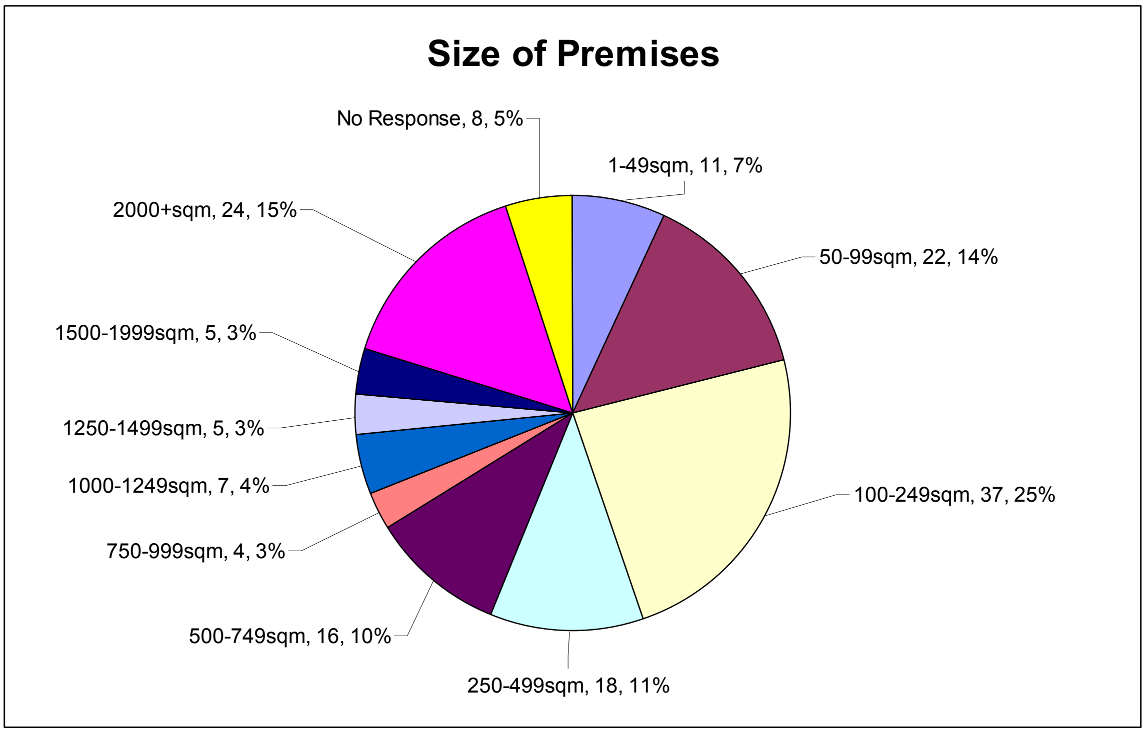
Figure 5



10. Figure 4 identifies the sizes of premises, in terms of employees, that responded to the business questionnaire. Over 80% of businesses that responded employed less than 25 people, with 38% employing less than five people.

11. Figure 5 identifies that the largest employers (100+ people) are located in the three largest towns. However, a significant number of mid-sized employers are located in the smaller towns, villages and rural areas.

Figure 6



12. Over three quarters of respondents stated that they occupy premises less than 750sqm. The most common premises size is between 100sqm and 249sqm (the size of an average tennis court is 260sqm). 24 respondents occupy premises that are over 2000sqm (about a third of a football pitch) (Figure 6).

Figure 7

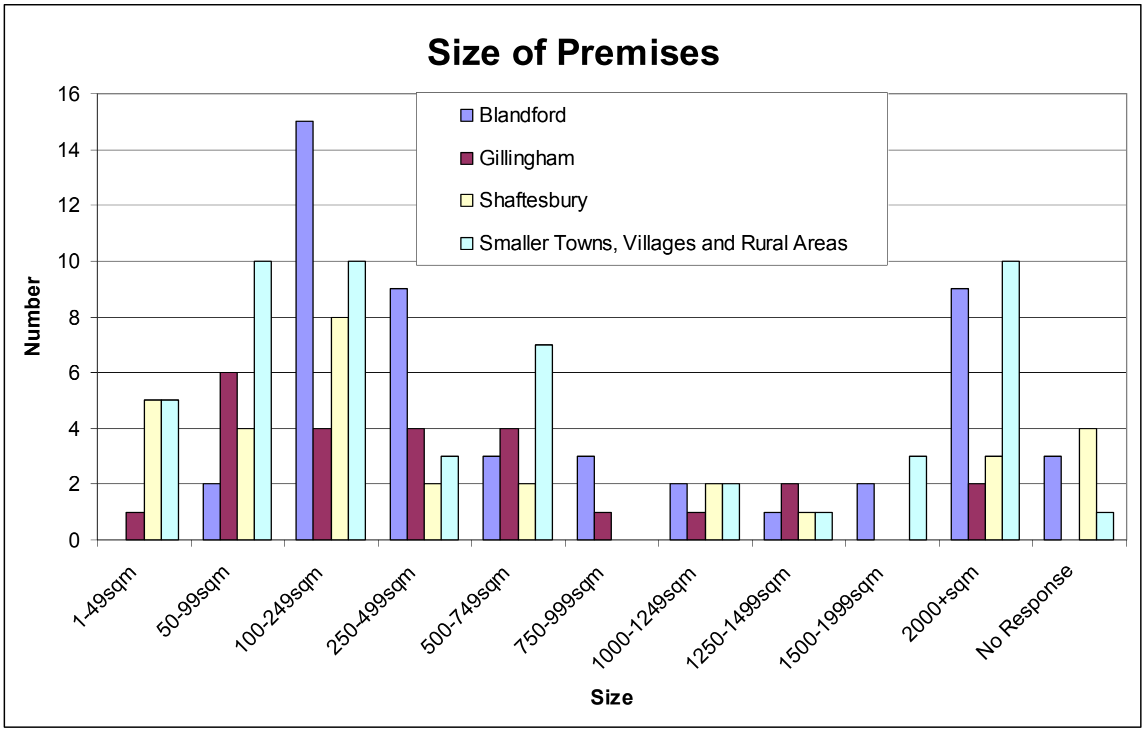
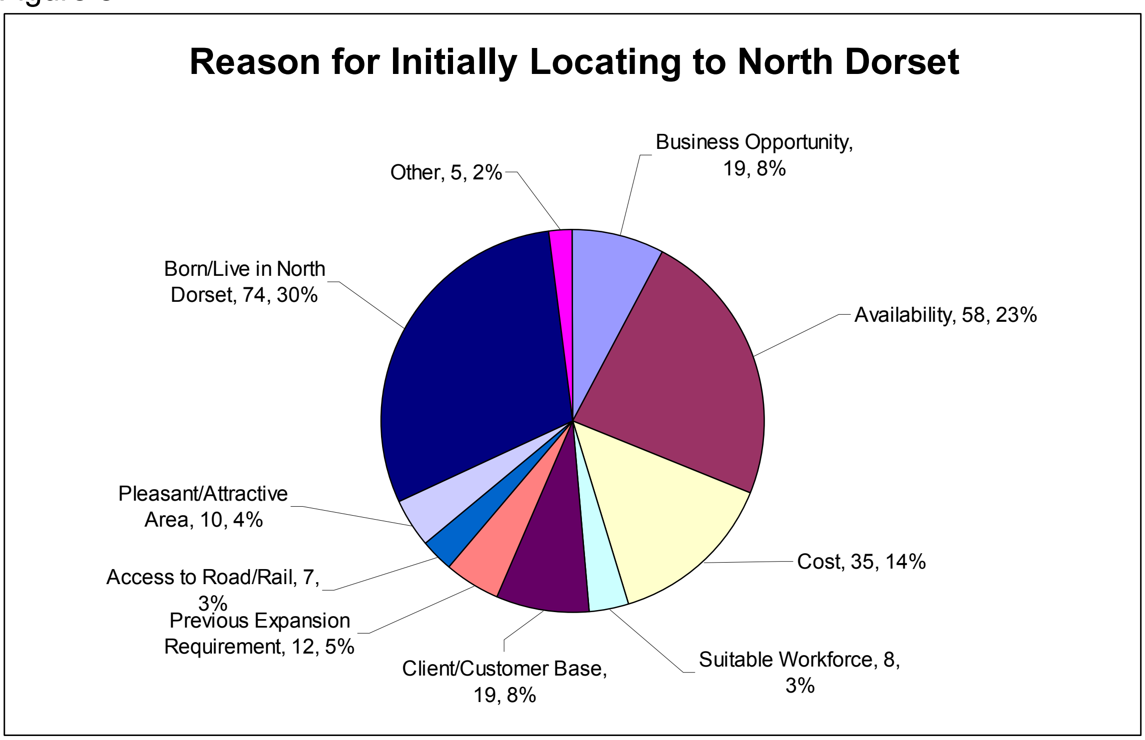


Figure 8



13. Of the reasons given for initially locating their business in North Dorset, 42 of the 159 respondents gave multiple answers with a total of 247 reasons given. Figure 8 indicates that nearly one third of respondents set up within

the District as it was where they were born / live. This indicates that a high proportion of businesses are typically indigenous (home-grown). The findings also indicate that the availability of land and premises (23% of responses) as well as business opportunities (8% of responses) were also important factors in companies establishing within the District.

Indigenous Growth

14. Of those that responded that they began operating in North Dorset because they were born / live in the District, Figure 9 indicates that nearly half employ between 1 and 4 people. Comparing Figure 4 with Figure 9 illustrates that 'home grown' companies in the District are typically smaller in size than the average from the responses, although there are a sizeable proportion that employ over 10 people.

Figure 9

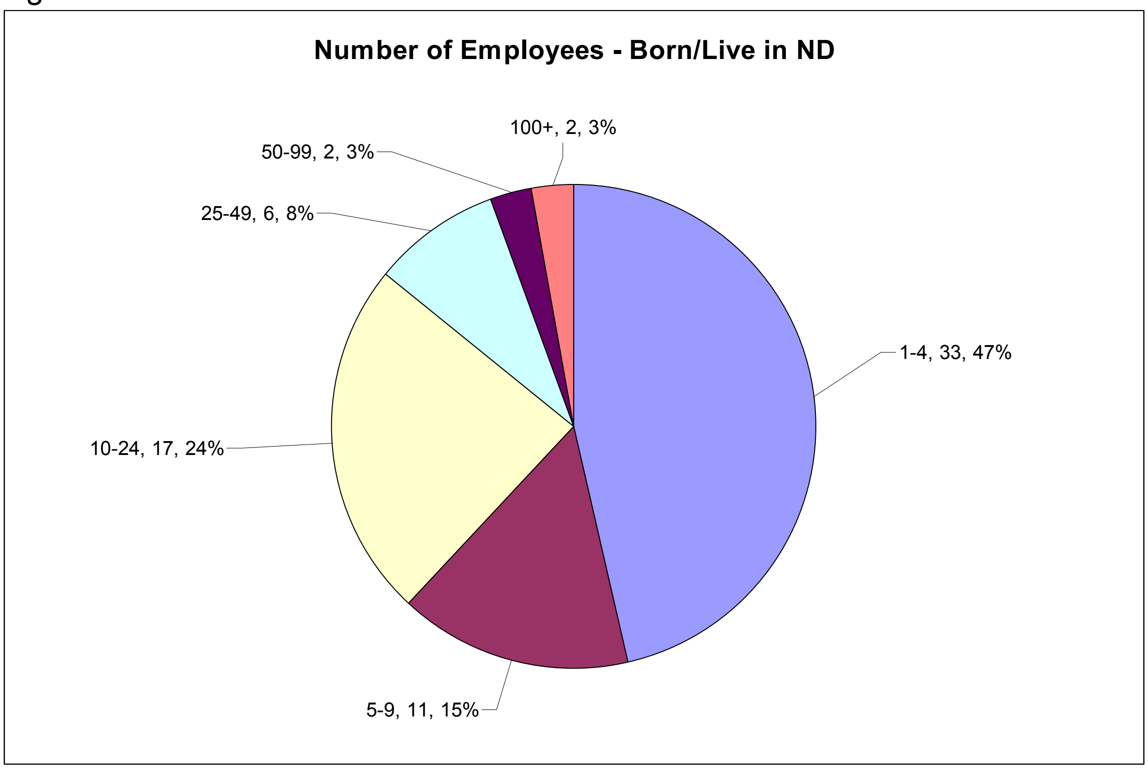
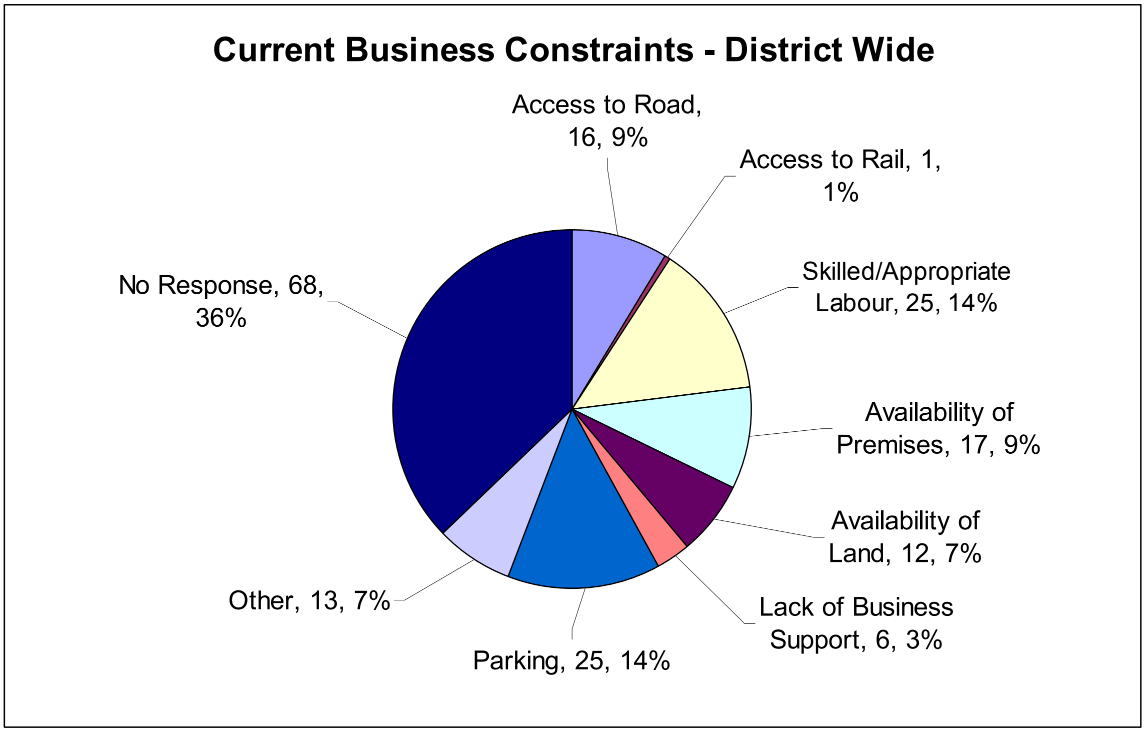


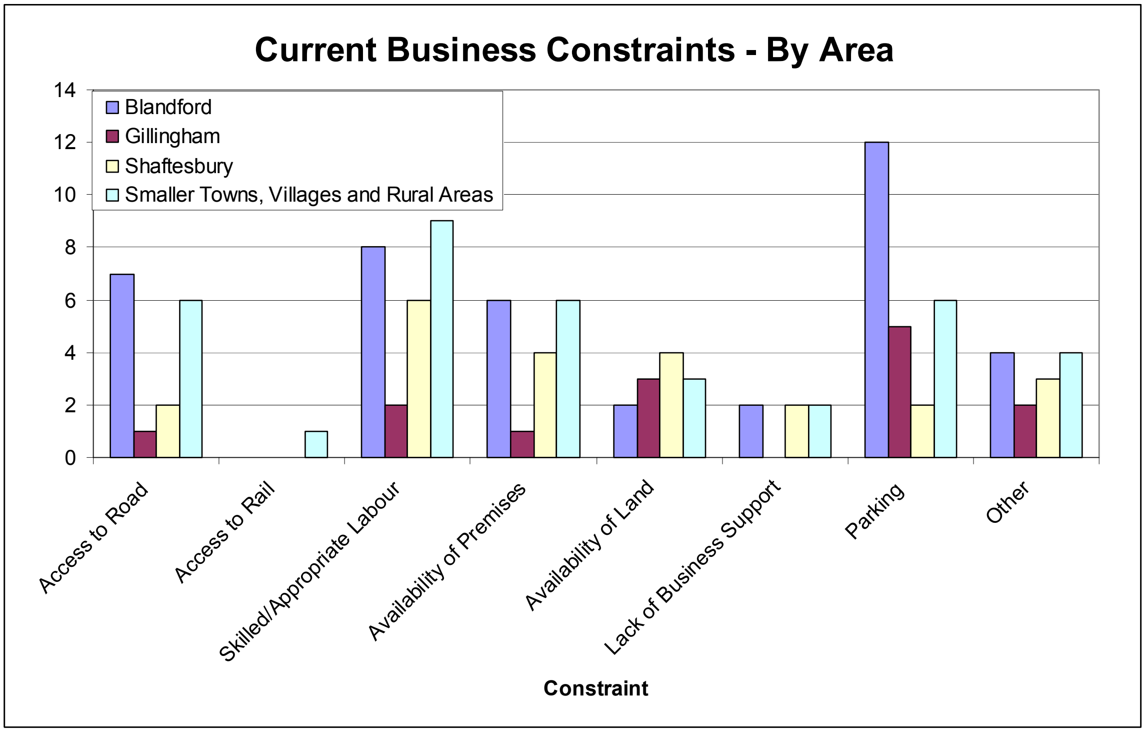
Figure 10



15. As part of the assessment of future requirements of businesses in the District, it is necessary to understand the issues which are currently constraining business operations. Many respondents gave more than one answer, resulting in a total of 183 responses (Figure 10).

16. Just over one third (36%) of respondents did not identify any current issues limiting the operation of their business. The most common issues stated concerned parking (14%) and the availability of a skilled / appropriate workforce (14%). Access to the road network (9%) and availability of premises (9%) or land (7%) were also issues currently affecting many businesses. These constraints are broken down by area in Figures 11.

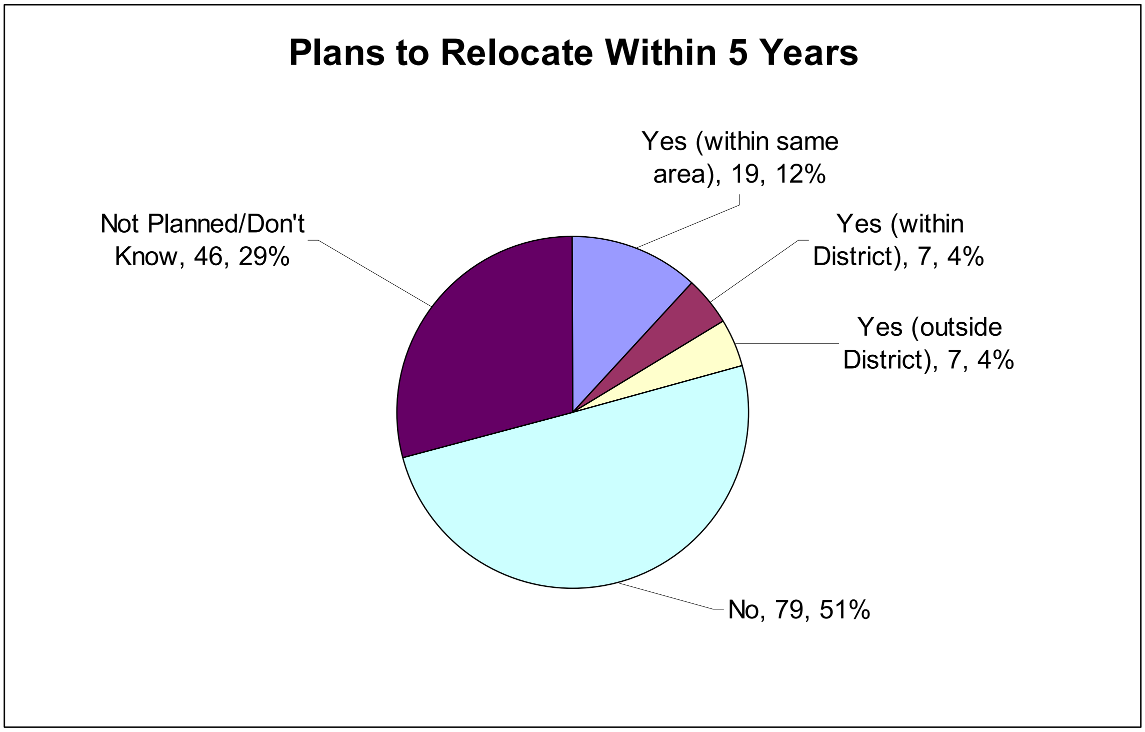
Figure 11



17. Excluding those who responded that there were no current limitations to their business, Figure 11 illustrates that most those respondents who identified the most constraints were located in the Blandford and the smaller towns, villages and rural employment areas. Respondents from the Gillingham employment areas returned fewer constraints, although some identified parking and availability of land issues. Similar to the Blandford employment areas, Shaftesbury respondents identified a shortage of a skilled /appropriate workforce, while this was actually highest in the smaller towns, villages and rural employment areas.

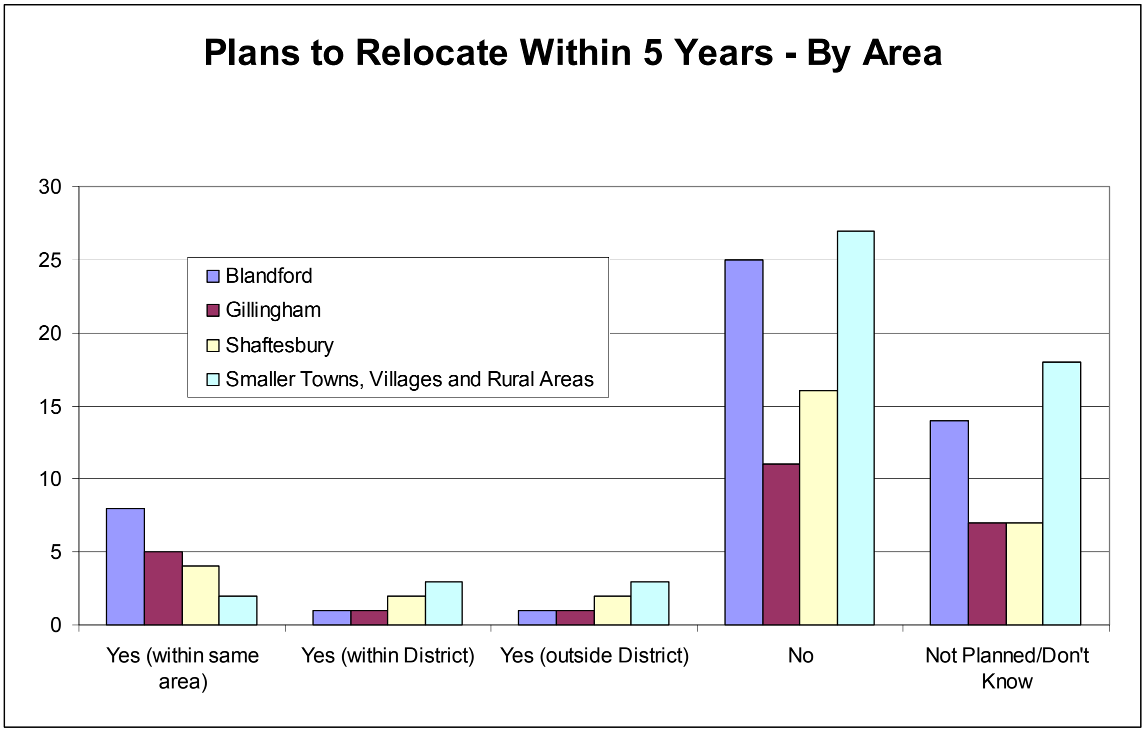
18. It is evident that certain issues such as parking and access to roads are relatively area-specific, while issues such as the lack of business support seem to be similar in all localities.

Figure 12



19. Figure 12 indicates that exactly 80% of respondents replied that they were not planning to relocate their business within the next five years. 16% responded that they are planning to move their business either within the same settlement, town or area or within North Dorset as a whole, while 4% responded that they are planning to relocate outside of the District. This indicates a very positive level of business retention within the District.

Figure 13

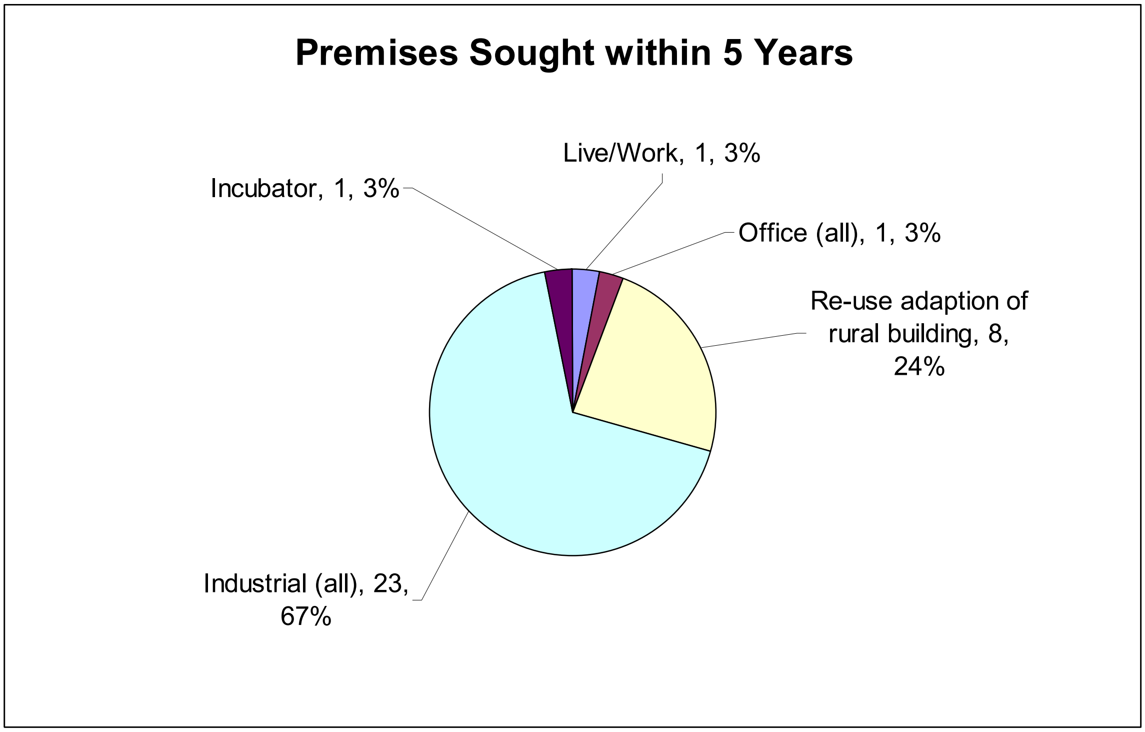


20. Of those businesses which responded that they were planning to relocate within the next 5 years, those currently in the Blandford employment area responded that they were most likely to seek premises within Blandford. While those who responded 'yes' from the smaller towns, villages and rural areas, were least likely to seek premises within the same area, indicating that there may be local demand for employment land/premises within the main towns. Demand for premises in Blandford is therefore likely to come not just from external businesses, but also from those currently operating in the town who wish to relocate, although premises that are vacated will therefore become available for other operations.

21. In terms of future need, it is useful to understand the short to mid-term plans of businesses within the District. While it can be clearly identified that the vast majority of those who responded were not planning to move, a considerable proportion (20%) have plans to relocate. Typical reasons given to why businesses were planning to move included 'expansion requirements', 'move to freehold' and a 'need for more suitable / modern premises'.

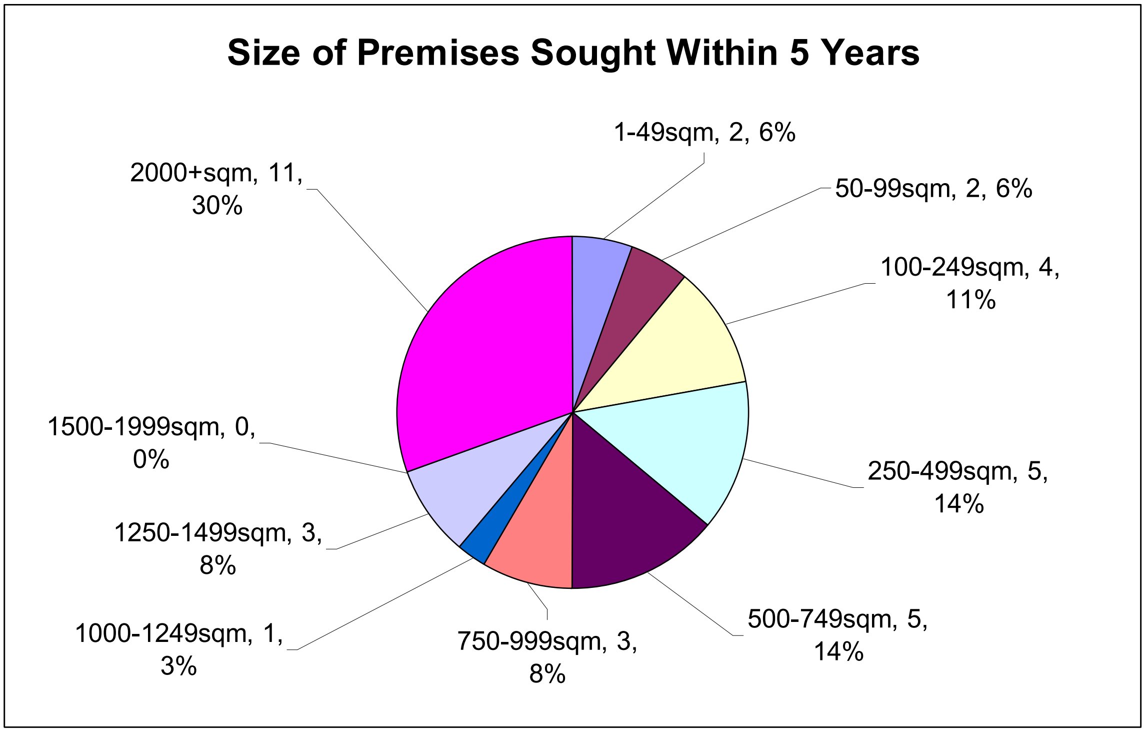
22. Of those 33 that responded that they were planning to relocate, 30 gave an indication of what type of premises they would be seeking, with five of those giving multiple answers. Figure 14 indicates that the highest future demand for premises is likely to be for industrial units (23 respondents/67%), while 8 respondents (24%) were seeking the re-use / adaption of rural buildings.

Figure 14



23. Of those respondents planning to relocate, Figure 15 identifies the size of premises sought; three respondents gave multiple answers, resulting in 36 responses in total. In comparison to the size of premises currently occupied (Figure 6) the size of premises sought is typically for larger units, which would be anticipated where businesses are expanding. Roughly a third of respondents were planning to move to premises of 2000sqm or more, comparing to 15% of all respondents who currently occupy 2000sqm+ premises.

Figure 15



Conclusions

24. In 2005 there were a total 2,900 firms operating within North Dorset (Dorset Data Book, 2007). This included those firms that fell within the scope of this ELR study i.e. offices, light and general industry, wholesale and freight distribution businesses but also those that do not, such as shops, restaurants, estate agents, etc. By sending the business questionnaire to 520 businesses, roughly a fifth of all firms in the District, it is likely that a representative proportion of appropriate businesses were contacted.

25. Of the 520 questionnaires sent out the Council received 159 responses (a 31% response rate). There was a good mix of responses from industrial, storage and distribution and office type businesses.

26. Of those businesses that responded, 82% indicated that they employed between 1 and 24 people. However in 2005 the Office for National Statistics identified that in North Dorset 95% of businesses employed less than 25 people. It is therefore apparent that a greater proportion of larger firms responded to the questionnaire, than small firms. This could be due a number of factors:

    a) Only those firms on identified employment sites and some business parks were sent questionnaires, typically where larger firms are located;

b) Smaller firms may not have had the time/resources to complete and return the questionnaire, compared to larger firms; and,
c) Larger firms may have viewed the business questionnaire as an opportunity to actively engage with the Council, and therefore placed greater importance on returning the survey.

27. The slightly higher proportion of responses from larger firms in the District is unlikely to affect the validity of the results, as the ELR is primarily concerned with those types of firms which operate primarily on employment sites. As all of these firms were sent questionnaires, it is likely that the Council received a representative response from those firms falling within the B1, B2 and B8 use classes.

28. There appears to be a considerable level of demand within existing businesses to relocate to premises greater than 2,000sqm within five years (nearly a third of all those respondents that stated that they were planning to relocate within five years – Figure 15). While Figure 14 identifies that the greatest demand was for industrial premises (67%). It is therefore evident that the Council should seek to provide an appropriate supply of available larger sites, in order to meet the needs of businesses which are successful and need space to expand.

29. In terms of issues currently experienced by firms in the District, the most common issues were due to a lack of skilled/appropriate labour (14%) and car parking (14%). A lack of skilled/appropriate labour is clearly a major issue for the District in maintaining and increasing strong rates of employment growth. Labour supply is a complex issue, however a number of probable reasons for it being a particular issue in North Dorset can be identified:

a) Housing in the District is relatively unaffordable. A survey conducted by the Joseph Rowntree Foundation found the District to be the 66th most unaffordable area out of 407 local authorities for average working households.
b) The average workplace based wage per week (£369) in North Dorset is lower than the DCC Dorset average (£402) which is considerably lower than both the South West average (£417) and UK average (£449).
c) Accessibility to work opportunities is likely to be an issue for certain people in the District, especially those who do not have access to private transport.
d) The District has a very low unemployment rate (0.8%) compared to the DCC Dorset (1.1%), South West (1.6%) and UK averages (2.6%), reducing the supply of potential local employees
e) Educational attainment is generally in line with the South West average, with roughly 25% of people with no qualifications and around 20% with a Level 4/5 qualification (First degree/higher degree). The proportion of

knowledge based jobs within the District (13%) is, however, the lowest in the county, with the DCC average being 17% in 2005, which is far below the UK average of 23% of jobs

30. The analysis of the business questionnaire responses has provided the Council with a good insight into the current local economy, identifying general trends, constraints within the District, as well as identifying future land and premises requirements for existing firms. In identifying future land requirements the Council will also need to have regard to the needs of new firms as well as those businesses outside of the District who may wish to relocate to North Dorset.

31. The results of the business questionnaire will be used in the production of the Council's ELR as part of the emerging Core Strategy.