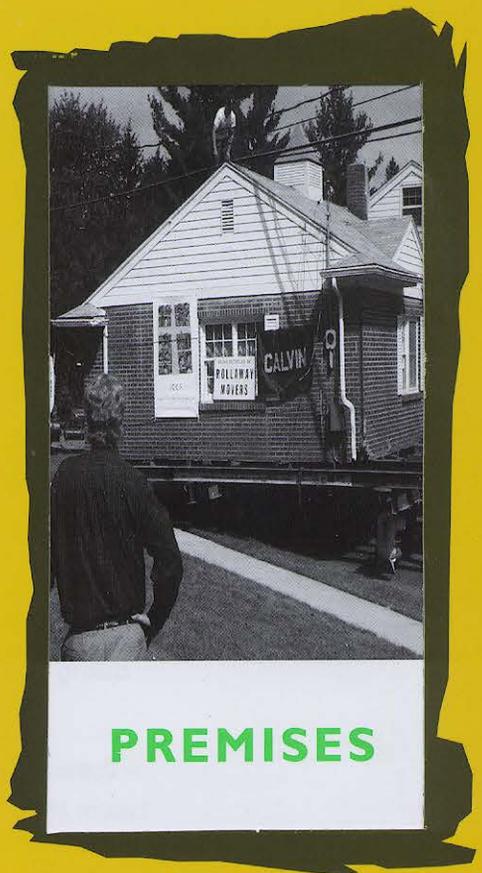




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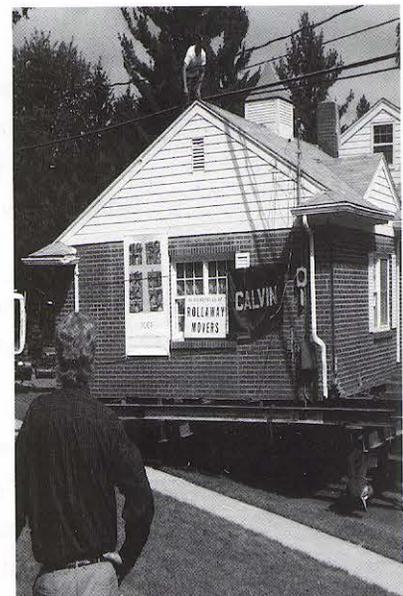
QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT



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BUSINESS
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Issue number 4 • Volume 9 2002

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PREMISES

QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

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Premises

WEB VERSION: INTRODUCTION

The Lloyds Bank/TSB-sponsored series of small business management reports commenced in 1992, and concluded in 2009. In total, 53 reports were published over a period of 17 years.

Our target audience comprised the owner-managers of independent small businesses, typically employing fewer than 50, and based in mainland UK.

The series originated from a longitudinal study of small business management, undertaken by the Polytechnic of Central London (now University of Westminster), and culminating in: *The Management of Success in 'Growth Corridor' Small Firms*, (Stanworth, Purdy & Kirby, Small Business Research Trust, 1992).

THEMES

The themes were wide-ranging – including such as entrepreneurship, work & stress, employment strategies, and the environment – a full list is shown overleaf.

INSIGHT

In addition to asking questions and supplying the respondents with a range of answer options, the corresponding questionnaire was included as an appendix to each report so that readers would know exactly what questions had been put to respondents.

We also sought qualitative information – in the form of verbatim comments about the key theme – to help elaborate on whatever related challenges respondents felt they were facing at the time.

Finally, the findings are primarily intended to be indicative rather than definitive – partly due to the sample size, which is, on average, 111 for the 2003-09 reports.

PUBLISHING FORMAT

The reports were published in hard copy form, obtainable via subscription. Initially

by the Small Business Research Trust, and from 2003, by the Small Enterprise Research Team (SERTeam), both research charities based at the Open University.

Regrettably, SERTeam ceased operating in 2009, and so in 2010 the authors felt that the more recent reports would find wider interest if they were made freely available in Acrobat format via the Internet – especially with the UK economy set for a protracted journey out of recession, and with the government in turn refocusing on smaller businesses to aid the recovery.

It is worth mentioning that the series commenced as the UK economy emerged from the early 1990s recession.

In 2015, the earlier reports were also converted (1993 to 2003), with the full series made available at Kingston University: <http://business.kingston.ac.uk/sbrc>

SUPPORTING INFORMATION (WWW)

In later years – as the world-wide-web developed and an increasing number of sources of information became more readily available – suggestions for online sources of related material were included.

N.B. For reports 2003 onwards - where successfully validated, the web links (URLs) were enabled in 2009. And in the case of many invalid web links, an alternative was offered, but not where the organisation appeared defunct and an obvious replacement was not traced.

**John Stanworth, Emeritus Professor,
University of Westminster**
<http://www.westminster.ac.uk/schools/business>

**David Purdy, Visiting Fellow,
Kingston University**
<http://business.kingston.ac.uk/sbrc>

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Lloyds Bank/TSB & SBRT
Quarterly Small Business Management Report
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- 3 Health Issues January 2002
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2002 (Vol.10)

- 1 Networking in BusinessAugust 2002
- 2 The EuroDecember 2002

Lloyds TSB & Research Team
Small Business Management Report
ISSN 1478-7679

- 3 Crime Against Small Firms June 2003

Lloyds TSB & SERTeam
Small Enterprise Research Report
ISSN 1742-9773 No.2 (Vol.1) onwards

2003-04 (Vol.1)

- 1 Small Firms And PoliticsOctober 2003
- 2 Pensions February 2004
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2004-05 (Vol.2)

- 1 Education & EnterpriseOctober 2004
- 2 Made in Britain February 2005
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2006 (Vol.3)

- 1 Local or Global ?.....January 2006
- 2 Managing IT May 2006
- 3 Networking in Business September 2006

2006-07 (Vol.4)

- 1 Owner-Manager Flexible Working..... December 2006
- 2 The Ageing Workforce..... April 2007
- 3 Travel & Transportation..... August 2007

2008-09 (Vol.5)

- 1 The London 2012 Olympic And Paralympic Games..... April 2008
- 2 Competition: Small Firms Under Pressure.....January 2009

WEB VERSION PUBLISHING

<http://business.kingston.ac.uk/sbrc>

Certain content needed to be re-set, e.g., the figures in the earlier editions, but the report body content is intended to be identical to that in the printed original. This web version - an Acrobat document - is derived from the original DTP text and will permit searching.

LIABILITY DISCLAIMER

The information and analysis in each report is offered in good faith. However, neither the publishers, the project sponsors, nor the authors, accept any liability for losses or damages which could arise for those who choose to act upon the information or analysis contained herein. Readers tracing web references are advised to ensure they are adequately protected against virus threats.

HIGHLIGHTS

This is the thirty-sixth in a series of small business management reports based on surveys of a panel of small firms, mainly in manufacturing, retail/distribution and business services. The focus of this survey was on **Premises**. The principal findings were as follows:

- **Expected tendency for owner-managers to move premises in future – A majority (54%) envisaged a move within the foreseeable future**, with 14% expecting a change in the short-term (within 2 years), and a further 21% in the medium-term (2-5 years).
- **Business services respondents were the most likely to be contemplating a move to new premises in the short-term – 22% expected to move within 2 years** and only 38% felt that they would 'never' move. In contrast, none of the respondents in the retail/distribution sector was expecting to move within 2 years.
- **Smaller retailers may often have a highly localised customer base**, thereby restricting the need or opportunity to move, especially when their markets are relatively stable or growing slowly. In contrast, business services firms tend to be considerably more mobile and more likely to either visit clients directly or, where appropriate, communicate electronically.
- **Younger owner-managers more likely to move premises in future – For 35-44 year olds, 23% felt they were likely to move within 2 years**, whereas for 55-64 year olds, just 8% who felt they would move within 2 years.
- **Main reason for moving to new premises should the need arise – The most common reason was 'to accommodate business expansion'**, followed by 'reducing rental/leasing/purchase costs' and 'improving operational functionality/efficiency'. The **55-64 age group** of respondents were the **least likely to want to move for expansion reasons** and the **most likely group to want to move in order to cut costs**.
- **Preferences for ownership of premises (as opposed to rented/leased) – Half of the respondents (51%) rented/leased and 40% owned**, with 7% mixed (that is, both forms used). Very few manufacturers and business service firms favoured mixed ownership (between 2-3%), but **24% of retail/distribution firms pursued a 'mixed' ownership strategy**.
- **A high proportion of business service firms chose to rent/lease premises** - At 70%, this was **nearly double the level of those in retail/distribution (34%)** and also appreciably greater than those in manufacturing (47%)

continued ...

- **The importance of business premises in projecting an image of the business – This was considered to be ‘very important’ by 40% of the respondents.** Business services and the retail/distribution sectors were almost identical in viewpoint, but proportionally fewer manufacturers felt that it was ‘very important’, and 20% of the manufacturing respondents felt that it was ‘not important’.
- **Main design issues considered important in the layout, fitting and servicing of respondents’ premises – Practical considerations (such as efficient layout) came out top,** followed by: **ergonomic issues** (comfortable working environment), **flexibility** (room for expansion), **cost minimisation** (as an over-riding priority) and environmental issues (energy-saving). Business services firms, in particular, stressed ergonomic issues.
- **Extent of owner-managers working remotely –** Over half of the respondents are already pursuing this strategy (54%). For 21%, working remotely, say from home or using mobile technology, exceeds more than one day a week. This was **most prominent amongst business services** (70%), and **least prominent amongst firms in retail/distribution** (31%).
- **Extent of owner-managers working remotely more prevalent amongst smaller firms –** 66% of respondents in the smallest group (0-4 full-time equivalent employees) claimed to be working remotely, compared with only 39% at the other end of the size range (20-49 employees).
- **Main problems associated with business premises –** Overall, the top three issues, in descending order, were: **parking for staff and visitors, rent/lease costs,** and, **Uniform Business Rate (UBR).**
- **Main problems associated with business premises –** **Parking problems** and **rent/lease costs** were more widely reported by **business services** and **retail/distribution** firms than by their manufacturing counterparts. **Crime/vandalism** and **local authority planning problems** were predominant amongst **retail/distribution** firms. **Larger firms** suffered most from **parking problems** and **smaller ones** from **rent/lease costs** and **property maintenance.**

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ACKNOWLEDGEMENTS

The Small Business Research Trust wishes to thank all responding firms for their time and effort involved in participation in the production of this Management Report. The Trust acknowledges the help provided by David Purdy, The Open University, and The University of Westminster, in designing the survey, processing data and analysing the results.

The Small Business Research Trust is particularly pleased to acknowledge the generous support provided by Lloyds TSB in sponsoring the research, analysis and presentation of this report. However, it is important to note that any opinions expressed in this publication are not necessarily those of Lloyds TSB.

Report Author – Professor John Stanworth (University of Westminster)
Series Editor – David Purdy

Lloyds TSB

The Small Business Research Trust

MANAGEMENT ISSUES

The emphasis of our Quarterly Management Reports is on monitoring the key management problems and practices of smaller business, with an emphasis on survival and success. Accordingly, each issue of the Lloyds TSB/Small Business Research Trust Management Report addresses one or more highly topical small business management issues. In this survey we focus on **Premises**.

THE SAMPLE

This report is based on responses received from a panel of over 350 small businesses situated in the Northern, Midland and Southern regions of Britain. Respondents are predominantly small firms with fewer than 50 employees, drawn mainly from the manufacturing, business services, and retail/distribution sectors of the economy. The precise distribution of firms varies from survey to survey, but typically over half of the participants employ fewer than 10 people.

RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out during January-February 2002.

SMALL BUSINESS RESEARCH TRUST

The Small Business Research Trust (SBRT), founded in 1983, is an educational research charity, aiming to advance the education of the public in relation to small and medium-sized enterprises in the United Kingdom and Europe. Further details may be found at www.sbrt.co.uk

PAST SURVEYS

1993 (Vol.1)

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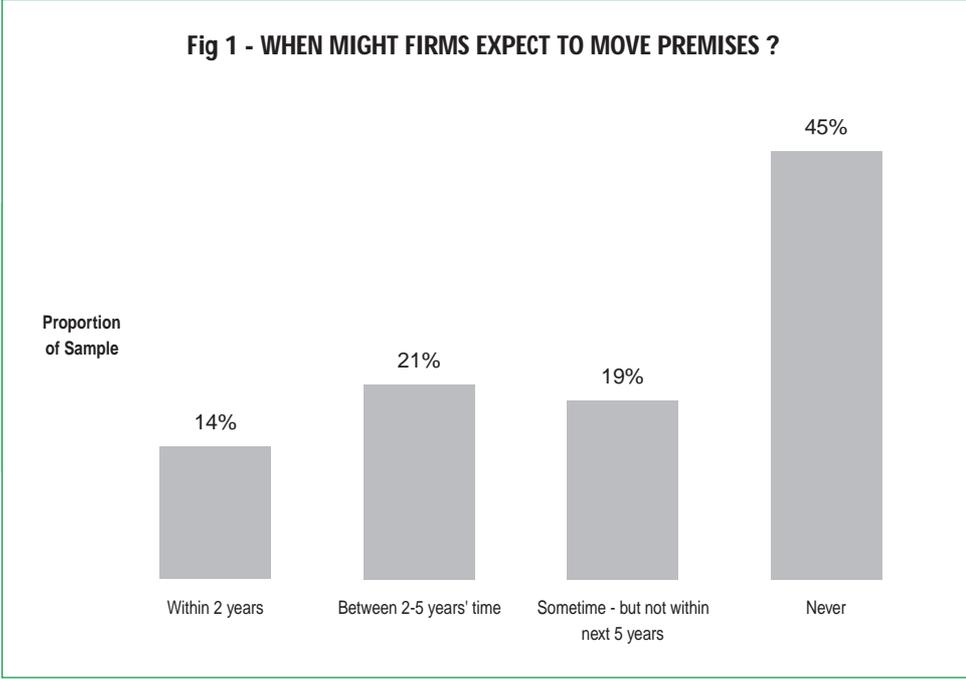
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Relative stability expected for the majority of respondents



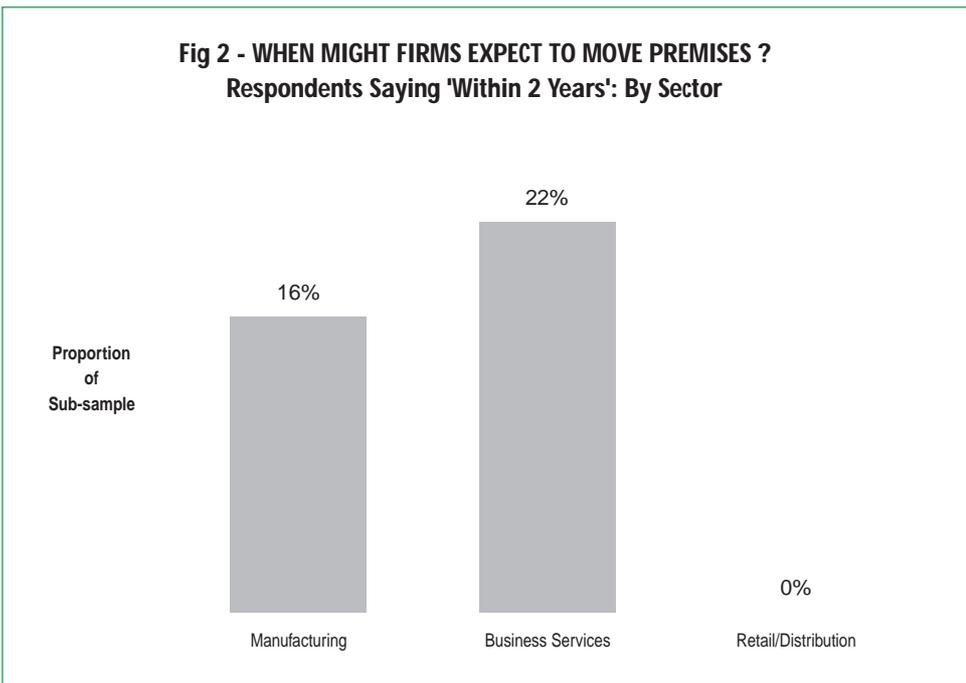
PREMISES

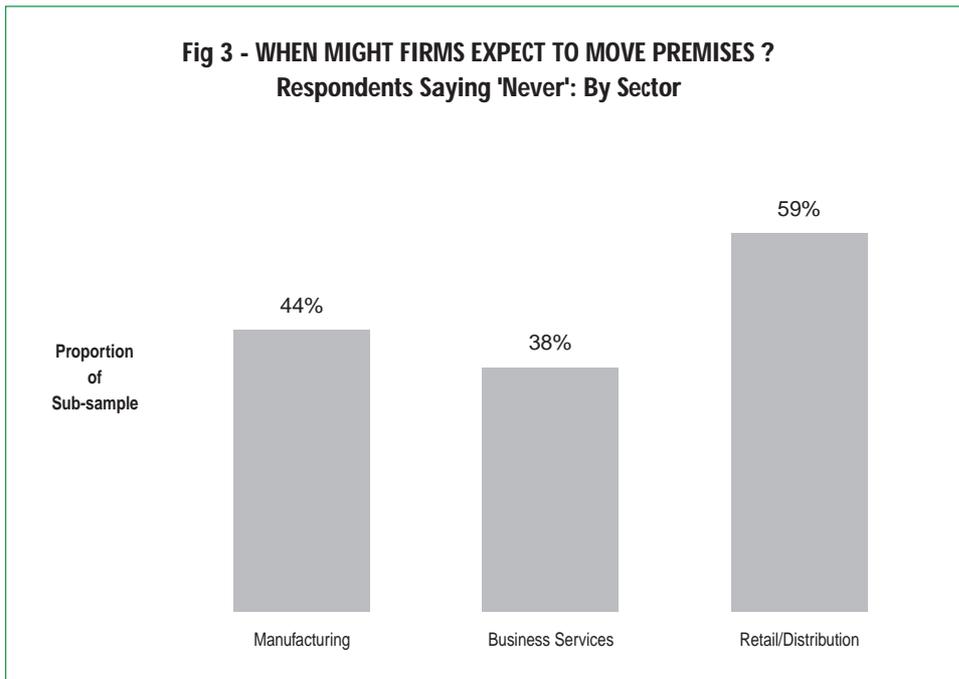
A firm's premises are its engine-room – the place where the business is done, where the deals are struck, where the goods are manufactured and assembled, or where services and products are offered for sale to the customer. At the same time premises, vital as they are to most businesses, can also be a liability – a target for vandalism and theft, the focus for parking problems, health and safety issues,

maintenance costs and 'what do I get for my rates (UBR) issues'. Thus the Small Business Research Trust, along with our sponsors Lloyds TSB, decided to investigate a number of key issues arising from the management of business premises.

Timing of Next Premises Move

Respondents were asked to identify their perceptions of the timing of their next likely





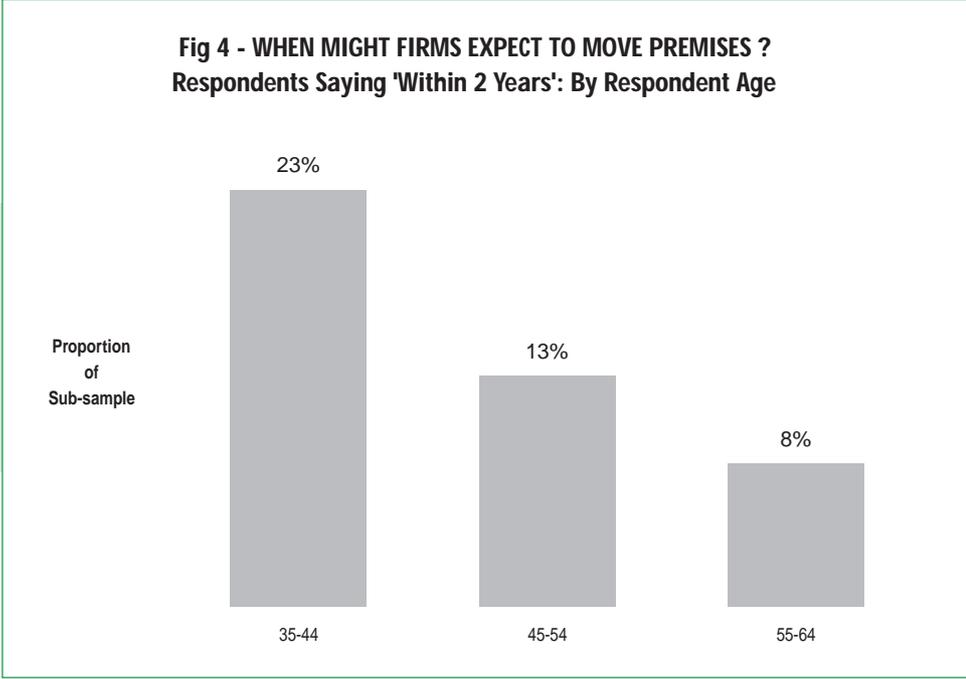
premises move, and the responses in **Figure 1** illustrate that only 14% saw a move as a priority in the short-term (within 2 years). Twenty-one percent perceived it as a medium-term issue (2-5 years), but nearly two-thirds, 64%, saw it as a sometime/never issue and thus of little day-to-day importance. Somewhat surprisingly here, the size of firm made little difference, though differences corresponding to the industrial sector and age of owner-manager were evident.

Figures 2 and 3, for instance, suggest that firms in the retail/distribution sector were the least likely to be currently contemplating a move in future (none were contemplating a move within the coming 2 years and 59% thought 'never'). Against

this, respondents from the business services sector indicated that as many as 22% expected to move within 2 years and only 38% felt that they would 'never' move. Manufacturers were located between the other sectors with 16% feeling they would move within 2 years and 44% saying 'never'.

The results here can, presumably, be explained by the fact that, in the case of a retail business, customers usually visit the premises and the customer base may be highly localised, thus explaining respondents' reluctance to move. At the other end of the continuum, business services firms tend to be considerably more mobile and more likely to either visit clients directly or, where appropriate, communicate electronically.

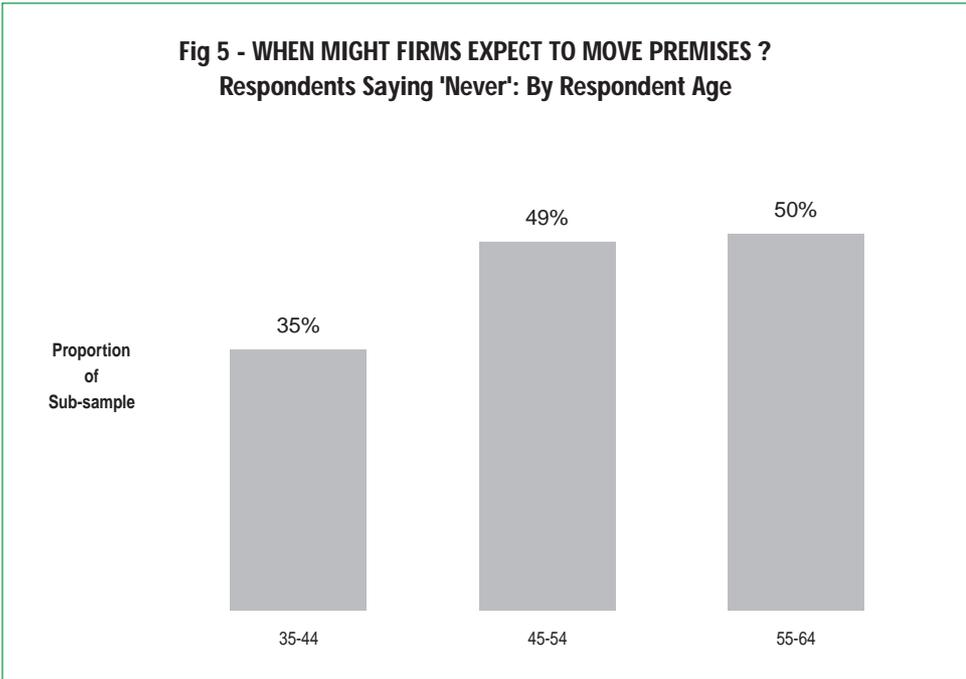
Younger respondents more predisposed to moving ?

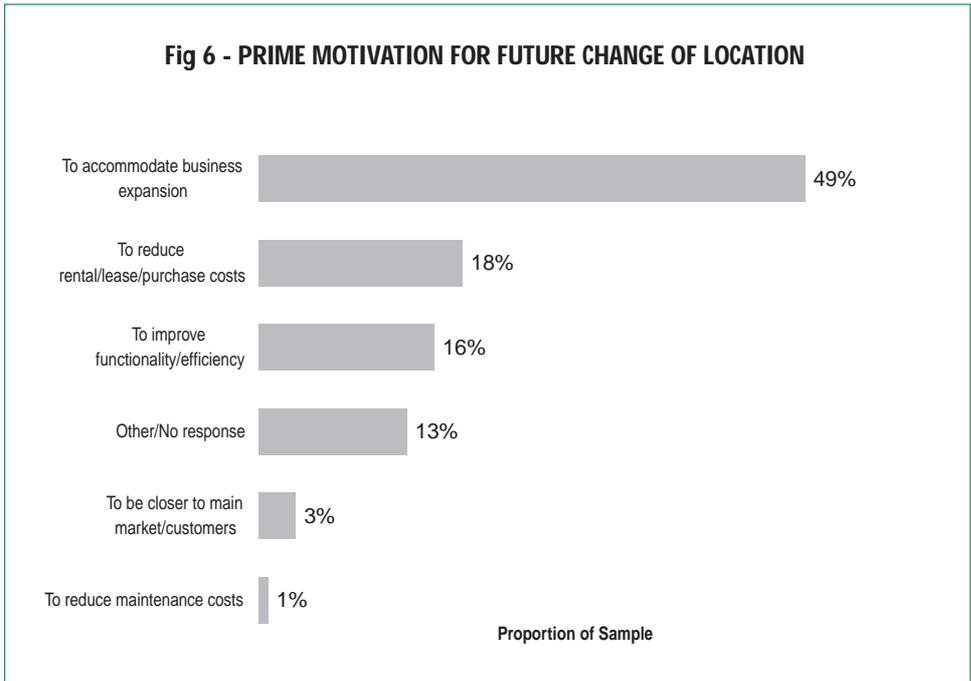


Influence of Age Factor

Why should age of respondent affect premises decisions one might ask ? Two obvious answers might be that older respondents are liable to have been in business for longer and thus more established in their current premises and, secondly, respondents approaching retirement might be reluctant to move.

Figures 4 and 5 show that results from the survey did, indeed, suggest greater stability with age. That is, in the 35-44 year-old age group, 23% felt they were likely to move within 2 years and just 35% felt they would never move, compared with (for the 55-64 age group) just 8% who felt they would move within 2 years and 50% declaring they would never move.





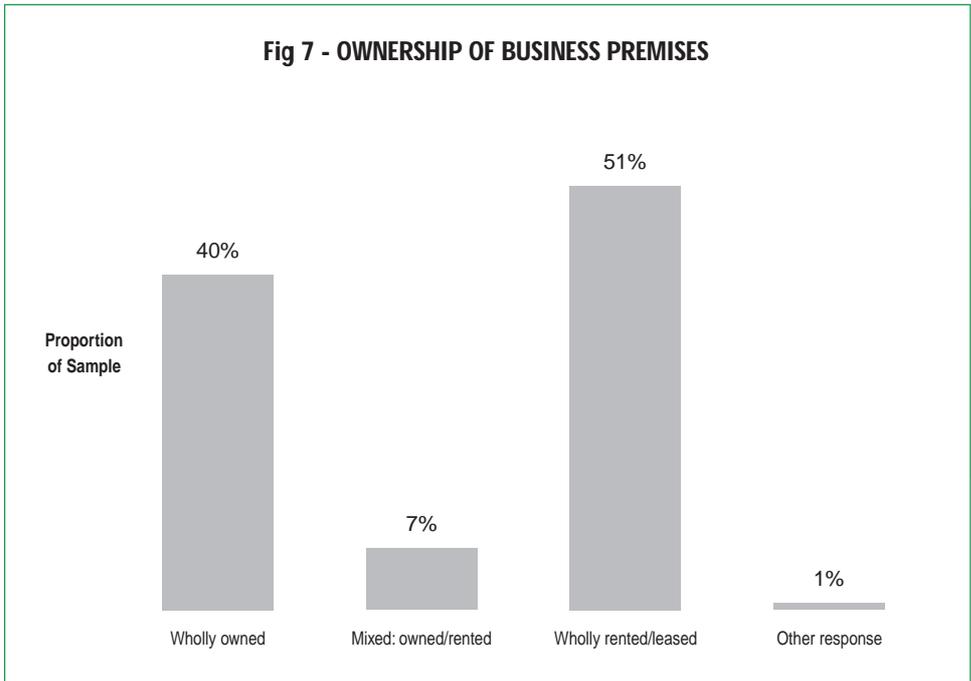
Main Reasons for Moving

When asked the question as to why they might move if they did, the respondents' replies were fairly understandable (see **Figure 6**). The main reason given was 'to accommodate business expansion', followed by 'reducing rental/lease/purchase costs' and 'improving operational functionality/efficiency'. Again there were age differences with the 55-64 age-group being least likely to want to move for

expansion reasons and the most likely group to want to move in order to cut costs.

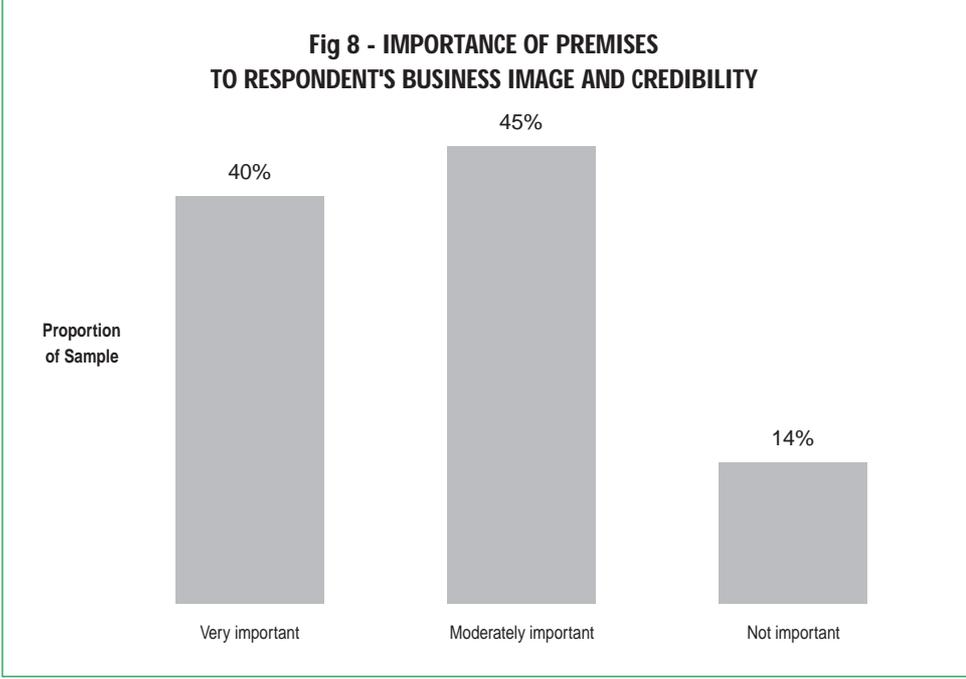
Who Owns Premises ?

Respondents were asked to indicate who owned their premises - were they wholly owned by the business, wholly rented/leased or, alternatively, mixed ? **Figure 7** shows a quite clear breakdown of half (51%) rented/leased and 40% owned, with 7% mixed. Interestingly, the latter category



Rented/leased premises find favour especially amongst business service respondents

Ergonomic issues widely recognised

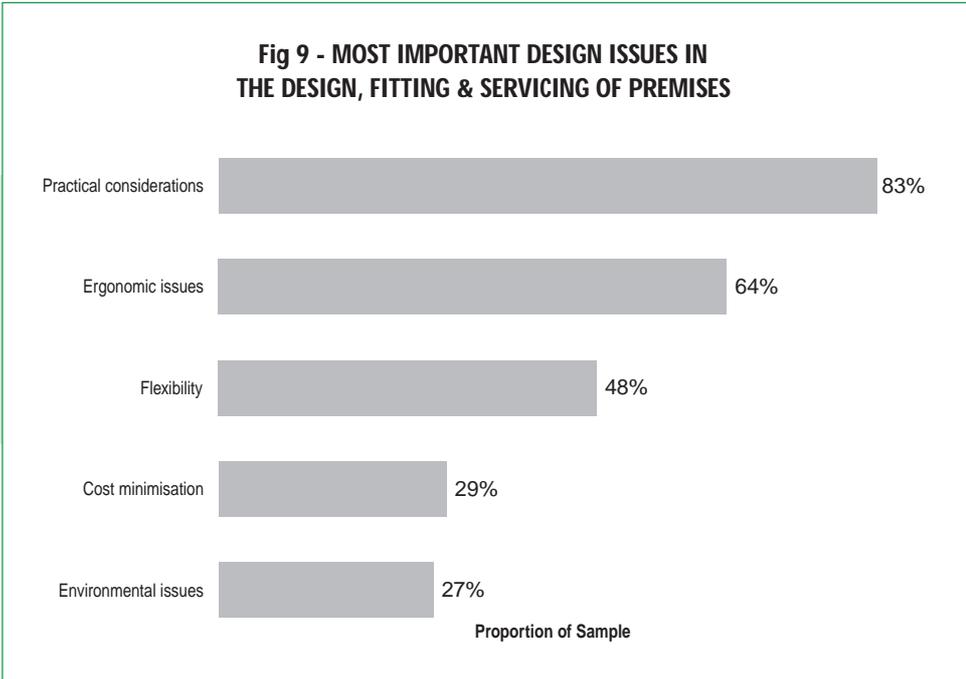


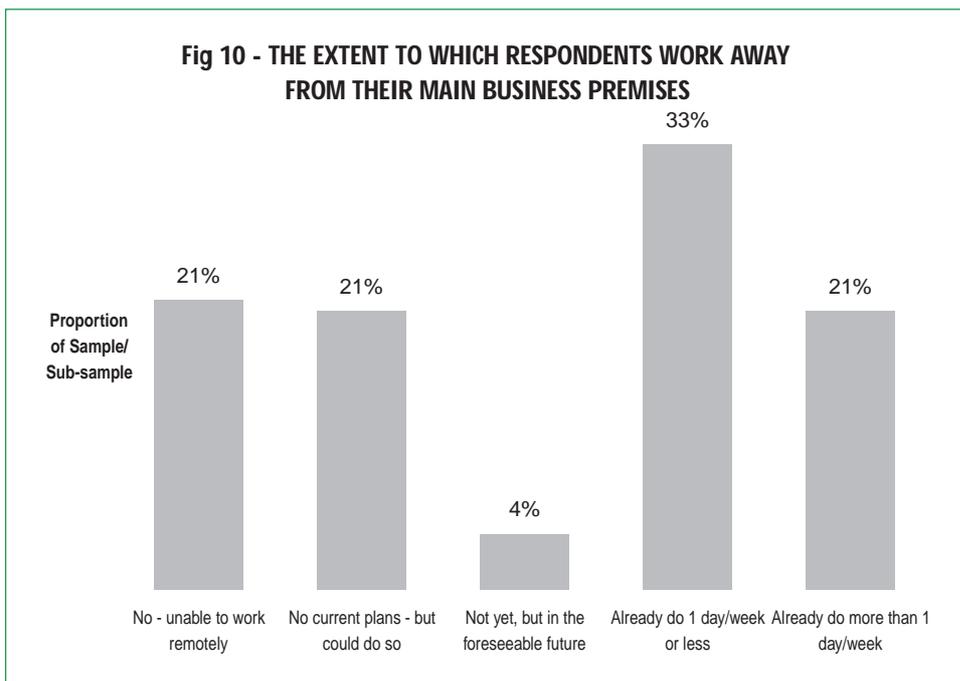
(mixed) registered just 2% amongst manufacturers and 3% amongst business service firms, but jumped to 24% for retail/distribution firms. Another noticeable finding was the high proportion of business service firms who rented/leased - 70%. This was nearly double the level of those in retail/distribution (34%) and also appreciably greater than those in manufacturing (47%).

Business Image

Do business premises project an image important to the business itself? This was considered no more than 'moderately important' according to a majority of the respondents (see **Figure 8**).

The results from the business services and retail/distribution sectors were almost identical to one another but manufacturing varied here with a lesser proportion





A majority already able to work remotely

claiming it to be 'very important', and 20% claiming it to be 'not important' at all.

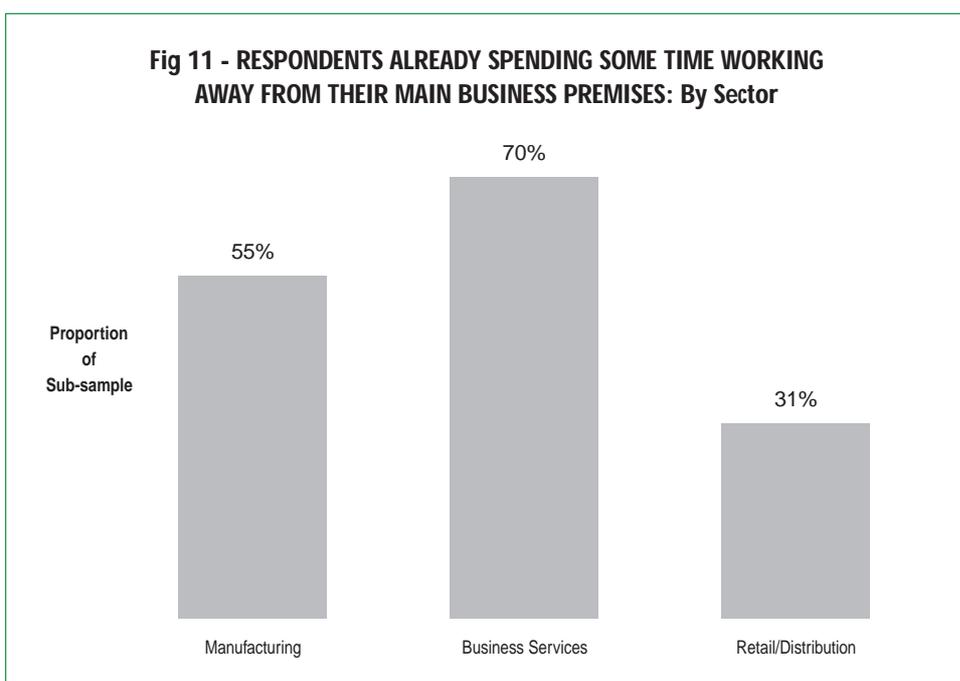
particular, stressed ergonomic issues.

Main Design Issues

Figure 9 illustrates the main issues considered important in the design, fitting and servicing of their premises. The main factors, in descending order, were: practical considerations, ergonomic issues, flexibility, cost minimisation and environmental issues. Business services firms, in

Working Remotely

How many small businessmen and businesswomen work remotely, say from home or using mobile technology, and for how long each week? **Figure 10** suggests that this is higher than some might expect – over half are already pursuing this strategy (54%), and for 21%, the working remotely amounts to more than one day a week.



Restricted flexibility for remote working amongst larger SMEs ?

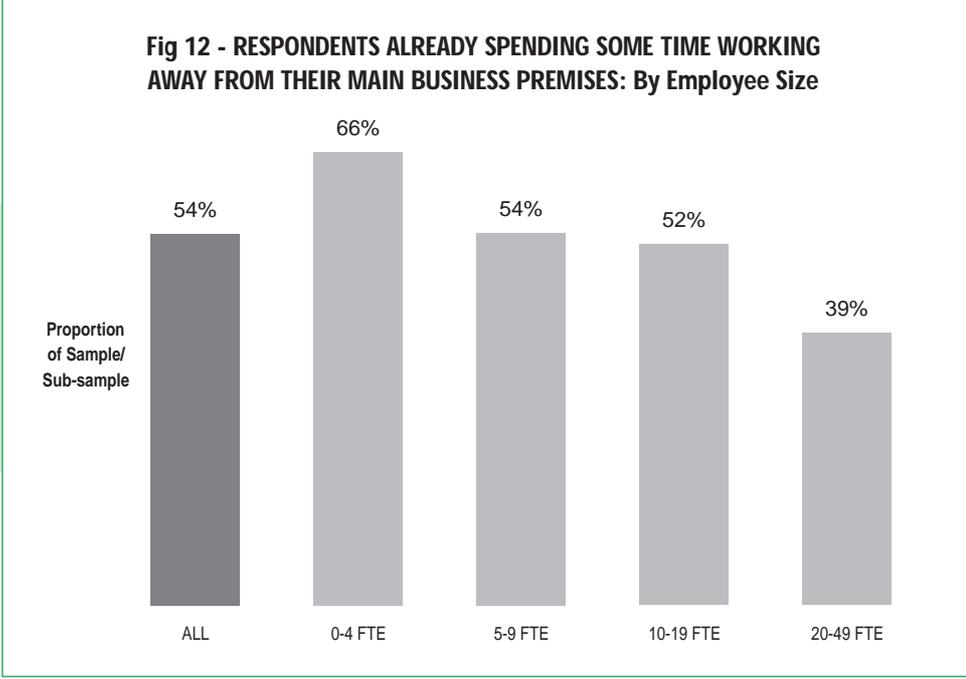


Figure 11 shows major differences when breaking down the responses by sector, with proportionally more than twice as many respondents in business services working remotely (70%) than their counterparts in retail/distribution (31%).

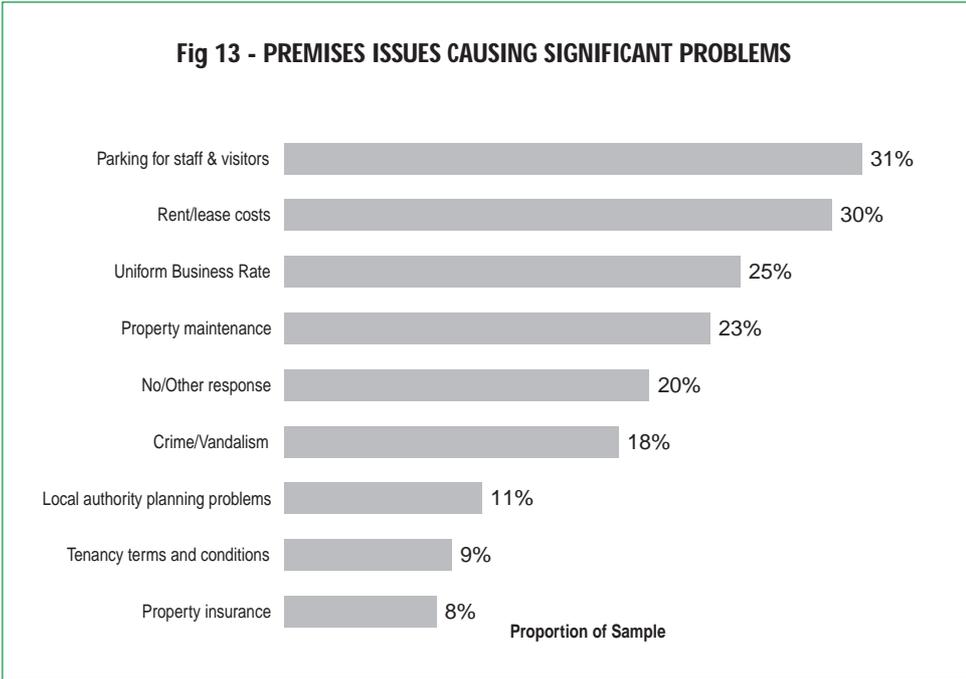
Figure 12 illustrates a similar effect when the size of respondent's firm is investigated. Sixty-six percent of respondents in the smallest group (0-4 full-time equivalent employees) claimed to be working remotely,

compared with only 39% at the other end of the size range (20-49 employees).

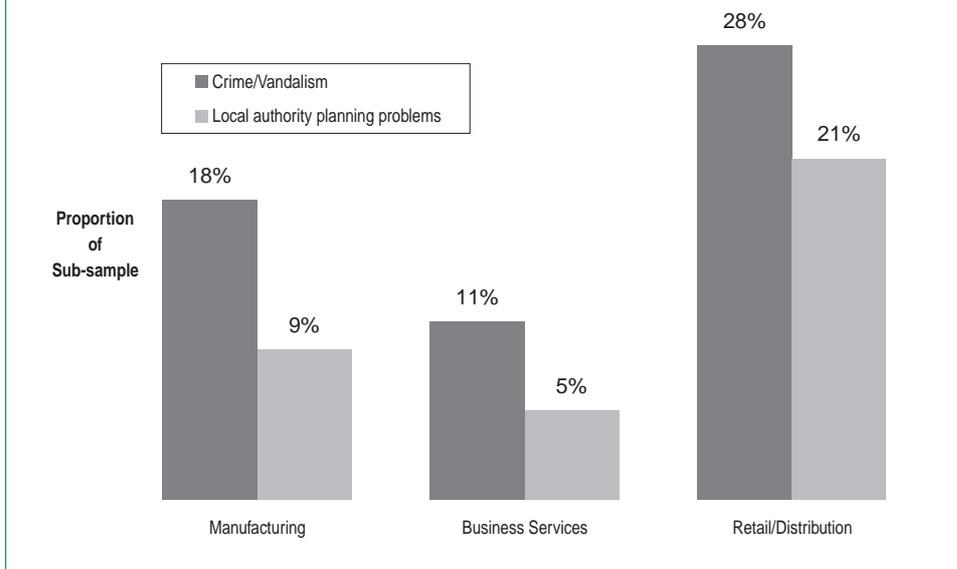
Perhaps surprisingly, there were no real gender differences here.

Main Problems

Figure 13 shows the issues that the respondents felt were current issues of significance with their business premises. Interestingly, there was a marked variation



**Fig 14 - PREMISES ISSUES CAUSING SIGNIFICANT PROBLEMS:
By Sector**



here. Respondents were given license to select as many issues as they wished. Thus, theoretically, it would have been possible to receive a 100% response for every single problem – but this was not evident in practice. Even the problems selected most frequently, such as parking, rents, business rates, property maintenance and vandalism were selected by only a minority.

When the analysis was controlled for various factors, differences in response patterns were exposed. For instance, parking problems and rent/lease costs were more of a problem for business services and retail/distribution firms than for their manufacturing counterparts. Crime/vandalism and local authority planning problems were more evident amongst retail/distribution firms (**Figure 14**), whilst property maintenance was more of an issue for business services firms and manufacturers. Larger firms suffered most from parking problems and the smaller ones from rent/lease costs and property maintenance.

In responding to the ‘open-ended’ question, concerning strongly-held views, several touched on a number of market-related issues:

“All business premises are like 3-fingered gloves, never quite fitting but usually adequate.”

“I believe public sector landlords are infinitely preferable to private landlords.”

“Retail premises are always overpriced but one has to go along that.”

“The location and design of business premises are of the utmost importance to businesses operating within the service sector.”

Others broached aspects involving both central and local government, including criticisms in the context of business rates and associated service problems:

“Business receives very little in return for its contribution to local government finance (business rates). We are a ‘soft touch’ and in real terms are heavily subsidising domestic rates. When is industry going to wake up to this stealth tax ?”

"We pay business rates and feel we do not receive anything for our outlay. Bins are never emptied, streets are not cleaned, little police presence."

"Vandalism is an ever-present problem. Please can we have more efficient policing and better deterrents from the criminal justice system."

Others commented upon the lack of support for local enterprise:

"Councils do not help businesses working from home. They seem to enjoy making life difficult."

"Government agencies appear remote. Schemes never seem to fit needs."

"We have offices in a local authority enterprise centre. The units are not conducive to growth."

"To rejuvenate some areas, government should reduce rates – otherwise there will only be charity shops and empty shops everywhere."

And one respondent justified their need for a reasonable working environment as follows:

"I spend more waking hours at work than home. I strive for a working environment that is comfortable, safe and economic."

RESPONDENTS' COMMENTS

These commence in verbatim form on p.17

REFERENCES: PREMISES

The following references are offered as an aid to readers interested in seeking further information via the world-wide-web. The coverage is not intended to be definitive, and inclusion here should not imply either agreement or disagreement with the views expressed via these sources. Some web sites have appeared before, but there is usually a section noted with interests relevant to the theme of this report.

Special care should also be taken with material obtained from **outside** the UK, for example, the USA, where different legal issues may apply. N.B. Some pages may contain links to other WWW pages offering related material. Tip: The WWW links were functional at the time of going to print, but the world wide web is in a state of constant change. So if later problems arise with a link, edit the link back to the 'home page' – e.g., reduce <http://www.bized.ac.uk/fme/xyz.htm> to <http://www.bized.ac.uk/> – and look for a similar topic heading there.

● Business Link/Small Business Service

UK Government agency. The web site has a section on Property & Premises (as a sub-topic of Management & Operations), and perhaps of particular benefit to start-ups: "Getting the right property on the right terms can be crucial to the success of a small business. Mistakes can be costly, and can even lead to business failure. Bear in mind that taking on property often involves a long-term commitment. So think of the future as well as your present needs. If the terms on offer don't suit you, ask whether it is possible to vary them, or shop around for different terms. Above all, get professional advice. You will need to pay for this, but the advice could save you a lot of money in the longer term. Your local Business Link should be able to help you find professional advisers who have the expert knowledge to help you avoid the pitfalls." The online coverage

in this section includes: Finding Premises, Leasing Issues, Managing Premises, and, My business is moving, who do I need to notify of the new address ?; Where can I find guidance/ who can advise me on property issues ?; Where can I get design advice on re-organising my office space ?

Other online documents cover: *Property & Premises Jargon Buster*; *Factsheet:*

Premises and Equipment; *Retail Design*; *Top Ten Tips for Improving Office Design*.

www.businesslink.org

- **Crime Reduction Website**

UK Government web site.

Comprehensive, and primarily, it would appear, for police authorities, but some material is clearly intended for business use. There is a section entitled 'Crime Reduction Toolkits: Business and Retail Crime', offering background information about: Offences; Business sectors; Size of businesses; Location. Online documents are available, under 'Useful information', with some of the material being in-depth: *Preventing customer fraud - a guide for retailers*; *Making Crime Prevention Pay: Initiatives From Business*; *Violence At Work: Findings From The British Crime Survey*, October 1999 (Home Office publications).
www.crimereduction.gov.uk/toolkits/br00.htm

- **CrimeZone**

A crime reduction web-site – with crime news, appeals and advice from around the UK – developed by Northcliffe Electronic Publishing in conjunction with Derbyshire Police. It is updated daily with different crime-related stories from around the country and has numerous links, making it a useful 'one stop shop' for research purposes.
www.crimezone.co.uk

- **Department of Transport, Local Government and the Regions (DTLR)**

Planning Index page, with various links, including: Guidance advice and

information (statements of planning policy and useful planning-related information and publications); Enquiry email addresses; Main contacts and responsibilities within DTLR; Main statistical publications (inc. Commercial and Industrial Floorspace and Rateable Value Statistics); links to planning-related sites. *Planning Permission: A Guide for Business* (97PD0421)

www.planning.dtlr.gov.uk/index.htm

- **FireNet**

"FireNet was initially developed as a Special Interest Network (SIN) for the United Kingdom (UK) Fire Service to provide a resource for other British fire fighters on the internet". It offers a Workplace Regulation 'One Stop Shop', with an extensive set of links, covering: Risk Assessment Check List; Guidance Documents (inc. Building Regulations Approved Documents); Advisory Notes (inc. Construction Fire Safety, Flammable Substances Safety, Preventing slips, trips and falls at work); Legislation (inc. Fire Precautions Act 1971, 'Does your premises require a Fire Certificate?')

www.fire.org.uk

- **Fire Protection Association (FPA)**

"The FPA is the UK's national fire safety organisation and it works to identify and draw attention to the dangers of fire and the fire prevention measures by which their potential for loss is kept to a minimum." They offer online a *Simple Form of Risk Assessment*, "A simple method of risk assessment which can be used by employers or managers in small to medium sized enterprises (SMEs) where an elaborate or quantified form of risk assessment, usually more appropriate to large premises, may not be needed." It comprises 51 questions with corresponding advice for each issue.

www.thefpa.co.uk

- **Greater London Authority**
 Information regarding access to business premises in London: *Mayor confirms congestion charging scheme for central London*, "The Mayor ... has set the 'go-live' date as Monday February 17 2003 - the start of half-term week - to ease the adjustment to the new charge ... TfL (Transport for London) predict that the scheme will reduce traffic in central London by 10-15 per cent, and delays by 20-30 per cent. The scheme is also expected to raise £130m-£150m per year (not including £30m per year expected from penalty charges) which by law must be used to improve transport in London". Information available online: the full text of the Mayor's decision, together with the Transport for London report and the congestion charge scheme order. (Press Release, February 26 2002) www.london.gov.uk

- **Health and Safety Executive (HSE)**
 The Small Business Policy Branch offers answers online to frequently asked questions (FAQ), including: What is the maximum/minimum temperature in the workplace ?; Who is responsible for reporting accidents that occur to employees at someone else's premises ?; What details do you need to put on the new health and safety law poster ?; Do I have to / How do I remove asbestos ?; Do you have any information on how to compile a health and safety policy ?; Am I entitled to an eyesight test if I work on a VDU ?; How many first aiders do I require ?; Do I need to wear a safety harness when working at height ?; How do I carry out a risk assessment ? Sections include: Research, Statistics, New publications, Information sources, Free leaflets. www.hse.gov.uk

- **Health & Safety Information For Small Businesses (Local authorities)**
 This following is an example of the type of information that a local authority might be able to offer, either online or in printed form. "The Health and Safety Team of Leicester City Council have produced a Health and Safety Information Pack for small businesses located within the Leicester City boundary. The Information Pack, available upon request online, provides in depth, up-to-date information on health and safety requirements". Starting from www.leicester.gov.uk, look for: | Our Services | Environment & Dev. | Health & Safety | Business Pack, or go directly using the link below. www.leicester.gov.uk/departments/page.asp?pgid=2386

- **Royal Institution of Chartered Surveyors (RICS)**
Property Solutions, an online guide for small and medium sized enterprises (SMEs), free of charge, "A practical, step by step guide to help business managers without in-house property advice to understand more about the issues that surround their premises from acquiring a lease to challenging a dilapidations claim. The guide is endorsed by the CBI, the Federation for Small Businesses and the British Chambers of Commerce. Topics covered include: lease renewals, rent reviews, business rates, tax allowances, planning permission, valuations, building surveys and more. It is written in a clear and easy-to-read style, arranged in a series of frequently asked questions for each topic." www.rics.org

- **startups.co.uk**
 Web site of Crimson Publishing, publishers of small business magazines, including *Start and Run your Business*. The site contains a section on premises, and includes online articles on different types of premises, such as: Coffee Shops, Day Nurseries, Hairdressers, Hotels, Pubs, Restaurants, and Travel Agencies (search for 'premises'). www.startups.co.uk

MANUFACTURING

**Fabrication, Welding,
Special Purpose Machines**

"Low interest rates are a wonderful experience !"

**Labelling For Cosmetics &
Toiletry Industries**

"Low cost is significantly important for highly competitive industries, e.g., printing."

**Manufacturer of Heating
Elements**

"I spend more waking hours at work than at home. I strive for a working environment that is comfortable, safe and economic."

Party/Carnival Goods

"We pay business rates and feel that we do not receive anything for our outlay. Bins [are] never emptied, street not cleaned, only council section. Little police presence." [Tyne & Wear]

Printers

"Business receives very little in return for its contribution to local government finance (business rates). We are a 'soft touch' and in real terms are heavily subsidising domestic rates. When is industry going to wake up to this stealth tax ?"

Printing

"The sale of our rented premises by the Welsh Development Agency to a private landlord caused great problems, so we are having to incur the expense and disruption of moving to new premises in 2002. I believe public sector landlords are infinitely preferable to private landlords !"

Reprographics

"Availability of cost-effective modern 'business' units - i.e., not industrial - are not available in this area (London NW4)."

**Special Purpose Machine
Design & Manufacture**

"Parking tax should not be imposed on employers who provide for their employees' parking. People who park in the streets should pay for parking. A tax to employers for parking spaces will encourage the development of business premises without parking provision, such as the Ice Stadium in Nottingham."

BUSINESS SERVICES

**Accountancy, Audit, Tax &
Management Consultancy**

"The location and design of business premises are of the utmost importance to businesses operating within the service sector."

**Analytical and Consulting
Chemists (Industrial)**

"Government agencies appear remote; schemes never seem to fit our needs !"

Architects & Designers

"Introduction of downward adjustment to rents and leases. Rent is a major cost and hinders competitiveness when new rents are generally falling to as low as 50% of ours."

**Audit Accountancy and
Taxation**

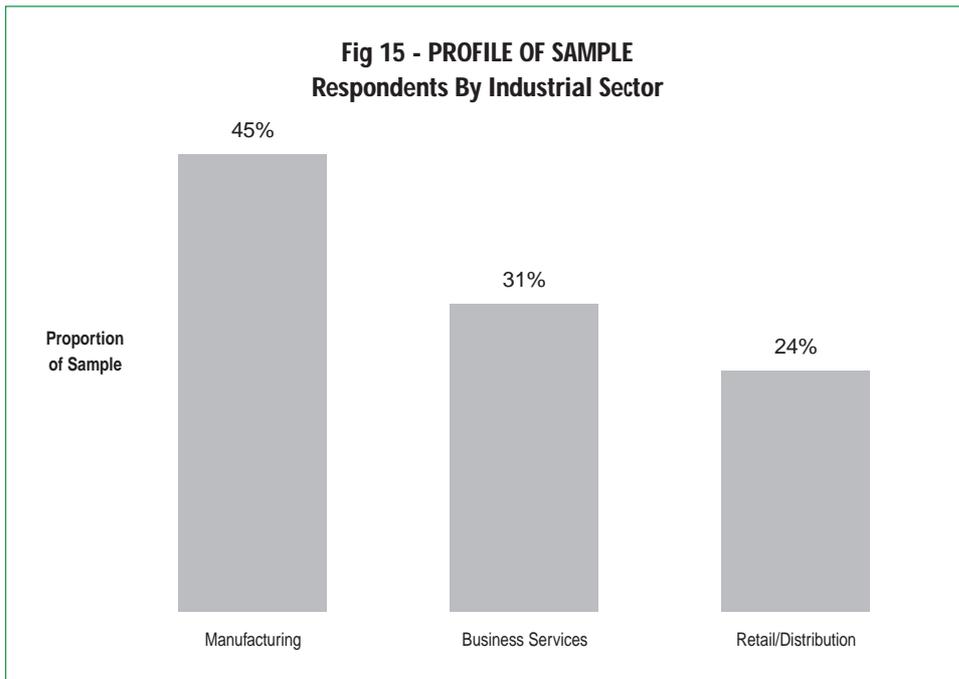
"Neither tenant or landlord are well served by the current legal system governing commercial leases. The law is misunderstood and solicitors are too slow."

BUSINESS SERVICES continued

Chartered Accountants	<i>"People spend a lot of time in their workplace (some people more than they do at home) and therefore conditions should be as good as possible to assist with personal and staff motivation."</i>
International Freight Forwarding Services	<i>"Vandalism is an ever present problem. Please can we have more efficient policing and better deterrents from the criminal justice system."</i>
Investment & Pensions Advice	<i>"Local/central government [is] increasingly restricting vehicular access to premises (without positive alternative), may cause [our] relocation away from [the] city. More difficult for customers to access premises, etc."</i>
Tax and VAT Advice	<i>"Councils do not help businesses working from home. They seem to enjoy making life difficult. Councillors seem unable to think for themselves and accept council officers' recommendations with[out] question."</i>

RETAIL AND DISTRIBUTION

Computer Software	<i>"UK (unlike US) has no concept of flexible serviced accommodation enabling both expansion and contraction."</i>
Computer System Reseller	<i>"We have offices in a local authority enterprise centre. [The] Units are not conducive to a growing company."</i>
Hairdressing	<i>"The Uniform Business Rate. I pay £100 per month for nothing - not even refuse collection."</i>
Hardware and Pet Store	<i>"Retail premises are always overpriced but one has to accept that along with taxes etc. it is a price to be paid to trade. All business premises are like 3-fingered gloves, never quite fitting but usually adequate."</i>
Suppliers of Woodscrews, Adhesives, Fixings &c.	<i>"We feel we are just treated as 'cash cows' by local government, with very little in return for business rates !"</i>
Tool Plant & Equipment Hire, Sales & Repair Service	<i>"We pay business rates but have no say in local government. To rejuvenate some areas, government should reduce rates - otherwise [there] will only be charity shops and empty shops, everywhere."</i>



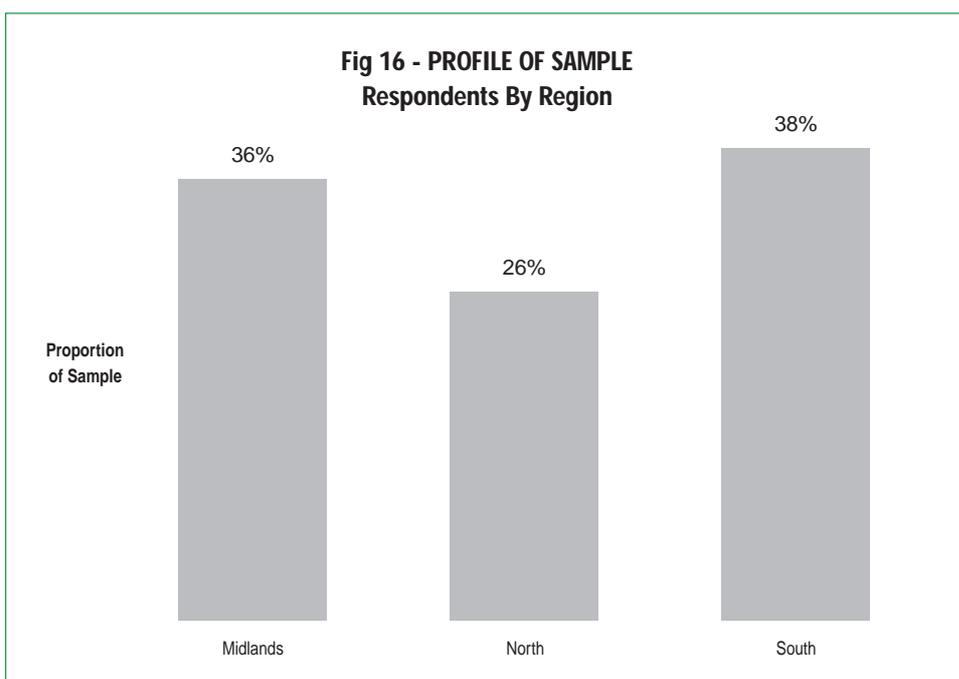
APPENDIX 1 - ADDITIONAL INFORMATION

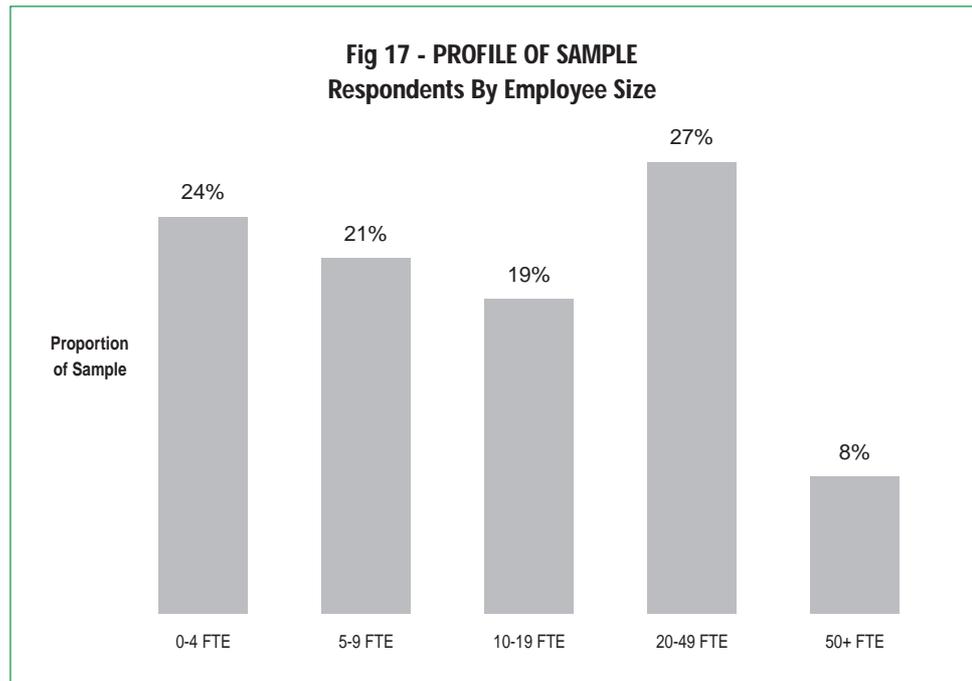
As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

The analyses involve key variables, and **industry sector** and **employee size** are those most frequently used as they are reasonably reliable indicators and less

prone to misinterpretation. Other variables have also included **region**, **sales growth**, **respondent age** and **sex**.

Industrial sectors – based on the descriptions supplied by respondents, each firm is coded according to the Standard Industrial Classification (SIC 1980). Firms are then grouped into manufacturing, business services, retail/distribution. From 1996 onwards, firms falling outside these 3 bands – previously classified as ‘other’ –





are now allocated to the foregoing sector which offers the closest match.

Regions - firms are also classified according to their physical location, namely, North, Midlands and the South.

Employee size - finally, firms are placed in bands according to the number of employees. Each part-time employee is assumed to be equivalent to 40 per cent of a full-time employee ('FTE' = full-time equivalent). All of the surveys to date have received only a small number of responses from firms with 50 or more FTE employees. These responses have been **included** in the breakdowns for the **sectoral** and **regional** analyses, but have been **excluded** as a '50+FTE' band in the **employee-size** analyses (the 'All' band in each histogram includes all usable responses regardless). This is because a percentage breakdown band based on just two or three firms may not be representative of this size of business.

Figure axes/scales (histograms) - each figure uses a linear scale, with reference to a common zero axis, e.g. running horizontally across the bottom of each column, as in the figure above.

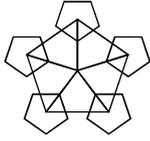
Distribution of firms

The highest proportion of respondents is in manufacturing (45%, previously 42%, see **Figure 15**). Previously, the samples have contained the largest proportion of firms in business services, but the composition has shifted slightly due to the introduction of additional respondents to the sample late 1998, and again, mid-1999.

In this survey, the Southern region has the largest representation, with 38% of the sample's respondents (previously it was 36%, see also **Figure 16**).

Historically, the manufacturing and business services firms in the samples have tended to be larger, in terms of employees, whereas the firms in retailing/distribution have had fewer full-time equivalent employees. Likewise, the sample has been biased towards the smaller businesses, but since 1999 there has been an increase in the 20-49 FTE firms (**Figure 17**).

As on previous occasions, the sample is predominantly male (86%).



This questionnaire will take approximately 5-10 minutes to complete – most answers require only a single tick. All information received will be treated in complete confidence. PLEASE DESPATCH AS SOON AS POSSIBLE.

MANAGEMENT ISSUE: Premises

1 a) Please indicate the number of people working in your business (including yourself): Full-time : _____ A Part-time (16 hours/wk or less)..... : _____ B

b) Your age last birthday: 16-24 years..... A 25-34..... B 35-44..... C 45-54..... D 55-64..... E 65 or over..... F

c) Your gender: Male M Female..... F

2 Possible change of business location – When might you expect to move your main business premises, if at all, in the foreseeable future ? Just ONE ✓ only Within 2 years A OR Between 2-5 years' time B OR Sometime - but not within the next 5 years..... C OR Never - the existing premises will probably suffice . D

3 Prime motivation for any change of location – If your business needed to move, which one of the following would probably represent the main reason: Just ONE ✓ only To reduce ongoing rental/lease/purchase costs A OR To reduce maintenance costs..... B OR To accommodate business expansion C OR To be closer to main market/customers..... D OR To improve operational functionality/efficiency E OR Other (please state): _____ F

4 Ownership of premises – Please indicate the ownership status of your business premises that most closely matches one of the following options: Just ONE ✓ only Wholly owned: by the business or owner-managers A OR Mixed: owned/rented by the business or the owner-managers B OR Wholly rented/leased: by the business or the owner-managers C

5 **Business image – Do you consider your business premises to be important to the credibility of your business and the image that you wish to project ?** *Just ONE ✓ only*

Very important A

OR Moderately important B

OR Not important C

6 **Main design issues – Which of the following considerations are most important to you in the design, fitting and servicing of your premises ?** *✓ Against all which apply*

Practical considerations - e.g., efficient layout..... A

Environmental issues - e.g., energy saving B

Cost minimisation as an over-riding factor..... C

Flexibility - e.g., room for expansion D

Ergonomic - e.g., comfortable working environment for you and your staff E

7 **Working remotely – To what extent do you personally work away from your main business premises (from home or using mobile technology) ?** *Just ONE ✓ only*

I already do - more than 8 hours (1 day)/week A

OR I already do - but 8 hours or less (1 day)/week..... B

OR Not yet, but will definitely in the foreseeable future C

OR No current plans - but could do so..... D

OR No - I would not be able to work on that basis..... E

8 **Main problems – Please indicate which of the following issues currently constitute significant problems with your business premises:** *✓ Against all which apply*

Rent/lease costs A

Property maintenance..... B

Parking for staff & visitors C

Local authority planning problems D

Property insurance..... E

Uniform Business Rate F

Tenancy terms and conditions..... G

Crime/Vandalism H

Other (please state) _____ I

9 **‘Business premises’ – If you have any strong views, especially if you feel that any aspect is not fully appreciated by important sections of the business community (such as the government help agencies or the financial services sector), then please comment:**



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