Small Enterprise Research Report

Travel & Transportation

August 2007

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Small Enterprise Research Report

Travel & Transportation

August 2007 - Vol.4, No.3

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£40.00 – ISSN 1742-9773 – © SERTeam 2007

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

Lloyds Bank/TSB & SBRT
Quarterly Small Business Management Report
ISSN 0968-6444

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

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

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.

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ACKNOWLEDGEMENTS

The Small Enterprise Research Team (SERTeam) wishes to thank all responding firms for their time and effort involved in participation in the production of this management report. The SERTeam 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 Enterprise Research Team 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.

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

HIGHLIGHTS

This is the twelth 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 **Travel and Transportation** and the principal findings were as follows:

- ***Recent beneficial transport impacts* – 67% of the respondents indicated that they had experienced no beneficial impacts over the past year**. *But for those who had, the most commonly cited was* ***new roads*** *(21%), followed by* ***changes in public transport*** *(8%).*
- ***Recent detrimental transport impacts* – 48% of respondents indicated that they had experienced no detrimental impacts over the past year**. *But for those who had, the list was headed by:* ***increased parking charges*** *(31%),* ***increased vehicle excise duty*** *(30%), congestion charges (17%) and road/motorway charges (12%).*
- ***Recent detrimental transport impacts and sector variations*** *– Respondents from the* ***manufacturing sector*** *were around twice as likely as the sample as a whole to mention* ***congestion charges***, ***road/motorway tolls*** *and* ***pedestrianisation***.
- ***Expected beneficial transport impacts* – 54% of respondents foresaw no beneficial effects over the coming 2-3 years**. *However, a substantial minority expected some improvements, in the form of new roads (30%) and changes in public transport (15%).*
- ***Expected beneficial transport impacts and sector variations* – 41% of manufacturing respondents were looking forward to more new roads** *against just 12% from the retail/distribution sector.*
- ***Expected detrimental transport impacts* – Increased charges led the way**, *in the form of parking, vehicle excise duty, congestion charges and road/motorway charges, with respondents from the manufacturing sector the most pessimistic generally.*
- ***Future commercial impacts*** *– Increasing demands for environmental protection within the foreseeable future were expected in the form of* ***increased costs and decreased profits, growth and jobs***.
- ***Future commercial impacts and sector variations* – Respondents from the retail/distribution sector were those most fearful of increased costs (85%)**, *but business services were the most likely group to anticipate no significant impacts (26%). In all sectors there were predictions of job creation as well as job losses, presumably as a result of compliance expenditure in target markets.*
- ***Action taken to reduce environmental impacts* – 25% of respondents indicated the they had taken no action to date**. *In contrast, 33% reported to have reduced non-essential journeys, 28% were using more efficient vehicles, and 26% were making use of technological advances, such as videoconferencing.*
- ***Action taken to reduce environmental impact and sector variations* – Business services sector firms were those most likely to be videoconferencing (35%)**, *with retail/distribution firms most likely to be focusing on smaller localised markets (30%) and business services firms were making greatest use of public transport (23%).*
- ***Attitudes towards environmental issues* – Over half of the respondents (57%) felt that their customers were becoming increasingly sensitive about environmental issues**. *This was most widely felt amongst manufacturers.*
- ***Attitudes towards environmental issues*** *– Nearly half of the respondents indicated that their firm was generally 'environmentally friendly' (48%), and 17% felt that their customers were already sensitive to environmental damage caused by suppliers, with this most widely felt amongst manufacturers (24%).*

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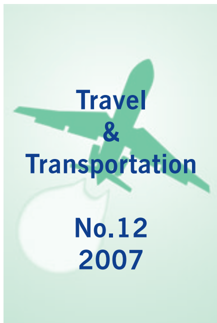

- ***Changing attitudes towards environmental issues*** *– When compared with the views expressed in a comparable survey eight years ago, some changes are quite marked. 57% now feel that customers are becoming increasingly sensitive to environmental issues (compared with just 31% in 1999). Also, 16% say they now have a 'Green' transport policy compared to only 3% previously.*

- ***Changing attitudes towards environmental issues and informed decision-taking*** *–* ***Lack of time and information are still a problem, similar to 1999****, but only 14% now consider that environmental issues are not relevant (compared with 24% before). However, 15% now consider that environmental issues are 'too costly' (compared with only 4% in 1999).*

- ***Government attitude towards transport policy*** *–* ***Respondents felt 'Government is lagging behind public opinion' (64%)****. Although another 33% considered that the Government is either trying to lead public opinion or is taking a measured response.*

- ***Attitudes towards specific transport policies*** *– When balancing those in favour of selected policies against those who were not,* ***there was a strong antipathy towards simply increasing the price of petrol*** *(with a balance of 57% opposed). Offering* ***preferential lane treatment for vehicles carrying 2 or more occupants on motorways*** *had an overall balance of 10% in opposition.*

- ***Attitudes towards specific transport policies levying charges*** *–* ***Notions of charging for driving on motorways and into city centres were unpopular****. However, they all returned positive balances when sweetened with a reduction in fuel duty and/or investments in public transport.*

- ***Attitudes towards specific transport policies and comparisons with the wider population*** *– A MORI Poll conducted amongst the general public in December 2000, asking the same questions,* ***recorded negative balances for every policy****. However, the responses from the SME owner-managers revealed significant balances in support of certain policies, e.g., with markedly greater support amongst the SME owner-managers (31% balance in favour) than the general public (2% balance in opposition) for* ***charging for driving into city centres whilst also investing in public transport****. Changing attitudes over the intervening period could be a factor influencing the different balances, as could markedly different attitudes towards certain policies between the two groups.*

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MANAGEMENT ISSUES

The emphasis of the 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 report addresses one or more highly topical small business management issues. In this survey we focus on **travel and transportation**. The report is produced three times a year.

THE SAMPLE

This report is based on the 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 between May and June 2007.

BACKGROUND

The report originates from a longitudinal investigation into the development of small firms undertaken by the University of Westminster (then the Polytechnic of Central London) on behalf of the Department of Education & Science, between 1988 and 1992.

PAST SURVEYS

2003-04 (Vol.1)

- **No.1 Small Firms and Politics**
- **2 Pensions**
- **3 Work-Life Balance**

2004-05 (Vol.2)

- **1 Education & Enterprise**
- **2 Made In Britain**
- **3 Management & Gender Differences**

2006 (Vol.3)

- **1 Local or Global ?**
- **2 Managing IT**
- **3 Networking In Business**

2006-07 (Vol.4)

- **1 Owner-Manager Flexible Working**
- **2 The Ageing Workforce**

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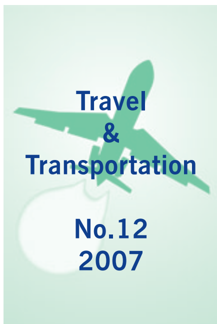

TRAVEL AND TRANSPORTATION

The intention behind this survey to investigate whether or not fossil fuel depletion, 'green' issues and rising fuel costs are affecting the fortunes of SMEs in the UK.

Some used to say there was a 'time and a place' for everything. For instance, issues concerning the 'meaning of life', the need to know 'if we are alone in the universe' and how our grandchildren will enjoy life without the advantages of oil and coal, were the stuff of Saturday night dinner parties, fuelled with a bottle of full-bodied red wine. Against that, issues concerning business travel and transportation were more likely to be reserved for mid-week management meetings. But no longer. The world is shrinking and events such as '9/11' (the World Trade Centre attacks) and '7/7' (London bombings) show that tiny numbers of political radicals can rock industrial society to its very core on a tiny budget. Their actions alone will increasingly impinge upon micro-level business decision-making.

In addition, fossil fuels resources are running down. We have consumed around one-third of these resources in the last 100 years with most of the earth's population still in pre-industrial mode. Much of the remainder will be consumed in the first half of the 21st Century. By then cheap budget air flights will be a thing of the past and notices everywhere will be asking: 'Is your journey really necessary' ? Our contribution to saving the planet will need to go an awful lot further than merely turning off the water whilst brushing our teeth and turning off the television red light before going to bed.

So, what is the story so far ?

Recent Transport Impacts

Respondents were asked to identify 'beneficial' and 'detrimental' impacts on their businesses regarding a range of transport-related issues over the past year. **Figure 1** shows that 67% perceived no beneficial impacts. Of those who had experienced beneficial effects, the most commonly cited was 'new roads' (21%), followed by 'change in public transport' (8%).

When considering 'detrimental' effects (**Figure 2**), 48% indicated none, followed by increased parking charges (31%), increased vehicle excise duty (30%), congestion charges (17%) and road/motorway tolls (12%). Respondents from the manufacturing sector were around twice as likely as the sample as a whole to mention

Figure 1 - Recent Beneficial Transport Impacts

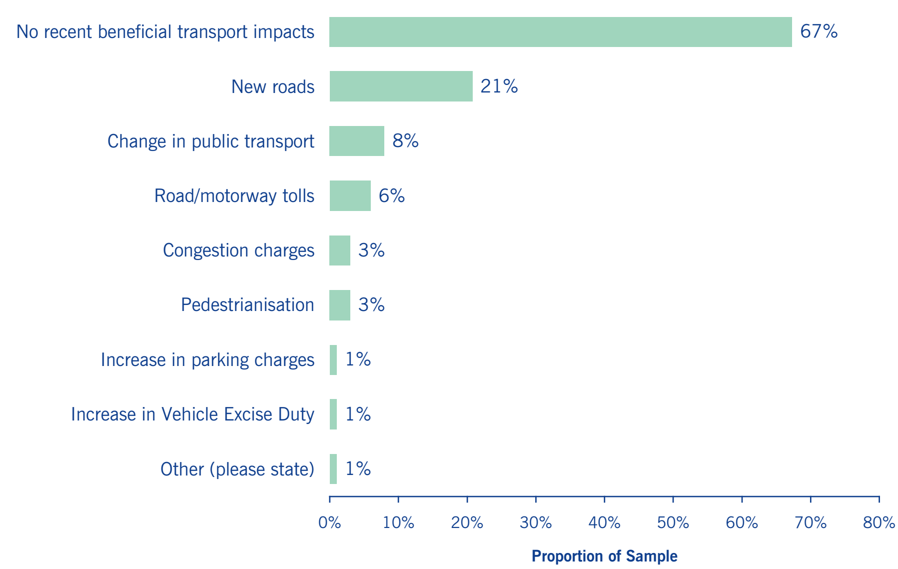

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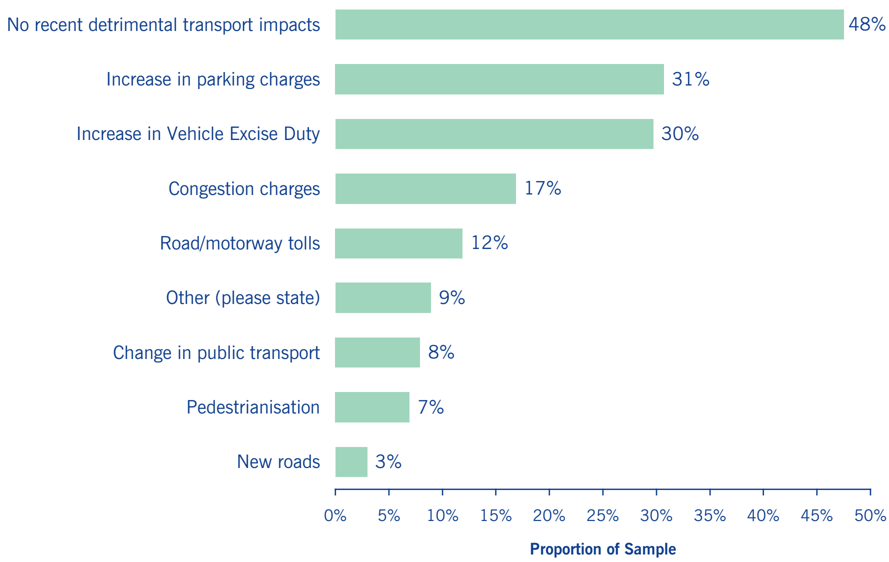
Figure 2 - Recent Detrimental Transport Impacts



Charges, charges charges ...

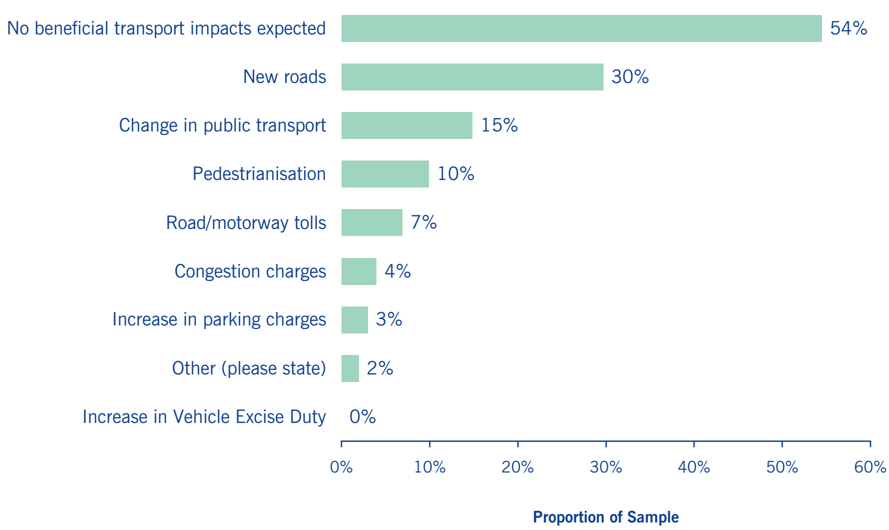
congestion charges, road/motorway tolls and pedestrianisation.

Looking 2-3 Years Ahead

When asked to identify beneficial effects of transport-related impacts for the the foreseeable future (the coming 2-3 years, **Figure 3**), 54% expected no such effects. However, a substantial minority did forsee improvements, with ‘new roads’ (30%) and ‘change in public transport’ (15%) taking the lead. However, different sectors yielded different responses. For instance, **Figure 4** indicates a wide range of views spread across the three main business sectors with 41% of manufacturing respondents looking forward to more new roads against just 12% of those in retail/distribution.

At first sight, the news that 30% of respondents regarded ‘new roads’ as ‘beneficial’ rather than ‘detrimental’ may seem to point towards their business

Figure 3 - Expected Beneficial Transport Impacts (Within 2-3 Years)



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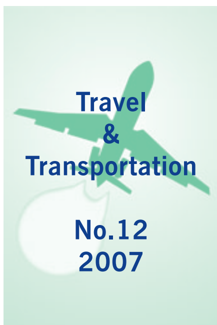
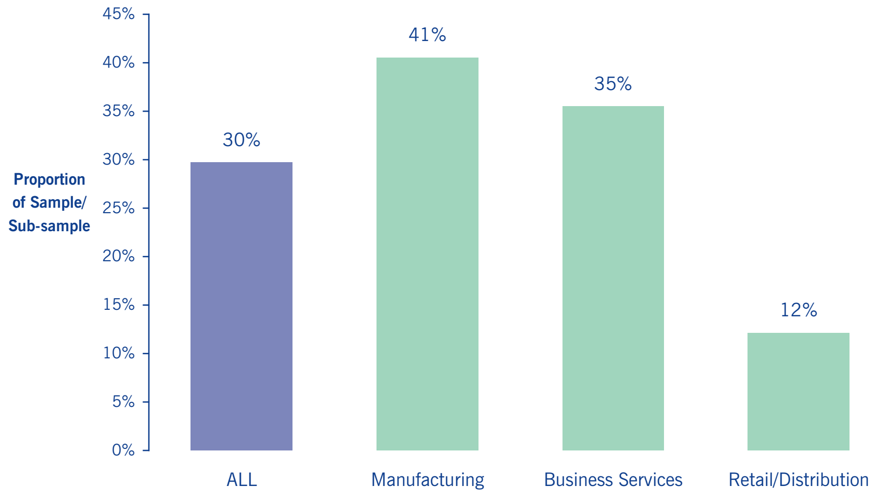


Figure 4 - Expected Beneficial Transport Impacts (Within 2-3 Years): Respondents Selecting 'New Roads' By Sector



Manufacturers seem to be the most optimistic regarding expectations for new roads

credentials as being essentially ‘anti-Green’. However, the wider picture needs to be examined as a number of demographic factors would make this seem logical.

The UK’s population is increasing, but due to factors such as rising divorce rates and increasing life expectation, the number of residential occupancy units is increasing even faster. All of these factors help feed the demand for travel. Also, more and better roads act to feed this demand – a demand that only market forces seem able to apply to brake to.

Many of the respondents were quite dependent on the road travel infrastructure:

> *“We have NO public transport and are reliant on cars … Our nearest train is 1¼ hours away. Our nearest bus 7 miles.”*

> *“Improvement in public transport must come before increased charges or other anti-car legislation comes in. reduce fares and improve railways. It’s now £300 to do a day’s work in London travelling from the North-West, four times that in Germany.”*

> *“Good business depends on good roads, not toll charges and speed cameras.”*

> *“There are too many people on this small island of ours wishing to drive everywhere, and now fly off to other places even in our own country. Sadly, there is no quick fix (for) environmental issues.”*

> *“A business has to be able to function flexibly and efficiently in order to survive, and this will always be the overriding criteria rather than green credentials.”*

Figure 5 identifies the detrimental effects expected by respondents within the foreseeable future, with increased charges leading the way, in the form of parking, vehicle excise duty, congestion levies and road/motorway tolls.

Again, respondents from the manufacturing sector were the most pessimistic generally.

Commercial Impacts On Business Of Greening

Figure 6 shows respondents' predictions for commercial impacts on their business

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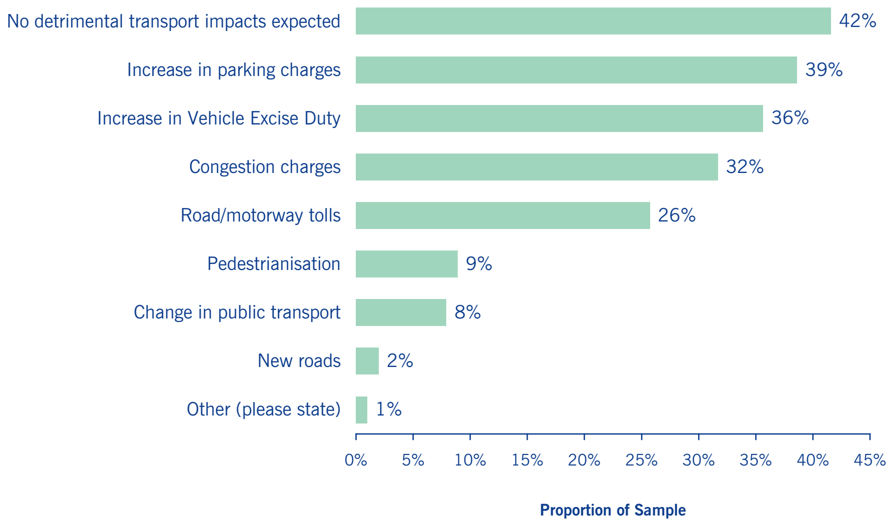
Figure 5 - Expected Detrimental Transport Impacts (Within 2-3 Years)



Unsurprisingly, penalties and charges are perceived negatively

as a result of environmental considerations. A combination of increased costs and decreased profits, growth and jobs is the predominant perception. However, there were some sector differences: respondents from the retail/distribution sector were those most fearful of increased costs (85%). And those in business services were the most likely group to anticipate no significant impacts (26%). In all sectors, there were predictions of job creation as well as job losses but, presumably, as a result of compliance expenditure in target markets.

Measures Already Adopted To Reduce Environmental Impacts

Figure 7 indicates that only 25% claimed to have taken no action to date in reducing the impact of their travel and transportation on the environment. Against that, 33% claimed to have reduced non-essential journeys, 28% were using more efficient vehicles and 26% were making use of technological

Figure 6 - Expected Commercial Impacts Arising From Environmental Considerations (Within 2-3 Years)

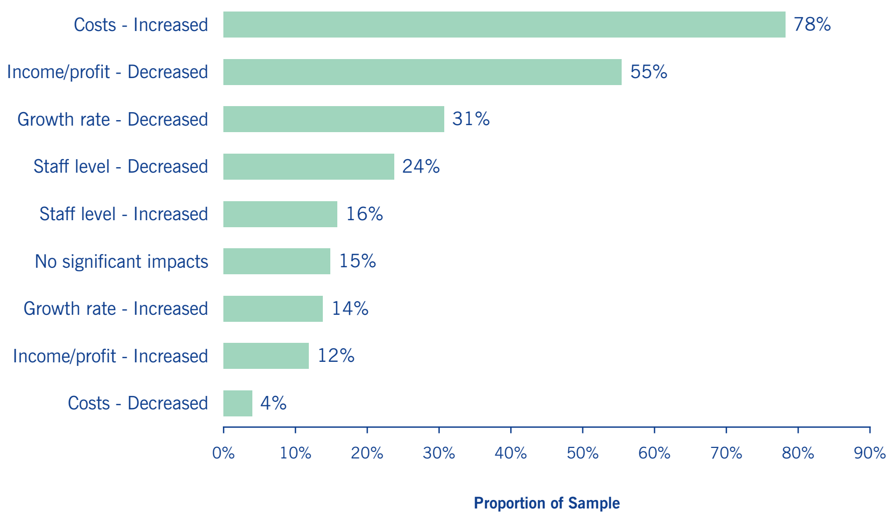


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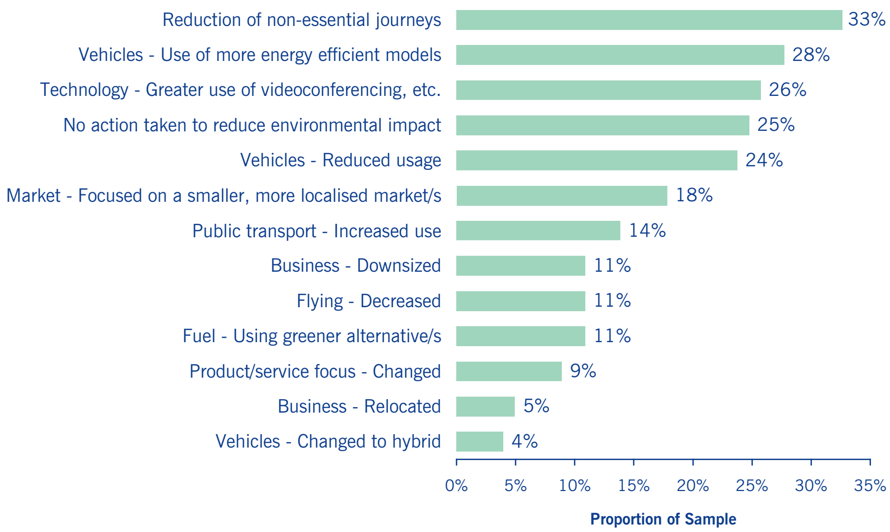
Figure 7 - Action Taken To Reduce Environmental Impacts

A quarter of respondents appear to be making greater use of new technology



advances in communications, such as videoconferencing.

Again, there were marked sector differences. For instance, business services sector firms were the most likely to be videoconferencing (35%), retail/distribution firms were the most likely to be focusing on smaller localised markets (30%) and business services firms were making greatest use of public transport (23%).

Opinions On Environmental Issues

Respondents were asked whether they strongly agreed with any of a series of statements concerning environmental issues or problems (**Figure 8**). Over half (57%) felt that their customers were becoming increasingly sensitive about environment issues, with manufacturers suggesting the greatest exposure (65%). Nearly half of respondents overall felt their firm was generally 'environmentally friendly' and 17%

Figure 8 - Agreement With Selected Environmental Issues Or Problems

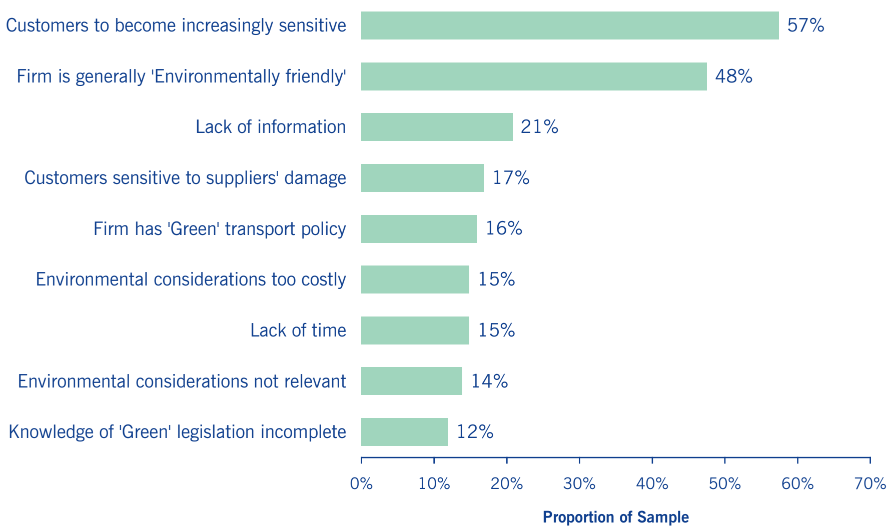


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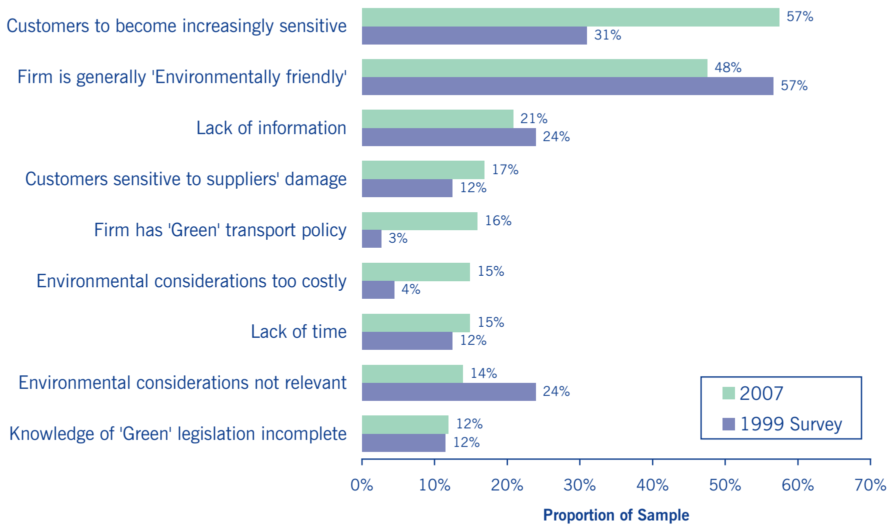
Figure 9 - Agreement With Selected Environmental Issues or Problems vs. 1999



A sizeable proportion still lack the time and the information compared with 1999

felt that their customers were becoming sensitive to issues of suppliers' damage, with manufacturers again to the fore (24%).

Figure 9 outlines responses to the questions answered in Figure 8 but relate to an identically worded question asked eight years ago in a predecessor survey ('Small Firms & The Environment', *Lloyds Bank/SBRT Quarterly Small Business Management Report*, March 1999). Some of the changes are quite marked. For instance, 57% now feel that customers are becoming increasingly sensitive to environmental issues compared with just 31% in 1999. Also, 17% now feel that customers are sensitive to suppliers' damage (compared with 12%) and 16% say they have a 'Green' transport policy compared with only 3% previously.

Interestingly, proportionally fewer respondents now feel that their business is 'environmentally friendly' (48% vs. 57% previously). However, several of those who

Figure 10 - Government Attitude Towards Transport Policy

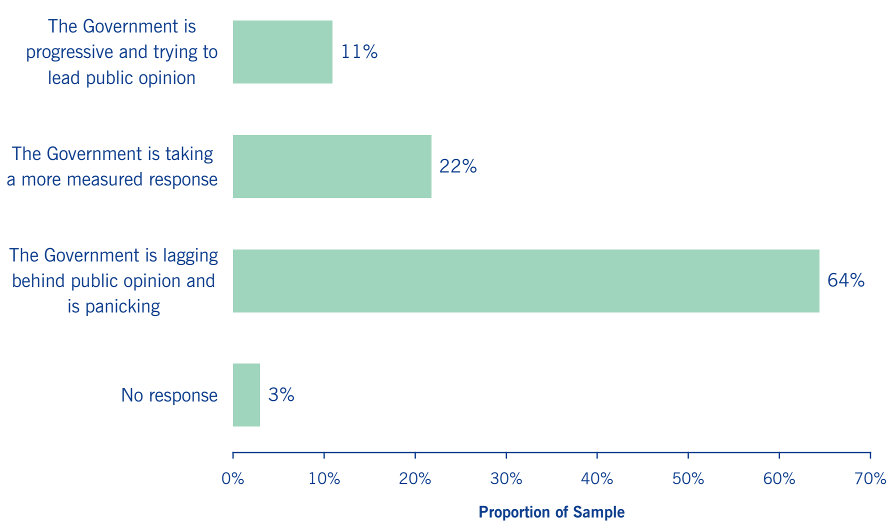
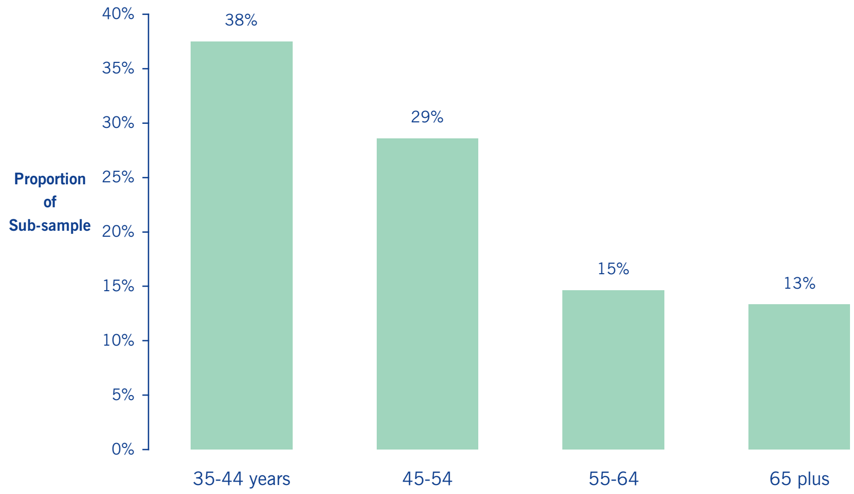


Figure 11 - Government Attitude Towards Transport Policy: Respondents Saying 'Taking A More Measured Response' By Respondent Age



responded to both surveys and indicated in 1999 that their firm was 'environmentally friendly', have changed their minds since. Possible explanations might include a widening recognition that the issue is viewed more seriously now, and also a perception that 'environmentally friendliness' is rather more onerous than previously appreciated.

Lack of time and information are still a problem, but only 14% now consider that environmental issues are not a problem, compared with 24%. But now, 15% consider that environmental issues are 'too costly' (compared with only 4% in 1999).

Remedies

It is unlikely that future transport policy will simply be left to individuals – governments will inevitably play a major role – but what can they do ? **Figure 10** indicates that respondents feel 'Government is lagging behind public opinion'. Yet, at the same

Figure 12 - Support For Or Against Selected Transport Policies

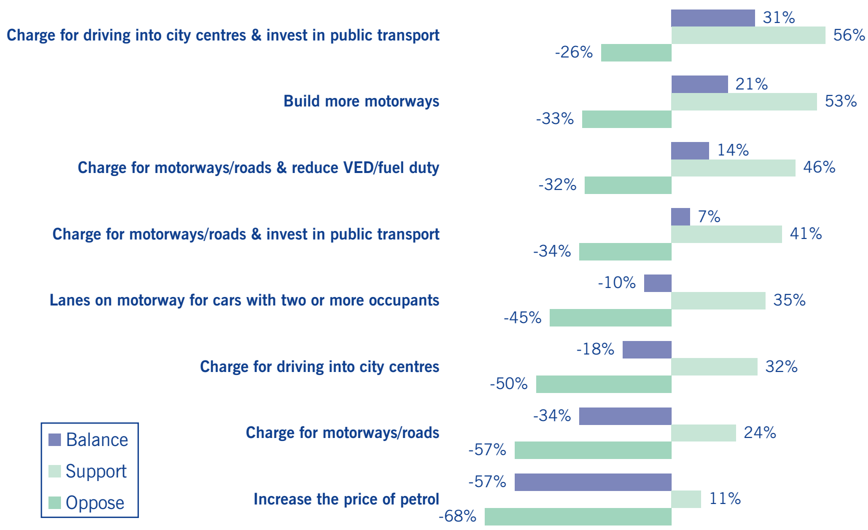


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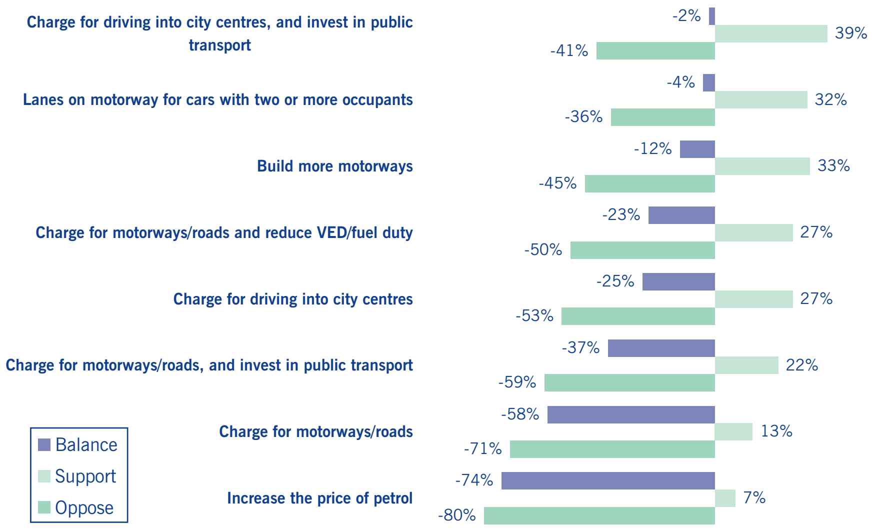
Figure 13 - Support For Or Against Selected Transport Policies: CfIT/MORI 2000 (Public)



All options were perceived negatively by the public, on balance

time, 33% consider that Government is trying to lead public opinion or is adopting a measured response. **Figure 11** adds an age element here in that younger respondents appeared far more sympathetic than their older counterparts with the Government's response.

However, given that two-thirds of the sample appeared to consider that Government should be doing rather more than they are, this begs the question of what ?: banning short haul flights, restricting single passenger vehicles, rationing mileage, or something else ?

Figure 12 illustrates respondents' sympathies or otherwise with a range of possible strategies for coping with transport problems. Here, the 'balance' method has been also used. For instance, 53.5% wished to see more motorways built compared with 32.7% who disagreed. The difference ('balance') therefore is +20.8%.

One of the most interesting observations here is the strong antipathy towards simply increasing the price of petrol and Government has learned, to its cost, just how inflammatory this issue can be (e.g., the fuel protests in 2000). On the issue of favouring vehicles carrying two or more occupants on motorways, the balance was only -10%, with 35% of respondents favouring such a policy. Moreover, notions of charging for driving on motorways and into city centres were pretty unpopular (in lodged firmly in negative balance territory). However, they all returned positive balances when sweetened with reduction in fuel duty and/or investments in public transport. In a nutshell, there seems to be a ring-fencing of charges in order to receive benefits elsewhere from the system.

Comparison of attitudes amongst SME owner-managers with the general public

A MORI poll conducted amongst the general public in December 2000, enquiring about the same issues, recorded negative balances for *every* item, ranging from just -2% for 'Charging for driving into city centres and investing more in public transport' to -74% for 'Increase the price of petrol' (**Figure 13**, *Public Attitudes to Transport in England*, A survey carried out by MORI for the Commission for Integrated Transport, July 2000, Base: All general public, England 2,024**)**. This is in marked contrast to the small business owner-managers in the current survey, for which there was a positive balance in favour of a number of different policies.

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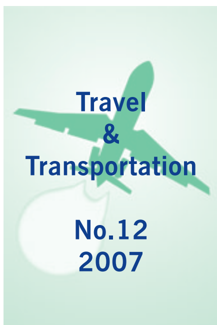
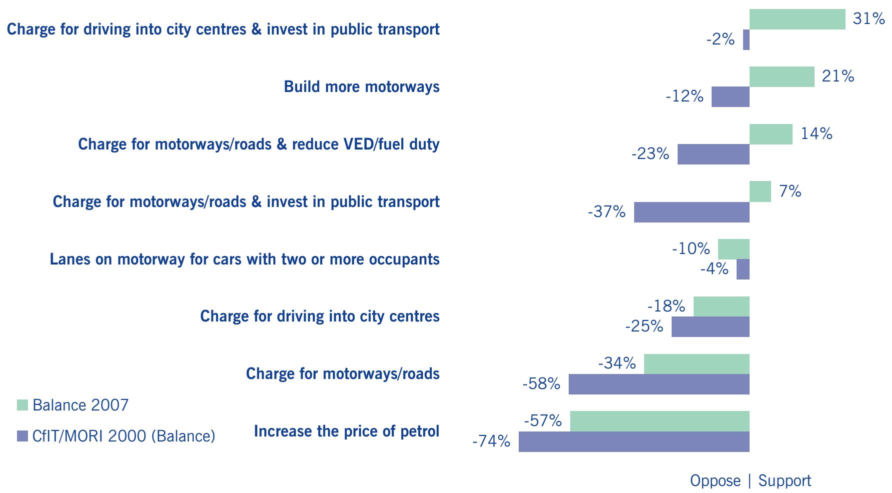


Figure 14 - Balance Of Support For Or Against Selected Transport Policies: SME Owner-Managers vs. General Public (CfIT/MORI)



Obviously these two sets of results are from different sample populations, and so there are grounds for feeling that at least an element of the differences may be due to changing attitudes generally. However, there may also be an appreciable variation in attitude amongst small business owner-managers when compared with the public at large. So the differences in some question responses may have less to do with different sample timeframes, e.g., with markedly greater support amongst the owner-managers than the general public for charging for driving into city centres whilst also investing in public transport (**Figure 14**). Another possibility is that the public at large might tend to see the 'public purse' as bottomless, whereas small business owner-managers as a group could harbour more realistic expectations and expect some sort of trade-off in exchange for government intervention.

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RESPONDENTS' COMMENTS

These commence in verbatim form on p.17.

REFERENCES: TRAVEL & TRANSPORTATION

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, 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., truncate http://www.bized.ac.uk/fme/xyz.htm back to http://www.bized.ac.uk/ – and look for a similar topic heading there.

- **The Carbon Trust**
  "An independent company funded by Government. Our role is to help the UK move to a low carbon economy by helping business and the public sector reduce carbon emissions now and capture the commercial opportunities of low carbon technologies."
  http://www.carbontrust.co.uk/

- **Confederation of British Industry (CBI)**
  "We speak for all sizes of business from multi-national organisations to start-up firms. Approximately 80% of the FTSE 100 companies are CBI members and nearly half of the FTSE 350." Has Climate Change, Environment, Transport, and Eddington Transport Study 'mini-sites'.
  http://www.cbi.org.uk/

- **Commission for Integrated Transport (CfIT)**
  An independent body "advising the Government on integrated transport policy. CfIT takes a broad view of integrated transport policy and its interface with wider Government objectives for economic prosperity, environmental protection, health and social inclusion." Web site provides factsheets and a variety of reports, including *Public Attitudes to Transport in England*, a survey carried out by MORI for the CfIT, July 2000
  http://www.cfit.gov.uk/

- **Department for Transport (DfT)**
  Publishes a range of transport statistics and has a section on Sustainable Travel: **http://www.cleanersafergreener.gov.uk** There is another section on Climate Change and Transport. The DfT produced *Transport Ten Year Plan* in 2000 and *The Eddington Transport Study* was jointly commissioned by the Chancellor of the Exchequer and the Secretary of State for Transport "to examine the long-term links between transport and the UK's economic productivity, growth and stability, within the context of the Government's broader commitment to sustainable development."
  http://www.dft.gov.uk/

- **Driver and Vehicle Licensing Agency (DVLA)**
  An Executive Agency of the Department for Transport (DfT) and primary aims are to facilitate road safety and general law enforcement by maintaining registers of drivers and vehicles, and to collect vehicle excise duty (car tax).
  http://www.dvla.gov.uk/

- **Driving Standards Agency (DSA)**
  A government agency responsible for establishing driving standards, "DSA's vision is 'Safe Driving for Life'. The overall mission is to contribute to the public service agreement objective to achieve 40% reduction in riders and drivers killed or seriously injured in road accidents, in the age group up to 24 years, by 2010 compared with the average for 1994-98."
  http://www.dsa.gov.uk/

- **European Commission**
  The Directorate-General for Energy and Transport has a transport web site, covering transport policies, statistics and reports and also a Transport Research Knowledge Centre (portal).
  http://ec.europa.eu/transport/index_en.html

- **Federation Small Businesses (FSB)**
  "The FSB is non-profit making and non-party political ... the largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has over 205,000 members across 33 regions and 230 branches." Has published *Better Transport*.
  http://www.fsb.org.uk/

- **Green Logistics Study**
  2006-2009: The Institute for Transport Studies at The University of Leeds is leading this EPSRC-funded research, assited by researchers at Cardiff, Heriot-Watt, Lancaster, Southampton and Westminster Universities. The aim is: "to investigate how companies can improve the socio-environmental performance of their logistics and transport operations without affecting, and even improving, their bottom lines. Green Gold !"
  http://www.cuimrc.cf.ac.uk/Green_Home
  http://www.sml.hw.ac.uk/greenlogistics/

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- **Highways Agency**
  "The Highways Agency is an Executive Agency of the Department for Transport (DfT), and is responsible for operating, maintaining and improving the strategic road network in England … we have a major role in delivering the Government's Ten Year Plan for Transport."
  http://www.highways.gov.uk/

- **Institute for Public Policy Research (IPPR)**
  "… the UK's leading progressive think tank, producing cutting edge research and innovative policy ideas for a just, democratic and sustainable world."
  Reports include: *Getting the Connections Right*, *Charging Forward: A review of public attitudes towards road pricing in the UK*, and, *Putting the Brakes on Climate Change: A policy report on road transport and climate change*.
  http://www.ippr.org.uk/

- **Local Transport Planning Network**
  Provides "the means of sharing good practice, carrying out process and performance related benchmarking and will enable the development of transport policy ideas on a national level."
  http://www.ltpnetwork.gov.uk/

- **Peak Oil News and Message Boards**
  "A community and collaboration portal about energy-related topics."
  http://www.peakoil.com/index.php

- **Road Haulage Association**
  "… dedicated campaigning, advice, information & business services specially tailored for the haulage industry."
  http://www.rha.net/

- **Town and Country Planning Association (TCPA)**
  "Campaigns for the reform of the UK's planning system to make it more responsive to people's needs and aspirations and to promote sustainable development." Published: *Planning for Accessible and Sustainable Transport*.
  http://www.tcpa.org.uk/

- **Transport 2000**
  "The independent national body concerned with sustainable transport. It looks for answers to transport problems and aims to reduce the environmental and social impact of transport by encouraging less use of cars and more use of public transport, walking and cycling."
  http://www.transport2000.org.uk/

- **Transport Direct**
  "Britain's free online journey planner", Transport Direct works together with both public and private travel operators and local/national government.
  http://www.transportdirect.info/

- **Transport for London**
  A Mayor of London operation, offering extensive information about travel in London, including: Congestion charging, Tube, Rail, Buses, River, Assisted travel, Trams, Driving, Cycling, Walking, Coaches, Taxis & Minicabs
  http://www.tfl.gov.uk/

- **Transport Research Laboratory (TRL)**
  "TRL is an internationally recognised centre of excellence providing world class research, consultancy, advice and testing for all aspects of transport."
  http://www.trl.co.uk/

- **UK Petroleum Industry Association (UKPIA)**
  "UKPIA represents the interests of nine member companies engaged in the UK downstream oil industry... UKPIA is also an authoritative source of information or reference on the UK downstream industry."
  http://www.ukpia.com/

- **Vehicle and Operator Services Agency (VOSA)**
  "… provides a range of licensing, testing and enforcement services with the aim of improving the roadworthiness standards of vehicles ensuring the compliance of operators and drivers …"
  http://www.vosa.gov.uk/

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MANUFACTURING

Design and Manufacture of Data Loggers	*30% of our staff cycle to work. We are trying to improve on this percentage.*
Fabrication, Welding, Machining, Special Purpose Machines	*It is possible that increased costs will impact on UK manufacturing by reducing margins and driving jobs to outside the UK where similar costs do not apply.*
High-tech Contemporary Textiles	*Our business is located in rural Devon. The idea of adminstering a charge for every mile travelled would effectively kill all our trade.*
Manufacturing Broom Clamps and Holders, Yard Scrapers	*There are too many people on this small island of ours wishing to drive everywhere, and now fly off to other places even in our own country. Sadly there is no quick fix [for] environmental issues.*
Medical Electronic Instruments	*1. Public transport is a priority.* *2. Get freight onto railways and off roads as far as possible.* *3. Ban low-cost airlines.*
Printing	*Why is 'Going Green' a more expensive option ? We would all do it if it were the cheaper option.*
Reprographics	*For the environment - sadly business people need a car for samples, doing demos, etc. Even if you don't need a car, the infrastructure for point-to-point visits between towns is very poor - look at Germany for how to do it !*
Resincast Giftware	*More cycle lanes.*
Steel Stockholders & Processors	*How many miles-to-the-gallon do you get in a 10-mile traffic jam ? How green is this ? Government has failed and continues to fail us in its transport policy. Business depends on good roads, not toll charges and speed cameras.*
uPVC Window Manufacturers and Installers	*Make law heavy goods vehicles travel at night 8 pm - 6 am daily.*

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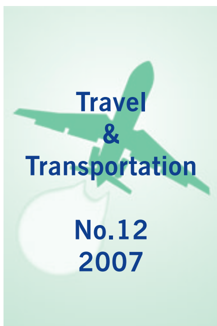

BUSINESS SERVICES

Audit Accountancy and Taxation	*Public transport is very poor and ridicuously expensive.*
Business & Marketing Consultancy	*Improvement in public transport must come first before increased charges or other anti-car legislation comes in. Reduce fares and improve railways. It's now more than £300 to do a day's work in London travelling from the Nort West, 4 times that in Germany.*
Chartered Accountants	*It will take a brave government to reverse the inadequate investment in public transport over many years. We should have a 20 year plan for a fully integrated transport infrastructure agreed now by all parties. We are only nibbling at the edges for political purposes only.*
Chartered Surveyor	*Government does not appear to have the will to see transportation and travel holistically and is not willing to move the country towards a truly integrated system, and thus improving environmental and saving expenses.*
Chartered Surveyor	*We have NO public transport and are reliant on cars. Government policy and this survey relate to urban situations. Our nearest train is $1\frac{1}{4}$ hours away. Our nearest bus 7 miles.*
Computer Software For Exporters	*Restriction of lanes to multi-occupancy cars is crazy. It favours commuting (which should be done by public transport) over the genuine value-adding business user who has to use his car and can't take a passenger along for the ride !*
E-learning, Market Research, Event Management	*Located as we are in a rural area requires use of car(s) in spite of our commitment to [the] use of new technology and public transport-rail. Also, [we] often need to travel on minor roads liable to flooding in order to meet clients in rural area = need small 4x4 so [we are] above water. Now likely to be penalised.*
Graphic Designers	*A vociferous minority is shaping government thinking. The average person is afraid to express views contrary to the PC [politically correct] rulebook, and these zealots are unchallenged.*
Insurance Brokers	*More responsible use of family vehicles. Cut down the young driver death rate.*
International Freight Forwarding Services	*This government's transport policy is a shambles. They appear to have no coherent strategy yet seem happy to tax the motorist and haulier to the hilt in the name of the environment.*

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BUSINESS SERVICES continued

Recruitment Agency

Why does Ken Livingstone [Mayor of London] waste so much of OUR money on buses, many of which are empty. The bendy buses are incredibly dangerous. A moron signed the contract for them.

Textile Marketing

1. A business has to be able to function flexibly and efficiently in order to survive, and this will always be the overriding criteria, rather than green credentials.

*2. If I am to deliver the results required by my contractual obligations **I need to have free movement and access to my customers**, and to do this effectively I need to operate as close to them as possible. Increasing transport costs in London, combined with ridiculous and illogical road landscaping are making life very difficult for businesses such as mine where increasing costs cannot be passed on.*

*3. **The quality of the road surfaces in this country is now a national disgrace** and will cost £billions to bring them up to standard. For once we hope it will not be long before a EU Directive will force the Government to do something about this. Money has been liberally spent on cycle lanes, bus lanes, pedestrianisation etc instead of keeping the roads properly surfaced.*

4. In many city centres the space left for traffic has been reduced to a single flow, and circulatory, one-way systems, which take traffic further than is necessary, provide the single and most obvious reason that there is so much congestion within town and city centres.

5. Unnecessary fuel consumption will, in the end, be a high price we all have to pay for.

*6. Until such time as dramatic steps are taken to tackle global warming, such as restricting the worldwide transportation of goods, banning products from filthy manufacturing plants, limiting personal travel etc, we remain sceptical that the situation is a dire as predicted. However, **there is no doubt that there is an energy crisis looming** and contrary to the impression given by our answers, we do make a conscious effort to make energy savings whenever possible. At this point in time we see no realistic alternatives to the fuels we have taken for granted and this is indeed a worrying situation.*

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RETAIL & DISTRIBUTION

Art Metalwork	*Increase the price of petrol ! Also, there is no pressure at all on me as a small business to be Green. I happen to be passionate about it, so we put our own measures in place, but I think all businesses must face it.*
Dental Treatment	*More must be done to keep the road system free of litter and debris from trucks/lorries not protecting their load.*
Electronic Equipment & Components	*If you are a business-to-business sales organisation there is no substitute to face-to-face meetings with your customers and therefore you need to travel. With the current overpriced, inefficient, archaic public transport system, the car is the only practical option. If the government continues to impose punitive taxes on the business motorist, business costs can only go up.*
Hardware and Pet Store	*Governments will not save the planet, nor will wind farms or any one of many high profile 'initiatives'. It will be the small business and customers who will carry out the myriad minor changes that will make a real difference. Transport charges should increase footfall to local businesses with consequent benefits.*
Ladies Fashion Clothes	*Congestion in small towns/villages should be given consideration to preserve their nature/attractiveness*
Retailing of Motor Accessories and Spares	*Poor comparison if you consider road and transport policy in France, Spain and other European countries.*

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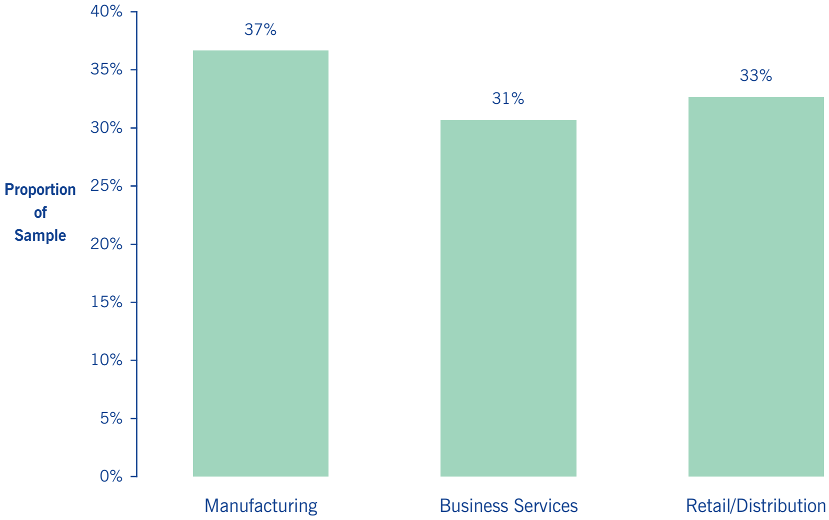
Figure 15 - Profile Of Sample: Respondents By Industrial Sector



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. Firms falling outside these 3 bands – which would otherwise classified as 'other' – are allocated

Figure 16 - Profile Of Sample: Respondents By Region

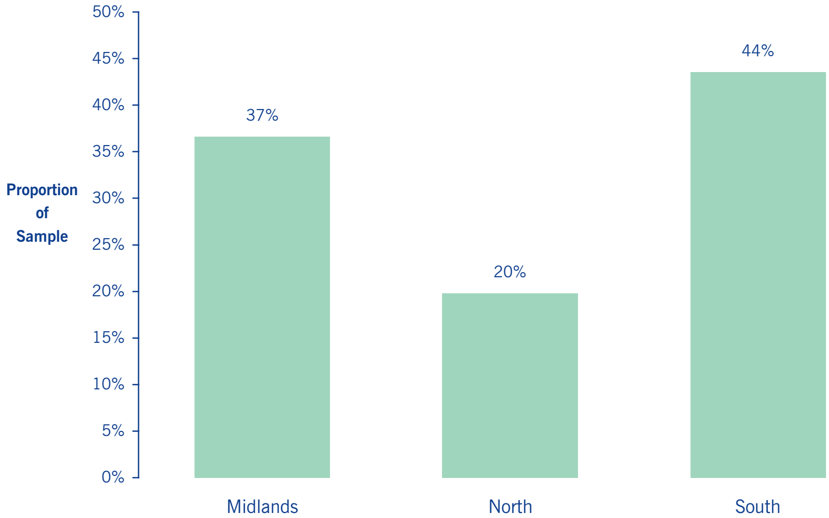


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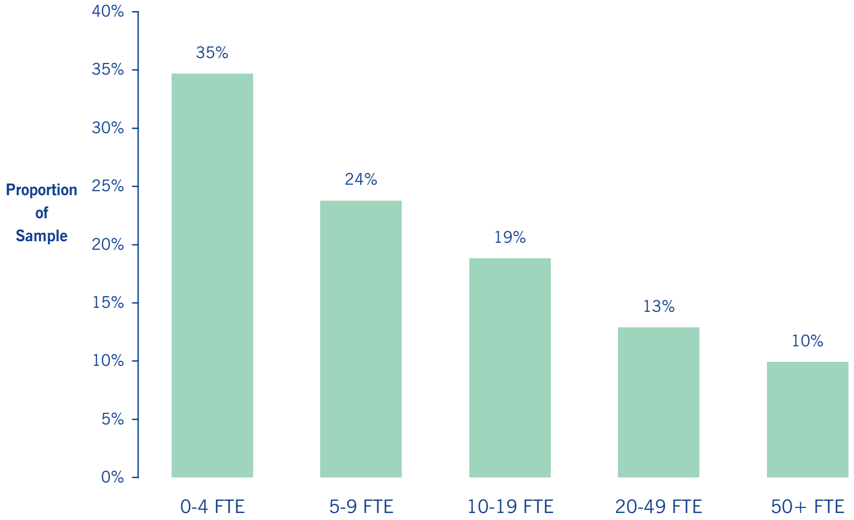
Figure 17 - Profile Of Sample: By Employee Size



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.

Distribution of firms

The highest proportion of respondents is in manufacturing (37%, as with the previous report), see **Figure 15**.

The South region has the largest representation, with 44% of the sample’s respondents (41% previously), see **Figure 16**.

Manufacturing and business services firms in samples can tend to be larger, in terms of employees, whereas the firms in retailing/distribution may have fewer full-time equivalent employees. Likewise, the sample is biased towards the smaller businesses – but not the very smallest (sole traders), of which there is a preponderance amongst the small firms population generally. The employee size distribution for the sample is shown in **Figure 17**.

In terms of respondent age, they are predominantly 35 years or older, with the bulk between 45 and 64 years’ old.

Finally, the sample is predominantly male (71%, compared with 67% previously).

Abbreviation of questionnaire text

It should be noted that, for reasons of space and, hopefully, clarity, questions and response options are sometimes abbreviated in the report text and the accompanying figures. The exact wording used is shown in the questionnaire appendix.

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Small Enterprise Research Report TRAVEL & TRANSPORTATION

Report No.12 - 2007 - Sponsored by Lloyds TSB

We are seeking the views of small firm owner-managers. 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 RETURN AS SOON AS POSSIBLE.

1a Workforce size – Please indicate the total number of people working in your business (including yourself):

Full-time .... ________ A

Part-time (16 hrs/wk or less) ________ B

1b Respondent age – Your age last birthday:

16-24 years .... ❑ A

25-34 .... ❑ B

35-44 .... ❑ C

45-54 .... ❑ D

55-64 .... ❑ E

65 or over.................................. ❑ F

1c Respondent gender – Your gender:

Male.. ❑ M

Female .... ❑ F

2 Recent transport impacts – Over the past year, which of the following transport-related issues have had <u>significant</u> beneficial or detrimental impacts on your business ?

Tick all which apply (ignore if neutral)

	Detri-mental 1	Bene-ficial 2	
Change in public transport	❑	❑	A
Congestion charges	❑	❑	B
Increase in parking charges ...	❑	❑	C
Increase in Vehicle Excise Duty	❑	❑	D
New roads	❑	❑	E
Pedestrianisation..................	❑	❑	F
Road/motorway tolls............	❑	❑	G
Other (please state):	❑	❑	H

____

3 Future transport impacts – Within the foreseeable future (2-3 years), which of the following transport-related issues do you expect to result in <u>significant</u> beneficial or detrimental impacts on your business ?

Tick all which apply (ignore if neutral)

	Detri-mental 1	Bene-ficial 2	
Change in public transport	❑	❑	A
Congestion charges	❑	❑	B
Increase in parking charges ...	❑	❑	C
Increase in Vehicle Excise Duty	❑	❑	D
New roads	❑	❑	E
Pedestrianisation..................	❑	❑	F
Road/motorway tolls............	❑	❑	G
Other (please state):	❑	❑	H

____

4 Future environmental impacts – Which of the following commercial impacts on your business would you expect to see in the foreseeable future (2-3 years), as a result of environmental considerations generally ?:

Tick all which apply

Costs - Decreased .... ❑ A

Costs - Increased .... ❑ B

Growth rate - Decreased .... ❑ C

Growth rate - Increased .... ❑ D

Income/profit - Decreased .... ❑ E

Income/profit - Increased .... ❑ F

Staff level - Decreased .... ❑ G

Staff level - Increased .... ❑ H

Or No significant impacts .... ❑ I

Please continue overleaf ...

5 Reduced environmental impacts – Please indicate where any action has been taken by your business to reduce its environmental impacts:

Tick all which apply

Business - Downsized	❏	A
Business - Relocated	❏	B
Flying - Decreased	❏	C
Fuel - Using greener alternative/s	❏	D
Market - Focused on a smaller, more localised market/s	❏	E
Product/service focus - Changed	❏	F
Public transport - Increased use	❏	G
Reduction of non-essential journeys	❏	H
Technology - Greater use of videoconferencing, electronic document transmission, etc.	❏	I
Vehicles - Changed to hybrid	❏	J
Vehicles - Reduced usage	❏	K
Vehicles - Use of more energy efficient models	❏	L

6 Environmental issues – Please indicate where you strongly agree with any of the following statements:

Tick all which apply

No relevance - Environmental considerations have no real bearing on our type of business	❏	A
Too costly - Environmental considerations are a luxury that our firm cannot afford	❏	B
Lack of information - We do not have enough information to hand for us to make sensible decisions about such issues	❏	C
Lack of time - We are too busy with other matters to consider environmental issues	❏	D
'Green' conformance - I consider that our firm is generally 'environmentally friendly'	❏	E
'Green' transport policy - Our firm uses methods such as rail, as part of a 'green' transport policy	❏	F
Legislation - I wish I knew more about the environmental legislation as it affects our firm	❏	G
Customers - Our customers are sensitive to environmental damage that their suppliers cause	❏	H
Customers in future - Our customers will become increasingly sensitive to environmental issues over the next 5 years	❏	I

7 Transport policy preferences – Please indicate whether you either generally support, or oppose, each of the following policy options:

Just ONE tick for each row option

	For 1	Against 2	
Build more motorways	❏	❏	A
Charge for driving into city centres	❏	❏	B
Charge for driving into city centres & invest in public transport	❏	❏	C
Charge for motorways/roads	❏	❏	D
Charge for motorways/roads & reduce VED/fuel duty	❏	❏	E
Charge for motorways/roads, & invest in public transport	❏	❏	F
Increase the price of petrol	❏	❏	G
Lanes on motorway for cars with two or more occupants	❏	❏	H

8 Government attitude towards transport policy – Please indicate which one of the following is closest to your own viewpoint:

Tick ONE only

	The Government is progressive and trying to lead public opinion	❏	A
Or	The Government is taking a more measured response	❏	B
Or	The Government is lagging behind public opinion and is panicking	❏	C

9 'Transportation & Travel' – If you have any strong views, especially if you feel that any aspect is not fully appreciated by other small businesses or by sections of the wider community, or by government, then please comment (on a separate sheet if you wish):

____

____

____

____

____

____

Thankyou for your co-operation. Please return the completed questionnaire, using the pre-paid envelope, to:

Ms. Beverley Dash
SERTeam - Open University Business School
Walton Hall, Milton Keynes MK7 6AA

Printed by City Print.

Lloyds TSB
Business

ISSN 1742-9773 [ISSN 1478-7679 Small Firms And Politics]