



Foundations for Growth 2009 Liverpool Vision response to key findings

Context

Foundations for Growth 2009 is an important part of a wider programme of research and intelligence gathering, which informs Liverpool Vision about the local business environment and core business issues. Alongside supplementary research and feedback it allows us to understand how well the city is performing as a business location.

This is the second year that the survey has been carried out for the city as a whole, though the survey method was originally piloted in the city centre in 2006, giving 3 years comparable data for the city centre.

The research was conducted in December 2008 by an independent research firm in partnership with economic consultants. Evidence was gathered through telephone surveys with 850 businesses from across Liverpool. The sample was statistically valid and representative of the local business base. Respondents were stratified according to which neighbourhood in the city they were based in, the sector in which they operate and the size of their business. A key output of the survey is the Business satisfaction Index (BSI), which is a distillation of business views about the importance of, and the quality of 8 key indicators.¹ For a full copy of the report and details about the survey methodology please visit www.liverpoolvision.co.uk

This document sets out Liverpool Vision's response to the main research findings:

Key findings

- 1) Overall, the results from the FFG 2008/09 research are extremely positive and this augurs well for continued economic growth and wealth generation in Liverpool. With improvements in Liverpool's overall Business Satisfaction Index (BSI) score year on year and significantly more businesses rating Liverpool as an excellent or good place to do business.**

The survey questionnaire acknowledged the developing UK and global economic downturn, but asked businesses to think beyond that downturn to the question of whether Liverpool provides a good location in which to conduct business. Liverpool has been re-establishing itself as a leading business destination through an ambitious and far-reaching regeneration programme and our city now provides a good business environment where businesses can prosper. This is reflected in the response from 69% of businesses that Liverpool is a good or very good place in which to do business and the improvement year on year of the overall BSI score (from 6.6 to 6.9 out of 10). Liverpool

¹ The BSI is based on business views about the importance of, and satisfaction with: cleanliness; safety; cost of premises; transport and accessibility; quality of premises; skills of the workforce; local authority services; business and training support in the City of Liverpool.

Vision, with partners, will continue to promote the City as a top destination for business but will not be complacent in seeking improvements.

- 2) The key priorities identified for improvement by firms in the 2007/08 and 2008/09 research were broadly consistent, relating to the quality of commercial premises and safety in the city. This year the research also identifies transport and accessibility as a priority area for attention. Targeted remedial action and improvement in these areas will arguably have the most impact in driving-up overall satisfaction levels for Liverpool.**

Safety in the City was raised in previous research cycles and remains a key business concern in the city. Crime levels in Liverpool have decreased overall by 40% since 2005/06 with significant reductions in key measures such as theft, stolen vehicles and injury from violence. The City is one of the safest in the country. However, perceptions lag behind the actuality, and safety continues to be a key issue for local business. Effort to continue the real reductions in crime and real improvements in safety should be maintained, as well as improving perceptions. There are currently a number of added value initiatives to support local safety improvements including recent neighbourhood RESPECT projects, Chamber of Commerce Business Crime Direct, additional resources applied in the Business Improvement District and specific interventions focussing on the city centre night time economy. With partners, Liverpool Vision will review whether there are any specific areas which would benefit from further research, communication or intervention.

- 3) Quality of premises emerged as a priority issue in the BSI scores and satisfaction with premises is significantly lower amongst firms in the Centre. Around one quarter of respondents stated that they were looking to change premises in the next 5 years and almost half of these stated that they did not know where to access tailored relocation assistance.**

The views of business about the quality of premises and perceptions of improvements over time were somewhat surprising in the context of the significant amount of new development, refurbishment and availability of commercial space in recent years. In part, particularly in the City Centre, this may be attributed to increased aspiration levels with businesses seeing new higher quality premises becoming available, and becoming more dissatisfied with their existing premises as a consequence. Liverpool Vision will continue to monitor the provision and quality of business space in the city facilitating, where it can, the availability of premises to meet modern dynamic businesses demand. It is important to note that almost two thirds of businesses surveyed said they were happy with their current space, with 28% of respondents giving a rating of 10 out of 10. Liverpool Vision already provides an information service about business property that is on the market, to help businesses that want to move, and it will continue to develop and promote that service which can be accessed at www.liverpoolvision.co.uk.

- 4) At the time of the survey, only 30% of businesses appear to be fully prepared for the economic recession and around 1 in 4 firms see themselves as being robust and less vulnerable to the economic downturn. Added to this, the fact that just 22% of respondents to the survey had had contact with Business Link and fewer than half of the firms had effectively networked in the last 12 months demonstrates that there is scope for greater outreach and penetration by support organisations within the City and that awareness of these support mechanisms amongst businesses can be improved.**

Liverpool Vision acknowledges the even greater importance of a coordinated, accessible business support package for business at this time. Working with Business Link, we have recently extended our programme to help local small businesses understand their exposure to current economic conditions and to put in place sound business planning. For larger businesses, or those with more complex problems faced as a result of the recession, a parallel project is offering more intense support from business turnaround specialists. Liverpool Vision's network of Area Managers, based in key business locations across the city continue to provide business support and a number of advice seminars for small businesses are being held. A project to simplify and draw together information on the business support products which are currently available is currently being developed with the Liverpool Chamber of Commerce and Business Link.

- 5) Respondents were optimistic about future growth prospects, with nearly seven in ten (68%) reporting that they expected their business to grow over the next 5 years. The fact that optimism has increased slightly since 2007/08 may seem surprising given the current economic backdrop both in the UK and globally. The authors believe that this may reflect the fact that only in early 2009, were commentators becoming increasingly concerned and pessimistic about the prospects for a quick recovery. In this context, it is worth reminding ourselves that the UK recession was only officially confirmed at the end of January 2009. The main barriers to growth that were cited included the economic downturn and access to funds.**

Liverpool has cause for long term optimism despite the changing economic conditions since the survey took place. To supplement the main research, in depth interviews with a small sample of firms who said that they were planning to grow took place in March 09. This revealed *real* plans for growth with businesses identifying improvements to their local networks and expansion of their international outreach as opportunities to underpin business growth. Liverpool Vision will build on the intelligence from this research and disseminate good practice. It will continue to support active *Business Leaders Networks* across the city and develop Liverpool's national and international reach through the new Liverpool brand and high profile international events such as Shanghai Expo 2010.

- 6) Half of the businesses surveyed in 2008/09 reported that they had some form of contact with Liverpool City Council in the last 12 months. Of those who had had contact were either very (23%) or quite (37%) satisfied. Around 40% were not very (19%) or not at all (21%) satisfied. Satisfaction with City Council services has increased year on year.**

Liverpool Vision recognises that there are areas where businesses would like to see improvements in City Council services and is working with the City Council on a new initiative designed to strengthen the Council's service to business. The programme involves a member of staff from each key business facing department within the Council taking on the mantle of 'Business Champion', acknowledging that business friendliness is of critical importance, particularly at this time of difficult economic and market conditions.

- 7) The 2008/09 survey reveals a significant increase in satisfaction levels with workforce skills in Liverpool with 37% of respondents to the survey rating the skills of their workforce as 10 out of 10 representing a high level of satisfaction with skills.**

Skills are perceived as the critical factor for business success and satisfaction levels in the city are very high. This is an encouraging message. However, we recognise that there are still significant challenges in the City with the need to drive up overall skill levels and higher level skills for future

competitiveness. Work ready skills were also reviewed in this research as a result of anecdotal evidence from business about individuals not leaving school or college with the right skills for work - skills such as responsibility, reliability, punctuality and general professional attitude. It is interesting to note that 26% of employers in Liverpool recognise this as an issue which, if improved, would help grow their business. Liverpool Vision will continue to work with the Learning and Skills Council to support the development of a demand led skills development programme for Liverpool.

About the research

Any comments on this research or response would be welcome and should be directed to:
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