Executive Summary

Introduction

The Business Barometer research study is commissioned by The Gatwick Diamond Initiative (GDI) to help monitor local economic conditions on a regular basis.

Conducted by Prowse & Company Ltd, this online survey is designed to source primary data from local businesses to measure how the Gatwick Diamond is performing as a location for business.

The survey provides quantitative and qualitative evidence of business trends to aid the Gatwick Diamond Task Groups in their activities. Importantly, the survey offers a snapshot of business confidence in the Gatwick Diamond area. In addition to general business questions, each survey also considers a particular theme. This survey explores the experiences of businesses in relation to diversity, inclusion and equality policies and practices in the workplace.
Executive Summary/1

Scope:

- The 50 respondents to this online survey represent a range of industry sectors / company sizes.

- Around one quarter (26%) of respondents work in the ‘Public Sector, Education and Training’ sector. A further 20% of respondents are from Business/Finance/Professional Services businesses. ‘Advanced Manufacturing’ accounts for an additional 12% of the respondents.

- Just under one quarter (24%) of respondents work for companies with a turnover of £250k or less while 24% are from companies with turnovers of more than £10m. In addition, 20% of respondents are from companies with a turnover of between £1.1m and £5m.

- The majority (26%) of respondents work in businesses or organisations that employ between 2-10 people, while 22% employ 250 or more people.

- 41% of respondents were female and 55% were male. The remainder could not be identified.
Executive Summary/2

Business Confidence

• 62% of respondents expect their turnover to expand over the next six months. This represents a small decrease on the previous survey in which 68% of businesses expected turnover growth. 32% of respondents anticipate turnover to remain the same and 6% expect it to contract (compared to 4% in the previous survey).

• Just over half (51%) of respondents do not anticipate the need to consolidate or reduce costs during the next 6 months. 38% do anticipate the need to consolidate and reduce business costs and 11% remain unsure.

• 53% of respondents expect their staffing levels to remain the same whilst 45% expect their staffing levels to expand over the course of the next six months. Just 2% of respondents expect to contract their staffing levels which is a lower proportion than in the previous survey (4%).

• With regard to BREXIT and the potential impact on their business or organisation, 40% of respondents are ‘fairly concerned’ and a further 20% are ‘very concerned’. At the other end of the spectrum, 30% of respondents are not at all concerned.

• Businesses in the Business/Finance and Professional sectors were least concerned about BREXIT and those in the Public/Training/Education sectors were most concerned. Analysing the data by size of company, the smallest (less than £250k turnover) businesses were not at all concerned about BREXIT. Of those respondents that were very concerned about BREXIT, the majority were in the turnover range of £250k - £500k.
Executive Summary

Business Concerns
- Apart from concerns over BREXIT, other business concerns raised by respondents include recruitment difficulties (i.e. finding people with the right skills to fill vacancies), raising finance, and the ability to grow their business. These concerns appear to be more prevalent than in previous surveys.

Access to Finance
- 32% of respondents have sought external finance to help them sustain or grow their business over the past three months. **This is an 11% increase on the previous survey findings.** 15% of respondents believe that availability of business finance is ‘excellent’ and 34% find it ‘acceptable’. Conversely, 12% of respondents find the availability of business finance to be ‘poor’. Overall, experiences of business finance availability appear to have improved since the last survey in which 28% of respondents believed the availability of business finance to be ‘acceptable’ and 23% found it ‘poor’.

Q23 What is the most pressing business-related concern for you currently?

- New Clients
- Quality
- Growth
- Business
- BREXIT
- Budgets
- Recruitment
- Finding
- Funding
- Staff
- Long
- Term
- Shortage
Diversity, Equality and Inclusion in the workplace

• Around 80% of respondents work in businesses/organisations that have policies to ensure diversity (79%), equality (85%) and inclusion (81%) in the workplace.

• 40% of respondents are able to identify a champion/person responsible for diversity, equality and inclusion in their organisation/business. 30% do not have an identified champion and a further 11% simply do not know. The respondent sectors which are most likely to have a ‘champion’ are the public/training/education sector (37%) and business/finance/professional services (21%) and are likely to be bigger companies (32% of respondents that have a champion for equality where they work are in businesses with 250+ employees.)

• Where respondents know who their diversity, equality and inclusion champion is, they tend to be in roles such as senior management, HR managers or directors.

• Only 30% of respondents work for businesses or organisations where objectives relating to diversity, equality and inclusion are included in the performance appraisal of named individuals.

• 42% of respondents work in companies or organisations where employment activities (e.g. workforce composition, recruitment, promotion) are monitored by factors such as gender, race and disability. These are most likely to be respondents working in public sector organisations (37%) and larger organisations (250+ employees) (32%).
Executive Summary/5

• Where data is used to monitor equality, inclusion and diversity in the workplace, it is generally collected through staff surveys and staff appraisals. Measures used in the monitoring process include: gender & age breakdown, ethnicity, disability, length of service, promotion and equal pay.

• 14% of respondents work in companies/businesses that have a legal requirement to report on their gender pay gap (e.g. large employers such as the Chichester College Group or Brighton & Hove Buses).

• 90% of respondents say their organisation/company offers flexible working to employees (i.e. flexibility on where, when and the hours they work). This compares favourably with national research findings. According to a recent report, The Modern Workplace 2018: People, Places & Technology from workplace software company Condeco, 37% of UK businesses surveyed employ staff that work flexibly at least some of the time and 10 per cent of companies don’t offer flexible working at all.

• 55% of respondents work for companies/organisations that operate a 'blind' recruitment process (i.e. they remove identifiers such as age, gender and race from candidate applications).

• Less than a third (30%) of respondents work for organisations/companies that provide programmes to encourage or enable women to apply for and take on senior roles.
Q3: Which industry sector are you in?

Answered: 50  Skipped: 0

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector/Education/Training</td>
<td>26.0%</td>
</tr>
<tr>
<td>Business/Finance/Professional Services</td>
<td>20.0%</td>
</tr>
<tr>
<td>Other</td>
<td>18.0%</td>
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<tr>
<td>Advanced Manufacturing/Engineering</td>
<td>12.0%</td>
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<td>Creative Industries/ICT/Media</td>
<td>6.0%</td>
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<tr>
<td>Travel/Leisure/Tourism/Hospitality</td>
<td>6.0%</td>
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<tr>
<td>Biotechnology/Life Sciences</td>
<td>4.0%</td>
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<tr>
<td>Membership/Trade Body</td>
<td>4.0%</td>
</tr>
<tr>
<td>Retail</td>
<td>4.0%</td>
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<tr>
<td>Energy/Green Technologies</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
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Q4: What is your company's estimated turnover per annum?

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
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<tbody>
<tr>
<td>£250k or less</td>
<td>24.0%</td>
</tr>
<tr>
<td>£251k - £500k</td>
<td>8.0%</td>
</tr>
<tr>
<td>£501k - £1 million</td>
<td>6.0%</td>
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<tr>
<td>£1.1 to £5 million</td>
<td>20.0%</td>
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<tr>
<td>£5.1 to £10 million</td>
<td>12.0%</td>
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<tr>
<td>£10.1 to £50 million</td>
<td>12.0%</td>
</tr>
<tr>
<td>£51 million +</td>
<td>12.0%</td>
</tr>
<tr>
<td>Rather not say</td>
<td>6.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
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Q5: How many people does your company employ? (including contract workers)

Answered: 50   Skipped: 0

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
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<tbody>
<tr>
<td>1</td>
<td>12.0%</td>
</tr>
<tr>
<td>2-10</td>
<td>26.0%</td>
</tr>
<tr>
<td>11-20</td>
<td>4.0%</td>
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<tr>
<td>21-50</td>
<td>14.0%</td>
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<tr>
<td>51-100</td>
<td>10.0%</td>
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<tr>
<td>101-250</td>
<td>12.0%</td>
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<tr>
<td>250+</td>
<td>22.0%</td>
</tr>
<tr>
<td>Not sure</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
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Q6: Is your business/organisation's turnover likely to expand, contract or remain the same in the next six months?

Answered: 47  Skipped: 3
Q7: Do you anticipate the need to further consolidate and reduce business costs within the next six months?

Answered: 47   Skipped: 3
Q8: Are your staffing levels likely to expand, contract or remain the same in the next six months?

Answered: 47    Skipped: 3

- Expand: 44.7%
- Contract: 2.1%
- Remain the Same: 53.2%
Q9: How do you feel about BREXIT in relation to its potential impact on your business/organisation?

Answered: 47   Skipped: 3

Additional comments:
- We still see it as early days - we are not sure what the impact will be longer-term.
- We are planning to develop a manufacturing plant to produce paper pulp. Will Brexit affect the export of the pulp? We are still unsure about this.
- For our sector - social care – we are highly dependent on EU workers.
- We expect an increase in sales as a direct result of Brexit.
- There will be an impact on international students and the workforce of many of the businesses we support.
- I participate in, and use, international standards. My work conforms to EU standards. Any change to this is a threat with no possible mitigation. I work closely with the Department of Health MHRA agency. Brexit is likely to result in a major expansion in this agency as they take up tasks currently covered by the EU. Brexit is a major disaster in my sector.
- So long as the trade agreement remains basically as it is now then not at all concerned!
- BREXIT is impacting on the level of business confidence in the District, as evidenced by a company employing over 100 deciding to relocate its manufacturing arm from the UK. Also by the number of businesses putting their expansion plans on hold. This has a direct impact on the growth of the business rates base.
- We can spend all our time worrying about it or pull our fingers out and get on with it. Small businesses adapt to change those that fail are those that don't adapt.
- Yes, particularly HGV drivers.
- As 60% of our business is overseas I am very concerned that we still have no firm direction on what will happen next year and how it will affect the medical device industry.
- We work on a number of EU funded projects; our clients also benefit from EU funding.
- Our clients will benefit from Brexit related support.
Q10: Does your organisation/company have a policy to ensure diversity, equality and inclusion in the workplace?

Answered: 47  Skipped: 3
Q11: Is someone within the organisation/company identified as a 'champion' for diversity, equality and inclusion?

Answered: 47  Skipped: 3

Q12: Job titles of diversity, equality and inclusion champions:

- Director of Support Services
- Talent & Culture Manager
- Director
- Partner
- E&D Team (part of HR)
- Group Leadership Team
- Myself
- A number of Directors
- All Directors and HR Manager
- HR Manager
- Office Manager, Project Support, Head of Corporate & Comms
- HR Manager
- Area Manager
- Myself
- Director
- Chief Executive, Director of Support Services

Graph showing:
- Yes: 40.4%
- No: 29.8%
- Don't know: 10.6%
- N/A: 19.1%
Q13: Are organisational objectives relating to diversity, equality and inclusion included in the performance appraisal of any individuals within the organisation/company?

Answered: 43  Skipped: 7

Answered ‘Yes - other’:

- At all levels
- It is linked to core values which are assessed for all staff
- We have few FT employees and contract workers, but we do assess potential partners and consultants on the basis of their diversity and inclusion attitudes
Q14: Does your organisation/company monitor its employment activities (e.g. workforce composition, recruitment, promotion) by factors such as gender, race and disability?

Answered: 45   Skipped: 5
Q15: If YES, which activity(s) does your organisation monitor and which measures does it use?

Answered: 18   Skipped: 32

- Via annual staff surveys
- Periodic data collection and analysis
- All main matrices are monitored via our payroll and HR system
- All
- Recruitment
- Gender pay gap and any variations by the factors listed - both for staff and students
- Workforce, Diversity, gender pay
- % Male/female, age statistics, length of service, recruitment policy & procedures, promotion, equal pay. Every employee receives cultural awareness and diversity training. Monitor feedback from annual staff survey and staff suggestions
- Monitor ethnicity, disability, gender
- Gender, BAME, disability
- General Administration Manager
- All protected characteristics
- All as part of our staff appraisal
- Gender pay gap study
- Monitor and survey new starters
Q16: Does your organisation/company have a legal requirement to report on its Gender Pay Gap?

Answered: 42  Skipped: 8
Q18: Does your organisation/company offer flexible working to employees (i.e. flexibility on where, when and the hours they work)?

Answered: 41    Skipped: 9

- Yes: 90.2%
- No: 9.8%
- Don't know:
Q19: Does your organisation operate a 'blind' recruitment process (i.e. does it remove identifiers such as age, gender and race from candidate applications)?

Answered: 40  Skipped: 10

- Yes: 55.0%
- No: 37.5%
- Don't know: 7.5%
Q20: Does your organisation/company provide any programmes to encourage or enable women to apply for and take on senior roles?

Answered: 40    Skipped: 10
Q21: In the past three months, have you sought external finance to sustain and/or grow your business?

Answered: 41  Skipped: 9

- Yes: 31.7%
- No: 68.3%
Q22: How do you rate the availability of business finance options?

Answered: 41    Skipped: 9
Q23: What is the most pressing business-related concern for you currently?

Answered: 33  Skipped: 17

Verbatim Comments:
- Reform of the local government financing in the medium to long term post this parliament.
- Recruitment
- Stability in our market place
- Funding
- Cash flow
- Childcare, client expectations of more ‘free’ work
- Recruiting and increasing costs
- Recruitment - so difficult to get right person for particular role
- Land availability
- Recruitment
- Keeping talented staff
- Quality and student numbers
- Bureaucracy in client office causing wasted time
- Improving profitability and operating efficiencies
- Managing growth
- Growing the business
- Sustainability and productivity
Q23. What is the most pressing business-related concern for you currently?

Verbatim Comments continued:

- Shortage of HGV drivers
- Employee recruitment
- Recruitment of staff with key skills in technical and engineering including quality and regulatory
- Unknown future effect of BREXIT
- Continued pressure on public sector budgets
- Exit from the EU, especially if a hard exit
- Transition period between EU funding and Shared Prosperity Fund
- Government obsession with ‘Midlands Engine’ and ‘Northern Powerhouse’
- New clients
- Growth

- Employment issues in relation to Brexit. Congestion and lack of public funding in road infrastructure
- Budgets from County Council
- Skills shortage in the Gatwick Diamond
- Brexit
- Macro politics
- Finding new clients
- Lack of confidence in business to invest in future long term strategies
- Finding the right talent and retaining the talent we have
- Staffing
- Infrastructure growth in the Gatwick Diamond
Q24: Finally, please advise if there is anything that you would like the Gatwick Diamond Initiative to focus upon in the year ahead:

Answered: 37    Skipped: 18
For further information about this survey please contact: Joanne Rogers or Lauren Read at Prowse & Co. Ltd

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