

2021 Business Survey

Over October and November 2021, SEMLEP conducted a telephone survey of 1,862 businesses in the region.

The survey aimed to identify economic issues and opportunities, to support the growth of local businesses and the local economy. The survey was representative of the size, sector and geography of the over 77,000 businesses in the area.

The previous survey was in 2019 and this was the sixth business survey conducted by SEMLEP, since 2013.

The survey was undertaken when the country was emerging from the Covid-19 pandemic and the associated lockdowns and restrictions. Restrictions had been lifted over the summer of 2021, although the survey took place against a backdrop of rising cases and continued uncertainty. Similarly, the survey was conducted as the UK was getting used to leaving the EU following withdrawal ten months prior. This should be taken into consideration when reviewing results and changes over time.

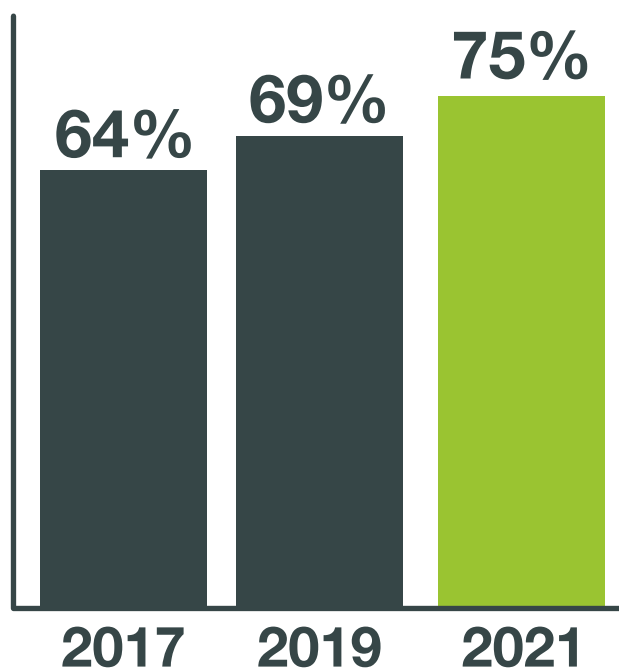
BUSINESS LOCATION

The region continues to be considered an increasingly positive location for business:



75%

rated the South East Midlands region as a 'good' or 'very good' place to do business

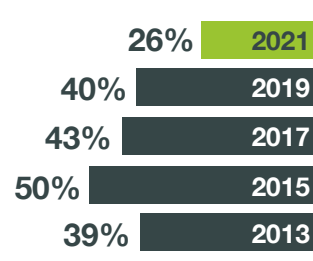


BUSINESS PERFORMANCE

Continued decline in business performance over time, with impacts from the pandemic and UK exit from the EU:

26%

of businesses said performance had improved over the past 12 months



while **34%** said it had deteriorated (20% in 2019 / 17% in 2017 / 11% in 2015 / 20% in 2013)

Optimism for the future:



40%

of businesses expect performance to improve in the next 12 months (48% in 2019 / 55% in 2017)



while **15%** expect it to deteriorate (12% in 2019 / 8% in 2017)

25%

of businesses cited the **Covid-19 pandemic as a constraint on business growth**

EU EXIT

Businesses were more negative about the impact of leaving the EU than anticipated in 2019, with problems importing from the EU (cited by 29% of businesses) and increased costs of business (12%) the most commonly cited issues. Labour and skills availability were also cited commonly by larger businesses:



4%

of businesses said leaving the European Union has had a positive impact (12% in 2017 and 2019)



48%

no notable impact (35% 2017 / 37% 2019)



45%

a negative impact (32% 2017 / 34% 2019)

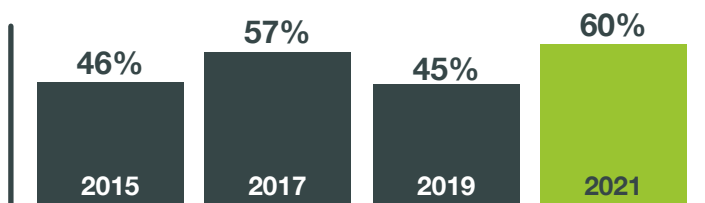


4%

were unsure of the impact (22% 2017 / 17% 2019)

VACANCIES, SKILLS SHORTAGES AND SKILLS GAPS

Skills remain a key issue for local businesses, especially larger businesses, and lack of skilled labour continues to be one of the top constraints on business growth, with impacts from the Covid-19 pandemic and exit from the EU. This said, while the proportion of vacancies that are hard-to-fill has increased, the proportion of businesses with skills shortages and gaps in their existing workforce has decreased:



60%

of businesses with vacancies were hard-to-fill



16%

said they found skills shortages amongst potential recruits when trying to fill vacancies (20% in 2019 / 22% in 2017 and 2015)



16%

reported skills gaps amongst current staff (25% in 2019 / 29% in 2017 / 33% in 2015)

APPRENTICESHIPS AND WORK EXPERIENCE

There has been a decrease in businesses with apprentices, which may reflect the current economic conditions:

7%

currently employ apprentices (12% in 2019 / 13% in 2017 / 9% in 2015)

30%

would consider employing apprentices (36% in 2019 and 2017 / 40% in 2015)

28%



of businesses offer work experience or employer engagement opportunities (26% in 2019)

INNOVATION, GREEN AGENDA AND INCLUSIVITY

The main constraints cited to innovation are the current economic conditions, including the Covid-19 pandemic and the UK exit from the EU:



21%

of businesses innovated in the last 12 months (26% 2019 / 19% 2017 / 28% 2015)



7%

of businesses have links with universities/colleges for R&D purposes (10% 2019 / 6% 2017 / 12% 2015)



46%

of businesses have made some commitment to becoming more environmentally friendly, although only 4% have a specific target to become net-zero by 2030.



42%

of businesses said they adopt inclusive recruitment practices, 42% said it is not applicable to them as they do not recruit staff, and 16% said they do not adopt inclusive practices.

SEMLEP

Increasing awareness of SEMLEP programmes, including the use of the Growth Hub amongst scale-up businesses:



SEMLEP's Growth Hub
Connected Business Support

21%

of businesses aware of SEMLEP (13% in 2017 and 17% in 2019) and 54% aware of at least one of SEMLEP's programmes

22%

of scale-up businesses were aware of the SEMLEP Growth Hub and 6% had used it in the last 12 months

Priorities SEMLEP should focus on:



Providing support to businesses (17% - remains top cited since 2015)



Delivering infrastructure improvements (17%)



Attracting inward investment (16%)



Helping ensure supply of skilled labour to meet business demand (14%)

Additionally, 13% said to help businesses recover from the pandemic and 9% mentioned supporting businesses around the UK leaving the EU.

Visit bit.ly/SEMLEPBusinessSurvey to view the full report and SEMLEP's response to the research findings.

The survey was administered and reported on by independent research organisation, Public Perspectives: www.publicperspectives.co.uk