Worcestershire Local Enterprise Partnership

Economic Profile and Baseline Statistics Research Report on the Manufacturing Sector in the Worcestershire LEP area

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1. INTRODUCTION AND OBJECTIVES

In March 2013 Worcester Research Ltd was commissioned by the Worcestershire Local Enterprise Partnership (LEP) to assist the LEP to realize the economic and wealth-creation potential of the manufacturing sector within its area. This process included developing two surveys. The first manufacturing survey was designed to develop an economic profile and baseline statistics report for the Manufacturing sector in the Worcestershire area, on a variety of areas including staff, training and recruitment, innovation, growth, location, exports and LEP support . The second manufacturing survey was an in-depth survey, intended to have a clearer understanding of the local manufacturer's views.

The project was also intended to identify all manufacturing companies operating within the Worcestershire LEP area.

2. METHODOLOGY

The report was conducted using a two phase methodology. The first phase involved a survey of local manufacturing companies, from across the Worcestershire area. The list of individual addresses and contact details was generated from databases of local businesses. Companies were contacted via telephone and email to take part in the survey.

Across Worcestershire, a total of 474 companies completed the questionnaires. This represented a completion rate of 24.6%, which is higher than the standard response rate for telephone surveys.

In order to fully analyse the data from the survey, each question was analysed based upon:

- The types of products each company manufactured;
- The size of each company; and
- Whether the company's turnover had increased, decreased or remained the same over the last 12 months.

This would allow for the data to fully understand the how the different factors affected how companies answered each question.

The second phase was an in-depth follow up survey with eight companies. This survey was intended to gain a greater understanding of the data received from the survey and to explore any issues raised in further detail. This survey included 12 questions focused on similar areas to the first survey, but intended to have a better understanding of the state of the manufacturing sector in Worcestershire. These companies were from across the Worcestershire area, including Malvern, Evesham, Droitwich and Kidderminster, and were a variety of different sizes, from 5-9 employees to 250 or more employees.

3. EXECTUIVE SUMMARY

Key findings from the manufacturing survey were:

Staff recruitment and training

- Of the 474 companies which took part in the survey, the vast majority (79%) were limited companies. 9% were sole traders and 6% did not know the legal status of their organization. 3% were partnerships and 2% were PLCs.
- Of the total number of products companies stated they produced, the greatest proportions were metals and metal fabricated products (29%). Other products accounted for 24%. All remaining sectors accounted for between 3-9%.
- 88% of the companies involved in the survey had 49 or fewer employees, with the greatest proportion (26%) having 2-4 employees. 10% of companies were sole traders.
- 59% of companies reported that their workforce had remained the same size over the last 12 months. 28% reported an increase, whilst 13% reported the size of the workforce had decreased. The ceramics and glass sector are most likely to report a decrease in staff (23%) whilst the chemicals and pharmaceuticals sector was the most likely to report an increase in their workforce over the last 12 months (40%).
- Companies are more optimistic regarding changes to the size of their workforce over the next 12 months, One third of companies predict their workforce will increase, 55% predict it will stay the same and only 6% predict it will decrease. The chemicals and pharmaceuticals sector is the most likely to predict an increase in their workforce (55%) whilst the paper industry is most likely to predict a decrease (11%).
- Only 14% of businesses reported hard-to-fill vacancies (HTF VACANCIES). The food and drink sector is most likely to report HTF VACANCIES (29%), whilst no clothing/textiles businesses reported any HTF VACANCIES.
- The most common HTF VACANCIES related to skilled trade occupations, which accounted for 82%. A further 18% related to plant and machine operatives.
- Only 21% of companies employ apprentices. The vehicle sector was most likely to employ an apprentice, with 51% of companies employing at least one. Ceramics and glass were the least likely with only 7% employing apprentices. Unsurprisingly larger companies were more likely to employ apprentices, with almost two-thirds (65%) of companies with 100-250 employees having an apprentice.
- Of the companies which employ apprentices, 65% employ one apprentice. There is a negative correlation between the number of apprentices employed and the percentage of companies employing that number. Only 27% of companies employ 2-4 apprentices, whilst only 1% employs 25-49

apprentices. Larger companies are more likely to have more employees and metals and fabricated product companies are the only sector with 25-49 apprentices.

- The main reason companies give for not employing apprentices is a lack of need for additional staff (44%). One third of companies do not want any apprentices or are not interested In having any.
- Only 9% of companies reported having skills gaps, which is less than half the proportion reported for the UK manufacturing sector in the National Employers Skills Survey for England (17%). Food and drink companies were the most likely to report skills gaps (16%) whilst no clothing/textiles and paper companies reported any skills gaps. Larger companies are far more likely to predict skills gaps amongst their existing staff, with 1/4 of companies with 250 or more employees reporting skills gaps.
- 91% of companies reporting skills gaps stated they were for skilled trade's occupations. 19% of companies reported gaps related to plant and machine operative roles. Skilled trade occupations are the most common skills gaps in all sectors.
- The most common specific skills that are lacking amongst the workforce are precision engineering and machine operating, which one-third of companies reported were lacking. 16% also felt that tool making skills were lacking. Each sector has different specific skills gaps and no one particular skill is required across all sectors.
- 56% of companies have conducted training for staff over the last 12 months. This is equal to the level for manufacturing companies across the UK, according to the National Employer Skills Survey 2011. The vehicle (76%) and chemical and pharmaceutical (70%) sectors are most likely to have provided training, whilst the clothing/textiles businesses are the least likely to have (18%). Larger companies and companies whose turnover has increased are the most likely to have conducted training over the last 12 months.
- Only 35% of companies have a training plan. Vehicle sector businesses are the most likely to have a business plan (47%). Companies with more than 50 employees are the most likely to have a business plan, with 81% on average having one. Companies whose turnover has increased over the last 12 months are the most likely to have training plans, with 41% having them.
- Only 32% of companies have both a training plan and have provided training over the last 12 months.

Innovation

- The proportion of companies that have undertaken any research and development or new product development in the last 12 months is equal to the proportion that has not (49%). Electronics businesses are the most likely to have conducted research and development (79%) whilst paper (31%) and clothing (36%) businesses were the least likely. Larger companies were more

likely to have conducted research; three-quarters of companies with 250 or more employees had conducted it.

- 57% of companies felt there were no barriers preventing them from conducting further innovation. 26% stated that lack of finance was a barrier. Companies whose turnover had remained the same were the most likely to report that there were no barriers to innovation, suggesting they chose not to innovate.
- Only 14% of companies have any links with universities or research centers. Vehicle businesses are the most likely to state they have links (36%), whilst the paper industry was the least likely (4%). Larger companies are much more likely to report having links,, especially companies with 50 or more employees.
- 16% of companies with links had them with multiple universities or research centres. 13% of companies had links with Worcester University and the universities in Birmingham.

Growth

- Only 35% of companies reported their turnover in the last 12 months.
- 39% of companies reported their turnover had remained the same over the last 12 months. 37% reported their turnover had increased. 14% reported their turnover had decreased and a further 11% did not know/would not say what had happened to their turnover. Paper companies were the most likely to report an increase in turnover (42%), whilst clothing/textiles were the most likely to report a decrease (21%). Size does not appear to have a significant impact on whether a company's turnover has increased, but fewer large companies turnover has decreased, compared to smaller companies.
- Companies are slightly more optimistic about changes in their turnover for the next 12 months, A higher proportion predict their turnover will increase or stay the same, whilst the proportion believing it will decrease has halved. Food and drink companies are the most likely to predict an increase in turnover for the next 12 months (48%) whilst the electronics sector is the most likely to predict a decrease (15%).
- Of the companies who predicted their turnover would increase, 75% predicted they would have to recruit extra staff and 53% felt they would have to work with more suppliers and contractors. 49% felt they would need to access new markets to sustain growth. Only 11% felt they would need to move to larger premises.
- 96% of companies who predicted their turnover would increase stated they would remain located in the local area. Only 4% of companies would move. 57% did not state any specific area they would be moving to, 29% intended to move to Europe and 14% stated they would move 'elsewhere' to expand their business.'
- 33% of companies reported barriers to growth. The paper sector (42%) were the most likely to report barriers to growth, whilst the chemicals and pharmaceuticals sector (25%) were the least likely to. Size does not seem to

directly correlate to whether companies report having barriers to growth. Companies whose turnover had increased over the last 12 months were the least likely to report any barriers to growth.

- The state of the UK economy was the most frequently stated barrier to growth, with 39% of companies stating it. Access to finance was also highly common (35%).

Networks

- On average, 25% of suppliers were based in the Worcestershire LEP, 62% are from the rest of the UK and 13% are based within the rest of the world. This varies between sectors; food and drink companies are more likely to have suppliers from within the Worcestershire area (38%) whilst electronics are most likely to have suppliers from the rest of the world (26%). Companies with 250 or more employees have the greatest proportion of suppliers based outside the UK (54%)
- On average, 29% of customers were based within the Worcestershire LEP, 58% are based within the rest of the UK and 13% are based in the rest of the world. The greatest proportion of supplies from paper businesses went to the Worcestershire LEP, whilst vehicle businesses were the most likely to supply to the rest of the world.
- Companies were most likely to supply to 'Other' sectors, with 50% supplying to them. 20% supply to metals and fabricated products and 19% to the vehicles sector. Unsurprisingly, each sector is most likely to supply to the sector it manufactures products for.
- Only one-sixth (15%) of companies are involved in industry specific networks. 79% are not involved and 6% do not know if they are involved. Vehicles (27%) and food and drink (23%) are the most likely to be involved in industry specific networks, whilst the paper (7%) and clothing/textiles (8%) are the least likely. Larger companies, with 50 or more employees are the most likely to be involved in networks.

Location

- 17% of companies felt that their premises did not meet their current and future requirements. Food and Drink businesses were the most likely to not feel their premises met their current and future requirements (26%). Larger companies are less likely to be satisfied with their current premises; 33% of companies with 250 or more employees do not feel their premises meet their current and future requirements. Companies whose turnover has increased are the most likely to feel that their premises do not meet their current and future requirements.
- Of companies who did not feel their current premises met their needs, 75% felt they had a lack of space and 27% felt the facilities were poor.
- Of companies who did not feel their current premises met their needs, 65% would consider moving to another site locally in order to meet their needs.

Metals and fabricated products are the most likely to consider moving (84%) whilst food and drink are the least likely (25%) Neither sole traders nor companies with 250 or more employees would consider moving locally.

- On average, 32% of companies of companies felt that the choice and availability of premises were 'very good' or 'good.' 49% of companies felt they are 'average/satisfactory.' 19% of companies felt that they are 'poor' or 'very poor.' Paper businesses are most likely to consider premises to be 'good' or 'very good' (24%). Food and drink businesses are most likely to consider the premises to be 'poor' or 'very poor' (29%)
- The main reason companies feel felt the choice and availability of premises to be poor was rent being g too high (41%), 'other' reasons (40%) and premises not meeting businesses needs (39%). Businesses rates are only important for 22% of businesses.

Exports

- Only 38% of companies export goods outside of the UK. Electronics (62%) and vehicles (58%) businesses are the most likely to export their products, whilst the ceramics (20%) and clothing/textiles (23%) are the least likely to export. Larger companies and companies whose turnover has increased are the most likely to export their goods overseas.
- On average, the majority (55%) of goods are exported to Europe. 16% are exported to North America, 13% of Asia, 8% to Australasia and 4% each to Africa and South America. Ceramics and glass is the only sector which does not export the largest proportion of its goods to Europe; it sends 28% to North America, as its greatest proportion.

Business Support

- 48% of companies do not want any support from the Worcestershire LEP.
- The most common forms of support requested by companies were business rates support (25%) skills development, training and apprenticeship support (24%) and access to finance (22%)

Key findings from the follow up survey were:

Apprentices

- Overwhelmingly it was felt that apprentices were helpful to the business and are a useful way to train up inexperienced staff. Two main reasons were identified as to why companies did not employ apprentices:
    - The education system is not encouraging students into vocational training, focusing instead on universities. This is leading to only 'less academically minded' students taking apprentices and are not suitable for apprentice roles.
    - Small businesses cannot afford to deal with apprentices, due to time and money constraints.

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- Companies made the following suggestions to improve the take up and retention of apprentices:
    - **Companies**: Companies need to establish better links and engage with local schools, to raise awareness of manufacturing apprentices. Manufactures also need to encourage greater loyalty by 'making [apprentices] employees' rather than cheap labour. Companies also need to have more awareness of apprenticeship schemes and what they entail.
    - **Students**: Students need to have a better attitude towards work and be willing to work. There is also a need for more applications from the local area to encourage more businesses to employ them.
    - **The LEP**: The LEP could act as a facilitator between employers/schools or employers/training providers. There is a need to encourage vocational learning schemes and act to encourage more students to become apprentices.
- It was also felt that there is a wider social issue that needs to be dealt with to encourage more apprentice, including increasing respect for engineers and vocational training and the need to improve conditions for apprentices.

HTF Vacancies

- HTF vacancies varied between the different companies, but the majority relate to specialist roles and industry specific skills.
- Many companies felt the only way to develop these skills would be for companies to improve their provision of in-house training for the necessary role

Skills Gaps

- Companies were concerned about the management and supervisory skills and specialist skills, such as Computer Aided Design.
- Most companies were not concerned about the skills gaps; smaller companies are more concerned about staff having the right work ethic rather than the right skills.

Research and Development

- Companies felt that the main reason for a lack of innovation is 'short-sightedness' and a need to decrease costs by businesses. SMEs in particular are felt to be unable to raise sufficient finance for research and development.
- There is a need for research and development and it was felt that companies who do not conduct it will eventually go out of business. There is a need to encourage greater innovation.

Supply Networks

- Companies are unable to use local supply networks, as they require specialist produce, such as electronics or glass. However, even simple products like paint brush parts had to be imported, due to a lack of UK manufactures.
- The decline of the West Midlands and national, manufacturing sector has forced companies to look further for their suppliers. Manufacturers would buy British if the quality and prices were right.
- There is a need for better networking amongst local companies, through organizations like the Chamber of Commerce, in order to improve these local supply networks, by raising awareness of what is available in the local area.

Barriers to Growth

- The main barrier to growth was felt to be the current state of the UK economy, which has reduced customer confidence and reduced consumer confidence.
- There is a need to 're-invigorate the economy'; it was felt this could be best achieved by increasing British exports.
- It was also felt that skills were a concern which was limiting some businesses. It was also creating a 'lost generation' which could not get jobs; there was a need to spread an 'entrepreneurial spirit' amongst these people without the right skills.

Industry specific networks

- There were two different views depending on the size of the businesses:
    - **Larger Businesses:** They felt that being involved in industry specific networks was beneficial; it could lead to the cross-fertilization of ideas as well as helping to deal with similar problems collectively.
      One larger business did feel that being involved was not useful for them as they did not have any detailed, advanced knowledge, and they felt the networks were more useful for smaller businesses jus starting up.
    - **Smaller Businesses:** Smaller businesses were more mixed, although generally negative. One felt that networks do not get enough done and have 'too much hot air.' The other saw networks as a form of insurance if anything went wrong for the business.

Public Sector Support

- No company wanted any direct forms of support, such as grants or funding.
- There was a desire to reduce bureaucracy, which interfered with businesses. It was felt that the local authorities should act as 'enablers of economic growth' by developing infrastructure, rather than standing in the way of industry.
- It was felt that there is sufficient support available for local companies, but they need to be 'proactive' in looking for this support. It was also felt there is a need for better links between companies and the local authorities, so companies know who is best to contact.

Premises

- Companies were concerned about the insufficient supply of large premises suitable for manufacturing. The existing premises are warehouses or distribution centres, rather than being suitable for factories and would require significant, expensive modification to be used as such,
- It was also felt the existing infrastructure was not suitable for the businesses, including both transport links as well as the poor provision of high speed broadband.

Exports

- All companies felt there are no external barriers preventing companies from exporting goods. There is a feeling that companies who do not export are 'too scared' to try as a result of ignorance, rather than costs.
- It was felt that there is sufficient support available for companies wishing to export; they only have to look for it. An additional way to support exports would be a mentoring programme to teach companies the skills necessary for exporting, facilitated by the LEP.

Available Support

- Overall, companies felt that there was a wide variety of different forms of support available, but it was difficult for them to find specific forms of support. Companies feel the system is too 'wooly' and difficult to understand.
- Companies would like a 'holistic view' showing all of the available forms of support, via a website that they can easily access and read.
- Another suggestion was for individualized support for each company, via representatives who deal with the company.
- The LEP is facing awareness problems which are preventing companies from using its services. The LEP needs to improve its publicity so companies know what it is trying to achieve. This is also a problem for other public sector support.
- In order to disseminate the information, the two main suggestions were to either have personailsed advisors who deal with companies on a personal level and deal with their issues, or a wide spread use of newsletters, mail and email shots, to reach the maximum number of people.
- The forms of support currently available were not felt to be helpful; companies did not want consultancy support, rather wanting grants for employment and machinery.

Any Other Comments

- One company felt that the current instability was high disturbing for their business and they could not plan for the near future. Their key concern is finding low cost funding for the future.
- Other companies felt there is a need to raise awareness of the LEP an ensure that businesses know what the LEP is and what it can do for their benefit.

4. MANUFACTURING SURVEY ANALYSIS

Organisational Basics

474 surveys were conducted with local manufacturing companies. Almost fourth-fifths of these organisations were limited companies (79%), with sole traders accounting for a further 9% of companies.

Table 1.1: Legal status of the organisations

Type of Organisation	Frequency	Percentage (%)
Limited Company	373	79
Sole Trader	44	9
Unknown	26	6
Partnership	16	3
PLC	10	2
Partners hip/Limited	2	0
Part of a larger group	2	0
Limited/Sole trader	1	0
Total	**474**	**100**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

These companies were asked about what broad types of products they manufacture. The results of this question can be seen in the table below.

Table 1.2 Types of products manufactured

Types of Products Manufactured	Frequency	Percentage (%)
Food and Drink	31	5
Clothing/Textiles	39	6
Paper	45	7
Chemicals and Pharmaceuticals	20	3
Plastics and Plastic products	53	9
Ceramics and Glass	30	5
Metals and Fabricated products	181	29
Electronics	34	5
Vehicles	45	7
Other	148	24
Total	**626**	**100**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013
***Note:** Total frequency is higher than the total number surveyed, as companies were asked to select all broad sectors that applied.

Producers of metals and fabricated products were the most numerous amongst the companies interviewed with almost three-tenths (29%) involved in their manufacture. Almost one-quarter (24%) of companies produce a product other than those on the list. The most numerous of 'other' products manufactured are; wood (1%), furniture (1%), joinery (1%), construction supplies (1%) and engineering and tool making (1%).

The least numerous type of manufacturer included in the survey are chemicals and pharmaceutical producers, which account for only 3% of the total surveyed.

Staff, recruitment and training

The interviewees were asked questions about the number of staff employed, whether staff levels have changed in the last year and whether these use apprentices and training.

Over two-thirds (69%) of companies have between 2-24 members of staff, whilst almost nine-tenths (89%) of companies have between 1-49 members of staff. Less than 3% of companies have 250 or more employees.

Table 2.1: Size of workforce employed in each company

Size of Workforce	Frequency	Percentage
1	45	10
2-4	125	26
5-9	94	20
10-24	109	23
25-49	47	10
50-99	19	4
100-249	23	5
250+	12	3
Total	**474**	**100**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 2.2 below, it can be seen that vehicle manufacturers are most likely to have a staff size of 100 or more employees, accounting for more than a quarter of businesses (27%). Over a fifth (23%) of Food and Drink manufactures have more than 100 members of staff.

No Ceramics, Paper and Chemicals and Pharmaceutical companies interviewed had more than 100 members of staff.

Table 2.2 The size of the workforce in relation to the types of products manufactured.

		Size of Workforce (Frequency)								
		1	**2-4**	**5-9**	**10-24**	**25-49**	**50-99**	**100-249**	**250+**	**Total**
What broad types of products do you manufacture?	Food and Drink	10%	29%	6%	19%	13%	0%	19%	3%	**31**
	Clothing/ Textiles	21%	51%	8%	13%	0%	3%	3%	3%	**39**
	Paper	7%	33%	20%	27%	13%	0%	0%	0%	**45**
	Chemicals and Pharmaceuticals	5%	15%	30%	30%	15%	5%	0%	0%	**20**
	Plastics and Plastic Products	6%	25%	28%	25%	11%	4%	2%	0%	**53**
	Ceramics	13%	13%	30%	37%	7%	0%	0%	0%	**30**

	and Glass									
	Metals and Fabricated Products	8%	24%	20%	24%	13%	6%	3%	2%	**181**
	Electronics	3%	26%	24%	15%	15%	6%	6%	6%	**34**
	Vehicles	7%	13%	18%	20%	9%	7%	18%	9%	**45**
	Other	12%	33%	19%	18%	8%	3%	3%	3%	**148**
	Total	**10%**	**29%**	**6%**	**19%**	**13%**	**0%**	**19%**	**3%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

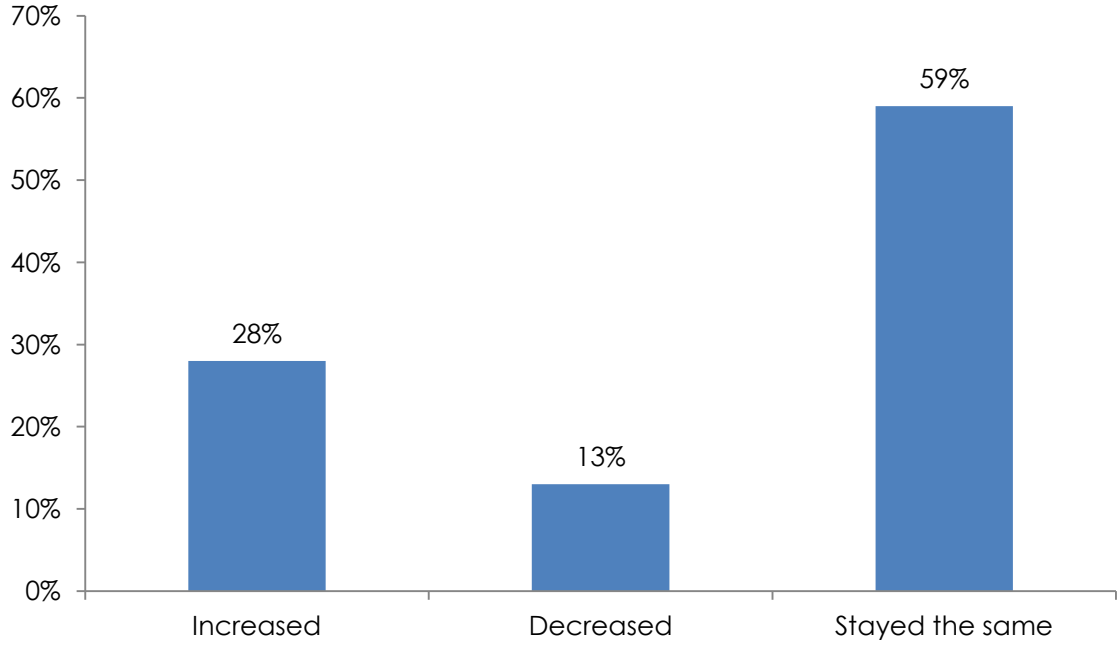
As can be seen from table 2.3 below, small companies make up the greatest proportion of companies that reported their turnover decreased over the last 12 months. Over half (52%) of companies that reported a decrease in turnover over the last 12 months have fewer than 5 members of staff. Only 10% of companies with 50 or more members of staff reported and decrease in turnover during the last 12 months. Amongst companies with 250 or more employees, there is an equal chance that turnover has increased or stayed the same (42%), whilst another 17% did not know or would not say.

Table 2.3 Size of Workforce in relation to changes in Turnover over the last 12 months.

		Size of Workforce (Frequency)								
		1	**2-4**	**5-9**	**10-24**	**25-49**	**50-99**	**100-249**	**250+**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	7%	27%	20%	23%	10%	6%	4%	3%	**174**
	Decreased	12%	39%	18%	14%	11%	2%	5%	0%	**66**
	Stayed the Same	13%	21%	20%	26%	8%	4%	5%	3%	**182**
	Don't Know/Won't Say	2%	25%	21%	25%	15%	2%	6%	4%	**52**
	Total	9%	26%	20%	23%	10%	4%	5%	3%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Chart 2.1: Percentage of companies that have had their workforce increase, decrease or stay the same over the past 12 months



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

More than half of companies (59%) have had the size of their workforce stay the same over the last 12 months. A further 28% have seen the size of their workforce increase in the last 12 months. However, more than one-eighth of companies (13%) have seen the size of their workforce decrease in the last 12 months.

By cross-referencing changes in workforce size by sector, it is possible to see how different sectors have been affected in the last 12 months.

Table 2.4: Changes in the sizes of the workforce by broad sector

		Has the size of your workforce increased decreased or stayed the same over the last 12 months?			
		Increased	**Decreased**	**Stayed the same**	**Total**
What broad types of products do you manufacture?	**Food and Drink**	32%	10%	58%	**31**
	Clothing/Textiles	13%	21%	67%	**39**
	Paper	20%	7%	73%	**45**
	Chemicals and Pharmaceuticals	40%	15%	45%	**20**
	Plastics and Plastic Products	19%	17%	64%	**53**
	Ceramics and Glass	20%	23%	57%	**30**
	Metals and Fabricated Products	34%	10%	56%	**181**
	Electronics	24%	21%	56%	**34**
	Vehicles	31%	16%	53%	**45**

	Other	26%	10%	64%	**148**
	Total	**27%**	**13%**	**60%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Proportionally, ceramics and glass companies are the most likely to have their workforce decrease in the last 12 months, with almost a quarter (23%) of paper companies reporting a decrease in workforce. A high proportion of clothing and textile and metal and fabricated product companies also reported decreases in their workforce size (21% each).

Paper companies were the most likely to report their workforce has increased or stayed the same over the last 12 months, with 93.3% of paper companies reporting this. Over nine-tenths (90.3%) of food and drink companies reported their workforce has increased or stayed the same.

Table 2.5: Changes in size of the workforce by size of the workforce

		Has the size of your workforce increased, decreased or stayed the same?			
		Increased	**Decreased**	**Stayed the Same**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	13%	87%	**45**
	2-4	19%	14%	66%	**125**
	5-9	34%	11%	55%	**94**
	10-24	34%	10%	56%	**109**
	25-49	34%	26%	40%	**47**
	50-99	47%	11%	42%	**19**
	100-249	35%	13%	52%	**23**
	250+	42%	0%	58%	**12**
	Total	**21%**	**10%**	**45%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Proportionately, companies with 50-99 staff members were most likely to have their workforce increase, with almost half (47%) of companies claiming it occurred. Interestingly, only 42% of companies with more than 250 employees stated their workforce had increased, but none stated that their workforce had decreased.

Proportionately, companies with 25-49 staff members are most likely to have had their staff levels decrease in the last 12 months; more than a quarter (26%) of these companies reported a decrease in staff levels.

Sole traders are the most likely to have their workforce stay the same over the last 12 months with more than five-sixths (87%) of sole traders reporting this. This is more than 20% higher than the next highest size of companies.

Table 2.6 Changes in size of the workforce by changes in turnover

		Has the size of your workforce increased, decreased or stayed the same?			
		Increased	**Decreased**	**Stay the same**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12	**Increased**	47%	5%	48%	**174**
	Decreased	9%	44%	47%	**66**
	Stayed the Same	16%	10%	74%	**182**
	Don't Know/Won't Say	25%	13%	62%	**52**
	Total	**28%**	**13%**	**59%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

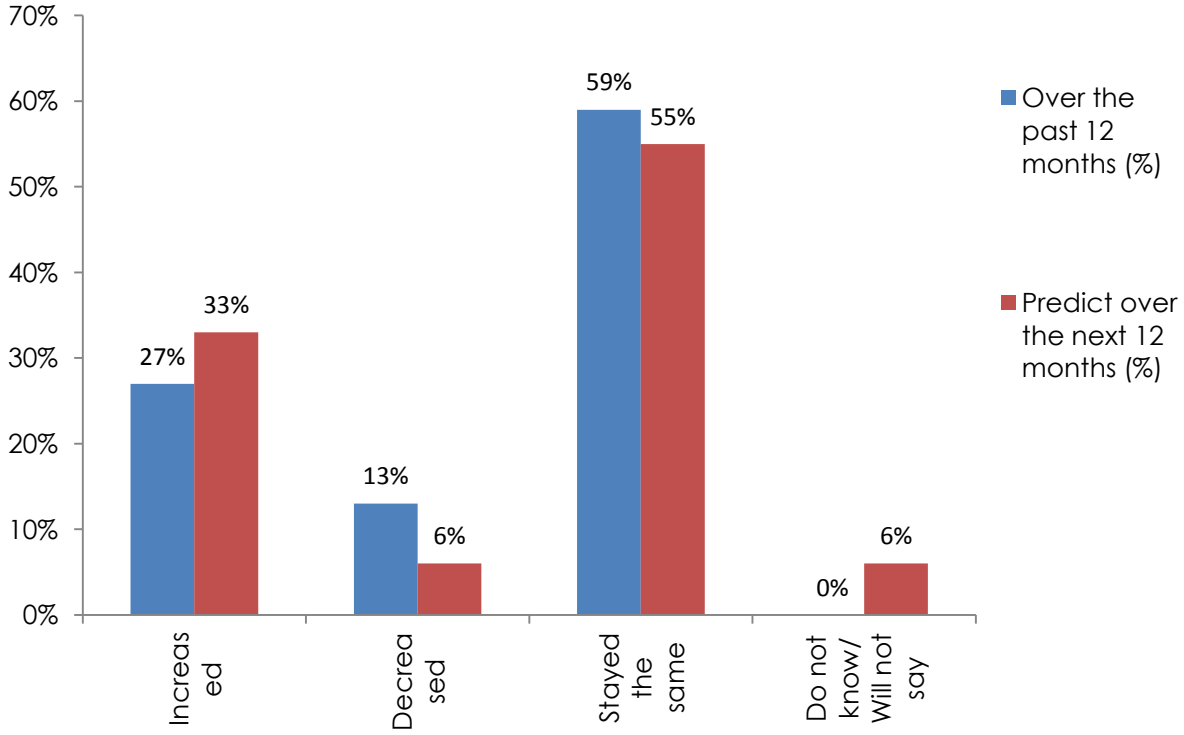
As could be predicted, companies that reported their turnover increased were the most likely to report an increase in the size of the workforce, accounting to 63% of them. However, less than half (47%) of companies that reported their turnover has increased stated their workforce has also increased.

Companies that stated their turnover has decreased accounted for largest single proportion of companies that reported the size of their workforce had decreased (44%). However, amongst these decreased turnover companies, it is slightly more likely that the size of the workforce has remained the same (47%) than to have decreased (44%).

Overall, companies are more optimistic about the future regarding the size of their workforce, compared to changes in the last 12 months. 33% of companies feel that the size of their workforce will increase over the next 12 months, compared to the 28% who felt it had increased in the last 12 months. Only one in twenty (6%) of companies felt that their workforce would decrease in the next 12 months, compared to more than one in eight (13%) in the last 12 months, a reduction of almost a third.

More than one in 16 companies, (6%) do not know or will not say what they think will happen to their workforce over the next year. Many were highly uncertain over what would happen over the next year and felt that the current situation made the future highly unpredictable and they could not tell if they would be able to hire more staff or have to make existing ones redundant.

Chart 2.2 Comparison of changes in the size of the workforce over the last 12 months compared to what they predict will happen in the next 12 months. (%)



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

By sector, it can be seen from table 2.7below that proportionately, the chemicals and pharmaceutical businesses are the most likely to predict an increase in the size of their workforce (55%). Table 2.7 below shows that 45% of chemical and pharmaceutical companies also predict an increase in turnover over the next 12 months. 44% of electronics companies predict their staff size will increase over the next 12 months.

Clothing and textiles companies are the least likely to predict their staff will increase over the next 12 months, with only 8% of companies predicting an increase.

Paper companies are the most likely to predict their staff will decrease, with 11% predicting this. This is equal to the 11% of paper companies that predicted their turnover would decrease over the next 12 months.

Table 2.7 Predicted changes in the size of the workforce over the next 12 months by sector

		What do you think will happen to the size of the workforce in the next 12 months?				
		Increase	**Decrease**	**Stay the same**	**Don't know/ Won't say**	**Total**
types of products do you	**Food and Drink**	35%	3%	61%	0%	**31**
	Clothing/ Textiles	8%	8%	72%	13%	**39**
	Paper	24%	11%	62%	2%	**45**
	Chemicals and	55%	5%	30%	10%	**20**

	Pharmaceuticals					
	Plastics and Plastic Products	32%	9%	53%	6%	**53**
	Ceramics and Glass	33%	7%	53%	7%	**30**
	Metals and Fabricated Products	34%	7%	56%	3%	**181**
	Electronics	44%	6%	35%	15%	**34**
	Vehicles	31%	2%	58%	9%	**45**
	Other	32%	7%	56%	5%	**148**
	Total	**32%**	**7%**	**55%**	**6%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013
*Number higher as companies can have multiple sectors.

By size, the companies most likely to increase in terms of their workforce over the next 12 months are those with 50-99 staff; 68% of these companies predict their workforce will increase.

The sizes of company most likely to predict a decrease in the size of their workforce have 25-49 staff (11%) and 2-4 staff (10%).
No company with more than 50 workers predicts a decrease in the size of their staff over the next 12 months. Companies with more than 100 workers are more likely to predict their workforce will remain the same size than increase, as the existing workforce can still adequately deal with increases in turnover.

Table 2.8: Predicted changes in the size of the workforce over the next 12 months by size of company

		Has the size of your workforce increased, decreased or stayed the same?				
		Increase	**Decrease**	**Stay the Same**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	13%	0%	80%	7%	**45**
	2-4	25%	10%	60%	6%	**125**
	5-9	36%	5%	52%	6%	**94**
	10-24	34%	5%	52%	9%	**109**
	25-49	51%	11%	36%	2%	**47**
	50-99	68%	0%	26%	5%	**19**
	100-249	39%	0%	57%	4%	**23**
	250+	33%	0%	67%	0%	**12**
	Total	**33%**	**6%**	**55%**	**6%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

51% of companies that have increased their turnover in the last 12 months predict that the size of their workforce will increase over the next 12 months. These companies are feeling that due to their increased turnover, they will be able to hire new staff.

Amongst companies that have decreased, stayed the same or do not know/won't say, at least 50% predict the size of their workforce will remain the same. Even amongst companies that have had their turnover increase, 41% of companies predict their workforce will remain the same.

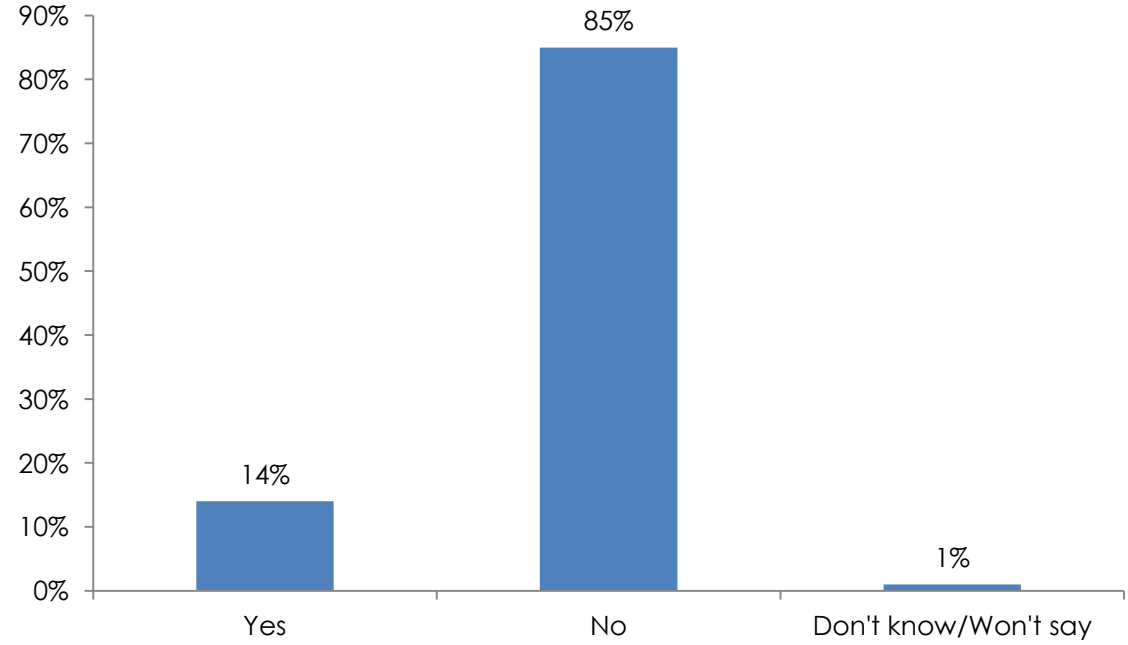
Table 2.9 Predicted changes in the size of the workforce over the next 12 months by changes in turnover

		What do you think will happen to the size of the workforce in the next 12 months?				
		Increase	**Decrease**	**Stay the same**	**Don't know/Won't say**	**Total**
company's turnover increased, decreased or stayed the same over the last 12	Increase	51%	3%	41%	5%	**174**
	Decrease	21%	21%	50%	8%	**66**
	Stay the same	25%	3%	69%	3%	**182**
	Don't Know/Won't say	21%	4%	56%	19%	**52**
	Total	33%	6%	55%	6%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

65 companies (16%) stated that they currently had any hard-to-fill vacancies. 85% of companies do not have any hard to fill vacancies at the present time and a further 1% does not know or will not say if they have any.

Chart 2.3 Proportion of businesses with Hard-to-fill vacancies?



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The table below shows the number of hard to fill vacancies by the broad type of product produced by the company.

Table 2.10 Hard-to-fill vacancies by sector

		Is your business currently experiencing any hard-to-fill vacancies?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	29%	71%	0%	**31**
	Clothing/Textiles	0%	100%	0%	**39**
	Paper	4%	96%	0%	**45**
	Chemicals and Pharmaceuticals	15%	80%	5%	**20**
	Plastics and Plastic Products	9%	91%	0%	**53**
	Ceramics and Glass	7%	93%	0%	**30**
	Metals and Fabricated Products	18%	80%	2%	**181**
	Electronics	21%	79%	0%	**34**
	Vehicles	22%	78%	0%	**45**
	Other	9%	89%	1%	**148**
	Total	**14%**	**85%**	**1%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013
***Note:** Total frequency is higher than the total number surveyed, as companies were asked to select all broad sectors that applied.

The sector with the highest proportion of businesses reporting hard to fill vacancies is food and drink with almost one-third (29%) of businesses reporting them. Other sectors with high proportions of hard-to-fill vacancies are Vehicles (22%), Electronics (21%) and Metals and fabricated products (18%). For Vehicle, electronics and metals, these sectors require highly specialized skills which may be much harder to recruit for in the Worcestershire area.

Clothing and textiles do not have any hard-to-fill vacancies. Paper (96%) and Ceramics and glass (93%) are also highly likely to have no hard-to-fill vacancies. These sectors are less likely to require specialisied skills and it would be possible to train staff for these sectors.

Table 2.11: Hard-to-fill vacancies by size of workforce

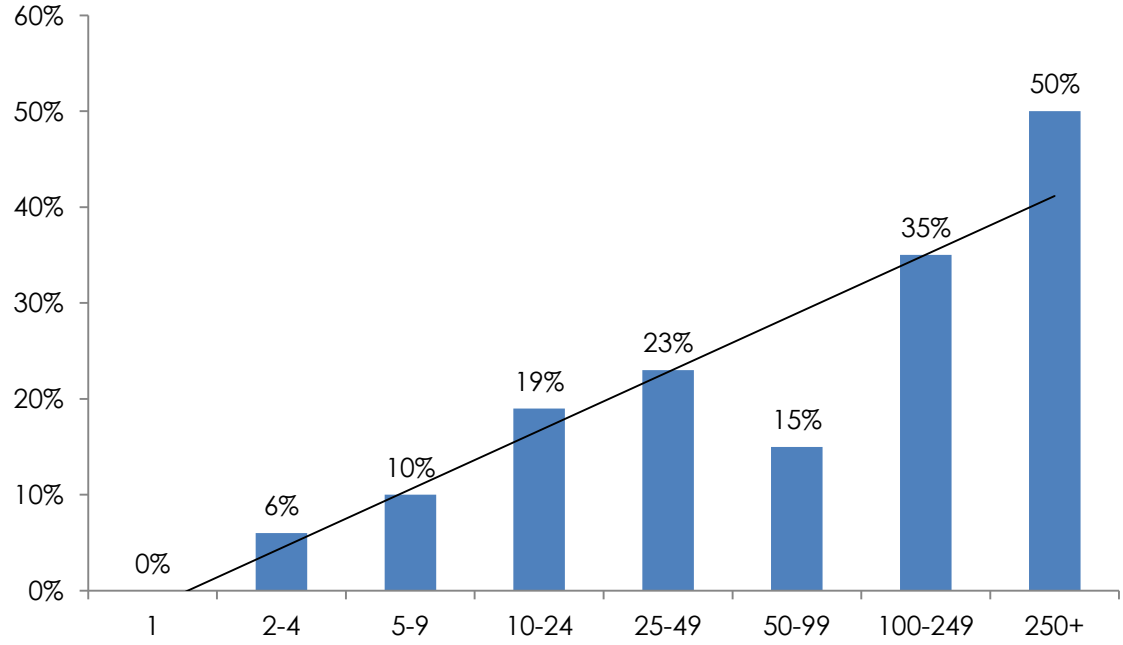
		Is your business currently experiencing any hard-to-fill vacancies?			
		Yes	**No**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	100%	0%	**45**
	2-4	6%	93%	2%	**125**
	5-9	10%	89%	1%	**94**
	10-24	19%	80%	1%	**109**
	25-49	23%	77%	0%	**47**
	50-99	16%	79%	5%	**19**
	100-249	35%	65%	0%	**23**
	250+	50%	50%	0%	**12**
	Total	**14%**	**85%**	**1%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Overall, larger companies tend to be more likely to have hard to fill vacancies. Half of companies with more than 250 staff report hard to fill vacancies, whilst only 6% of companies with 2-4 staff members reported them. Sole traders did not report any hard to fill vacancies.

This pattern is only broken by companies with 50-99 staff members; a smaller percentage of these reported hard to fill vacancies compared to companies with 25-49 staff members (15% to 23% respectively).

Chart 2.4 Hard to fill vacancies by size of the workforce



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.12 Hard-to-fill vacancies by changes in turnover

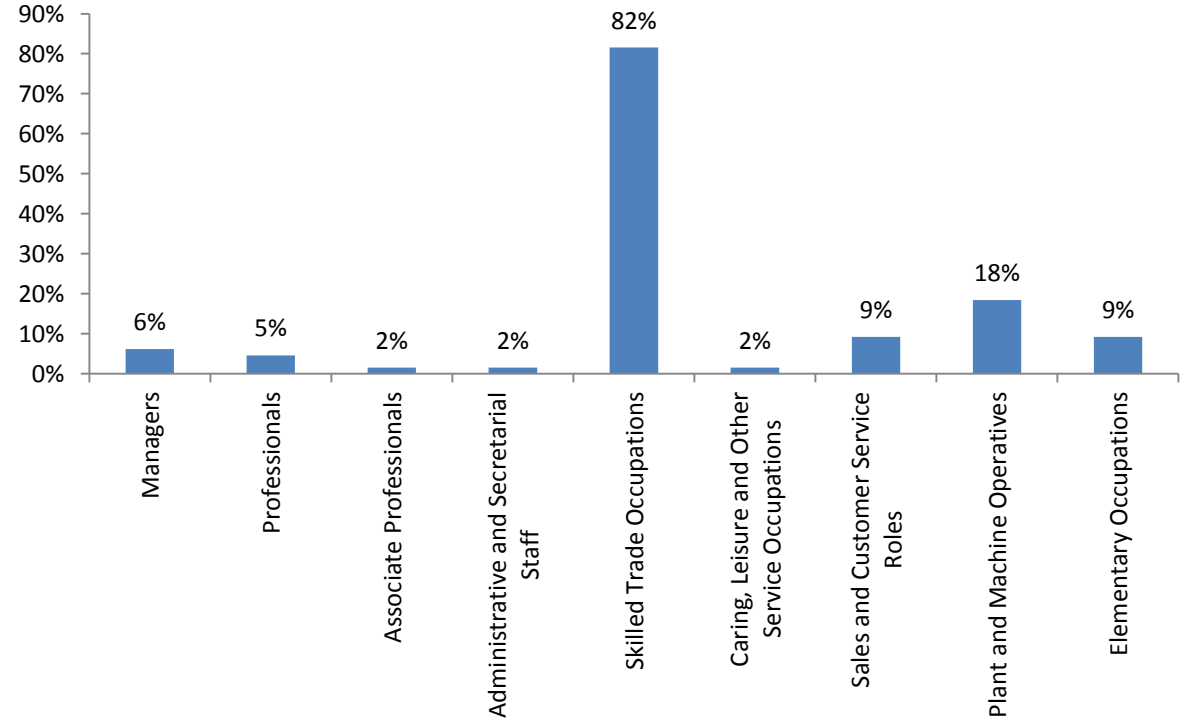
		Is your business currently experiencing any hard-to-fill vacancies?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	19%	80%	1%	**174**
	Decreased	18%	80%	2%	**66**
	Stayed the Same	9%	90%	1%	**182**
	Don't know/Won't say	6%	92%	2%	**52**
	Total	14%	85%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Amongst companies that reported their turnover increased and decreased, the proportion reporting hard-to-fill vacancies are almost the same (19% and 18% respectively).
Companies whose turnover has stayed the same are half as likely to have hard-to-fill vacancies; this is likely due to them having fewer vacancies overall.

The companies were also asked about which specific occupations are proving hard-to-fill. The table below shows percentage of companies reporting skills gaps for each occupation by the broad type of product the company makes, as a proportion of the 65 companies reporting hard-to-fill vacancies.

Chart 2.5 Proportion of companies reporting hard-to-fill vacancies by specific occupations



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The vacancies most companies report as hard-to-fill are skilled trade occupations, which 82% of companies with hard-to-fill vacancies reported. This was by far the most significant, with the second most frequent vacancy being plant and machine operatives, which only 18% of companies felt were hard-to-fill. This is a difficult problem to overcome as each industry, and even each business, will require different skilled trade occupations. It will not be possible to run, for example, enough, varied training courses to provide staff skilled for **all** of these vacancies.

As can be seen in table 2.13 below, the skilled trade occupations hard-to-fill vacancies are found in almost every sector.

Table 2.13 Specific hard-to-fill vacancy occupations by broad product manufactured.

		What specific occupations are proving hard-to-fill?									
		Managers	Professionals	Associate Professionals	Administrative and Secretarial Staff	Skilled Trade Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Roles	Plant and Machine Operatives	Elementary Occupations	Total
What broad types of products do you manufacture?	Food and Drink	9%	0%	0%	0%	45%	0%	18%	9%	18%	**11**
	Clothing/Textiles	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0**
	Paper	0%	0%	0%	0%	50%	0%	0%	50%	0%	**2**
	Chemicals and Pharmaceuticals	25%	0%	0%	0%	50%	0%	0%	25%	0%	**4**
	Plastics and Plastic Products	13%	7%	7%	7%	13%	7%	13%	20%	13%	**15**
	Ceramics and Glass	0%	0%	0%	0%	100%	0%	0%	0%	0%	**2**
	Metals and Fabricated Products	3%	3%	0%	0%	73%	0%	0%	23%	0%	**40**
	Electronics	0%	11%	0%	0%	67%	0%	11%	0%	11%	**9**
	Vehicles	0%	0%	0%	0%	83%	0%	0%	0%	17%	**12**
	Other	6%	0%	0%	0%	69%	0%	6%	19%	0%	**16**
	Total	**5%**	**3%**	**1%**	**1%**	**61%**	**1%**	**5%**	**16%**	**6%**	**111**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013
*Note: Companies could report as many occupations as they had hard-to-fill vacancies in.

There are 50 of these hard-to-fill vacancies in skilled trade occupations which are from companies producing only three different types of products: metals and fabricated products (43%), 'other' products (16%) and vehicles (15%). It would not be feasible to provide training for all of these skilled trade occupations. However, metals and fabricated products account for almost half of the total number of companies reporting hard-to-fill vacancies; it would be possible to run training courses for the metals and fabricated products sector to provide trained and skilled staff for half of the hard-to-fill vacancies.

Table 2.14 below shows the number of hard-fill vacancies by occupation and size band. The greatest proportion of hard-to-fill vacancies are amongst companies with 10-24 members of staff; these account for 37% of the total reported vacancies (14% higher than these companies proportion of all companies).

Table 2.14 Specific hard-to-fill vacancy occupations by size of workforce

		What specific occupations are proving hard-to-fill?									
		Managers	**Professionals**	**Associate Professionals**	**Administrative and Secretarial Staff**	**Skilled Trade Occupations**	**Caring, Leisure and Other Service Occupations**	**Sales and Customer Service Roles**	**Plant and Machine Operatives**	**Elementary Occupations**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0**
	2-4	0%	0%	0%	0%	75%	0%	13%	0%	13%	**8**
	5-9	0%	9%	0%	0%	73%	0%	0%	18%	0%	**11**
	10-24	6%	3%	3%	3%	47%	3%	13%	16%	6%	**32**
	25-49	7%	7%	0%	0%	64%	0%	0%	14%	7%	**14**
	50-99	0%	0%	0%	0%	75%	0%	0%	0%	25%	**4**
	100-249	0%	0%	0%	0%	89%	0%	0%	11%	0%	**9**
	250+	11%	0%	0%	0%	44%	0%	11%	22%	11%	**9**
	Total	**5%**	**3%**	**1%**	**1%**	**61%**	**1%**	**7%**	**14%**	**7%**	**87**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies that reported their turnover had increased over the last 12 months are most likely to report hard-to-fill vacancies, accounting for 57% of all hard-to-fill vacancies. This is nearly four times higher than the proportion of businesses whose turnover has decreased (15%). This could be due to the greater number of vacancies companies with increased turnover are likely to be trying to recruit for and the different types of jobs these companies will be recruiting for.

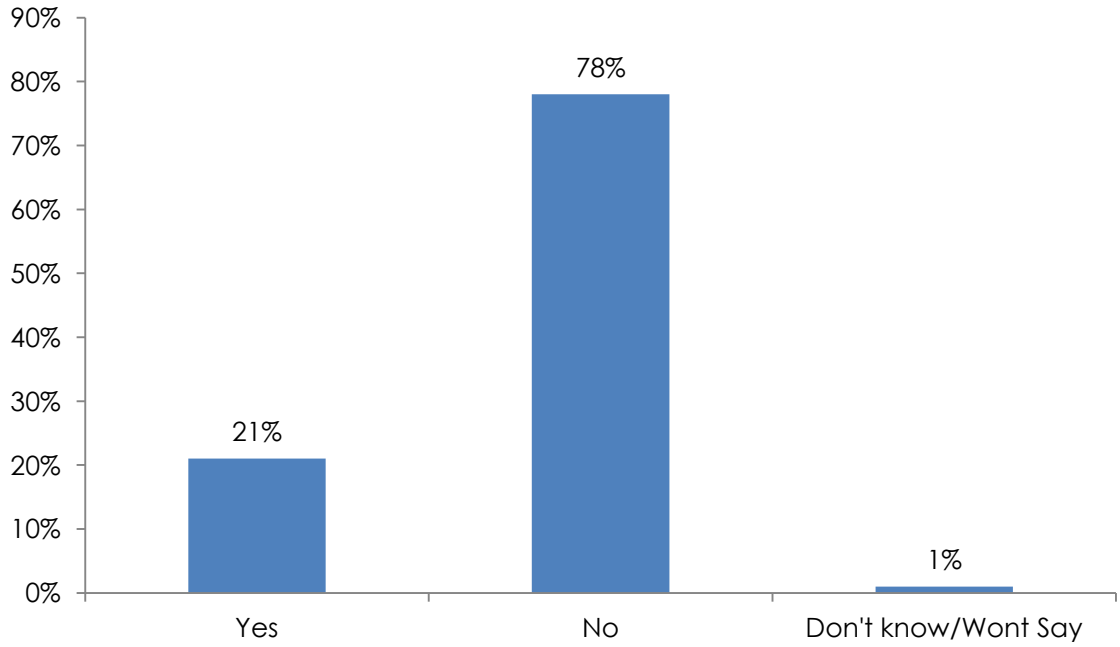
Table 2.14 Specific hard-to-fill vacancy occupations by changes in workforce

		What specific occupations are proving hard-to-fill?									
		Managers	**Professionals**	**Associate Professionals**	**Administrative and Secretarial Staff**	**Skilled Trade Occupations**	**Caring, Leisure and Other Service Occupations**	**Sales and Customer Service Roles**	**Plant and Machine Operatives**	**Elementary Occupations**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	4%	4%	2%	2%	55%	2%	9%	15%	6%	**47**
	Decreased	0%	8%	0%	0%	77%	0%	8%	0%	8%	**13**
	Stayed the Same	8%	0%	0%	0%	63%	0%	0%	21%	8%	**24**
	Don't know/Won't say	0%	0%	0%	0%	67%	0%	33%	0%	0%	**3**
	Total	5%	3%	1%	1%	61%	1%	7%	14%	7%	**87**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies were asked whether they currently employed any apprentices. As chart 2.6. below shows, approximately one-fifth (21.1%) of companies employed an apprentice.

Chart 2.6 Proportion of companies employing an apprentice

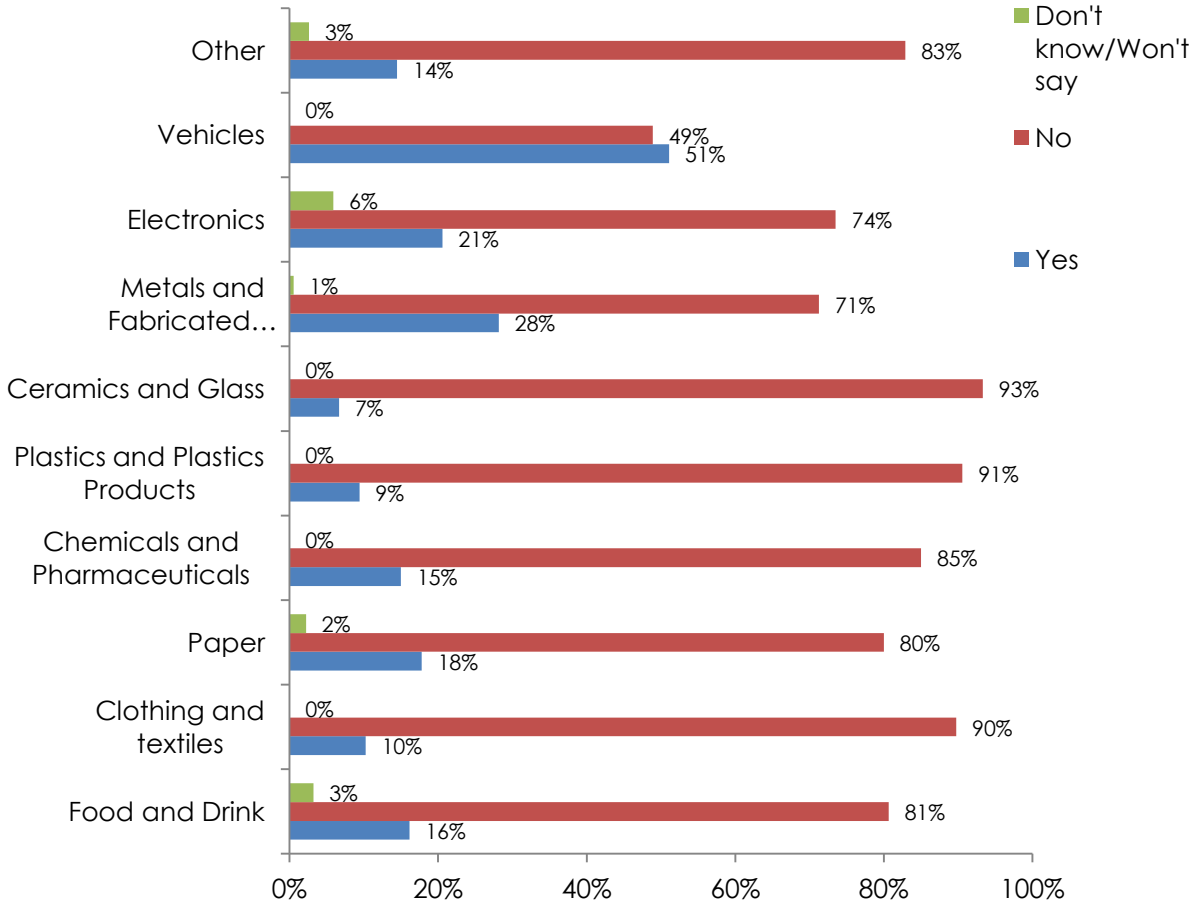


Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Chart 2.7 below shows the proportion of companies from each sector that utilize apprentices. As can be seen, they are most often used by vehicle producers, more than half of whom (51.1%) employ apprentices. The sector with the second highest proportion of companies employing apprentices is metal and fabricated products and only have 28.2% of those companies utilize them.

Perhaps surprisingly, ceramics and glass (7%) and plastic and plastic products are the least likely to employ apprentices with less than a tenth (9%) currently doing so. This seems surprising as there are apprenticeships available e for these industries and both involved technical and practical skills which could be easily developed through apprenticeships.

Chart 2.7 Proportion of companies employing apprentices by sector



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.16 Number of companies employing apprentices by staff size

	Do you currently employ any apprentices?				
		Yes	**No**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	2%	98%	0%	45
	2-4	11%	89%	0%	125
	5-9	13%	86%	1%	94
	10-24	27%	72%	1%	109
	25-49	23%	74%	2%	47
	50-99	58%	42%	0%	19
	100-249	65%	30%	4%	23
	250+	58%	42%	0%	12
	Total	21%	78%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.16 shows that the smaller companies are much less likely to utilize apprentices in their businesses. Only 2% of sole traders employ an apprentice, whilst 65% of companies with 100-249 staff employ them.

Companies with more staff have the capacity and time to work with an apprentice and be able to train them properly. Smaller companies cannot commit the time that

is required for an apprentice, as they are so many other commitments upon their time.

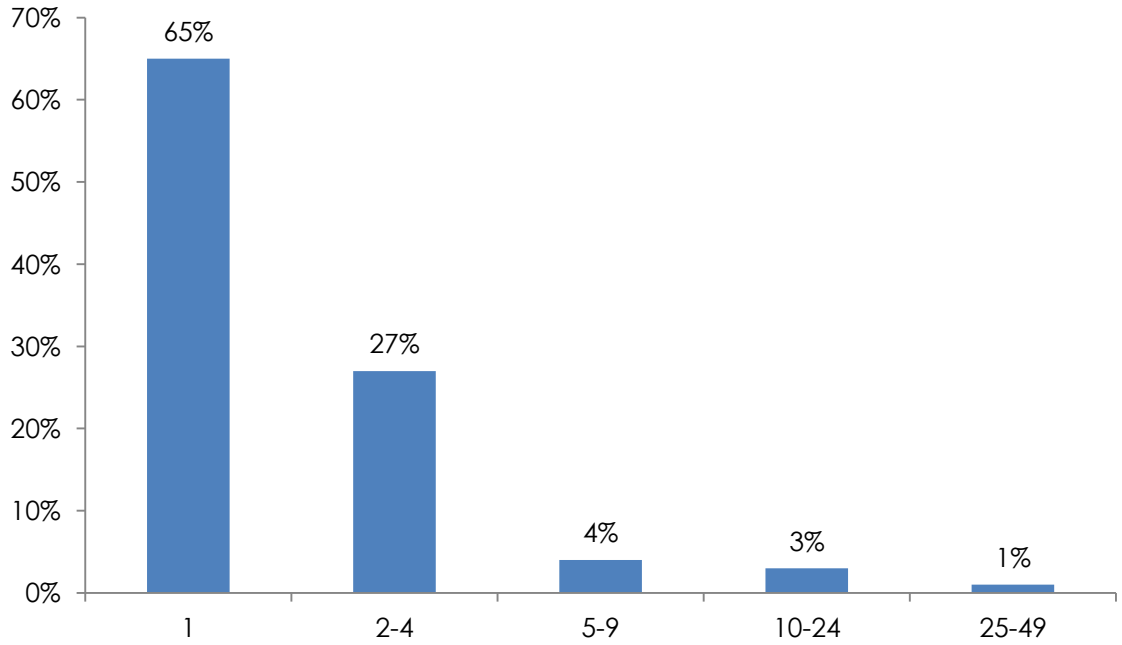
Table 2.17 Number of companies employing apprentices by changes in turnover

		Do you currently employ any apprentices?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	27%	72%	1%	174
	Decreased	12%	86%	2%	66
	Stayed the Same	19%	81%	0%	182
	Don't know/Won't say	21%	77%	2%	52
	Total	21%	78%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The companies that did employ apprentices were also asked how many they currently employed. As can be seen from chart 2.8 below, almost two thirds (65%) only employed one apprentice. 92% of employers had less than five apprentices currently employed. However, three manufacturers had 10-24 apprentices and one manufacturer currently employed between 25-49 apprentices.

Chart 2.8 Proportion of companies employing each amount of apprentices



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.18 Number of companies employing each amount of apprentices by sector

		How many apprentices are currently employed?					
		1	**2-4**	**5-9**	**10-24**	**25-49**	**Total**
What broad types of products do you manufacture?	Food and Drink	60%	40%	0%	0%	0%	**5**
	Clothing/Textiles	100%	0%	0%	0%	0%	**4**
	Paper	88%	13%	0%	0%	0%	**8**
	Chemicals and Pharmaceuticals	100%	0%	0%	0%	0%	**3**
	Plastics and Plastic Products	60%	40%	0%	0%	0%	**5**
	Ceramics and Glass	100%	0%	0%	0%	0%	**2**
	Metals and Fabricated Products	65%	27%	4%	2%	2%	**51**
	Electronics	57%	29%	14%	0%	0%	**7**
	Vehicles	57%	30%	4%	9%	0%	**23**
	Other	55%	32%	5%	5%	5%	**22**
	Total	65%	27%	4%	3%	2%	**130**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

As can be seen in table 2.18 above, the metal and fabricated products sector account for the greatest number of apprentices. The sector includes one of the companies with 10-4 apprentices and the only companies with more than 25 apprentices, also accounting for 40% of the number of companies with fewer than 10 apprentices.

Clothing and textiles, chemicals and pharmaceuticals and ceramics and glass companies exclusively have only 1 apprentice working at their companies. As can be seen from table 2.2 above, these sectors tend to have smaller staff sizes overall, so would be less able to deal with high numbers of apprentices to both train and manage.

Table 2.19 Number of companies employing each amount of apprentices by staff size

		How many apprentices are currently employed?					
		1	**2-4**	**5-9**	**10-24**	**25-49**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	100%	0%	0%	0%	**1**
	2-4	86%	14%	0%	0%	0%	**14**
	5-9	83%	17%	0%	0%	0%	**12**
	10-24	79%	21%	0%	0%	0%	**29**
	25-49	55%	36%	9%	0%	0%	**11**
	50-99	55%	36%	9%	0%	0%	**11**
	100-249	33%	53%	0%	13%	0%	**15**
	250+	43%	0%	29%	14%	14%	**7**
	Total	65%	27%	4%	3%	1%	**100**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.19 above shows that larger companies tend to employ the most apprentices. Companies with 250 or more employees are less likely to employ one

apprentice as they are to employ more than 5 apprentices (43% to 57% respectively). Whilst smaller companies tend to employ fewer apprentices per business, the single sole trader with apprentices employs between 2-4.

Companies whose turnover has increased over the last 12 months tend to employ the most apprentices, but also are more likely to employ a single apprentice (72%). Companies who turnover has decreased account for only 8% of companies with apprentices and are equally likely to employ either one or two-four apprentices. At companies which reported their turnover has remained the same for the last 12 months, the numbers of apprentices are more varied. Whilst more companies employ only 1 or 2-4 apprentices, all of the companies with more than 10 apprentices report their turnover has stayed the same.

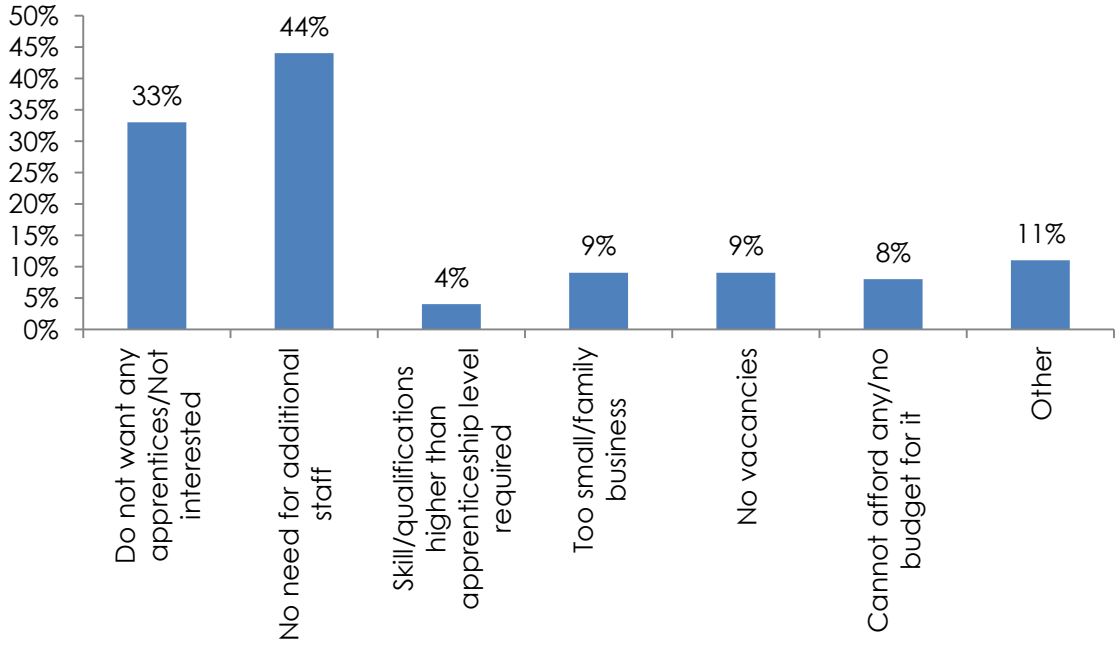
Table 2.20 Number of companies employing each amount of apprentices by changes in turnover

		How many apprentices are currently employed?					
		1	**2-4**	**5-9**	**10-24**	**25-49**	**Total**
Has your companies turnover increased, decreased or stayed the same over the last 12 months?	Increased	72%	26%	2%	0%	0%	**47**
	Decreased	50%	50%	0%	0%	0%	**8**
	Stayed the same	56%	26%	6%	9%	3%	**34**
	Don't know/Won't say	73%	18%	9%	0%	0%	**11**
	Total	65%	27%	4%	3%	1%	**100**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies that did not employ apprentices were asked why they did not. Chart below shows the proportion of businesses that stated each reason for not employing apprentices.

Chart 2.9 Proportion of businesses with each reason for not employing apprentices



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The most common reason for not employing apprentices is the lack of need for additional staff; 46% of the companies which do not have apprentices stated this was the reason. One-third (33%) stated they 'do not want any apprentices' or are 'not interested' in having them. 9% of companies feel there are too small or are a family business, suggesting they do not have the time or inclination to recruit an apprentice. Another 9% stated they currently have no vacancies for apprentices; this may mean that they have recruited apprentices at other times but at present they have no vacancies for them.

Only 4% of companies that do not take apprentices do so because the skills they require are higher than an apprenticeship can provide. This is encouraging as it means that apprentices can be used for the vast majority of manufacturing roles; companies are choosing not to use apprentices, rather than not being able to.

Amongst the other reasons stated included 11 companies that were 'looking into getting apprentices in the future', eight who did not like apprenticeship programmes and felt they are a 'burden on businesses' and four who had problems finding 'suitable applicants.'

From table 2.21 below, it can be seen that only the chemical and pharmaceutical, electronics and vehicles sectors are more likely to not employ apprentices due to a lack of wanting them, rather than due to no need for additional staff.

Metals and fabricated products and chemicals and pharmaceuticals are most likely to state that apprenticeships do not provide the skills and qualifications that are needed (5% of each sectors companies that do not employ apprentices stated this as a reason for not doing so).

Table 2.21 Number of businesses with each reason for not employing apprentices by sector

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		Why do you not employ any apprentices?							
		Do not want any apprentices/Not interested	No need for additional staff	Skills/qualifications higher than apprenticeship level required	Too small/family business	No Vacancies	Cannot afford any/no budget for it	Other	Total
What broad types of products do you manufacture?	Food and Drink	24%	34%	0%	7%	14%	7%	14%	**29**
	Clothing/Textiles	21%	33%	2%	7%	12%	12%	12%	**42**
	Paper	30%	47%	2%	9%	0%	0%	13%	**47**
	Chemicals and Pharmaceuticals	42%	37%	5%	5%	0%	5%	5%	**19**
	Plastics and Plastic Products	23%	34%	0%	13%	11%	8%	11%	**53**
	Ceramics and Glass	17%	22%	0%	3%	2%	5%	51%	**59**
	Metals and Fabricated Products	28%	38%	5%	7%	8%	6%	8%	**159**
	Electronics	29%	26%	3%	13%	16%	6%	6%	**31**
	Vehicles	31%	28%	0%	7%	3%	17%	14%	**29**
	Other	15%	18%	3%	3%	5%	4%	53%	**279**
	Total	22%	28%	3%	6%	6%	6%	29%	**747**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.22 below shows that larger companies have fewer reasons for not employing apprentices than smaller companies and these reasons are related to choice and budget, rather than not needing additional staff.

Smaller companies are more likely to state they have no need for additional staff, no vacancies or that they are too small to have apprentices. (However, one company with 100-249 members of staff stated they were ';too small/family business' which seems unusual)

Table 2.22 Number of businesses with each reason for not employing apprentices by staff size

	Why do you not employ any apprentices?

		Do not want any apprentices/Not interested	No need for additional staff	Skills/qualifications higher than apprenticeship level required	Too small/family business	No Vacancies	Cannot afford any/no budget for it	Other	Total
How many staff are employed by your company in the Worcestershire area?	1	46%	22%	0%	10%	12%	6%	4%	**50**
	2-4	25%	44%	2%	6%	6%	11%	6%	**142**
	5-9	27%	41%	4%	11%	6%	4%	6%	**97**
	10-24	22%	38%	8%	7%	10%	4%	11%	**90**
	25-49	34%	27%	5%	2%	7%	5%	20%	**41**
	50-99	13%	50%	0%	0%	13%	0%	25%	**8**
	100-249	25%	13%	0%	13%	0%	13%	38%	**8**
	250+	33%	0%	0%	0%	17%	17%	33%	**6**
	Total	28%	37%	4%	7%	8%	7%	10%	**442**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.23 below shows that proportionally, companies whose turnover has decreased are twice as likely to report they cannot afford to take apprentices on (12% to 6% respectively). They are also twice as likely to state they have no vacancies for apprentices (10% to 6% respectively).

Companies whose turnover has remained the same over the past 12 months are the most likely to not want any apprentices or are not interested in them, with 32% stating this. This is higher even than amongst companies whose turnover has decreased, which is only 27%.

Table 2.23 Number of businesses with each reason for not employing apprentices by changes in turnover

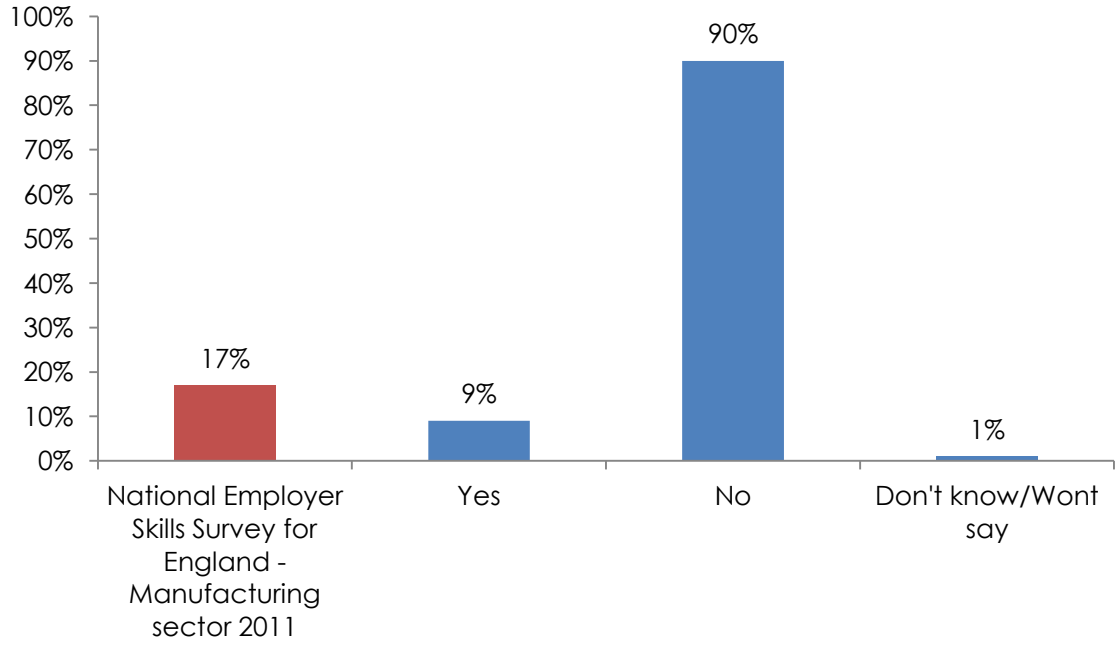
	Why do you not employ any apprentices?

		Do not want any apprentices/Not interested	No need for additional staff	Skills/qualifications higher than apprenticeship level required	Too small/family business	No Vacancies	Cannot afford any/no budget for it	Other	Total
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	24%	39%	5%	8%	6%	6%	11%	**160**
	Decreased	27%	27%	3%	8%	11%	12%	5%	**66**
	Stayed the same	32%	39%	3%	8%	8%	5%	6%	**173**
	Don't know/Won't say	26%	33%	2%	5%	12%	9%	4%	**43**
	Total	**28%**	**37%**	**4%**	**7%**	**8%**	**7%**	**26%**	**442**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies were asked whether they were experiencing any skills gaps amongst their existing workforce.

Chart 2.10: Proportion of companies currently experiencing any skills gaps amongst their existing staff



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013
UK Commission's Employer Skills Survey 2011: UK Results Evidence Report 45 July 2012 p. 70

Only 9% of companies felt that they had any skills gaps amongst their existing staff. This number seems very low, as it is almost half of the National Employer Skills Survey figure, which stands at 17%. However, it may reflect how different employers view skills gaps. The in-depth interviews below show that employers train staff for particular roles in their business, and do not feel staff have skills gaps if they can do their own job well.

Table 2.24 Proportion of companies currently experiencing any skills gaps amongst their existing staff by sector

		Is your business currently experiencing any skills gaps amongst your existing staff?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	16%	84%	0%	**31**
	Clothing/Textiles	0%	100%	0%	**39**
	Paper	0%	100%	0%	**45**
	Chemicals and Pharmaceuticals	5%	90%	5%	**20**
	Plastics and Plastic Products	4%	94%	2%	**53**
	Ceramics and Glass	10%	90%	0%	**30**
	Metals and Fabricated Products	12%	87%	1%	**181**
	Electronics	9%	88%	3%	**34**
	Vehicles	13%	87%	0%	**45**
	Other	9%	90%	1%	**148**
	Total	**9%**	**90%**	**1%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.24 above shows that proportionally, the food and drink sector is most likely to report skills gaps amongst their existing staff, with 16% of companies doing so. Electronics (13%) and ceramics and glass (12%) have comparable levels of skills gaps.

Both the clothing and textiles sector and the paper sector do not report any skills gaps amongst their existing staff. These sectors tend to have fewer staff so there would be fewer staff to have skills gaps.

Table 2.25 below shows that companies with more staff are more likely to experience skills gaps amongst their existing staff. ¼ of companies with more than 250 employees report skills gaps, whilst only 5% of companies with 2-4 staff do. Companies with 50-99 members of staff are much likely than would be expected, with only 5% of companies reporting gaps, approximately a quarter of what would be expected.

Table 2.25 Proportion of companies currently experiencing any skills gaps amongst their existing staff by size

	Is your business currently experiencing any skills gaps amongst your existing

		staff?			
		Yes	**No**	**Don't Know/ Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	2%	98%	0%	**45**
	2-4	5%	94%	1%	**125**
	5-9	5%	95%	0%	**94**
	10-24	13%	86%	1%	**109**
	25-49	17%	81%	2%	**47**
	50-99	5%	95%	0%	**19**
	100-249	22%	74%	4%	**23**
	250+	25%	75%	0%	**12**
	Total	9%	90%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.26 below shows there are no difference between the proportion of companies whose turnover has increased or decreased reporting skills gaps amongst their existing staff. It is 11% for both sets of companies.

A company whose turnover has remained the same has less likely to report skills gaps, with only 8% reporting skills gaps.

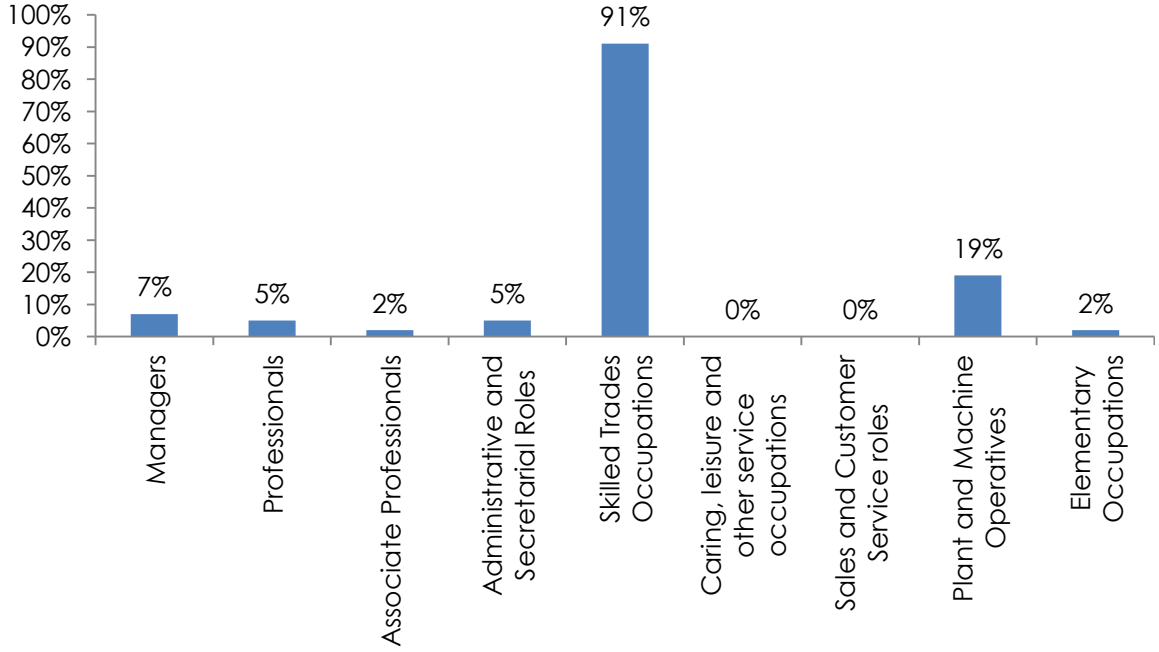
Table 2.26 Proportion of companies currently experiencing any skills gaps amongst their existing staff by changes in turnover

		Is your business currently experiencing any skills gaps amongst your existing staff?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
Has your companies turnover increased, decreased or stayed the same over the last 12 months?	Increased	11%	87%	1%	**174**
	Decreased	11%	89%	0%	**66**
	Stayed the same	8%	91%	1%	**182**
	Don't know/Won't say	2%	96%	2%	**52**
	Total	9%	90%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies which reported skills gaps amongst their existing staff were asked which specific groups of employees had skills gaps.

Chart 2.11 Proportion of companies reporting skills gaps by groups of employees



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

As can be seen in chart 2.11 above, the largest proportion of skills gaps are in relation to skilled trade occupations. This is to be expected as manufacturing companies require particular skilled trades, which can be industry specific. This means the companies require workers who have experience of their own particular industry.
The second most prominent skills gaps are in relation to plant and machine operatives, who are also important for the manufacturing industry.

Table 2.27. Proportion of companies reporting skills gaps by groups of employees by sector

		Which of the following groups of employees include those who have haps in their skills?									
		Managers	Professionals	Associate Professionals	Administrative and Secretarial Roles	Skilled Trade Occupations	Caring, Leisure and Other Service occupations	Sales and Customer Service Roles	Plant and Machine Operatives	Elementary Occupations	Total
Types of products do you	Food and Drink	14%	0%	0%	0%	57%	0%	0%	29%	0%	**7**
	Clothing/Textiles	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0**
	Paper	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0**
	Chemicals and	33%	0%	0%	33%	33%	0%	0%	0%	0%	**3**

	Pharmaceuticals										
	Plastics and Plastic Products	0%	0%	0%	0%	67%	0%	0%	33%	0%	**3**
	Ceramics and Glass	0%	0%	0%	0%	75%	0%	0%	25%	0%	**4**
	Metals and Fabricated Products	0%	0%	0%	0%	81%	0%	0%	15%	4%	**27**
	Electronics	0%	25%	0%	25%	50%	0%	0%	0%	0%	**4**
	Vehicles	0%	13%	0%	0%	75%	0%	0%	13%	0%	**8**
	Other	11%	6%	6%	6%	61%	0%	0%	11%	0%	**18**
	Total	**5%**	**4%**	**1%**	**4%**	**69%**	**0%**	**0%**	**15%**	**1%**	**74**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

As can be seen in table 2.27 above, different sectors have different skills gaps. The chemicals and pharmaceuticals sector is the mostly likely to have skills gaps for managers and administrative and secretarial roles (33% each). The electronics and vehicles sectors are the only sectors which require professionals, which may be due to the higher need for technical knowledge in these sectors.
Plant and machine operatives account for a large proportion of skills gaps in several sectors including plastics and plastic products (33%), food and drink (29%) and 25% of ceramics and glass gaps.

Table 2.28 Proportion of companies reporting skills gaps by groups of employees by size

		Which of the following groups of employees include those who have haps in their skills?									
		Managers	**Professionals**	**Associate Professionals**	**Administrative and Secretarial Roles**	**Skilled Trade Occupations**	**Caring, Leisure and Other Service occupations**	**Sales and Customer Service Roles**	**Plant and Machine Operatives**	**Elementary Occupations**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	0%	100%	0%	0%	0%	0%	0%	0%	**1**
	2-4	20%	10%	0%	10%	50%	0%	0%	10%	0%	**10**
	5-9	0%	0%	0%	0%	83%	0%	0%	17%	0%	**6**
	10-24	6%	0%	0%	0%	81%	0%	0%	6%	6%	**16**
	25-49	0%	11%	0%	11%	78%	0%	0%	0%	0%	**9**
	50-99	0%	0%	0%	0%	100%	0%	0%	0%	0%	**1**
	100-249	0%	0%	0%	0%	63%	0%	0%	38%	0%	**8**
	250+	0%	0%	0%	0%	60%	0%	0%	40%	0%	**5**
	Total	**5%**	**4%**	**2%**	**4%**	**70%**	**0%**	**0%**	**14%**	**2%**	**56**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

As can be seen from table 2.28 above, size of the workforce does seem to have an effect on the types of occupations there are skills gaps in. Companies with more than 50 employees do not have any skills gaps amongst managers, professionals, associate professionals and administrative and secretarial roles. All of the skills gaps in the larger companies are related to either skilled trade occupations or plant and machine operatives.
Smaller companies have a broad range of different occupations with skills gaps; companies with 2-4 employees have 5 different occupations with skills gaps. This may be due to staff having to perform multiple roles in a smaller company, which they may not be adequately trained for. At a larger company, one person can concentrate on a single role at a time, a role which they have trained and prepared for.

Table 2.29 Proportion of companies reporting skills gaps by groups of employees by changes in turnover

		Which of the following groups of employees include those who have haps in their skills?									
		Managers	Professionals	Associate Professionals	Administrative and Secretarial Roles	Skilled Trade Occupations	Caring, Leisure and Other Service occupations	Sales and Customer Service Roles	Plant and Machine Operatives	Elementary Occupations	Total
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	4%	0%	4%	0%	75%	0%	0%	13%	4%	**24**
	Decreased	9%	18%	0%	18%	55%	0%	0%	0%	0%	**11**
	Stayed the same	5%	0%	0%	0%	70%	0%	0%	25%	0%	**20**
	Don't know/Won't say	0%	0%	0%	0%	100%	0%	0%	0%	0%	**1**
	Total	5%	4%	2%	4%	70%	0%	0%	14%	2%	**56**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

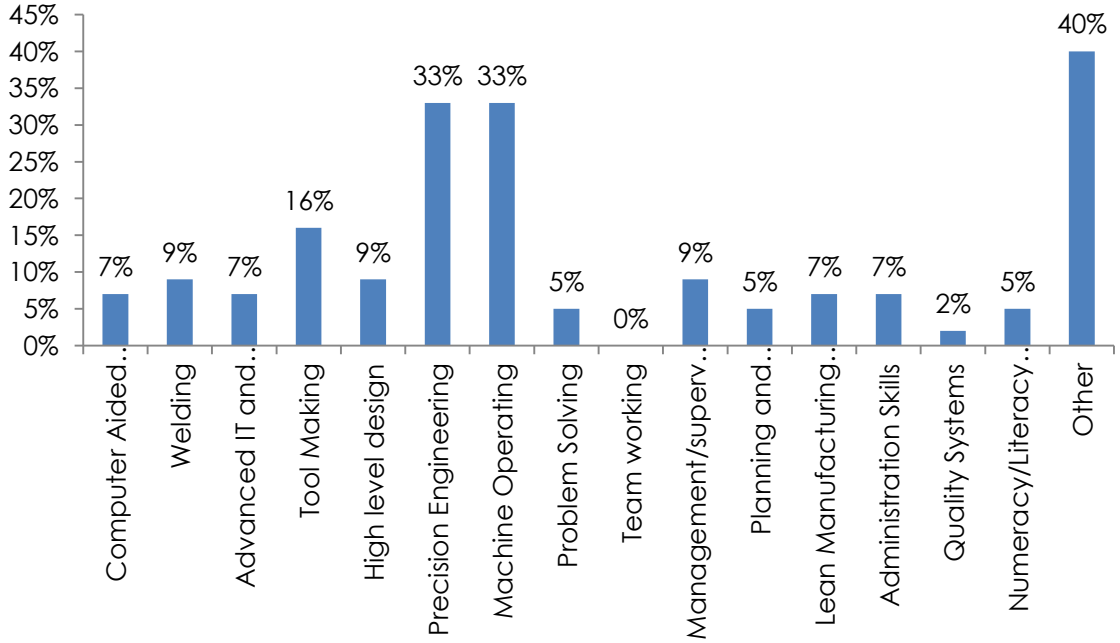
Table 2.29 above show s that there are differences in the occupations those skills gaps occur in, depending on how turnover has changed over the last 12 months. Companies whose turnover has decreased are more likely to predict managers have skills gaps (9% compared to 4% amongst companies where turnover has increased) This may be part of a 'blame culture' which focuses on management. Companies whose turnover has increased reported higher skills gaps amongst their skilled trade occupations (75%) and also amongst elementary occupations and plant and machine operatives, than companies whose turnover has decreased. This may be that the companies whose turnover has increased can be more honest

about their skills gaps or they can recognise issues and deal with them, which is what has caused their increase in profit.

Companies were also asked about which specific skills were currently missing amongst their existing workforce.
The single skills the greatest proportion of companies reported were precision engineering and machine operating, which one-third of companies reporting it being a skills gap amongst their staff. These are very common skills lacking; they are more than twice as likely to be lacking as the next most common skill, tool making (16% of companies with skills gaps).

'Other' skills gaps are primarily (82.4%) industry specific skills, such as fork lift driving, butchery and foundry working. Other gaps include social media, marketing and sales.

Chart 2.12 Proportion of companies reporting specific skills lacking amongst the existing workforce



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.30 below shows that the specific skill which are lacking vary significantly between sectors. Clothing and textiles are solely lacking advanced IT and software skills and numeracy and literacy (50% each) whilst metals and fabricated products have skills gaps in for all specific skills except high level design, machine operating, team working, management/supervisory skills and planning/organizational skills. This may be due to the different skills required for each sector. More technical sectors seem to have more diverse specific skills gaps. For example, electronics has gaps in all but 5 specific skills. It is important to deal with the skills gaps on a sectoral basis so the right types of training can be provided to different businesses.

Table 2.31 shows that larger companies are the most likely to require non-manufacturing skills such as management/supervisory skills and problem solving, whilst smaller companies are most likely to be focused towards skills which are directly linked with manufacturing such as Computer Aided Design and tool making.

This may be due to larger companies having to develop new skills in order to grow and expand, whilst smaller businesses are more focused on the short term and having staff who are able to complete their jobs.

Table 2.32. shows that companies whose turnover has decreased over the last 12 months are most likely to report gaps in management/supervisory skills, planning and organizational skills, lean manufacturing skills and administration skills (10% each). These are all important skills for being able to turn around a downturn in turnover. These gaps are more likely to be recognsied during a decrease in turnover.
Companies which have seen an increase in turnover are most likely to report skills gaps in areas not directly related to tourism, such as quality systems (3%) and problem solving (3%). This will be because these businesses are able to be concerned with these issues, which is a luxury that companies with decreasing turnover cannot be concerned about.
Companies whose turnover have remained the same are the most likely to be report skills gaps in relation to key manufacturing skills, such as precision engineering (23%) and machine operating (17%), which are higher than the other companies. This may be because these companies are trying to increase their turnover and the best way they feel they can do this is via the basics of product manufacture.

Table 2.30 Proportion of companies reporting specific skills lacking amongst the existing workforce by sector		Which of the following groups of employees include those who have gaps in their skills?																
		Computer Aided Design (CAD)	Welding	Advanced IT and Software skills	Tool Making	High level design	Precision Engineering	Machine Operating	Problem Solving	Team working	Management/supervisory skills	Planning and Organisation Skills	Lean Manufacturing Skills	Administration Skills	Quality Systems	Numeracy/Literacy skills	Other	Total
What broad types of products do you manufacture?	Food and Drink	0%	0%	13%	0%	0%	13%	0%	13%	0%	13%	13%	38%	0%	0%	13%	0%	**8**
	Clothing/ Textiles	0%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	**2**
	Paper	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0**
	Chemicals and Pharmaceuticals	0%	0%	17%	0%	0%	17%	17%	0%	17%	0%	17%	17%	0%	0%	17%	0%	**6**
	Plastics and Plastic Products	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%	0%	67%	0%	0%	33%	0%	**3**
	Ceramics and Glass	0%	40%	40%	0%	0%	0%	0%	0%	0%	0%	0%	20%	0%	40%	40%	0%	**5**
	Metals and Fabricated Products	7%	24%	14%	5%	0%	2%	0%	2%	0%	0%	0%	12%	7%	24%	14%	5%	**42**
	Electronics	13%	13%	0%	13%	0%	13%	13%	13%	13%	0%	0%	0%	13%	13%	0%	13%	**8**
	Vehicles	0%	11%	11%	0%	0%	0%	0%	0%	0%	0%	0%	22%	0%	11%	11%	0%	**9**
	Other	1%	3%	5%	1%	0%	1%	1%	0%	1%	0%	1%	86%	1%	3%	5%	1%	**173**
	Total	**2%**	**7%**	**8%**	**2%**	**0%**	**2%**	**1%**	**1%**	**2%**	**0%**	**1%**	**64%**	**2%**	**7%**	**8%**	**2%**	**255**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.31 Proportion of companies reporting specific skills lacking amongst the existing workforce by size		Which of the following groups of employees include those who have haps in their skills?															
		Computer Aided Design (CAD)	Welding	Advanced IT and Software skills	Tool Making	High level design	Precision Engineering	Machine Operating	Problem Solving	Team working	Management/supervisory skills	Planning and Organisation Skills	Lean Manufacturing Skills	Administration Skills	Quality Systems	Numeracy/Literacy skills	Other	Total
How many staff are employed by your company in the Worcestershire area?	1	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0%	50%	**2**
	2-4	0%	0%	7%	7%	0%	0%	14%	0%	0%	7%	7%	0%	14%	0%	7%	36%	**14**
	5-9	10%	0%	0%	0%	20%	20%	30%	0%	0%	0%	0%	0%	0%	0%	0%	20%	**10**
	10-24	5%	5%	5%	5%	5%	25%	15%	0%	0%	5%	0%	5%	0%	0%	0%	25%	**20**
	25-49	7%	13%	7%	27%	0%	13%	7%	0%	0%	7%	7%	7%	7%	0%	0%	0%	**15**
	50-99	0%	0%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	**2**
	100-249	0%	0%	0%	0%	0%	9%	6%	3%	0%	0%	0%	3%	0%	3%	3%	72%	**32**
	250+	0%	11%	0%	0%	11%	22%	22%	11%	0%	11%	0%	0%	0%	0%	0%	11%	**9**
	Total	**3%**	**4%**	**3%**	**7%**	**4%**	**13%**	**13%**	**2%**	**0%**	**4%**	**2%**	**3%**	**3%**	**1%**	**2%**	**37%**	**104**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

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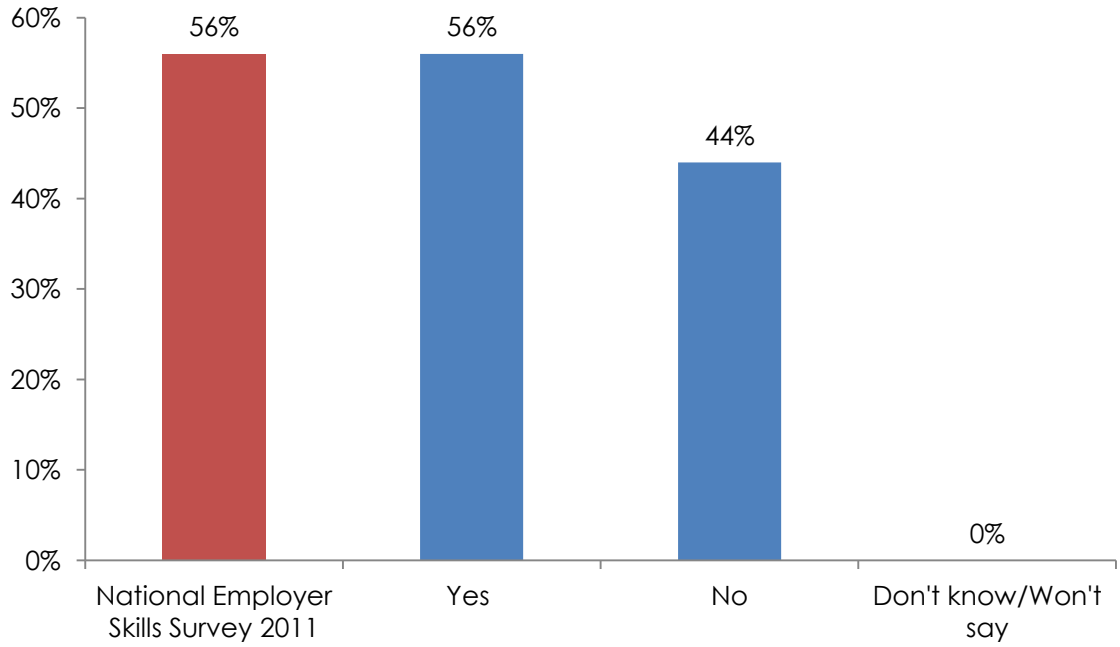
		Which of the following groups of employees include those who have haps in their skills?																
Table 2.32 Proportion of companies reporting specific skills lacking amongst the existing workforce by size		Computer Aided Design (CAD)	Welding	Advanced IT and Software skills	Tool Making	High level design	Precision Engineering	Machine Operating	Problem Solving	Team working	Management/supervisory skills	Planning and Organisation Skills	Lean Manufacturing Skills	Administration Skills	Quality Systems	Numeracy/Literacy skills	Other	**Total**
Has your companies turnover increased, decreased or stayed the same over the last 12 months?	Increased	3%	0%	3%	6%	6%	16%	16%	3%	0%	3%	0%	3%	0%	3%	3%	32%	**31**
	Decreased	0%	5%	5%	5%	0%	10%	15%	0%	0%	10%	10%	10%	10%	0%	5%	15%	**20**
	Stayed the same	7%	10%	3%	13%	7%	23%	17%	3%	0%	3%	0%	0%	3%	0%	0%	10%	**30**
	Don't know/ Won't say	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0%	50%	**2**
	Total	**4%**	**5%**	**4%**	**8%**	**5%**	**17%**	**17%**	**2%**	**0%**	**5%**	**2%**	**4%**	**4%**	**1%**	**2%**	**20%**	**83**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Companies were asked if they had provided any training for employees over the last 12 months.

Chart 2.13 Has the organization provided training for staff over the last 12 months?



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013,
UK Commission's Employer Skills Survey 2011: UK Results Evidence Report 45 July 2012 p. 100

The majority (56%) of companies have provided training for their staff over the last 12 months. A further 44% have not provided any training for staff. This means that Worcestershire manufacturing businesses are as likely to train their staff as the national average for the manufacturing sector.

Table 2.33 Has the organization provided training for staff over the last 12 months by sector

		Has your organization provided any training for staff over the last 12 months?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	61%	39%	0%	**31**
	Clothing/Textiles	18%	82%	0%	**39**
	Paper	44%	53%	2%	**45**
	Chemicals and Pharmaceuticals	70%	30%	0%	**20**
	Plastics and Plastic Products	55%	45%	0%	**53**
	Ceramics and Glass	57%	43%	0%	**30**
	Metals and Fabricated Products	62%	38%	0%	**181**

	Electronics	53%	47%	0%	**34**
	Vehicles	76%	24%	0%	**45**
	Other	53%	46%	1%	**148**
	Total	**56%**	**44%**	**0%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.33 above shows that there are significant differences between the proportion of businesses which have trained their staff by sector. Only 18%, less than one-fifth, of clothing and textiles companies have conducted any training, whist more than three-quarters (76%) of vehicles have done. Chemicals and pharmaceuticals (70%), metals and fabricated products (62%), food and drink (61%) and ceramics and glass (57%) are more likely to train their staff than the average. This may be due to the nature of the work and the health and safety implications of them. As good practice, food hygiene training is meant to be updated every 3-5 years and chemical workers require by law to complete Care Of Substances Hazardous to Health (COSHH) courses.

Table 2.34 Has the organization provided training for staff over the last 12 months by size

		Has your organization provided any training for employees over the last 12 months?			
		Yes	**No**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	13%	87%	0%	**45**
	2-4	26%	74%	0%	**125**
	5-9	55%	45%	0%	**94**
	10-24	75%	25%	0%	**109**
	25-49	85%	13%	2%	**47**
	50-99	95%	5%	0%	**19**
	100-249	96%	4%	0%	**23**
	250+	92%	8%	0%	**12**
	Total	**56%**	**44%**	**0%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.34 above shows that small companies are much less likely to provide training for staff than larger companies. Only 13% of sole traders and 26% of companies with 2-4 employees provide any training for their staff. More than 90% of companies with more than 50 employees provide training.

This is because large companies are more likely to have new staff that will require in-house training for the business itself and will be more likely to have staff that will need additional training. They are also more likely to be able to afford more training and be able to take time out of their work schedule for training; small companies may not be able to afford to stop for training and may not be focused on long term investments, such as training.

Table 2.35 Has the organization provided training for staff over the last 12 months by change in turnover

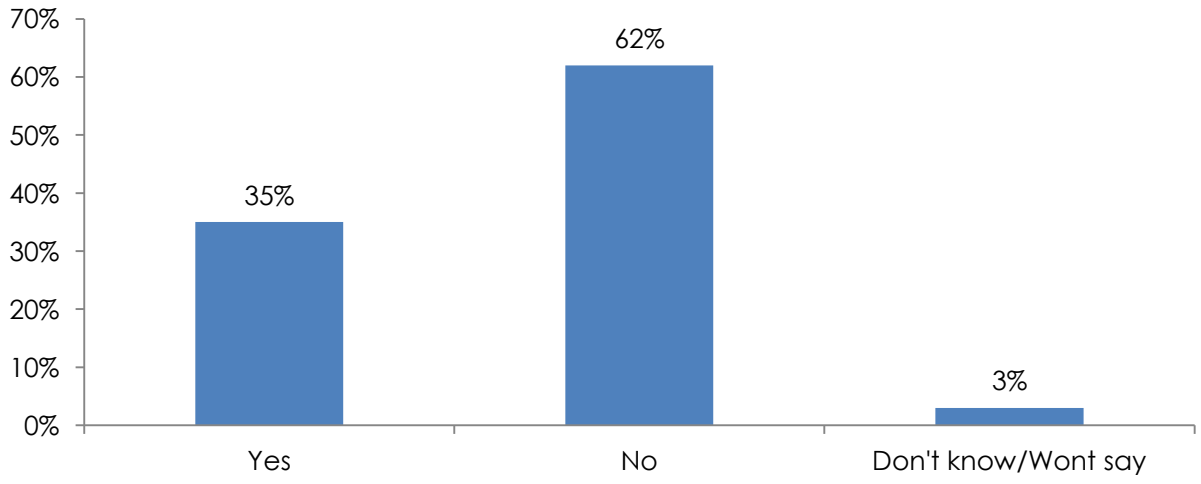
		Has your organization provided any training for employees over the last 12 months?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	61%	38%	1%	**174**
	Decreased	41%	59%	0%	**66**
	Stayed the Same	53%	47%	0%	**182**
	Don't know/Won't say	63%	37%	0%	**52**
	Total	**56%**	**44%**	**0%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.35 above shows that companies whose turnover has increased over the last 12 months are more likely to have conducted training over the last 12 months. Almost two-thirds (61%) of these companies provide training, compared to only 53% of companies that have the same turnover and only 41% amongst companies with decreased turnover.
Again, companies with increased turnover and to a lesser extent stay the same, are able to afford training schemes and can invest back into the business. If the business is experiencing decreases in turnover, they will be attempting to save money and reduce long term investments such as training.

The organisations were also asked if they had a training plan. Almost two-thirds (62%) of companies do not have a training plan, which is higher than the proportion that have not provided training over the last 12 months (44%).

Chart 2.14 Proportion of companies with a training plan



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.36 Proportion of companies with a training plan by sector

		Does your company have a training plan?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	45%	45%	10%	**31**
	Clothing/Textiles	15%	82%	3%	**39**
	Paper	29%	67%	4%	**45**
	Chemicals and Pharmaceuticals	45%	50%	5%	**20**
	Plastics and Plastic Products	34%	62%	4%	**53**
	Ceramics and Glass	23%	70%	7%	**30**
	Metals and Fabricated Products	39%	59%	2%	**181**
	Electronics	38%	59%	3%	**34**
	Vehicles	47%	53%	0%	**45**
	Other	58%	39%	3%	**266**
	Total	**45%**	**45%**	**10%**	**744**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.36 above shows that the sectors which train are more likely to have training plans. The vehicle sector is most likely to provide training (76%) and also to have a training plan, with 47% of businesses having one. The four sectors most likely to provide training and also those most likely to have training plans (vehicles, chemicals, food and drink and metals and fabricated products). However, ceramics and glass, which is the fifth most likely sector to provide training are not the fifth most likely to have a training plan; electronics is with 38% of companies having one. This may be due to the different nature of these sectors; the ceramics and glass sector tend to be smaller than electronics companies. No ceramics and glass company is larger than 49 employees whilst 18% of electronics companies are. Larger companies can invest in training plans and have the time to follow them, as can be seen in table 2.37 below.

Table 2.37 Proportion of companies with a training plan by size

		Does your company have a training plan?			
		Yes	**No**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	4%	96%	0%	**45**
	2-4	13%	86%	1%	**125**
	5-9	33%	64%	3%	**94**
	10-24	49%	50%	2%	**109**
	25-49	43%	47%	11%	**47**
	50-99	84%	16%	0%	**19**
	100-249	83%	4%	13%	**23**
	250+	75%	25%	0%	**12**
	Total	**35%**	**62%**	**3%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.37 shows that, overall, larger companies are more likely to have a training plan. For companies with less than 49 employees, the mean percentage of companies with a training plan in only 29%. There is a significant increase in the proportion of companies with a training plan once there are more than 50 employees; it almost doubles from 43% of companies with 25-49 staff to 84% of companies with 50-99 employees.

The larger size of the business has a twofold impact to increase the likelihood of companies having training plans. Firstly more staff allows companies to have more time to develop ideas which are not directly linked with production, such as training plans. Secondly, more staff requires greater organization and planning to ensure that training is completed and all staff have the skills required for their jobs, necessitating a training plan. Small companies with only a few workers do not have the time or the need for a training plan, so are less likely to complete one.

Table 2.38 Proportion of companies with a training plan by changes in turnover

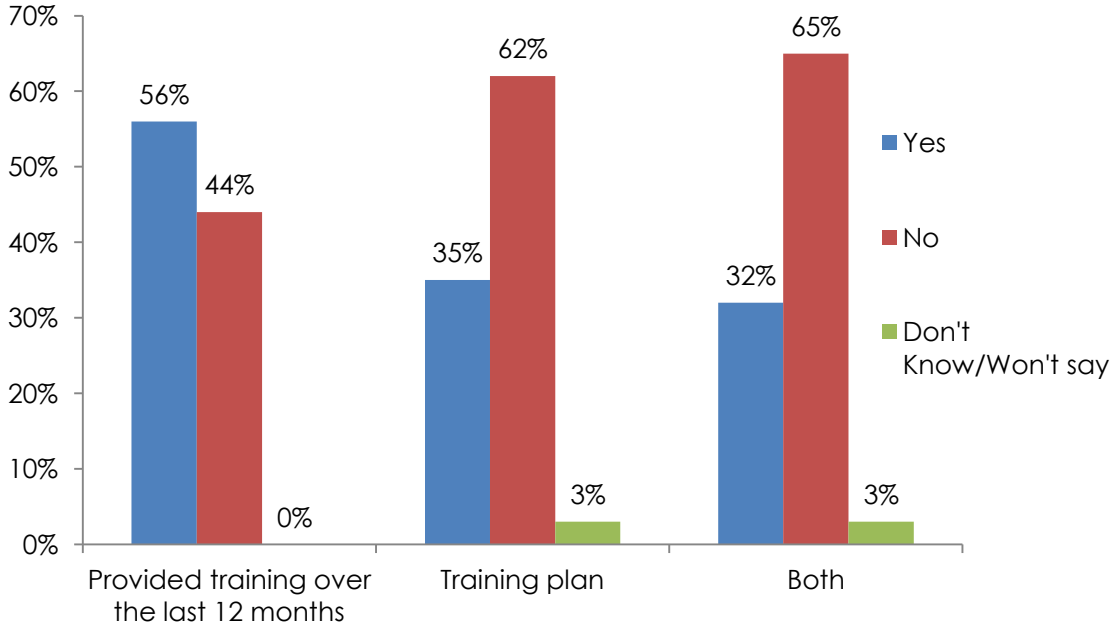
		Has your organization provided any training for employees over the last 12 months?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	41%	56%	3%	**174**
	Decreased	27%	71%	2%	**66**
	Stayed the Same	30%	68%	3%	**183**
	Don't know/Won't say	45%	49%	6%	**51**
	Total	**35%**	**62%**	**3%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.38 above shows that the companies whose turnover has increased in the last 12 months are most likely to have a training plan (41%). Companies with decreased turnover are 14% less likely to have a training plan, whilst those which have stayed the same are 11% less likely.
As with training, this may be due to the focus of the business caused by changes in turnover. A company with increased turnover can afford to invest in the business and focus on more than just production, whilst companies whose turnover has decreased or remained the same will be less able to and are less likely to have a training plan.

It is also useful to examine the companies which both provide training and had a training plan.

Chart 2.15 Relationship between companies that have provided training in the last 12 months with those that have training plans.



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Approximately one-third (36%) of companies have a training plan, which is a much smaller proportion than the proportion who have provided training in the last 12 months, which is more than half of all companies (56%).

91.6% of companies with a training plan have provided training for their staff over the last 12 months; however, only 58.0% of companies that have provided any training have a training plan.

Table 2.39 Proportion of company providing training, having training plans and have both by sector

		Has your company provided any training over the last 12 months?	Does your company have a training plan?	Has your company had both a training plan and provided training over the last 12 months?	Total Number of companies in each sector
What broad types of products do you manufacture?	Food and Drink	61%	45%	42%	31
	Clothing/Textiles	18%	15%	13%	39
	Paper	44%	29%	27%	45
	Chemicals and Pharmaceuticals	70%	45%	40%	20
	Plastics and Plastic Products	55%	34%	34%	53
	Ceramics and Glass	57%	23%	20%	30
	Metals and	62%	39%	35%	181

	Fabricated Products				
	Electronics	53%	38%	32%	34
	Vehicles	76%	47%	47%	45
	Other	53%	37%	28%	148
	Total	**56%**	**36%**	**32%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.39 above shows the proportion of companies from each sector who have both a training plan and have provided training. These proportions vary from only 13% for clothing and textiles to 47% of vehicle sector companies.

Vehicles and plastic and plastic products are the only sectors which have all of the companies with a training plan also providing training in the last 12 months. The other sectors have between 3-9% fewer companies with both compared to those with training plans. These companies who do not provide training must not regularly conduct training.

Table 2.40 Proportion of company providing training, having training plans and have both by size

		Has your company provided any training over the last 12 months?	Does your company have a training plan?	Has your company had both a training plan and provided training over the last 12 months?	Total Number of companies in each size band
How many staff are employed by your company in the Worcestershire area?	1	13%	4%	4%	45
	2-4	26%	13%	11%	125
	5-9	54%	33%	24%	94
	10-24	75%	49%	47%	109
	25-49	85%	43%	40%	47
	50-99	95%	84%	84%	19
	100-249	96%	83%	78%	23
	250+	92%	75%	75%	12
	Total	34%	35%	32%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 2.40 shows that companies with 50 or more employees are dramatically more likely to have both a training plan and have provided training in the last 12 months. Only 40% of companies with 25-49 employees do both; this is more than doubled amongst companies with 50-99 employees (84%) and all companies with a plan also provide had provided training. This shows there is a critical size which requires regular training and organization for businesses. There is a smaller proportion of companies who do not provide training, but do have business plans, amongst companies with 50 or more employees, compared to those with fewer than 50: 2% fewer companies with 50 or more employees have both than just training plans, compared to 3% amongst companies with less than 50 employees.

Table 2.41 Proportion of company providing training, having training plans and have both by changes in turnover

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		Has your company provided any training over the last 12 months?	Does your company have a training plan?	Has your company had both a training plan and provided training over the last 12 months?	Total number of companies for each change of turnover
Has your company's turnover increased, decreased or stayed the same over the last	Increased	61%	41%	39%	174
	Decreased	41%	27%	24%	66
	Stayed the Same	53%	30%	27%	183
	Don't know/Won't say	63%	41%	37%	51
	Total	55%	35%	32%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

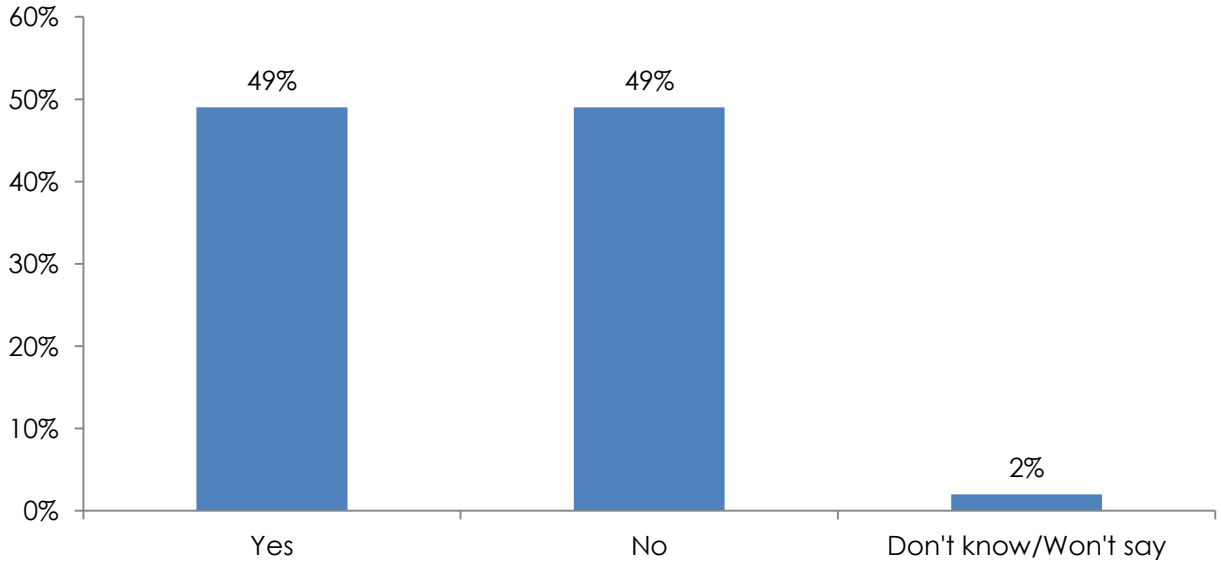
Table 2.41 above shows that the companies with increased turnover are the most likely to have both a training plan and to have provided training over the last 12 months, with 39% of them stating they had both. Companies with decreased turnover were the least likely with less than a quarter (24%) having both and companies whose turnover had remained the same were only slightly more likely to with 27% conducting both.

Companies whose turnover had increased were also the most likely to have done both, if they had a training plan. Only 2% fewer companies did both than just had a training plan, compared to 3% fewer each for companies whose turnover had remained the same or decreased, or 4% amongst companies that didn't know or wouldn't say what their turnover is.

Innovation

Companies were asked about what research and development or new product development they had undertaken during the past 12 months.

Chart 3.1 Proportion of companies that have undertaken any research and development or new product development in the last 12 months



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From chart 3.1 above, it can be seen that an equal proportion of companies did and did not conduct any research and development (49% each)

Table 3.1 Proportion of companies that have undertaken any research and development or new product development in the last 12 months by sector

		Has your company conducted any research and development or new product development in the last 12 months?			
		Yes	No	Don't know/Won't say	Total
What broad types of products do you manufacture?	Food and Drink	68%	29%	3%	**31**
	Clothing/Textiles	36%	62%	3%	**39**
	Paper	31%	67%	2%	**45**
	Chemicals and Pharmaceuticals	65%	35%	0%	**20**
	Plastics and Plastic Products	57%	40%	4%	**53**
	Ceramics and Glass	40%	57%	3%	**30**
	Metals and Fabricated Products	44%	55%	1%	**181**
	Electronics	79%	21%	0%	**34**

	Vehicles	71%	27%	2%	**45**
	Other	43%	55%	2%	**148**
	Total	**49%**	**49%**	**2%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.1 above shows that the electronics (79%), vehicles (71%) and food and drink (68%) sectors are the most likely to have conducted research and development or new product development in the last 12 months. Electronics is a highly changeable sector; just one aspect, such as transistors, can radically change in only 2 years. It is vital for electronics companies to continue to research and develop new products in order to keep up with their competitors. Similarly vehicles need to continue to develop to keep up to date with changes in technology.

The paper (31%) and clothing and textiles (36%) sectors were the least likely to have conducted any R&D. This may be due to the paper industry primarily focused around printing which does not require significant research and development. The clothing and textiles industry is in decline (as can be seen in table 3.2 below), so is focused on keeping turnover the same rather than investing in innovation.

Table 3.2 Proportion of companies that have undertaken any research and development or new product development in the last 12 months by size

		Has your company conducted any research and development or new product development in the last 12 months?			
How many staff are employed by your company in the Worcestershire area?		**Yes**	**No**	**Don't know/Won't say**	**Total**
	1	31%	69%	0%	**45**
	2-4	43%	56%	1%	**125**
	5-9	44%	55%	1%	**94**
	10-24	50%	48%	2%	**109**
	25-49	62%	36%	2%	**47**
	50-99	63%	37%	0%	**19**
	100-249	74%	13%	13%	**23**
	250+	75%	17%	8%	**12**
	Total	**49%**	**49%**	**2%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.2 above shows that the size of the company seems to directly correlate with the likelihood it has conducted any research and development or new product development in the last 12 months. Less than a third of sole traders have conducted any R&D, whilst more than three-quarters of companies with more than 250 employees have done so. Companies are with more staff have more time to be able to conduct research and tend to be more likely to afford to invest in the business for the additional costs of research.

Table 3.3 Proportion of companies that have undertaken any research and development or new product development in the last 12 months by changes in turnover

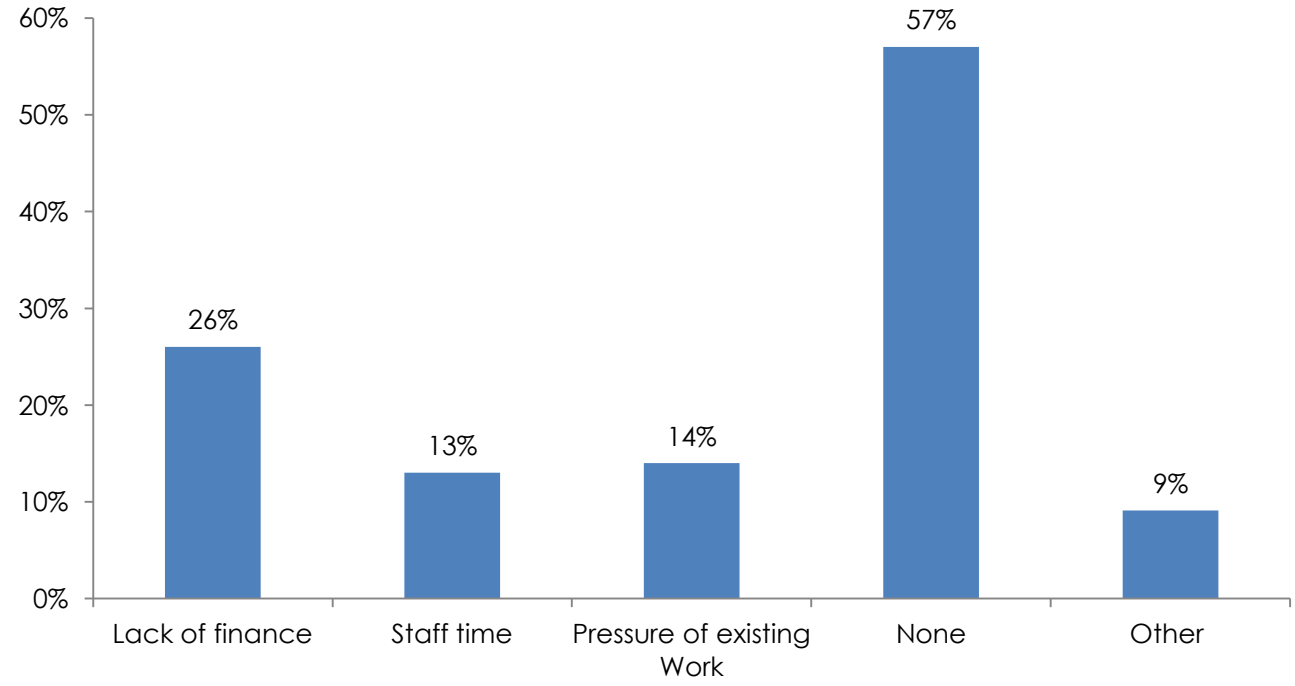
		Has your company conducted any research and development or new product development in the last 12 months?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	55%	44%	1%	**174**
	Decreased	45%	55%	0%	**66**
	Stayed the Same	45%	54%	1%	**183**
	Don't know/Won't say	45%	43%	12%	**51**
	Total	**49%**	**49%**	**2%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.3 above companies whose turnover has increased over the last 12 months are 10% more likely to have conducted research than companies whose turnover has decreased or stayed the same. Whilst this shows there is a link between research and changes in turnover, it seems to have less impact than would be expected. It seems that size is a more important barrier to innovation than turnover.

In addition, companies were asked what barriers were preventing them from further innovation.

Chart 3.2 Barriers preventing companies from further innovation



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

More than half (57%) of companies do not believe there are any barriers that are preventing them from developing further innovation. Surprisingly, this is 8% higher than the proportion of companies that have conducted research and development or new product development in the last 12 months.

Amongst the 'other' barriers, the most common were a lack of business (1.5%) and a lack of skills or suitable staff (1.1%). Another 0.8% felt that bureaucracy and legislation were preventing them from innovating.

Table 3.4 Barriers preventing companies from further innovation by sector

		What barriers, if any, are preventing further innovation?					
		Lack of finance	**Staff time**	**Pressure of existing work**	**None**	**Other**	**Total**
What broad types of products do you manufacture?	Food and Drink	15%	9%	9%	53%	15%	**34**
	Clothing/Textiles	31%	7%	5%	45%	12%	**42**
	Paper	38%	9%	11%	32%	9%	**53**
	Chemicals and Pharmaceuticals	20%	12%	12%	48%	8%	**25**
	Plastics and Plastic Products	24%	15%	13%	43%	6%	**68**
	Ceramics and Glass	24%	9%	6%	53%	9%	**34**
	Metals and Fabricated Products	18%	11%	15%	50%	5%	**224**
	Electronics	23%	5%	15%	51%	5%	**39**
	Vehicles	18%	10%	2%	59%	10%	**49**
	Other	11%	6%	6%	28%	49%	**301**
	Total	**18%**	**9%**	**10%**	**41%**	**22%**	**869**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.4 above shows the different barriers to finance affect sectors in different ways. The paper sector is least likely to have no barriers to innovation (32%), whilst 59% of vehicles companies, nearly double, report no barriers to innovation.

For all sectors, lack of finance is a barrier to growth for the greatest proportion of companies. The greatest proportions of the paper (38%) and clothing/textiles seconds (31%) feel that lack of finance is a barrier for them, whilst it is least common for the food and drink (15%) and vehicles (18%) sectors.

Pressures of existing work tend to be a less common issue than staff time. In only three sectors is it more common; paper, metals and fabricated products and electronics. Metals and fabricated products and electronics are more likely to have large workforces, with both having more than 6% of businesses with 250 or more

employees. This does not explain the paper industry; it may be that paper is less labour intensive but requires specialised machinery with a limited capacity.

Table 3.5 Barriers preventing companies from further innovation by size

		What barriers, if any, are preventing further innovation?					
		Lack of finance	Staff time	Pressure of existing work	None	Other	Total
How many staff are employed by your company in the Worcestershire area?	1	24%	7%	13%	42%	15%	**55**
	2-4	24%	12%	11%	47%	7%	**146**
	5-9	26%	10%	11%	47%	6%	**112**
	10-24	20%	13%	12%	47%	8%	**130**
	25-49	20%	15%	15%	48%	3%	**61**
	50-99	20%	5%	15%	60%	0%	**20**
	100-249	11%	7%	11%	67%	4%	**27**
	250+	8%	0%	8%	67%	17%	**12**
	Total	**22%**	**11%**	**12%**	**48%**	**7%**	**563**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.5 above shows there are significant differences in the barriers to innovation, by the size of companies. Small companies are more likely to have issues related to a lack of finance, whilst large companies are more likely to report there are no barriers to innovation.

Only 42% of sole traders reported have no barriers to further innovation, which increased to an average of 47% amongst companies with 2-49 employees. Companies with more than 50 employees are far more likely to have no barriers; the levels increase by 12% and continue to increase. Companies with more than 100 employees have a two-thirds (67%) chance of having no barriers to innovation.

Lack of finance is more likely to be a barrier for smaller companies. Almost a quarter (24%) of companies with 1-4 employees reported it as a barrier to innovation, compared to only 11% of companies with 100-249 employees. There are similar patterns for all other causes; staff time is a barrier for 12% of companies with 2-4 employees, whilst no companies with more than 250 employees report them. They have enough employees and, with so many staff, it is possible for dedicated staff to work solely on innovation. This also explains why larger companies are less likely to report pressures of existing work as a barrier for further innovation. Only 8% of companies with 250 or more employees report it as a barrier to innovation, compared to 13% of sole traders.

Table 3.6 Barriers preventing companies from further innovation by size

		What barriers, if any, are preventing further innovation?					
		Lack of finance	**Staff time**	**Pressure of existing work**	**None**	**Other**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	20%	11%	15%	47%	6%	**209**
	Decreased	32%	12%	14%	29%	13%	**85**
	Stayed the Same	21%	11%	8%	52%	7%	**214**
	Don't know/Won't say	14%	7%	9%	63%	7%	**57**
	Total	**22%**	**11%**	**12%**	**48%**	**8%**	**565**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

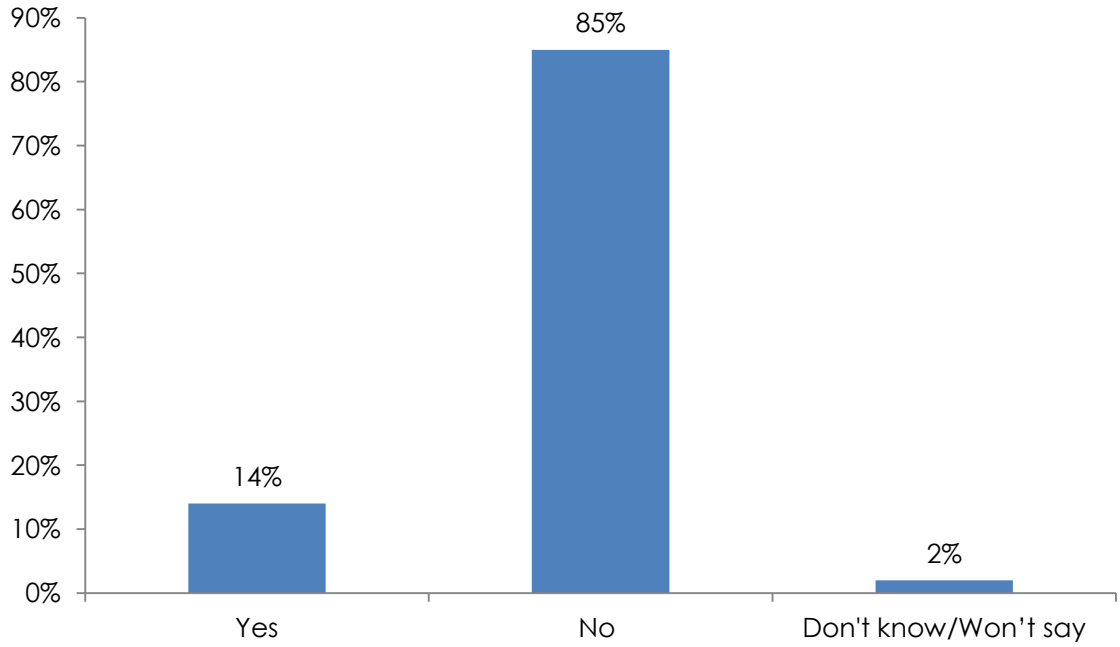
Table 3.6 above shows that companies whose turnover has stayed the same are the most likely to report there are no barriers to further innovation, with more than half (52%) stating this. This is 5% more likely than companies whose turnover has increased.
Companies who do not know or would not how their turnover has changed over the last 12 months were more likely to report no barriers to innovation, with almost 63% stating this. However, this may be due to the interviewees not being aware of them or not wanting to say, rather than their actually not being any.

Companies whose turnover had decreased were the most likely to report lack of finance as a barrier to innovation with almost a third (32%) stating it. This is 11% higher than the companies who have had their turnover increase or stay the same. Staff time is only 1% more likely to be a barrier for companies with decreased turnover, than for companies who have increased or stayed the same.

Pressure of existing work is almost exactly as common for companies whose turnover have increased or decreased (15% and 14% respectively), whilst is it only half as common for companies whose turnover has remained the same (8%). This is surprising as it would be expected that companies with decreased turnover would be less likely to have barriers related to the pressures of existing work.

Companies were asked if they had any links with any universities or research centres. Chart 3.3 below shows the proportion of companies that do and do not have these links.

Chart 3.3 Percentage of companies with links to universities or research centres



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The overwhelming majority of companies do not have any links with research centres or universities. Only 14% of companies had any links with these centres and universities.

Table 3.7 Percentage of companies with links to universities or research centres by sector

		Does your business have any links with any universities or research centres?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	16%	74%	10%	**31**
	Clothing/Textiles	15%	82%	3%	**39**
	Paper	4%	96%	0%	**45**
	Chemicals and Pharmaceuticals	15%	85%	0%	**20**
	Plastics and Plastic Products	11%	89%	0%	**53**
	Ceramics and Glass	10%	87%	3%	**30**
	Metals and Fabricated Products	11%	89%	0%	**181**
	Electronics	21%	76%	3%	**34**
	Vehicles	36%	62%	2%	**45**
	Other	16%	83%	1%	**148**
	Total	**15%**	**84%**	**1%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.7 shows that there are significant differences in the proportion of companies in each sector with links to research centers or universities. The sectors most likely to have links are vehicles (36%) and the electronics sectors (21%). These are up to nine times higher than the sector with the lowest proportion of links: paper (4%)
This shows the differences between the sectors and how innovative they have to be to be competitive. Electronics and vehicles have to develop in order to be competitive and are, as shown in table 3.7 above, the most likely to innovate, whilst the paper industry does not develop and innovate on a regular basis so does not need these links.

Table 3.8 Percentage of companies with links to universities or research centres by size

		Does your business have any links with any universities or research centres?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	4%	96%	0%	**45**
	2-4	12%	88%	0%	**125**
	5-9	7%	93%	0%	**94**
	10-24	9%	89%	2%	**109**
	25-49	11%	85%	4%	**47**
	50-99	37%	63%	0%	**19**
	100-249	48%	48%	4%	**23**
	250+	58%	25%	17%	**12**
	Total	**14%**	**85%**	**1%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 3.8 above shows that larger companies are more likely to have links to universities or research centres than smaller ones. Only 4% of sole traders have any links, whilst more than half (58%) of companies with 250 or more employees are involved. This may be due to both the time consuming nature of having these links, which small companies will not be able to do, and the smaller proportion of small companies who innovate. They do not have these links because they do not need them.
There is a significant increase in the proportion of companies with links, once companies have more than 50 employees. Only 11% of companies with 25-49 employees had links, with an average of 10% of companies with 2-49 employees having links. 37% of companies with 50-99 employees are likely to have a link, more than three times as many as those with 25-49. This suggests that the links are not a priority for small companies and that the links require staff who can be dedicated to them, which small companies cannot do.

Table 3.9 Percentage of companies with links to universities or research centres by changes in turnover

		Does your business have any links with any universities or research centres?			
		Yes	**No**	**Don't Know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12	Increased	13%	86%	1%	**174**
	Decreased	20%	80%	0%	**66**
	Stayed the Same	13%	87%	0%	**183**
	Don't know/Won't say	10%	80%	10%	**51**
	Total	**14%**	**85%**	**1%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

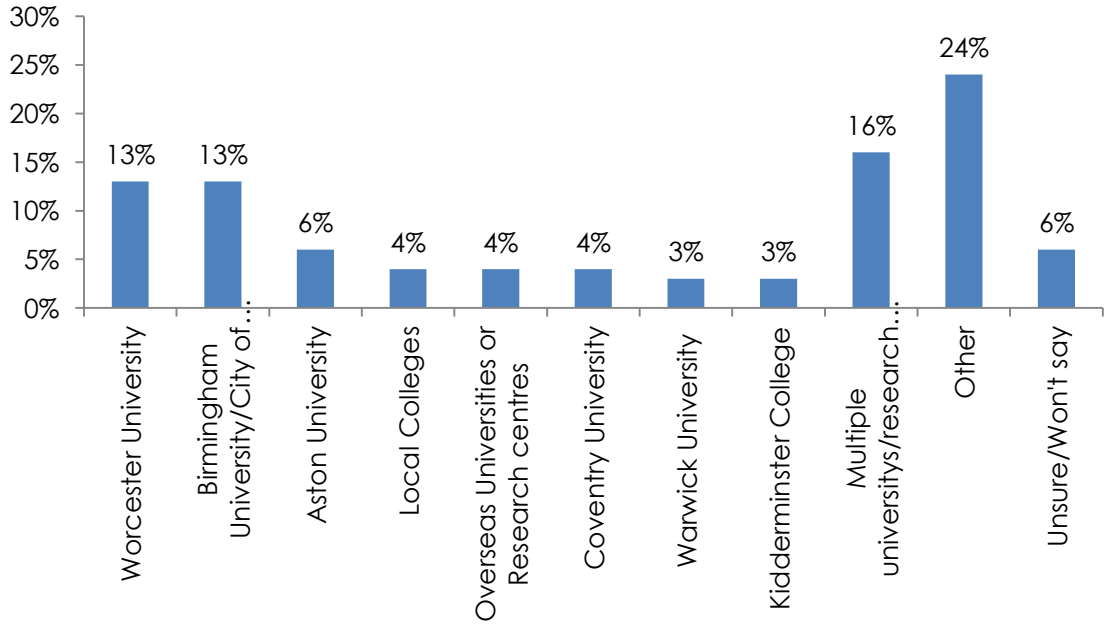
Table 3.9 above shows that the greatest proportion of companies with links to universities or research centres were those whose turnover has decreased over the last 12 months, one fifth of whom have these links. This is highly surprising, as it would be presumed that these companies would be less likely to be involved in links which do not directly have a short term benefit for the business.

Companies whose turnover has either increased or stayed the same are equally likely to have links with universities or research centres (13%). This suggests turnover is not the key driver or links and there may be other more important factors.

The companies were also asked about which specific universities or research centres they have links with.

The most common links were with the University of Worcester and Birmingham Universities, which each accounted for 13% of the total number of links with universities and research centres. Aston University accounted for another 6% of the total number of links. Local colleges and overseas universities and research centres both accounted for only 4% of the links each.

Chart 3.4 Proportion of companies with links to each institution



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Worcestershire institutions account for one-fifth of the links, including Worcester university (13%), local colleges (4%) and Kidderminster college (3%). Institutions from the West Midlands account for 46% of the total links.

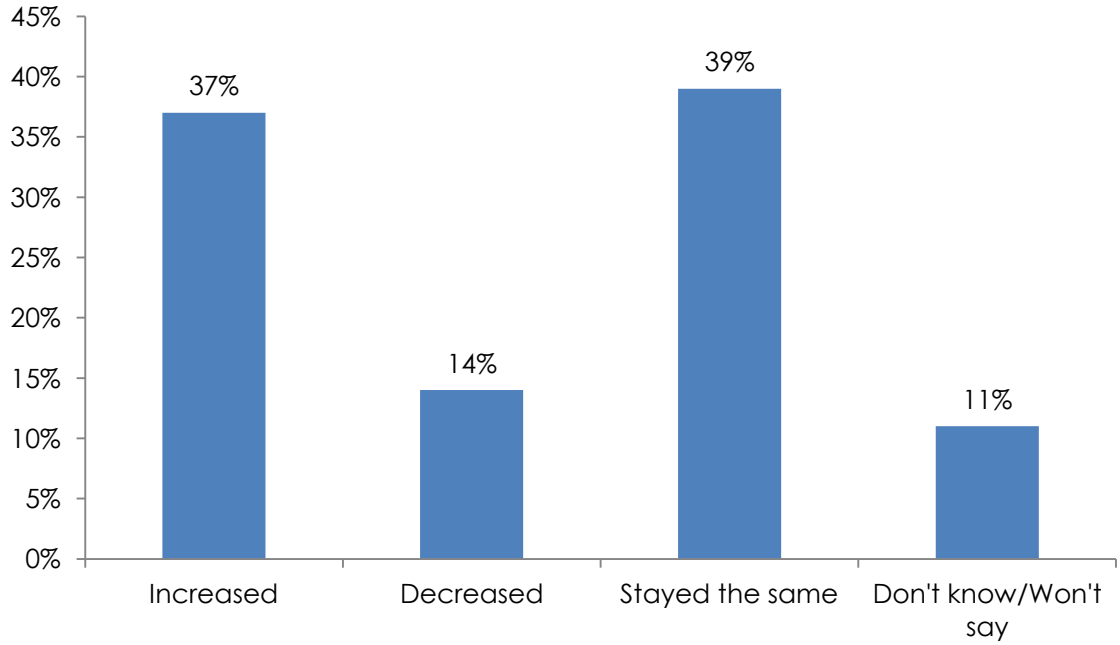
Growth

Companies were asked about their turnover, how it has changed and how it may change over the next 12 months.

Companies were asked what, approximately, was their company's turnover in the last financial year. 308 companies (65%) did not know or would not say what their turnover was. Only 35% reported their turnover.

Companies were asked what has happened to their turnover over the last 12 months. 39% of companies reported their turnover had remained the same. 37% of companies stated their turnover had increased, whilst only 14% of companies reported that their turnover had decreased.

Chart 4.1 Changes in turnover over the last 12 months



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.1 Changes in turnover over the last 12 months by sector

		Has your company's turnover increased, decreased or stayed the same over the last 12 months?				
		Increased	**Decreased**	**Stayed the Same**	**Don't know/ Won't say**	**Total**
types of products do you	Food and Drink	39%	13%	29%	19%	**31**
	Clothing/Textiles	33%	21%	33%	13%	**39**
	Paper	42%	11%	40%	7%	**45**
	Chemicals and Pharmaceuticals	40%	5%	50%	5%	**20**
	Plastics and Plastic Products	40%	15%	38%	8%	**53**
	Ceramics and	40%	7%	50%	3%	**30**

	Glass					
	Metals and Fabricated Products	38%	12%	43%	8%	**181**
	Electronics	35%	18%	29%	18%	**34**
	Vehicles	33%	13%	44%	9%	**45**
	Other	33%	16%	39%	12%	**148**
	Total	**37%**	**14%**	**40%**	**10%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.1 shows that the between sectors there is only a nine percent difference between the sector most likely to have an increase in turnover and least likely (42% for Paper and 33% for vehicles and textiles). The main differences are between the companies whose turnover has decreased or stayed the same; only 5% of chemicals and pharmaceuticals companies reported a decrease in turnover, compared to 21% of clothing and textiles companies. Half of chemicals and pharmaceuticals and ceramics and glass companies report their turnover has remained the same, whilst only 29% of the food and drink and electronics sectors did.

Table 4.2 Changes in turnover over the last 12 months by size

		Has your company's turnover increased, decreased or stayed the same over the last 12 months?				
		Increased	**Decreased**	**Stayed the Same**	**Don't know/ Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	29%	18%	51%	2%	**45**
	2-4	38%	21%	31%	10%	**125**
	5-9	37%	13%	39%	11%	**94**
	10-24	37%	8%	43%	12%	**109**
	25-49	36%	15%	32%	17%	**47**
	50-99	53%	5%	37%	5%	**19**
	100-249	30%	13%	43%	13%	**23**
	250+	42%	0%	42%	17%	**12**
	Total	**37%**	**14%**	**39%**	**11%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.2 above shows that larger companies are more likely to report an increase in turnover and are less likely to report a decrease. 42% of companies with 250 or more employees reported their turnover had increased over the last 12 months and none reported a decrease. In comparison, only 29% of sole traders reported and increase and 18% reported a decrease.

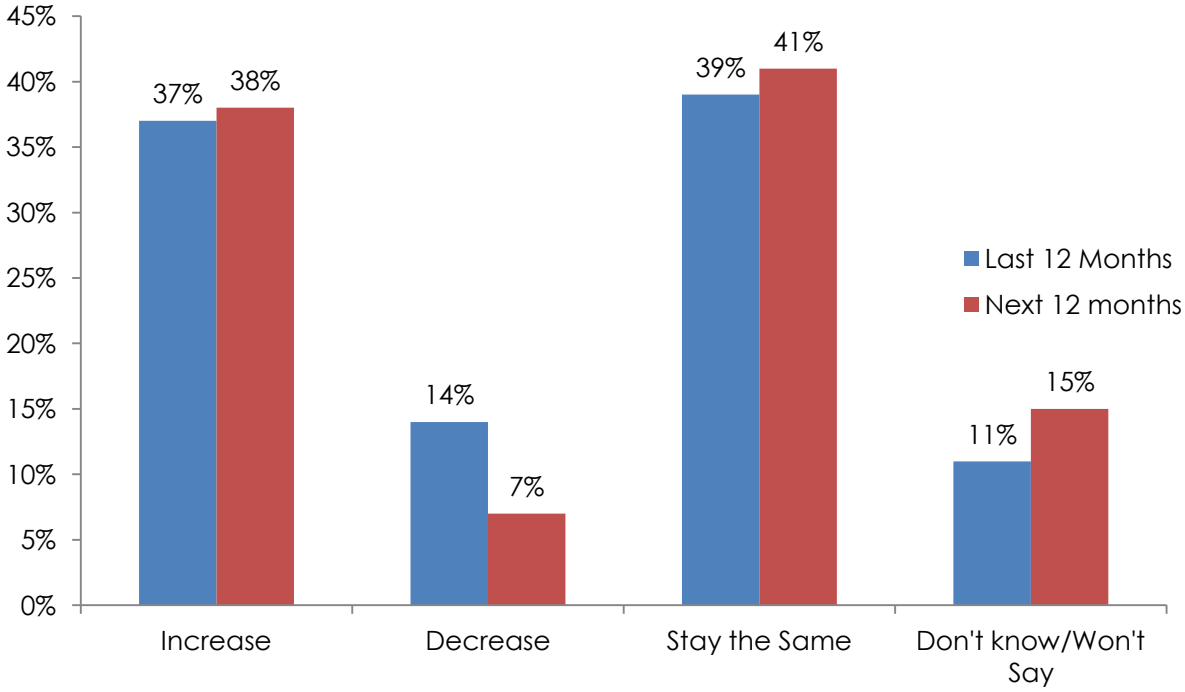
A larger workforce tends to mean a greater proportion of companies with an increased turnover; more than half of companies with 50-99 employees reported an increase in turnover. This proportion does decrease for companies with 100-249 employees (only 30%), which may suggest that the slightly smaller companies are able to generate more revenue in the current economic climate, by acting more competitively and more easily able to adapt to changing circumstances than larger employers.

Larger workforces also tend to mean a smaller proportion of companies reporting a decrease in turnover. No companies with 250 or more employees reported a decrease, whilst more than one-fifth (21%) of companies with 2-4 employees reported a decrease.

Companies were also asked to predict what would happen to their companies' turnover over the next 12 months.

Fewer companies predicted that their turnover would decrease in the next 12 months compared the last 12 (7% compared to 14%). However, companies are more uncertain about what will happen over the next 12 months, with 15% of companies not knowing or would not say what they predict will happen.

Chart 4.2 Changes in turnover over the last 12 months compared with predicted changes over the next 12 months



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.3 Predicted changes in turnover over the next 12 months by sector

		Over the next 12 months, do you think turnover will increase, decrease or stay the same?				
		Increase	**Decrease**	**Stay the Same**	**Don't know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	48%	0%	32%	19%	**31**
	Clothing/Textiles	36%	5%	41%	18%	**39**
	Paper	40%	11%	42%	7%	**45**
	Chemicals and Pharmaceuticals	45%	0%	45%	10%	**20**
	Plastics and Plastic Products	38%	8%	42%	13%	**53**
	Ceramics and Glass	43%	3%	43%	10%	**30**
	Metals and	39%	6%	44%	11%	**181**

	Fabricated Products					
	Electronics	41%	15%	29%	15%	**34**
	Vehicles	33%	9%	42%	16%	**45**
	Other	34%	7%	43%	16%	**148**
	Total	**38%**	**7%**	**42%**	**13%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.3 shows that overall sectors are more optimistic about the future than they have reported the last 12 months to be. Only the plastic and plastic products sector reported an decrease in the proportion which felt their turnover would decrease over the next 12 months compared to the last 12 months.

The vehicles (33%) and clothing/textiles (36%) are the least likely to predict an increase in turnover over the next 12 months. As can be seen above in table 4.3, these sectors were the least likely to report an increase in turnover over the last 12 months. This suggests that these companies are experiencing a long term decline in turnover that they do not think will be overcome in the next 12 months.

No food and drink or chemicals and pharmaceuticals companies predict their turnover will decrease over the next 12 months, which are also amongst the companies least likely to report a decrease over the last 12 months.

Each sector is more likely to not know or will not say what they think will happen to their turnover over the next 12 months than the last 12. This may reflect the uncertain nature of business at present, due to the state of the UK economy. The companies cannot know what will happen to their business, or even if they will still be operating, in 12 months time. The food and drink (19%) and clothing/textiles (18%) are most likely to be unsure about the future, whilst the paper sector (7%) is the least likely to be unsure.

Table 4.4 Predicted changes in turnover over the next 12 months by size

		Over the next 12 months, do you think turnover will increase, decrease or stay the same?				
		Increase	**Decrease**	**Stay the Same**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	33%	7%	51%	9%	**45**
	2-4	34%	7%	43%	15%	**125**
	5-9	37%	3%	45%	15%	**94**
	10-24	36%	7%	39%	17%	**109**
	25-49	43%	11%	28%	19%	**47**
	50-99	58%	11%	26%	5%	**19**
	100-249	43%	4%	39%	13%	**23**
	250+	42%	0%	42%	17%	**12**
	Total	**38%**	**7%**	**41%**	**15%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.4 above shows that larger companies are more likely to predict their turnover will increase in the next 12 months, just as they had reported an increase over the last 12 months. Almost 60% of companies with 50-99 employees predict an increase in turnover, compared to only 33% of sole traders.

Companies predicting a decrease in turnover are of different sizes; the highest proportion have been those with 25-99 employees (11% of which predict a decrease in turnover). Companies with 5-9 employees are least likely to predict a decrease (only 3%), despite 13% reporting a decrease over the last 12 months.

A higher proportion of companies with 50-99 employees predict a decrease in turnover over the next12 months compared with the last 12 months (11% compared to 5% respectively). This suggests that these companies feel the recent increase in turnover has been short term only and will not continue for the next 12 months.

Table 4.5 Predicted changes in turnover over the next 12 months by changes in turnover

		Over the next 12 months, do you think turnover will increase, decrease or stay the same?				
		Increase	**Decrease**	**Stay the Same**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	66%	2%	27%	5%	**174**
	Decreased	11%	29%	45%	15%	**66**
	Stayed the Same	30%	4%	63%	3%	**183**
	Don't know/ Won't say	6%	2%	2%	90%	**51**
	Total	**38%**	**7%**	**41%**	**15%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

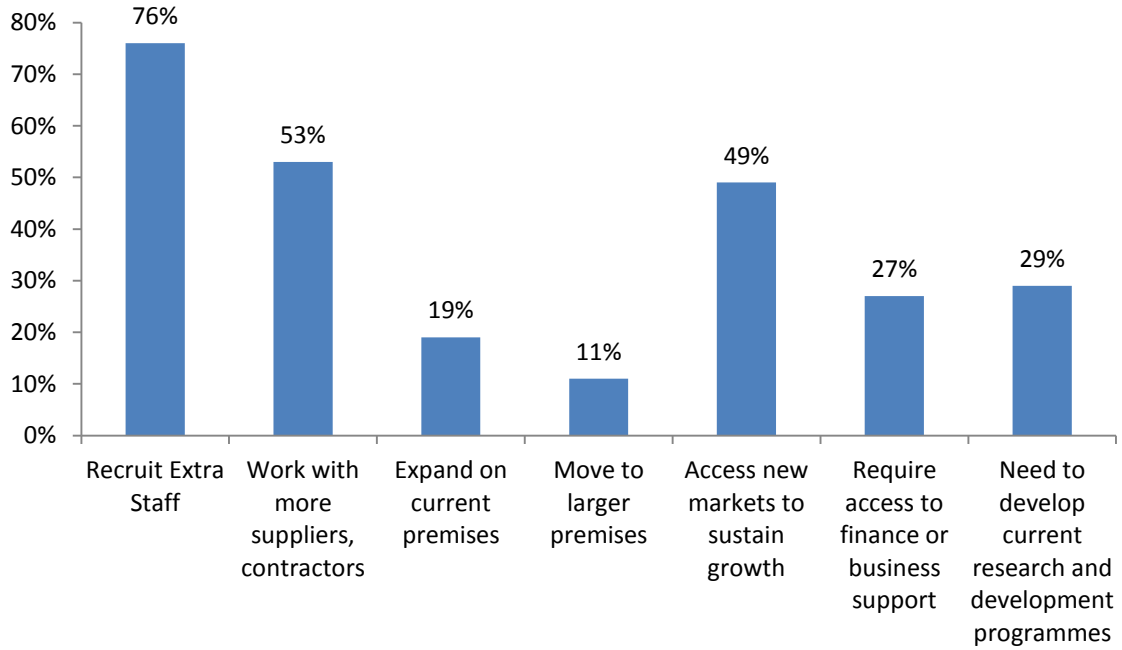
Table 4.5 above shows that companies whose turnover has increased are most likely to predict that their turnover will also increase, with two-thirds stating it. Companies whose turnover has decreased or remained the same are most likely to report their turnover will remain the same over the next 12 months (45% and 63% respectively).

Fewer companies predict their turnover will decrease over the next 12 months. Even amongst companies whose turnover has decreased over the last 12 months, less than one-third (29%) predict turnover will continue to decrease over the next 12 months.

90% of companies who did not know or would not say what has happened to their turnover over the last year also did not know for the next 12 months. Of the companies which did answer, the majority predicted their turnover would increase; however, this may be wishful thinking rather than being based on any evidence.

178 companies expected their turnover to increase over the next 12 months. These companies were asked if they would have to do certain things as a result of this growth.

Chart 4.3 Expected changes as a result of predicted increase of turnover



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The most common result of increases in growth would be the need to recruit extra staff, which more than three-quarters (76%) of companies claimed they would have to do. 53% of companies stated they would have to work with more suppliers and contractors and 49% felt they would have to access new markets to sustain growth.

Table 4.6 Expected changes as a result of predicted increase of turnover by sector

		As a result of this growth, will you need to do any of the following:							
		Recruit Extra Staff	Work with more suppliers, contractors	Expand on current premises	Move to larger premises	Access new markets to sustain growth	Require access to finance or business support	Need to develop current research and development	Total
What broad types of products do you manufacture?	Food and Drink	60%	53%	0%	0%	53%	27%	27%	**15**
	Clothing/Textiles	64%	50%	14%	0%	36%	29%	14%	**14**
	Paper	56%	50%	28%	11%	39%	22%	0%	**18**
	Chemicals and Pharmaceuticals	100 %	56%	11%	11%	67%	22%	56%	**9**
	Plastics and Plastic Products	65%	60%	20%	0%	40%	15%	25%	**20**
	Ceramics and Glass	77%	31%	23%	8%	46%	31%	38%	**13**
	Metals and Fabricated Products	80%	51%	15%	17%	44%	30%	31%	**71**
	Electronics	86%	50%	29%	14%	36%	29%	29%	**14**
	Vehicles	80%	47%	13%	0%	73%	33%	33%	**15**

	Other	78%	53%	22%	14%	47%	22%	31%	**51**
	Total	**51%**	**18%**	**10%**	**46%**	**26%**	**28%**	**51%**	**240**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.6 above shows that each sector would have different expected changes as a result of predicted increases in turnover. Whilst the need to recruit additional staff is the most common change in all sectors, each sector has different needs. Working with more suppliers and contractors is twice as likely in the plastics and plastic products sector as the ceramics and glass sectors (60% to 31% respectively).
The food and drink sector is least likely to be concerned about changing their premises or moving to a new premise, with no businesses reporting either. The metals and fabricated products businesses are most likely to need to change their premises, with an average of 16% of companies predicting a need to expand their existing premises or move to larger premises, as a result of growth.

Table 4.7 Expected changes as a result of predicted increase of turnover by size

		As a result of this growth, will you need to do any of the following:							
		Recruit Extra Staff	**Work with more suppliers, contractors**	**Expand on current premises**	**Move to larger premises**	**Access new markets to sustain growth**	**Require access to finance or business support**	**Need to develop current research and development programmes**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	60%	33%	7%	7%	53%	13%	20%	**29**
	2-4	60%	67%	19%	12%	49%	33%	21%	**112**
	5-9	89%	46%	17%	14%	54%	23%	29%	**95**
	10-24	77%	49%	21%	15%	46%	36%	36%	**109**
	25-49	80%	45%	20%	0%	45%	35%	35%	**52**
	50-99	91%	82%	9%	9%	45%	18%	27%	**31**
	100-249	90%	50%	30%	20%	50%	10%	30%	**28**
	250+	80%	40%	40%	0%	60%	0%	60%	**14**
	Total	**76%**	**53%**	**19%**	**11%**	**49%**	**27%**	**29%**	**178**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.7 shows that different sized companies are more likely to require different things as a result of predicted increases in turnover. Smaller companies are less likely to need to recruit extra staff with only 60% for companies with 1-4 employees needing them, compared to more 91% of companies with 50-99 staff.

Larger companies are more likely to require changes in their premises; 40% of companies with 250 or more employees would require expanding on their current premises. Although none of the very largest companies would move to larger premises, 20% of companies with 100-249 employees would have to move to larger premises. Only 7% of sole traders would change or expand on their existing premises.

The need to access new markets to sustain growth is similar through all sizes of businesses with only 15% difference between the most and least likely size bands.

Companies with 250 or more employees are the most likely to be interested in new markets, but there is no direct correlation between this and size. The second most likely business size are those with 5-9 employees (54%). This is similar to the pattern for finance or business support; the smallest and largest companies are the least likely to require them (only 13% of sole traders, 10% of companies with 100-250 staff and no companies with 250 more employees), whilst it is more variable amongst mid-sized companies.

Developing current research and development programmes is most important for companies with 250 or more employees; 60% of these report having to develop their current programmes. This is more than double the proportion of the other sizes; it is double the proportion of companies with 100-249 employees. This must at least partially due to these larger companies being the most likely to conduct innovation and research and development.

Table 4.8 Expected changes as a result of predicted increase of turnover by changes in turnover.

		As a result of this growth, will you need to do any of the following:							
		Recruit Extra Staff	Work with more suppliers, contractors	Expand on current premises	Move to larger premises	Access new markets to sustain growth	Require access to finance or business support	Need to develop current research and development	Total
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	81%	54%	21%	11%	47%	27%	29%	**114**
	Decreased	71%	57%	29%	14%	86%	57%	71%	**7**
	Stayed the Same	67%	48%	13%	11%	44%	22%	24%	**54**
	Don't know/ Won't say	67%	67%	0%	0%	133%	33%	33%	**3**
	Total	**76%**	**53%**	**19%**	**11%**	**49%**	**27%**	**29%**	**178**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.8 above shows that a greater proportion of companies whose turnover has decreased will have to do each of the changes than companies whose turnover has increased or remained the same over the past 12 months, apart from recruit extra staff. 86% of companies whose turnover has decreased predict they would have to access new markets to sustain growth, almost double the proportion whose turnover has remained the same (47%). 57% of decreased companies would require

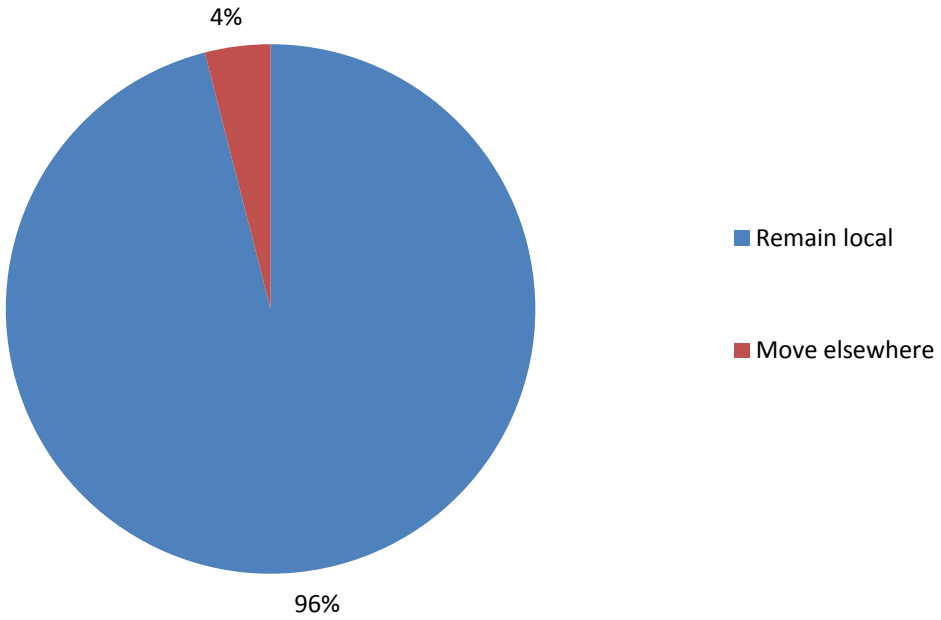
to business support, which is more than double the proportion of increased companies (27%) and 71% need to develop current research and development programmes compared to only 29% of companies whose turnover has increased.

This higher proportion may be due to companies realizing the areas they are currently not succeeding in and showing what they would be doing if their turnover had increased.

The 178 that predicted their turnover will increase over the next 12 months were also asked if there are looking to remain in the local area or develop in a new area.

Only 7 companies (4%) felt they would move elsewhere as a result of a growth in turnover. The remaining 96% would remain in the local area, as can be seen from chart 4.4

Chart 4.4 Proportion of companies that predict growth and where they will locate themselves.



Of these seven companies that will move elsewhere, four (57%) state no specific area they would move to and no particular reason for moving. Of the remaining companies, two (29%) intend to move to Europe, but did not state their reasons, and the last (14%) stated they would move elsewhere in order to expand their business.

Table 4.9 Companies looking to move elsewhere as a result of predicted increases in turnover over the next 12 months

Company	Sector	Staff Size	Has turnover increased, decreased or stayed the same over the last 12 months?
1)	Plastics and Plastic Products	5-9	Stayed the same
2)	Metals and	10-24	Increased

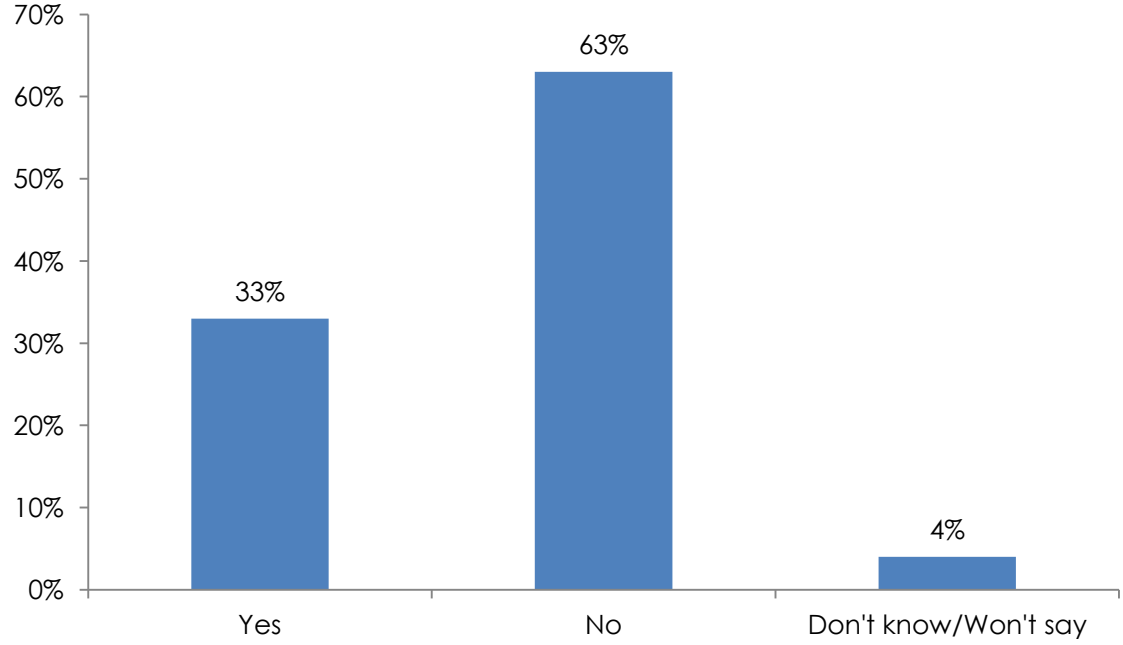
	fabricated products		
3)	Clothing and Textiles	10-24	Increased
4)	Furniture	10-24	Increased
5)	Clothing and Textiles	10-24	Stayed the same
6)	Metals and fabricated products, Vehicles	25-49	Stayed the same
7)	Clothing and textiles, Medical products	100-249	Increased

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 4.9, it can be seen that the companies looking to move elsewhere are most likely to be in the clothing and textiles industry (43%), have between 10-24 members of staff (57%) and had their turnover increase in the last 12 months (57%). They may have had their turnover stay the same over the last 12 months (43%) but it will not have decreased.

Businesses were also asked whether there were any barriers to growth the company was facing at the present time, and what these barriers were.

Chart 4.5 Proportion of companies experiencing barriers to growth



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Only one-third of companies have experienced any barriers to growth, with 63% not reporting any. 4% do not know or would not say if they have any barriers to growth.

Table 4.10 Proportion of companies experiencing barriers to growth by sector

		Is your organization facing any barriers to growth at the current time?			
		Yes	**No**	**Don't know/Won't say**	**Total**
What broad types of products do you manufacture?	Food and Drink	39%	55%	6%	**31**
	Clothing/Textiles	26%	72%	3%	**39**
	Paper	42%	58%	0%	**45**
	Chemicals and Pharmaceuticals	25%	75%	0%	**20**
	Plastics and Plastic Products	32%	66%	2%	**53**
	Ceramics and Glass	27%	67%	7%	**30**
	Metals and Fabricated Products	34%	62%	3%	**181**
	Electronics	29%	71%	0%	**34**
	Vehicles	29%	71%	0%	**45**
	Other	28%	61%	10%	**148**
	Total	**32%**	**64%**	**4%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.10 above shows that the different sectors have different likelihoods of having barriers to growth. The paper (42%) and food and drink (39%) sectors are the most likely to report barriers to growth at this time. This is surprising as these sectors were not the least likely to report an increase in turnover over the next 12 months.

The chemicals and pharmaceuticals (25%) and clothing/textiles (26%) sectors are least likely to report barriers to growth; this is unsurprising as these were amongst the sectors least likely to expect a decrease in turnover over the next 12 months.

Table 4.11 Proportion of companies experiencing barriers to growth by sector

		Is your organization facing any barriers to growth at the current time?			
		Yes	**No**	**Don't know/Won't say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	42%	58%	0%	**45**
	2-4	37%	59%	4%	**125**
	5-9	30%	70%	0%	**94**
	10-24	33%	61%	6%	**109**
	25-49	23%	66%	11%	**47**
	50-99	42%	53%	5%	**19**
	100-249	30%	65%	4%	**23**
	250+	25%	75%	0%	**12**
	Total	**33%**	**63%**	**4%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 4.11 above there does not appear to be any direct correlation between the size of companies and the likely hood they will have barriers to growth. Whilst only 25% of companies with 250 or more employees have barriers to growth, companies with 25-49 are less likely to report them (only 23%). The numbers increased and decrease at each size. Size does not appear to correlate to barriers to growth.

Table 4.12 Proportion of companies experiencing barriers to growth by sector

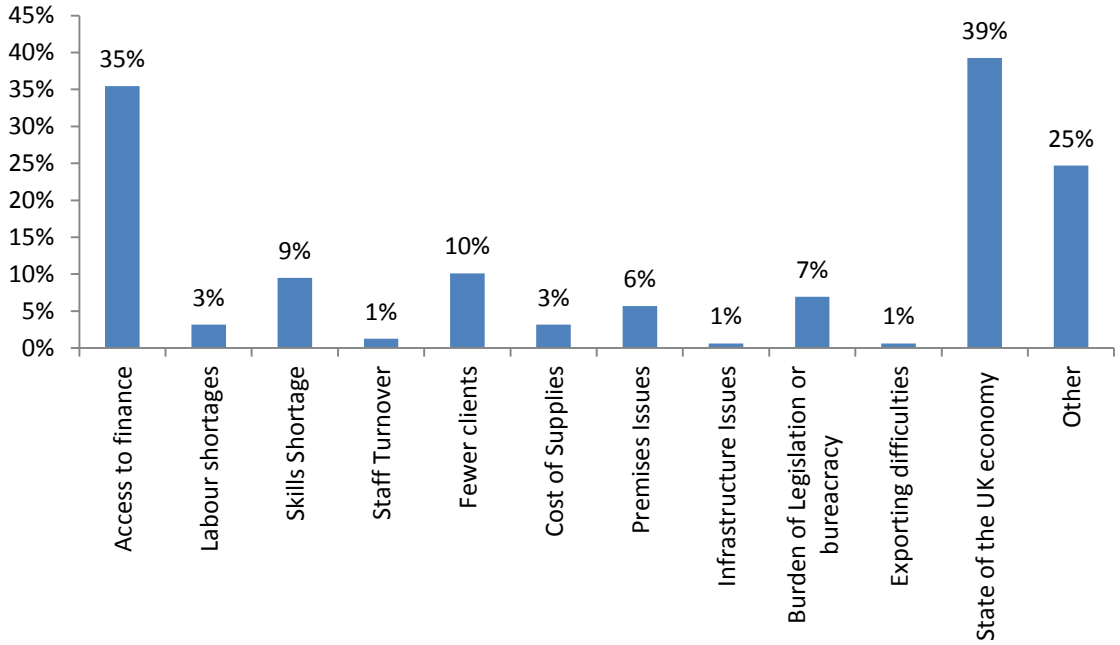
		Is your organization facing any barriers to growth at the current time?			
		Yes	**No**	**Don't know/Won't say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	30%	67%	3%	**174**
	Decreased	55%	41%	5%	**66**
	Stayed the Same	33%	67%	1%	**183**
	Don't know/ Won't say	20%	63%	18%	**51**
	Total	**33%**	**63%**	**4%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Unsurprisingly, companies whose turnover has decreased are more likely to report barriers to growth, with more than half reporting them (55%). Companies whose turnover has increased were the least likely to report barriers to growth with only 30% stating they faced them, which was below the overall average.

Companies were also asked what particular barriers they were facing. The most commonly reported barrier was the state of the UK economy (39%) and access to finance (35%). Linked to these were concerns about fewer clients, which was a barrier to 10% of businesses.
The "other" barriers to growth include competition (seven companies), cash flow issues (four companies) and age, time constraints and internal/self imposed barriers (three companies each).

Chart 4.6 Reported barriers to growth for businesses



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.13 Reported barriers to growth for businesses by sector

		What barriers to growth is your company facing?												
		Access to finance	Labour shortage	Skills shortage	Staff turnover	Fewer clients	Cost of supplies	Premise issues	Infrastructure issues	Burden of legislation or bureaucracy	Exporting Difficulties	State of the UK economy	Other	Total
What broad types of products do you manufacture?	Food and Drink	29%	7%	0%	0%	7%	7%	7%	0%	7%	0%	14%	21%	**14**
	Clothing/Textiles	24%	6%	0%	0%	12%	6%	0%	0%	6%	0%	29%	18%	**17**
	Paper	39%	0%	0%	0%	0%	0%	0%	4%	0%	0%	30%	26%	**23**
	Chemicals and Pharmaceuticals	29%	0%	14%	0%	0%	14%	0%	0%	14%	0%	0%	29%	**7**
	Plastics and Plastic Products	12%	4%	8%	0%	23%	12%	0%	0%	4%	0%	31%	8%	**26**
	Ceramics and Glass	17%	0%	8%	8%	0%	0%	0%	0%	8%	0%	42%	17%	**12**
	Metals and	21%	2%	12%	1%	6%	1%	6%	1%	6%	1%	23%	20%	**86**

	Fabricated Products													
	Electronics	41%	0%	0%	0%	12 %	0%	0%	0%	6%	0%	41%	0%	**17**
	Vehicles	20%	0%	0%	0%	10 %	0%	10 %	0%	0%	0%	45%	15%	**20**
	Other	22%	3%	7%	0%	7%	0%	3%	0%	3%	0%	28%	26%	**58**
	Total	**24%**	**3%**	**6%**	**1%**	**8%**	**3%**	**4%**	**1%**	**5%**	**0%**	**28 %**	**19 %**	**280**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.13 shows that there are differences in the barriers to growth according to the sectors businesses belong to. The state of the UK economy is the most important factor for several sectors including vehicles (45%), ceramics and glass (42%) and electronics (41%). However, access to finance is the most important for paper (39%), chemicals and pharmaceuticals (29%) and food and drink (29%). The burden of legislation is another common issues with only the paper and vehicle sectors not reporting it as a barrier to growth.

Similarly, skills shortages only affected the chemicals and pharmaceutical (14%), metals and fabricated products (12%), plastics and ceramics and glass sectors (8% respectively).
Due to these differences, any approach to dealing with these barriers would have to be developed individually for each sector.

Table 4.14 Reported barriers to growth for businesses by size

		What barriers to growth is your company facing?												
		Access to finance	**Labour shortage**	**Skills shortage**	**Staff turnover**	**Fewer clients**	**Cost of supplies**	**Premise issues**	**Infrastructure issues**	**Burden of legislation or bureaucracy**	**Exporting Difficulties**	**State of the UK economy**	**Other**	**Total**
are employed by your company in the	1	21%	7%	11%	4%	4%	0%	0%	0%	0%	0%	29%	25%	**28**
	2-4	28%	3%	2%	0%	11%	2%	2%	2%	8%	0%	20%	23%	**64**
	5-9	29%	0%	5%	0%	5%	5%	7%	0%	5%	0%	29%	15%	**41**
	10-24	31%	2%	8%	0%	8%	2%	2%	0%	8%	0%	29%	8%	**48**
	25-49	11%	0%	11%	6%	0%	6%	6%	0%	0%	6%	39%	17%	**18**
	50-99	22%	0%	11%	0%	11%	0%	11%	0%	0%	0%	33%	11%	**9**
	100-249	11%	0%	11%	0%	11%	0%	22%	0%	0%	0%	33%	11%	**9**

	250+	0%	0%	20%	0%	0%	0%	0%	0%	0%	0%	40%	40%	**5**
	Total	**25%**	**2%**	**7%**	**1%**	**7%**	**2%**	**4%**	**0%**	**5%**	**0%**	**28%**	**18%**	**222**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 4.14. shows that larger companies are most likely to report barriers to growth in areas which are outside of their direct control; skills shortages and the state of the UK economy. Smaller companies are tend tom be more concerned about a lack of access to finance; 21% of sole traders and 31% of companies with 10-24 employees report access to finance as a barrier to growth.

Issue related to premises tend to be an issue for larger companies, with 22% of companies with 100-249 employees reporting it as a barrier to growth. However, no companies with 250 or more employees regard it as an issue.

Table 4.15 Reported barriers to growth for businesses by changes in turnover

		What barriers to growth is your company facing?												
		Access to finance	**Labour shortage**	**Skills shortage**	**Staff turnover**	**Fewer clients**	**Cost of supplies**	**Premise issues**	**Infrastructure issues**	**Burden of legislation or bureaucracy**	**Exporting Difficulties**	**State of the UK economy**	**Other**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	27%	4%	12%	3%	4%	3%	8%	0%	3%	0%	18%	18%	**73**
	Decrease	26%	2%	4%	0%	14%	4%	0%	0%	4%	0%	26%	21%	**57**
	Stayed the Same	23%	1%	5%	0%	4%	1%	4%	1%	6%	1%	36%	16%	**77**
	Don't know/ Won't say	20%	0%	0%	0%	13%	0%	0%	0%	13%	0%	40%	13%	**15**

	Total	**25%**	**2%**	**7%**	**1%**	**7%**	**2%**	**4%**	**0%**	**5%**	**0%**	**28%**	**18%**	**222**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

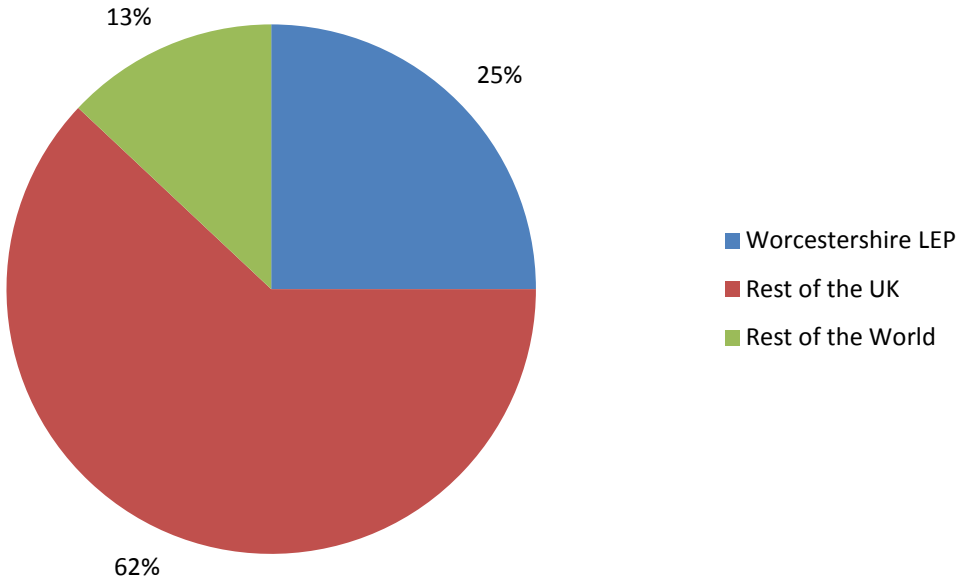
Table 4.15 shows that companies whose turnover has decreased are less likely to report the state of the UK economy as a barrier to growth than companies whose turnover has remained the same (26% compared to 36% respectively). Companies whose turnover has decreased are most likely to report that the fewer clients they are receiving are a barrier to growth; 14% of decreased turnover companies stated this, 10% more than companies whose turnover had increased or stayed the same.

Surprisingly, companies whose turnover had increased where the most likely to report access to finance as a barrier to growth with 27% reporting it, compared to only 26% for companies whose turnover has decreased. Companies whose turnover had increased were also the most likely to be concerned by skills shortages; 7-8% more companies reported skills shortages as a barrier to growth compared to companies whose turnover had decreased or stayed the same.

Networks

Companies were asked about the location of their suppliers and customers, which industries they supply to as well as any involvement they might have in industry specific networks.

Chart 5.1 Average proportion of suppliers by location



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

On average, suppliers from within the Worcestershire area only account for one-quarter of the total supplies. The rest of the UK accounts for the majority of suppliers. Only approximately one-eighth of suppliers are located from outside the UK.

Table 5.1 Average proportion of suppliers by location, by sector

		On average, what proportion of your suppliers are based within:		
		Worcestershire LEP	**Rest of the UK**	**Rest of the World**
What broad types of products do you manufacture?	Food and Drink	38%	46%	16%
	Clothing/Textiles	14%	74%	12%
	Paper	26%	66%	8%
	Chemicals and Pharmaceuticals	17%	64%	19%
	Plastics and Plastic Products	21%	68%	11%
	Ceramics and Glass	9%	76%	15%
	Metals and Fabricated Products	28%	62%	10%
	Electronics	18%	56%	26%
	Vehicles	34%	49%	17%
	Other	25%	64%	11%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.1 above shows that, on average, certain sectors receive different proportions of their goods from different locations.
The food and drink (38%) and vehicle (34%) sector s are the most likely to receive supplies from the Worcestershire area; this may be due to the existing specialist suppliers for these sectors in the area as well as lower transport costs.
The ceramics sector is the least likely to receive supplies form the local area, taking only 9% of supplies from the local area.

Certain sectors receive more supplies from overseas; the electronics sector receives 26% of its exports from overseas, which is more than double the overall average for all sectors of 13%. Chemicals and pharmaceuticals also import a large proportion of their supplies, with 19% coming from outside the UK.

Table 5.2 Average proportion of suppliers by location, by size

		On average, what proportion of your suppliers are based within:		
		Worcestershire LEP	**Rest of the UK**	**Rest of the World**
How many staff are employed by your company in the Worcestershire	1	36%	56%	8%
	2-4	29%	64%	7%
	5-9	23%	63%	14%
	10-24	23%	64%	13%
	25-49	20%	64%	16%
	50-99	22%	65%	13%
	100-249	28%	46%	26%
	250+	9%	37%	54%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 5.2 above, it can be seen that larger companies tend to use a smaller proportion of supplies from within the Worcestershire LEP and import a larger proportion from outside the UK. Companies with 250 or more employees only buy 9% of their supplies from the LEP, compared to 36% of supplies for sole traders and 28% of supplies from companies with 100-249 employees.
These larger companies are also the most likely to import goods from outside the UK; on average, they import more than half (54%) of their supplies. This is more than twice the proportion from companies with 100-249 employees and almost seven times greater than sole traders. This may be due to the time consuming nature of importing goods from aboard which means that small businesses cannot afford to spend time importing, even if goods are cheaper overseas.

Table 5.3 Average proportion of suppliers by location, by changes in turnover

		On average, what proportion of your suppliers are based within:		
		Worcestershire LEP	**Rest of the UK**	**Rest of the World**
Has your company's turnover	Increased	25%	59%	16%
	Decreased	23%	67%	10%
	Stayed the Same	26%	61%	13%

	Don't know/ Won't say	27%	61%	12%

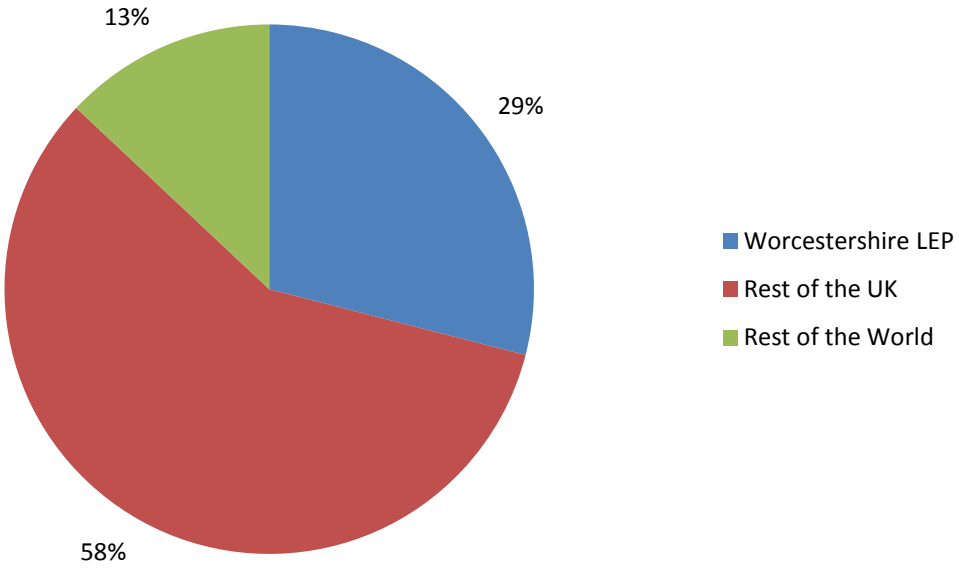
Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.3 above shows that companies whose turnover has increased over the last 12 months are the most likely to import goods from the rest of the world, with 16% of supplies coming from there. Companies whose turnover has decreased are most likely to buy their supplies from the rest of the UK, rather than from the Worcestershire LEP or overseas.

Companies were also asked about the proportion of their customers by location.

29% of the value of customers is based within the Worcestershire LEP, with a further 58% based within the rest of the UK. On average, only 13% of the value of customers is based outside the UK.

Chart 5.2 Average proportion of customers by location



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.4 Average proportion of customers by location, by sector

		On average, what proportion of your customers are based within:		
		Worcestershire LEP	**Rest of the UK**	**Rest of the World**
broad types of products do you manufact	Food and Drink	34%	59%	7%
	Clothing/Textiles	37%	55%	8%
	Paper	45%	48%	7%
	Chemicals and Pharmaceuticals	15%	72%	13%

	Plastics and Plastic Products	25%	63%	12%
	Ceramics and Glass	35%	57%	8%
	Metals and Fabricated Products	28%	59%	12%
	Electronics	12%	66%	22%
	Vehicles	19%	53%	27%
	Other	31%	56%	13%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.4 above shows the electronics (22%) and vehicles (27%) sectors receive the greatest proportion of their custom from overseas. The food and drink and paper sectors receive the smallest proportion, receiving g only 7% from overseas.
The paper (45%) and clothing/textiles industry (37%) make the greatest proportion of their turnover from customers in the Worcestershire LEP, whilst the electronics (12%) and chemicals and pharmaceuticals (15%) receive the least. Both of these sectors are highly specialised and will have more potential for customers outside of the Worcestershire area.

Table 5.5 Average proportion of customers by location, by size

		On average, what proportion of your customers are based within:		
		Worcestershire LEP	**Rest of the UK**	**Rest of the World**
How many staff are employed by your company in the Worcestershire	1	49%	48%	2%
	2-4	43%	46%	11%
	5-9	24%	69%	8%
	10-24	14%	64%	11%
	25-49	18%	64%	17%
	50-99	5%	52%	42%
	100-249	3%	69%	28%
	250+	8%	62%	30%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.5 above shows that smaller companies are receive the greatest proportion of their custom from the Worcestershire LEP. Sole traders receive almost half (49%) from the LEP and a further 48% from the rest of the UK. Large companies receive far less from the local area and more from overseas. Companies with 50-99 employees only receive 5% of their turnover from the LEP and 42% from the rest of the world. Again this may be due to the time consuming nature of exporting and ensuring regulations are met, as well as small producers not having the capacity to supply to customers around the world.

Table 5.6 Average proportion of customers by location, by changes in turnover

	On average, what proportion of your customers are based within:		
	Worcestershire LEP	**Rest of the UK**	**Rest of the World**

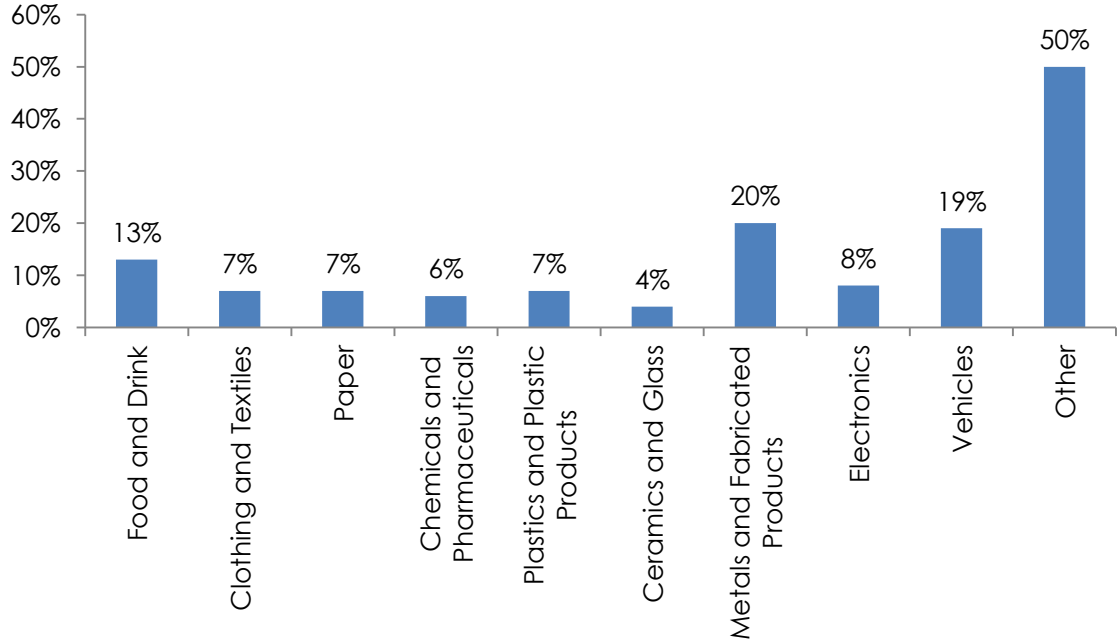
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	27%	59%	14%
	Decreased	33%	57%	11%
	Stayed the Same	29%	59%	12%
	Don't know/ Won't say	32%	53%	15%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.6 above shows that companies whose turnover has decreased receive a slightly larger proportion of their turnover from the Worcestershire LEP than companies whose turnover has increased or stayed the same. These companies also receive a smaller proportion of their turnover from outside the UK, only 11% compared to 14% of companies whose turnover has increased. This may reflect a less flexible or imaginative approach to doing business; these companies are not accessing other markets which are available which is resulting in their turnover decreasing over the last 12 months.

The companies were asked which sectors they currently supplied to. The largest single sector companies supply to is Metals and fabricated products, which are customers for one-fifth of companies. A comparable proportion (19%) provide to the Vehicle sector.
Food and Drink is another important sector; 13% of companies supply to the Food and Drink sector.

Chart 5.3 Proportion of companies supplying to each sector



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.7 Proportion of companies supplying to each sector, by sector

		What sectors do you currently supply to:									
		Food and Drink	Clothing and Textiles	Paper	Chemicals and Pharmaceuticals	Plastics and Plastics Products	Ceramics and Glass	Metals and Fabricated Products	Electronics	Vehicles	Other
What broad types of products do you manufacture?	Food and Drink	38%	0%	0%	5%	0%	0%	0%	0%	0%	1%
	Clothing/Textiles	3%	50%	5%	3%	6%	0%	1%	0%	1%	4%
	Paper	8%	14%	69%	5%	2%	4%	3%	6%	3%	5%
	Chemicals and Pharmaceuticals	1%	0%	2%	19%	6%	4%	2%	2%	3%	3%
	Plastics and Plastic Products	7%	10%	2%	8%	39%	15%	9%	12%	10%	9%
	Ceramics and Glass	1%	0%	0%	3%	2%	38%	1%	0%	1%	5%
	Metals and Fabricated Products	23%	17%	10%	32%	27%	19%	69%	34%	32%	25%
	Electronics	8%	5%	2%	8%	6%	8%	3%	30%	6%	5%
	Vehicles	3%	0%	0%	5%	2%	0%	3%	2%	33%	3%
	Other	7%	5%	10%	11%	10%	12%	8%	14%	12%	41%
	Total	**73**	**42**	**42**	**37**	**49**	**26**	**118**	**50**	**115**	**360**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.7 above shows that the sector manufacturing a particular type of product is not necessarily the one most likely to provide the greatest proportion of supplies for that sector. For example, 19% of supplies for chemicals and pharmaceuticals come from companies who produce chemicals and pharmaceuticals, but producers of metals and fabricated products account for 32% of the sector. Metals and fabricated producers account for the largest proportion of producers for two sectors; chemicals and pharmaceuticals and electronics.

Table 5.8 Proportion of companies supplying to each sector, by size

		What sectors do you currently supply to:									
		Food and Drink	Clothing and Textiles	Paper	Chemicals and Pharmaceuticals	Plastics and Plastics Products	Ceramics and Glass	Metals and Fabricated Products	Electronics	Vehicles	Other
employed by your company in the	1	10 %	15%	6%	0%	3%	6%	5%	8%	4%	11%
	2-4	21 %	32%	29%	21%	15%	17%	25%	27 %	17 %	28%
	5-9	16	15%	18%	18%	24%	22%	22%	19	18	22%

		%							%	%	
	10-24	21 %	24%	32%	25%	21%	22%	25%	16 %	1%	21%
	25-49	13 %	6%	12%	21%	18%	22%	14%	11 %	17 %	10%
	50-99	3%	0%	0%	7%	6%	0%	5%	8%	8%	4%
	100-249	11 %	3%	3%	4%	6%	6%	2%	3%	10 %	3%
	250+	5%	6%	0%	4%	9%	6%	2%	8%	7%	2%
	Total	**62**	**34**	**34**	**28**	**34**	**18**	**96**	**37**	**89**	**239**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.8 above shows that larger companies generally make up a smaller proportion of suppliers to each sector, as there are fewer large companies than there are small ones. Plastics and plastic products receive from the greatest proportion of companies with 250 or more staff, but this is only 9%.
The highest percentage of sole traders sends goods to the clothing and textiles (15%) and food and drink sectors (10%). Companies with 2-4 employees account for the largest proportion of suppliers to each sector; on average they account for 23% of suppliers, compared to only 7% for sole traders and 5% for companies with 250 or more employees.

Table 5.9 Proportion of companies supplying to each sector, by changes in turnover

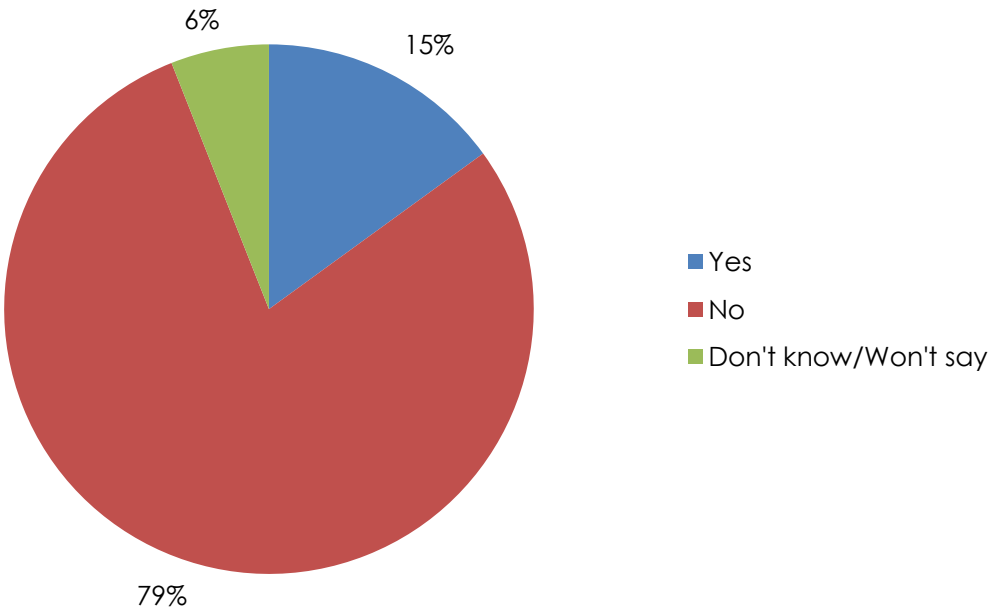
		What sectors do you currently supply to:									
		Food and Drink	**Clothing and Textiles**	**Paper**	**Chemicals and Pharmaceuticals**	**Plastics and Plastics Products**	**Ceramics and Glass**	**Metals and Fabricated Products**	**Electronics**	**Vehicles**	**Other**
Has your company's turnover increased, decreased or stayed the same over the last	Increased	47%	47%	47%	57%	47%	39%	35%	32%	36%	34%
	Decreased	13%	12%	6%	14%	21%	22%	17%	16%	12%	15%
	Stayed the Same	29%	29%	38%	25%	26%	33%	39%	35%	40%	41%
	Don't know/ Won't say	11%	12%	9%	4%	6%	6%	9%	16%	11%	10%
	Total	**62**	**34**	**34**	**28**	**34**	**18**	**96**	**37**	**89**	**239**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.9 shows that companies whose turnover has increased accounts for the greatest proportion of companies supplying to all sectors. Whilst this can be partially be seen as a result of a larger proportion of companies reporting their turnover having increased over the last 12 months, the proportions are higher than this ratio, showing the suppliers with increased turnover make up the largest single proportion of the suppliers to all sectors.

Companies were also asked if they were involved in any industry-specific business networks. Chart 5.4 below shows the proportions who are and are not involved in any networks.

Chart 5.4 Proportion of businesses involved in industry-specific networks



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Only approximately one-sixth (15%) of businesses are involved in any industry specific networks. 79% are no involved in any industry specific networks and, somewhat worryingly, six percent of companies did not know if the business was involved in industry specific networks.

Table 5.10 Proportion of businesses involved in industry-specific networks, by sector

		Are you currently involved with any industry specific networks with similar businesses?			
		Yes	**No**	**Don't know/Wont Say**	**Total**
What broad types of products do you manufacture?	Food and Drink	23%	74%	3%	**31**
	Clothing/Textiles	8%	87%	5%	**39**
	Paper	7%	91%	2%	**45**
	Chemicals and Pharmaceuticals	15%	75%	10%	**20**
	Plastics and Plastic Products	11%	87%	2%	**53**
	Ceramics and Glass	20%	77%	3%	**30**
	Metals and Fabricated Products	12%	26%	7%	**181**
	Electronics	9%	88%	3%	**34**
	Vehicles	27%	69%	4%	**45**
	Other	16%	78%	7%	**148**
	Total	**17%**	**77%**	**6%**	**526**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 5.10 above, it can be seen that companies in the vehicles (27%) and food and drink (23%) sectors are the most likely to be involved in industry specific networks. This can be a benefit for both of these sectors are they are highly reliant on local suppliers and can use networks to improve their links with potential suppliers.

The two sectors least likely to be involved in networks are paper (7% of companies) and electronics (9%). Whilst the paper companies are easy to understand (fewer employees, less innovation), it is not clear why the electronics sector is less likely to be involved in industry specific networks. It is possible the electronics sector is scared by competitors, who may steal ideas and concepts and develop them themselves.

Table 5.11 Proportion of businesses involved in industry-specific networks, by size

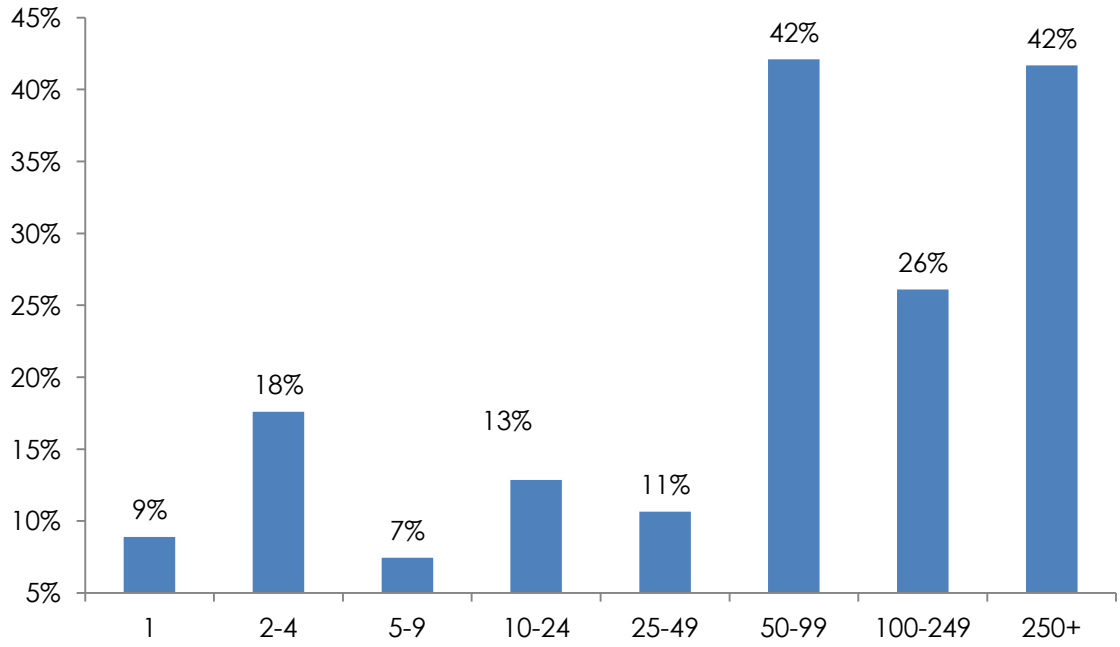
		Are you currently involved with any industry specific networks with similar businesses?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	9%	91%	0%	**45**
	2-4	18%	80%	2%	**125**
	5-9	7%	85%	7%	**94**
	10-24	13%	82%	6%	**109**
	25-49	11%	81%	9%	**47**
	50-99	42%	37%	21%	**19**
	100-249	26%	65%	9%	**23**
	250+	42%	50%	8%	**12**
	Total	**15%**	**79%**	**6%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

There is a general trend that the larger companies are, the more likely they are to belong be part of an industry specific network. This is not a direct correlation; as chart 5.5 below shows, companies with 2-4 staff are almost three times more likely to be in an industry-specific network than companies with 5-9 staff. Also companies with 100-249 staff are 16% less likely to be involved in these networks than companies with 50-99 staff.

There is a significant increase in the proportion of companies involved in industry specific networks when staff size increases above 50 staff members, with almost a third more companies being involved. This will be a result of the company having more staff time available to dedicate to taking part in these networks.

Chart 5.5 Proportion of companies involved in industry specific networks by staff size.



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 5.12 Proportion of businesses involved in industry-specific networks, by changes in turnover

		Are you currently involved with any industry specific networks with similar businesses?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	17%	78%	6%	**174**
	Decreased	15%	79%	6%	**66**
	Stayed the Same	14%	81%	4%	**183**
	Don't know/ Won't say	12%	78%	10%	**51**
	Total	**15%**	**79%**	**6%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

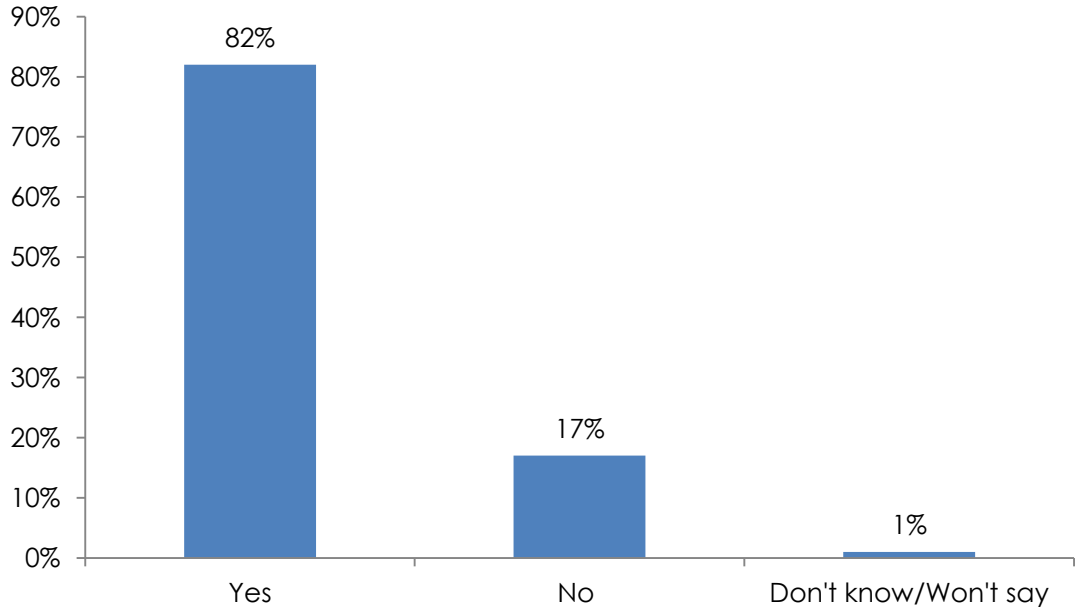
Table 5.12 above shows that companies that reported their turnover had grown in the last 12 months were most likely to be involved in industry specific networks; however, they were only 2% more likely to be involved in industry specific networks that those that reported a decrease in turnover.

Location

Companies were asked about the suitability of their current premises as well as their feelings about the choice and availability of premises in the Worcestershire area.

Companies were asked if their current premises fully meet their current and future requirements. More than four-fifths (82%) of companies felt that their premises do meet their current and future requirements. 17% of companies feel that their existing premises do not meet their current or future requirements.

Chart 6.1 Proportion of companies that feel their premises meet their current and future requirements



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.1 Proportion of companies that feel their premises meet their current and future requirements, by sector

		Do your current premises fully meet your current and future requirements?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
What broad types of products do you manufacture?	Food and Drink	71%	26%	3%	**31**
	Clothing/Textiles	87%	10%	3%	**39**
	Paper	84%	16%	0%	**45**
	Chemicals and Pharmaceuticals	85%	15%	0%	**20**
	Plastics and Plastic Products	87%	11%	2%	**53**
	Ceramics and Glass	77%	23%	0%	**30**
	Metals and Fabricated Products	82%	18%	1%	**181**
	Electronics	85%	15%	0%	**34**
	Vehicles	78%	20%	2%	**45**

	Other	84%	14%	2%	**148**
	Total	**41%**	**8%**	**1%**	**1252**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 6.2 above, it can be seen that that the food and drink sector (71%) is the least likely to have premises that fully meet their requirements. This is surprising as only 7% of companies reported premises issues were a barrier to growth for them.

The clothing and textiles sector and plastic and plastic products sector (87% each) are the most likely to have premises that fully meet their requirements.

Table 6.3 Proportion of companies that feel their premises meet their current and future requirements, by size

		Do your current premises fully meet your current and future requirements?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	96%	4%	0%	**45**
	2-4	82%	17%	1%	**125**
	5-9	82%	17%	1%	**94**
	10-24	83%	17%	1%	**109**
	25-49	81%	19%	0%	**47**
	50-99	74%	26%	0%	**19**
	100-249	74%	26%	0%	**23**
	250+	42%	33%	25%	**12**
	Total	**82%**	**17%**	**1%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 6.3 above, it can be seen that smaller companies are more likely to feel that their existing premises meet their current and future requirements; 96% of sole traders, 82% of companies with 2-49 employees and 74% of companies with 5-249 employees feel their premises meet their needs. Companies with 250 or more employees are far less likely to be feel their existing premises meet their needs with only 42% stating it does.

Companies with 250 or more employees are also more likely to not know or will not say if their premises meet their current and future needs, with one-quarter not knowing. However, in spite of this, the proportion of these larger companies who feel their existing premises do not meet their current and existing premises is still larger than all other sized companies, with one-third feeling it does not meet their needs.

Table 6.4 Proportion of companies that feel their premises meet their current and future requirements, by changes in turnover

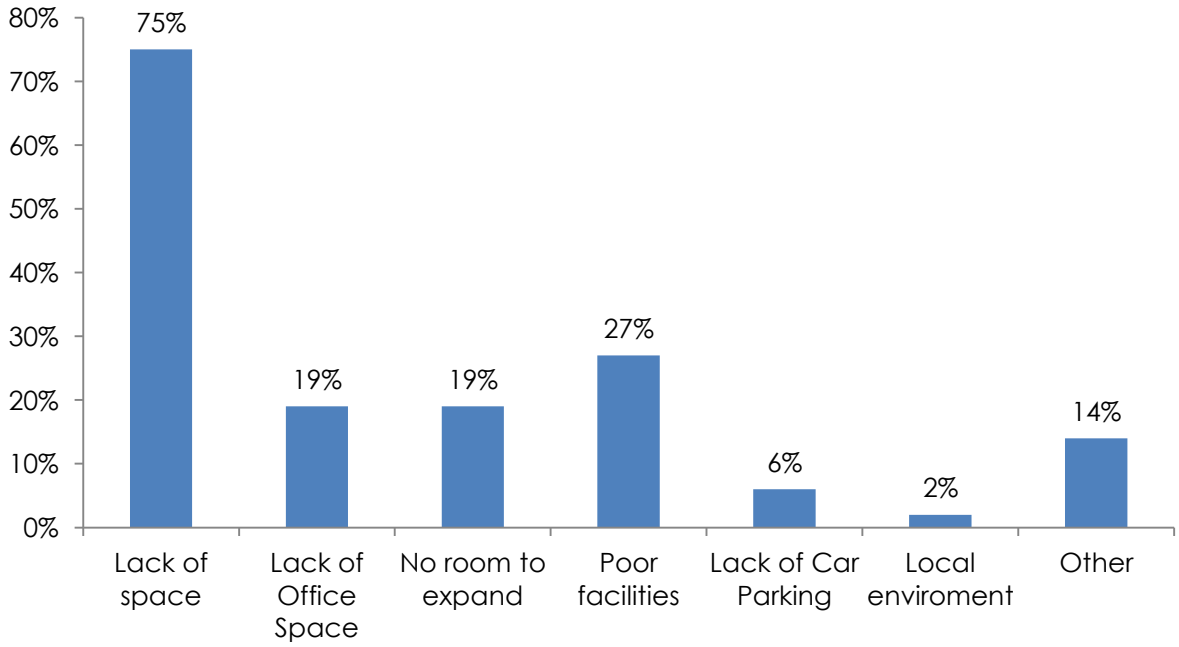
		Do your current premises fully meet your current and future requirements?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	74%	26%	1%	**174**
	Decreased	83%	15%	2%	**66**
	Stayed the Same	86%	13%	1%	**183**
	Don't know/ Won't say	92%	4%	4%	**51**
	Total	82%	17%	1%	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.4 shows that companies with increased turnover are the least to have premises that meet their current and future needs. Only 74% of companies felt it did meet their needs, compared to 83% of companies who had decreased turnover and 86% of companies whose turnover had remained the same. This may be due to companies with increased turnover hoping to invest in the business to grow and increase their capacity; if their current premises have reached their maximum capacity, they may require new premises. Alternatively, companies with decreased turnover who cannot afford to invest in new premises may accept their premises as being acceptable for their needs, as there is nothing they can do about it at present.

The 81 companies that reported that their premises did not fully meet their current and future requirements were asked what issues they had.

Chart 6.2 Issues companies have with their premises



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The key problem businesses have with their premises is the lack of space. 75% of businesses who feel their premises do not meet their requirements feel they have a lack of sufficient space. This is the key issues companies have; the next most common issue ('poor facilities') was only recorded by 27% of companies, almost two-thirds less.

The 'other' reasons included three companies feeling the premises were not fit for the companies' purposes, two which felt there was not enough space and six which each had different issues such as an aging property, future road building, too much space for the companies needs, poor heating, rates are too high and that their work is often done on location.

Table 6.4 Issues companies have with their premises, by sector

		Do your current premises fully meet your current and future requirements? If no, why not?							
		Lack of space	Lack of office space	No room to expand	Poor facilities	Lack of car parking	Local environment	Other	Total
Types of products do	Food and Drink	33%	8%	17%	17%	0%	0%	25%	**12**
	Clothing/Textiles	67%	0%	17%	17%	0%	0%	0%	**6**
	Paper	11%	0%	22%	22%	11%	0%	33%	**9**
	Chemicals and Pharmaceuticals	50%	33%	0%	0%	17%	0%	0%	**6**
	Plastics and Plastic Products	25%	25%	0%	25%	0%	0%	25%	**8**

	Ceramics and Glass	56%	0%	0%	22%	11%	0%	11%	**9**
	Metals and Fabricated Products	48%	8%	15%	19%	4%	2%	4%	**52**
	Electronics	42%	8%	8%	17%	8%	8%	8%	**12**
	Vehicles	53%	7%	13%	20%	0%	0%	7%	**15**
	Other	53%	19%	6%	9%	3%	0%	9%	**32**
	Total	**46%**	**11%**	**11%**	**17%**	**4%**	**1%**	**10%**	**161**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.4 above shows that different sectors have different issues regarding their existing premises. The clothing/textiles industry is most likely to have issues due to a lack of space (67%), whilst the paper industry is least likely with only 11% reporting it. Lack of space is the most commonly mentioned issue for all sectors except for the paper industry. For the paper industry, the lack of room to expand and poor facilities were the most common issues (22% each).

Table 6.5 Issues companies have with their premises, by size

		Do your current premises fully meet your current and future requirements? If no, why not?							
		Lack of space	**Lack of office space**	**No room to expand**	**Poor facilities**	**Lack of car parking**	**Local environment**	**Other**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	25%	0%	25%	25%	0%	0%	25%	**4**
	2-4	46%	14%	11%	19%	3%	0%	8%	**37**
	5-9	52%	10%	19%	10%	0%	0%	10%	**21**
	10-24	45%	7%	14%	17%	7%	3%	7%	**29**
	25-49	38%	13%	0%	31%	6%	6%	6%	**16**
	50-99	50%	25%	0%	13%	13%	0%	0%	**8**
	100-249	63%	0%	25%	0%	0%	0%	13%	**8**
	250+	57%	14%	0%	14%	0%	0%	14%	**7**
	Total	**47%**	**11%**	**12%**	**17%**	**4%**	**2%**	**8%**	**130**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.5 above shows that larger companies tend to be more likely to be dissatisfied with their premises due to a lack of space. Only one-quarter of sole traders are dissatisfied due to a lack of space, whilst almost two-thirds (63%) of companies with 100-249 staff are.

Smaller companies are more likely to be dissatisfied due to poor facilities and a lack of room to expand. 25% of sole traders and 19% of companies with 2-4 employees are dissatisfied due to poor facilities, compared to only 14% of companies with 250 or more employees.

Table 6.6 Issues companies have with their premises, by changes in turnover

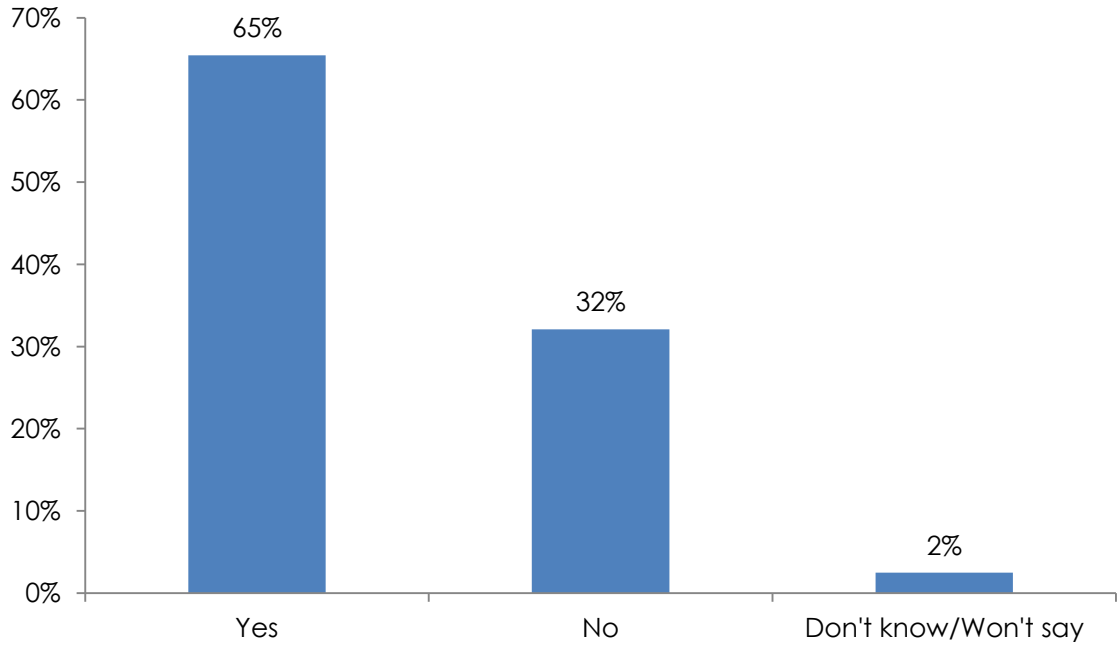
		Do your current premises fully meet your current and future requirements? If no, why not?							
		Lack of space	Lack of office space	No room to expand	Poor facilities	Lack of car parking	Local environment	Other	Total
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	52%	13%	15%	12%	1%	0%	6%	**67**
	Decreased	32%	11%	16%	16%	5%	5%	16%	**19**
	Stayed the Same	45%	5%	5%	26%	7%	2%	10%	**42**
	Don't know/ Won't say	50%	50%	0%	0%	0%	0%	0%	**2**
	Total	**47%**	**11%**	**12%**	**17%**	**4%**	**2%**	**8%**	**130**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.6 above shows that companies whose turnover has decreased are more likely to have a variety of issues with their existing premises rather than being concerned just with the lack of space. Less than one-third (32%)of businesses with decreased turnover were concerned about the lack of space, compared to 52% of companies with increased turnover and 45% of companies whose turnover has remained the same.
Companies with decreased turnover are the most concerned about a lack of room to expand (16%), poor facilities (16%), the local environment (5%) and other factors (16%). They have various issues with their existing premises.

The 81 companies that felt that their premises did not meet their requirements were asked if they would consider moving to another site locally to meet these needs.

Chart 6.3 Would companies consider moving to another site locally in order to meet their needs



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Almost two-thirds (65%) of the companies that did not feel their premises met their requirements would consider moving to another site locally in order to meet their needs.

Table 6.7 Would companies consider moving to another site locally in order to meet their needs, by sector

		Would you consider moving to another site locally in order to meet these needs?			
		Yes	No	Don't know/Won't Say	Total
What broad types of products do you manufacture?	Food and Drink	25%	75%	0%	**8**
	Clothing/Textiles	75%	25%	0%	**4**
	Paper	57%	43%	0%	**7**
	Chemicals and Pharmaceuticals	33%	33%	33%	**3**
	Plastics and Plastic Products	67%	33%	0%	**6**
	Ceramics and Glass	57%	43%	0%	**7**
	Metals and Fabricated Products	84%	13%	3%	**32**
	Electronics	80%	20%	0%	**5**
	Vehicles	67%	33%	0%	**9**
	Other	67%	33%	0%	**21**
	Total	**68%**	**30%**	**2%**	**102**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.7 above shows that there are significant differences between companies willingness to move to other sites locally in order to meet their needs between sectors. Only 25% of companies from the food and drink sector would be willing to move, whilst 84% of metals and fabricated products companies would be willing to. This suggests that certain sectors do not feel that there are appropriate sites for them in the local area.

Table 6.8 Would companies consider moving to another site locally in order to meet their needs, by size

		Would you consider moving to another site locally in order to meet these needs?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	0%	100%	0%	**2**
	2-4	57%	43%	0%	**21**
	5-9	88%	6%	6%	**16**
	10-24	67%	28%	6%	**18**
	25-49	67%	33%	0%	**9**
	50-99	80%	20%	0%	**5**
	100-249	83%	17%	0%	**6**
	250+	0%	100%	0%	**4**
	Total	**65%**	**32%**	**2%**	**81**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.8 above shows that generally, larger companies are more likely to consider moving to another site locally in order to meet their needs. Only 57% of companies with 2-4 employees would consider moving to another local site, with 83% of companies with 100-249 employees would.
Sole traders and companies with 250 or more employees are equally likely to consider moving (0%). There are presumably different reasons for these companies to no want to move; sole traders may not be able to afford a new site or are working at home and do not want a new site, whilst larger employers may not be able to find appropriate sites in order to meet their needs.

Table 6.9 Would companies consider moving to another site locally in order to meet their needs, by changes in turnover

		Would you consider moving to another site locally in order to meet these needs?			
		Yes	**No**	**Don't know/Won't Say**	**Total**
Has your company's turnover increased	Increased	67%	29%	4%	**45**
	Decreased	60%	40%	0%	**10**
	Stayed the Same	67%	33%	0%	**24**
	Don't know/ Won't say	50%	50%	0%	**2**

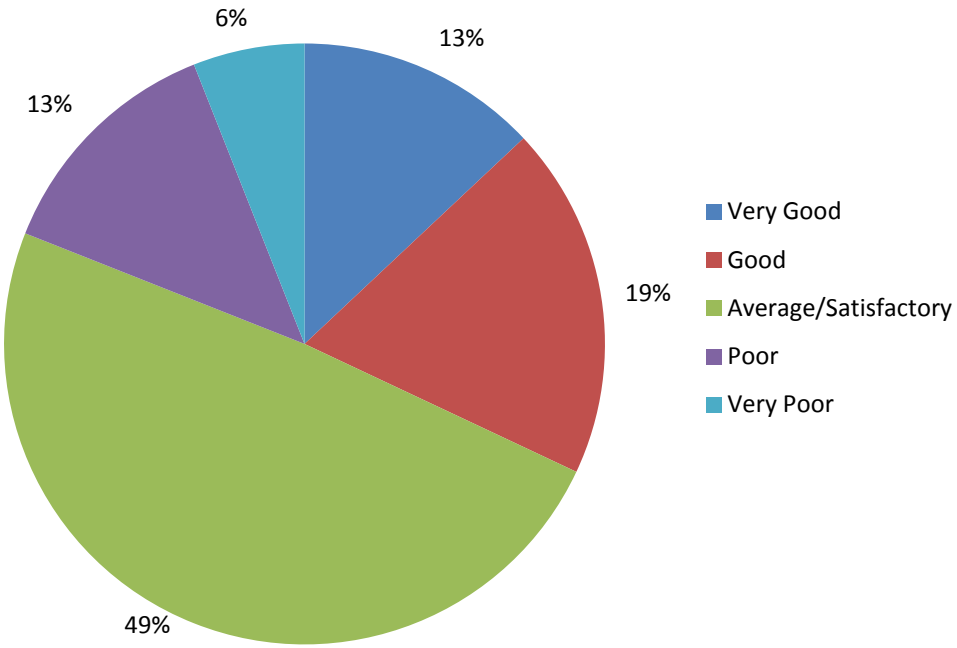
	Total	65%	32%	2%	**81**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.9 above shows that companies whose turnover has decreased over the last 12 months are the least likely to consider moving to another site locally in order to meet their needs, with only 60% considering it. Companies whose turnover has increased or stayed the same are equally likely to consider moving (67%). This may be due to either the increased need for these companies requiring additional space as a result of increased turnover and, due to this increased turnover, they will be more likely to consider moving to a location. Companies with decreased turnover would be less likely to invest in a new location.

Companies were also asked how they felt about the current choice and quality of premises available for businesses in the Worcestershire area.

Chart 6.4 Availability and choice of premises in the Worcestershire area



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Approximately one-third of companies felt that the quality and choice of premises in the Worcestershire area are either 'good' or 'very good.'

This is a higher proportion than those that feel that the quality and choice is either 'poor' or 'very poor,' which is only 19%.

Almost half of companies (49%) feel that the premises are either adequate or satisfactory.

Table 6.10. Availability and choice of premises in the Worcestershire area by sector

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Very Poor	**Poor**	**Adequate/ Satisfactory**	**Good**	**Very Good**	**Total**
What broad types of products do you manufacture?	Food and Drink	13%	16%	55%	10%	6%	**31**
	Clothing/Textiles	3%	15%	56%	18%	8%	**39**
	Paper	4%	16%	44%	11%	24%	**45**
	Chemicals and Pharmaceuticals	15%	10%	65%	5%	5%	**20**
	Plastics and Plastic Products	2%	9%	45%	25%	19%	**53**
	Ceramics and Glass	7%	13%	33%	30%	17%	**30**
	Metals and Fabricated Products	7%	12%	44%	22%	15%	**181**
	Electronics	0%	12%	53%	29%	6%	**34**
	Vehicles	9%	11%	53%	18%	9%	**45**
	Other	6%	12%	53%	25%	5%	**142**
	Total	**6%**	**12%**	**49%**	**21%**	**12%**	**620**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 6.10 above, the chemicals and pharmaceutical sector (15%) and food and drink (13%) sectors are the most likely to consider the choice and availability of premises to be 'very poor'. The food and drink sector is most likely to consider the premises to be 'poor' or 'very poor' (29%), and chemicals and pharmaceuticals are the second most likely (25%). Only 16% of the food and drink sector and 10% of the chemicals and pharmaceuticals sector feel the premises are 'good' or 'very good'

Conversely, the paper (24%) and plastic and plastic products (19%) sectors are the most likely to consider the choice and availability of premises to be 'very good.' The ceramics and glass sector is most likely to consider them to be 'good' or 'very good' with 44%. These sectors are also the least likely to believe the premises are 'poor' or 'very poor'.

Table 6.11 Availability and choice of premises in the Worcestershire area by sixe

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Very Poor	**Poor**	**Adequate/ Satisfactory**	**Good**	**Very Good**	**Total**
employed by your company in the	1	4%	11%	60%	9%	16%	**45**
	2-4	6%	12%	49%	19%	14%	**125**
	5-9	9%	13%	37%	32%	10%	**94**
	10-24	6%	11%	51%	17%	15%	**109**
	25-49	2%	15%	51%	15%	17%	**47**
	50-99	5%	21%	37%	21%	16%	**19**

	100-249	4%	9%	65%	9%	13%	**23**
	250+	0%	33%	50%	17%	0%	**12**
	Total	**6%**	**13%**	**49%**	**19%**	**13%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 6.11 above shows that the largest companies are less likely to have extreme views. No companies with 250 or more staff felt the choice and availability of premises was either 'very poor' or 'very good.' Only 17% of these largest companies feel that the premises are 'good', whilst a third felt they are 'bad.' The largest companies are the least likely to be concerned about the premises, so will have less extreme views.

Table 6.12 Availability and choice of premises in the Worcestershire area by change in turnover

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Very Poor	**Poor**	**Adequate/ Satisfactory**	**Good**	**Very Good**	**Total**
company's turnover increased, decreased or stayed the same over the last 12	Increased	9%	14%	48%	16%	13%	**174**
	Decreased	5%	20%	42%	23%	11%	**66**
	Stayed the same	4%	11%	49%	21%	15%	**183**
	Don't know/ Won't say	2%	4%	59%	24%	12%	**51**
	Total	**6%**	**13%**	**49%**	**19%**	**13%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

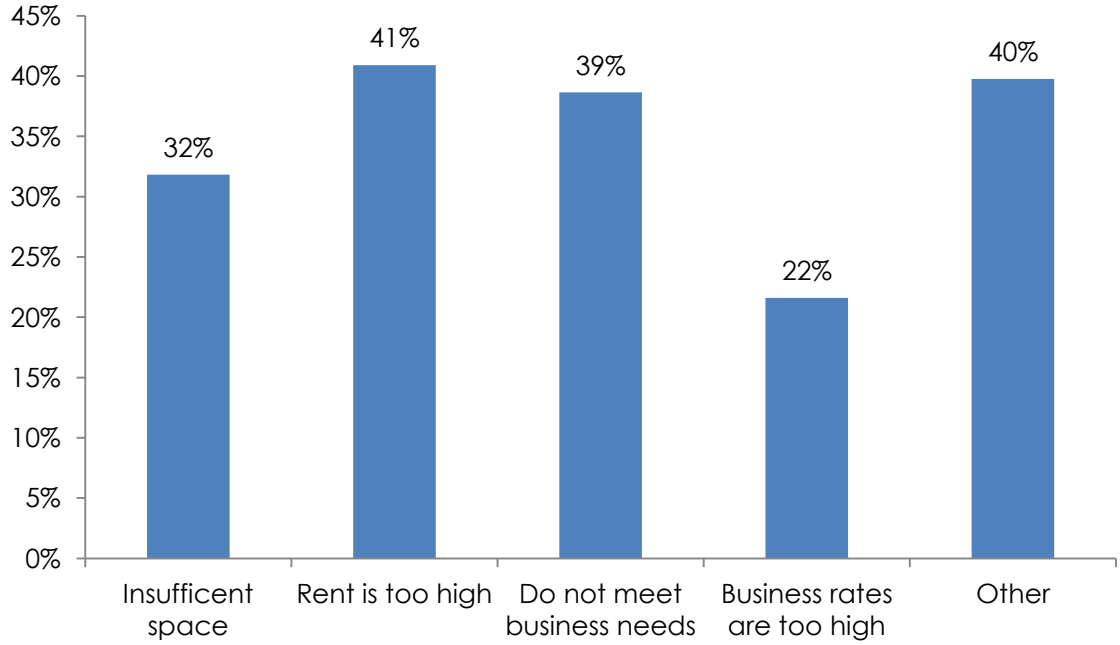
Table 6.12 shows that companies whose turnover has increased are almost twice as likely to feel the choice and availability of premises are 'very poor' compared to companies whose turnover has decreased or stayed the same (9% compared to 5% and 4% respectively)

Companies whose turnover has decreased are the most likely to consider the choice and availability of premises to be either 'poor' or 'very poor' with one-quarter considering it to be. However, this is only 2% more than companies whose turnover has increased.

Companies whose turnover has remained the same are the most likely to feel the choice and availability of premises are 'good' or 'very good' with more than 36% companies feeling this. 34% of companies with a decreased turnover also feel this.

The 88 companies that felt that the choice and availability of premises was either poor or very poor were asked why they felt this was.

Chart 6.5 Why do companies feel the choice and availability of premises is poor or very poor?



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The most common problems amongst businesses is that rent is too high (41%) or that the premises do not meet the businesses needs (39%).

The 'other causes' can be seen in the table below

Table 6.13 Other causes for why companies feel the choice and availability of premises are poor or very poor.

Other Cause	Percentage of companies that felt the choice of premises was poor or very poor
Cannot buy premises outright/freehold	6%
No premises fit for purpose/ require retail and workshop spaces together	6%
Lack of local authority support	5%
No new buildings available	3%
Security concerns	2%
Limited choice	2%
Poor location	2%
No bank support	1%
Areas reluctant due to nature of the industry	1%
Do not need to be 'too good'	1%
High moving costs	1%
Lack of high volume storage	1%
No new buildings	1%
No premises advertised	1%
Planning restrictions for heavy machinery	1%
High business rates	1%

Problem for small businesses	1%
Transport costs	1%
Would have to build a specific building	1%

Table 6.14 Why do companies feel the choice and availability of premises is poor or very poor, by sector

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Insufficient space	Rent is too high	Do not meet business needs	Business rates are too high	Other	Total
What broad types of products do you manufacture?	Food and Drink	11%	22%	17%	22%	28%	**18**
	Clothing/Textiles	10%	0%	50%	0%	40%	**10**
	Paper	36%	21%	7%	0%	36%	**14**
	Chemicals and Pharmaceuticals	14%	29%	43%	0%	14%	**7**
	Plastics and Plastic Products	23%	23%	31%	15%	8%	**13**
	Ceramics and Glass	10%	30%	30%	10%	20%	**10**
	Metals and Fabricated Products	23%	29%	15%	16%	18%	**62**
	Electronics	11%	33%	33%	22%	0%	**9**
	Vehicles	0%	8%	42%	8%	42%	**12**
	Other	20%	30%	18%	8%	25%	**40**
	Total	**18%**	**25%**	**22%**	**12%**	**23%**	**195**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 6.14, it can be seen that each sector has different reasons for believing the choice and availability of premises is 'poor' or 'very poor.' No single reason is the most important for all sectors, due to the different concerns of each sector.

The paper sector is the most likely to be concerned about insufficient space, with more than a third (36%) stating it as a reason. The companies most likely to be concerned about rent being too high are ceramics and glass (30%), chemicals and pharmaceuticals (29%) and paper (21%).

Table 6.15 Why do companies feel the choice and availability of premises is poor or very poor, by size

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Insufficient space	Rent is too high	Do not meet business needs	Business rates are too high	Other	Total
How many staff are employed by your company in the Worcestershire area?	1	29%	36%	7%	0%	29%	**14**
	2-4	12%	21%	26%	16%	26%	**43**
	5-9	13%	23%	23%	17%	23%	**30**
	10-24	22%	22%	22%	13%	22%	**32**
	25-49	21%	29%	21%	14%	14%	**14**
	50-99	38%	25%	25%	0%	13%	**8**
	100-249	14%	29%	43%	14%	0%	**7**
	250+	25%	0%	0%	0%	75%	**4**
	Total	**18%**	**24%**	**22%**	**13%**	**23%**	**152**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 6.16 above, it can be seen that each sector has different concerns. Rent being too high is the most common issue for most sizes of businesses; only companies with 100 or more employees do not. More than a third (36%) of sole traders feel that rent is too high, which may be preventing them from expanding their businesses and buying new premises.

Premises not meeting the businesses needs is also an important issue. Only 7% of sole traders consider this an issue and no companies with more than 250 employees consider this a problem. For companies with 2-99 employees, on average, 23% of companies were concerned about premises not meeting their needs. Almost half (43%) of companies with 100-249 employees felt this, indicating there is a lack of larger buildings for these companies.

Table 6.17 Why do companies feel the choice and availability of premises is poor or very poor, by sector

		How would you rate the quality and choice of premises available for businesses in the Worcestershire area?					
		Insufficient space	Rent is too high	Do not meet business needs	Business rates are too high	Other	Total
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	27%	21%	23%	10%	20%	**71**
	Decreased	13%	35%	19%	16%	16%	**31**
	Stayed the same	11%	20%	25%	11%	32%	**44**
	Don't know/Won't say	0%	17%	17%	33%	33%	**6**
	Total	**18%**	**24%**	**22%**	**13%**	**23%**	**152**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

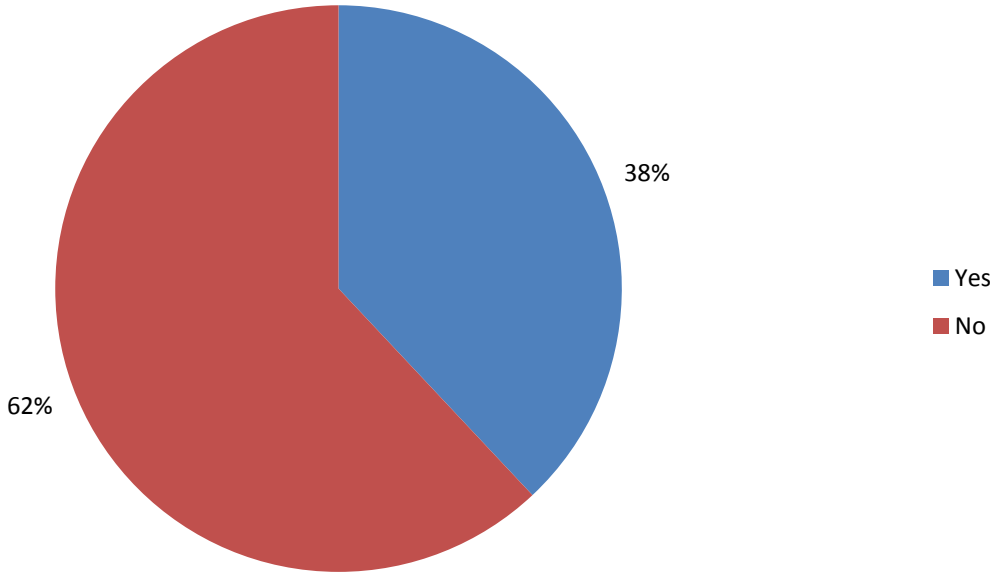
Table 6.17 above shows that, unsurprisingly, companies whose turnover has decreased over the past 12 months are almost twice as likely to be concerned about money worries as other businesses. 35% of these companies concerns were related to rent being too high, whilst only 21% of companies whose turnover had increased and 20% of companies whose turnover had remained the same felt this. 16% of these decreased turnover businesses' concerns were related to business rates being too high, compared to only 10% of businesses whose turnover had increased and 11% of companies whose turnover had remained the same.

Companies whose turnover has increased were the most likely to be concerned that the premises do not meet their special needs. 27% felt that there is insufficient space, compared to only 13% of companies who have decreased and 11% of those who have remained the same. These larger companies may be looking to expand their businesses, having reached capacity, but are unable to due to the premises currently available in Worcestershire.

Exports

Companies were asked whether they exported good outside the UK and, if they did, the details of where they export to.

Chart 7.1 Proportion of companies which export goods



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

More than one-third (38%) of companies stated that they exported goods overseas. 62% of companies do not export goods.

Table 7.1 Proportion of companies which export good by sector

		Does your company export goods outside the UK?		
		Yes	**No**	**Total**
What broad types of products do you manufacture?	Food and Drink	26%	74%	**31**
	Clothing/Textiles	23%	77%	**39**
	Paper	33%	67%	**45**
	Chemicals and Pharmaceuticals	50%	50%	**20**
	Plastics and Plastic Products	34%	66%	**53**
	Ceramics and Glass	20%	80%	**30**
	Metals and Fabricated Products	38%	62%	**181**
	Electronics	62%	38%	**34**
	Vehicles	58%	42%	**45**
	Other	40%	60%	**148**
	Total	**38%**	**62%**	**626**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 7.1 above, it can be seen that the electronics (62%) and vehicles (58%) sectors are most likely to export goods overseas. This is not surprising as these are highly specialist technology industries and need to sell to a wide overseas market.

The ceramics and glass (20%) and clothing/textiles (23%) sectors are the least likely to sell abroad. Whilst this is not surprising for the clothing/textiles sector, due to the comparatively higher labour costs in the UK sector compared to other countries, it is surprising that only one-fifth of ceramics and glass manufactures export. Glass is a highly specialised material to work with and can involve highly technical knowledge. As can be seen in table 7.1 above, Worcestershire ceramics and glass companies are generally quite small (all have fewer than 50 employees) and they may not be able to export due to time constraints.

Table 7.2 Proportion of companies which export goods by size

		Does your company export goods outside the UK?		
		Yes	**No**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	16%	84%	**45**
	2-4	26%	74%	**125**
	5-9	39%	61%	**94**
	10-24	39%	61%	**109**
	25-49	55%	45%	**47**
	50-99	74%	26%	**19**
	100-249	57%	43%	**23**
	250+	50%	50%	**12**
	Total	**38%**	**62%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 7.2 above, it can be seen that overall, smaller companies tend to be less likely to export goods overseas. Only 16% of sole traders export goods outside the UK whilst almost three-quarters (74%) of companies with 50-99 employees do.

Whilst there is an increase in the proportion exporting in relation to size until companies with 50-99 employees, companies with 100-249 employees are less likely to with only 57% exporting, and only half of companies with 250 or more do. This is surprising as it would be expected that larger companies would want to export in order to reach a wider market and that larger companies have more time in order to export goods.

Table 7.3 Proportion of companies which export goods by changes in turnover

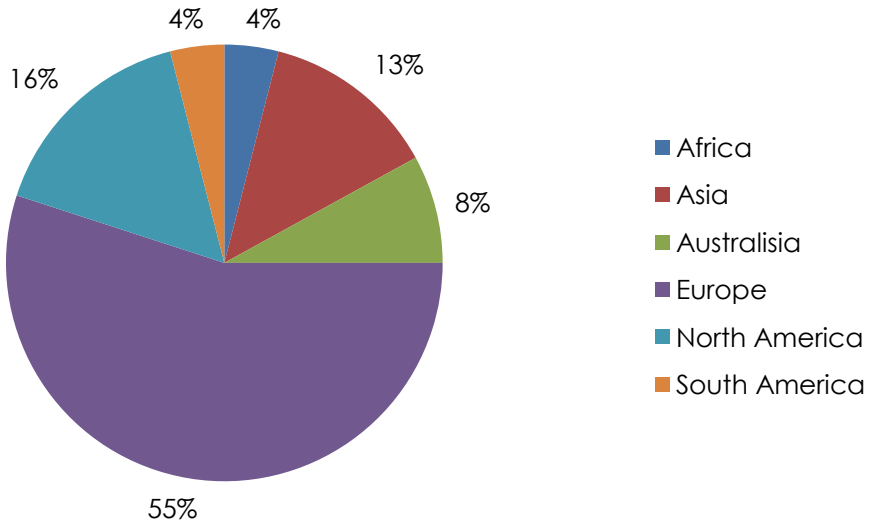
		Does your company export goods outside the UK?		
		Yes	**No**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	44%	56%	**174**
	Decreased	36%	64%	**66**
	Stayed the same	32%	68%	**183**
	Don't know/Won't say	41%	59%	**51**
	Total	**38%**	**62%**	**474**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 7.3 shows that companies whose turnover has increased over the last 12 months are the most likely to export goods. 44% of these companies export; compared to only 36% of companies whose turnover has decreased and 32% of companies whose turnover has remained the same.

The 179 companies that were exporting goods outside the UK were asked about what proportion of their goods they export to each continent.

Chart 7.2 Average proportions of goods exported to each continent



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

The majority of exported goods from the Worcestershire area go to Europe. This may be due to the proximity of the European goods, which helps to cut down on transportation costs etc, and Britain's membership of the European Common Market and the EU, which reduces tariffs and encourages free trade across the continent.

South America and Africa have the smallest average amount of exports from companies in Worcestershire, accounting for only 4% of exports.

Table 7.4 Average proportions of goods exported to each continent by sector

		To what continents and what proportion does your company export to?					
		Africa	Asia	Australasia	Europe	North America	South America
What broad types of products do you manufacture?	Food and Drink	19%	7%	6%	56%	7%	6%
	Clothing/Textiles	1%	9%	19%	51%	15%	3%
	Paper	5%	19%	15%	48%	12%	2%
	Chemicals and Pharmaceuticals	5%	22%	5%	60%	5%	3%
	Plastics and Plastic Products	2%	14%	10%	65%	8%	6%
	Ceramics and Glass	11%	14%	14%	21%	28%	11%
	Metals and Fabricated Products	4%	17%	4%	58%	14%	5%
	Electronics	4%	10%	2%	60%	20%	4%
	Vehicles	2%	7%	9%	57%	21%	4%
	Other	4%	14%	8%	57%	13%	4%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

Table 7.4 above shows that each sector exports, on average, different proportions of goods to different continents. For the majority of sectors, Europe is the main location for exported goods; it is only the ceramics and glass sector which does not, exporting only 21% of its goods to Europe compared to 28% to North America. North America appears to be a very important location for Worcestershire exporters, with three sectors exporting more than one-fifth of their goods there: ceramics and glass (28%), vehicles (21%) and electronics (20%). These are all specialised and/or high cost products which the North American market would be able to afford.

Asia appears to be a key market for several sectors. 22% of chemicals and pharmaceutical exports go to Asia, as well as 19% of paper exports and 17% of metals and fabricated products. In each of these cases, Asia is the second greatest export location, after Europe.

For most sectors Africa is not a key market; on average, only1% of clothing and textiles exports and 2% of plastic and plastic products and vehicles exports go to Africa. However, almost one-fifth (19%) of food and drink exports go to Africa. South America is even less important a location; transport costs may make it too costly to export there. The only sector providing more than a single figure proportion of their exports to South America is the ceramics and glass sector (11%). This is a specialist product which it may be easier to import than to produce in South America itself.

The clothing/textiles sectors exports 85% of its goods to 'Western' continents (Europe, Australasia and North America), with only 1% to Africa, 3% to South America and 9% to Asia. This will be due to the higher costs of producing clothes and textiles in the UK

compared to these continents. These manufacturers can only compete with local manufacturers in these Western continents.

Table 7.5 Average proportions of goods exported to each continent by size

		To what continents and what proportion does your company export to?					
		Africa	Asia	Australasia	Europe	North America	South America
How many staff are employed by your company in the Worcestershire area?	1	1%	1%	21%	68%	6%	3%
	2-4	4%	16%	9%	42%	27%	2%
	5-9	3%	12%	10%	52%	20%	3%
	10-24	6%	11%	5%	60%	14%	3%
	25-49	3%	17%	5%	66%	5%	4%
	50-99	4%	16%	9%	49%	9%	14%
	100-249	3%	11%	4%	62%	14%	5%
	250+	3%	16%	4%	63%	11%	4%

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 7.5 above, on average, sole traders are the least diverse exporters. 68% of their exports go to Europe, which is the highest proportion of all companies. These export a further 21% to Australasia, meaning these two locations account for 89% of sole traders exports. Sole traders also export the greatest proportion of products to Australasia compared to all other companies.

Companies with 2-4 employees are the least likely to export to Europe, with only 42% of exports going to Europe. They export the greatest proportion of products to Asia (16%) and North America (27%) compared to other companies.

Companies with 50-99 employees export the greatest proportion of goods to South America, exporting, on average, 14%, compared to 3% on average for all other companies.

It is surprising that larger companies are not the most diverse, as they would have more time to be able to export to more continents. However, the majority of goods are exported to Europe and they do not export the greatest proportion of goods to any continent.

Table 7.6 Average proportions of goods exported to each continent by changes in turnover

		To what continents and what proportion does your company export to?					
		Africa	**Asia**	**Australasia**	**Europe**	**North America**	**South America**
company's turnover increased, decreased or stayed the same over the last 12	Increased	3%	13%	9%	53%	16%	5%
	Decreased	3%	10%	5%	67%	12%	3%
	Stayed the same	5%	14%	7%	53%	17%	3%
	Don't know/Won't say	9%	13%	7%	55%	12%	5%

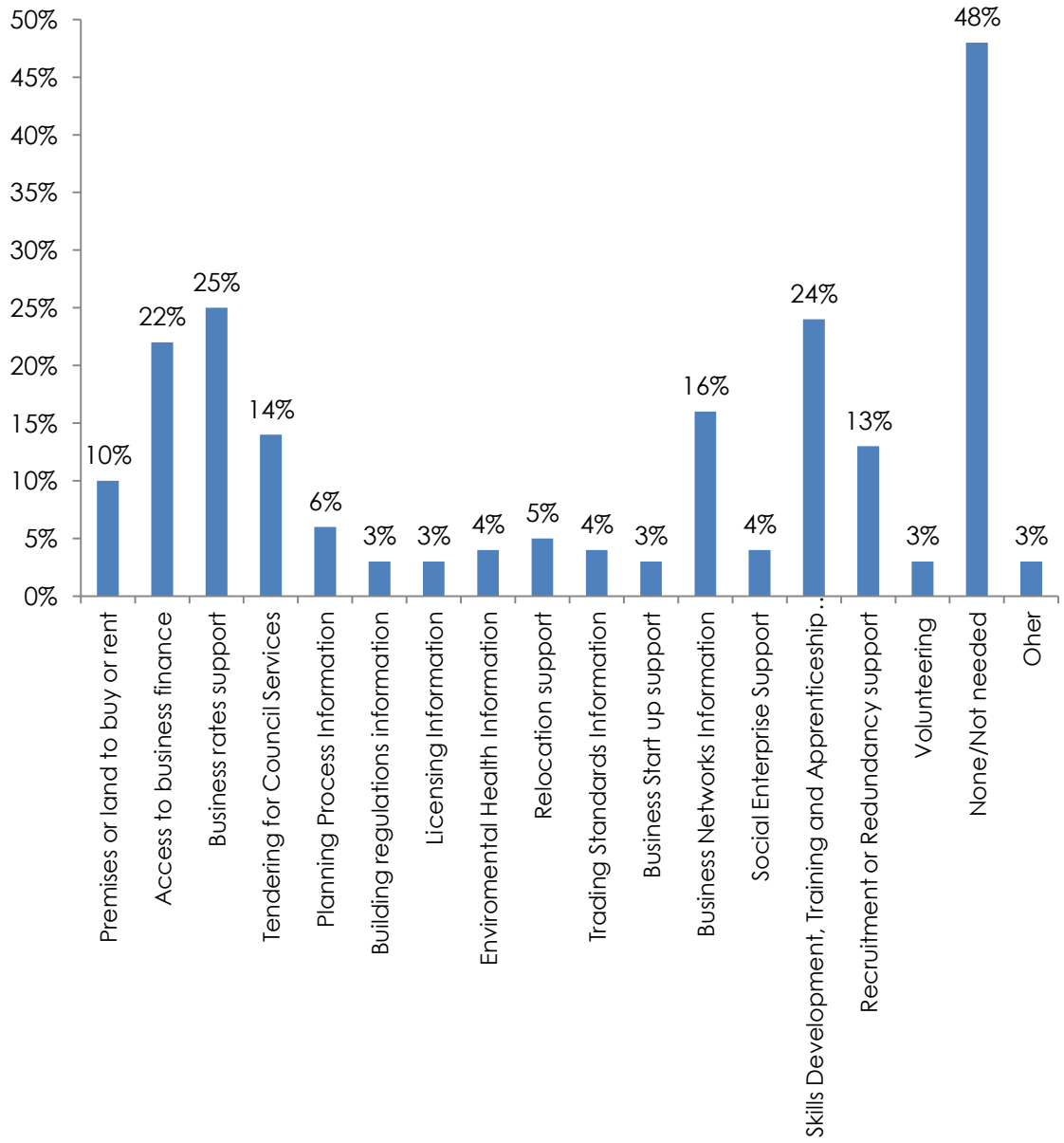
Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

From table 7.6 above, it can be seen that companies whose turnover has decreased over the last 12 months export the greater proportion of their goods to Europe (67%). They are much less diverse than the other businesses; both companies whose turnover has increased and those which have remained the same only export 53% of their exports to Europe. Companies whose turnover has remained the same tend to be the most diverse in where they export to; they export the greatest proportion of goods to Asia (14%) and North America (17%).
Companies whose turnover has increased export the greatest proportions of goods to Australasia (9%) and joint most in South America (5%). These continents are the most expensive to export to, due to the distances, so it is not surprising they export the most to these locations.

Business Support

Companies were asked about what particular types of support they would like from the Worcestershire LEP.

Chart 8.1 Types of support companies would like from the LEP



Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

246 companies (52%) stated they would like at least one type of support from the LEP. The most frequently requested support were regarding business rates support (25%), skills development, training and redundancy (24%) and access to business finance (22%) Areas related to legislation and bureaucracy, such as building regulations information and licensing information was the least likely to be requested by companies.

228 companies (48%) did not want any support from the LEP.

		Would you like support from the LEP and any of its partners with any of the following:																	
Table 8.1 Proportion of companies that would like each form of support from the LEP and any of its partners by sector		**Premises or land to buy or rent**	**Access to business finance**	**Business Rates support**	**Tendering for Council Services**	**Planning Process Information**	**Building regulations information**	**Licensing information**	**Environmental health information**	**Relocation support**	**Trading standards information**	**Business Start up support**	**Business Networks information**	**Social Enterprise**	**Skills Development, Training and Apprenticeships**	**Recruitment and Redundancy support**	**Volunteering**	**None/Not needed**	**Other**	**Total**
What broad types of products do you manufacture?	Food and Drink	8%	16%	8%	4%	3%	3%	1%	3%	4%	4%	3%	4%	1%	16%	5%	1%	14%	3%	**76**
	Clothing/Textiles	4%	12%	9%	5%	5%	3%	3%	1%	3%	4%	4%	10%	3%	5%	3%	3%	22%	4%	**78**
	Paper	5%	11%	11%	11%	1%	1%	0%	0%	2%	2%	1%	12%	1%	13%	5%	1%	21%	1%	**92**
	Chemicals and Pharmaceuticals	2%	12%	12%	2%	0%	0%	5%	0%	2%	2%	2%	7%	2%	12%	5%	2%	29%	2%	**42**
	Plastics and Plastic Products	1%	7%	8%	8%	0%	2%	4%	1%	0%	0%	1%	10%	0%	10%	6%	1%	39%	1%	**84**
	Ceramics and Glass	4%	5%	15%	15%	4%	0%	0%	4%	4%	0%	2%	7%	4%	13%	4%	0%	20%	2%	**55**
	Metals and Fabricated Products	4%	11%	14%	6%	2%	1%	1%	2%	2%	1%	0%	8%	2%	12%	7%	0%	25%	1%	**361**
	Electronics	7%	11%	11%	2%	0%	0%	0%	2%	2%	0%	2%	9%	2%	14%	5%	2%	33%	0%	**57**
	Vehicles	5%	11%	13%	4%	6%	4%	3%	5%	4%	1%	1%	6%	1%	14%	9%	1%	11%	1%	**140**
	Other	3%	7%	7%	5%	2%	1%	1%	1%	2%	1%	1%	5%	2%	6%	3%	1%	18%	33%	**442**
	Total	**4%**	**9%**	**10%**	**6%**	**3%**	**1%**	**1%**	**2%**	**2%**	**1%**	**1%**	**7%**	**2%**	**10%**	**5%**	**1%**	**22%**	**11%**	**1427**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

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From table 8.1 above, it can be seen that each sector has different concerns and interest in receiving support from the LEP. The plastic and plastic products sector is least likely to want support from the LEP, with 39% stating they need no support. This is more than three times the vehicles sector, which had only 11% requiring no support. This may reflect the different attitude of these industries to the public sector; the vehicles sector tends to receive high profile support from the public sector, including funding and favorable rates. The plastics sector faces significant public service interference, via health and safety and environmental legislation. A proportion of this could also be a result of a greater proportion of plastic manufactures reporting their turnover had increased over the last 12 months compared with vehicle manufacturers (40% to 33%) meaning they have less need for support.

The two most requested forms of support are access to business finance and business rates support. For most sectors, a similar or the same proportion of companies request access to business finance and to business rates support, such as paper (11% for both), chemicals and pharmaceuticals (12%) and vehicles (11% and 13% respectively). However, in the food and drink sector businesses are twice as likely to require access to business finance compared to business rates support (16% to 8% respectively). 13% of food and drink companies had decreased turnover over the last 12 months, accounting for this need for business finance, whilst only 6% were concerned about business rates, in relation to the choice and availability of premises.
Conversely, only 5% of ceramics and glass companies wanted access to business finance, but 15% wanted business rates support. Only 7% of ceramics and glass companies reported a decrease in turnover over the last 12 months, meaning fewer companies would require business finance. As a whole, only 2% were concerned about the business rates, in relation to the choice and availability of premises, making it harder to see why such as high proportion want lower rates.

Skills development, training and apprenticeship information is also important for most sectors, with only the clothing/textiles (5%) and 'other' (3%) sectors having fewer than 10% of companies' requests being regarding it.

The clothing and textiles, food and drink and vehicles sectors are the only ones which have companies wanting all forms of support. The electronics sector requires the fewest forms of support, with no companies requesting support for planning process information, building regulations information, licensing information or trading standards information. These forms of legislation are the least likely for companies to want support regarding. Trading standards support is also barely needed with three sectors not having any businesses requiring support regarding it and only the food and drink and clothing/textiles sectors having more than 2% of businesses require it.

		Would you like support from the LEP and any of its partners with any of the following:																	
Table 8.2 Proportion of companies that would like each form of support from the LEP and any of its partners by size		**Premises or land to buy or rent**	**Access to business finance**	**Business Rates support**	**Tendering for Council Services**	**Planning Process Information**	**Building regulations information**	**Licensing information**	**Environmental health information**	**Relocation support**	**Trading standards information**	**Business Start up support**	**Business Networks information**	**Social Enterprise**	**Skills Development, Training and Apprenticeships**	**Recruitment and Redundancy support**	**Volunteering**	**None/Not needed**	**Other**	**Total**
How many staff are employed by your company in the Worcestershire area?	1	4%	11%	10%	5%	1%	0%	1%	1%	0%	0%	4%	11%	3%	8%	3%	1%	32%	4%	**73**
	2-4	5%	12%	12%	7%	2%	1%	1%	1%	3%	3%	2%	7%	2%	9%	6%	1%	19%	6%	**275**
	5-9	7%	9%	16%	8%	3%	1%	1%	2%	3%	0%	0%	5%	2%	9%	3%	2%	28%	2%	**172**
	10-24	3%	11%	12%	6%	3%	3%	2%	2%	2%	3%	1%	8%	2%	12%	7%	1%	20%	1%	**262**
	25-49	5%	8%	10%	7%	2%	1%	2%	4%	2%	1%	1%	8%	2%	21%	8%	0%	20%	0%	**106**
	50-99	3%	15%	15%	3%	3%	3%	0%	0%	6%	0%	0%	6%	0%	9%	9%	0%	29%	0%	**34**
	100-249	7%	6%	7%	0%	4%	2%	2%	4%	6%	2%	2%	7%	4%	11%	7%	2%	26%	2%	**54**
	250+	5%	5%	5%	5%	5%	0%	0%	0%	0%	0%	0%	10%	0%	24%	14%	0%	29%	0%	**21**
	Total	**5%**	**10%**	**12%**	**6%**	**3%**	**2%**	**1%**	**2%**	**2%**	**2%**	**1%**	**7%**	**2%**	**11%**	**6%**	**1%**	**23%**	**3%**	**997**

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From table 8.2 above, it can be seen that sole traders and larger companies are the most likely to want no support from the LEP. Nearly one-third (32%) of sole traders and 29% of companies with 50-99 and those with 250 or more employees want no support. Companies with 2-4 employees are least likely to want no support with only 19% stating it.

Larger companies are the least likely to want financial assistance, through either access to business finance or business rates support. Only 6% of companies with 100-249 employees and 5% of those with 250 or more would like access to business finance, whilst 12% of companies with 2-4 employees and 15% of those with 50-99 employees requested it. Smaller companies are more likely to be concerned about their finances and thus more likely to request more money.
Conversely, larger companies are more likely to want information regarding skills development, training and apprenticeships and recruitment and redundancy support than smaller ones. Almost a quarter (24%) of companies with 250 or more employees want skills information and 14% want recruitment and redundancy support., which are the highest proportions requesting these forms of support. This is presumably due to the greater numbers of staff working at these businesses. Smaller businesses have fewer staff needs; only 3% of companies with 5-9 employees wanted redundancy and recruitment support.

The largest companies wanted the fewest forms of support from the LEP, with no businesses wanting support in nine areas, including: building regulations information, licensing information, environmental health information, relocation support, trading standards information, business start up support, social enterprise information and volunteering information. These larger businesses will be able to afford staff who can advise the company regarding all of these areas, so they do not require further external support.

		Would you like support from the LEP and any of its partners with any of the following:																		
Table 83 Proportion of companies that would like each form of support from the LEP and any of its partners by change in turnover		**Premises or land to buy or rent**	**Access to business finance**	**Business Rates support**	**Tendering for Council Services**	**Planning Process Information**	**Building regulations information**	**Licensing information**	**Environmental health information**	**Relocation support**	**Trading standards information**	**Business Start up support**	**Business Networks information**	**Social Enterprise**	**Skills Development, Training and Apprenticeships**	**Recruitment and Redundancy support**	**Volunteering**	**None/Not needed**	**Other**	**Total**
Has your company's turnover increased, decreased or stayed the same over the last 12 months?	Increased	7%	12%	14%	7%	2%	2%	2%	2%	3%	2%	1%	8%	2%	13%	6%	1%	16%	1%	**386**
	Decreased	5%	12%	11%	7%	4%	1%	2%	2%	4%	2%	2%	8%	3%	12%	8%	3%	14%	3%	**182**
	Stayed the same	3%	9%	12%	6%	2%	1%	1%	2%	2%	1%	1%	8%	2%	11%	5%	0%	31%	2%	**331**
	Don't know/Won't say	2%	7%	9%	5%	3%	2%	1%	2%	1%	2%	2%	5%	1%	7%	6%	1%	42%	1%	**88**
	Total	**5%**	**10%**	**12%**	**6%**	**3%**	**2%**	**1%**	**2%**	**2%**	**2%**	**1%**	**7%**	**2%**	**11%**	**6%**	**1%**	**23%**	**3%**	**997**

Source: Worcestershire Manufacturing Survey, Worcester Research, 2013

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From table 8.3 above, it can be seen that there are no significant differences in the proportion of companies wanting particular types of support caused by changes in turnover over the last 12 months. The most significant different is that company's whose turnover has remained the same over the last 12 months were more than twice as likely to quire no forms of support from the LEP compared to companies whose turnover has increased or decreased (31% compared to 16% and 14% respectively). Companies who did not know or would not say what how their turnover has changed were the most likely to want no support from the LEP (42%).

Companies whose turnover had increased were just as likely to want access to business finance as those whose turnover had decreased (12%). Surprisingly, a greater proportion of companies whose turnover had increased wanted business rates support (14%) that those whose turnover had decreased (11%).
Less surprisingly, companies whose turnover had increased were the most likely to want support to find premises or land to buy or rent (7%), as they may have outgrown their current premises in the last year and require new premises to continue to grow.

Changes in turnover does not seem to have a significant impact on the proportion of companies requesting aid in regards to most forms of support.

5. FOLLOW UP SURVEY ANALYSIS

Upon the completion of the survey, a further in-depth follow up survey was conducted with eight manufacturing companies in the Worcestershire area.

This survey was divided into 12 questions, which can be found in Appendix 2 below.

The eight manufacturing companies included in the follow up survey were of different sizes and from various different sectors, in order to try and understand the view points of a wide range of companies.

An analysis of the qualitative data given by the companies is presented below:

Apprentices

Companies were asked why they felt more 78% of companies did not employ apprentices.

All, bar one, of the companies felt that apprentices are helpful to the business and are a useful way to train up inexperienced staff.

One company felt that apprentices were not useful for their businesses, having already tried out three apprentices in recent years, none of whom had remained with the business for more than a year. All three of these had left for different reasons; the first felt that he was in the wrong job, the second felt that the wages were not sufficient and the third did not want to work.

The companies identified two main reasons businesses are choosing not to hire apprentices:

1. **The education system is not encouraging students into apprenticeships.** At present the UK education system is focused on encouraging young people into University and getting a degree. Students who are 'less academically minded' are being encouraged to take part in apprenticeships. Employers felt that 'vocational qualifications are seen as the option for children who cannot do academic options.' These students were described by one employer as of 'lower calibre' and unsuitable for working as apprentices. Some applicants were felt to rather be on welfare support than actually working. This makes companies reluctant to hire new apprentices

2. **Small businesses cannot afford to deal with apprenticeships.** Small companies cannot afford to invest either sufficient time or money for an apprentice. One smaller company stated that they see apprentices as a 'long term necessity, not a short term goal'; whilst companies need apprentices, they cannot afford to do so at the moment.
   Companies are reluctant to train up apprentices as they can quit after being trained; there is no loyalty between the employers and apprentices. One small company felt that it tried to fairly treat its employees but had not received a similar loyalty in return.

One company had a positive reason for not hiring more apprentices. They would not hire apprentices without having work for them to do and a role for them in the business. They did not consider apprentices to be 'practically slave labour' but presently did not have any roles for apprentices.

The companies were also asked what they felt could be done to improve the take up, and retention of apprentices by the following:

- **Companies:** Few companies made suggestions on how to improve the take up of apprentices by companies. The main suggestion was for companies to establish links and engage more with schools, in order to show the advantages of working as an apprentice in the Manufacturing sector.
It was also suggested that companies should engage more with training providers to ensure that apprentices are being training how the company actually wants them to be trained, rather than just how the training provider wants it.

  In order to improve retention of apprentices, it was felt that manufacturing companies should aim to inspire greater loyalty from them, by 'making them employees' rather than cheap labour. It is important to be supportive to new apprentices and ensure they can study, including allowing for day release schemes. This was a recurring suggestion

  At a most basic level, it was felt that companies should have a 'greater understanding of what apprenticeships entail' in order to be able to provide the best possible scheme which benefits the students and the company. Another company felt that it is important to raise the awareness of apprenticeship schemes with companies and ensure that there is a demand for apprentices by companies.

- **Students:** In order to improve apprentice retention, the main suggestion was for a better attitude to work from the students. The main requirement for companies is that 'students need to know they have to **work.** [We] need apprentices who are willing to start at the bottom and build up their skills.' There is a feeling that many apprentices do not have an interest in working.
It was also felt that apprentices are not fully aware of what an apprenticeship actually involves. One company felt that:

  > *'there is a perception amongst applicants that they will be doing something new and exciting every day. They are not just working to learn, they must be prepared to work.'*

  Students need to be ready and willing to work and ensure that they will continue to work and not simply get bored and quit.

  Another concern was that potential apprentices are not applying. One larger employer felt that, due to Worcester's perception as a more affluent location, young people in the area are not believed to have any interest in apprenticeship schemes. However, there are areas where students are more likely to want apprentices, and students need to raise awareness of these

potential students by applying for apprentices and showing the supply of workers is there, in order to encourage more businesses to employ apprentices.

- **The LEP:** The LEP's role was felt by companies to be as a facilitator, between either employers and schools or employers and training providers. Many felt that the LEP should be encouraging schools to promote apprenticeships, so that more students will be applying for vocational learning schemes. The LEP could also help companies to act as 'role models' by linking them with schools and showing the benefits of an apprenticeship to students.
  One company felt that the LEP could help companies work with local training providers and ensure that they met the needs of the companies.

One company felt there was a need to encourage more businesses and make it easier for them to employ apprentices, such as producing a guide to tell them what needs to be done and explain issues clearly to them. The company referred to this as the 'activation energy' needed to get companies started with apprentices; after that, they would increase the number of apprentices hey had and would continue to use them. The LEP just needs to start the process.
One company felt there was a need to expand recent government schemes, such as the Evesham scheme, which has provided host-less apprentice trainees with a host to introduce them to the industry. This scheme is government funded and has no set commitments and slowly introduces apprentices into roles.
It was also felt that there is a need to provide funding appropriately. At present all companies receive equal funding for apprenticeships. It was felt that it would be better to provide more funding to smaller companies, as they need the funding more than larger companies.

Two companies felt there is a need for extensive changes by central government in order to improve apprenticeship retention and take up.

One felt that the lack of manufacturing apprenticeships was not a simple issue that any of these three groups could solve and, rather, was part of a 'wider societal problem.' This problem is a lack of respect for engineers in the UK; they are regarded as non-professionals and there is a limited understanding of what being an engineer entails. They felt that in other countries, such as Germany, engineers were respected and this led to more people entering these roles. It was felt that there is a need to change perceptions about engineering, and to encourage more people into vocational training.
The other company felt that there is a need from central government to improve conditions for apprentices. They felt that 'at present, apprentices with children can get more from [welfare benefits] than unskilled labour. They have no incentive to work, so don't' It would be necessary to either cut benefits or increase the minimum wage for apprentices to try and bring these workers back into the labour market.

Hard-To-Fill Vacancies

The companies were asked what specific jobs they were finding hard-to-fill and whether they felt there was adequate training for the manufacturing sector in the Worcestershire area.

As each business has different skills needs, their HTF vacancies were extremely different. However, the majority of companies reported them to be related to specialist roles, such as experienced engineers, industry specific skills such as joinery, welding and shop fitting and IT and software skills. Companies reported having to bring in staff from outside the area, which included offering relocation packages. Other roles which were considered hard-to-fill included sales and commercial staff, management roles and

Two companies felt that there is adequate training available to meet their current needs in the Worcestershire area. However, one of these felt that training was not sufficient in order to encourage business growth.
However, one company felt that whilst there is training available, there are insufficient trained staff to replace those retiring and to meet the needs of all the companies in the industry, which will have long term negative effects on the business.

Companies were also asked what steps could be taken to improve the availability of skills necessary for these hard-to-fill vacancies.

Many companies felt there was no way to really improve the availability of the specialist skills they require for their business. Companies felt that the main way to deal with these HTF vacancies was for companies to improve their provision of in-house training to meet their skills demands.

Skills gaps

Companies were asked what specific skills they might be lacking, and what they feel could be done to address these skills gaps.

Three companies were also concerned about management and supervisory skills and felt that their existing staff did not have the necessary experience or training to be able to properly manage their staff. This is such as problem for one company that they cannot even conduct further training, as they do not have enough managers to be able to cover those who are being trained.

Two companies felt that most skills gaps were in relation to specialist skills, such as Computer Aided Design and 'technical skills.' These companies did not give any particular details about these skills. It was felt that the largest companies in the area were 'taking the skilled staff,' with a specific mention of Jaguar.

The companies were also asked what they feel could be done to improve these skills gaps.

One company felt that the easiest and most efficient way to ensure that these skills gaps are met is to rely on 'market forces'; the demand for certain skills will increase, which will result in more individuals developing these skills. It will be important for the local education sector to have a 'proactive approach' and ensure that the right courses are available for the local area, such as Computer Aided Design. Another

company has had to advertise outside the local area to try to find specialist skills they require.

Smaller companies are not concerned about skills gaps; one company felt that 'everyone has skills gaps, but they aren't important.' In these smaller companies, it is felt that, as staff members are in specific roles and become experts at what they do, they do not need other skills. The small companies can develop skills when they are required, considering it to 'be too expensive not to;' these companies find the '**right work ethic'** is much more important than the correct skills. With the right work ethic, workers can be trained to do far more than if they have a particular set of skills.

This focus on attitude and ethics is also felt at some larger companies, with a need to 'train staff up and develop them from the bottom.' Companies feel they need to 'train people to the business itself….there is a focus on attitude and aptitude [such as] attention to detail and problem solving skills' and training staff to their particular methods. Another company which had management skills gaps, reported that workers who had gone through their own apprenticeship programme were the best managers they had. By 'training managers young' they could develop the skills that they wanted and ensure that they were fully prepared to work in the business, with all of the right skills available.

Research and Development

Due to 30% of the manufacturer's survey not undertaking whilst also reporting no barriers to growth, the companies were asked why they felt companies were not innovating or developing new products.

The majority of companies felt that the main reason companies are not innovating due to 'short-sightedness' and a need to decrease costs. Due to the state of the UK economy since the recession, companies are reluctant to 'take risks…if they knew that consumer demand was there, companies would conduct research and development. Companies have no desire to spend on a product that they might not be able to sell.' Companies which are still undertaking research and development have had reduce their spending due to needs to reduce costs. It was felt that SMEs in particular were unable to innovate and develop due to a lack of finance

However, it was also felt by companies that those who were not conducting research but did not feel they were facing any barriers to development were 'naïve' as they are not recognizing the long term advantages of investments like innovation and training and it would likely lead to the long-term decline of these businesses. The general consensus was that manufacturing companies who do not feel compelled to develop would not last in the ever changing market.

Even the smallest businesses felt that there is a need for research and development. One smaller company was constantly. Another small company stated that they are facing financial restrictions, which was preventing them from being able to develop their own brand marks and grow.

Supply Networks

Companies were asked what they felt could be done to improve supply networks for manufacturing companies in the Worcestershire area.

One of the main reasons why manufacturers do not use more local produce is due to the specialist nature of the products they need which cannot be found in the local area, or even in the country, such as electronics and glass products. However, even a paint brush manufacturer stated that they '**had** to import goods and supplies from Europe' as there are no UK manufacturers who could supply to them.

In order to improve local supply networks, companies felt that it would be useful to improve networking amongst companies, via organizations such as the Chamber of Commerce, so that they will 'know what is available' and would be more likely to use local suppliers. Another also felt that there is a need to increase the profile of local manufactures, as they are 'not sure what is available in the local area.' Local networking events lead to the same regular contributors and businesses attending each time, which does not raise awareness of new companies or different potential suppliers. The same company felt that tools such as the Worcester Business Central and social media were useful, but were not being used to advertised businesses presence's well.

One company was concerned that the area would not be able to adapt in order to improve the supply networks. It felt that the heritage of the area, which was focused towards supplying the West Midlands automotive industry, prevents the area from adapting effectively to changes in the industry. They felt there is a need to accelerate changes in the supply chain locally and meet the quality demands of local suppliers:

> *'The Midlands manufacturing sector traditionally has not required innovation, the companies made products for a readymade market. Now, they need to develop a better response to changes in the supply chain. [They] look to China and the Far East for goods, because they are not only low cost, but also have better quality goods. [They] would willingly use British products if the quality was there.'*

Similarly, another company felt that the decline of the manufacturing sector, which has been continuous over the last 30 years, is the reason for the decline of local supply networks. They felt there was a need to increase manufacturing, especially components, across the whole country. They also stated that they would buy British, if there was an available market.

Barriers to Growth

Companies were asked what barriers to growth, if any, they were facing and how these barriers could be overcome.

Many of the companies that were spoke to felt that the main barrier to growth was the current state of the UK economy. This has reduced customer spending and also reduced consumer confidence; a larger company has had difficulty in securing contracts because customers are reluctant to sign contracts and commit. Customers are not sure what will happen on even a quarterly basis, so do not want

to sign for long term commitments. Another specialist company complained that cuts in public sector spending had led to them having to export more products, in order to maintain their current turnover.
Linked with this, banks are felt to not be prepared to loan money to SME, to allow them to invest and preventing growth. One company, which was proud to state that they owned their own premised and machinery and had no outstanding debts, could not expand as they had no way to find additional finances in order to expand. Another which had reached full capacity in their current premises cannot grow because they are reluctant to invest in new premises at the current time and cannot achieve additional funding.

It is felt by several companies that there Is a need to 're-invigorate the economy' in the UK, in order to improve conditions overall. Several companies felt that the lack of exports was an important barrier to growth and there was a need to increase UK exports.
One of the few companies which did was not experiencing any barriers to growth stated this was due to their 'good client retention, good new client wins and **worldwide growth**.' Encouraging exports may be one of the key way to encourage manufacturing growth.

One company felt that skills were a significant issue. As a plastics company which had reached the current maximum capacity of their labour force, they cannot find more skilled , trained staff to work on a second, night shift for them.
This lack of skills was felt to be part of a wider problem by one company; the UK is suffering from a 'lost generation' of unemployed people with no skills and nothing to encourage them, which is leading to apathy. It is part of the 'benefits culture' which expects something for nothing, and is leading to people not wanting to work and not having the skills to do so. This is leading to people not wanting to work and not having any skills to do so. They felt there is a need to encourage more back to work schemes and to encourage the 'entrepreneurial spirit' which had once been in the UK. Another company felt that there was a need to 'develop new products to reduce costs in order to improve profit.'

Industry Specific Networks

Companies were asked whether they felt involvement in industry specific networks was beneficial to businesses and why they felt this.

Larger companies generally felt that being involved in industry specific networks was helpful. Several companies felt that the 'cross-fertilization of knowledge was priceless' and that companies could overcome difficult problems much more effectively by sharing information. They also help to promote best practice and raise awareness of the current situation of the market. Companies also found them to be useful ways to pass on specific knowledge, such as HR information.

One larger company did feel that involvement in industry specific networks was not helpful for them, as the networks do not have any detailed, advanced knowledge which could help them. It does not provide 'a great enough benefit for their time' so they do not take part. However, they did feel that involvement in these networks may be useful for newer businesses or those starting up, as it can provide helpful information.

The views of smaller companies were more mixed. One was not involved in formal business networks as they did feel they got enough done and there was 'too much hot air' at meetings. However, the other smaller business was involved in business networks but considered them a form of insurance in case anything went wrong and they needed advice, rather than being an active member. They still have a generally negative view of these networks, as they feel they do not receive a high enough return for their investment in these businesses.

Public Sector Support

Companies were asked what, if any, forms of support would be most beneficial for local manufacturers.

No company wanted any direct support for the business, for example in the form of grants or funding.

Four of the companies felt that there was a need for the 'less red tape and bureaucracy' from the local authorities.

Two companies felt that there was support available, but companies were not aware of the support. It was felt that there was a need for companies to be 'pro-active and look for the support that is available' rather than hoping local authorities will come to them. Another company also felt that there is a need for better links between local authorities and businesses, so that companies know who they have to talk to or even what departments they should contact.

Two companies feel that the there is a need for a 'level playing field' between British and other European countries. It was felt that UK businesses follow every directive (both UK and EU ones) which makes it much harder for them to businesses to operate. This would be fine if businesses in other countries would also follow these directives. As an example, it was felt that local authorities should prioritise local manufactures for tenders. However, this is currently illegal due to EU legislation and UK local authorities do not do this, but French authorities are believed to do this. Another company felt that there is a need for better co-operation between businesses and local authorities; they had taken part in a roundabout advertising scheme and had not received any support from the local authority for tendering for a local scheme. They felt that the council had ignored them and was not willing to support them.

Two companies felt that there is a need for less interference from local authorities to businesses; one company bluntly stated that local authorities 'need to not get in the way' of businesses. The company has faced significant delays in trying to develop their premises; whilst they are only trying to expand their car park, they have faced over two years of delays by the local planning department. They feel that the local authority is resistant to industry, and there is a perception it does not actively want to support businesses and Worcestershire is a 'change intolerant community.'
Instead of interference, it was felt that local authorities should be 'the enablers of economic growth.' This was felt to best be achieved via developing infrastructure, such as improving roads and transport links, including bus routes and greater train links. There is also a need for more low cost housing, in order to house workers.

One company felt that there was a need for more 'positive experiences' with the local authorities. The company's only experience with the local authorities had been regulatory; it would be beneficial if they could have more positive experiences with the local authorities and feel that it would be better if they could feel that local authorities were there to help local businesses.

Premises

Companies were asked what they felt were the main issues with the quality and choice of premises for manufactures in Worcestershire and what could be done to better develop premises for local manufacturers and/or provide support to buy/rent premises.

Four companies felt that their current premises were satisfactory. However, one of these felt that the choice of premises were unsuitable, they felt that there was insufficient supply of large premises and there is a need to develop more large properties. They felt that Redditch was a suitable location for businesses to expand. They also felt that the Northern Gateway would be useful for encouraging greater development and investment.

Two companies were concerned about the lack of infrastructure. One felt that their workers had difficulty in getting to work due to a lack of good transport links. The company felt they were in a catch-22 situation; people would use a bus service if it was there, but there cannot be a bus until there are people who want to use it. They also felt that there was a need for better train links.
The other company felt that there was insufficient parking and infrastructure links. The company felt that, despite being close to the M5 motorway, they were hampered by poor road links connecting their business park. Lorry drivers had difficulty on the narrow roads, which also had low bridges. Foreign drivers had difficulty on the route and were not able to get to their site.
Several companies were concerned about the poor provision of high speed broadband, which is currently making the company uncompetitive. One company was highly concerned that they had had to sign a petition to try and get broadband for the local area.

One company was highly concerned that the lack of premises available for manufacturing companies. There is a need to develop the more 'suitable manufacturing premises'; older premises have been knocked down to be replaced with sheds or distribution centres. The company is close to two large scale units. These units have insufficient power for a manufacturing factory and they are essentially storage spaces, without the necessities or skip spaces needed for manufacturing. In order to relocate and have the power they needed, at present the company would need to spend £50,000+ on a new substation. The company felt that local authorities need to 'actually develop some suitable premises…they need to think about business needs e.g. crane spaces, power needs.' Without a large enough supply of suitable premises, the manufacturing sector cannot develop.

One company felt that their existing premises were not appropriate for their purposes and they require a 'new purpose built factory.' They would also require additional funding to be able to move.

One company raised concerns that the local authorities do not discuss changes with them; despite a major, large scale land development taking place only 5m outside of their building, they have not received any information from the local authorities. They would like to be contacted in order to prepare for the future.

Exports

Companies were asked whether they felt there were any barriers preventing companies from exporting

Overwhelmingly, companies did not feel there were any **external barriers** to exporting. There is a feeling that companies are 'too scared' to try and export; this fear is a result of ignorance rather than high costs. One company summarised it by saying:

> 'Exporting is difficult and there is a lot of information and process that companies need to understand. To overcome these problems, people need to be taught about: market research, the importance of local information and visits, making introduction, exporting licenses, bills of sales and even cultural knowledge. A whole new skill set is required to understand the export bureaucracy and processes'

It was also felt that companies have to want to start exporting before they can be helped. Many felt that overall; companies were too insular and did not recognise the potential exporting offers them.
A smaller company, which received no support from external organisations, felt that if companies want to export, they can do but 'they need to be proactive'; the company had developed new electronic forms of electronic payment and a new website to cater to their overseas market. Whilst this was all new to them, they were learning and increasing their overseas sales.

The companies also felt that there is sufficient support available for businesses trying to export goods and even for regular exporters. The UKTI (UK Trade and Investment), the Chamber of Commerce and LEP could all act to encourage this.
It was felt by one company that the LEP could act to help companies to export by facilitating business networks which allows companies to get in contact with companies already exporting and provide them with practical advice and their experience, to improve the exporting processes.

The only company which did not know about the available support did not export so had never looked for the support.

Available support

Companies were asked if they were aware of the different methods of support available to Worcestershire businesses by the LEP and, if not, what would be the best methods to disseminate the information.

Overall, it was felt that they were aware there were different forms of support available, but that it was difficult to find specific forms of support. One company

stated that there is a lot of effort by the LEP to provide information, but it is generally focused on one particular scheme at a time; it would be more useful for them to have a 'holistic view of all that is available.' They would like to be able to use a website or database, which has details of all of the public sector support that is available and the contact information they would need to use this data. Conversely, another interviewees felt that the there is too much information available; they felt that 'brochures and websites are not selective enough and give too much information.' There was a need for individualized support for companies, which is explored in further detail below. Another company felt that there were so many different types and organizations offering support so it would be useful to have a single point of call for support. Whilst the Manufacturing Advisory Service are the main source of advise for them, they know there are other sources of funding available elsewhere, but are not sure of how to access it; 'the **wooliness** of the system is confusing.' Another company also felt that the existing system is confusing, stating that at events and presentations, public sector organizations tend to have an 'insular approach' which does not fully explain things to businesses that they may not know about or understand completely; acronyms are not explained and contact details are not always given out. There is a need to stream line the process and make it easier for companies.

One interviewee stated that whilst he was aware of the role of the LEP and the kinds of support available, they have been a member of the Business Board since the creation of the LEP in 2010. They are 'unsure' if other businesses are actually aware of the LEP 'in the same way they were of Advantage West Midlands and the Business Link.' They felt the LEP needs to raise awareness in order for companies to recognize them as a potential source of support. Another company that is involved with the LEP felt that awareness needs to be raised and felt that with the additional funding they now have, they will be able to do so in the future. They felt that there is need to improve publicity and ensure companies understand what he LEP is and also 'what it needs from businesses themselves.' It is also important to have continual involvement with businesses, rather than only being involved if there is a specific publicity campaign taking place. The LEP will not have an impact unless it has regular impact with the local businesses.

One small company felt that they were not aware of any forms of support available and that the 'local authorities are failing to get their message out.' Whilst the company was looking to relocate, they had to look for support and were told that there were no practical forms of support available, such as rent or business rates support. Another company felt that public sector organizations were not making their services know to companies and companies were finding it 'difficult to get information.' There is a need to raise awareness amongst companies and to show the usefulness of the public sector. Businesses do not consider the LEP to be a high priority; there is a need to encourage companies to want to use it and see it as useful. At present, spending half a day at an external meeting with the LEP and similar organizations is seen as 'skiving' rather than doing anything practical.

Various different forms of disseminating information were suggested by companies. In order to have the individualized service the company above would like, they suggested the need for 'personal visitors' which would go to companies, in order to have meetings to go through specific details of what the companies want. This would mean that the LEP would know exactly what the company wants and the

company would be able to ask questions and ask for exactly the forms of support that they need with an expert, rather than miss out on forms of support they might not be aware of. Another company also felt that 'every business is different. There is a need for businesses to be more involved so that they can be helped individually,' rather than treating all businesses the same.

It was also felt by several companies that the 'most useful methods of dissemination [would be] newsletters, mail and email shots.' This would allow the LEP to reach the greatest proportion of people and would allow them to show examples of work they have done with other companies, whilst listing the services the LEP can achieve. However, one company felt that this method, despite being the 'only way to reach all companies' would be counter-productive; companies do not want to bombarded with leaflets and phone calls will annoy people. Any campaign using these methods would need to be carefully planned.

Another company felt that it was most important to ensure companies know that the systems of support will be stable and 'will not change two months down the line.' Companies want to know that the funding systems will still be available and they can depend upon the support to be there when they need it and not have to research how the system is changed.

Companies were also asked about what specific forms of support did they feel were required from the LEP and how could these best be achieved.

One small company felt that the existing funding for consultancy support were not practical for the companies. What they needed was instead grants for employment and machinery. They felt that 50% funding for investment in a single new machine could provide up to five extra jobs for them. This system of 'matched funding' used to be in place, but is no longer available. This was felt to be highly useful in the highly risky current economic climate and would allow companies to develop and group. Another company was also concerned about funding being only available for consultants; they would rather have access to 'cheap funding' that the business can also use for investment. It would also be helpful to have a follow up process to evaluate the money and see what else could be done for the business.

One company felt that it would be useful to have funding available for training, which goes to businesses rather than through training providers. This company reported problems with training providers and would rather receive the funding themselves, and choose the particular types of training they want to spend money on rather than having to use the training provided for them.

One small company felt that the LEP could be a useful tool for business links and could help them to improve their linkages with potential suppliers and customers.

Any Other Comments

The companies were asked if there were any other comments they would like to make at this time.

The other comments made by the companies were:

- One interviewee had been in the manufacturing sector for 27 years and had worked in multiple countries around the world. They found that the last 18 months had been the most difficult and unpredictable; companies are lucky to be able to plan for even 6 months ahead.
  The main concerns for manufacturers are confidence and low cost funding. The company stated that they have a 'large back debt with high interest' which is preventing them from being able to grow.
  They would like to speak to someone who could offer business funding, with access to lower price money being a key concern.

- Another company felt that the LEP needs to work hard to ensure everyone knows what support is available and raise the profile of the LEP. At present it is mostly just the 'regular engagers' who are involved in the LEP, whilst as many company as possible should be ready and willing to use it.
  They also felt that the LEP

  > *'needs to be brave about what they choose to support. They should not just support government target areas – they need to know who their manufacturers are and be aware of the reality of the situation. There is no point focusing on [for example] advanced manufacturing, if it leads to the collapse of the rest of the manufacturing sector.'*

  There are also concerns that the LEP is not fully understood by companies; the typical feeling was felt to be "who are they and when will they ask us to pay the money?" Companies are ignorant of the public body status of the LEP; companies know that the LEP is linked with the Chamber of Commerce and the Forum of Small Businesses. However, companies presume the LEP to be members, rather than partners. The LEP is also seen to have links with the local authority, but companies feel that talking with the LEP may lead to rates increases. Due to recent schemes (e.g. PPI, rates support), companies are highly cautious.
  The LEP needs to explain its purpose and to demonstrate its usefulness to companies.

- Another company felt that there is a need for local authorities to be helping business, rather than stopping them. The bureaucracy is a considerable issue which is preventing businesses from growing.
  The LEP needs to act a business link; helping smaller businesses to work for the benefit of all. It should also act as an advisor, by putting companies in touch with the various sources of funding available.

- One small company felt that they were totally unaware of the LEP and even the old RDAs. People do not want to be involved in associations; they tend to be involved only for potential support, backing and advice, if the situation demands it. The company feels that they have never had any problems and are still manufacturing, despite having never received any external support.

Half of the companies did not have any other comments to make.

6. CONCLUSIONS

Overall, there is a demand from the Worcestershire manufacturing sector for support from the LEP and other public sector support. More than half of the companies in the quantitative survey would like at least one form of support from the LEP, most frequently business rates support and skills development, training and apprenticeship information. From the qualitative survey, it is also clear that the companies would like support from the LEP and feel it can have a role in helping businesses, although it needs to raise awareness of the support it can offer to all of the local manufacturing businesses if they are to use it.

From the quantitative survey, it can be seen that the majority Worcestershire's manufacturing sector is currently stable and is both more optimistic and uncertain about the next 12 months. Companies were almost equally likely to state their turnover had increased or remained the same over the last 12 months, but were more likely to predict either or that they did not know or would not say what would happen to their turnover over the next 12 months. Companies either feel that their business will improve or they are increasingly uncertain about the future, in the increasingly unpredictable market conditions.
Companies are experiencing barriers to growth which need to be overcome. The state of the UK economy is the most frequently stated barrier to growth for businesses, which is closely linked with access to finance for businesses. This is combined with only 38% of businesses exporting their goods abroad. It may be possible to solve both issues of the state of the UK economy and increase access to finance by encouraging companies to export goods abroad and access more goods overseas, especially amongst smaller companies and those in sectors which are less likely to export, such as clothing/textiles and ceramics and glass.

From the qualitative survey, it can be seen that companies have a desire for support from the LEP and other public sector organizations. However, there are issues with the current availability of information and types of support for businesses; there is a need to raise awareness, especially amongst small companies which have no awareness of the LEP at all. Half the companies also felt that there is a need to reduce bureaucracy and red tape. Combined with this, the public sector should be acting as 'enablers of business,' by improving infrastructure and providing appropriate premises, rather than the current view that the public sector is seen as a negative influence which impedes business interests.
There is also a need to encourage vocational training in the local area; it is felt that small companies are unable to devote the necessary time and effort for apprentices, which may have long term issues for the survival of the companies. This is felt to be due to the current education system, which is focused towards universities rather than apprentices, which is not meeting the needs of businesses.

APPENDIX 1 – Manufacturing Survey

Worcestershire LEP Manufacturing Survey Draft
A survey of Manufacturing businesses in the Worcestershire LEP

Thank you for agreeing to participate in a short survey of Worcestershire LEP Manufacturing employers. The survey is concerned with assessing the needs of local industry employers, in order to encourage growth within the sector.
Your views are essential to this project. All responses will be used to inform industry partners of the views of employers regarding the current state of the industry, in order to encourage the growth of the Manufacturing sector in Worcestershire.
All responses to this survey will be treated as confidential. Should you require any further information about this research, then please feel free to contact Will Brazier, project manager, on 01905 729276.

Organisational Basics

1. **What is the legal status of your organization? Choose one of the following answers**

PLC Limited Company Partnership Sole Trader Other

2. **What broad types of product do you manufacture? Choose as many as apply**

Food and Drink Clothing/Textiles Paper
Chemicals and Pharmaceuticals Plastics and Plastic products
Ceramics and Glass Metals and Fabricated products Electronics
Vehicles Other

Staff, Recruitment and Training

3. **How many staff are employed at your sites in Worcestershire? Choose one of the following answers**

1 2-4 5-9 10-24 25-49 50-99 100-249 250+

4. **Has the size of your workforce increased, decreased or stayed the same over the last 12 months? Choose one of the following answers**

Increased Decreased Stayed the Same Don't know/Won't say

5. **What do you think will happen to the size of your workforce over the next 12 months? Choose one of the following answers**

Increase Decrease Stay the Same Don't know/Won't say

6. **Is your business currently experiencing any hard-to-fill vacancies? Choose one of the following answers**

Yes No Don't know/Won't say

If yes, what specific occupations are proving hard-to-fill? Check all that apply

Managers Professionals Associate Professionals
Administrative and Secretarial Roles Skilled Trade Occupations
Caring, Leisure and Other Service Occupations
Sales and Customer Service Roles Elementary Occupations

7. **Do you currently employ any apprentices? Choose one of the following answers**

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Yes No Don't know/Won't say

If yes, how many? Choose one of the following answers

1 2-4 5-9 10-24 25-49 50-99 100-249 250+

If no, why do you not employ apprentices? Check all that apply

Do not want any apprentices/Not interested No need for additional staff
Skills/qualifications higher than apprenticeship level required
Too small/family business No vacancies
Cannot afford any/no budget for it Other

8. **Is your business currently experiencing any skills gaps amongst your existing employees? Choose one of the following answers.**

Yes No Don't know/Won't say

If yes, which of the following groups of employees include those who have gaps in their skills? Check any that apply

Managers Professionals Associate Professionals
Administrative and Secretarial Roles Skilled Trade Occupations
Caring, Leisure and Other Service Occupations
Sales and Customer Service Roles Plant and Machine Operatives
Elementary Occupations

If yes, what specific skills are currently missing amongst your workforce?

Computer Aided Design (CAD) Welding Advanced IT and software skill
Tool Making High level design Precision Engineering
Machine operating Problem Solving Team Working
Management/supervisory skills Planning and Organisation skills
Lean Manufacturing skills Administration Skills Quality Systems
Numeracy/Literacy skills

9. **Has your organization provided any training for employees over the last 12 months? Choose one of the following answers?**

Yes No Don't know/Won't say

10. **Does your company have a training plan? Choose one of the following answers**

Yes No Don't know/Won't say

Innovation

11. **Has your company undertaken any research and development or new product development in the last 12 months? Choose one of the following answers**

Yes No Don't know/Won't say

12. **What barriers, if any, are preventing further innovation? Check any that apply**

Lack of finance Staff time Pressure of existing work None Other

13. **Does your business have any links with universities or research centers? Choose one of the following answers.**

Yes No Don't know/Won't say

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If yes, who with, and what is the nature of these link or links? Check any that apply

University of Worcester Other

Growth

14. **Approximately, what was your company's turnover in the last financial year? Choose one of the following answers**

Turnover :(please state) Don't know/Won't say

15. **Has your company's turnover increased, decreased or broadly stayed the same over the last 12 months? Choose one of the following answers**

Increased Decreased Stayed the Same Don't know/Won't say

16. **Over the next 12 months, do you anticipate your organisation's turnover will grow, contract or remain the same? Choose one of the following answers**

Grow Contract Stayed the Same Don't know/Won't say

17. **Is your organization facing any barriers to growth at the current time? Choose one of the following answers**

Yes No Don't know/Won't say

If yes, what are they? Check any that apply.

Access to finance Labour Shortages Skills Shortages
Staff turnover Fewer Clients Costs of supplies Premise's issues
Infrastructure issues Burden of legislation or regulation
Exporting difficulties State of the UK economy Other

Networks

18. **What proportion (%) of your suppliers are based within:**

Worcestershire LEP
UK
Rest of the World

19. **What proportion (%) of your clients are based within:**

Worcestershire LEP
UK
Rest of the World

20. **What sectors do you currently supply to? Check any that apply.**

Food and Drink Clothing/Textiles Paper
Chemicals and Pharmaceuticals Plastics and Plastic Products
Ceramics and Glass Metals and fabricated products Electronics Vehicles
Other

21. **Are you currently involved with any industry specific networks with similar businesses? Choose one of the following answers.**

Yes No Don't know/Won't say

Location

22. **Do your current premises fully meet your current and future requirements? Choose one of the following answers**

Yes No Don't know/Won't say

If no, why not? Check any that apply

Lack of space Lack of office space No room to expand
Poor facilities Lack of car parking Local Environment Other

If no, would you consider moving to another site locally in order to meet these needs? Choose one of the following answers

Yes No Don't know/Won't say

23. **How would you rate the quality and choice of premises available for businesses like yours in Worcestershire? Choose one of the following answers**

Very Poor Poor Adequate/Satisfactory Good Very Good

If Very Poor or Poor, why do you feel this is? Check any that apply

Insufficient space Rent is too high Does not meet business's needs
Business rates are too high Other

Exports

24. **Does your company export goods outside the UK? Choose one of the following answers?**

Yes No

To what continents and by what proportion does your company export your products?

Africa
Asia
Australasia
Europe
North America
South America

Business Support

25. **Would you like support from the LEP and its partners with any of the following? Check any that apply**

Premises or land to buy or rent
Access to business finance
Business Rates support
Tendering for Council services
Planning process information
Building regulations information
Licensing information
Environmental health information
Relocation support
Trading Standards information
Business start up support
Business Networks information

Social Enterprise support
Skills development, training and apprenticeship
Recruitment or redundancy support
Volunteering
None/Not needed
Other

Permission

26. **Are you happy for your data to be passed on to:**
Check any that apply
Worcestershire LEP
Local Authorities
Manufacturing Advisory service

All data is anonymised and will only be used for the project to encourage growth within the Worcestershire manufacturing sector and to assess the needs of local industry employers.

Thank you for taking the time to complete this questionnaire. All responses will remain anonymous but will be used collectively to inform the Worcestershire LEP to better encourage growth within the sector.

APPENDIX 2 – Follow Up Survey

1. Almost 80% of companies do not employ apprentices. What do you believe are the reasons why manufacturers are choosing not to employ apprentices?

    a. What do you feel would be the most effective methods to improve the take up, and retention, of apprentices by:

        i. Companies?

        ii. Students?

        iii. The LEP?

2. More than one-sixth of companies reported hard-to-fill vacancies. Are any specific jobs proving hard-to-fill for your company? Do you feel there is adequate training for the Manufacturing sector in the Worcestershire area?

    a. What steps could be taken to improve the availability of these skilled needed for the hard to fill vacancies

3. 9% of companies reported skills gaps. Amongst these, 91% are related to skilled trade occupations. What specific jobs and skills do you feel are lacking?

    a. What do you feel could be done to address these skills gaps?

4. 30% of manufacturers surveyed are not undertaking any Research and Development or New Product Development, and are also reporting no barriers to innovation. If there are no barriers to innovation at this time, why do you feel that companies are currently not innovating or developing new products?

5. On average, approximately only one-quarter of the total value of suppliers and customers are based in Worcestershire. What do you feel could be done to improve supply networks of manufacturing companies in the Worcestershire area?

6. A third of companies surveyed reported barriers to growth at the current time. What barriers to growth, if any, is you business currently facing? How do you feel these barriers could be overcome?

7. Overall, do you feel involvement in industry specific networks is beneficial to businesses? Why do you feel this is?

8. Some companies we have spoke to felt there was insufficient support for manufacturers in the Worcestershire area from the public sector. What, if any. Forms of support would be most beneficial for local manufacturers?

9. Approximately one-fifth of businesses surveyed rated the quality and choice of premises available in Worcestershire as 'poor' or 'very poor'. What do you feel are the main issues with the quality and choice of premises for manufacturers in Worcestershire? E.g. a lack of properties of a certain square footage
    a. Do you feel more could be done by local authorities to develop premises for local manufacturers and/or provide support to buy/rent them?

10. Approximately, only one-third of companies export goods. Do you there are any barriers to exporting?

11. More than half of all companies would like support from the Worcestershire LEP. Do you feel you are currently made aware of the different methods of support available to Worcestershire businesses? If not, what could be the best methods to disseminate this information?

    a. What specific support do you feel is required and how could this be achieved?

12. Are there any other comments you would like to make at this time?