Appendix 5

Economic Impact and Business Survey Analysis

APPENDIX 5 ECONOMIC IMPACT & BUSINESS SURVEY ANALYSIS

INTRODUCTION

A5.1 As part of the study on the economic impact of the marine industries and their suppliers on the Solent economy, Atkins Ltd commissioned Hill Taylor to undertake a business survey in order to gather business information for a variety of industries which directly serve the marine sector within the economic study area, as defined in Section 4 of the main report.

A5.2 The main objective of the survey was to gather key data including turnover, employment, supply chain expenditure and operational requirements. This information was used to formulate the development of an economic impact model for marine activities in the economic study area. It also provides critical information which can be used to inform the development of planning and economic development strategies in the sub-region.

A5.3 This survey was carried out in conjunction with a number of qualitative interviews conducted by Adams Hendry Consulting Ltd, which are used to supplement the volume business survey.

A5.4 This Appendix sets out the key findings of the business survey and describes the economic impact assessment conducted for the marine sector in the economic study area. It is structured as follows:

- Methodology
- Survey sample details
- Size of Marine Sector, contribution to GDP and Gross Value Added (GVA)
- Employment Impact
- Contribution to National Exchequer
- Summary of other business survey results

METHODOLOGY AND SAMPLE

A5.5 A survey of indigenous businesses within the economic study area was conducted in order to provide a statistically significant assessment of the marine-related business community. The difficulties of defining the marine sector are highlighted in the main report, but our final 18 activities have been used consistently throughout the following analysis as the definitive description of marine industries.

A5.6 This survey provides an empirical source of data which can be used along with supplementary analysis provided by the manipulation of secondary data sources.

A5.7 The key topics researched included:

- General company information;
- Turnover & profit information;
- Employment information;
- Supply chain demand and connectivity;

- Current & future skill requirements;
- Future growth plans & requirements;
- Issues concerning the physical location of their operation.

Survey Process

A5.8 The information was collected through a series of 20 minute interviews with 480 businesses located within the economic study area. Interviews were conducted with owners, managers and directors or other senior employees of the individual businesses.

A5.9 All 480 responses from the survey relate to businesses which either:

- operate directly as one of the 18 core marine activities defined in Section 3 of the main report (385 businesses); or
- are classified outside our marine definition but rely significantly on serving the core marine activities (95 businesses) – defined as at least 50% of turnover being sourced from one or more of the 18 core activities.

Survey Sample

A5.10 The sample frame was taken from the Experian business database and the Annual Business Inquiry. Actual business contact details were provided by the Experian database which related to listings from Yell, Thompson and BT business lists. Core marine businesses were identified using approximately 180 detailed activity definitions (as listed by Yell and Thompson). In addition, around 50 other business activity types were included in the sample frames for the purposes of 'screening'. This was considered important in order to identify businesses which are not classified as being core marine activities but are potentially rely significantly on the marine sector (for example engineers and financial trade services).

Limitations and Exclusions

A5.11 It is important to stress that the methodology adopted was considered to be the most appropriate basis for providing an empirically-based assessment of the economic significance of the marine industries in the Solent sub-region. However, as with all the methodological approaches available, limitations do exist which need to be emphasised.

A5.12 As explained in this appendix, the economic impact assessment was based on the gathering of 'real' business data taken from marine and related businesses operating in the Solent sub-region. However, given the task of estimating the economic impact of **all** marine businesses in the Solent, the method requires a sample of businesses to be gathered which can represent the collective marine sector. Whilst the establishment of a sample frame ensures that a target number of responses for different business types can be set, in reality, it is not always possible to get a fully representative sample for all business types. This reflects a number of key factors:

- For specific business types / sub-sectors, there are only a small number of relatively unique, large businesses / activities which cannot be effectively

'sampled' in statistical terms: this would run the risk of significantly mis-representing the contribution of relatively specialised activities.

- The business survey yields a statistically unreliable response rate for some specific business types.
- The population database from which details of individual businesses are obtain to make up the sample is not 100% complete. For a sample based methodology, the combined Experian / Thompson business database used for this study is recognised as the most comprehensive available. Whilst other sources of business information could in theory have been used (such as members' details from local and regional business organisations), these were subject to confidentiality restrictions.

A5.13 For the purposes of clarity and to assist in the interpretation of results of the economic impact assessment, the following exclusions are noted:

- Esso & Exxon oil and petrochemical operations at Fawley.
- Portsmouth Naval base (military & civilians on and off site) and other government defence establishments
- Cruise tourism effects (crew and visitor expenditure) – manufacturing activities and supply services to the ships themselves are not excluded;
- Education establishments.

A5.14 In addition to the methodological limitations explained above, there are a number of other reasons why these activities do not feature directly in the quantification of economic impacts:

- Firstly, the unique nature of these activities means that, within the scope of this study, it is not reliable to attempt to estimate their economic impact on a statistically significant sample survey basis. These activities warrant and require stand-alone assessment in order to yield reliable results. Indeed, as highlighted in Appendix 2 (Table A2.2), a range of detailed economic impact studies have been conducted in respect of the Southampton cruise industry and the Portsmouth Naval Base.
- Secondly, the methodological approach adopted for this study enabled a robust estimate to be provided of the economic significance of 'typical' marine activities in the Solent which have not been documented elsewhere. Indeed, most of these businesses, which are diverse in nature, are classified as small and medium sized enterprises (SMEs).

A5.15 Despite the above limitations, an indicative estimate of the economic impact of the excluded activities is provided later in this Appendix. This is intended only to provide an approximation of the complete economic impact of all marine activities defined as part of this study.

Sample Frame

A5.16 Providing a statistical definition of the marine sector is not a straight-forward task. Despite these challenges, it remains necessary to provide an estimate of the total 'population' of marine businesses in the economic study area. This is required in order to provide a basis by which the results from the sample survey can be extrapolated to provide a reasonable representation of the whole marine sector in the

economic study area. Using the best available information, Tables A5.1 and A5.2 set out indicative estimates of the total marine business population in the economic study area.

A5.17 Table A5.1 shows that the ABI implies a potential total of **2,317** businesses in the study area compared to approximately **1,415** derived from Experian (Table A5.2). Given the constraints created by SIC definitions, the ABI data is likely to include a range of businesses which are not closely related to the marine sector. Conversely, whilst more accurate in terms of business type definition, the Experian dataset is not complete as all relevant businesses will not be listed.

A5.18 Consequently, having closely analysed the best available information, it is estimated that there are approximately 1,750 businesses in the economic study area that can reasonably be classified as operating directly in the marine sector or being significantly reliant on the sector. On this basis, our survey sample represents approximately **27.5%** of all core marine sector businesses within the study area. This provided a strong statistical foundation on which to extrapolate the business survey findings to resemble the Solent marine economic study area.

A5.19 In terms of marine sector jobs, analysis of both the ABI and Experian resulted in separate estimates which yielded very similar results for total employee numbers (27,000 jobs).

Table 5.1 – Annual Business Inquiry Defined Marine Sector Population

Standard Industrial Code	Businesses		Employment	
	No.	%	No.	%
Fishing	82	3.5	99	0.4
Operation of fish hatcheries and fish farms	6	0.3	13	0.0
Extraction of crude petroleum and natural gas	0	0.0	0	0.0
Service activities incidental to oil and gas extraction excluding surveying	2	0.1	2	0.0
Production of salt	0	0.0	0	0.0
Processing and preserving of fish and fish products	2	0.1	7	0.0
Manufacture of crude oils and fats	0	0.0	0	0.0
Manufacture of cordage, rope, twine and netting	1	0.0	1	0.0
Manufacture of refined petroleum products	3	0.1	996	3.7
Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	27	1.2	261	1.0
Building and repairing of ships	108	4.7	2,891	10.7
Building and repairing of pleasure and sporting boats	129	5.6	840	3.1
Construction of water projects	14	0.6	233	0.9
Wholesale of other food including fish, crustaceans and molluscs	30	1.3	218	0.8
Wholesale of solid, liquid and gaseous fuels and related products	25	1.1	279	1.0
Retail sale of fish, crustaceans and molluscs	13	0.6	43	0.2
Sea and coastal water transport	122	5.3	2,986	11.1
Inland water transport	4	0.2	9	0.0

Cargo handling	8	0.3	707	2.6
Storage and warehousing	88	3.8	1,286	4.8
Other supporting water transport activities	80	3.5	1,648	6.1
Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified	195	8.4	1,695	6.3
Activities of other transport agencies	154	6.6	2,129	7.9
Renting of water transport equipment	43	1.9	99	0.4
Architectural and engineering activities and related technical consultancy	1,157	49.9	6,148	22.8
Defence activities	24	1.0	4,414	16.3
Total	**2,317**	**100.0**	**27,004**	**100.0**

Source: ONS / ABI, 2005

Table 5.2 – Experian Defined Marine Sector Population

Sector	No. of Businesses	% of Total	No. of Employees	% of Total
Marine Service	418	29.5%	7,494	27.5%
Manufacturing - ships, boats & repair	308	21.8%	4,353	16.0%
Manufacturing - marine equipment	199	14.1%	4,947	18.2%
Transport Logistics	184	13.0%	2,862	10.5%
Marine Leisure	146	10.3%	1,053	3.9%
Fisheries	60	4.2%	212	0.8%
Marinas, berthing etc.	33	2.3%	313	1.1%
Oil & Petrochemicals	26	1.8%	4,263	15.7%
Commercial Port (Containers)	22	1.6%	607	2.2%
Minerals	11	0.8%	206	0.8%
Cruise	4	0.3%	876	3.2%
Safety & Salvage	4	0.3%	36	0.1%
Total	**1,415**	100.0%	**27,222**	100.0%

Source: Experian, 2007: Definitions based on 180 Yell business categories of marine and related activities

Populating the Sample

A5.20 Based on the 18 marine activity definitions set out in Table A5.2, the business survey adopted a stratified sampling frame which provided the best possible fit to be representative of the wider marine-related sector population (see Table A5.3). By re-categorising the sample into the Experian business database definitions it was possible to make a comparison of the proportional number of businesses within our sample with the wider population.

A5.21 With regard to 'other marine sector dependents', these included businesses that were not wholly dependent on the marine sector but at least 50% of their turnover could be attributable to one or more of our defined 18 marine activities. Consequently, in order not to over-estimate the economic contribution of these businesses, the model assumes that only 50% of turnover and employment supported by these businesses was included in the economic impact assessment.

Table 5.3 – Sample Frame by Sub-Sector

	No in Sample	Proportion of Total
Oil & petrochemicals	7	1.5%
Marinas, berthing facilities or supporting services	35	7.3%
Leisure activities located close to marinas/berthing	34	7.1%
Cruise industry and supporting services	3	0.6%
Defence activities (particularly naval);	1	0.2%
Commercial port activities (containers);	3	0.6%
Commercial port activities (Bulk cargo other than oil)	3	0.6%
Commercial port activities (Ferry services, not cruise)	6	1.3%
Commercial port activities (Cargo administration);	3	0.6%
Transport logistics relating to ports;	17	3.5%
Manufacturing - Ships, boatbuilding & repair	77	16.0%
Manufacturing - Marine and related equipment	78	16.3%
Marine services (Insurance, brokerage etc)	86	17.9%
Fisheries	13	2.7%
Minerals	3	0.6%
Marine related education & research	1	0.2%
Marine Related Retail	15	3.1%
Other	95	19.8%
	480	**100.0%**

Source: Hill Taylor & Atkins

A5.22 Whilst marine activities were defined according to 18 categories for the purposes of the study, it was not possible during the business survey to obtain enough responses for the commercial port activities, Defence activities, and marine related education and research to give a sample that that was representative or that would give us enough data that could be manipulated. Whilst we have allowed for these sub sectors within our overall estimate of the size of the marine industry, we have omitted these sub sectors from any detailed data analysis.

A5.23 In addition to stratifying the sample by marine activity and business size, the sample was also stratified in terms of annual turnover and business size (number of employees) – see Table A5.4. Again, secondary sources, such as the Experian business database and the Annual Business Inquiry were used to ensure that the sample was representative of the wider population. Not all of the 480 businesses interviewed gave responses to the questions regarding the number of staff and annual turnover: 453 responded to the number of staff question whilst 404 responded to the turnover question.

Table 5.4 – Sample Frame by Size of Company

	No in Sample	Proportion of Sample
By Number of Employees		
Sole Trader	59	13.0%
2-5	173	38.2%
6-10	88	19.4%
11-20	64	14.1%
21-50	48	10.6%
51-100	10	2.2%
101-200	6	1.3%
201+	5	1.1%
	453	**100.0%**
By Annual Turnover		
Less than £100K p.a.	82	20.3%
£100K to £250K p.a.	82	20.3%
£250K to £500K p.a.	70	17.3%
£500K to £1M p.a.	60	14.9%
£1M to £2M p.a.	45	11.1%
£2M to 5M p.a.	39	9.7%
£5M to £10M p.a.	9	2.2%
£10M to £25M p.a.	10	2.5%
£25M to £50M p.a.	1	0.2%
Over £50M p.a.	6	1.5%
	404	**100.0%**

Note: Not all respondents replied to all questions

Source: Hill Taylor & Atkins

Survey Outputs

A5.24 The remainder of this appendix details the main quantitative findings from the quantitative telephone surveys, including our estimates of the overall gross domestic product (GDP) contribution to the economy and the gross value added (GVA) by the marine sector within the economic study area.

A5.25 When undertaking business surveys of this nature, asking respondents about the nature of their operation and the scale in terms of employment will typically yield a high response rate. However, businesses are often reticent to respond to questions asking about detailed financial information. As such, when asking about the size of business in terms of turnover, respondents were offered a number of ranges as options as opposed to giving precise details. Whilst this will normally yield a higher response rate, it is a limiting factor in terms of assessing the size of the marine sector.

SIZE OF MARINE SECTOR

Marine Sector Contribution to GDP

A5.26 From our sample, we have established the range of total annual turnover of each business. By taking the lower, median and upper quartile of each of these ranges and multiplying it by the number of respondents within in the range, estimates of turnover from our sample can be provided (see Table A5.5).

Table A5.5 – Total Annual Turnover for Survey Sample

Turnover	Marine Sector Sample	Lower Quartile of Turnover	Median Turnover	Upper Quartile of Turnover
Less than £100K p.a.	83	£2,075,000	£3,700,000	£6,225,000
£100K to £250K p.a.	82	£11,275,000	£12,512,500	£17,425,000
£250K to £500K p.a.	71	£22,187,500	£22,000,000	£31,062,500
£500K to £1M p.a.	60	£37,500,000	£40,875,000	£52,500,000
£1M to £2M p.a.	46	£57,500,000	£62,551,800	£80,500,000
£2M to 5M p.a.	39	£107,250,000	£127,750,000	£165,750,000
£5M to £10M p.a.	9	£56,250,000	£67,500,000	£78,750,000
£10M to £25M p.a.	10	£137,500,000	£166,250,000	£212,500,000
£25M to £50M p.a.	1	£31,250,000	£37,500,000	£43,750,000
Over £50M p.a.	3	£225,000,000	£318,692,000	£375,000,000
Total	**404**	**£687,787,500**	**£859,331,300**	**£1,063,462,500**

Source: Atkins

A5.27 The values shown in Table A5.5 gives the total turnover for our sample. In order to estimate the total turnover of the marine sector population in the Solent as a whole, we have aggregated these numbers up. To weight our data effectively, we have used the Experian business database to estimate the total population of businesses that fall within each of the turnover bands within the marine sector as a

whole. This provided the extrapolation factors required to estimate total marine sector turnover in the sub-region.

A5.28 However, for businesses with a turnover of more that £25 million, it was considered inappropriate to extrapolate the results in order to avoid over-estimating the impact of a relatively small number of very large firms. For these businesses, we identified separately actual turnover estimates for individual companies which are added to the extrapolated results for the rest of the sample businesses.

A5.29 The results of the total turnover for the marine sector within the economic area is shown in Table A5.6.

Table A5.6 – Total Annual Turnover for Sector

Turnover	Factor Increase	Lower Quartile of Turnover	Median Turnover	Upper Quartile of Turnover
Less than £100K p.a.	7.4	£15,270,203	£27,228,796	£45,810,610
£100K to £250K p.a.	5.9	£66,926,438	£74,272,022	£103,431,767
£250K to £500K p.a.	3.0	£65,885,288	£65,328,510	£92,239,403
£500K to £1M p.a.	2.6	£97,065,568	£105,801,469	£135,891,795
£1M to £2M p.a.	1.9	£110,622,211	£120,341,329	£154,871,096
£2M to 5M p.a.	2.1	£226,667,080	£269,992,722	£350,303,669
£5M to £10M p.a.	6.5	£363,318,047	£435,981,656	£508,645,265
£10M to £25M p.a.	2.5	£345,965,543	£418,303,793	£534,674,021
£25M to £50M p.a.		£370,000,000	£370,000,000	£370,000,000
Over £50M p.a.		£1,700,000,000	£1,700,000,000	£1,700,000,000
Total Sector Turnover		**£3,361,720,377**	**£3,587,250,297**	**£3,995,867,625**

Source: Atkins

A5.30 As shown, the range in total turnover for the marine sector within the economic study area is estimated to be between £3.4bn and £4.0bn, with a median of around £3.6bn.

A5.31 To put this value in context we have estimated that the economic study area has a total GDP of some £20.2bn in 2006 (Regional GDP Nuts III (Eurostat, 2004) & UK GDP growth (ONS, 2005 – 1006) & Atkins). Therefore, the marine sector accounts for approximately 17.8% of the total Solent economy. This demonstrates the importance of the marine sector in terms of output value for the study area.

A5.32 It is important to highlight that our estimates exclude a number of key operations and activities highlighted and explained earlier in this Appendix. However, it is acknowledged that inclusion of these major activities would significantly increase the contribution of the marine sector to the Solent's economy. Consequently, our core economic impact estimates set out below should be considered as being reasonably conservative which largely reflect the impact of the stock of marine related SMEs in the Solent area.

Despite this, an indicative estimate of the economic impact of the excluded activities is provided later in this Appendix. This is intended only to provide an approximation of the complete economic impact of all marine activities defined as part of this study.

A5.33 Inclusion of these major activities would significantly increase the contribution of the marine sector to the Solent's economy. Indeed, we have been cautious in our analysis to eliminate the potential impact of large businesses in the economic study area in order not to over-estimate the sector's contribution to the economy. To this extent, our economic impact estimates should be considered as reasonable conservative which largely reflect the impact of marine based SMEs in the Solent.

Gross Value Added (GVA)

A5.34 In order to calculate the GVA contribution to the economy, estimates of total gross profit and expenditure on wages have been provided by the survey. These two values combined give a reasonable approximation of the GVA contribution to the economy.

A5.35 Respondents were asked in the business survey to estimate their proportion of total turnover that is attributable to purchases, wages, rent & other overheads, and gross profit. Responses were weighted according to the size of the company in respect of turnover. As shown (Table A5.7), the GVA contribution to the economy of the marine sector equates to approximately £1.9bn. This is equivalent to approximately 20% of total GVA within the economic study area. Again, it is important to highlight that this excludes the contribution of the Portsmouth naval base as well as the Esso / Exxon facility.

Table A5.7 – Weighted Breakdown of Marine Sector Turnover

Purchases (Supply Chain)	31.8%	£1,141,280,320
Wages	24.7%	£885,937,870
Rent & Other Overheads	13.9%	£497,994,300
Gross Profit	29.6%	£1,062,037,807
Gross Value Added (GVA)	**54.3%**	**£1,947,975,677**
Total Turnover (GDP)	**100.0%**	**£3,587,250,297**

Source: Hill Taylor & Atkins

EMPLOYMENT IMPACT

Direct Employment

A5.36 In addition to estimating the total output value of the marine sector to the Solent economy, measurements have also been made in terms of employment impact. A similar methodology to calculate total employment was adopted as that used for the calculation of the GDP contribution.

A5.37 Respondents were asked how many employees they had working at their site opertions within the economic study area. Unlike with the question relating to turnover, the output of this response represented a continuous variable. Table A5.8 shows the total number of employees within our sample.

Table A5.8 – Total Employees Recorded within Survey Sample

	No. Companies within Sample	No. Employees within Sample
Oil & petrochemicals	6	59
Marinas, berthing facilities or supporting services	33	512
Leisure activities located close to marinas/berthing	28	177
Cruise industry and supporting services	3	37
Defence activities (particularly naval);	1	3
Commercial port activities (containers);	3	75
Commercial port activities (Bulk cargo other than oil)	3	41
Commercial port activities (Ferry services, not cruise)	6	163
Commercial port activities (Cargo administration);	3	134
Transport logistics relating to ports;	16	267
Manufacturing - Ships, boatbuilding & repair	73	2,340
Manufacturing - Marine and related equipment	69	1,269
Marine services (Insurance, brokerage etc)	84	955
Fisheries	13	78
Minerals	3	14
Marine related education & research	1	8
Marine Related Retail	14	54
Other	94	690
	453	**6,876**

Note: Not all respondents replied to all questions

Source: Hill Taylor & Atkins

A5.38 In order to aggregate up our sample to represent the entire population we re-categorised the results into a discrete variable that could be compared to other data sources, such as the Experian business database and the Annual Business Inquiry. This way we could aggregate our sample and weight it to match the population as a whole. With a sample that is broadly comparable to other data sources, we simply aggregated up with factors (ranging from 2.7 to 4.9) to estimate the total impact on direct employment within the economic study area (see Table A5.9).

Table A5.9 – Direct Marine Employees in Economic Study Area

Turnover	Survey Sample	Employees	Factor Increase	
Sole Trader	59	59	4.9	289
2-5	173	501	4.3	2,160
6-10	88	610	3.2	1,926
11-20	64	837	2.7	2,258
21-50	48	1,460	2.8	4,076
51-100	10	556	3.8	2,107
101-200	7	1,038	3.3	3,374
201 plus	4	1,816	4.8	8,801
Total	**453**	**6,876**	**3.6**	**24,992**

Source: Atkins

A5.39 We estimate that there are approximately 25,000 workers directly employed within the Solent's marine sector (excluding the activities listed earlier). In fact, this empirically based estimate is similar to those implied by both the Experian and ABI sources (approximately 27,000). However, as highlighted in the main report, it is important to note that the ABI-based definition of marine activities is broadly based and is likely to include a range of non-marine activities. Conversely, the Experian-based definition is likely to exclude a proportion of marine activities as the business database in not 100% complete.

Indirect Employment

A5.40 Indirect employment relates to the proportion of jobs that are supported by that part of the supply chain which is reliant on core marine businesses in the Solent area. In order to provide a greater degree of statistical confidence, three methods for measuring indirect employment have been employed:

- Wage-driven method
- Turnover per employee
- Simple Type 1 Multiplier (Type I multipliers provide an estimate of the ratio between direct and indirect employment.)

A5.41 It is important to highlight that both the wage-driven and turnover per employee methods provide estimates of only the first round of supplier effects. In reality, these suppliers will have their own suppliers which will support additional rounds of jobs which are safeguarded / generated by the Solent marine activities.

Consequently, the wage and turnover based approaches potentially under-estimate the amount of indirect employment.

A5.42 On a point of caution, a number of key assumptions have to be made in making estimates of indirect employment. The assumptions adopted in this model are based on empirical information provided by the business survey so represent the best available information.

Method 1: Wage-driven method

A5.43 The business survey indicated that the total purchases (cost of goods sold) by the Solent marine sector equates amounted to around £1.1bn (Table A5.7). Other businesses both in and outside the economic study area will receive these monies as revenues. From our survey we have also calculated the proportion of this spend that is attributable to the economic study area and other areas of the country and the world.

A5.44 Assuming that the portion of purchases / supplier revenue spent on wages amounts to 24.7% (from our survey, Table A5.7) a calculation can be made of the total value spent on indirect employment by the marine sector.

A5.45 By calculating average wage of employees within the marine sector (Annual Survey of Hours and Earnings, Office for National Statistics) we can then estimate the number of indirect employees supported by the marine sector, as shown in Table A5.10.

Table A5.10– Indirect Employees (First Round Supply Chain)

Area	Weighted Proportion of all Purchases	Total Spend Of Marine Sector	Proportion Spent on Wages [1]	Implied Job [2]
Economic study area	40.6%	£463,704,318	£114,520,366	5,113
Hampshire/Sussex	20.1%	£229,255,250	£56,618,828	2,528
London	3.2%	£35,989,688	£8,888,320	397
South East	3.4%	£39,108,422	£9,658,549	431
South West	3.4%	£38,786,692	£9,579,092	428
East Midlands	1.9%	£21,770,025	£5,376,511	240
West Midlands	3.2%	£36,936,743	£9,122,213	407
North West	2.2%	£24,782,437	£6,120,482	273
Yorks/Humberside	0.3%	£3,648,695	£901,113	40
Wales	0.2%	£2,054,694	£507,445	23
Scotland	0.9%	£10,627,485	£2,624,654	117
Northern Ireland	0.1%	£780,057	£192,649	9
Europe	7.6%	£87,173,639	£21,529,144	961
USA	2.6%	£30,197,675	£7,457,875	333
China	2.3%	£26,664,342	£6,585,253	294
Far East	2.6%	£30,189,939	£7,455,964	333
Other	5.2%	£59,610,218	£14,721,847	657
		£1,141,280,320	**£281,860,303**	**12,583**

[1] Assumes 24.7% spent on wages
[2] Assumes an average wage of £22,400
Source: Atkins

A5.46 By his method we estimate that there are 12,583 indirect employees, of which 5,113 (or 40.6%) are in the economic study area.

Method 2: Turnover per Employee

A5.47 Our sample provides an estimate of the average turnover per employee of the entire sample, which equates to £125,000. Given that we know the total amount the marine sector spends on their supply chain in the economic study area and elsewhere, we can estimate the number of employees by applying the turnover per employee estimate.

A5.48 As shown in Table A5.11, by this method we estimate that there are 9,130 indirect jobs attributable to the marine sector of which 3,710 (40.6%) are in the economic study area.

Table A5.11 – Indirect Employees (First Round Supply Chain)

Area	Weighted Proportion of all Purchases	Total Spend Of Marine Sector	Implied Job [1]
Economic study area	40.6%	£463,704,318	3,710
Hampshire/Sussex	20.1%	£229,255,250	1,834
London	3.2%	£35,989,688	288
South East	3.4%	£39,108,422	313
South West	3.4%	£38,786,692	310
East Midlands	1.9%	£21,770,025	174
West Midlands	3.2%	£36,936,743	295
North West	2.2%	£24,782,437	198
Yorks/Humberside	0.3%	£3,648,695	29
Wales	0.2%	£2,054,694	16
Scotland	0.9%	£10,627,485	85
Northern Ireland	0.1%	£780,057	6
Europe	7.6%	£87,173,639	697
USA	2.6%	£30,197,675	242
China	2.3%	£26,664,342	213
Far East	2.6%	£30,189,939	242
Other	5.2%	£59,610,218	477
		£1,141,280,320	**9,130**

[1] Assumes an marine sector average turnover of £125,000 per employee

Source: Atkins

Method 3: Type 1 Employment Multiplier

A5.49 Applying a range of simple Type 1 multipliers provided by the Scottish Executive (Scottish Executive Statistics Input-Output Multipliers) enables a third estimate to be made of indirect employment (see Table A5.12).

Table A5.12 – Indirect Employees (First Round Supply Chain)

Area	Direct Jobs by Sector	Employment Multiplier	Implied New Jobs
Oil & petrochemicals	214	2.1	235
Marinas, berthing facilities or supporting services	1,861	1.3	558
Leisure activities located close to marinas/berthing	643	1.3	193
Cruise industry and supporting services	134	1.3	40
Defence activities (particularly naval);	11	1.1	1
Commercial port activities (containers);	273	1.8	218
Commercial port activities (Bulk cargo other than oil)	149	1.8	119
Commercial port activities (Ferry services, not cruise)	592	1.8	474
Commercial port activities (Cargo administration);	487	1.8	390
Transport logistics relating to ports;	970	1.8	776
Manufacturing - Ships, boatbuilding & repair	8,505	1.2	1,701
Manufacturing - Marine and related equipment	4,612	1.2	992
Marine services (Insurance, brokerage etc)	3,471	1.7	2,430
Fisheries	284	1.5	142
Minerals	51	1.6	31
Marine related education & research	29	1.1	3
Marine Related Retail	196	1.2	39
Other	2,508	1.5	1,254
	24,992		**9,596**

Source: Atkins

A5.50 Based on this method the number of new indirect jobs driven by the marine sector within the study area equates to 9,596.

A5.51 When applying this method, it is important to highlight that multipliers vary depending on the size of the study / impact area. Typically, the larger the area, the greater the multiplier will be as a higher proportion of supply expenditure is retained / recycled within the defined economy. Whilst the multipliers used in Table A5.12 are based on the Scottish economy, they provide one of the few reliable sources of detailed sector-based multipliers at the sub-national level (from input:output tables). Whilst the Scottish economy is larger than the Solent economy, there are reasons to suggest that the multipliers used can be reasonably applied for the purposes of this study:

- The aggregate multiplier implied by the sector multiplier used in Table A5.12 are comparable to those calculated for south Hampshire as part of the University of Portsmouth estimates of the economic impact of the Portsmouth naval base.

- The Solent is characterised by a network of relatively densely populated urban areas which include two major cities. Consequently, local supply linkages are more likely to be fairly well concentrated within the sub-region which will keep multiplier ratios relatively high. Moreover, the Solent marine sector is a well established cluster which includes a complex and well developed local network of suppliers and customers. Again, this tends to support relatively high multiplier ratios.

A5.52 Reflecting on the three approaches, estimates of indirect employment supported by the marine sector within the economic study area varies from 3,710 to 9,596. Consequently, we consider that a reasonable and relatively conservative estimate of around 5,000 should be adopted for the purposes of this study. Therefore, the estimates provided by method 1 (wage-driven assessment) is taken forward in this study (5,113).

Induced Employment

A5.53 In addition to indirect employment supported by the marine sector there will be a further level of induced employment, derived by income spent by direct and indirect employees within and outside the economic study area.

A5.54 To estimate induced employment, we have applied Type II employment multipliers by marine sub-sector (Type II multipliers estimate the ratio between direct employment and indirect + induced employment -source: Scottish Executive). Given that Type II multipliers provide estimates of indirect and induced employment combined, we have calculated the induced element by subtracting the Type I results (indirect only) from the Type II results (indirect + induced). Table A5.13 indicates that the induced effect within the economic study area amounts to over 8,000 jobs. Outside the economic study area, the induced element is estimated at approximately 2,500 jobs. This is provided by the application of the induced multiplier to the 7,583 indirect jobs supported in areas outside the Solent.

Table A5.13 – Induced Employees

Area	Direct Jobs by Sector	Employment Multiplier (Type II)	Implied Induced Jobs (Type II – Type I)
Oil & petrochemicals	214	2.9	172
Marinas, berthing facilities or supporting services	1,861	1.6	559
Leisure activities located close to marinas/berthing	643	1.6	193
Cruise industry and supporting services	134	1.6	40
Defence activities (particularly naval);	11	1.2	1
Commercial port activities (containers);	273	2.3	137

Commercial port activities (Bulk cargo other than oil)	149	2.3	75
Commercial port activities (Ferry services, not cruise)	592	2.3	296
Commercial port activities (Cargo administration);	487	2.3	243
Transport logistics relating to ports;	970	2.3	485
Manufacturing - Ships, boatbuilding & repair	8,505	1.5	2,552
Manufacturing - Marine and related equipment	4,612	1.5	1,314
Marine services (Insurance, brokerage etc)	3,471	2.0	1,041
Fisheries	284	1.7	57
Minerals	51	2.1	25
Marine related education & research	29	1.3	6
Marine Related Retail	196	1.4	39
Other	2,508	1.9	1,003
	24,992		**8,237**

Source: Atkins

A5.55 Table A5.14 summarises the total employment impact of Solent marine activities. This shows that the sector supports a total of 48,300 jobs of which 38,300 are within with the economic study area (excluding activities previously highlighted). This equates to approximately 8% of total employment in the area (assuming total employment of approximately 500,000). However, as previously highlighted earlier in this Section, these estimates exclude some specific but important marine related activities.

A5.56 Importantly, the comparison between employment and GDP impact demonstrates that the marine sector is a relatively high value activity that should be harnessed as part of SEEDA's target strategy focusing on 'smart growth'. Moreover, the sample of marine businesses analysed as part of this study indicated that average turnover per worker in the sector amounted to approximately £125,000. This compares to the regional average in the South East of £48,000 per worker for all employment sectors (source: Eurostat / ABI, 2005).

Table A5.14 – Solent Marine Sector Employment Summary

	Economic Study Area	Other Areas	Total
Direct Employees	24,992	-	24,992
Indirect Employees	5,113	7,583	12,583
Induced Employees	8,237	2,502	10,739
Total Employees	**38,342**	**10,085**	**48,314**

Source: Atkins

ECONOMIC IMPACT OF EXCLUDED ACTIVITIES

A5.57 Before proceeding with the remainder of our findings, we have made an indicative estimate of the additional economic impact likely to arise from the key activities which have been excluded for methodological reasons (explained earlier in this Section). It is important to highlight that the following estimates should be treated as broad approximations only. No statistical significance can be attached to the figures and are intended only to provide a means for ascertaining the overall scale of the economic impact of all marine activities in the Solent area. As with all economic impact studies, the figures provided are estimates and should not be regarded as precise measurements.

A5.58 It is important to highlight that the estimated additional impact of the excluded activities are based on information provided by previous studies (considered in Appendix 2) and data derived from the Annual Business Survey and Experian business database.

A5.59 Our calculations indicate that the excluded activities are likely to account for approximately an additional direct 15,000 jobs which would take total direct employment to around 40,000. Applying the average employment multipliers summarised in Table A5.14, this would bring total number of jobs supported locally be the marine sector to around 61,000. Overall, the total number of jobs supported in the Solent and beyond its boundaries may amount to approximately 77,000.

A5.60 Applying average turnover rates per employee, we estimate that the excluded activities would generate approximately an additional GDP of around £1.9 billion. This would imply a total marine related GDP of £5.5 billion. This represents approximately 27% of the total GDP of the Solent sub-region.

A5.61 For methodological consistency, the remainder of this appendix does not make estimates relating to the economic impact of the excluded activities.

CONTRIBUTION TO NATIONAL EXCHEQUER

A5.62 In addition the impact in terms of output and employment, the Solent marine sector also makes a significant contribution to the national exchequer in the form of taxes and other levies. Indicative estimates of this contribution area provided below.

Income Tax

A5.63 With an average annual wage of around £22,400 across the marine sector, we have assumed that the majority of employees the basic rate of income tax of 22% (applies to annual wages between £2,151 and £33,300). However, there will be a proportion of workers paying the high rate of income tax. However, in order not to over-estimate the sector's tax contribution, we have not made a separate measurement of high income tax payers.

A5.64 From our earlier assessments we know the total revenue attributable to wages, both within and outside the economic study area. Table A5.15 summarises the estimates of the income tax contribution which amount to a total of approximately £257 million.

Table A5.15 – Income Tax Contribution

	Total Wages	Income Tax Contribution [1]
Wages (Direct Employees)	£885,937,870	£194,906,331
Wages (Indirect Solent)	£114,520,366	£25,194,480
Wages (Indirect Elsewhere)	£167,339,937	£36,814,786
	£1,167,798,174	**£256,915,598**

[1] Assumes 22% income Tax Rate

Source: Atkins

National Insurance Contribution

A5.65 It has been assumed that the vast majority of employees are not self-employed and earn between £100 and £670, and therefore pay a National Insurance contributions of 11%. Estimates of the N.I. contributions from Solent marine employees are provided in Table A5.16.

Table A5.16 – National Insurance Contribution

	Total Wages	NI Tax Contribution [1]
Wages (Direct Employees)	£885,937,870	£97,453,166
Wages (Indirect Solent)	£114,520,366	£12,597,240
Wages (Indirect Elsewhere)	£167,339,937	£18,407,393
	£1,167,798,174	**£128,457,799**

[1] Assumes 11% NI Rate

Source: Atkins

Corporation Tax

A5.66 Based on our sample, we have estimated that 69% of businesses achieve profits of over £1.5 million. Therefore, it has been assumed that these businesses pay corporation tax on their gross profits at a rate of 30%. Other businesses are assumed to pay the lower rate of 20%. Table A5.17 summarises the corporation tax contribution which amounts to £286 million.

Table A5.17 – Corporation Tax Contribution

	Taxable Amount	Corporation Tax Contribution
Profits Taxable @ 30% [1]	£737,513,001	£221,253,900
Profits Taxable @ 20% [2]	£324,524,806	£64,904,961
Total Profits	**£1,062,037,807**	**£286,158,861**

[1] Assumes 69% of companies achieve over £1.5m profits
[2] Assumes 31% of companies achieve fewer than £1.5m profits

Source: Atkins

A5.67 Table A5.18 summarises the overall tax and levy contribution to the national exchequer arising from direct marine sector activity in the economic study area. This is shown to amount to approximately £671 million.

Table A5.18– Total Contribution to National Exchequer

Income Tax	£256,915,598
National Insurance	£128,457,799
Corporation Tax	£286,158,861
Total Contribution	**£671,532,258**

Source: Atkins

SUMMARY OF KEY QUALITATIVE BUSINESS SURVEY OUTPUTS

A5.68 The remainder of this appendix sets out the findings of the rest of the business survey, which largely focuses on qualitative issues.

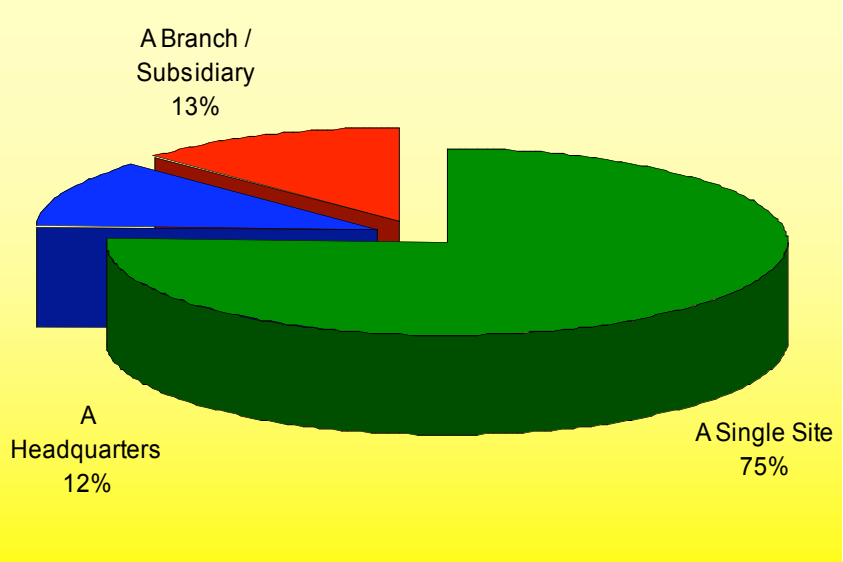
A5.69 The findings have been analysed by industry sector and company size, where appropriate. As previously mentioned, it should be noted that not all questions were answered by the entire sample and therefore, total responses vary from question to question.

Type of Business

A5.70 Respondents were asked to describe their type of business. As shown in Figure A5.1, 75% of businesses indicated that they are a stand-alone operation, 13% said they are a branch or subsidiary of a larger organisation with 12% reporting to be the headquarters of a wider company.

A5.71 The high proportion of stand-alone operations indicates the importance of relatively small businesses within the sector. It also demonstrates a high degree of industrial maturity which comes about from the development of a well established network of suppliers and customers. Finally, the high proportion of single site operations is an indication of a healthy amount of enterprise activity.

Figure A5.1 – Description of Type of Business

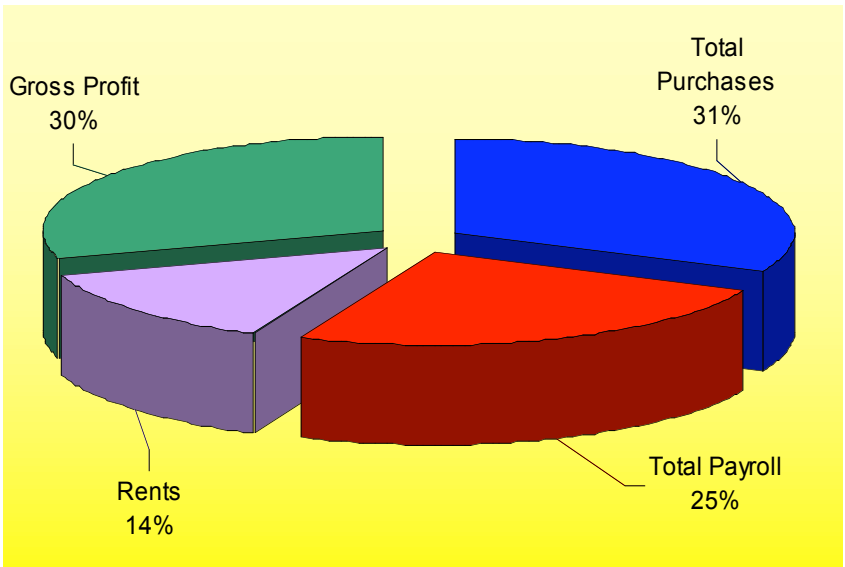


Source: Hill Taylor & Atkins

Financial Performance

A5.72 Respondents were asked what proportion of their annual turnover was attributable to total purchases, wages, rent and other costs, and gross profit. The results were weighted to ensure that the larger companies within the sample did not skew the results. The results are shown in Figure A5.2.

Figure A5.2 –Breakdown of Annual Turnover (Weighted by Value)



Source: Hill Taylor & Atkins

Supply Chain

A5.73 Manufacturing Components & Products, Fuel, Wholesale Retail Goods and business & Professional Services were cited as the types of goods and services most commonly purchased. Values from within the sample were weighted according to the size of business.

A5.74 Around 26% respondents cited 'other' key types of goods and purchases. These included a range of different goods which were too varied to effectively be recoded into the other groups. Examples of the types of goods and services included in 'other' were such goods including clothing, roping and wetsuits.

A5.75 From our estimates of the number of indirect jobs created by the marine sector, we have allocated these proportionally to each the types of goods and services (supply chain) purchased. (Table A5.19).

Table A5.19 – Types of Goods & Services Purchased (Weighted by Value)

Goods	Proportion of All Purchases	Implied Number of Indirect Jobs [1]
Manufactured Components & Products	21.6%	2,718
Fuel	9.3%	1,183
Wholesale Retail Goods	8.3%	1,044
Business or Professional Services	6.6%	830
Marina & Boatyard Services	5.9%	742
Commercial Port Services	4.5%	566
Logistics, Freight etc	3.8%	478
Financial & Insurance Services	3.0%	377
Retail - Other Goods & Services	2.4%	302
Marina Leisure Services	2.0%	252
Retail Services (High Street)	2.0%	252
Leisure & Tourism Services	1.5%	189
Other Transport Services	0.9%	113
Education & Research	0.8%	101
Construction Services	0.5%	63
Catering & Food	0.3%	38
Public Sector Services	0.2%	25
Other (not specified)	26.3%	3,309
Total	100.0%	12,583

[1] Based on our indirect employment projections (Tables A5.10 & A5.14)

Source: Hill Taylor & Atkins

A5.76 A high proportion of the suppliers to the marine sector are located within the economic study area (40.6%). Similarly, the sector's customer base is also concentrated to a significant extent within the Solent area. Hampshire & Sussex, London and the South West represent key supplier source markets and customer bases for the marine sector in the Solent (Table A5.20).

Table A5.20– Location of Suppliers & Clients (Weighted by Value)

Region	Proportion of all Purchases	Proportion of All Sales
Solent	40.6%	48.4%
Hampshire/Sussex	20.1%	16.3%
London	3.2%	3.4%
South East	3.4%	3.7%
South West	3.4%	4.6%
East Midlands	1.9%	0.8%
West Midlands	3.2%	2.0%
North West	2.2%	1.2%
Yorks/Humberside	0.3%	0.8%
Wales	0.2%	0.4%
Scotland	0.9%	0.2%
Northern Ireland	0.1%	0.0%
Europe	7.6%	7.7%
USA	2.6%	1.7%
China	2.3%	0.4%
Far East	2.6%	0.3%
Other	5.2%	8.0%
Total	100.0%	100.0%

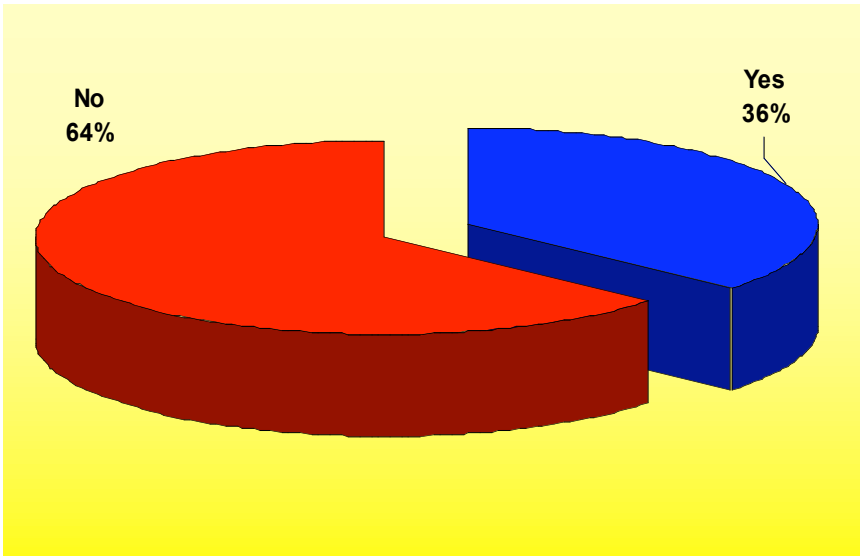
Source: Hill Taylor & Atkins

Workforce

A5.77 Respondents were asked whether their business is currently affected by any serious skills shortages. Around one third of all respondents (36%) said they were currently experiencing skills shortages (Figure A5.3).

A5.78 Between sectors, skills shortages were most keenly felt within the manufacturing (ships, boatbuilding & repair) sector where 48% claimed they were experience shortage.

Figure A5.3 – Skills Shortages



Source: Hill Taylor & Atkins

A5.79 When asked about the types of skills where there is a particular shortage, engineers was highlighted as the skill most in demand but least in supply. Indeed, nearly 60% of all respondents highlighted the shortage of this skill (Table A5.21)

Table A5.21 – Skills Shortages Identified by Companies

	Frequency Mentioned	% of Respondents
Engineering	100	57.5%
Administration	22	12.6%
Design	15	8.6%
Boat builders / Shipwrights / Sail makers	15	8.6%
Managerial	13	7.5%
Marine specific labour / Experienced personel / Technical knowledge	13	7.5%
Basic labour	9	5.2%
Machinist	9	5.2%
Woodworkers / Cabinet makers / Joiners	8	4.6%
Drivers	8	4.6%
Boat drivers / Skippers / Captains	7	4.0%
GRP laminators	4	2.3%
Basic literacy and numeracy	3	1.7%
Divers	2	1.1%
Sales / Marketing	2	1.1%

Young apprentices	1	0.6%
Butchery	1	0.6%
Catering	1	0.6%
Surveyors	1	0.6%
Responses	**234**	
Respondents	**174**	

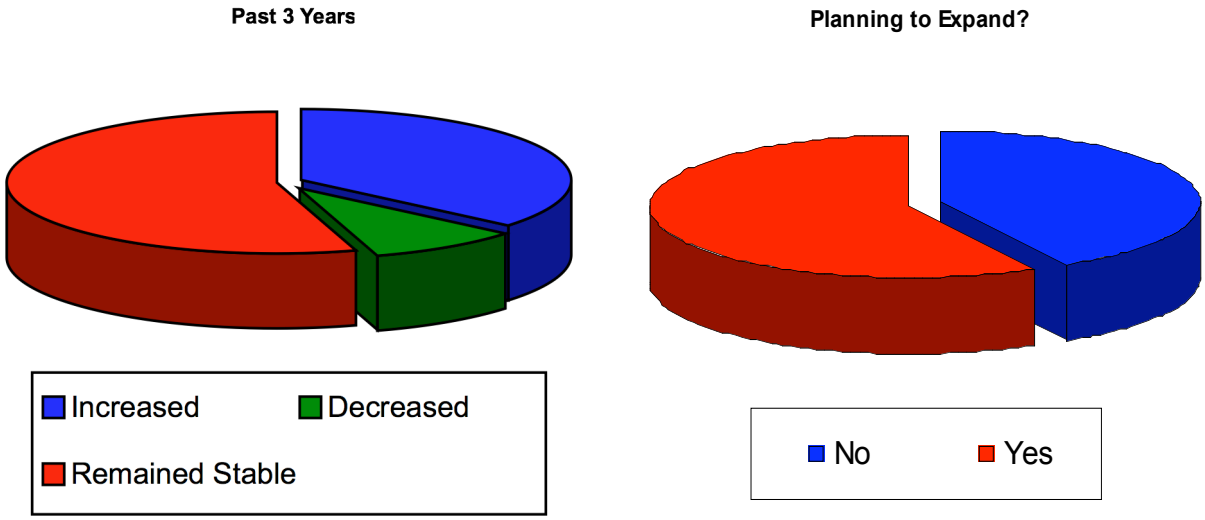
Source: Hill Taylor & Atkins

Future Growth

A5.80 Over the past three years more companies have increased in size (36%) than decreased (9%) in size. The remaining 55% of companies have remained relatively stable.

A5.81 Well over half of companies (58%) indicated that they intended to invest and expand over the next five years.

Figure A5.4 – Size of Workforce



Source: Hill Taylor & Atkins

A5.82 Of the companies that indicated that they intend to expand in the future, the most prevalent area of expected growth is set to be in workforce terms (60%). Machinery and equipment (32%) and land & property (30%) were considered other key areas of future planned growth (Table A5.22).

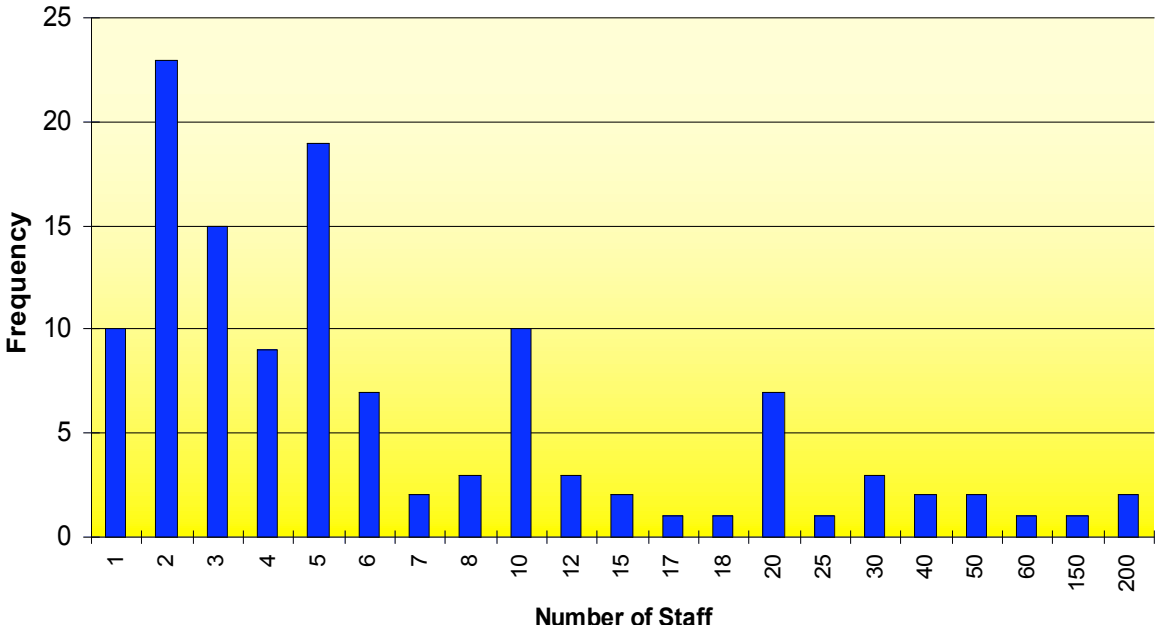
Table A5.22 – Planned Growth Areas for Expanding Companies

	Frequency Mentioned	% of Respondents
Workforce expansion	168	60.2%
Machinery / Equipment	90	32.3%
Land and property	84	30.1%
Skills and training	68	24.4%
Research & Development	41	14.7%
Marketing / Sales / More customers / Website	18	6.5%
Don t know	9	3.2%
General expansion in all areas	5	1.8%
Overseas expansion	4	1.4%
Open a new branch	2	0.7%
Energy efficiency	1	0.4%
Distribution channels	1	0.4%
Stock	1	0.4%
Responses	**492**	
Respondents	**279**	

Source: Hill Taylor & Atkins

A5.83 Of the 124 companies which stated their intentions to expand their workforce, the majority expressed a need for between 1 and 10 employees over the next five years (see Figure A5.5).

Figure A5.5 – Planned Workforce Expansion



Source: Hill Taylor & Atkins

A5.84 Of those companies that identified skills & training as a future area of growth, engineering/manufacturing/machinists together were highlighted as a key area for investment (52% of respondents) in skills and training (Table A5.23).

Table A5.23 – Details of Skills Required & Training Needs

	Frequency Mentioned	% of Respondents
Engineering / Manufacturing / Machinist	35	51.5%
Sales / Marketing	9	13.2%
Don't Know	9	13.2%
Boat / Ship building	5	7.4%
Administration	5	7.4%
IT	4	5.9%
Electrical	2	2.9%
Skippers / Captains	2	2.9%
Health & Safety	2	2.9%
Customer Services	2	2.9%
First Aid	2	2.9%
In house trained	2	2.9%
Welders / Platers / Coppersmiths	1	1.5%
Apprentice schemes	1	1.5%
Carpentry	1	1.5%
Commercial Diving	1	1.5%
Sea Survival	1	1.5%
Radio Operations	1	1.5%
Design	1	1.5%
Plant Handling	1	1.5%
Management / HR	1	1.5%
Surveying	1	1.5%
Responses	**89**	
Respondents	**68**	

Source: Hill Taylor & Atkins

A5.85 Of those companied that expressed an intention to invest in land and property over the next five years, the highest proportion of respondents (43%) indicated that they would need to relocate if they wanted to expand their operations physically (Table A5.24).

Table A5.24 – Details of Land & Property Needs

	Frequency Mentioned	% of Respondents
Relocation due to expansion	36	42.9%
Expansion on site	21	25.0%
Upgrade of premises on site	14	16.7%
Relocation due to need to upgrade premises	9	10.7%
Additional unit	3	3.6%

Don t know yet	3	3.6%
Relocation due to contraction	1	1.2%
Marina	1	1.2%
Responses	**88**	
Respondents	**84**	

Source: Hill Taylor & Atkins

Location

A5.86 All respondents were asked why they had chosen their current site to locate their business. The highest proportion of respondents (38%) claimed that being close to the waterfront was a key reason for their businesses location (Table A5.25).

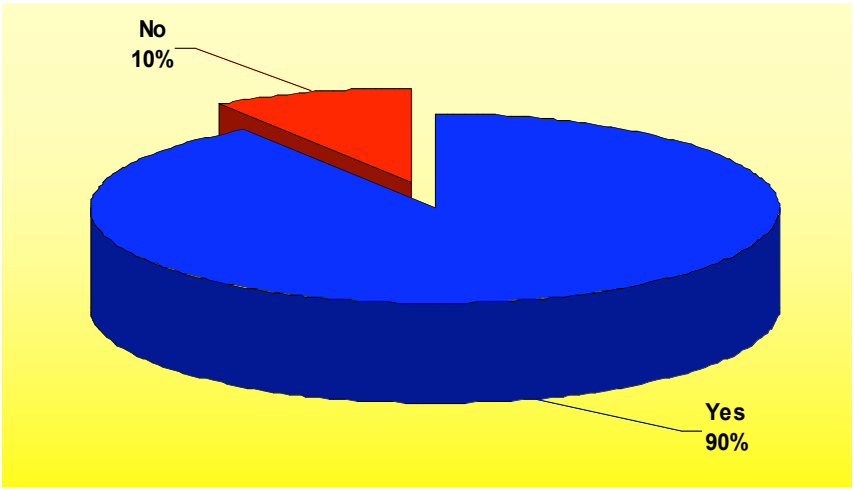
Table A5.25 – Reason for Current Location

	Frequency Mentioned	% of Respondents
Close to waterfront	183	38.1%
Appropriate type of premises	95	19.8%
Proximity to key clients / markets	92	19.2%
Affordable premises	79	16.5%
Proximity to other marine businesses	68	14.2%
Proximity to home / Work from home	64	13.3%
Good environment / quality of life	58	12.1%
Access to sea transport	50	10.4%
Access to road network	48	10.0%
Was already established here / Existing business	45	9.4%
Proximity to key suppliers	32	6.7%
Proximity to skilled workforce	31	6.5%
Access to rail network	28	5.8%
Don t know	8	1.7%
Central location	5	1.0%
No competition in the area	2	0.4%
Good access	2	0.4%
Good parking	1	0.2%
Responses	**891**	
Respondents	**480**	

Source: Hill Taylor & Atkins

A5.87 The majority of businesses surveyed (90%) considered that the Solent is a good, competitive location. (Figure A5.6).

Figure A5.6 – Good, Competitive Location?



Source: Hill Taylor & Atkins

A5.88 Of those respondents which consider the Solent to be a competitive location, being close to the waterfront was highlighted as the key contributory factor (43% of respondents). The other key factors included proximity to key client and markets (Table A.26).

Table A5.26 – Reasons Why it is a Competitive Location

	Frequency Mentioned	% of Respondents
Close to waterfront	187	43.1%
Proximity to key clients / markets	120	27.6%
Affordable premises	92	21.2%
Appropriate type of premises	89	20.5%
Access to road network	89	20.5%
Proximity to other marine businesses	81	18.7%
Access to sea transport	59	13.6%
Good environment / quality of life	58	13.4%
Proximity to key suppliers	49	11.3%
Access to rail network	38	8.8%
Proximity to skilled workforce	28	6.5%
Nothing specific / Don t know	6	1.4%
Responses	**896**	
Respondents	**434**	

Source: Hill Taylor & Atkins

A5.89 Of those respondents who said they were not in a strong location, the most prevalent reason (28% of respondents) for this was that their premises were expensive (Table A5.27). The next most important reason was congestion (17%).

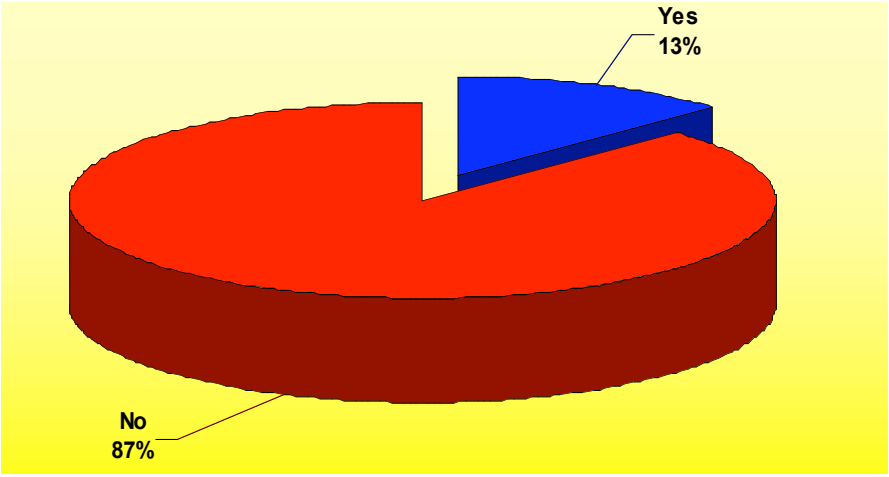
Table A5.27 – Reasons Why it is Not a Competitive Location

	Frequency Mentioned	% of Respondents
Expensive premises	13	28.3%
Congestion	8	17.4%
We have to be here / Don't know	7	15.2%
Lack of suitable sites and premises	6	13.0%
Lack of access to key clients / markets	6	13.0%
Not close enough to waterfront	5	10.9%
Lack of skilled labour / labour shortages	4	8.7%
Poor accessibility	4	8.7%
Lack of access to key suppliers	2	4.3%
Need more land	2	4.3%
We could operate from anywhere	2	4.3%
Poor environment / quality of life	1	2.2%
Proximity to competitors	1	2.2%
Expensive services	1	2.2%
Responses	**62**	
Respondents	**46**	

Source: Hill Taylor & Atkins

A5.90 Respondents were asked whether they had already tried to relocate or considered operating elsewhere, but had been unsuccessful or decided to remain at their existing premises. Only 13% of respondents claimed they had tried to re-locate in the recent past.

Figure A5.7 – Tried to Re-locate?



Source: Hill Taylor & Atkins

A5.91 Of those respondents that had tried to relocate, the highest proportion of respondents (33%) claimed they wanted to move within the same area or within a few miles of their current location.

Table A5.28 – Where respondents have tried to relocate to

	Frequency Mentioned	% of Respondents
Same area / Within a few mile radius	21	32.8%
Don't Know	8	12.5%
Larger premises / Suitable premises	7	10.9%
Have just relocated to here	3	4.7%
Southampton	3	4.7%
Portsmouth	3	4.7%
Chichester	2	3.1%
Gosport	2	3.1%
Bishops Waltham	1	1.6%
Chandlers Ford	1	1.6%
Dorset	1	1.6%
Fareham	1	1.6%
Eastleigh	1	1.6%
North England	1	1.6%
Midlands	1	1.6%
Overseas	1	1.6%
Southsea	1	1.6%
Swanwick	1	1.6%
Westcountry	1	1.6%
Weymouth and Portland	1	1.6%
Wolston	1	1.6%
Portland and Haslar Marinas	1	1.6%

SEEDA Development	1	1.6%
Responses/Respondents	**64**	**100.0%**

Source: Hill Taylor & Atkins

A5.92 Respondents were asked whether there were any other location-related issues that have impacted on their business. They most frequent responses to this question included poor access (38% of all respondents), expensive premises (35%), planning restrictions (33%), parking restrictions (33%) and small premises (26%).

Table A5.29 – Other Location-Related Issues Impacting Business

	Frequency Mentioned	% of Respondents
Poor access	32	38.1%
Expensive premises	29	34.5%
Planning restrictions	28	33.3%
Not enough parking	28	33.3%
Premises too small	22	26.2%
Traffic congestion	12	14.3%
Usage restrictions	11	13.1%
Area being turned into residential housing	10	11.9%
Area too rural	7	8.3%
Premises not suitable	6	7.1%
Not close enough to the waterfront	5	6.0%
Congestion / Overcrowding	4	4.8%
Environmental issues	4	4.8%
Harbour management	3	3.6%
High parking charges	2	2.4%
health and Safety issues	2	2.4%
Risk of flooding	2	2.4%
Lack of passing trade	2	2.4%
Lack of customers	2	2.4%
Water depth & tides	2	2.4%
Local council buying land and interfering	2	2.4%
Crime	2	2.4%
Boat mooring size	2	2.4%
No public transport	1	1.2%
Toll bridge	1	1.2%
Smell from re-cycling plant	1	1.2%
Inflexible landlord	1	1.2%
Increasing local workforce	1	1.2%
Lack of workforce	1	1.2%
Responses	**225**	
Respondents	**85**	

Source: Hill Taylor & Atkins