



***Thames Gateway London
Business Survey 2007
Findings***



THAMES GATEWAY LONDON BUSINESS SURVEY 2007

Gateway to London (GtL) recently conducted its first regional business survey, asking companies from across Thames Gateway London to tell us their views on the area.

The survey was sent out to companies from the many business sectors that can be found in the region, including manufacturing, logistics and creative industries. Our distribution process ensured that responses came from companies that GtL have not previously been in contact with, as well as those that we have worked with in the past. This guaranteed that we received a balanced response and could identify trends in views and opinions by location as well as sector.

The survey will now form part of GtL's regular intelligence and information gathering processes and will be carried out annually, so we can track the perceived progress of the region amongst our companies. This will also enable us to clearly see the work that needs to be done to continue improving the Thames Gateway London business offer.

Executive Summary

The survey was divided into three sections – the first asking about the company, the second asking for views on key issues in the region and the last feeding back firms' experiences of working with GtL.

In the first section, the questions elicited a very noticeable trend – diversity. There is a huge range of businesses based in the region. This includes everything from leading UK logistics and distribution companies to high-tech IT firms, and well known manufacturing and engineering businesses to major research and development enterprises.

There was also considerable variety of responses in terms of location and employee numbers, with businesses represented from all nine GtL boroughs, covering everyone from micro businesses to large multinationals.

The responses for this section also showed that over 50% of businesses surveyed have their roots in Thames Gateway London, having started up here and grown with the help of the many opportunities that are available throughout the region. This demonstrates the strength and stability of businesses in the region, as well as the vital investment that they are continuing to make to the local economy by employing generations of workers. GtL looks forward to helping continue this trend.

In terms of those companies who have relocated to Thames Gateway London, property availability was by far the most common reason behind their decision to locate here. Combining this with the breadth of sectors operating here, it is clear that one of Thames Gateway London's strongest advantages over other regions is the range of competitively priced buildings which appeal to a wide variety of businesses.

The survey then asked a series of opinion based questions, designed to gather valuable information about what companies in the region see as the benefits of being here, and what will be needed in the future to secure business growth. We were delighted that nearly three quarters of companies who responded said they were satisfied with their location and that just under half, the top answer, said that they think the region is getting better.

The responses here also revealed what business felt were the key issues to be addressed in Thames Gateway London. Transport connectivity was the most popular answer, with 56% of companies, the largest majority of all the opinion based questions, seeing it as crucial to businesses in the region. Also cited as important was the delivery of an overall strategy and vision.

The survey then went on to find out if companies thought transport infrastructure in the region was improving and what they think the priorities are for making things better. The responses were almost exactly a 50:50 split between 'better' and 'worse'. In terms of the scheme that would be most beneficial, a huge 37% of companies chose the Thames Gateway Bridge, with 16% selecting Crossrail. Six percent also made alternative suggestions such as regional road improvements, better suburban trains and a Blackwall Tunnel upgrade.

The third and final section was designed to find out how companies use GtL services, and how they found out about the agency. Interestingly, most businesses had found out about GtL through the media, while 14% had become aware of the agency through our events and networking programme.

There was also considerable variety in terms of GtL services that had been used by businesses, including relocation advice, property search and advice on financial assistance, demonstrating the very diverse requirements of the region's companies and the range and depth of support GtL offers companies.

And finally, we were delighted by the level of interest companies showed in receiving further news and information about GtL and our work in the region, as well as specific requests for support from our team.

Key Findings

- **66% of companies surveyed are either 'fairly satisfied' or 'very satisfied' with their Thames Gateway London location**
- **42% of businesses feel that the region is improving (top answer)**
- **70% of businesses who responded were set up in Thames Gateway London and have stayed in the region**
- **Thames Gateway London is a place for growth and stability – 51% of businesses have been here for over 16 years while 47% have been here for between one and 15 years**
- **43% say transport connectivity has improved in the last three years**
- **The Thames Gateway Bridge is the most important piece of new transport infrastructure for businesses (37%)**
- **A third of companies surveyed are looking to expand their business or move premises in the region**

Key Themes

- **A wide range of sizes, industries, ages, premises types and turnovers of the companies in the region**
- **Transport connectivity is the biggest issue for firms in Thames Gateway London**
- **There is an even split between companies who have leasehold and freehold premises**
- **There is a good knowledge of GtL amongst businesses (81%) and nearly a quarter have used the agency's services in the last five years**

Section A: Your Business

The first 12 questions in the survey asked about the types, activities and history of companies who are based in Thames Gateway London. We saw this as crucial to charting and analysing businesses based here and identifying trends indicating why companies have located or relocated here.

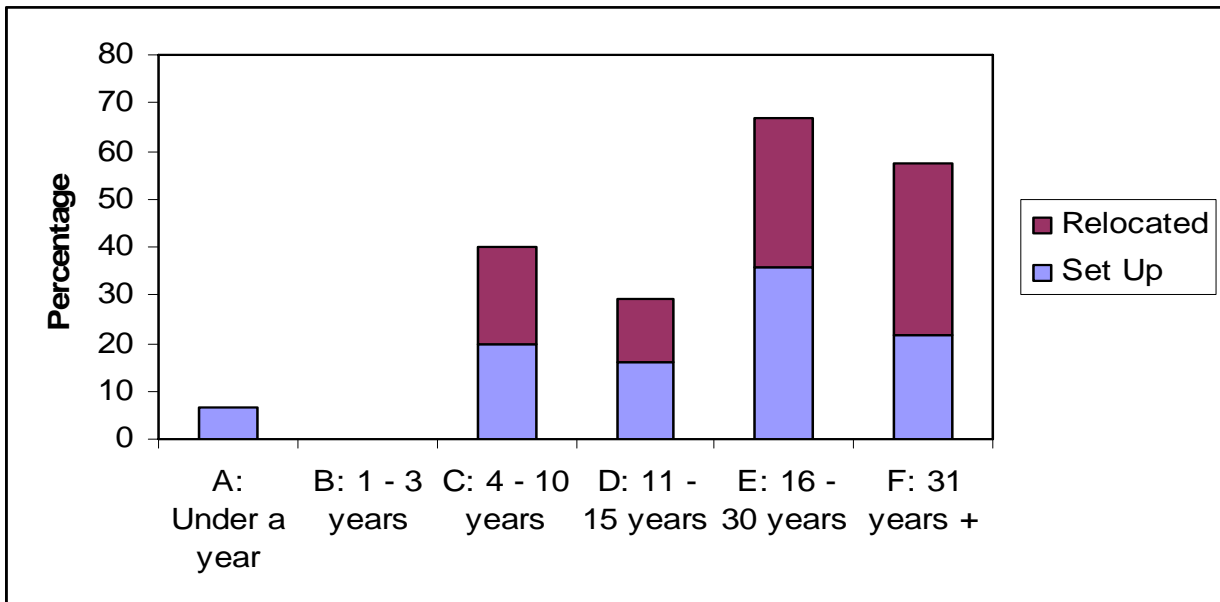
Perhaps the most revealing theme here is **diversity**. We gave respondents a choice of six industry sectors including logistics, building, manufacturing, research and development, financial and creative, but the greatest proportion of respondents, **32%, marked themselves down as “other”**. These covered a wide range of businesses including locksmiths, garden landscape designers, upholstery fabric wholesalers, cleaners for multinational companies, coach hire firms, modelling agencies and many more. This confirms GtL’s own knowledge of the extent and range of business types, as well as the different skills that we see in our work across the region.

This section also investigated how long companies had been operating in Thames Gateway London and whether they had started or relocated here. An overwhelming **70% of businesses said they had been set up in the region** while just over a quarter of companies (26%) said they had moved their business here. In terms of specific timescales, **51% have been here for 16 years or more** while 47% have been here for between one and 15 years.

The high number of “home grown” businesses is a fantastic endorsement of the region and of how companies have developed over the years.

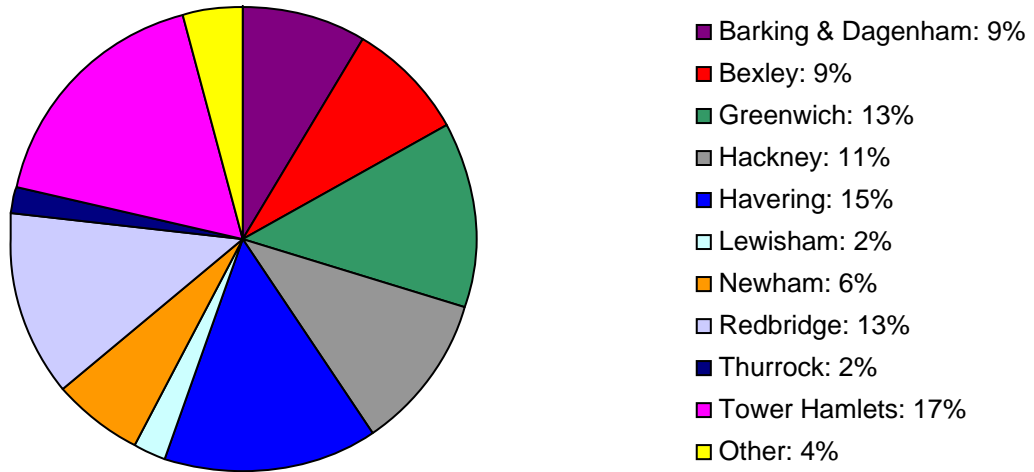
Alongside this figure, we were also encouraged to see a total of **36% of businesses have been here for 10 years or less**. These represent what might be called the “new” businesses to the area and are crucial to the ongoing growth of the regional economy. With more and more interest in the region, we would expect future surveys to show an increase in these businesses.

Length of operation of businesses in the region

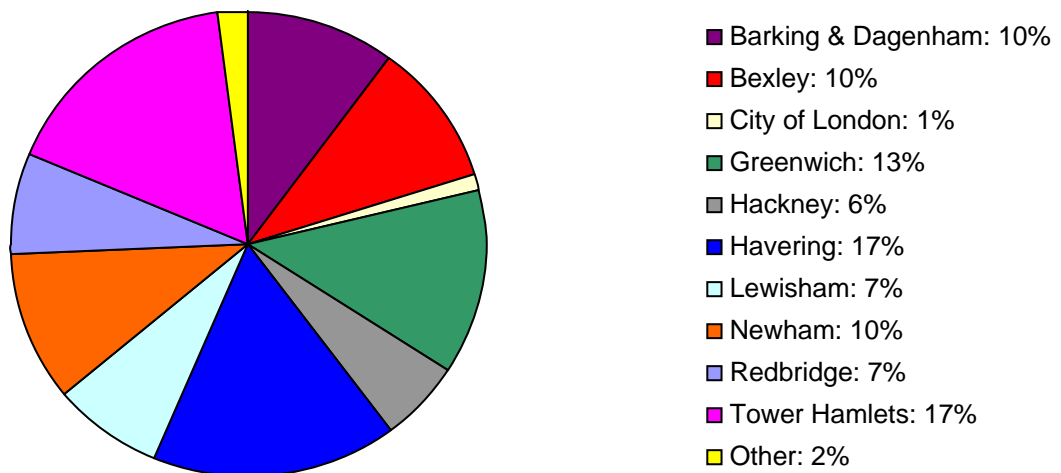


The questions also looked at **each GtL borough** and how many respondents to the survey were set up in, and relocated to, each of the relevant local authorities:

Businesses relocated in each borough



Businesses set up in each borough

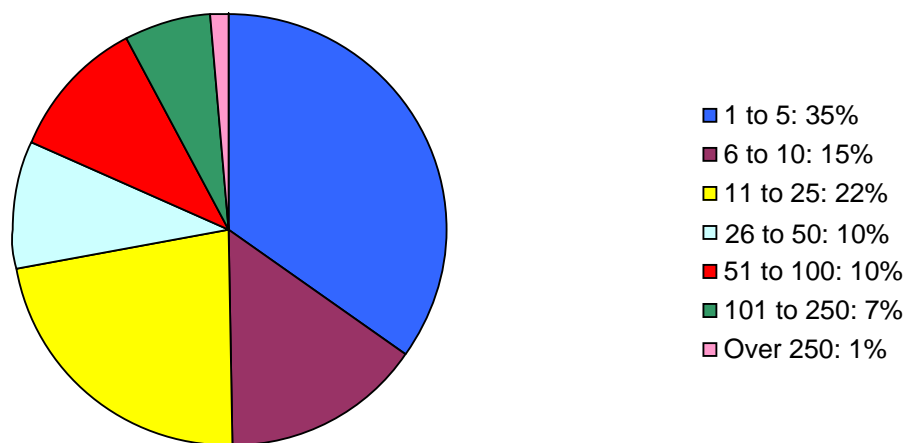


The survey pulled out interesting reasons behind companies' decisions to move to Thames Gateway London. A total of **20% said property availability and cost were key considerations** in moving here. This goes to show the Thames Gateway London region has the right premises at the right prices, and demonstrates that GtL are helping with the most vital part of their move and ensuring a steady flow of companies coming to the area. Access to customers came in third place with 4% of replies, while interestingly, 2% of respondents ticked all the answers – from transport to availability of skilled labour. This highlights the range of factors companies face when making a decision on location as well as signifying the huge business offer of the region.

Having found that Thames Gateway London companies are diverse, working across a wide range of sectors and varying from established companies to start-ups, the survey then looked at the size of

businesses based here and their annual turnovers. We were encouraged to see that the trend for variety does indeed spread to the size of companies based here in the region. By far the greatest response was **34% of respondents employing between one and five people** but beyond this there was a wide spread of answers.

Number of staff employed by businesses in the region



In terms of turnover, the **largest number of responses came from companies with between £1 million and £5 million**. Equal numbers of companies (10% each) said their turnover was between £0 and £100,000 or, at the other end of the scale, above £10 million. These results again demonstrate the great variety in the scale of companies based here – from small niche businesses, often providing goods, services and skills not found elsewhere in the region, to international companies whose Thames Gateway London operation may be one of dozens across the globe.

The survey went on to ask questions on business environment as well as the size and tenure of premises. One of GtL's key focus areas is assisting businesses in finding the right property and location, so it is important for us to understand the nature of the current mix. As GtL expected, the most popular answer here **(47%) was warehouse and/or industrial units** which also reflects the current high demand for these types of premises. In terms of square footage **more than half of the companies operate out of 5,000 square feet or less**. The answers to these two questions, coupled with the high level of firms with between one and five employees in the region further confirms the attractiveness of the region to smaller, niche firms operating out of flexible space, benefiting from good transport links and access to customers.

The answers to the question on tenure were some of the most even across the entire survey – **43% of companies said they lease their premises, while 42% said they own the freehold**. A total of 8% said they operate under licenses, which tend to be a more flexible way of working if a company only wants short term occupancy. The final 7% said they are either in serviced offices or 'other' types of tenure. These figures are particularly interesting given that historically, as GtL's own experience shows, the majority of businesses have held the freehold on their business premises. These figures do however show what is arguably, a growing trend of firms realising their freehold assets and opting for leasehold due to the current excellent value offered on rental rates in Thames Gateway London.

The last question on this section sought to gauge whether companies in Thames Gateway London were looking to move. This interestingly revealed that **a quarter of firms are currently actively looking to expand their business or move premises**. A further 10% are considering a move in the future. These figures are particularly encouraging and clearly show a buoyant market in Thames Gateway London, with businesses looking to the future and planning for growth and development.

Section B: Your Region – Thames Gateway London

The second section of the survey asked a series of opinion based questions, designed to gather valuable information about what companies in Thames Gateway London see as the benefits of being here, and what will be needed in the future to secure business growth.

The answers revealed that a considerable **66% of companies said that they are either ‘very’ or ‘fairly’ satisfied with their current location in Thames Gateway London**, while a fifth of companies, 19%, are neither satisfied nor dissatisfied, 8% are fairly dissatisfied and only 5% describe themselves as very dissatisfied. **Nearly half of businesses, the top answer, said that they thought the region was getting better.** This was a great response that demonstrates the strength and improving nature of the business offer of the region. We will be using these questions as key benchmarks for future surveys with the aim of charting the changing views on the region’s progress.

We were keen to investigate this answer further and analyse the geographical spread of the responses and why they may have responded in certain ways. We found there are three predominant areas which feel strongly that the region is improving; **businesses in postcode E (including Canary Wharf and Tower Hamlets) were most supportive, with 34% of companies there saying the area is improving.** Firms in postcode RM (including Dagenham, Romford, Havering) were second most supportive, with 24% of companies saying the area is improving. SE (for example SE8 or SE13) was the third most supportive of the wider region.

For the 30% of companies who believe the region is “getting worse”, we were interested to see that the same three postcode regions were again the top respondents. This time, E was top, with 28% of businesses saying the region is “getting worse”, and SE second with 24%, while RM was third, with 22% of respondents saying they feel the area is not improving.

What does this tell us about the region? When matched against local issues for these three postcodes, we can see that **transport, education and regeneration activity are clearly polarising business opinion.** So, what are the key issues in these areas?

In the postcode E area there has been **huge business growth over the previous decade**, particularly at Canary Wharf. Much of this growth has been finance and service based, and while transport links are good, they are starting to strain under the weight of commuters. Proposals such as Crossrail could do much to alleviate these issues.

Meanwhile for businesses in postcodes SE and RM, the **key transport issue is the proposed Thames Gateway Bridge. GtL supports businesses in their call for the Thames Gateway Bridge to be approved** and for plans to move forward; it is important to remember that the Bridge will not only benefit the local working population, but also the wider region and the south east as a whole.

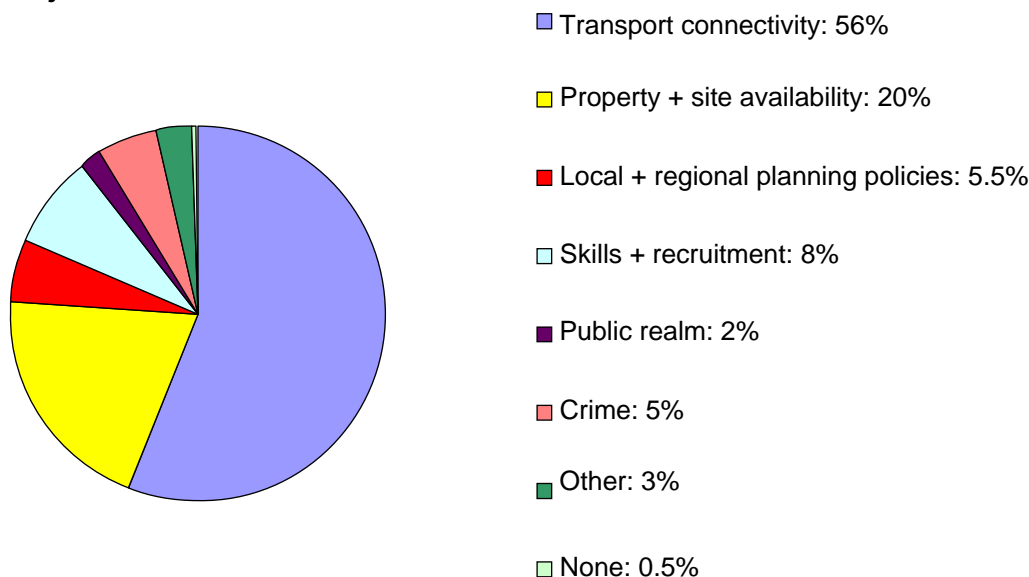
In RM a large number of companies supplying the London market rely on good transport connections and would greatly benefit from the bridge. This area of Thames Gateway London is also seeing widespread regeneration with the London Riverside, Barking Town Centre and Barking Riverside developments well underway. Meanwhile in SE, an area which includes Greenwich and Lewisham, a similar level of investment is going into regeneration and development amongst which are the Royal Arsenal scheme in Woolwich and the Greenwich Peninsula which is certain to attract further investment to the area. Transport for London claims the bridge could cut journey times between Beckton and Thamesmead by as much as 75%, and it is not just companies themselves who would benefit – employment opportunities and access to new and existing markets would be massive as the barrier of the River Thames was ‘removed’.

The next question asked for specific comment on contributing factors to the region getting better or worse. **From the businesses who said they feel the area is improving, most referred to transport schemes and the 2012 Olympics.** Some representative quotes about why the area is getting better include; “Transport developments” and “The new station and Eurostar connection at Stratford”. Bus and train links improving access for employees also featured, as did the “Olympics and the Thames Gateway Project”. Other insightful comments included “Investment in new housing and redevelopment” and “London is moving east! Also the galvanising effect of the 2012 Olympics and Paralympics”. “Shoreditch is an up and coming area still. It is young and vibrant”.

In terms of the **businesses that feel the area is ‘getting worse’, planning and transport featured highly.** “Poor planning by highways departments and failure to listen to concerns and problems” summed up several companies views, while logistics companies in particular felt that while their industry is booming, infrastructure is not necessarily keeping up; “Higher volumes [of traffic] being moved, especially activity on the A21/M25 axis which is reaching unmanageable volumes. Present infrastructure totally unable to cope.” Further comments included “Lack of support by the local authority” and “Transport, Crime, Red tape”.

To follow this question we asked respondents to rank the issues for businesses in Thames Gateway London in order of importance.

Major issues for local businesses



Considering the high proportion of Thames Gateway London companies based in logistics and manufacturing, therefore with products to deliver, it was not surprising to see that an overwhelming **56% said transport connectivity is the most important issue faced by businesses.** There are a number of aspects of concern to companies here. Transport is not only vital for distribution of raw materials and products to market, it can also have a serious impact on recruitment and retention of staff. Commuter infrastructure is receiving a boost through schemes such as DLR expansions, but demand is only set to grow as transport connectivity improves, with the proposed Thames Gateway Bridge and Eurostar services which will link central London, the Thames Gateway and the continent from November 2007.

Meanwhile a fifth of respondents said that property and site availability was the most important issue for them, revealing the growing demand for a wide range of business locations, from companies new to the region as well as those already here and looking to expand or upgrade their work space.

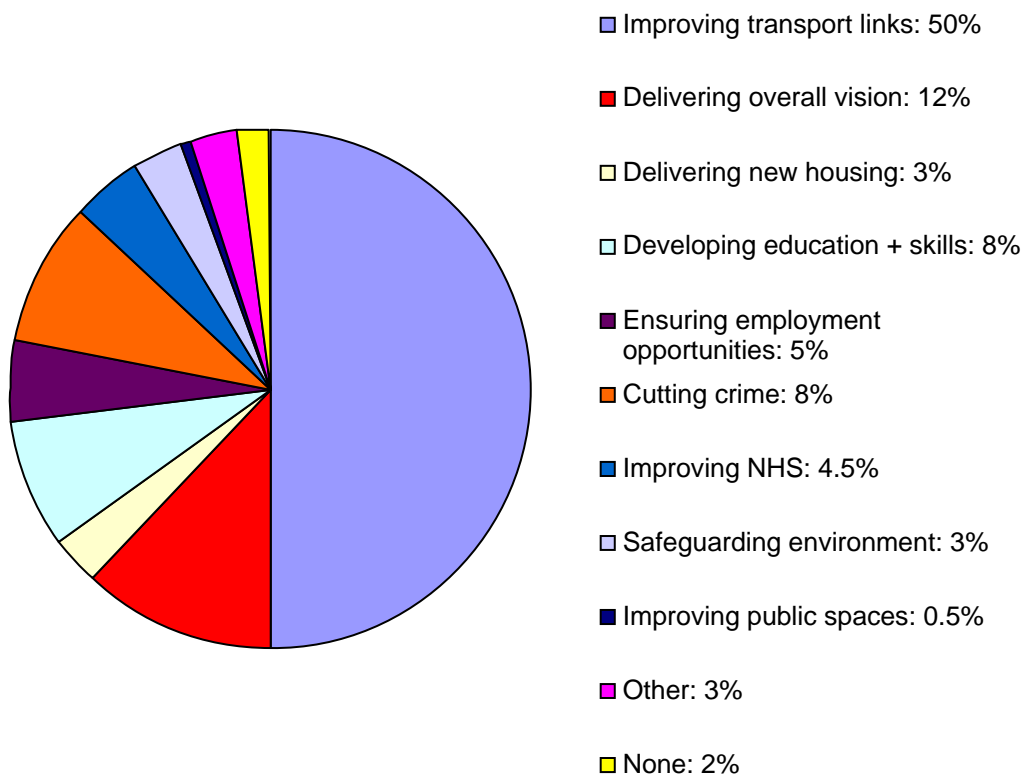
Developing skills and recruitment was the third most popular answer in the survey indicating that this is still an important issue for the region. However, the gap between second place (property

and site availability) and skills was significant (12%) which is perhaps a demonstration that progress in this area has been made with the wide range of skills training courses available in the region, combined with the high incidence of specialist colleges and innovation centres. This result may also be affected by the type of companies who responded to our survey. For example, niche firms such as the 34% of respondents who said they employ one to five people, often supply on the job training specific to the skills needed while working in that particular industry.

Other answers to our question on key issues included 5.5% of companies citing local and regional planning policies as areas of key importance, and of course, being part of a major regeneration area such as the Thames Gateway, planning policies will have a far reaching impact as the region develops.

We then asked businesses to rank what they thought were the key issues in Thames Gateway London that Government needed to address. Again, the answers here were dominated by transport and improving links in and out of the Thames Gateway London region. Exactly **half of companies feel the key issue for central Government is to improve transport links**, and interestingly, **12.5% said the Government needs to deliver an overall vision for the area**. There has been considerable debate for some time now on the way forward for the Thames Gateway and GtL supports the work that the Department for Communities and Local Government is now doing to achieve a consensus on this. We are sure that responses to our 2008 survey will reflect the high volume of work currently underway across the region.

Most important issues in Thames Gateway London for Government to address

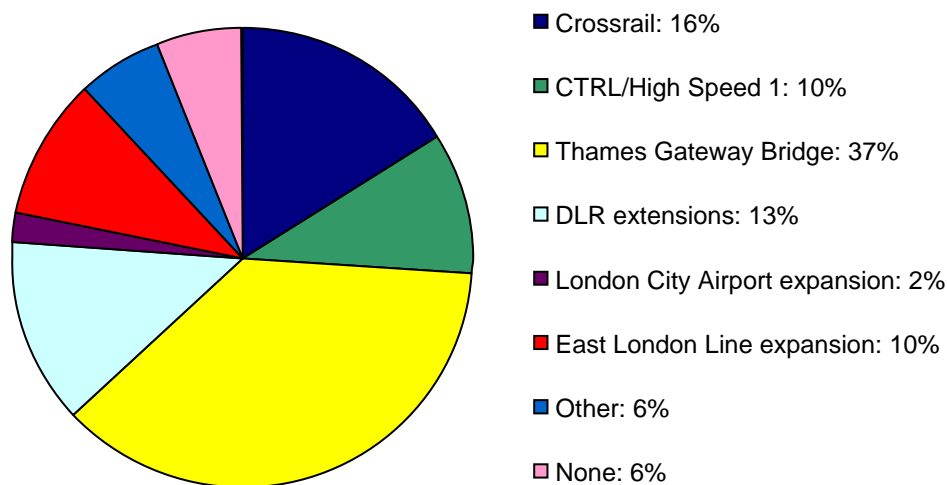


As with the previous question, **developing skills (and education) came in as the joint third most popular answer tied with cutting crime**. This was however again a significant leap down from the second placed answer and hopefully reflects the considerable investment made in the region to improve access to education. Other answers here included comments focusing on support for business growth and investment such as “looking after established employers and keeping jobs in the area”, “tax breaks for start-ups to reduce bankruptcy” and “stimulating private sector investment”.

With the expected strong focus on transport connectivity and infrastructure from businesses, GtL had therefore prepared two follow up questions specifically on this issue. Firstly we asked respondents to **assess the changes to transport infrastructure in the region in the past four years** and were pleased to see that **43% of businesses believe that transport infrastructure has improved since 2003**. A third of companies in the region said they believe transport and access to it is getting worse and over 20% said they feel infrastructure has not changed much. This is another key 'benchmarking' question which will continue to feature in our annual business survey. We therefore matched the locations of companies against their comments on transport improvements, which revealed some interesting trends; more companies from areas like Whitechapel, Shoreditch, Mile End and other areas of Hackney felt transport was getting better, as did companies from Dagenham, Rainham and Hornchurch. This could reflect the local transport improvement programmes recently carried out in those areas, such as work to upgrade the A13. In Greenwich and Woolwich, more companies felt transport was getting better than worse, and in places like Bexley and Thamesmead it was about equal.

The second transport related question asked **which of the following proposed transport schemes in the region would be most beneficial to businesses**. Sixteen percent of businesses said Crossrail and 13% DLR extensions across the region but the **top answer was unsurprisingly the Thames Gateway Bridge with 37% of businesses saying that it was the most important scheme for their company**. Despite this strong backing, the Government has recently announced that the bridge plans have been deferred and that the inquiry into the viability of the bridge will be reopened. With such a strong message from business, GtL will of course continue to support the proposals and convey to policy makers that the bridge is of vital importance and offers widespread benefits for both business and the region as a whole.

Proposed transport schemes of most benefit to businesses



While the Bridge and Crossrail are both still being planned, the new **Channel Tunnel Rail Link to Stratford and King's Cross**, a project nearing completion, was the key scheme for 10% of businesses. Meanwhile, it was also interesting that just behind this in popularity (9% of respondents) was the **East London Line extension**, which will link the western most part of Thames Gateway London with other transport modes, such as the Underground, DLR and overground network. This shows that businesses see their future success is as much based on improvements to local transport infrastructure as it is on national and international.

Again, it will be very interesting to chart the views of businesses on transport in the years to come, particularly as so many of these schemes have the potential to be approved and delivered in the next five to 10 years. GtL gave evidence at the Thames Gateway Bridge inquiry in support of the

scheme and is a key backer of Crossrail. We will also continue to lobby hard for local transport improvements for businesses across the region.

Section C: Your business supporter – Gateway to London

The last section in the survey sought to find out the level of awareness of GtL, as well as which of our services businesses have used in the past. We were very encouraged that **80% of businesses who responded were aware of GtL**, particularly as we had made a conscious effort not only to focus on a wide range of sectors and locations but also to ensure we did not only contact companies we had worked with in the past.

Of those who knew of GtL, 28% said this had come through the media while **14% of firms had come across GtL through an event held by the agency or a conference**, seminar or similar networking opportunity. This is another of the questions which we will ask next year – to inform how we use events, the media, networking and direct contacts, to reach our key audiences.

Thirteen percent knew GtL through a direct approach, 14% said ‘other’, which we will ask for further comments on in next year’s survey, and 9% said the Internet.

Almost **20% of businesses surveyed have used GtL’s key services** – property searches and introduction to financial assistance. Others have taken offers of help in forging links with other business support services, or in taking relocation advice, ready for when they are in a position to move. Again, this is one of the questions we will be asking in the future to assess how local companies are using our services.

Thank You

Thank you to all those who took the time to fill in the survey – we had a fantastic response and the results made for very interesting reading. Many of your answers have strengthened GtL’s own views on major issues, and we have gathered some valuable information that we, as your inward investment agency, can act on.