



**LIVERPOOL BUSINESS SURVEY
FOUNDATIONS FOR GROWTH 2010-2011
REPORT**

DECEMBER 2010

PREPARED BY 2020 RESEARCH LIMITED

26 Bridge Street, Penistone, Sheffield, S36 6AJ
Tel: + 44 (0) 1226 767120; Fax: + 44 (0) 1226 767130

North House 1/2, Bond Avenue, Bond Estate, Milton Keynes MK1 1SW
Tel: + 44 (0) 1908 277700; Fax: + 44 (0) 1908 277799

e-mail: bpeters@2020research.co.uk
kpowlesland@2020research.co.uk



CONTENTS

	Page
Section 1 : Executive Summary	3
Section 2 : Analysis At An All Liverpool Level	11
Business Satisfaction Index	12
Impact Of The Recession	13
Prospects For Growth	16
Business Planning	18
Liverpool As A Place To Do Business	19
Satisfaction With Premises And Future Needs	22
Skills Gaps	25
Training And Retention	26
Relationship With Universities	27
New Products And Process Innovation	28
Liverpool Brand And International Trade Links	29
Section 3 : Analysis At An Area Level	30
Business Satisfaction Index	31
Impact Of The Recession	33
Prospects For Growth	35
Liverpool As A Place To Do Business	37
Satisfaction With Premises And Future Needs	39
Skills Gaps	40
Training And Retention	41
Relationship With Universities	42
Liverpool Brand And International Trade Links	42
Section 4 : Analysis At A Sector Level	43
Business Satisfaction Index	44
Impact Of The Recession	45
Prospects For Growth	47
Liverpool As A Place To Do Business	49
Satisfaction With Premises And Future Needs	51
Skills Gaps	52
Training And Retention	53
Relationship With Universities	54
Liverpool Brand And International Trade Links	54
Appendix Map of Liverpool Areas	55

SECTION 1 : EXECUTIVE SUMMARY



Objectives

The Foundations For Growth (FFG) survey is undertaken annually by Liverpool Vision to track the opinions of businesses across the city. The research explores overall opinions of Liverpool as a place to do business and measures levels of satisfaction with a range of factors affecting the business environment.

The FFG survey 2010/11 also examines the impact which the recession has had on businesses, the steps they have had to take to get through the recession, and their views on prospects for business growth in the short and long term. It reviews satisfaction with premises, likelihood of businesses to remain based in the city, attitudes to recruitment and retention, perceptions of workforce skills and training requirements.

The 2010/11 research was undertaken for Liverpool Vision by 2020 Research. The report provides analysis of this year's survey for the city in total, and at area and sector level, with comparisons made against the previous survey in 2009/10.

Sample for the survey was drawn from a database provided by Business Link (extracted from Experian's business database), which provides the most comprehensive record of all businesses in the Liverpool area. Businesses in the public sector, hospitals, educational establishments, places of worship and charity/voluntary bodies were excluded. In total 855 interviews were undertaken, with fieldwork taking place between 18 October and 12 November 2010.

Interviews were conducted with the most senior manager at each site. No referrals were made to head offices, since it was important for the survey to maintain a local perspective.

Quotas were applied to the different areas of Liverpool in order to ensure a sufficiently robust sample within each neighbourhood management area. 353 interviews were completed for the Centre, and at least 100 for each of the other five areas – Alt Valley, Eastern Link, South Central, South Liverpool and North Liverpool.

Quotas were also set by sector and by business size (number of employees). Final results were weighted to reflect the geographic, sector and size profile of the total Liverpool business population.

Section 2 of this report provides an analysis of the data at an all Liverpool level. Section 3 then analyses the data by geographic area, and Section 4 provides an analysis by industry sector grouping. The Rest of the city grouping combines the data from the five areas outside the Centre. The sector groupings used are Business services, Finance, Hotels and restaurants, Manufacturing, Other services, Retail and wholesale, and Construction and transport.

Conclusions

Key messages

BSI rating has been sustained during the recession: The Business Satisfaction Index remains reasonably strong at 6.78, only marginally lower than last year's rating of 6.81. Workforce quality and skills is a critical factor and has increased further in its importance to businesses.

Ratings of Liverpool as a place to do business have improved and are particularly positive among larger sized enterprises: The overall rating of Liverpool as a place to do business has increased (in the latest survey, 67% give a score of 4 or more out of 5, compared with 59% in 2009/10). Underpinning the positive attitudes, there is still a strong emphasis on the city having a vibrant and thriving image, and being backed by a strong community spirit. Significant also is the investment which has been made into the city through redevelopment and regeneration, and the support for local businesses.

Cuts in staff numbers, reduced staff hours and salaries have been required by many businesses, in addition to other cost-cutting measures, in order to get through the recession: Around a third of businesses say they have already reduced staff hours, and a similar proportion have cut permanent staff. Around one in five have reduced salaries or cut contractors. Half say they have cut other costs.

There is a significant concern about the further adverse impact on businesses from reductions in public sector spending: 35% claim the reduction in public sector spending will have a large impact on their business and a further 35% that it will have a small impact.

While having been able to survive the last year, businesses are less certain now how to deal with the continuing impact of the recession: Only 32% agree strongly that they know now how to handle the impact of the recession, compared with 49% in 2009/10.

Businesses are more likely to curb investment in the next two years and are less confident that their business in Liverpool will grow over a five year time horizon: The proportion who agree strongly or tend to agree that they will scale down planned investment in Liverpool over the next two years has increased from 27% to 38%. The proportion agreeing strongly that they expect to see their business in Liverpool grow in the next five years has fallen from 61% to 40%.

Where there is a belief that businesses can grow, this is founded on the ability to compete more successfully within the existing market, rather than an expectation of underlying growth in the local economy or sector: Reasons given for believing growth can be achieved reflect an increased emphasis on the ability to compete effectively and increase customer numbers, and confidence in the quality and skills of staff. By contrast fewer people mention sector growth or growth in the local economy.

Quality of workforce, Cost of premises and Cleanliness are factors which have assumed increased importance for Liverpool businesses: All these factors have received a higher importance rating this year. Quality of workforce ratings improved slightly, but there is felt to be a need for more skills development. In particular IT and technical skills are mentioned more frequently this year as skills which need to be strengthened. There is also a continuing need to improve customer handling and team-working skills.

Adoption of the Liverpool brand can be improved: Awareness of the Liverpool brand has now risen to 64%, and adoption has doubled from 4% to 9%. Adoption of the brand remains significantly weaker among Hotels and restaurants and Retail and wholesale businesses.

Conclusions

Drivers for Change in the Business Satisfaction Index

The Foundations For Growth (FFG) research includes the generation of the Business Satisfaction Index (BSI). The BSI is a calculation which takes into account importance and satisfaction levels for a broad range of indicators. A final score for satisfaction is generated, taking into account the relative importance of each component. (Further information on the BSI methodology is provided in the Technical Report.)

The overall BSI score for Liverpool in 2010/11 showed only a fractional decrease, from 6.81 in 2009/10 to 6.78 in 2010/11. Ratings of Liverpool as a place to do business improved significantly in 2010/11, with 67% giving the city a rating of 4 or 5 on a five point scale - an increase of 8% over the previous year.

Perceptions of the city are noticeably stronger among larger businesses. 77% of businesses with 20 or more employees gave the city a rating of 4 or 5, compared with 63% of businesses with 1 - 4 employees.

There were significant differences in the way the BSI score changed year on year between geographic areas. There was a substantial improvement in the overall BSI score for South Liverpool (6.44 to 6.85), with smaller increases for North Liverpool and South Central. The BSI score fell however for the Centre, and for Alt Valley and Eastern Link.

There are eight component variables which form part of the BSI – Cleanliness, Safety in the city, Quality of premises, Cost of premises, Transport and accessibility, Quality and skills of the workforce, Local authority services, and Support and training for businesses.

The most important of these attributes, which has a pronounced effect on the overall BSI score, is Quality and skills of the workforce. This attribute has increased further in importance over the last year, reflecting the high emphasis placed by businesses on performance of their staff as a key factor which will help drive any potential growth.

Ratings of Quality and skills of the workforce have experienced a sizeable change over the last 12 months. In the Centre, ratings have fallen quite sharply, from an average score of 8.41 in 2009/10 to 8.08 in 2010/11. Areas where businesses in the Centre feel that workforce skills need to be strengthened are IT and technical skills (in common with the rest of the city), with also relatively more need seen to improve on customer handling, management, team working, oral communication and problem solving skills.

For the Rest of the city, ratings of Quality and skills of the workforce improved in South Liverpool, North Liverpool and Alt Valley. Ratings were weaker in Eastern Link, and among the particular requirements in that area, there was a specific need for better technical skills.

Cost of premises also assumed a higher level of importance in 2010/11, but ratings of performance in this area weakened compared with last year, perhaps reflecting the increased financial pressures which businesses are suffering. Ratings for Cost of premises are weakest for businesses in the Construction and Manufacturing sectors.

The relative importance of Business support and development as a driver decreased compared to last year, perhaps reflecting greater focus on short term business management.

Conclusions

Impact Of Recession And Prospects For Growth

Many businesses have already had to take serious steps to get through the recession. 34% say they have had to reduce staff hours; 29% have cut permanent staff; 23% have reduced salaries; 18% have cut contractors and 20% have cancelled proposed investments.

Despite the UK technically being out of recession, only 29% of Liverpool businesses believe that the UK economy is now in recovery. Perceptions about the economy vary significantly by sector. Areas which are most positive about prospects are Finance and Hotels and restaurants. These two sectors also are most confident in knowing how to handle the impact of the recession on their business. Least confident on how to handle the impact of the recession are those working in Business services or Other services.

There is widespread concern about the potential impact which cuts in public sector spending may have on businesses. 35% see this as having a large impact on their business, with a further 35% saying it will have a small impact. Those in the Business services and Other services sectors have the greatest level of concern.

There is still considerable uncertainty about how to handle the enduring influence of the recession. Businesses are generally less clear now on what they need to do than they were a year ago. Only 32% agree strongly that they are clear how to handle the impact of the recession on their business, compared with 49% in 2009/10.

As businesses remain uncertain about the future of the UK economy, there is an increased tendency to scale down planned investment in Liverpool (38% agree that they will, compared with 27% in 2009/10). There is also a weakening in business expectations of long-term growth prospects, with only 40% agreeing strongly that they expect their business in Liverpool to grow in the next five years, compared with 61% in 2009/10.

Attitudes to recovery of the UK economy and perceptions about their own long-term growth are stronger in each case among businesses in the Centre, compared with those in the Rest of the city.

Liverpool As A Place To Do Business

Ratings of Liverpool as a place to do business have improved on last year, with 67% rating the city as 4 or 5 on a five point scale, compared with 59%.

Larger businesses are significantly more positive about Liverpool than smaller enterprises with 1-4 employees. Those in the Finance sector are particularly positive about Liverpool as a place to do business.

Positive attitudes towards the city continue to be influenced by its vibrant and thriving atmosphere, and by the strong friendly community spirit. An important additional element influencing attitudes is the level of financial investment which has been made in the city, in redevelopment and regeneration, and the support provided for local businesses.

Awareness of Liverpool Vision is generally quite strong. Businesses within the Centre are much more likely to have contacted Liverpool Vision (30% cf. 18% for the Rest of the City), and contact is more likely to come from those in Business services and Other services (and less likely from Hotels and restaurants, Retail and wholesale and Construction).

Conclusions

Satisfaction With Cost And Quality Of Premises

Ratings of the Cost of premises are weaker than in 2009/10. At the same time, the relative importance of Cost of premises has increased in importance, suggesting that this is becoming a more salient issue for Liverpool businesses. This is a logical consequence of the extended economic downturn, with all business costs coming under increased pressure. Perceptions of the Cost of premises are fairly similar across all geographic areas, but ratings are worse within the Manufacturing and Construction sectors.

Ratings for the Quality of premises showed no significant movement from last year's level.

Only 19% of businesses said they were expecting to change their business premises in the next five years (slightly less than the level reported in 2009/10 of 25%).

Among those who would consider relocating, the vast majority (80%) would plan to stay within Liverpool. Around half of these would be looking to move within the Centre, with 14% considering South Liverpool.

Only 9% of those thinking about a possible move say that they would move outside the Liverpool area, with 11% uncertain as to where they would relocate.

The current information and communications infrastructure of businesses is still rated reasonably well (59% giving a score of 8 or more out of 10, compared with 57% in 2009/10). 51% thought that faster broadband speeds would have an impact on the efficiency of their business (25% a large impact, 26% a small impact).

Skills Gaps And Training

Quality and skills of the workforce are a key element highlighted by many businesses as underpinning their ability to grow their business in the next couple of years. Quality and skills of the workforce has duly increased in its overall importance rating as part of the BSI indicators.

The nature of the skill areas which businesses feel need to be developed has shown a change, with increased importance being placed on IT and technical skills. These areas are important across all sectors, but particularly so for businesses in Finance and Business services.

Other areas where skills need to be developed are in customer handling, management, team working, oral communication and problem solving. Customer handling and team working skills are of prime importance for businesses in the Hotels and restaurants sector.

Levels of training undertaken by businesses have decreased slightly (falling from 62% in 2009/10 having trained staff in the last 12 months, to 57% in 2010/11). Businesses are still aware of how to access on and off the job training, so the reduction is likely to have been driven by cost considerations.

Conclusions

Relationships With Universities

Linkages between businesses and local universities remain concentrated among those in the Centre, and are focused on companies in the Business services and Other services sectors.

Most of the links which do exist are through student placements (52%) or through graduate recruitment (27%).

36% feel that their business could benefit from closer links with local universities, but for the majority, the focus of their thinking is looking at university students as potential customers, or thinking about their business as a potential supplier to the universities. Only 16% refer to knowledge transfer partnerships, and just 14% to co-operation for R&D.

Liverpool Brand And International Trade Links

Awareness of the new Liverpool brand and logo has increased from 28% in 2009/10 to 64% in 2010/11.

9% of all businesses have adopted the logo in 2010/11, compared with 4% in 2009/10. Those most likely to adopt the logo are businesses in the Other services sector (24%), while least likely to do so are Hotels and restaurants and Retail and wholesale (each 7%).

66% of all Liverpool businesses said that they were aware of Liverpool's presence at the World Expo in Shanghai in 2010, and 2% said that someone from their company had attended.

Conclusions

Key Regional Variations

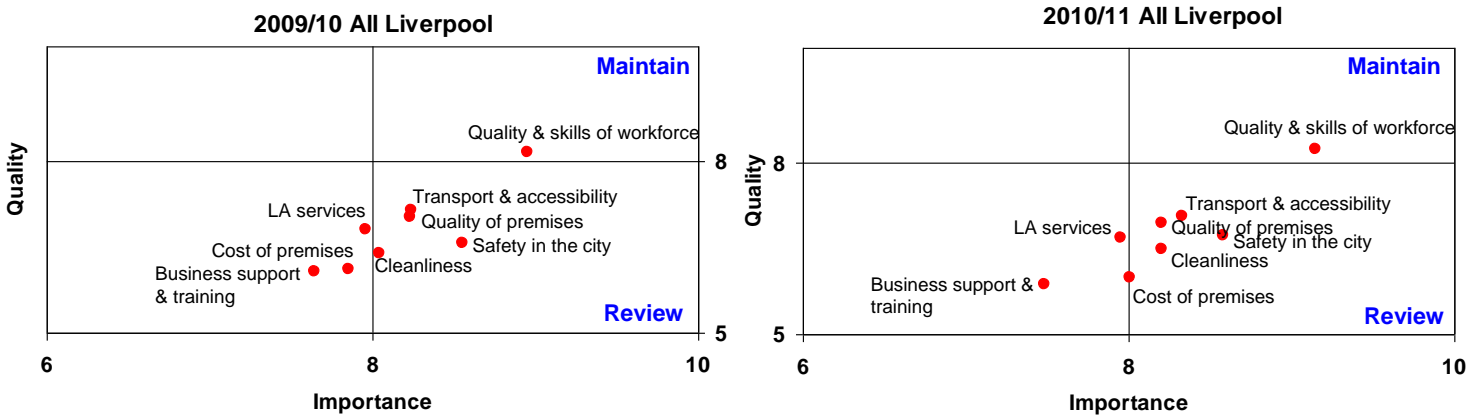
Centre	<p>The average BSI score for the Centre decreased from 7.08 in 2009/10 to 6.82 in 2010/11. Ratings were relatively strong for the Centre on Transport links and accessibility, Quality of premises, Cost of premises and Safety in the city. Satisfaction levels are however lower with Local authority services and Business support and training.</p>
Alt Valley	<p>Average BSI ratings for Alt Valley decreased slightly from 6.83 in 2009/10 to 6.69 in 2010/11. Most areas are rated very close to the average for the city. Ratings for Cleanliness in Alt Valley were however slightly below the overall city average.</p> <p>There is possibly a risk of businesses in the area being more isolated, since levels of networking with other businesses are significantly lower than in other locations and also the levels of contact with Business Link are lower than average.</p>
Eastern Link	<p>Average BSI ratings for Eastern Link also fell in comparison with 2009/10, from 7.02 to 6.70.</p> <p>Ratings by Eastern Link businesses are relatively weaker on Transport links/accessibility, Cost of premises and Business support and training. Perceptions are high in the area however on Quality and skills of their workforce.</p>
North Liverpool	<p>Overall BSI ratings for North Liverpool improved from 6.52 to 6.63 in 2009/10. Ratings are still below average on a number of areas, namely Cleanliness, Safety in the city, Quality of premises, Local authority services and Business and training support.</p> <p>Levels of contact with Business Link in North Liverpool are higher than average (30% compared with 22% for the city overall).</p>
South Central	<p>Average BSI ratings for South Central also improved, from 6.84 to 6.97 in 2010/11.</p> <p>Ratings for South Central are strong on the environmental dimensions of Cleanliness and Transport links/accessibility, and are also quite good for Business and training support.</p>
South Liverpool	<p>Average BSI ratings for South Liverpool showed the largest improvement, increasing from 6.44 in 2009/10 to 6.85 in 2010/11.</p> <p>Ratings for South Liverpool are particularly strong on Cleanliness, and are above average on Local authority services and Business and training support.</p> <p>Performance however is weaker on Transport links/accessibility and also on Quality and skills of the workforce.</p>

SECTION 2 : ANALYSIS AT AN ALL LIVERPOOL LEVEL



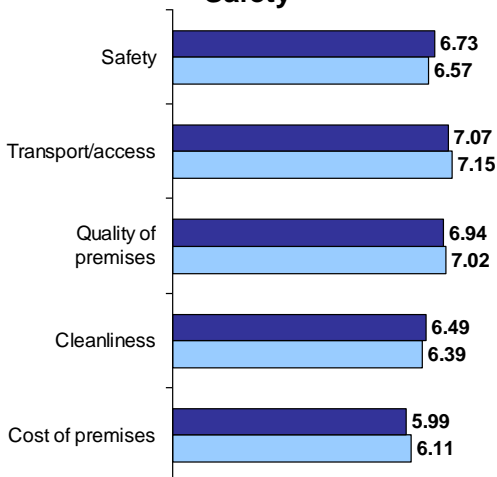
- The Business Satisfaction Index (BSI) remains quite strong at 6.78 in 2010/11, only fractionally down on the 2009/10 score of 6.81.
- 2009/10 Indicators to Maintain: The key area to maintain is Quality and skills of the workforce. Importance was already very high but increased further in 2010/11. Ratings of Quality of the workforce in 2010/11 improved slightly on the previous year.
- 2009/10 Indicators to Review: There are a number of areas identified as ones to review - Safety in the city, Quality of premises, Transport and accessibility, Cleanliness and Cost of premises – with each of these being high in importance but with current perceptions of quality being relatively lower (scores below 8 out of 10).
- 2009/10 Indicators to Monitor: Local Authority services, and Business support and training are the two areas to monitor, where importance is slightly lower but quality levels are relatively weaker.
- In 2010/11 there was an increase in importance of Quality of the workforce, Cost of premises and Cleanliness, balanced by a decrease in the importance of Business support and training.
- Perceptions improved over the previous year for Quality of the workforce and also for Safety in the city, but were weaker for Local Authority services, Business support and development, Transport links and Cost of premises.

BSI Scores : Matrix

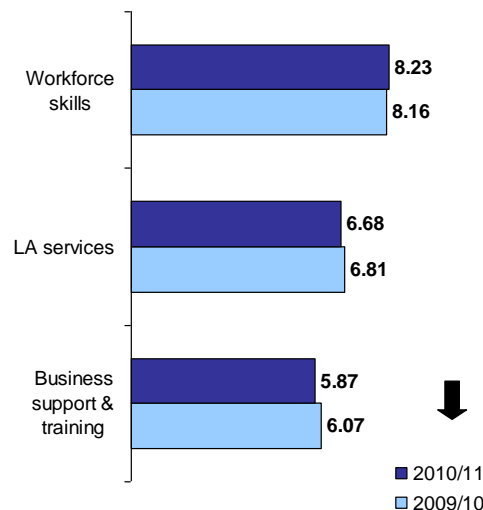


Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855)

Quality : Premises, Transport, Cleanliness, Safety



Quality : Workforce Skills, Support



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855)

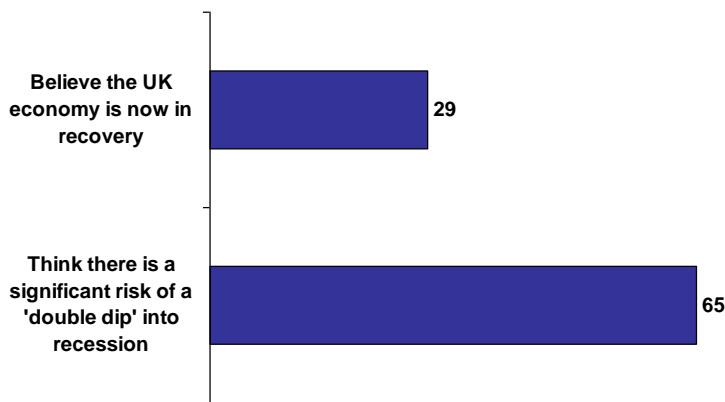
Scores are average quality ratings out of 10
Arrows highlight differences of over 0.2 (statistically significant)

Impact Of The Recession

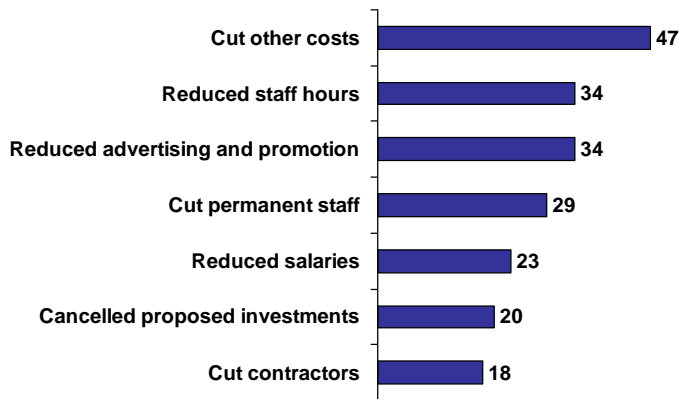
- Only 29% of businesses believe that the UK economy is now in recovery, and almost two thirds fear that there is a significant risk of a 'double dip' into recession.
- Smaller businesses are significantly less confident about the economy. Among those with 1-4 employees, only 25% believe the UK economy is now in recovery, compared with 31% for those with 5-19 employees, and 42% for those with 20+ employees.
- Many have had to take serious actions to get through the recession. 29% have cut permanent staff, 34% have reduced staff hours and 23% have reduced salaries.
- Around two thirds felt there would be an impact on their business from public spending cuts (30% expecting a large impact, 35% a small impact).

Perceptions Regarding Recession And Recovery

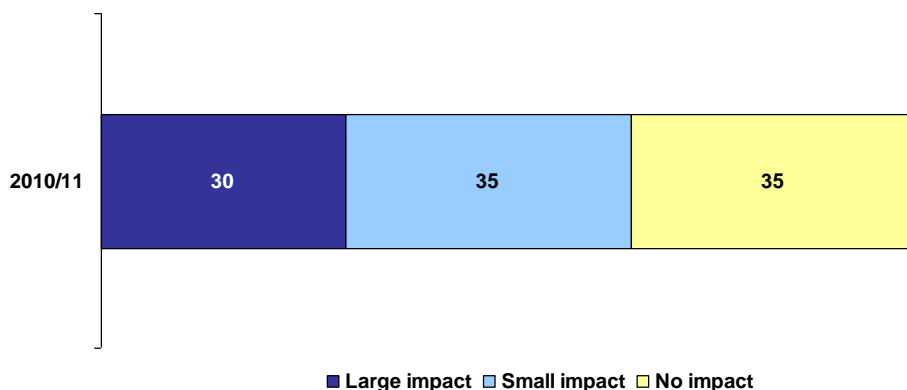
Perceptions Regarding Recession And Recovery (%)



Actions Taken Already To Help Get Through Recession (%)



Expected Impact From Reduction In Public Sector Spending



■ Large impact ■ Small impact ■ No impact

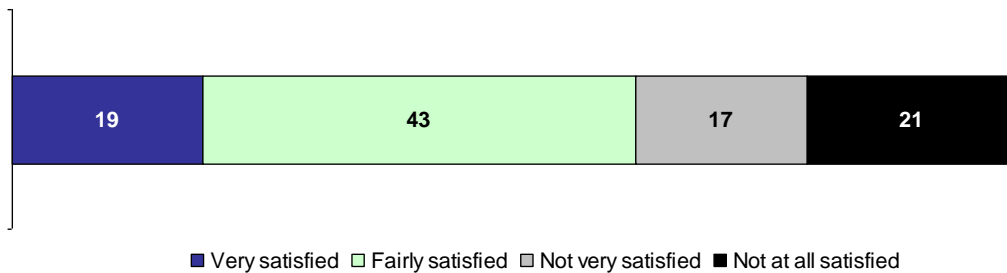
Base: All respondents 2010/11 (untwd 855, wtd 855)

Impact Of The Recession

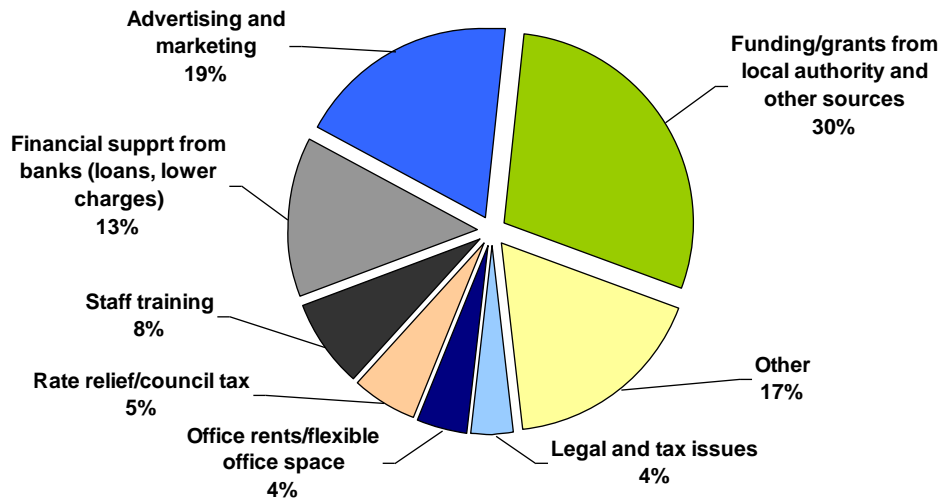
- Opinions are divided on the amount of help and support available to businesses. While 62% are very or fairly satisfied, 38% are not satisfied.
- The smaller businesses are significantly less satisfied – for those with 1-4 employees. 44% were not satisfied with the amount of help and support, compared with 33% for those with 5-19 employees, and 13% for those with 20+ employees.
- Areas where there is particular demand for more help and support include funding and grants, advertising and marketing, and financial support and consideration from banks.

Help And Support For Businesses

Satisfaction With Amount Of Help And Support For Business



Types Of Support Wanted



Base: All respondents 2010/11 (untwd 855, wtd 855), Commenting on type of support wanted (557)

“More help for small businesses, rather than being concentrated on larger companies in the centre - like support through training programmes, and help in getting funding”

“More information about marketing and things going on in the city, so we can keep in touch”

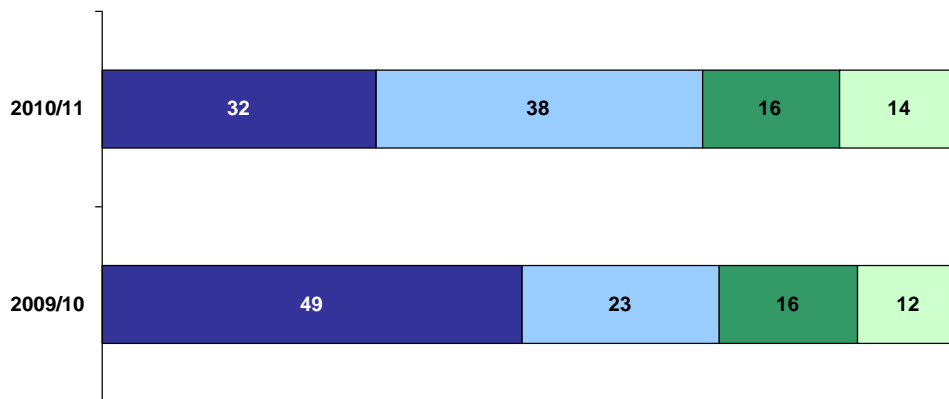
“More marketing events and such things that we could get involved in. Opportunities to advertise and promote ourselves”

“I think if I applied for finance and I got it, I would be OK, but otherwise I would not be able to expand. The banks need to be more supportive - also we would want to know if any government grants are available”

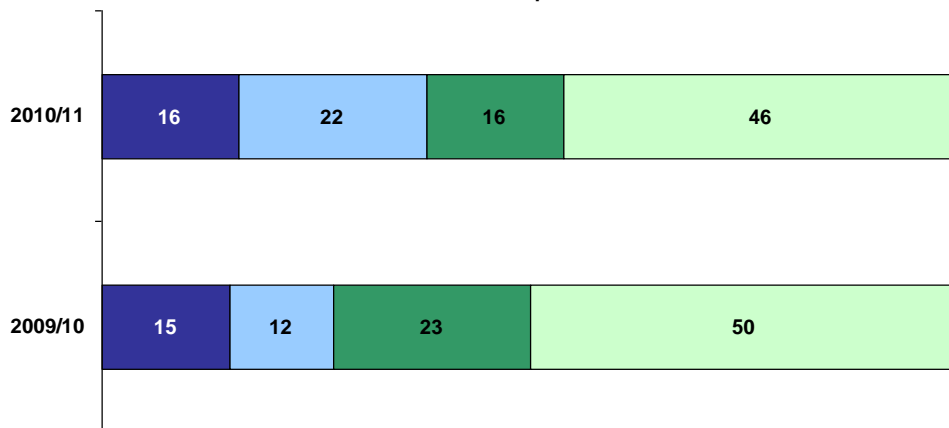
- Businesses are significantly less confident now than they were a year ago on how to handle the impact of the recession. (Only 32% now agree strongly that they know how to handle it, compared with 49% in 2009/10).
- There has been an increase in the proportion who are planning to scale down investment in Liverpool in the next two years (38% agree strongly or tend to agree cf. 27%).
- Confidence in growth over the next 5 years has also been dented –significantly fewer businesses now say that they agree strongly that their business will grow over that period (40% cf. 61% in 2009/10).

Impact Of The Recession : To what extent do you agree with the following?

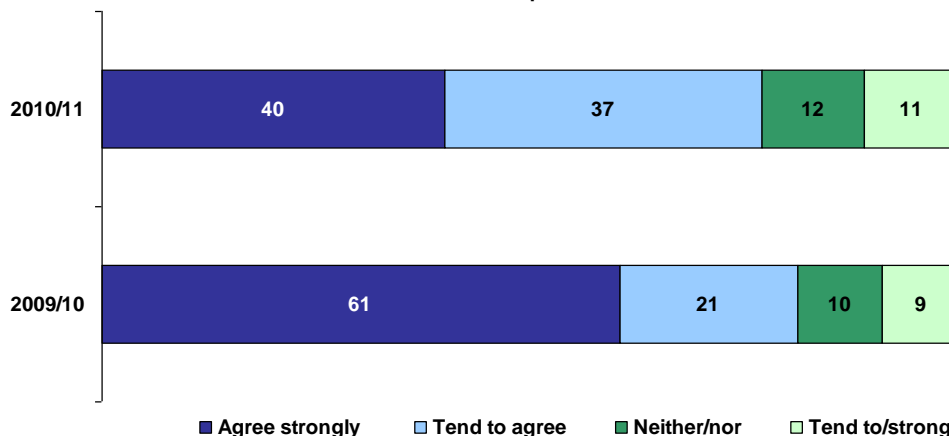
We are clear on how to handle the impact of the recession on our business in Liverpool



In the short term, say the next two years, we will scale down any planned investment in Liverpool



Over the longer term, say the next five years, we still expect to grow our business in Liverpool

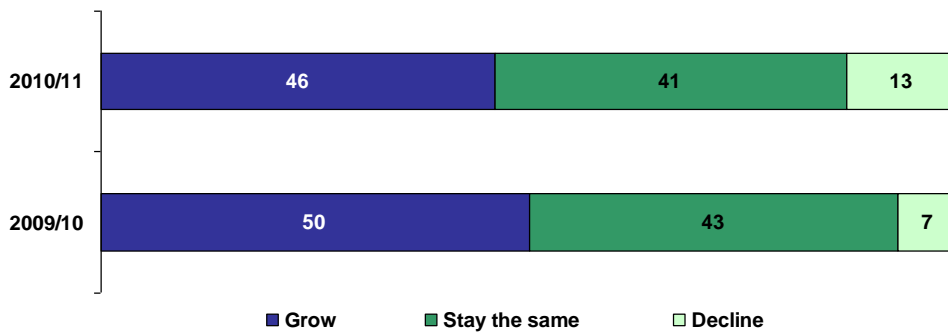


■ Agree strongly ■ Tend to agree ■ Neither/nor ■ Tend to/strongly disagree

Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

- There is still an expectation among many businesses in Liverpool that they will be able to achieve some growth in the next two years (46%).
- However this is slightly weaker than the situation last year, when 50% were expecting to see some growth over that time period.
- There has been a corresponding increase in the proportion who think that their business will decline during the next two year (13% in 2010/11 compared with 7% in 2009/10).

Overall do you think your business in Liverpool will grow, decline or stay the same over the next 2 years?

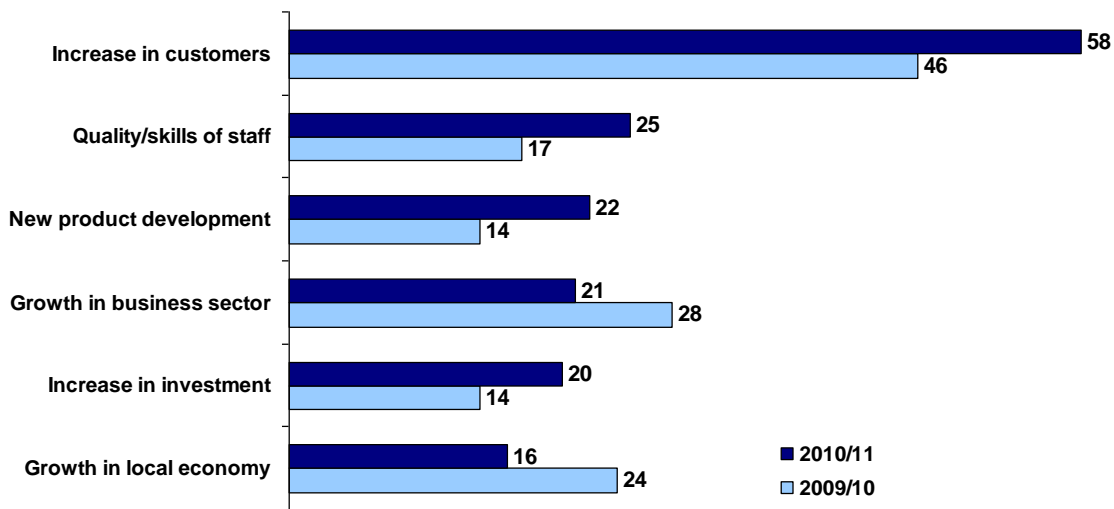


Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

- For those who believe that their business in Liverpool will grow in the next two years, this is increasingly founded on confidence in their ability to compete and grow their customer base (58% cf. 46% in 2009/10).
- Business growth is expected to be relatively less driven by growth in the business sector (down from 28% to 21%), or from growth in the local economy (down from 24% to 16%).
- Quality and skills of their own staff are also very important to help provide the basis for being able to compete and increase their customer base (increasing from 17% to 25%).
- For those who feel their business is likely to decline in the next two years, the dominant factors remain as the recession (56%), and access to funds/the credit crunch (26%).

What are the key reasons for expected growth in the next two years?

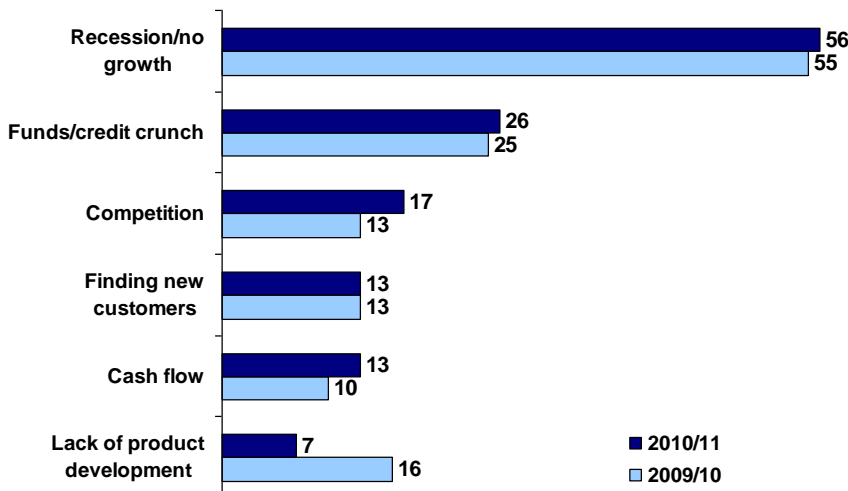
(questions allowed a multiple response)



Base: Those who envisage growth in their business in the next 2 years (Unwtd 424, wtd 394)

What are the biggest factors contributing to the expected decline of your company in the next 2 years?

(questions allowed a multiple response)



Base: Those who envisage decline in their business in the next 2 years (Unwtd 91, wtd 112)

- Overall 64% of businesses now have an environmental policy in place for their business. This is strongly driven by business size, ranging from 86% for businesses with 20+ employees, 74% for those with 5-19 employees and 52% for 1-4 employees.
- 55% of businesses said that they had a one year cash flow forecast in place for their business.
- Those most likely to have one year cash flow forecasts are again the larger businesses. 78% of businesses with 20+ employees have a one year cashflow forecast, compared with 66% for those with 5-19 employees and 43% of businesses for those with 1-4 employees.
- 61% of businesses indicated that they had a staff training plan, and this too is heavily biased towards larger businesses. Staff training plans were in place 94% of businesses with 20 or more employees, 79% of businesses with 5-19 employees, but only 43% of businesses with 1-4 employees.

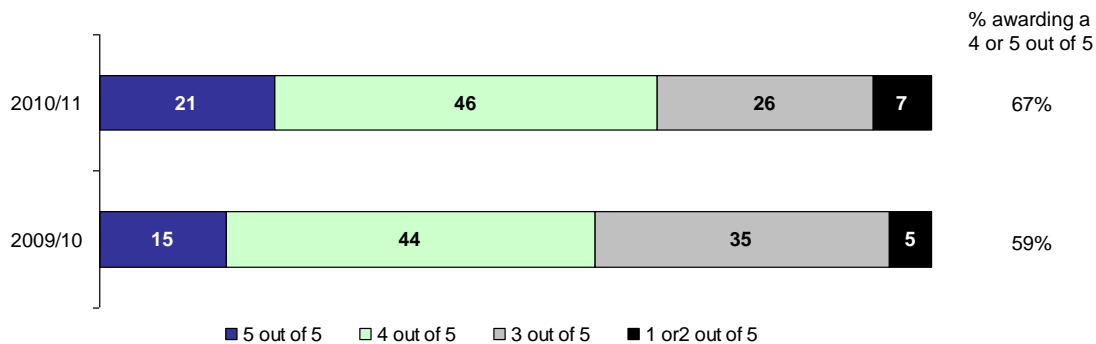
Are the following in place for your business?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

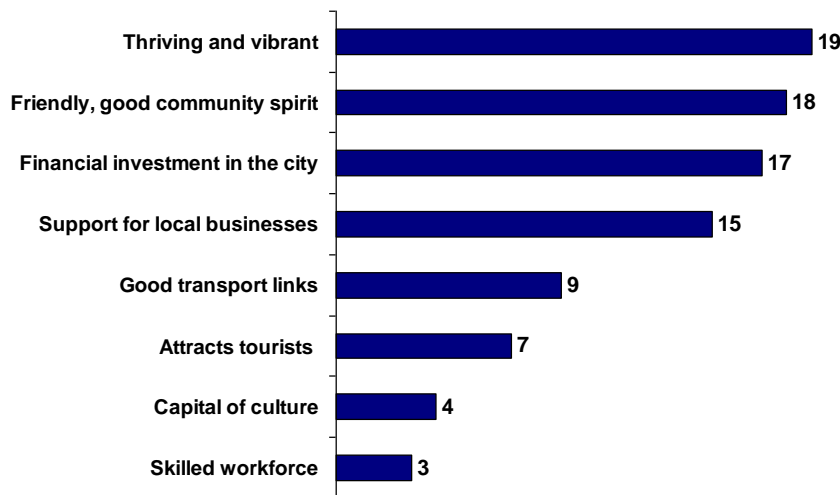
- Ratings of Liverpool as a place to do business had dipped slightly in 2009/10 but have improved significantly this year. 67% rated the city as 4 or 5 on a five point scale in 2010/11, compared with 59% in 2009/10.
- Perceptions of the city are stronger among larger businesses. For those with 20+ employees, 77% rate the city as 4 or 5, compared with 69% for those with 5-19 employees and 63% for those with 1-4 employees.
- Those who rate Liverpool highly as a place to business continue to comment on the city as being a lively and vibrant place, and having a good friendly community spirit.
- Also of high importance is the benefit from financial investment and regeneration, and the level of support for local businesses.

How would you rate Liverpool as a place to operate a business, with 1 being the lowest, a very poor place to do business and 5 being the highest, an excellent place to do business?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

Reasons For Rating Liverpool An Excellent Place To Do Business



Base: Those rating Liverpool an excellent place to do business (Unwtd 194, wtd 180)

- Some examples of the reasons given for considering Liverpool a good place to do business are shown below.

“They have re-vamped the city. It looks like a good city and we are attracting a lot of people for business and pleasure. The city is buzzing”

“There is a lot of progress going on. There is a lot of new development - new buildings being built - and improvements to different areas of the city”

“The regeneration and the money that has been spent on the city centre has made the city a more appealing place to visit, and has been vital in giving a boost to business”

“The regional development has been a big help. The quality and skills of people within Liverpool have developed and also there are signs of growth in some industries after the recession”

“The financial input into local businesses has been good, and the redevelopment of the city has made it more appealing”

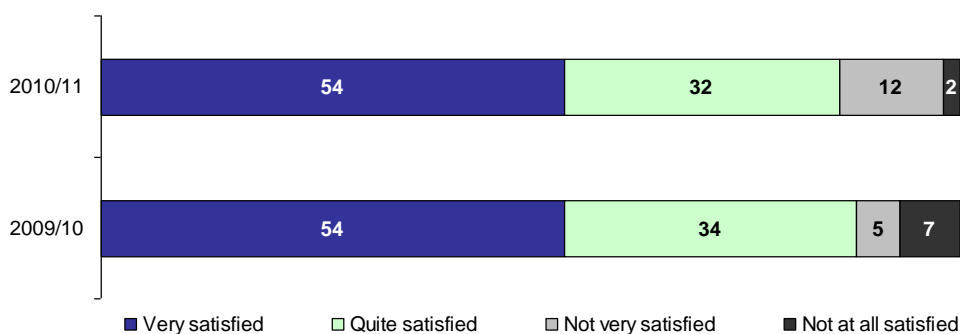
“The development has transformed the city from a run down city to a brighter city, bringing in around five million people a year”

“It has a variation of businesses - it's got every kind business out there. It also has opportunities - people come here from out of town. It's an up and coming city. People are more like an open book - they are transparent; in London people are very cautious”

“I think there has been a lot more money that has gone into the city over the last five to ten years. I feel due to this it has brought more people into Liverpool. I feel Liverpool is now more desirable and Liverpool One has created new jobs”

- 73% of businesses were aware of Liverpool Vision (compared with 70% in 2009/10).
- 22% of those aware (16% of all businesses) had some contact with Liverpool Vision in the last 12 months.
- Satisfaction with that contact remains very strong, with 54% very satisfied, and 32% quite satisfied.

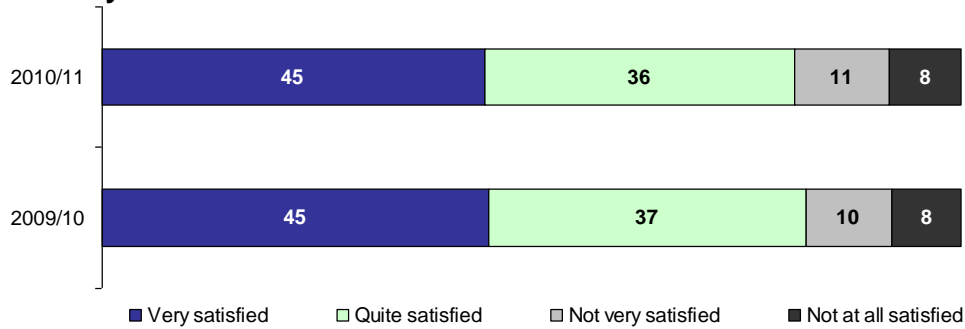
How satisfied were you with the way in which your most recent contact was handled by Liverpool Vision?



Base: All having contact with Liverpool Vision 2009/10 (Unwtd 151, wtd 136)

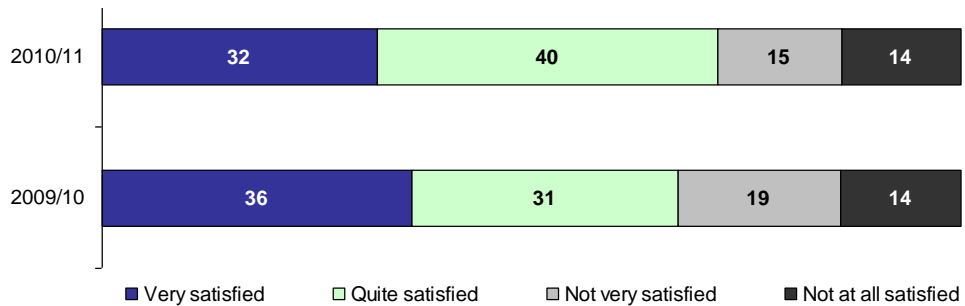
- Satisfaction with Business Link is still strong, with 81% very or quite satisfied.
- 42% had had some contact with the City Council in the last 12 months. Satisfaction with the handling of contacts by the City Council is also reasonably good, with 72% very or quite satisfied (cf. 67% in 2009/10).
- For services used by businesses, satisfaction is generally strong with accountants, but weaker for finance and investments.

How satisfied were you with the way in which your most recent contact was handled by Business Link?



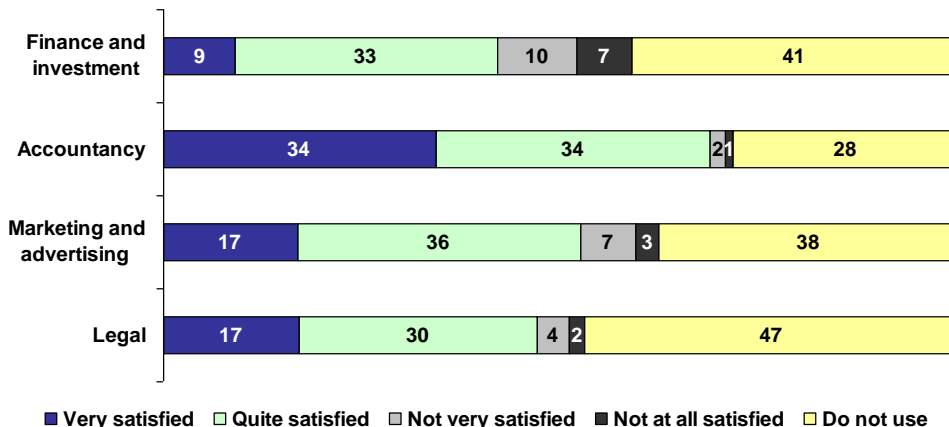
Base: All having contact with Business Link 2009/10 (Unwtd 202, wtd 213) 2010/11 (Unwtd 192, wtd 191).

How satisfied were you with the way in which your most recent contact was handled by the City Council?



Base: All having contact with City Council 2009/10 (Unwtd390, wtd 396), 2010/11 (unwtd 375, wtd 363)

Satisfaction With Services To Business

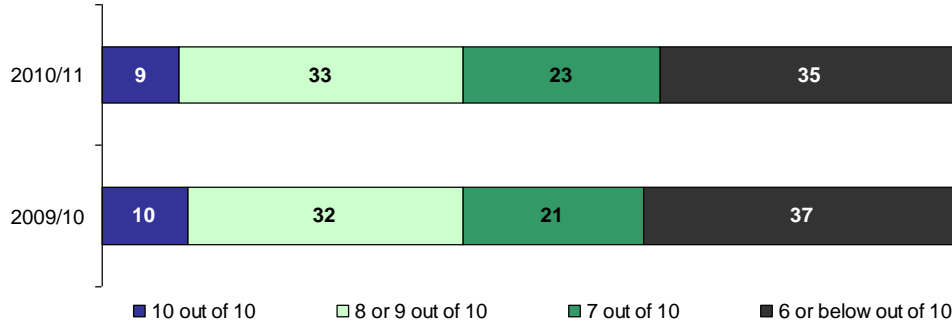


Base: All respondents 2010/11 (unwtd 855, wtd 855)

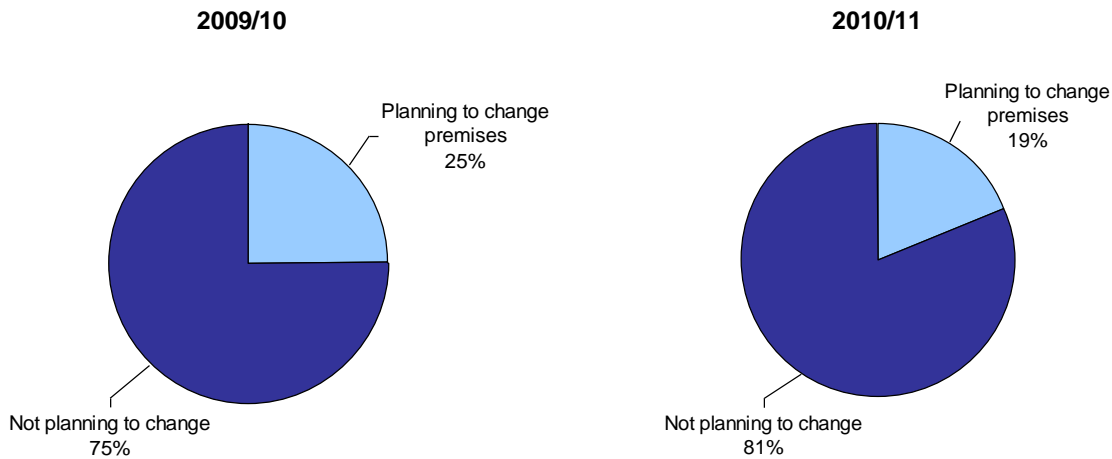
Satisfaction With Premises And Future Needs

- Perceptions of the quality of premises in Liverpool are unchanged from 2009/10, with 42% giving a rating of 8-10.
- Fewer businesses state that they are expecting to change their business in the next five years (19% compared with 25% in 2009/10).
- Around three quarters of those envisaging a move anticipate that they will be looking for an increase in the size of their new premises (34% a significant increase, 29% a large increase).

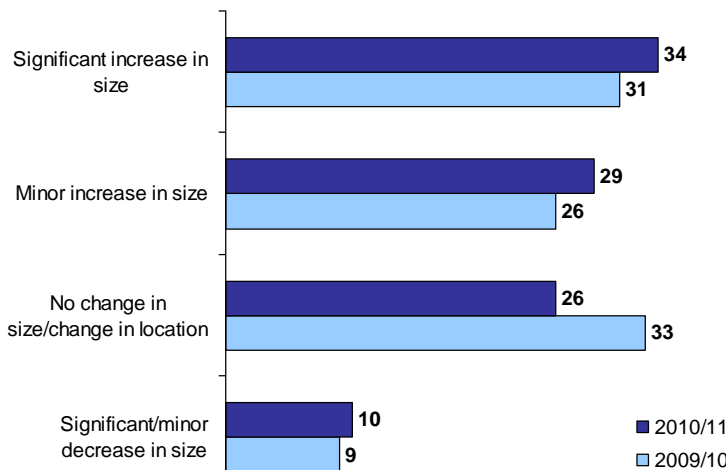
Rating of quality of premises (on a scale of 1 to 10, where 10 is excellent)



Are you expecting to change your business premises in the next 5 years?



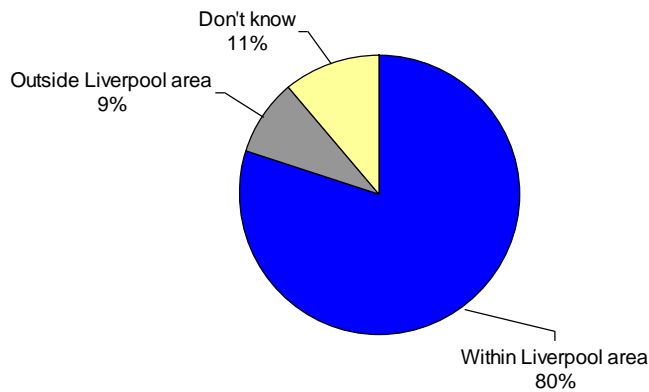
Expectation of change in size of premises



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855). Change of premises (unwtd 158, wtd 160)

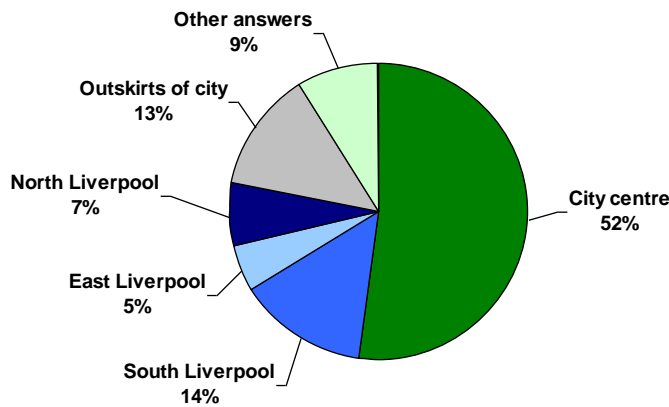
- The vast majority of those who are considering a change of location are anticipating staying within the Liverpool area (80%), with only 9% planning to move outside the area and 11% not sure.
- Among those businesses that are planning to relocate within Liverpool, just over half (52%) are looking to move into the city centre.
- 14% say they would look to relocate to South Liverpool.

Expected Location For New Premises



Base: All likely to relocate 2010/11 (unwtd 158, wtd 160)

Expected Relocation Area Within Liverpool

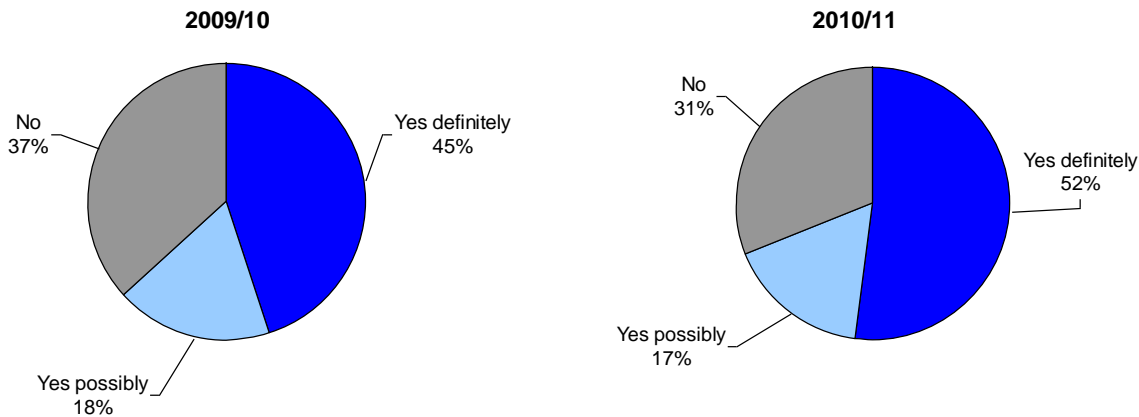


Base: All likely to relocate within Liverpool area 2009/10 (unwtd 114, wtd 134).

Satisfaction With Premises And Future Needs

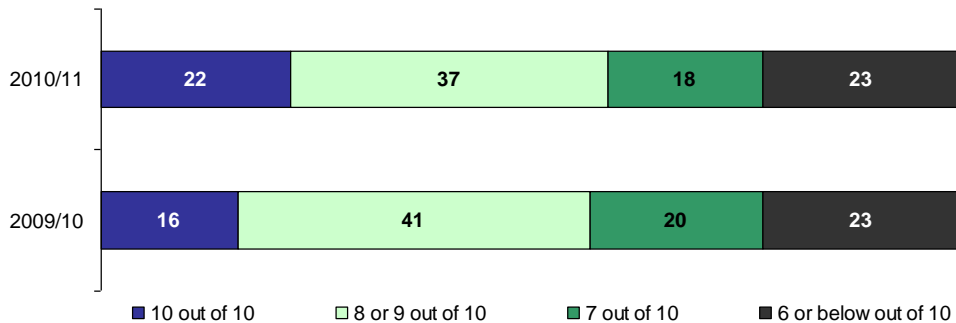
- An increased proportion (52% compared with 45% in 2009/10) said they definitely knew how to access support to find new premises.
- 59% rate the current information and communications infrastructure of their business as 8-10 on a 1 to 10 scale, where 10 is excellent. However 23% still rate their infrastructure as only 1-6.
- Around half say that improved broadband access speeds would have an impact for their business (25% a large impact, 26% a small impact).

Do you know how to access support to find new premises?

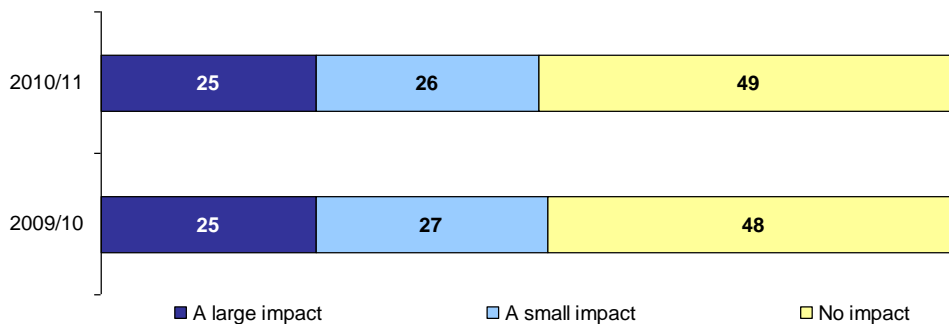


Base: All likely to relocate 2009/10 (unwtd 214 wtd 191), 2010/11 (unwtd 158 wtd 160)

How would you rate the information and communications infrastructure of your business (on a scale of 1-10 where 10 is excellent)?



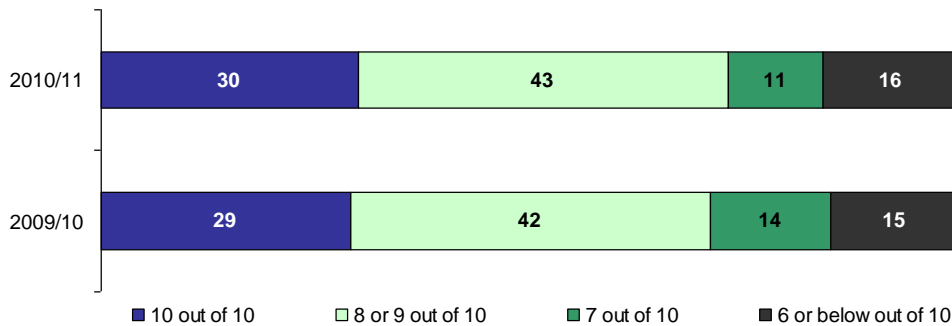
How much impact would access to faster broadband speeds have on the efficiency of your business?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

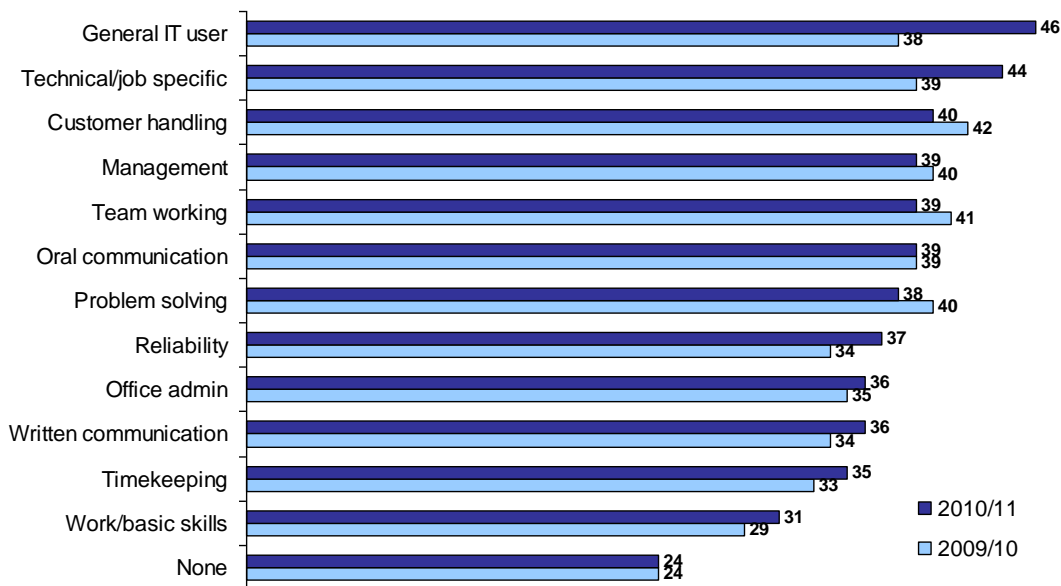
- Perceptions of the quality and skills of their workforce show a very slight improvement on the previous year (73% cf. 71% rating as 8-10).
- There are still some pockets where skills of the workforce are not satisfactory, with 16% rating the quality and skills of their workforce at 6 or less out of 10.
- Quality and skills of the workforce had increased in importance and is the most influential of the Business Satisfaction Index (BSI) indicators.
- The areas which businesses believe need to be strengthened to help their business grow have shifted more towards IT skills and technical/job specific skills, and these are now the two areas mentioned most frequently.
- Other skill areas however are also highlighted as needing development, including customer handling, management, team working, problem solving and oral communication.

Rating of quality and skills of workforce (on a scale of 1 to 10, where 10 is excellent)



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

Which of the following skill areas, if any, need to be strengthened to help your business grow?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

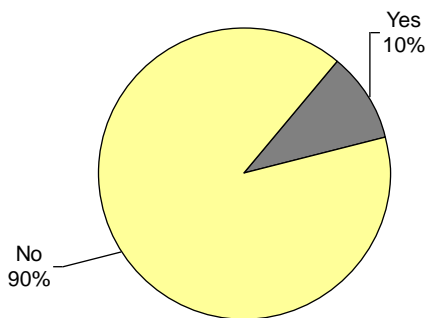
- The proportion of employers providing training to their staff during the last 12 months has fallen from 62% to 57%. While larger employers are still providing training at levels close to last year, it is among the smaller employers that levels of training have fallen sharply. Only 38% of businesses with 1-4 employees provided training for their staff in the last 12 months, compared with 50% in 2009/10.
- Employers are still largely aware of how to access training to support the development of their staff, suggesting that the reduction in training by smaller businesses may have been driven by the need to control costs during the recession.
- There are few problems reported in recruitment or retention of staff. Just 10% said that they experienced difficulties with recruitment (10% also in 2009/10). The problem areas which were mentioned were staff lacking the required technical skills (44%), and practical job experience (28%).
- Only 5% said they had problems in retaining staff in Liverpool.

Access To And Provision Of On The Job Training

	2010/11	2009/10
% who have trained staff in the last 12 months (on and off the job)	57	62
% who know how to access on and off the job training to support developments in these areas	70	68

Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

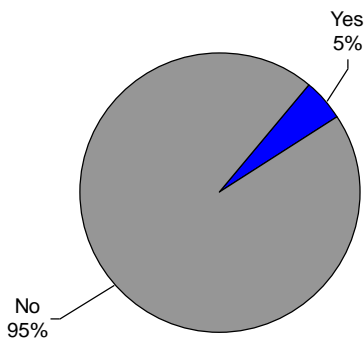
Do you have any difficulties in recruiting staff in Liverpool?



Difficulties With Recruitment

	2010/11	2009/10 (%)
Staff lack required technical skills	44	44
Lack of work experience	28	14
Staff lack social/customer service skills	4	25
Skilled people move away from Liverpool	6	8
Recruits don't like nature of our work	5	7
Recruits not flexible to temporary work	9	5

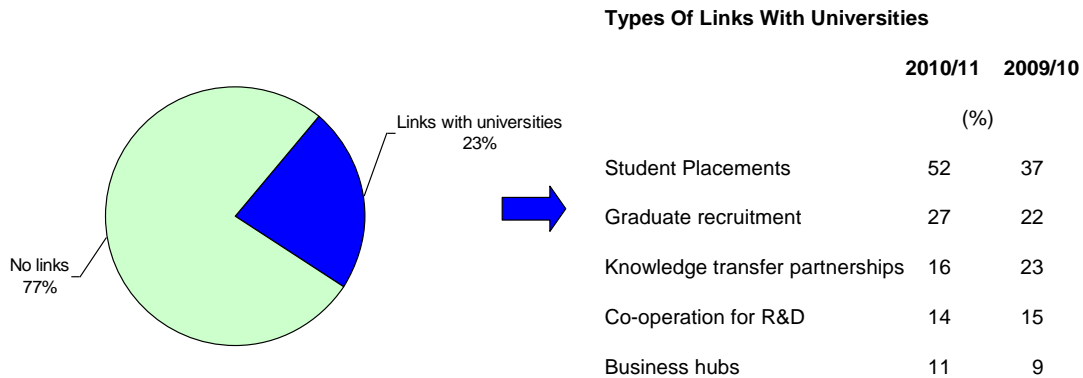
Do you have any difficulties in retaining staff in Liverpool?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 874, wtd 874). Those having difficulties with recruitment (Unwtd 87, wtd 97)

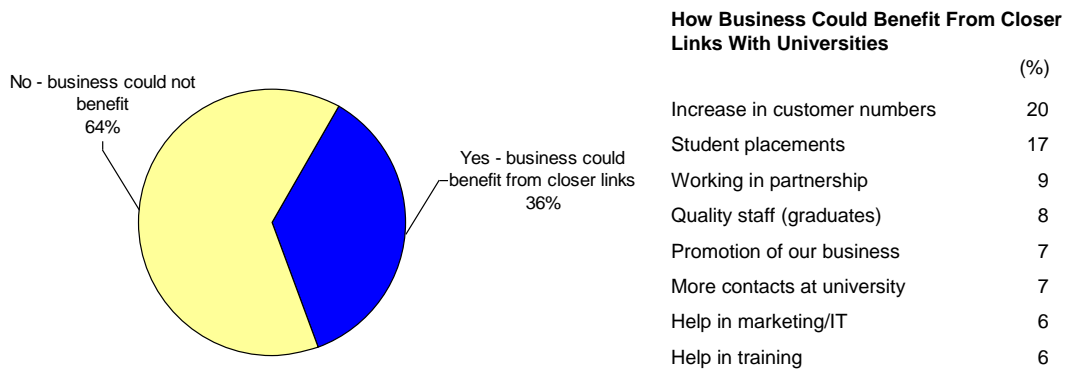
- 23% of businesses had established links with local universities.
- Most of these links are through student placements (52%) or graduate recruitment (27%).
- 36% think that their business could benefit from closer links with universities, but the reasons for this tend to focus on opportunities for accessing them as customer base, or utilising them for placements, rather than for business associations.

Does your business have any links with local universities?



Base: All respondents 2010/11 (unwtd 850, wtd 850),. Those having links 2009/10 (unwtd 220, wtd 204), 2010/11 (unwtd 224, wtd 193)

Do you think your business could benefit from closer links with local universities?



Base: All respondents 2010/11 (unwtd 855, wtd 855). Business could benefit from closer links with universities 2010/11 (Unwtd 327, wtd, 304)

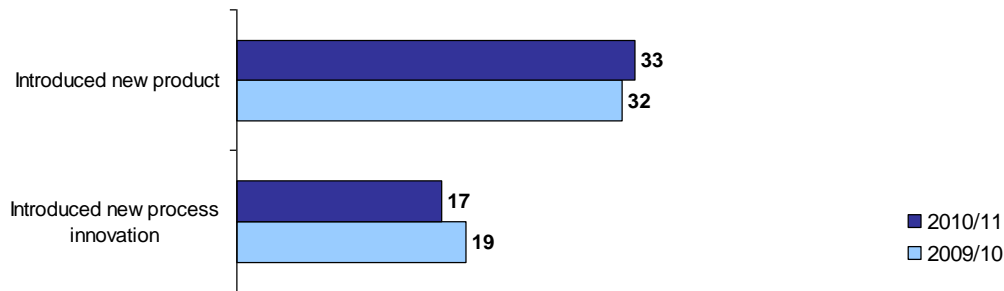
“It would bring more custom and my business would benefit as I could offer a reduction to customers - a special student rate, so they would benefit too”

“They can help us and we can help them. They have the sort of skills we need in marketing and IT and we can give them real work experience”

“We could do with more student placements, getting them in to work with our business and build their experience. Also maybe could look at knowledge transfer partnerships”

- 33% of businesses had introduced a new product during the last 12 months. New product introductions are not restricted to the larger companies. Even among those with just 1-4 employees, 29% said that they had introduced a new product.
- 17% had introduced a new process innovation.
- The levels of new product introduction and new process innovation show no significant change from 2009/10.

Have you introduced any new product or new process innovation in the last 12 months?

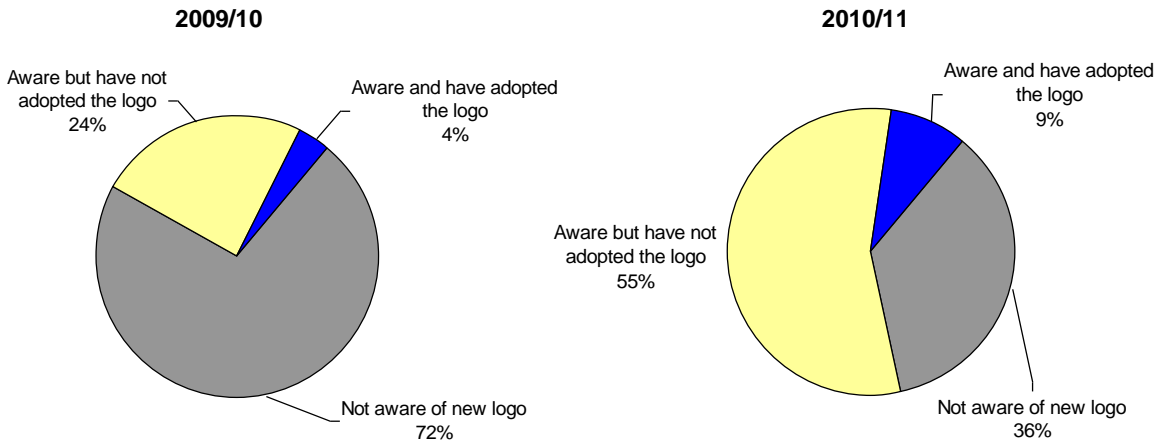


Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/1011 (unwtd 855, wtd 855).

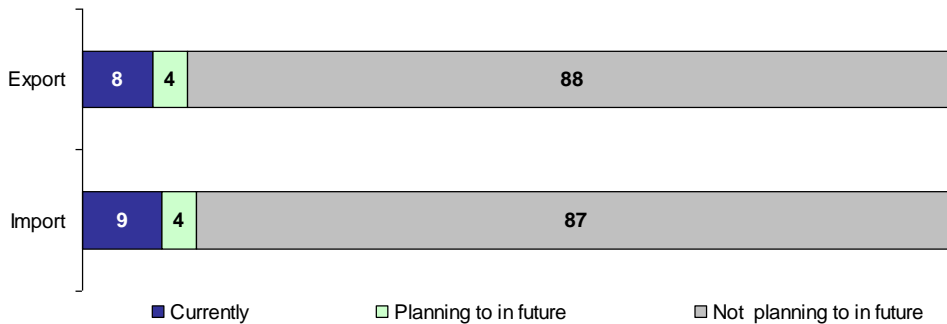
Liverpool Brand And International Trade Links

- Awareness of the new brand and logo for Liverpool has now risen to 64%, compared with 28% in 2009/10.
- Adoption of the logo has doubled from 4% in 2009/10 to 9% currently.
- Two thirds said that they were aware of Liverpool’s presence at World Expo.
- 2% of businesses reported that someone from their business had attended World Expo.

Awareness And Adoption Of New Liverpool Brand And Logo

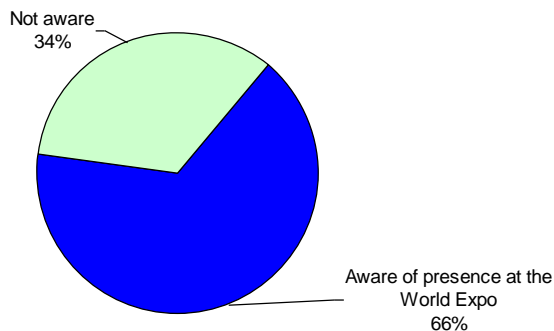


Does your company currently export/import, or is it considering exporting/importing in future?



Base: All respondents 2009/10 (unwtd 850, wtd 850), 2010/11 (unwtd 855, wtd 855).

Have you heard about Liverpool’s presence at the World Expo in Shanghai?



Base: All respondents 2010/11 (unwtd 855, wtd 855).

SECTION 3 : ANALYSIS AT AN AREA LEVEL

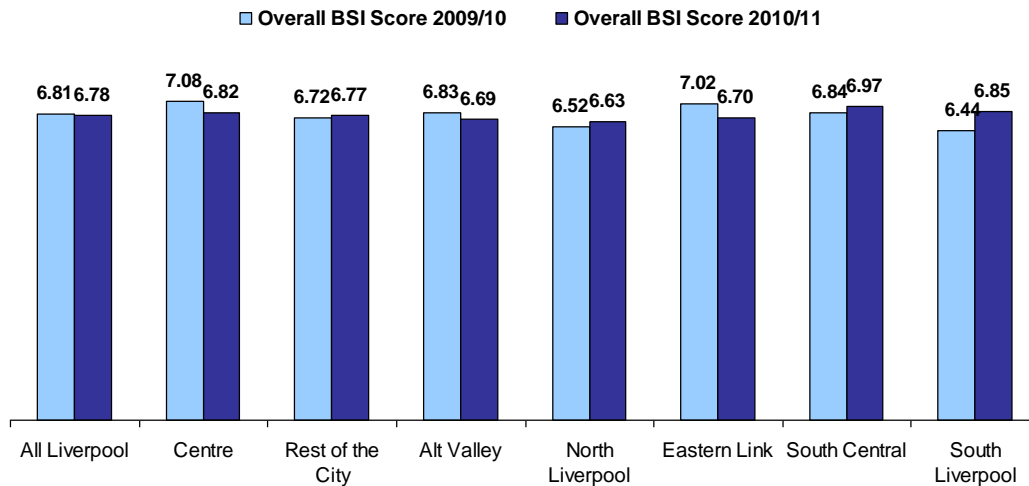


Business Satisfaction Index (BSI)

- Areas which scored above the overall Liverpool BSI score of 6.78 in 2010/11 were: Centre (6.82), South Central (6.97) and South Liverpool (6.85).
- Ratings were below average for Alt Valley (6.69), North Liverpool (6.63) and Eastern Link (6.70).

Overall BSI Scores

(scores were given out of 10 where 10 represents excellent)



Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

BSI Scores For Each Attribute

(Figures below are a composite score taking into account importance and satisfaction)

	All Liverpool	Centre	Rest of the city	Alt Valley	North Liverpool	Eastern Link	South Central	South Liverpool
Cleanliness	0.81	0.80	0.81	0.77	0.77	0.80	0.86	0.85
Safety in the city	0.88	0.90	0.87	0.86	0.83	0.87	0.89	0.90
Cost of premises	0.73	0.77	0.71	0.71	0.74	0.68	0.72	0.72
Transport links/accessibility	0.89	0.92	0.89	0.90	0.87	0.85	0.96	0.85
Quality of premises	0.86	0.90	0.85	0.84	0.82	0.85	0.85	0.90
Skills of workforce	1.14	1.13	1.15	1.15	1.14	1.20	1.17	1.08
Local authority services	0.81	0.78	0.82	0.80	0.78	0.82	0.82	0.86
Business and training support	0.67	0.63	0.68	0.67	0.69	0.64	0.70	0.70
Overall BSI Score	6.78	6.82	6.77	6.69	6.63	6.70	6.97	6.85

Areas where scores are 0.03 or more below the All Liverpool average are highlighted

Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- The table below highlights those attributes where performance is less strong than the average for Liverpool (being weaker by 0.03 or more).
- The two areas which are relatively less strong for the Centre are the same ones highlighted last year, namely Local authority services and Business support and training.
- Cleanliness is rated below average in Alt Valley and North Liverpool.
- North Liverpool also rates below average across a number of other dimensions – Safety in the city, Quality of premises, Local authority services and Business support and training.
- While South Liverpool rates above average overall, buoyed by strong ratings on environmental aspects such as Cleanliness, Quality of premises and Local authority services, it performs less well on Transport links/accessibility and on Skills of the workforce.

	Year on year change	Attributes scoring lower than average 2010/11*
Centre	Above average both years	Local authority services (0.78), Business support and training (0.63)
Rest of City	Below average both years	N/a
Alt Valley	Above average in 2009/10, below average 2010/11	Cleanliness (0.77)
North Liverpool	Below average both years	Cleanliness (0.77), Safety in the city (0.83), Quality of premises (0.82), Local authority services (0.78), Business support and training (0.69)
Eastern Link	Above average in 2009/10, below average 2010/11	Cost of premises (0.68), Transport links/accessibility (0.85)
South Central	Above average both years	N/a
South Liverpool	Below average in 2009/10, above average 2010/11	Transport links/accessibility (0.85), Skills of workforce (1.08)

* areas which are worse by 0.03 or more

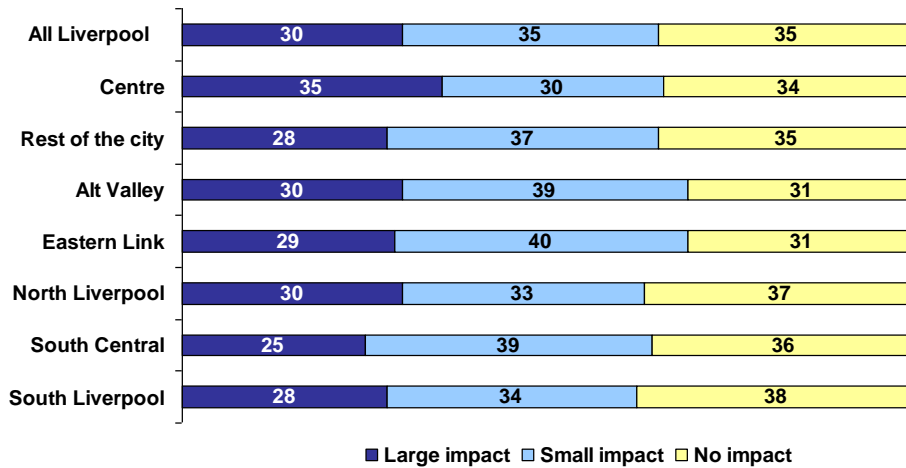
- The Centre of the city is slightly more positive that the economy is now in recovery (33%), with perceptions about the economy relatively weaker in North Liverpool (24%) and South Liverpool (26%).
- Those in Eastern Link have a higher level of concern about the possibility of a 'double dip' into recession (74% cf. overall average for the city of 65%).

Perceptions Regarding Recession And Recovery

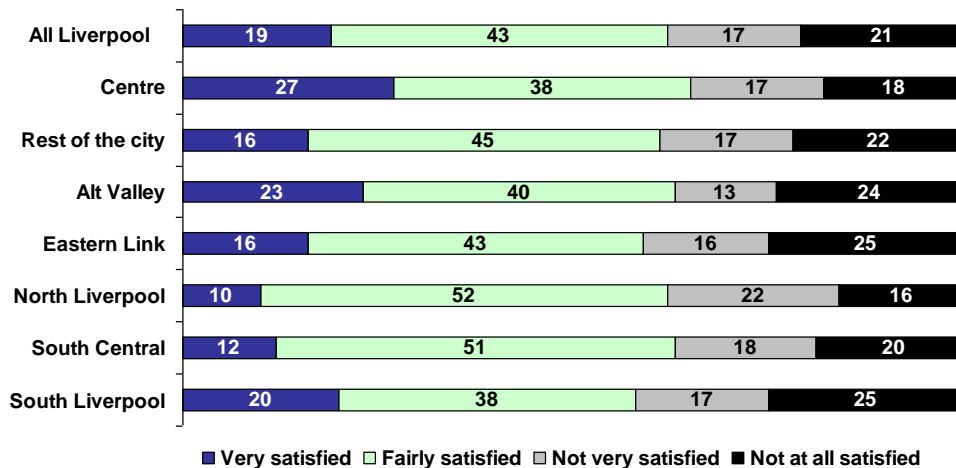
%	All Liverpool	Centre	Rest of the city	Alt Valley	Eastern Link	North Liverpool	South Central	South Liverpool
Believe the economy is now in recovery	29	33	28	29	31	24	26	28
Think there is a significant risk of a 'double dip' into recession	65	63	66	63	74	66	63	64

Areas where perceptions about recovery are 5% or more below the All Liverpool average are highlighted, and areas where perceptions of the risk of a 'double dip' are 5% or more above the All Liverpool average, are highlighted

Expected Impact From Reduction In Public Sector Spending



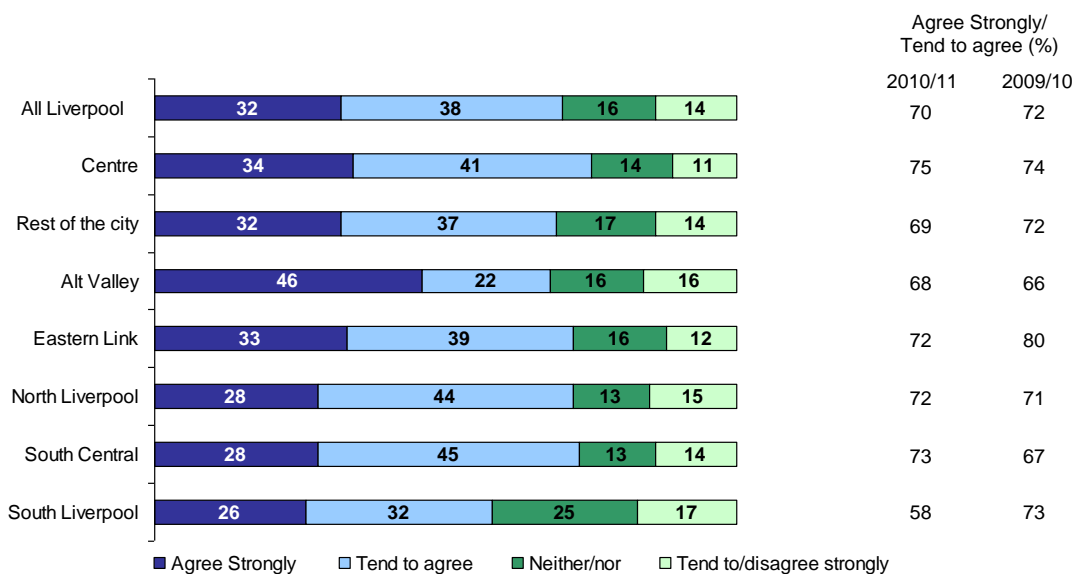
Satisfaction With Amount Of Help And Support For Business



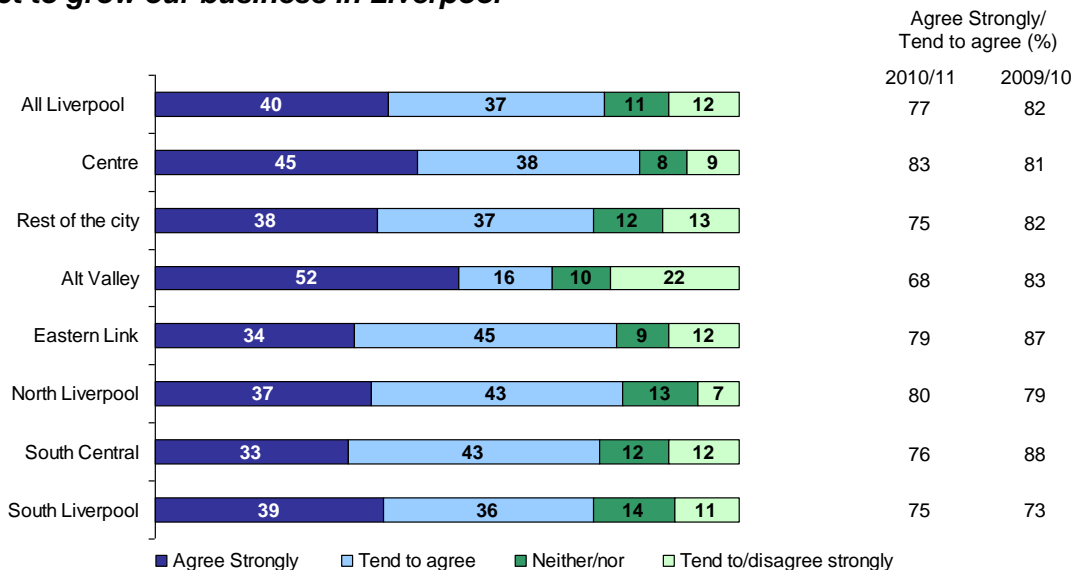
Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- Businesses in South Liverpool are least confident on how to handle the impact of the recession on their business (only 58% agree that they are confident, compared with an average of 70% for the city overall).
- Within Alt Valley, there is a strong proportion agreeing strongly that they know how to handle the recession, but opinions are mixed, with 16% in the area disagreeing.
- Perceptions about whether their business will grow in the next five years are similarly polarised for Alt Valley – 52% agree strongly that their business will grow, but 22% disagree.
- Those in the centre are more likely to be confident that their business will grow in the next five years (83% cf. 77% for the Rest of the city).

Agreement with : *We are clear on how to handle the impact of the recession on our business*



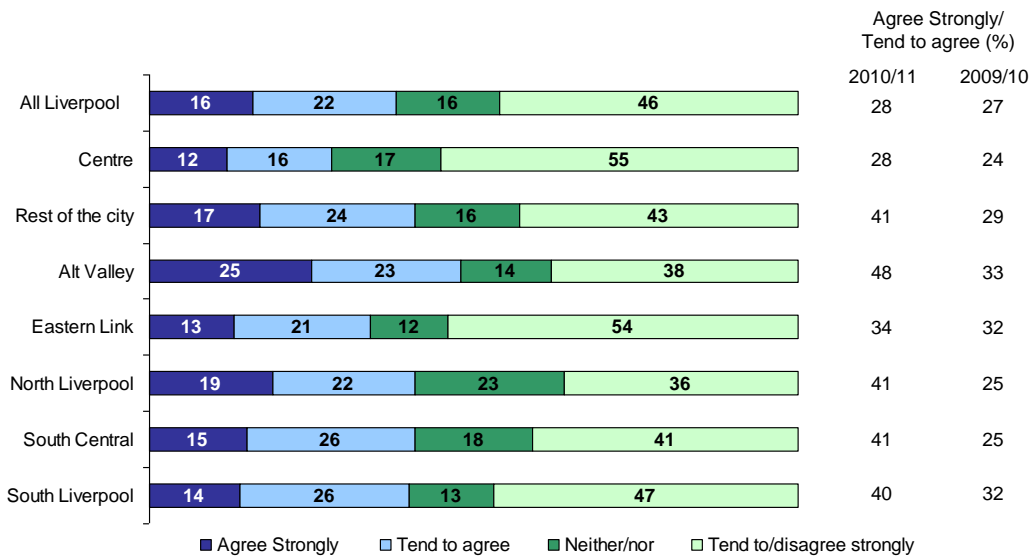
Agreement with : *Over the longer term, say the next 5 years, we still expect to grow our business in Liverpool*



Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- The Centre of the city has seen little change in the level of intentions to scale down planned investment in Liverpool. However, for the Rest of the city there has been a significant increase in the intention to scale back (rising from 29% to 41% stating that they plan to do so.)
- Businesses in Alt Valley are particularly likely to agree that they may scale down planned investment in Liverpool (48%), with North Liverpool (41%), South Central (41%) and South Liverpool (40%) also affected.

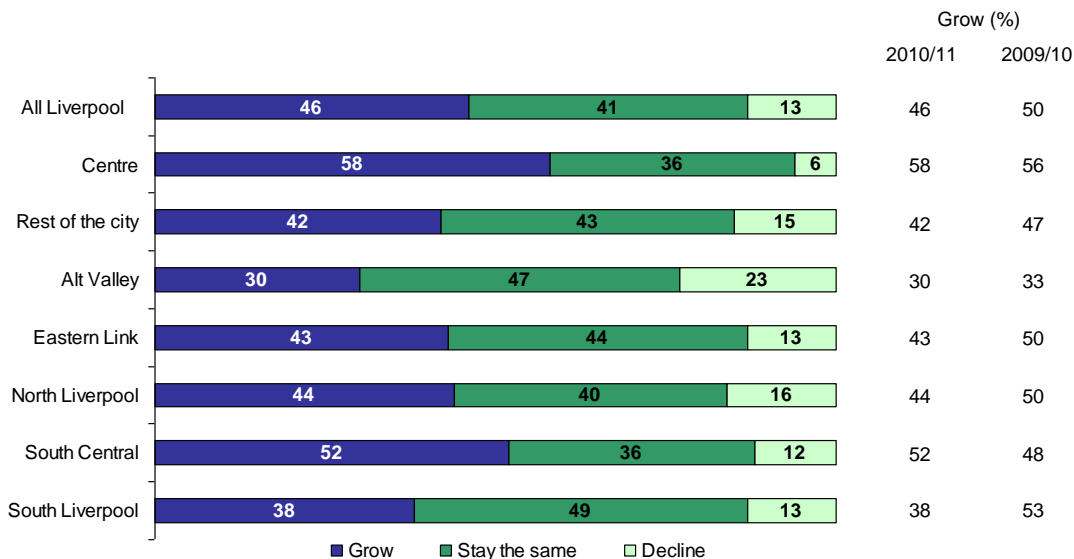
Agreement with : *In the short term, say the next 2 years, we will scale down any planned investment in Liverpool*



Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- Those in the Centre are also more positive about their prospects for short-term growth over the next two years (58% cf. 42% for Rest of the city).
- Short-term growth expectations for growth are strongest in South Central (52%), and are significantly weakest in Alt Valley, where just 30% feel their business will grow in the next two years.
- Across all areas, it is confidence in the ability of the business to compete and increase customer numbers which is the driving influence, coupled with positive views on the quality of their staff.
- Looking at reasons for decline, the recession continues to be the main factor. Those in the Centre refer significantly less often to problems of lack of funds/credit crunch than those in the Rest of the city.

Overall, do you think your business in Liverpool will grow, decline or stay the same over the next 2 years?



Reasons For Growth/Decline In Next 2 Years

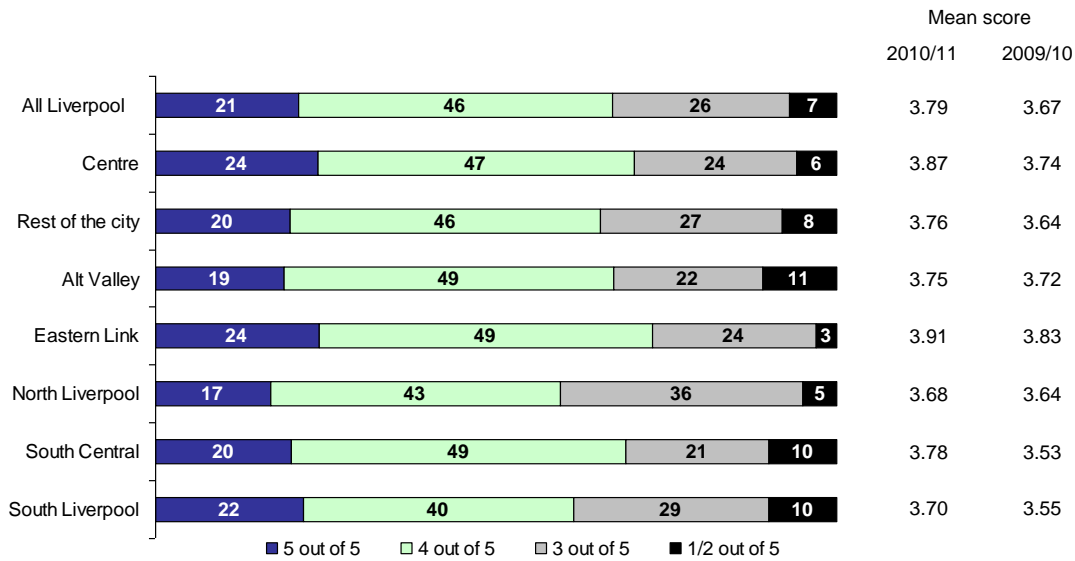
	All Liverpool	Centre	Rest of the City
Key reasons for growth (%)			
Increase in customers	58	56	59
Quality/skills of staff	25	24	25
New product development	22	22	22
Growth in business sector	21	22	21
Increase in investment	20	22	19
Growth in local economy	16	17	15
Factors contributing to decline (%)			
Recession/no growth	56	51	56
Funds/credit crunch	26	3	29
Competition	17	13	18
Finding new customers	13	15	13
Cashflow	13	12	14
Lack of product development	7	0	8

Care : low bases for those expecting decline

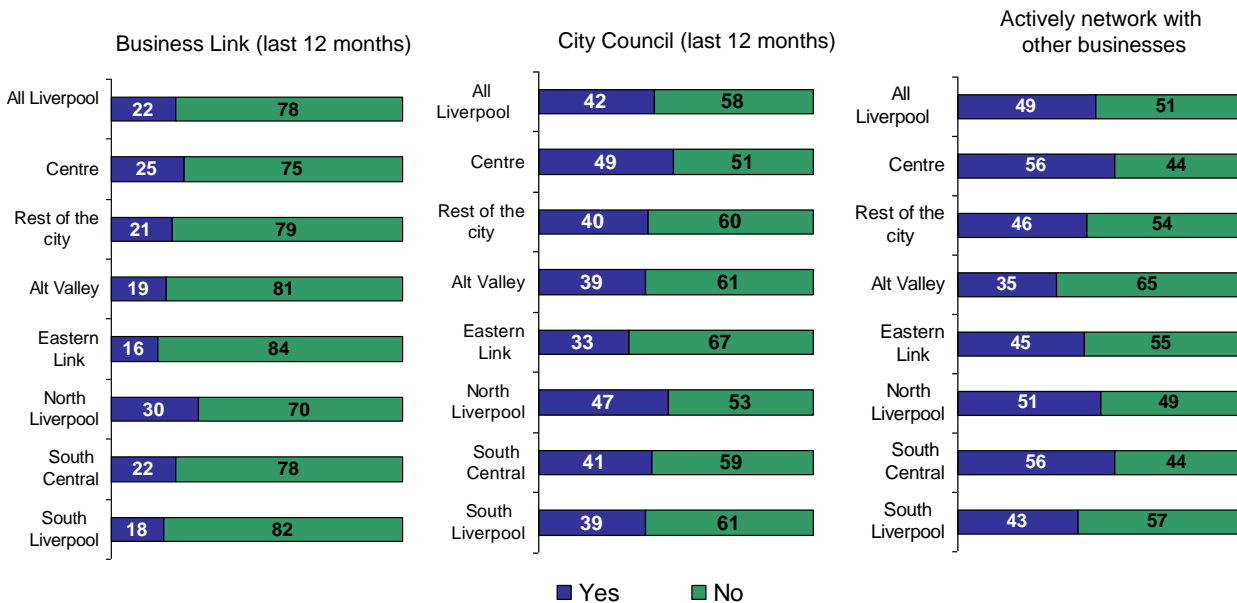
Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)
 Those expecting growth - Unwt'd All Liverpool (424), Centre (211), Rest of city (213)
 Those expecting decline - Unwt'd All Liverpool (91), Centre (21), Rest of city (70)

- Ratings of Liverpool as a place to do business improved both for the Centre and for the Rest of the city.
- Those in Eastern Link, Alt Valley and South Central are more positive about Liverpool as a place to operate a business than those in North Liverpool or South Liverpool (73%, 68%, 69% cf. 60%, 62% rating as 4 or 5).
- Business networking is higher for businesses in the Centre than the Rest of the city (56% cf. 46%).
- Networking is noticeably weaker in Alt Valley (35%).

How would you rate Liverpool as a place to operate a business, with 1 being the lowest, a very poor place to do business and 5 being the highest, an excellent place to do business?



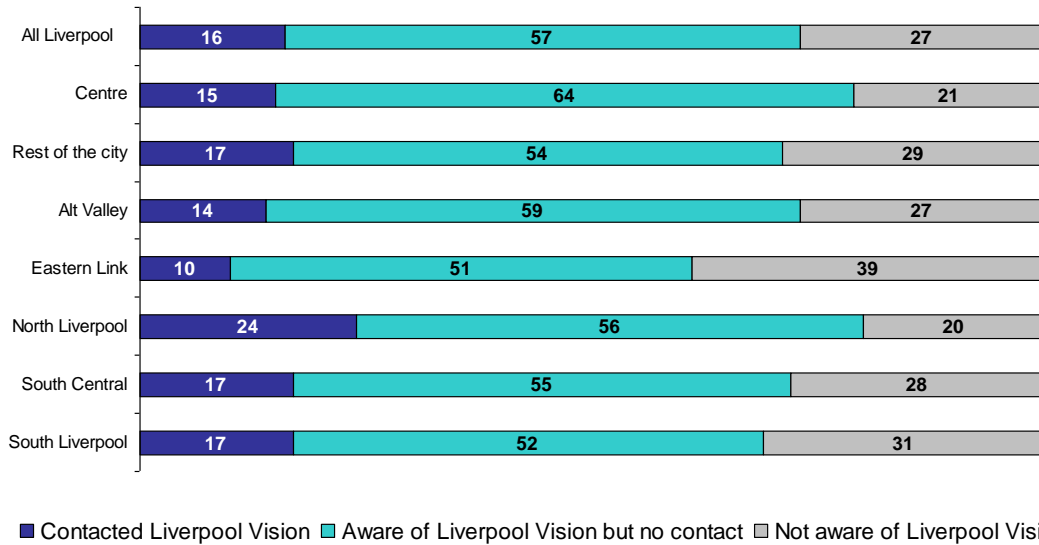
Contact And Advice With Services/Networks



Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- Awareness of Liverpool Vision is strong across most areas of the city (just slightly weaker within Eastern Link, where only 61% said they were aware, compared with an average overall of 73% for the city in total).
- Awareness of Liverpool Vision is equally strong across all business sizes.
- Contact with Liverpool Vision is significantly greater among businesses in the North Liverpool (24% cf. average of 16% for the city in total).

Awareness And Contact With Liverpool Vision

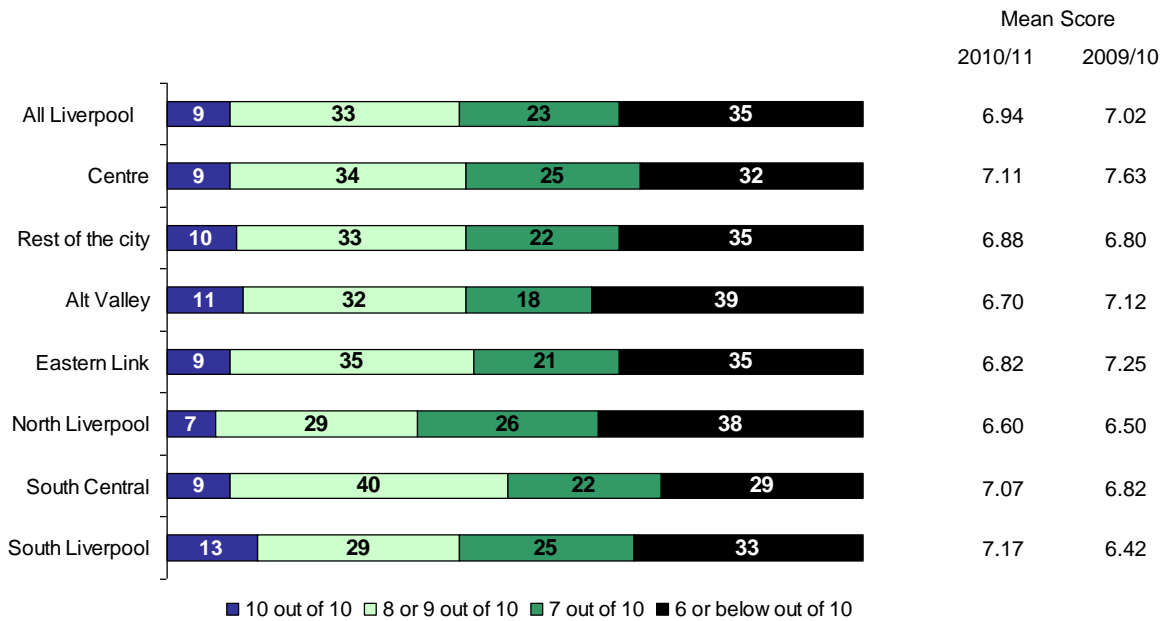


Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

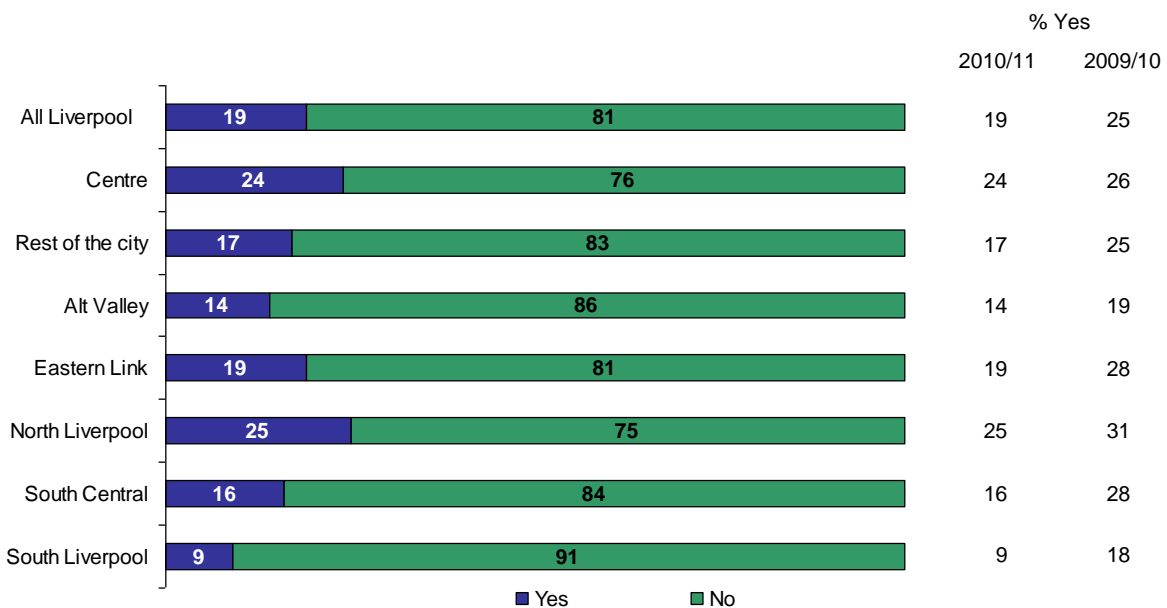
Satisfaction With Premises And Future Needs

- Rating of the Quality of premises fell back sharply among businesses in the Centre, from an average score of 7.63 in 2009/2010 to 7.11 in 2010/11. By contrast, ratings of premises in the Rest of the city showed a slight improvement, from 6.80 to 6.88.
- The perceptions of the quality of premises are weakest for businesses in North Liverpool (average 6.60).
- Those in North Liverpool are still the most likely to say they would consider changing their business premises in the next five years (25% cf. an average of 19% for the city in total).
- Businesses in South Liverpool are least likely to consider a change of premises (9%).

Rating of quality of premises (on a scale of 1 to 10, where 10 is excellent)



Are you expecting to change your business premises in the next 5 years?

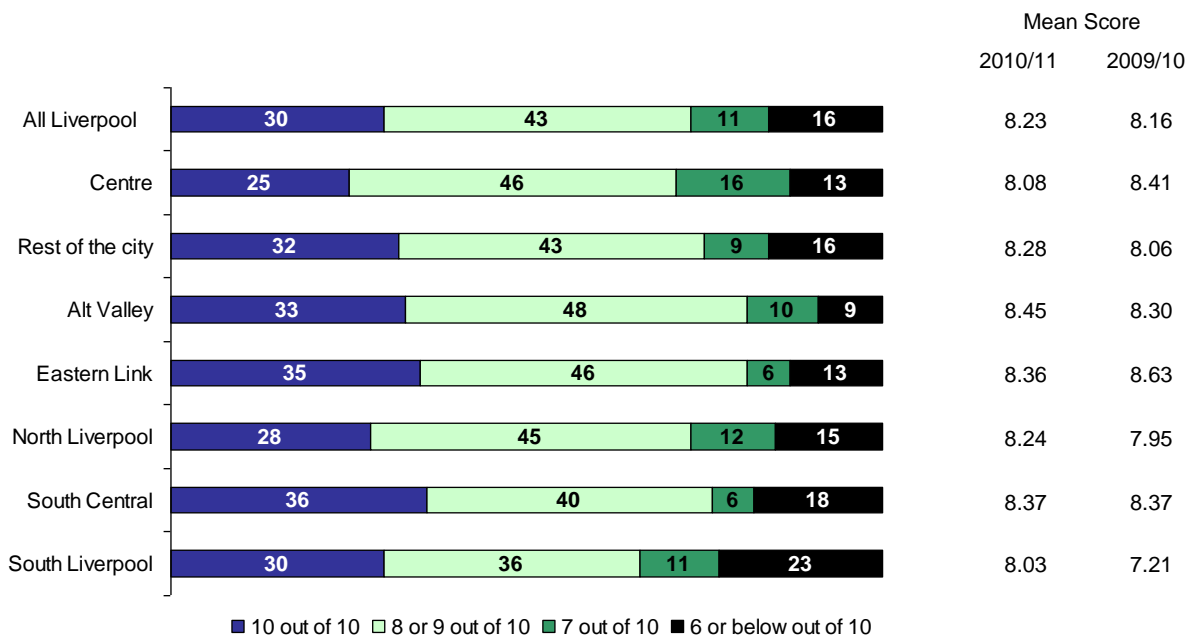


Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

Skills Gaps

- Ratings of the quality and skills of the workforce have fallen among businesses in the Centre (average score falling from 8.41 to 8.08), but have increased for those in the Rest of the city (8.06 to 8.28).
- The greatest improvement in perceptions of skills came from businesses in South Liverpool (where the mean score increased from 7.21 to 8.03). There are still issues with workforce skills in this area however, as their overall ratings remain the lowest of all areas. 23% of businesses in Liverpool still rate the quality and skills of their workforce at 6 out of 10 or less.
- Businesses in the Centre rate the skills of their staff higher in customer handling, management, teamwork and oral communication.
- Businesses in Eastern Link highlight strengths in technical skills, problem solving, teamwork and oral communication, as well as timekeeping and work ready skills.
- Those in South Central emphasise team working and timekeeping skills.

Rating of quality and skills of workforce (on a scale of 1 to 10, where 10 is excellent)



Which of the following skill areas, if any, need to be strengthened to help your business grow?

%	All Liverpool	Centre	Rest of the city	Alt Valley	Eastern Link	North Liverpool	South Central	South Liverpool
General IT user	46	49	45	48	47	45	45	41
Technical/job specific	44	46	43	41	58	40	43	35
Customer handling	40	46	38	32	48	35	43	32
Management	39	46	37	34	43	37	38	33
Team working	39	47	36	34	46	29	45	29
Oral communication	39	44	37	33	47	33	42	31
Problem solving	38	43	36	30	44	32	41	31
Reliability	37	40	35	34	42	32	40	30
Office admin	36	40	34	30	40	37	34	30
Written communication	36	40	34	30	40	27	38	30
Timekeeping	35	39	34	29	42	30	40	28
Work/basic skills	31	36	30	28	39	31	32	19
None	24	21	25	32	21	26	20	28

Areas where skills are mentioned by 5% or more than the All Liverpool average are highlighted

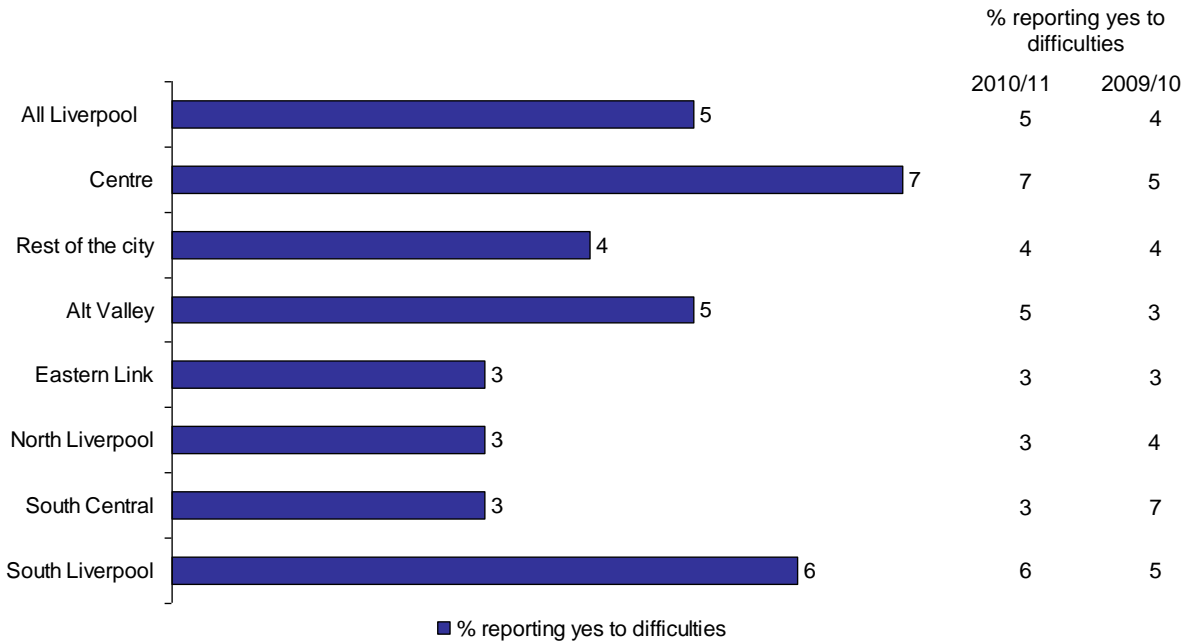
Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- Incidence of training has fallen both for the Centre (72% to 68%) and for the Rest of the city (59% to 54%).
- Businesses in the Centre are significantly more likely to be aware how to access on and off the job training than those in the Rest of the city (81% cf. 66%).
- There are relatively few difficulties in the current conditions is retaining staff (for the Centre 7% reported any problems, and for the Rest of the city just 4%).

Access To And Provision Of On The Job Training

	All Liverpool	Centre	Rest of the city	Alt Valley	Eastern Link	North Liverpool	South Central	South Liverpool
% who have trained staff in the last 12 months (on and off the job)	57	68	54	51	47	58	53	57
% who know how to access on and off the job training to support developments in these areas	70	81	66	74	59	65	68	66

Do you have any difficulties in retaining staff in Liverpool?



Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), North Liverpool (100), South Central (100), South Liverpool (101)

- 35% of businesses in the Centre have links with local universities. Outside the Centre however, in the Rest of the city, only half this level have links (18%).
- Linkages with universities continue to be very low in Eastern Link (13%) and Alt Valley (11%).
- Businesses in the Centre are more positive thinking that their business could benefit from closer links with local universities (46% for the Centre, compared with 32% for the Rest of the City).
- Businesses in the Alt Valley area remain the least likely to see value from closer links with universities (24%).

Links With Universities And Attitudes Towards Them

	All Liverpool	Centre	Rest of the city	Alt Valley	Eastern Link	North Liverpool	South Central	South Liverpool
Does your business have any links with local universities? (% yes)	23	35	18	11	13	23	25	18
Do you think your business could benefit from closer links with local universities? (% yes)	36	46	32	24	30	34	40	29

Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), City & North (100), South Central (100), South Liverpool (101)

Liverpool Brand And International Trade Links

- Awareness of the new brand and logo for the city has risen consistently across all areas of the city.
- Adoption of the logo is strongest in the Centre (18%), and weakest in Eastern Link (6%).
- Awareness of Liverpool's presence at World Expo in Shanghai was also consistently strong across all areas.

Awareness And Adoption Of Liverpool Brand And Presence At World Expo

	All Liverpool	Centre	Rest of the city	Alt Valley	Eastern Link	North Liverpool	South Central	South Liverpool
Aware Liverpool has a new brand and logo (%)	64	68	63	64	64	66	58	64
Have adopted the new logo (%)	13	18	12	10	6	17	12	11
Have you heard about Liverpool's presence at World Expo in Shanghai (%)	66	70	64	62	71	65	59	64

Base: All respondents 2010/11 unwt'd All Liverpool (855), Centre (353), Rest of the city (502), Alt Valley (100), Eastern Link (101), City & North (100), South Central (100), South Liverpool (101)

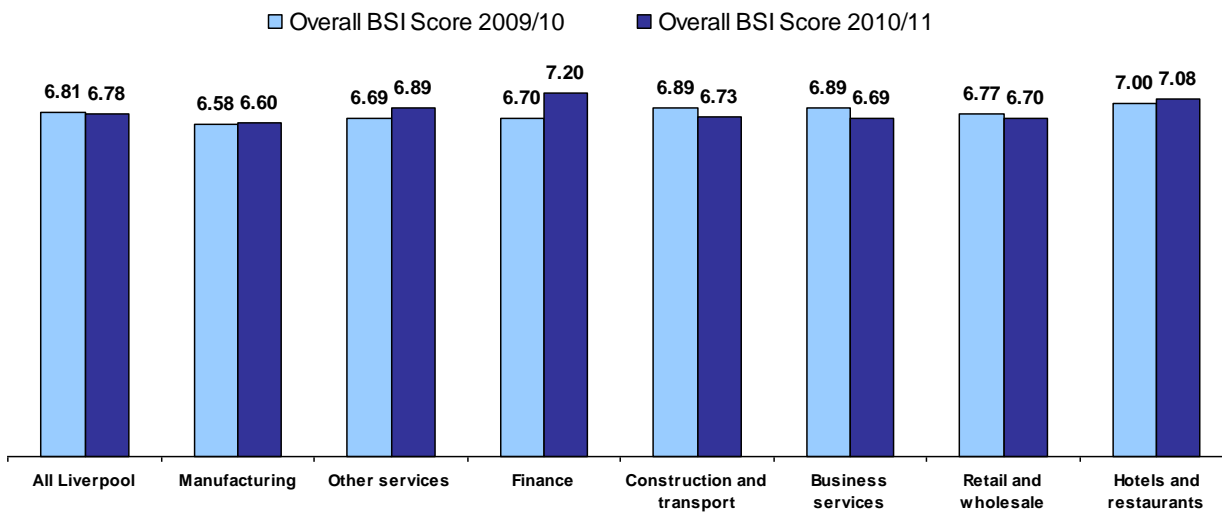
SECTION 4 : ANALYSIS AT A SECTOR LEVEL



- Sectors that scored above the overall Liverpool BSI score of 6.78 in 2010/11 were: Finance (7.20), Hotels and restaurants (7.08) and Other Services (6.89).
- Sectors that scored below the overall Liverpool BSI score in 2010/11 were: Manufacturing (6.60), Construction and transport (6.73), Business services (6.69) and Retail and wholesale (6.70).
- Manufacturing scores were lower across a number of areas including Cleanliness, Safety, Transport links, Quality of premises and Skills of workforce.
- Retail and wholesale and Construction both had lower scores on Business and training support.

Overall BSI Scores

(scores were given out of 10 where 10 represents excellent)



BSI Scores For Each Attribute

(Figures below are a composite score taking into account importance and satisfaction)

	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
Cleanliness	0.81	0.74	0.84	0.97	0.75	0.82	0.81	0.83
Safety in the city	0.88	0.85	0.90	0.95	0.85	0.87	0.85	0.94
Cost of premises	0.73	0.77	0.81	0.71	0.71	0.73	0.72	0.70
Transport links/accessibility	0.89	0.89	0.97	0.83	0.86	0.95	0.91	0.87
Quality of premises	0.86	0.86	0.96	0.98	0.81	0.88	0.86	0.80
Skills of workforce	1.14	1.12	1.14	1.15	1.10	1.17	1.13	1.19
Local authority services	0.81	0.80	0.87	0.82	0.82	0.78	0.79	0.79
Business and training support	0.67	0.65	0.72	0.65	0.70	0.70	0.63	0.62
Overall BSI Score	6.78	6.69	7.20	7.08	6.60	6.89	6.70	6.73

Sectors where scores are 0.03 or more below the All Liverpool average are highlighted

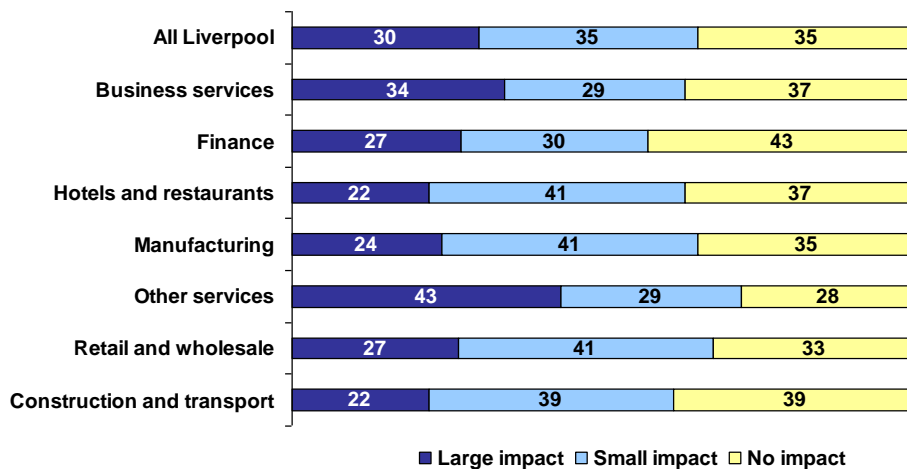
- The two sectors most confident that the economy is now in recovery are Finance and Hotels and Restaurants.
- The optimism of these two sectors is also reflected in these two areas having least concern about the risk of a 'double dip' into recession.
- Other services and Business services have most concern that the cuts in public spending will have a major impact on their business. Hotels and restaurants, Finance and Manufacturing have least concern.
- Business services, Other services, Manufacturing and Construction are less satisfied with the amount of help and support for their business.

Perceptions Regarding Recession And Recovery

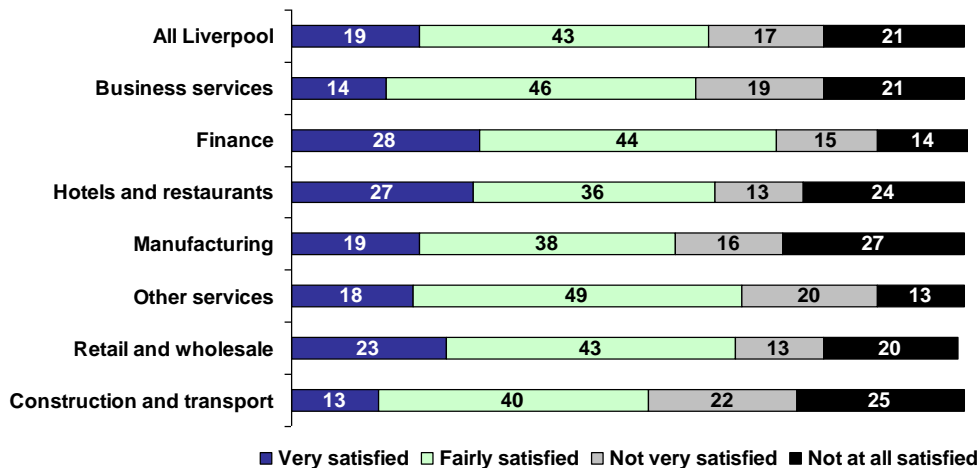
	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
Believe the economy is now in recovery	29	30	35	37	29	24	28	30
Think there is a significant risk of a 'double dip' into recession	65	66	50	59	68	66	66	67

Areas where perceptions about recovery are 5% or more below the All Liverpool average are highlighted, and areas where perceptions of the risk of a 'double dip' are 5% or more above the All Liverpool average, are highlighted

Expected Impact From Reduction In Public Sector Spending



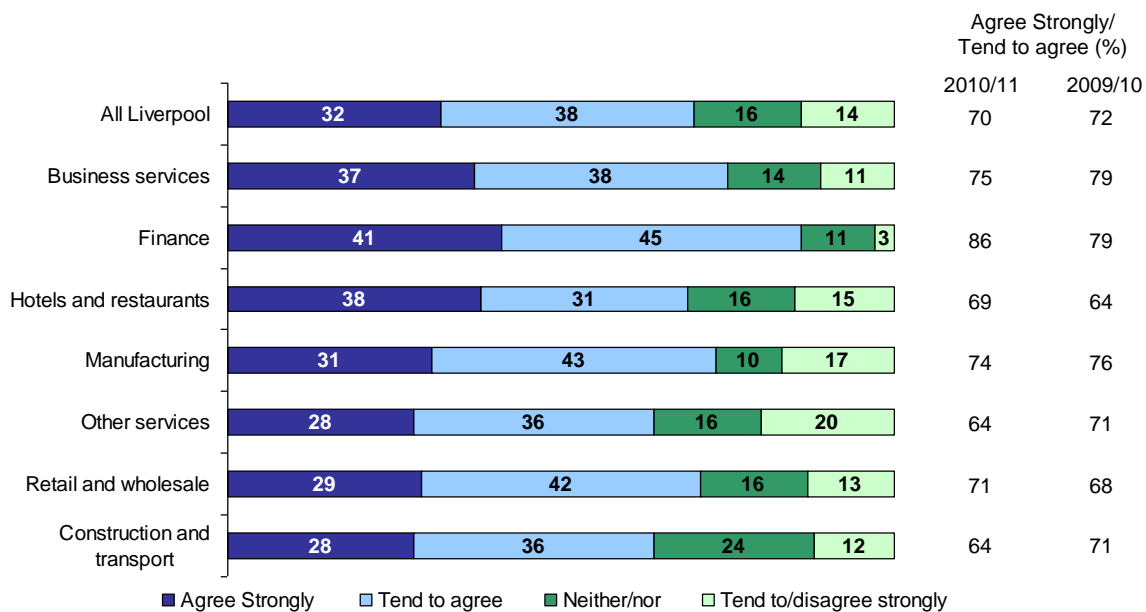
Satisfaction With Amount Of Help And Support For Business



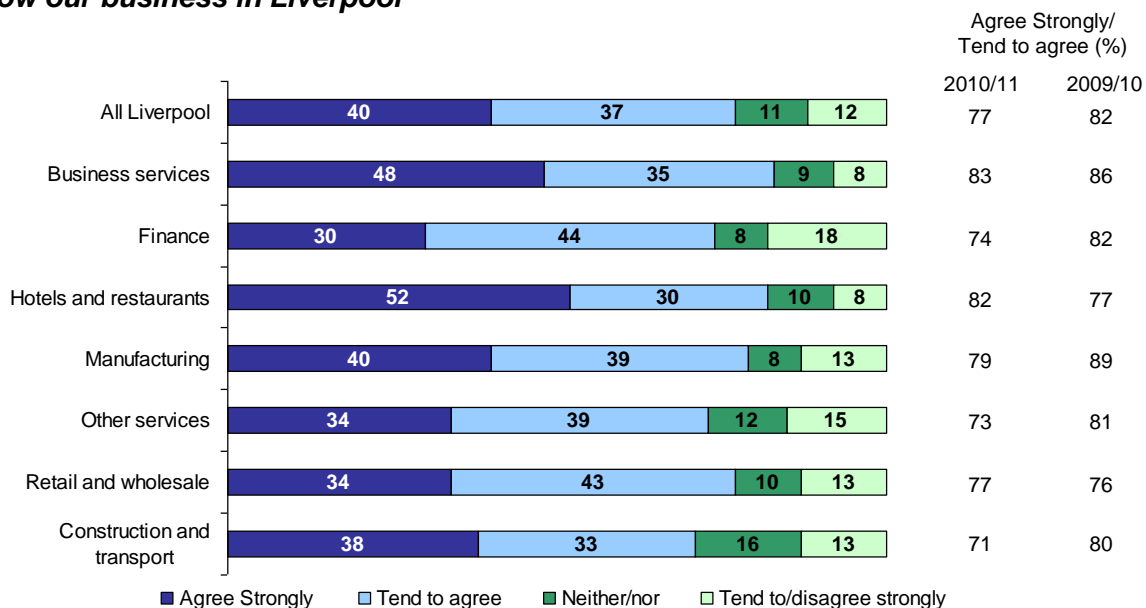
Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- Businesses in the Finance sector are now the most confident in knowing how to handle the impact of the recession (86% agree cf. 79% in 2009/10).
- Those in the Hotels and restaurants sector, who shared with Finance the most optimistic views on the economy, also have improved confidence in knowing how to handle the impact of the recession.
- Hotels and restaurants are very positive about their prospects of growing their business in Liverpool.
- By contrast, those where attitudes to the economy were weakest – Business services, and Other services – have least confidence on how to handle the impact of the recession.

Agreement with : *We are clear on how to handle the impact of the recession on our business*



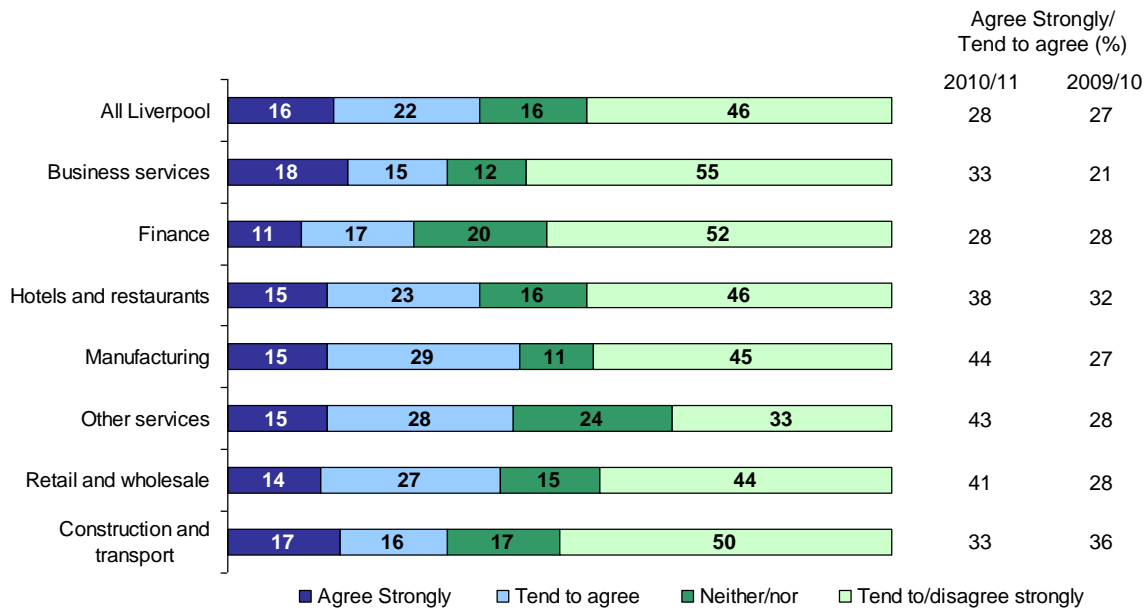
Agreement with : *Over the longer term, say the next 5 years, we still expect to grow our business in Liverpool*



Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- Echoing their improved confidence, businesses in Finnace are least likely to say that they will be scaling down planned investment in Liverpool in the next two years.
- Manufacturing, Retail and wholesale and Other services are most likely to say they will be scaling down planned investment in Liverpool (44%, 43%, 41% respectively).

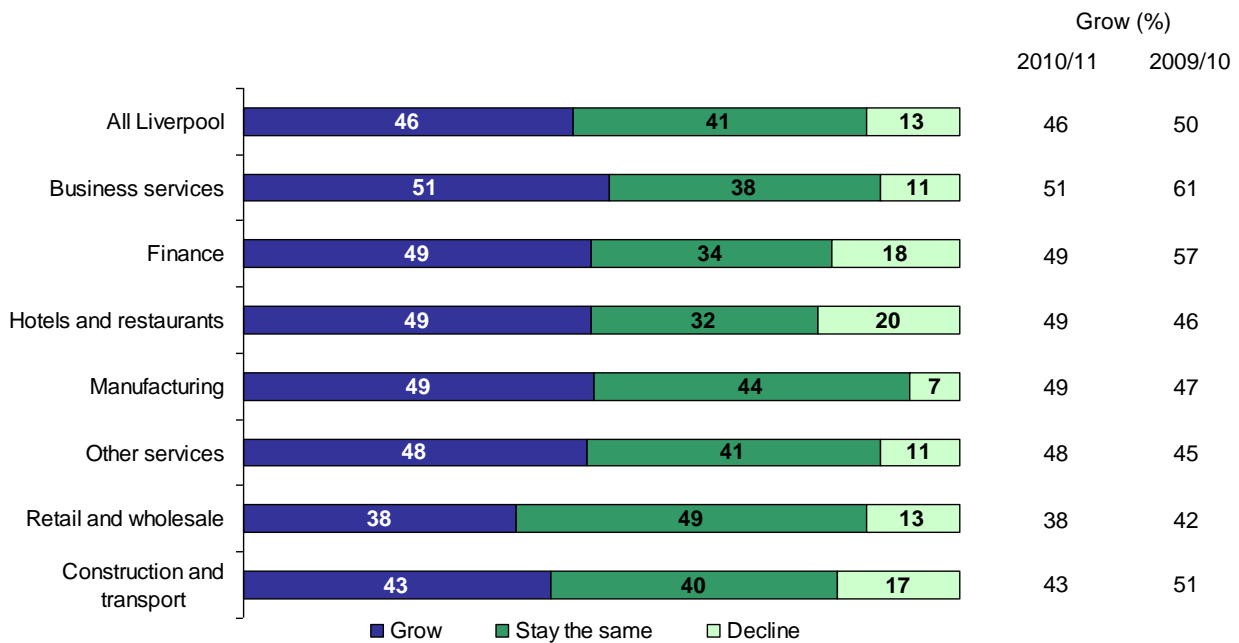
Agreement with : *In the short term, say the next 2 years, we will scale down any planned investment in Liverpool*



Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- Short-term expectations about growth are weakest for Retail and wholesale (38%), and Construction (43%).
- In their reasons for believing their business will group, Finance and Hotels and Restaurants are likely to reference growth in the local economy (24%, 28% respectively), but this dimension is conspicuously absent from those working in Manufacturing, and is weaker for Other services and Retail and wholesale.
- These attitudes and comments confirm that there are substantial differences by sector in perceptions of how far the economy has progressed in emerging from recession.

Overall do you think your business in Liverpool will grow, decline or stay the same over the next 2 years?



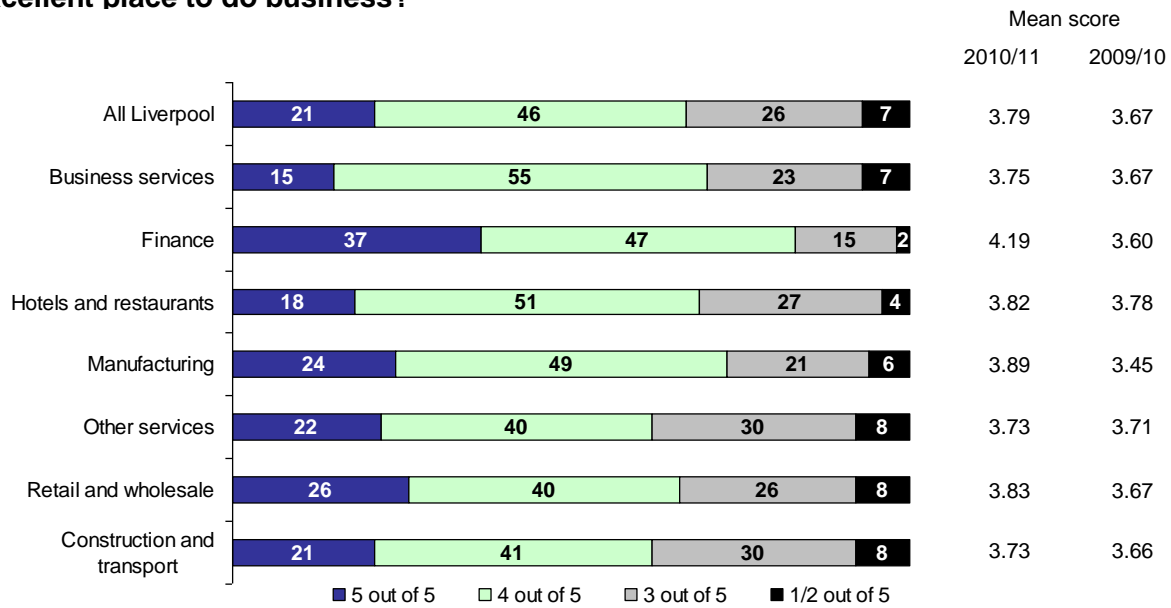
Reasons For Growth In Next 2 Years

Key reasons for growth (%)	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
Increase in customers	58	56	50	69	52	53	58	65
Quality/skills of staff	25	31	17	23	20	27	29	10
New product development	22	24	24	23	22	17	29	12
Growth in business sector	21	27	3	11	30	18	22	19
Increase in investment	20	12	11	43	21	13	22	23
Growth in local economy	16	18	24	28	1	12	10	21

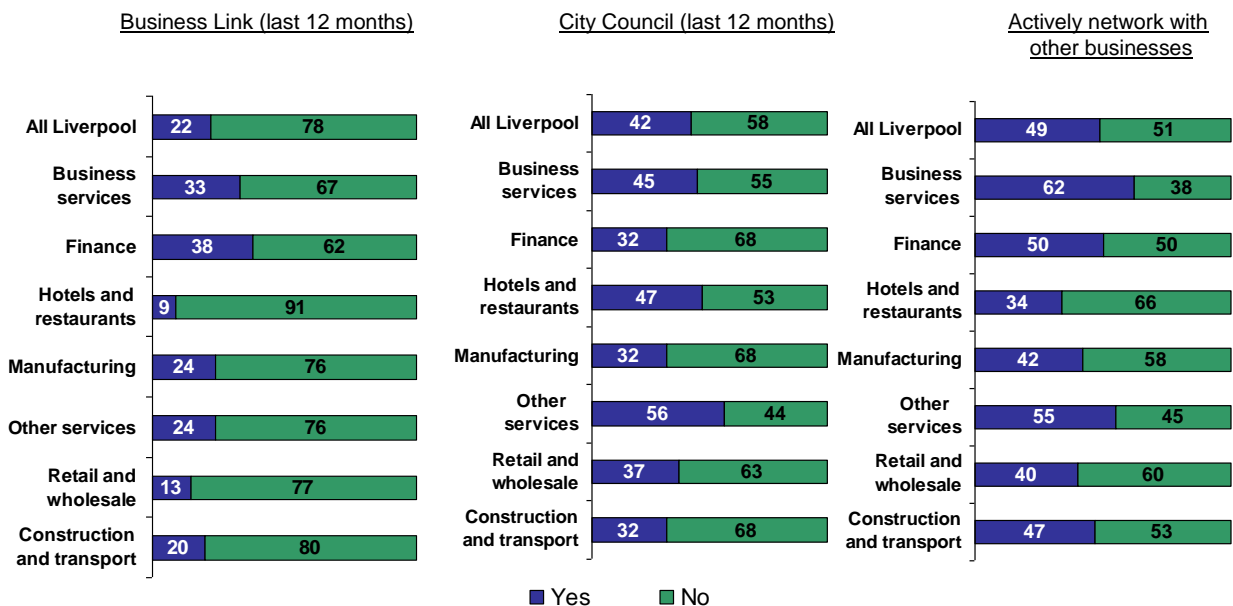
Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- All sectors are largely positive about Liverpool as a place to do business.
- Finance is particularly enthusiastic, with a significant uplift in its attitudes towards working in Liverpool compared with last year. 84% of Finance companies gave Liverpool a rating of 4 or 5 out of 5 (where 5 is excellent), compared with an average of 67% for Liverpool as a whole.
- Ratings are consistently high across all sectors, with at most 8% just rating Liverpool as 1 or 2 out of 5.
- Active networking is most common among businesses in Business services (62%), Other services (55%) and Finance (50%), and least common for Hotels and Restaurants (34%).

How would you rate Liverpool as a place to operate a business, with 1 being the lowest, a very poor place to do business and 5 being the highest, an excellent place to do business?



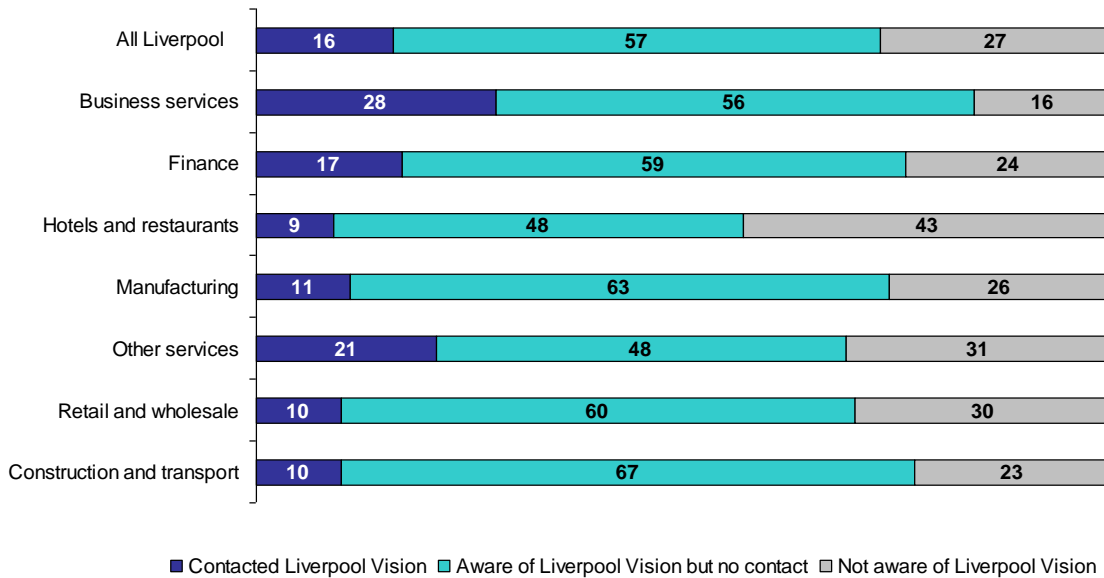
Contact And Advice With Services/Networks



Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- Awareness of Liverpool Vision continues to vary by sector. Awareness is significantly lower among Hotels and restaurants, Retail and wholesale businesses and Other services.
- Hotels and Restaurants and Retail and wholesale are, together with Construction, the least likely to have contacted Liverpool Vision. Business services and Other services are most likely to have had contact.

Awareness And Contact With Liverpool Vision

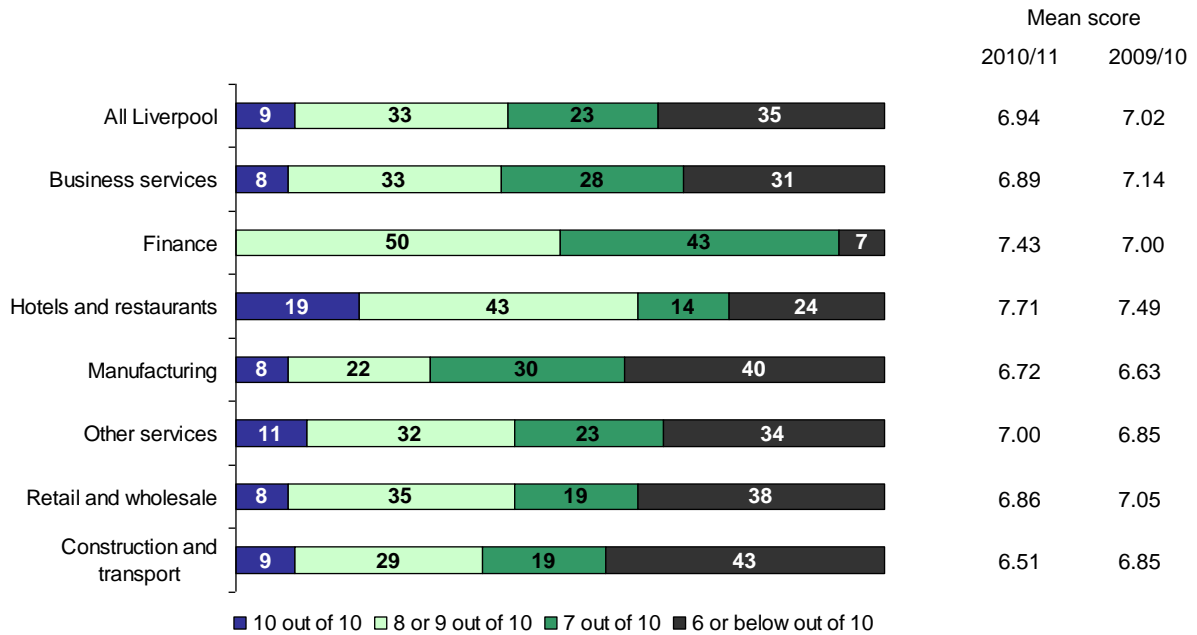


Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

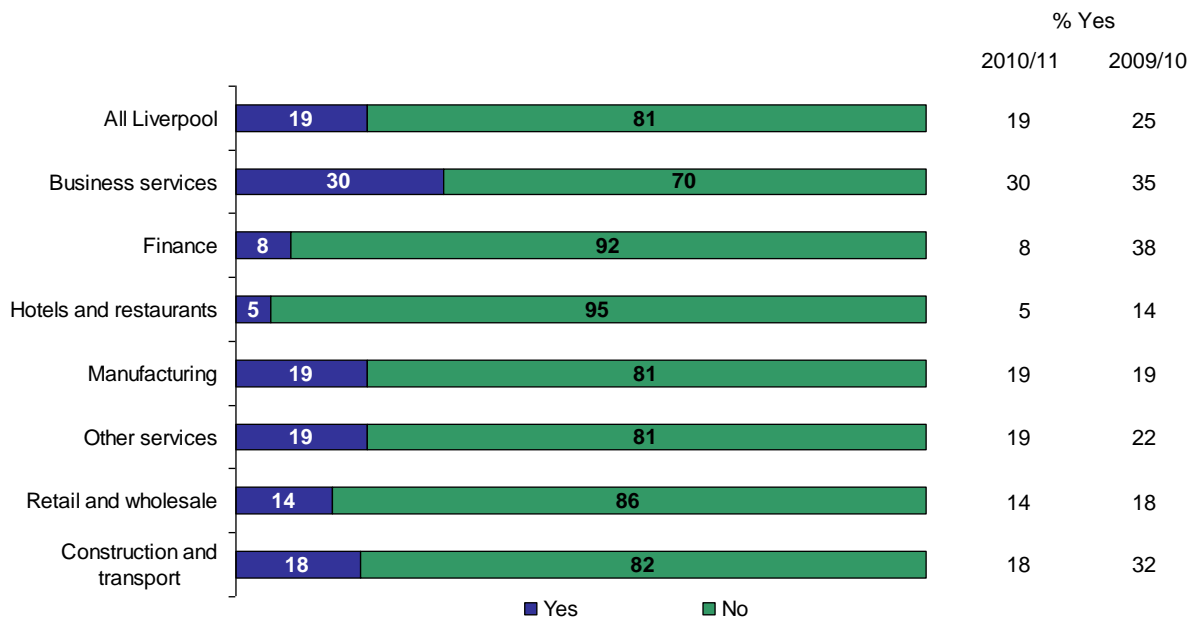
Satisfaction With Premises And Future Needs

- The highest satisfaction ratings for premises are from Hotels and restaurants (7.71) and from the Finance sector (7.43).
- Ratings for premises are weakest for Construction (6.51) and Manufacturing (6.72).
- Hotels and restaurants and Finance companies are now the least likely to change premises in the next 5 years (5% and 8%, compared with a Liverpool average of 19%), reflecting their positive attitudes to economy and confidence in their ability to grow locally. Business services are significantly the most likely to move.

Rating of quality of premises (on a scale of 1 to 10, where 10 is excellent)



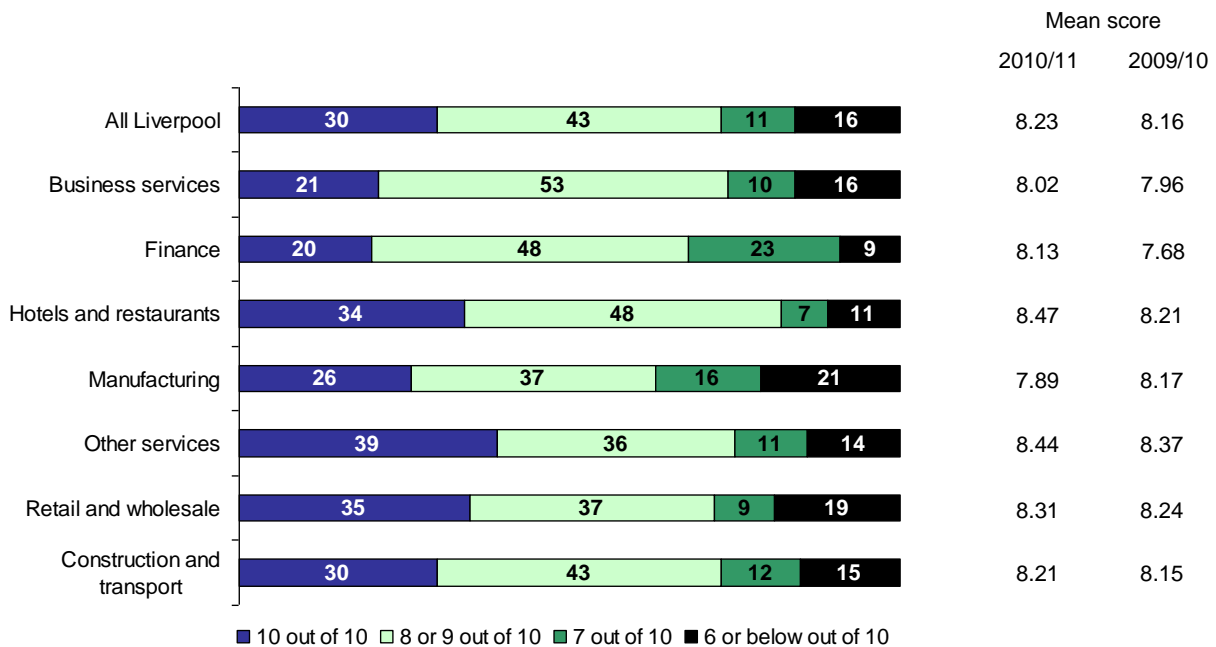
Are you expecting to change your business premises in the next 5 years?



Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

- Continuing the much improved ratings for the Finance sector over 2009/10, there was also a significant uplift in the perceptions of the quality and skills of their workforce (average increasing from 7.68 to 8.13).
- Hotels and restaurants and those in Other services both rate their staff very strongly.
- The only sector where ratings of the quality and skills of staff fell was in Construction (8.17 to 7.89).
- Finance would like to see further improvement in IT skills and customer handling skills particularly, together with oral communication and problem solving.
- Hotels and restaurants are looking to improvements in customer handling skills and team working.
- Other services are looking to improvements in IT and technical skills.

Rating of quality and skills of workforce (on a scale of 1 to 10, where 10 is excellent)



Which of the following skill areas, if any, need to be strengthened to help your business grow?

	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
General IT user	46	52	65	38	45	44	42	47
Technical/job specific	44	52	49	38	34	42	43	43
Customer handling	40	41	54	57	25	35	43	34
Management	39	43	50	41	27	37	41	37
Team working	39	37	46	56	27	39	42	31
Oral communication	39	38	54	49	30	36	41	36
Problem solving	38	37	56	44	27	36	41	33
Reliability	37	34	41	49	27	37	38	33
Office admin	36	41	48	34	24	31	38	35
Written communication	36	37	60	40	23	35	37	32
Timekeeping	35	37	46	45	26	35	35	27
Work/basic skills	31	31	41	37	19	32	34	26
None	24	22	19	24	24	25	27	24

Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

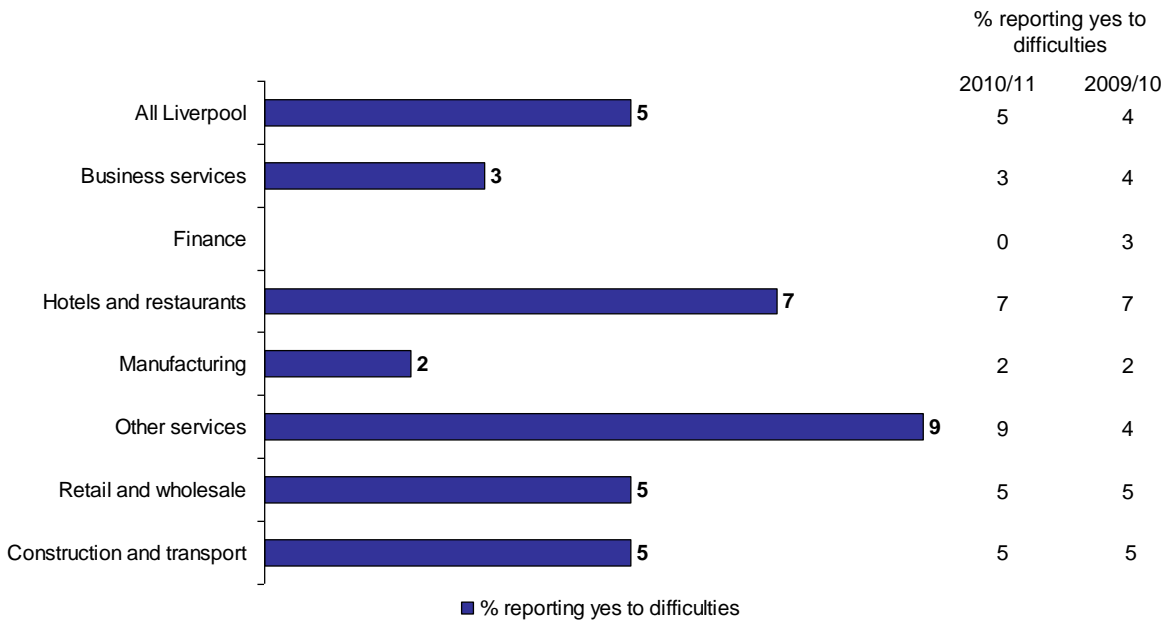
Training And Retention

- Levels of training have been maintained at high levels in Finance (70%) and Hotels and restaurants (71%).
- Other areas have seen less training – only 40% of those in Manufacturing, and 51% of those in Retail and wholesale had trained staff in the last 12 months.
- All sectors are relatively well aware of how to access on and off the job training. Knowledge of this is just slightly lower for Construction (63%), Retail and wholesale (65%), and Manufacturing (66%).

Access To And Provision Of On The Job Training

	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
% who have trained staff in the last 12 months (on and off the job)	57	59	70	71	40	62	51	54
% who know how to access on and off the job training to support developments in these areas	70	74	77	76	66	73	65	63

Do you have any difficulties in retaining staff in Liverpool?



Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

Relationship With Universities

- Those working in Business services and Other services are most likely to have links with local universities (29% and 34%, compared with an all Liverpool average of 23%).
- Links with local universities are lowest among Retail and wholesale (15%), Construction and transport (11%) and Finance (11%).
- Finance and Construction and transport are least likely to think their business could benefit from closer links with local universities.

Links With Universities And Attitudes Towards Them

	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
Does your business have any links with local universities? (% yes)	23	29	11	20	25	34	15	11
Do you think your business could benefit from closer links with local universities? (% yes)	36	46	24	39	30	37	30	28

Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

Liverpool Brand And International Trade Links

- Awareness of the new brand and logo for Liverpool is highest with companies in Business services (77%), and lowest for Hotels and restaurants (53%) and Retail and wholesale (58%).
- Adoption of the new logo is strongest among those in Other services (24%), and weakest for Hotels and restaurants (7%) and Retail and wholesale (7%).
- Awareness of Liverpool's presence in Shanghai at World Expo was relatively high across all sectors. It was particularly strong with Business services (80%) and Finance (78%), and lower for Retail and wholesale (55%) and Hotels and restaurants (58%)

Awareness And Adoption Of Liverpool Brand And Presence At World Expo

	All Liverpool	Business services	Finance	Hotels and restaurants	Manufacturing	Other services	Retail and wholesale	Construction and transport
Aware Liverpool has a new brand and logo (%)	64	77	58	53	61	63	58	66
Have adopted the new logo %)	13	13	11	7	15	24	7	11
Awareness of Liverpool' presence at the World Expo in Shanghai (%)	66	80	78	58	67	64	55	62

Base: All respondents 2010/2011 All Liverpool (855), Business services (180), Finance (30), Hotels & Restaurants (89), Manufacturing (92), Other services (152), Retail & Wholesale (210), Construction & Transport (102)

Appendix

Map Showing Neighbourhood Management Areas Of Liverpool

