

# **Wrexham Employment Sites Study**

Appendix B – Survey Analysis

Wrexham CBC

**August 2007**

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# 1. APPENDIX B – LAND AND PROPERTY SURVEY ANALYSIS

- 1.1 In January 2007 a Land and Property Survey prepared by GVA Grimley was sent out by Wrexham CBC to a 1,000 businesses across the County Borough. Attempt was made to ensure that the sample was relatively representative of the business base.
- 1.2 This appendix provides analysis of the responses received. In total 172 responses were received from businesses by the end of January. This represents a significant number of businesses and is therefore considered to be of a sufficient scale from which to draw conclusions regarding business aspiration within Wrexham.
- 1.3 The first half of the analysis follows the structure of the survey examining the responses to each of the questions posed. The second half of the analysis focuses on those businesses which suggested they were looking for new sites/premises currently or thought they may do so in the near future and provides a finer grained level of analysis. This final section represents a key component of the overall assessment of future demand for employment land within the County Borough and is fed into the Employment land review as an element of one of the projected demand scenarios.

## Analysis of Survey Responses

### Business Profile

- 1.4 The first question required the business to assign themselves to one of the 41 industrial sectors. The following table shows the number of businesses responding within each of the sectors.

#### Industrial sector of responding businesses

Business Code	Business Name	Number Recorded
1	Agriculture etc	10
2	Coal	1
3	Oil & Gas etc	1
4	Other Mining	0
5	Food Drink & Tob.	4
6	Text. Cloth. & Leath	2
7	Wood & Paper	4
8	Printing & Publishing	2

9	Manuf. Fuels	0
10	Pharmaceuticals	2
11	Chemicals nes	0
12	Rubber & Plastics	5
13	Non-Met. Min. Prods.	0
14	Basic Metals	1
15	Metal Goods	0
16	Mech. Engineering	7
17	Electronics	1
18	Elec. Eng. & Instrum.	4
19	Motor Vehicles	10
20	Oth. Transp. Equip.	3
21	Manufacturing other	5
22	Electricity	0
23	Gas Supply	1
24	Water Supply	0
25	Construction	10
26	Distribution	5
27	Retailing	15
28	Hotels & Catering	11
29	Land Transport etc	6
30	Water Transport	0
31	Air Transport	0
32	Communications	0
33	Banking & Finance	1
34	Insurance	1
35	Computing Services	1
36	Prof. Services	8
37	Other Bus. Services	5
38	Public Admin. & Def.	2
39	Education	10
40	Health & Social Work	14
41	Misc. Services	19

1.5 This displays a relatively good spread of responses across the business spectrum. Overall the distribution reflects the make-up of employment within Wrexham, however, it is important to note that there is a relatively high number of responses from the agricultural sector and motor vehicles (garages have been included within this sector). Significantly, the survey also received a relatively high amount of responses from retailers which are not factored into the employment land review.

1.6 It is also important to note that a number of sectors are not represented, with no responses received.

*Q A2) Is this business part of a larger group of companies?*

1.7 Overall approximately 25% of the businesses responded positively to this statement. However, this also included responses from public sector respondents e.g. education establishments and retail chains/franchises e.g. Post Offices.

- 1.8 The vast majority of responding businesses, almost 75%, were sole traders and not a component of a larger firm.
- 1.9 In answering Question A3, which enquired the location of the group Headquarters. As would be expected given the levels of response above the vast majorities were located within Wrexham. However, a number of the firms were part of partnerships/consortiums, which were global in their reach reinforcing the level of branch plants within Wrexham.

*Q A3) For how long has the business had a base in Wrexham?*

- 1.10 A total of 161 responses were received to this question, the following table illustrates response levels.

Length of time business has had a business base in Wrexham	Number of firms
Over 50 years	17 (10.5%)
10 - 50 years	95 (59%)
5 - 10 years	30 (18.7%)
Five or less years	19 (11.8%)

- 1.11 This indicates a significant level of stability within the businesses responding with almost 60% of businesses having been located within Wrexham for between 10 and 50 years. Indeed only just under 12% of business have been located in Wrexham for less than five years.
- 1.12 In terms of the question posed as to why the business was established in Wrexham the vast majority of responses were 'because the owner lived in Wrexham'. This suggests strong links between living and working within the area. Other factors included the good connections to surrounding areas and the levels of subsidies available in the past. The following question quantifies the responses to a greater extent.

*Q A6) Why did you choose to trade from the site/premises you currently occupy?*

- 1.13 The following table shows the absolute responses to this question. Businesses were encouraged to provide as many drivers for their location as appropriate and so percentages have not been calculated.

Why did you choose to trade from the site/premises you currently occupy?											
Bought existing businesses on the site	Convenient location	Affordable location	Considered good value	Amount of passing trade	Available services close to site	Subsidies available	Good Parking	Close to suppliers	Close to customers	Good access to rest of Wrexham	Good access links to major roads
39	89	59	34	19	9	6	26	9	29	26	41

1.14 Judging from the relative levels of response, convenient and affordable location along with good access to the major roads are the most commonly cited by businesses in terms of driving forces behind their location in Wrexham. Other factors receiving relatively high responses include:

- Bought existing business on the site;
- Good Parking;
- Close to customers; and
- Good access to the rest of Wrexham

*Q A7) How many employees does the company currently have based in...?*

1.15 The following table shows the number of businesses falling into a range of size brackets. It is clear that the majority of responding companies fall within the smallest size bracket (under 10 employees). Indeed a number of companies responding were sole traders with no additional employees.

Company size	Number of responses
More than 1000	7 (4%)
100 - 1000	9 (6%)
25 - 100	22 (14%)
10 - 25	28 (17%)
less than 10	95 (59%)

1.16 In terms of the proportion of employees located within Wrexham the vast majority of firms had 100% of their employees living within Wrexham (76% of responding firms), this reflects

the level of return from small businesses. In total 85% of responding businesses had 50% or more of their employees located in Wrexham. A total of 16 firms had employees located within other areas of Wales, with 28 firms having employees in the rest of the UK (the majority of these were the result of companies having offices elsewhere within the UK). Only 6 firms had employees located outside of UK borders reflecting the relatively low proportion of businesses responding who were an element of a wider global company.

1.17 Question A8 looked to examine the breakdown of staff into various categories in terms of their role within the company and level of occupation. The categories provided for businesses to assign their staff to were:

- Professional / Management Staff
- Skilled Staff
- Semi-Skilled Staff
- Administrative / Clerical Staff
- Unskilled Staff

1.18 A number of key statements can be reached regarding the breakdown of employment for businesses responding:

- 16 companies had over 75% of their staff classed professional / management, this increased to 21 companies when the threshold is lowered to 50%.
- Very few companies had high concentrations of staff which were unskilled, only 12 companies recording over 50% of their staff in this category.
- 50 companies classified 50% or more of their staff as being skilled.

1.19 Overall the levels of skilled staff were relatively high within the companies responding. However, it is important to note that many of the companies responding had relatively few employees.

*Q A9) How far do the majority of your employees commute?*

1.20 The following table shows the proportion of businesses responses.

How far do the majority of your employees commute?		
	Total	Percentage
1 = 0 - 5 miles <sup>1</sup>	93	58.5 %
2 = 5 - 10 miles	43	27 %
3 = 10 - 20 miles	18	11.3 %
4 = 20 miles plus	5	3.1 %
Total	159	100 %

1.21 It is clear that the majority of employees travel less than 5 miles to work. Indeed 85% of the businesses responding show that the majority of their employees travel less than 10 miles to work. This illustrates the local nature of working within Wrexham with commuting distances very low for the vast majority of businesses.

*Q A10) Compared to this time last year are the number of people on your payroll in the Wrexham area...*

*Significantly up*

*Significantly down*

*About the same*

1.22 This question starts to assess the dynamism of the businesses and provides an indication of their relative current health. The following table illustrates the proportional level of response.

Compared to this time last year are the number of people on your payroll in the Wrexham area....		
	Total	Percentage
1 = Significantly up	19	11.9 %
2 = Significantly down	14	8.8 %
3 = About the same	126	79.2 %
Total	159	100 %

1.23 It is evident that the vast majority of businesses, 79%, have experienced very little change in terms of their employee numbers. Again this is likely in part to reflect the number of small businesses responding to the survey. Encouragingly less than 9% of businesses

have witnessed a decline in employee numbers and 12% have actually witnessed a significant rise. This overall paints a relatively healthy picture of business activity within Wrexham.

## Business Prospects

- 1.24 Businesses were invited to comment on the major issues which have faced the business over the last two or three years. The following list shows a selection of the responses:

Rising costs related to gas water electricity and rising fuel costs.  
Declining Sales  
Insufficient room on the site for expansion  
Recruitment  
Our growing current premises and finding a new site.  
Competition from overseas regarding prices  
Lack of space for development  
High turn over of skilled staff  
Electricity prices increase, insurance costs up, unable to find skilled staff  
Land prices  
Traffic congestion into Wrexham  
Finding new premises to expand (cost effective)  
Loss of customers due to competition from Asia  
Lack of larger premises to move to  
Reduction of European Funds. The need to be sustainable

- 1.25 Overall there were a number of responses which occurred regularly these include; room for expansion, rising costs (particularly fuel), competition from overseas and the recruitment of staff.

- 1.26 Similar responses were obtained when businesses were questioned regarding the future major issues. With the overall health of the economy considered a significant factor in businesses ongoing health within Wrexham. Another comment which was recorded a number of times was the re-introduction of business rates, with this felt to be a potential inhibitor to businesses.

*Q B3) How important is the quality of premises to the operation of your business?*

	Total	Percentage
1 = Not important	8	4.8 %
2 = It makes no difference	18	10.8 %
3 = Important	66	39.5 %
4 = Very important	75	44.9 %
Total	167	100 %

- 1.27 The results indicate that the quality of premises is important to businesses within Wrexham. Almost 85% of businesses classed this factor as either important or very important, with very important being the response selected most often.

*Q B4) Is the availability of appropriate sites / premises a major issue for the future success of the business?*

- 1.28 An indication of the importance of availability of future sites is important in understanding future requirements in terms of employment land. Of those businesses responding the responses were very balanced with 49% saying no and 51% responding in the affirmative. Despite being balanced this indicates that the availability of land is an important future factor for the success of a significant proportion of businesses within Wrexham.

*Q B5) Would you say the marketplace the business operates in is...? Highly competitive / Fairly competitive / Not really Competitive*

- 1.29 Businesses perception of the market they operate within provides an indication of the pressure they feel they are under and also acts as an indicator of the potential vulnerability of the market.
- 1.30 Of those responding 55 % of businesses felt the market they operated in was highly competitive, this fell to 37% classing it as fairly competitive, with only 8% of companies claiming it as not really competitive. This suggests that overall the market within which businesses within Wrexham are operating is competitive. It is therefore important that businesses are assisted where possible to grow and improve their 'offer' in order to survive in the face of increasing competition.

*Q B6) In five years time do you think the business will have grown or declined?*

	Total	Percentage
Grown a lot	43	26.2 %
Grown a little	64	39.0 %
Stayed the same	26	15.9 %
Declined a little	17	10.4 %
Will not be trading	14	8.5 %
Total	164	100.0 %

1.31 The businesses within Wrexham appear to be relatively optimistic about their future with over 65% of businesses confident that they will have grown in five years time. Over a quarter of businesses feel that over this time period they will have grown a lot. This has implications for future requirements in terms of premises and land with growth generally equating to larger requirements for property.

1.32 Significantly, a relatively high proportion 8.5% believe that they will not be trading in five years time having implications for the overall business base.

*Q B7) In which areas does the business plan to invest in the next five years?*

1.33 Businesses were asked to select as many areas of future assessment as appropriate. The absolute levels recorded are shown below.

Land	Plant and machinery	IT	Employment	Market Research	Research and development	Other (please specify)
22	49	55	63	15	18	

1.34 The areas of investment recording the greatest level of response were:

- Employment
- IT
- Plant and machinery

1.35 Land also recorded a healthy level of responses suggesting that there are a significant number of businesses looking to expand / re-locate as part of their growth strategy.

## Site and Premises

### *Q C1) Do the current premises suit the businesses needs?*

- 1.36 Overall the vast majority (84%) of businesses responding felt that their current premises met their business needs. However, there remains 16% of the businesses who felt that current premises were not meeting their requirements.

### *Q C2) In five years time where do you think the business will be trading from?*

- 1.37 The retention of businesses within Wrexham is a key element of ensuring that the economy thrives within the future. The following responses were recorded within the survey:

	Total	Percentage
From this site	113	68.5 %
From a site close by	16	9.7 %
From a site elsewhere in Wrexham	19	11.5 %
From a site elsewhere in Wales	2	1.2 %
From a site elsewhere in the UK	6	3.6 %
Will not be trading	9	5.5 %
Total	165	100.0

- 1.38 Given the earlier level of businesses happy with their current premises it is no surprise that the majority of businesses plan to operate from their existing site (69% of responding businesses).
- 1.39 Significantly, less than 5% of businesses responding anticipate that they will be operating outside of Wrexham suggesting a relatively high level of containment within the County Borough. Importantly 20% of businesses feel that they will be moving within Wrexham.

### *Q C3) Are you actively looking for a new site or sites?*

- 1.40 The level of businesses looking for new sites is a key indicator of the level of future demand for employment land. Further analysis has been undertaken of those businesses responding positively to looking for a new site and is included as a separate sub-section at the end of this report.
- 1.41 In total 58% of businesses were not looking for new sites now or in the future. However, significantly a total of 42% of businesses were in the process of actively looking for a site or planning to in the future (half of these were actively looking now).

*Q C4) If you moved to a new location, would you be looking for premises that are?*

Larger	Smaller	About the same size	Have specialist facilities/design	Have specialist services close by	In an industrial Park	In an office Park	More modern	Have better access	Allowed greater flexibility	Cheaper	Better value for money	More expensive
69	11	36	16	3	11	5	22	19	21	21	29	2

1.42 Businesses were encouraged to select as many requirements as appropriate. Clearly the requirement which recorded by far the highest level of responses was ‘larger’. This has clear implications for the level of land likely to be required in the future with a number of these requirements likely to require additional land.

1.43 Significantly, 36 responses were received for ‘about the same size’ which would have little implications for land requirements, but only 11 required ‘smaller’ premises reflecting the earlier analysis of confidence in businesses to expand.

1.44 Other factors not related to the size of the premises which scored highly included:

- More modern
- Better access
- Allows for greater flexibility
- Cheaper and better value for money.

1.45 There appears to be an overall requirement for more modern facilities which remain affordable.

*Q C5) Where would be your preferred location?*

In Wrexham	In North East Wales	In Chester	In the rest of Wales	In another area of the UK	Other
122	12	12	2	3	2

- 1.46 The table shows absolute levels of response with businesses encouraged to select as many locations as appropriate.
- 1.47 The responses clearly indicate that businesses wish to stay within Wrexham, with this being by far the highest scoring location choice. Indeed very few businesses expressed an interest in locating outside of Wrexham, North East Wales or Chester (only 7 responses recorded for the rest of Wales, another area of the UK or other in total). This provides a strong indication of the commitment of businesses based in Wrexham to the local area.
- 1.48 Indeed in answering question C6, which asked for the reasons behind the choice of location, the vast majority of businesses indicated that they had strong existing ties to Wrexham in terms of their customer base, suppliers and also family connections. The strong transport connections with other areas were also cited as one of the reasons for aspiring to remain in Wrexham.

*Q C7) How much of an impact would such a move have on your business?*

	Total	Percentage
A great impact - it would improve business a lot	41	34.7 %
A small impact - it would improve business a little	28	23.7 %
Not much impact	31	26.3 %
A small impact - it would negatively affect business a little	7	5.9 %
A great impact - it would have a large negative impact	11	9.3 %
Total	118	100.0 %

- 1.49 The above table indicates that for a significant number of businesses relocation would have a positive impact on the overall level of business, with almost 35% of businesses suggesting it would improve business a lot. A further 24% suggest that it would improve business a little. Significantly less than 16% of businesses feel that a move would have a negative impact.

*Q C8) What is the current tenure status of your premises?*

	<b>Total</b>	<b>Percentage</b>
Freehold	74	45.4 %
Long leasehold	11	6.7 %
Short leasehold	51	31.3 %
Sub-let	10	6.1 %
Other	17	10.4 %
<b>Total</b>	<b>163</b>	<b>100.0 %</b>

- 1.50 The vast majority of businesses who responded to the survey are currently on either a freehold (45%) or a short leasehold (31%), there were very few who responded on long leaseholds (6.7%).

*Q C9) Does your current tenure status suit your needs?*

- 1.51 In general the businesses responding seem happy with their current tenure status with 86% of businesses responding yes to the above question. Therefore only 14% of businesses responding to the question were dissatisfied with their current tenure status.

*Q C10) What would be your preferred tenure status?*

	<b>Total</b>	<b>Percentage</b>
Freehold	86	64.7 %
Long leasehold	11	8.3 %
Short leasehold	25	18.8 %
Sub-let	6	4.5 %
Other	5	3.8 %
<b>Total</b>	<b>133</b>	<b>100.0 %</b>

- 1.52 Despite the vast majority of businesses being happy with their current tenure status a disproportionately large number of businesses ideally would like have freehold ownership of their premises, with almost 65% of businesses selecting this as their preferred tenure status.

*Q C11) What would the ideal property requirements of the business be?*

- 1.53 As a final question on the survey businesses were asked to describe their ideal property requirements. The list below provides a selection of the specific requirements recorded:

Better access and visibility, public footpath and better maintained, CCTV

The seven hectares of good land (bare) with good communication of all parts of Wales/uk - with services close to town/village.

A fully constructed warehouse with automation close to existing site.

Space, flexibility to expand

1500-2000 Sq Ft Storage & Office

12 Acre site, 4 acre buildings/Warehouse 3000ft<sup>2</sup> office, Parking for 40 cars, good road network links

Wrexham Ind Est, Large Industrial Unit, Overhead crane, secure outside laydown areas, Office space, Parking, Freehold.

A ground floor area with at least 3000 Sq Ft, Good parking facilities for 10 cars. Room for 2 x Containers (waste product storage) easy customer access

Slightly larger plot to be able to expand when required.

Completely covered warehouse / loading area, approx 100,000sq.ft with adjoining offices and parking for vehicles

80 - 100,000 sq.ft 5M to eaves with 100KVA Power, easy and dedicated access all under cover

10 - 15,000 sq.ft under cover on 1 acre site with outside yard

Single level manufacturing facility with good offices for reception, parking and access

Land to build 0.5-1 acre or a unit with offices about 4,000 sq.ft

ultra modern, highly efficient building with production space and offices

10,000 square foot, underfloor cabling, natural light, air con, good parking

Clean offices and warehouse facilities. In Wrexham the surrounding areas are usually very untidy and dirty - WIE and Ruabon etc...

- 1.54 Overall there was a desire for units within improved better managed surroundings. There was also an evident requirement for office space noted a number of businesses, in general with specific requirements a number of which for high quality space.

## Requirements by sector

- 1.55 In order to complement the analysis for future levels of demand within Wrexham for employment land within the Employment Land Review further analysis has been undertaken of those businesses which indicated that they were currently actively looking or planning to look for a new site or sites in the future.
- 1.56 The analysis has been cross-tabulated with the sectors of the businesses to give an indication of the types of businesses which are likely or planning to move in the future.
- 1.57 In total 71 businesses answered question C3 with the answer that they were actively looking for a new site or that they would be looking in the future. The sectors represented by these businesses (and the number of businesses in each sector) are shown in the following table.

Business Code	Business Name	Number Recorded
1	Agriculture etc	1
3	Oil & Gas etc	1
5	Food Drink & Tobacco.	4
6	Text. Cloth. & Leather	1
7	Wood & Paper	1
8	Printing & Publishing	1
10	Pharmaceuticals	1
12	Rubber & Plastics	2
14	Basic Metals	1
16	Mech. Engineering	4
18	Elec. Eng. & Instruments.	1
19	Motor Vehicles	2
20	Other. Transport. Equip.	1
21	Manufacturing other	2
25	Construction	6
26	Distribution	1
27	Retailing	9
29	Land Transport etc	4
33	Banking & Finance	1
35	Computing Services	1
37	Other Bus. Services	5
39	Education	3
40	Health & Social Work	7
41	Misc. Services	11

1.58 A broad range of businesses have indicated there likely requirement of new sites now or in the future. The sectors with greatest representation are:

- Miscellaneous Services (11)
- Retailing (9)
- Health and Social Work (7)
- Construction (6)
- Other Business Services (5)
- Land Transport (4)
- Food, Drink & Tobacco (4)
- Mechanical Engineering (4)

1.59 This list suggests relatively limited concentration of requirements from particular manufacturing sectors, however, there are a number of the manufacturing sectors represented which cumulatively produce a relatively notable representation.

- 1.60 In terms of the desired location of these businesses the following table indicates their responses to question C5.

Where would be your preferred location?					
In Wrexham	In North East Wales	In Chester	In the rest of Wales	In another area of the UK	Other
62	8	8	1	3	0

- 1.61 Clearly the vast majority of the businesses prefer Wrexham over other areas suggesting a high level of commitment to the area and indicating a level of demand for future employment land or premises within Wrexham. Of those who are looking outside of Wrexham these represent the following sectors:

- Retailing (4)
- Other Business Services (3)
- Miscellaneous Services (3)
- Other transport equipment (1)
- Basic metals (1)
- Education (1)
- Rubber and Plastics (1)
- Manufacturing other (1)
- Food, drink and tobacco (1)
- Land transport (1)

- 1.62 The majority of these selected Wrexham along with other areas, suggesting that they would widen their search area. In terms of those not including Wrexham within their selections business services and miscellaneous services both recorded two businesses who were not planning to look within Wrexham. The level of flexibility of businesses is shown with service level industries appearing on the list in a greater quantum reflecting their greater flexibility in terms of location.

- 1.63 Looking at the requirements of those businesses likely to require sites gives an indication as to future requirements in terms of a quantum of employment land as well as the types of property being sought. The following table provides a summary of the requirements of the businesses responding to the survey and requiring new site/sites.

Larger	Smaller	About the same size	Have specialist facilities/design	Have specialist services close by	In an industrial Park	In an office Park	More modern	Have better access	Allowed greater flexibility	Cheaper	Better value for money	More expensive
47	4	14	10	3	6	4	14	11	15	11	21	2

1.64 The highest response in terms of requirements for premises is evidently that the are 'larger'. This is encouraging and reflects the growth aspirations of businesses identified in the proceeding section, only 4 businesses actively looking or planning to look for new sites are requiring smaller premises.

1.65 Other factors standing out as recording high scores include:

- More modern facilities;
- Allowed greater flexibility;
- Have specialist facilities design;
- Cheaper; and
- Better value for money.

1.66 In terms of assessing the future levels of employment land required an important element is understanding which sectors are looking for sites which are larger. The following table indicates the number of businesses by sector currently looking for a new site or planning to look for a new site in the future and requiring larger premises.

Business Code	Business Name	Number Recorded
1	Agriculture etc	1
5	Food Drink & Tob.	4
6	Text. Cloth. & Leath	1
7	Wood & Paper	1
8	Printing & Publishing	1
12	Rubber & Plastics	1
14	Basic Metals	1
16	Mech. Engineering	4
19	Motor Vehicles	1
20	Oth. Transp. Equip.	1
21	Manuf. nes	2
25	Construction	5
26	Distribution	1

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27	Retailing	3
29	Land Transport etc	3
33	Banking & Finance	1
35	Computing Services	1
37	Other Bus. Services	3
39	Education	3
40	Health & Social Work	5
41	Misc. Services	4

- 1.67 The table indicates that there is demand for larger premises within service sectors, (miscellaneous services, other business services, health and social work, and education) but also manufacturing sectors (mechanical engineering, manufacturing other and also construction), as well as the retailing sector and distribution sectors (land transport).
- 1.68 If this sample is considered representative of businesses across Wrexham there is a clear demand for land from a range of sectors within Wrexham, with businesses looking to expand their property requirements.