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THE NatWest

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SMALL BUSINESS IN BRITAIN

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HIGHLIGHTS

The further deterioration in the economic climate reported in the previous survey has been arrested and there is a widespread improvement in expectations for the first quarter of the New Year. However, more respondents expect a decline in sales and employment than expect an increase. On average, our respondents experienced a real increase in business rates in the past three years, especially the smallest firms.

- * The proportion of small firms reporting an increase in sales rose from 32 to 35 per cent in the 12 months ended December 1992, compared with the previous survey. The percentage reporting a decline fell from 48 to 44 per cent, giving a negative balance of -9.2 per cent, compared with -16.2 per cent last time.
- * The percentage balance for the change in employment improved from -28.0 per cent to -15.2 per cent. Over 11 per cent of respondents reported an increase in both sales and employment over the past year, compared with 8 per cent last time. The percentage balance for the change in investment remained negative but also improved: from -32.8 per cent to -21.1 per cent.
- * The percentage balance of respondents expecting increased sales in the next (Q1/1993) quarter rose from -6.4 per cent to -4.0 per cent. The percentage balance for expected employment also rose, from -17.8 per cent to -10.7 per cent.
- * On balance, respondents in most sectors were less pessimistic or more optimistic about the outlook, though retailing was a notable exception.
- * Apart from Scotland, Yorkshire/Humberside and the North West, most regions are more optimistic about expected sales, and all regions have become more optimistic - or less pessimistic - about the employment outlook. Even so, all but East Anglia and the North expect overall falls in employment during the first quarter of 1993.
- * The proportion of respondents considering *low turnover/lack of business* to be their most important problem continued to increase: from 44.4 per cent, already the highest proportion ever to agree on a single problem, to 47.9 per cent.
- * *Cashflow/payments/debtors* was ranked in second place with 13.1 per cent (11.5 per cent last time) and *government regulations and paperwork* third with 6.1 per cent (8.0 per cent last time). The percentage of respondents selecting *interest rates* fell sharply, from 8.8 per cent to 3.7 per cent, and from third to fifth place, after *the tax burden* with 4.1 per cent.
- * 32 per cent of respondents are home-based, 30 per cent work in their own business premises and 37 per cent in rented business premises. The proportion of business premises which are owned is higher in the north than in the south of Britain.
- * On average, business rates are 2.3 per cent of sales and have increased by some 28 per cent over the past three years, more than the rate of inflation. Nearly one quarter (23 per cent) of respondents experienced no change, or a fall in rates, and 29 per cent an increase of 15 per cent or less.
- * The average percentage increase in business rates has been nearly twice as high in the south as in the north of Britain.
- * Business rates as a percentage of sales fell steeply with larger sizes of firm, and in the past three years the smaller the firm, the steeper the average increase in rates.

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1. THE SMALL BUSINESS OUTLOOK

FIRST QUARTER

Respondents were asked to indicate whether their sales turnover, average employment and investment were up, down or the same in the quarter just ended (October, November, December 1992) compared with the same quarter a year ago, and also to indicate what they expect for the next quarter (January, February, March 1993) compared with the fourth quarter of 1992. The first of the responses to the two sets of questions is shown in Table 1.1 as the "Actual Change on Year" and the second as "Expected Change on Previous Quarter".

Following the well-established practice of the CBI in its *Industrial Trends Survey*, a summary statistic, the *balance*, is used to monitor these changes, although the full results are also shown in the tables. The balance is the percentage of respondents replying 'up' minus the percentage replying 'down' (we ignore, for this purpose, the percentage replying 'same'). Appendix Table A.1 gives the percentage balances for both actual and expected changes since the surveys began in the third quarter of 1984.

Since 1989, we have been splitting the results of these questions by industrial sector and re-weighting them according to the sectoral distribution of all VAT registered businesses. The aim of this is to ensure that the results are as representative as possible of the business population in Britain.

As VAT figures for 1990 are now available, we have re-weighted some of the figures published in earlier reports.

Please note, however, that breakdowns by industrial sector, region and firm size use unweighted data.

Table 1.1 CHANGE AND EXPECTED CHANGE IN SALES, EMPLOYMENT AND INVESTMENT

	Actual Change on Year				Expected Change on Previous Quarter			
	1992/1 on 1991/1	1992/2 on 1991/2	1992/3 on 1991/3	1992/4 on 1991/4	1992/2	1992/3	1992/4	1993/1
Survey	Vol.8 No.2	Vol.8 No.3	Vol.8 No.4	Vol.9 No.1	Vol.8 No.2	Vol.8 No.3	Vol.8 No.4	Vol.9 No.1
	SALES				SALES			
Up	38.3%	33.9%	31.7%	34.7%	43.4%	33.0%	31.1%	30.0%
Down	40.3%	43.3%	47.9%	43.9%	24.1%	28.8%	37.5%	34.0%
Same	17.3%	21.3%	17.8%	20.2%	28.5%	35.7%	27.4%	34.1%
No Response	4.1%	1.6%	2.5%	1.3%	4.0%	2.5%	4.0%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-2.0%	-9.4%	-16.2%	-9.2%	19.3%	4.1%	-6.4%	-4.0%
	EMPLOYMENT				EMPLOYMENT			
Up	12.0%	11.7%	8.7%	13.1%	11.1%	9.4%	6.2%	9.1%
Down	29.2%	26.4%	36.7%	28.3%	16.6%	15.4%	24.1%	19.7%
Same	52.3%	57.6%	49.6%	54.1%	65.9%	70.1%	63.1%	66.1%
No Response	6.5%	4.4%	5.0%	4.4%	6.4%	5.1%	6.6%	5.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-17.2%	-14.7%	-28.0%	-15.2%	-5.5%	-6.0%	-17.8%	-10.7%
	INVESTMENT				INVESTMENT			
Up	19.3%	16.7%	14.7%	17.0%	17.6%	14.8%	11.4%	16.4%
Down	33.4%	35.6%	47.5%	38.1%	24.4%	26.7%	35.6%	29.6%
Same	40.5%	43.1%	31.9%	38.5%	51.4%	53.4%	45.7%	46.9%
No Response	6.8%	4.6%	5.9%	6.4%	6.6%	5.0%	7.3%	7.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-14.1%	-18.8%	-32.8%	-21.1%	-6.8%	-11.9%	-24.3%	-13.2%
Base	1,359	1,527	921	1,339	1,359	1,527	921	1,339

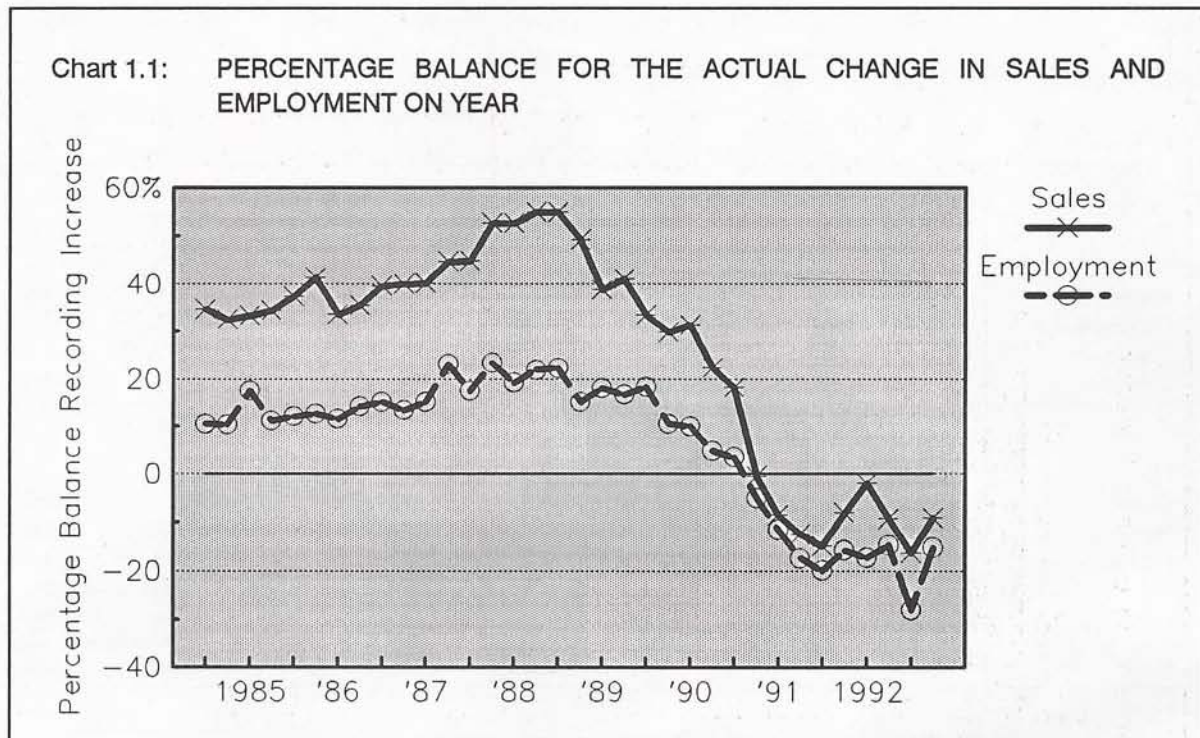
Table 1.2 PROPORTION OF EXPANDING AND CONTRACTING FIRMS AS A PERCENTAGE OF RESPONDENTS

	Vol.8 No.2		Vol.8 No.3		Vol.8 No.4		Vol.9 No.1	
	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent
Expanding Firms	132	9.7%	152	10.0%	73	7.9%	152	11.4%
Declining Firms	289	21.3%	289	18.9%	242	26.3%	290	21.6%
Remaining Respondents	938	69.0%	1,086	71.1%	606	65.8%	897	67.0%
All Respondents	1,359	100.0%	1,527	100.0%	921	100.0%	1,339	100.0%
Balance		-11.6%		-8.9%		-18.4%		-10.3%

Note: All figures shown in these tables are weighted to the VAT sectoral distribution.

Actual Performance

After falling successively in the past two surveys, the percentage balance for the actual change in sales for the fourth quarter 1992 on a year earlier improved. The balance remains negative at -9.2 per cent compared with -16.2 per cent in the previous survey (Table 1.1) and resulted from a small increase in the percentage of respondents reporting sales up (from 31.7 to 34.7 per cent), and a somewhat greater fall in those reporting a decline (from 47.9 to 43.9 per cent).



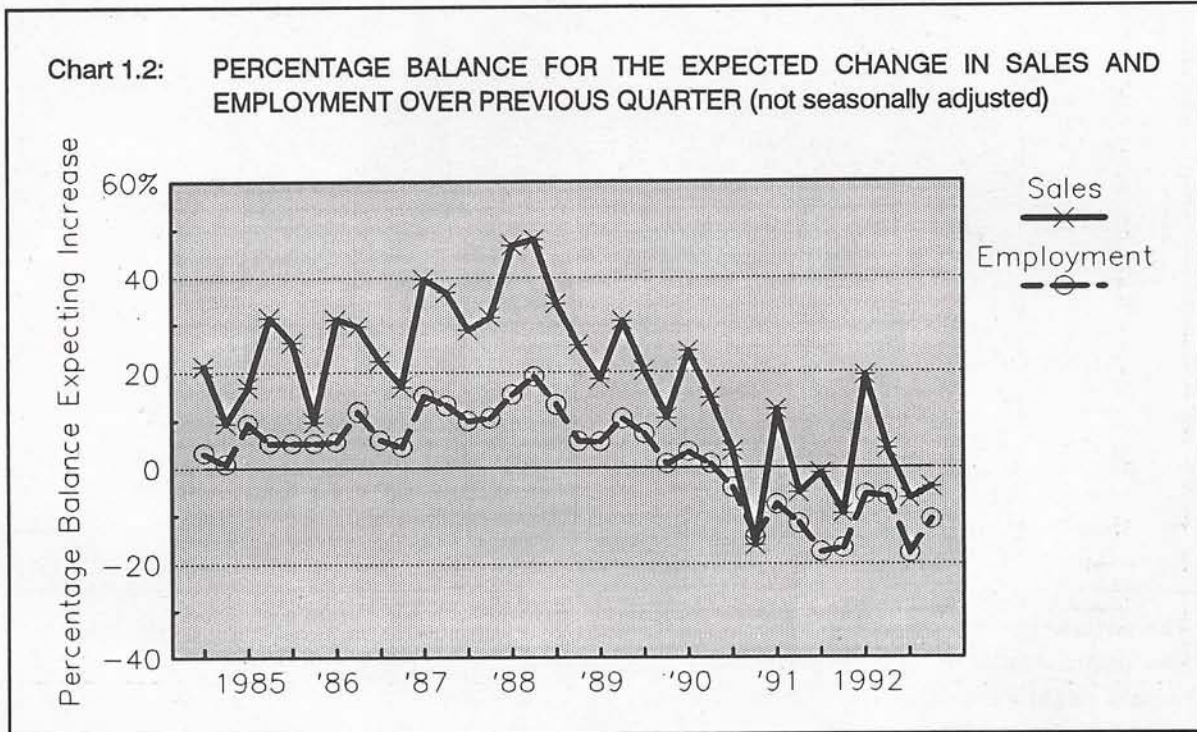
The *employment* balance also rose, from -28.0 per cent to -15.2 per cent. Over the past year, 13.1 per cent of respondents reported an increase in employment (8.7 per cent in the previous survey) and 28.3 per cent a decline (36.7 per cent).

As a consequence of the improvement in the balances for sales and employment, the percentage of declining firms fell from 26.3 per cent to 21.6 per cent, and the percentage of expanding firms rose from 7.9 to 11.4 per cent. This left two-thirds of respondents with neither an increase nor a decrease in both sales and employment.

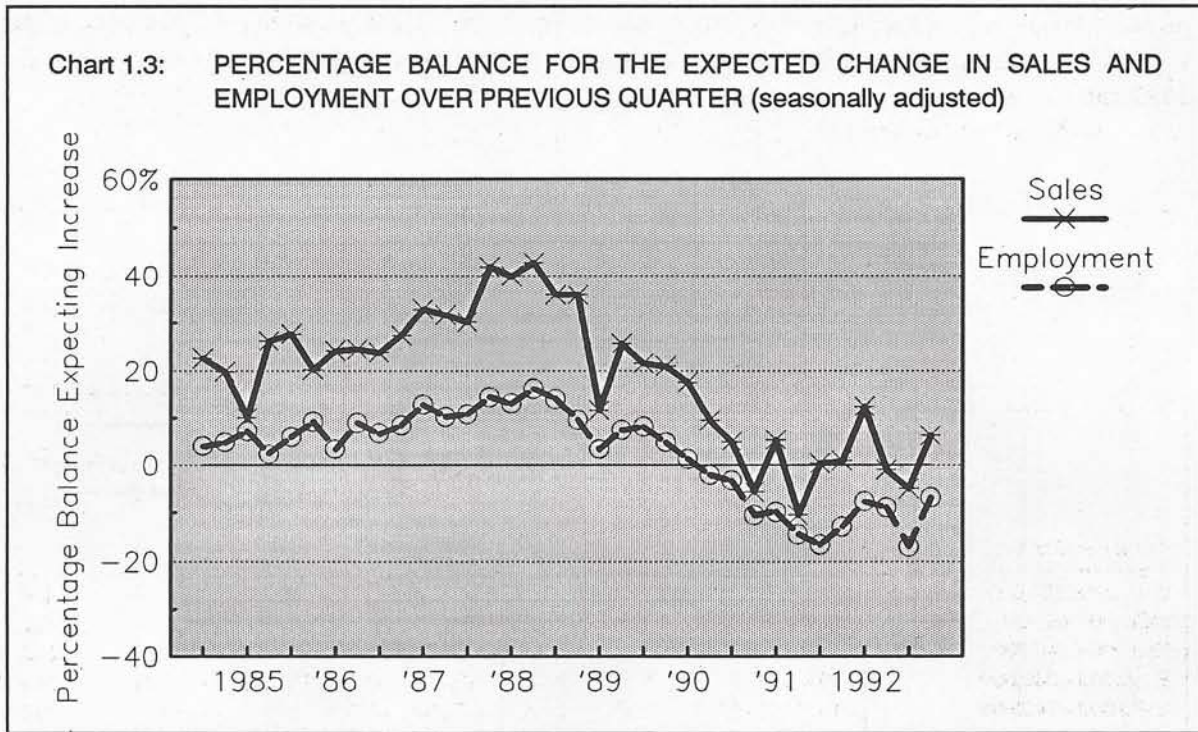
The percentage balance for the actual change in *investment* over the past twelve months remained negative but also improved, rising from -32.8 per cent to -21.1 per cent.

Expectations

Whilst there was a slight fall in the percentage of respondents expecting increased sales in the first quarter of 1993, there was a greater fall in the percentage expecting a decline (from 37.5 to 34.0 per cent). As a result the percentage balance rose from -6.4 to -4.0 per cent (Chart 1.2). There was also a rise in the percentage of respondents expecting no change.



After taking into account seasonal variation, the improvement in the sales balance was more marked at +6.4 per cent, becoming positive for the first time since the 'false dawn' in the first quarter of 1992 (Chart 1.3; the adjusted and unadjusted balances are given in Table A.1).



The percentage balances for employment and investment expectations also improved, and again this improvement is more marked on a seasonally adjusted basis. In both cases the balances remain negative, suggesting that even among surviving firms, investment and employment are still on a downward trend.

Comparison across size bands

Table 1.3 shows that on balance, firms in all size bands but one (£750,000 - £1.5 million) are more optimistic, or less pessimistic, in expectations for sales and employment in January-March 1993 than they were for the previous quarter. There is some tendency for larger firms to be more confident about the sales outlook than smaller ones.

Table 1.3 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY TURNOVER
(Current Survey No. 34 compared with Previous Surveys)

Percentage balance

Turnover size band	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size (Survey 34)
	Survey Number				Survey Number				
	31	32	33	34	31	32	33	34	
Less than £20,000	21.7%	-3.8%	-13.3%	-4.1%	-4.2%	0.0%	-12.2%	-6.8%	146
£20,000 - 49,999	19.2%	13.2%	-0.8%	2.1%	-3.7%	0.0%	-8.7%	0.0%	237
£50,000 - 149,999	17.7%	7.1%	-7.0%	-0.3%	-4.2%	-4.1%	-18.6%	-4.9%	309
£150,000 - 349,999	15.9%	9.0%	-1.0%	6.4%	-2.4%	-8.3%	-12.6%	-3.2%	249
£350,000 - 749,999	16.7%	16.2%	3.1%	5.6%	-7.2%	-3.2%	-11.6%	-11.8%	178
£750,000 - 1,499,999	23.7%	-0.8%	-3.1%	-5.8%	2.5%	-6.0%	-20.4%	-18.2%	121
£1,500,000 and over	37.5%	12.4%	11.5%	27.0%	3.1%	-2.3%	-14.8%	3.0%	100
Total	19.8%	8.3%	-2.6%	3.3%	-3.1%	-3.7%	-14.2%	-5.4%	1,340

NOTE: The total balances in this table are not comparable with those shown in Table 1.1 because the data in these tables are not weighted, neither are they seasonally adjusted.

Comparison across business sectors

Table 1.4 breaks down the expected sales and employment balances by sector but, as usual, we remind readers that the sample sizes for several sectors are too small for comparisons to be statistically valid.

Table 1.4 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY BUSINESS SECTOR
(Current Survey No.34 compared with Previous Surveys)

Business Sector	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size
	Survey Number				Survey Number				(Survey
	31	32	33	34	31	32	33	34	34)
Agriculture, Forestry, Fisheries	28.0%	7.4%	0.0%	-14.3%	-8.0%	-3.7%	-24.0%	-17.9%	28
Manufacturing, Mining, Processing	14.7%	13.9%	2.9%	11.1%	0.6%	-3.3%	-6.4%	-3.5%	287
Transport	12.9%	-14.7%	-15.2%	-33.3%	-3.2%	0.0%	-15.2%	-23.3%	30
Construction	3.1%	-6.7%	-35.8%	-6.2%	-12.2%	-18.5%	-37.7%	-14.4%	97
Wholesale Trade	28.4%	3.1%	-10.1%	6.3%	0.6%	-7.5%	-6.3%	0.0%	128
Retail Trade	20.8%	-0.5%	0.6%	-26.7%	-6.8%	-9.0%	-21.7%	-11.5%	191
Catering & Restaurants	19.5%	-2.6%	4.8%	-30.0%	-14.6%	-15.4%	-9.5%	-30.0%	30
Business Services	22.8%	16.4%	2.2%	16.1%	-2.5%	3.4%	-11.3%	1.8%	386
Other Services	21.0%	11.3%	-4.1%	16.3%	-1.6%	1.4%	-13.9%	-5.7%	141
Other	42.9%	4.0%	18.2%	0.0%	-4.8%	0.0%	-9.1%	-19.0%	21
Total	19.8%	8.3%	-2.6%	3.3%	-3.1%	-3.7%	-14.2%	-5.4%	1,340

Unweighted, not seasonally adjusted data

For *expected sales*, the improvement in outlook is fairly general except in retailing and in agriculture, transport and catering, three sectors where sample sizes are very small. All sectors except transport, catering and restaurateurs show an improvement or less pessimism about the employment outlook.

Comparison across regions

Firms in all regions except Scotland, Yorkshire/Humberside and the North West have become more optimistic about sales prospects than in the previous survey.

Aside from Northern Ireland, where there were only two respondents, firms in every region have become more optimistic about employment expectations but, on balance, all but East Anglia and the North expect overall falls in employment during the first quarter of 1993.

Table 1.5 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY REGION
(Current Survey No.34 compared with Previous Surveys)

Region	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size (Survey 34)
	Survey Number				Survey Number				
	31	32	33	34	31	32	33	34	
North	19.4%	20.4%	-26.3%	25.0%	-2.8%	10.2%	-10.5%	2.8%	36
Yorkshire & Humberside	17.6%	7.1%	2.4%	-9.3%	2.2%	-0.9%	-11.0%	-3.1%	97
North West	21.2%	7.6%	11.1%	5.9%	3.8%	-3.5%	-4.0%	-3.4%	118
East Midlands	10.0%	-3.0%	-1.9%	9.6%	-3.6%	-9.7%	-18.5%	-4.3%	94
West Midlands	23.5%	18.6%	-11.6%	0.9%	0.8%	1.7%	-21.1%	-2.8%	107
East Anglia	23.9%	28.4%	-9.1%	11.4%	5.4%	4.2%	-19.5%	11.4%	88
South East	18.8%	6.1%	-2.1%	6.4%	-8.0%	-4.9%	-13.3%	-8.8%	535
South West	21.9%	4.4%	-8.0%	-7.2%	-4.1%	-8.9%	-17.0%	-8.6%	152
Wales	37.3%	19.6%	0.0%	13.6%	2.0%	0.0%	-10.3%	-4.5%	44
Scotland	14.5%	-1.6%	2.3%	-18.2%	-4.3%	-6.6%	-18.6%	-10.6%	66
Northern Ireland	25.0%	-25.0%	0.0%	0.0%	-25.0%	0.0%	-20.0%	-50.0%	2
Total	19.8%	8.3%	-2.6%	3.3%	-3.1%	-3.7%	-14.2%	-5.4%	1,340

Unweighted, not seasonally adjusted data

Conclusion

The further deterioration in business performance and expectations reported in the previous survey has not continued, and there has been a widespread improvement in expectations for the first quarter of the New Year, compared with the outlook for the previous quarter. Even so, more firms expect sales to fall in the first quarter than to rise, and employment among surviving small firms is probably set to continue to fall.

2. PROBLEMS

General

Respondents were asked to select, from a list of fourteen, the most important problem facing their business on that day. Their responses in this survey are compared to those in recent surveys in Table 2.1, and analysed by business sector in Table 2.2.

Table 2.1 MOST IMPORTANT PROBLEM (All Respondents)

Problem	Survey Number			
	Vol.8 No.2	Vol.8 No.3	Vol.8 No.4	Vol.9 No.1
Low Turnover/Lack of Business	34.5% (1)	43.5% (1)	44.4% (1)	47.9% (1)
Cashflow/Payments/Debtors	13.4% (2)	13.6% (2)	11.5% (2)	13.1% (2)
Gov't Regulations & Paperwork	5.2% (5)	8.0% (3)	8.0% (4)	6.1% (3)
Total Tax Burden	5.4% (4)	5.1% (5)	5.9% (5)	4.1% (4)
Interest Rates	11.6% (3)	7.6% (4)	8.8% (3)	3.7% (5)
Access to Finance	4.3% (8)	3.9% (6)	3.6% (7)	3.2% (6)
Lack of Skilled/Trained Employees	3.4% (9)	2.8% (8)	1.6% (9)	3.2% (7)
Competition from Big Business	4.4% (7)	2.1% (9)	4.0% (6)	3.0% (8)
Premises/Rent/Rates	5.0% (6)	3.0% (7)	3.0% (8)	2.9% (9)
Shortages of Materials,Supplies,etc	0.3% (13)	1.0% (11)	0.3% (12)	1.1% (10)
Internal Management Difficulties	1.1% (11)	0.8% (12)	0.2% (13)	0.6% (11)
Inflation	2.2% (10)	1.6% (10)	1.0% (10)	0.6% (12)
High Rates of Pay	0.4% (12)	0.3% (13)	0.5% (11)	0.3% (13)
Other	7.3%	5.9%	5.2%	8.5%
No Response	1.3%	0.8%	2.1%	1.8%
TOTAL	100.0%	100.0%	100.0%	100.0%
BASE	1,359	1,527	921	1,339

Note: 1 All figures shown in this table are weighted to the VAT sectoral distribution.
2 Number in brackets refers to the problem's ranking each quarter.

The proportion of respondents considering *low turnover/lack of business* to be their most important problem continued to increase, from 44.4 per cent, already the greatest proportion of respondents ever to agree on a single problem, to 47.9 per cent. *Cash flow/payments/debtors* was once again the second most frequently chosen response, and the proportion of respondents selecting this problem rose from 11.5 per cent to 13.1 per cent. As in previous surveys, payments problems are most acute among firms in construction and least important in cash-based businesses such as the retail trade.

The percentage of respondents selecting *interest rates* fell sharply, from 8.8 per cent to 3.7 per cent and fell from third to fifth place in the rankings. The proportion of respondents considering *government regulations and paperwork* fell to 6.1 per cent, but this is the third most frequently mentioned problem. The percentage of respondents selecting *total tax burden*, in fourth place, fell from 5.9 to 4.1 per cent, but the percentage selecting *lack of skilled/trained employees* doubled to 3.2 per cent and its ranking rose from 9th to 7th. Business and other services recorded the highest percentage of mentions for skills shortages, though still only 4.1 and 5 per cent respectively. No respondent selected this problem in retailing, and only 2.4 per cent in manufacturing.

Table 2.2 MOST IMPORTANT PROBLEM BY BUSINESS ACTIVITY

Problem	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
Inflation	0.0%	0.7%	0.0%	0.0%	0.8%	1.0%	0.0%	0.3%	0.7%	4.8%	0.6%
Interest Rates	7.1%	1.7%	0.0%	3.1%	1.6%	3.1%	3.3%	1.8%	6.4%	4.8%	2.7%
Access to Finance	3.6%	4.2%	10.0%	1.0%	3.1%	4.2%	3.3%	2.3%	2.1%	4.8%	3.2%
Lack of Skilled/Trained Employees	7.1%	2.4%	3.3%	2.1%	2.3%	0.0%	3.3%	4.1%	5.0%	0.0%	2.9%
Total Tax Burden	3.6%	6.6%	3.3%	3.1%	3.1%	5.2%	6.7%	3.6%	3.5%	0.0%	4.4%
Low Turnover/Lack of Business	35.7%	47.4%	33.3%	57.7%	52.3%	50.8%	66.7%	48.7%	36.2%	57.1%	48.4%
Competition from Big Business	0.0%	1.7%	6.7%	2.1%	3.9%	6.3%	0.0%	3.4%	2.8%	4.8%	3.3%
Gov't Regulations & Paperwork	17.9%	6.3%	6.7%	2.1%	3.1%	4.7%	0.0%	5.2%	8.5%	4.8%	5.4%
High Rates of Pay	0.0%	1.0%	3.3%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.4%
Shortages of Materials,Supplies,etc	7.1%	0.0%	0.0%	0.0%	0.8%	1.0%	0.0%	0.5%	0.7%	0.0%	0.6%
Internal Management Difficulties	0.0%	1.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.8%	2.1%	0.0%	0.7%
Cashflow/Payments/Debtors	7.1%	16.4%	23.3%	20.6%	15.6%	5.2%	0.0%	18.1%	15.6%	4.8%	14.9%
Premises/Rent/Rates	7.1%	1.4%	3.3%	1.0%	1.6%	6.3%	0.0%	1.3%	2.8%	0.0%	2.3%
Other	0.0%	8.4%	6.7%	7.2%	10.2%	8.4%	13.3%	8.0%	11.3%	14.3%	8.7%
N/R	3.6%	0.7%	0.0%	0.0%	0.8%	3.1%	3.3%	1.8%	2.1%	0.0%	1.6%
Base	28	287	30	97	128	191	30	386	141	21	1,340
Check	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Unweighted data

3. BUSINESS PREMISES AND THE UBR

Owner occupation and domestic and separate premises

The majority of the smallest businesses (and therefore the majority of all businesses) probably work from home. However, in our survey - which, like all surveys, under-represents the smallest (one and two person firms), two-thirds have separate business premises.¹ All but about 5 per cent of respondents who are home-based business owners own their homes but, more surprisingly, about 45 per cent of separate business premises are owned rather than rented.

It can be seen from Table 3.1 that the proportion of small businesses that are based at home falls sharply with size, and that the proportion that own separate business premises (as distinct from renting them) tends to rise with size of firm within our sample.

Home-based businesses are most common in *business services* and *other services*, and least common in *retailing* and *manufacturing* (Table 3.2).

Firms in the South are more likely to work from domestic premises than those in the Midlands and North. This probably reflects a greater proportion of service businesses in the South and, possibly, the still higher prices on the premises markets. However, of businesses with separate premises, the proportion which are owned rather than rented is higher in the North than in the South of the country (Table 3.3).

Business rates

Business rates are generally a relatively small element in terms of costs and sales. In our survey, the average ratio of rates to sales for business premises only was 2.3 per cent, as shown in Table 3.4. (Although there are some extreme and improbable values in our results, these will have little influence on the average). For almost 71 per cent of respondents, rates were 2 per cent or less of sales. However, unlike corporation tax or business income tax, rates have to be paid whether a business makes a profit or not and, in almost all cases, whether the premises are occupied or not. In relation to profit margins, which for our respondents are probably 5 per cent or less, rates can be seen as a more significant burden.

Rates seem to be considerably higher as a percentage of sales in retailing and business services than in manufacturing, construction or the wholesale trades, possibly reflecting higher property values on or near the high-streets.

The average increase in business rates recorded by our respondents over the past three years was 28 per cent, though this average conceals the fact that 22.9 per cent of respondents experienced no change or a fall, while 28.7 per cent experienced an increase of 15 per cent or less (Table 3.5). The purpose of the Uniform Business Rate (UBR) is, of course, to even out

¹ It can be estimated that about 60 per cent of all businesses are business telephone subscribers. According to Hakim, 'Identifying Fast Growth Firms', *Employment Gazette*, January 1989, 34 per cent of business telephone subscribers employing 50 or fewer full-time employees are home-based.

the rate burden over the country, and this seems to have been broadly achieved. Although the average percentage increase has been almost twice as high in the South as in the North, rates as a percentage of turnover are now very similar at 2.1 per cent and 2.3 per cent respectively (Tables 3.5 and 3.6).

The retail price index (all items) increased by some 20 per cent from 1990 to 1992, so the calculated average increase in rates is greater than this at 28 per cent. There appears, therefore, to have been some increase in the real rate burden on smaller firms, though this calculation cannot be very reliable given the dispersion of the results and possible variations in the period covered.

What is very clear from the results is that rates as a percentage of turnover fall steeply with larger sizes of firm (Table 3.7 and Chart 3.1). This is not too surprising, given the expected relation between rateable values and unit size, but what is surprising is that the average *increase* in business rates has been much greater for the smallest firms. Table 3.7 and Chart 3.2 show that the size of the average rate increase was higher in each successive turnover size band, from the largest to the smallest. Thus the average increase borne by firms in the £50,000 - under £150,000 size band was about three times that borne by firms in the £1.5 million and over range, and twice as large as that in the £350,000 - under £750,000 range.

Chart 3.1: BUSINESS RATES AS A PERCENTAGE OF TURNOVER, BY SIZE OF BUSINESS

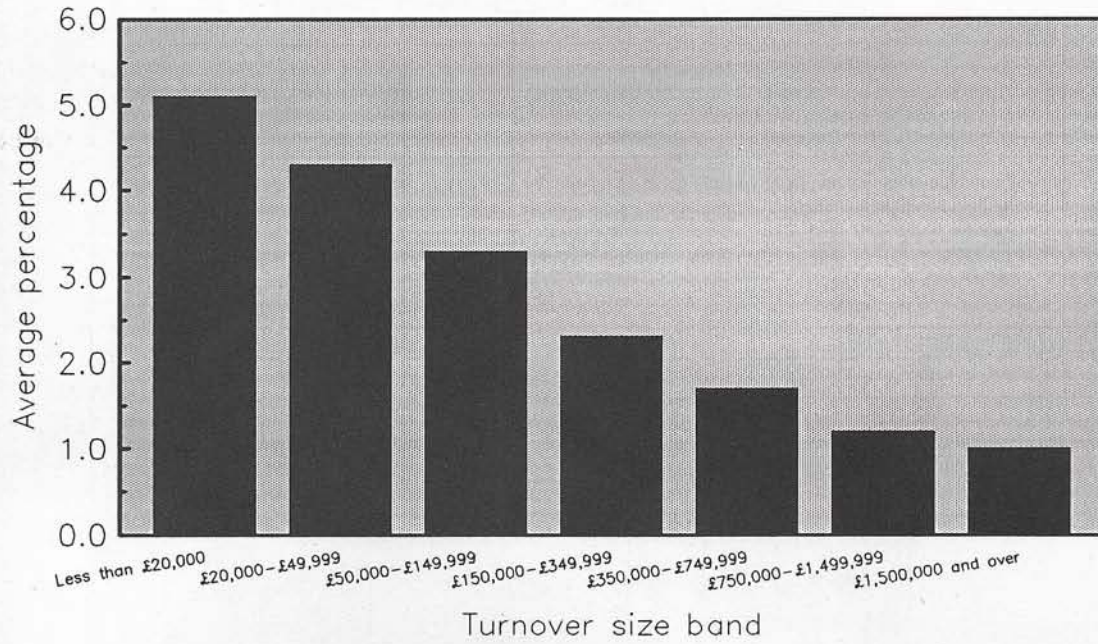


Chart 3.2: INCREASE IN BUSINESS RATES OVER PAST THREE YEARS, BY SIZE OF BUSINESS

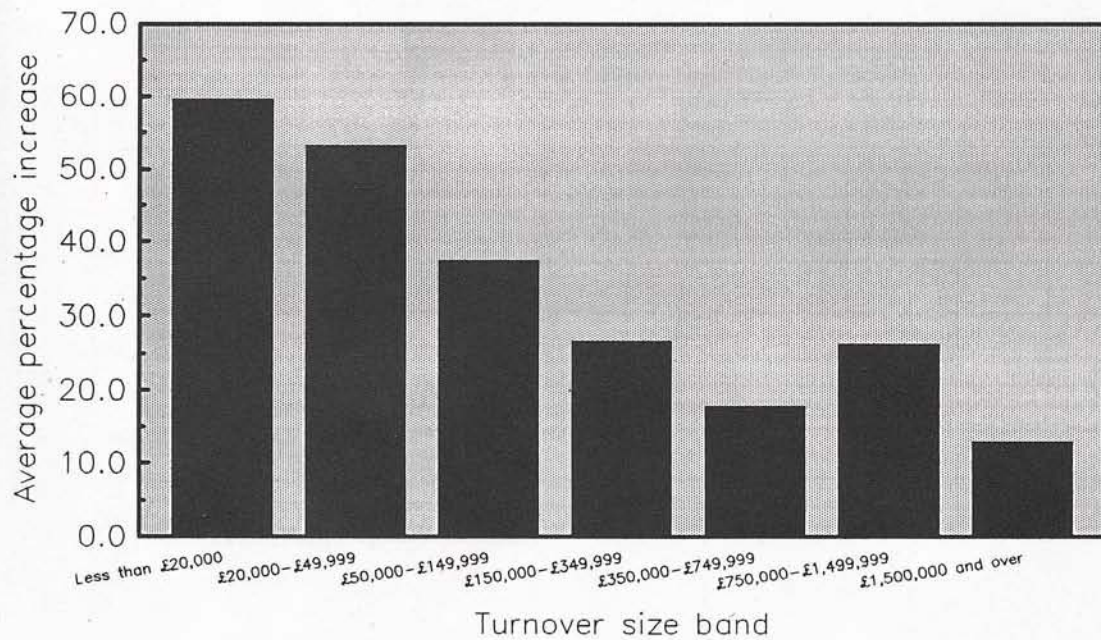


Table 3.1 DO YOU WORK: ONLY AT (OR FROM) HOME OR AT SEPARATE BUSINESS PREMISES FOR ALL OR PART OF THE TIME
IS YOUR PRINCIPAL WORKPLACE OWNED BY YOU OR YOUR BUSINESS OR RENTED, LEASED OR SIMILAR ARRANGEMENT
- Analysed by Turnover Size Band

Analysis by turnover size band	Less than £20,000	£20,000- £49,999	£50,000- £149,999	£150,000- £349,999	£350,000- £749,999	£750,000- £1,499,999	£1,500,000 and over	All
Do you work:								
at home (owned by you)	71.2%	60.8%	32.4%	14.9%	7.9%	3.3%	5.0%	30.4%
at home (rented or similar)	5.5%	2.1%	1.6%	0.4%	1.1%	0.0%	0.0%	1.6%
separate premises (owned by you)	9.6%	13.1%	24.3%	38.6%	37.1%	50.4%	62.0%	30.2%
separate premises (rented or similar)	11.0%	22.4%	41.4%	45.0%	53.4%	44.6%	32.0%	36.6%
Sample	146	237	309	249	178	121	100	1,340

Table 3.2 DO YOU WORK: ONLY AT (OR FROM) HOME OR AT SEPARATE BUSINESS PREMISES FOR ALL OR PART OF THE TIME
IS YOUR PRINCIPAL WORKPLACE OWNED BY YOU OR YOUR BUSINESS OR RENTED, LEASED OR SIMILAR ARRANGEMENT
- Analysed by Business Activity

Analysis by business activity	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
Do you work:											
at home (owned by you)	39.3%	11.5%	46.7%	37.1%	30.5%	9.4%	40.0%	46.9%	36.2%	61.9%	30.4%
at home (rented or similar)	7.1%	0.3%	0.0%	1.0%	1.6%	1.6%	0.0%	1.3%	5.0%	0.0%	1.6%
separate premises (owned by you)	28.6%	42.9%	30.0%	28.9%	31.3%	41.4%	36.7%	18.7%	21.3%	19.0%	30.2%
separate premises (rented or similar)	25.0%	44.3%	23.3%	32.0%	35.9%	47.6%	23.3%	31.3%	35.5%	14.3%	36.6%
Sample	28	287	30	97	128	191	30	386	141	21	1,340

Table 3.3 DO YOU WORK: ONLY AT (OR FROM) HOME OR AT SEPARATE BUSINESS PREMISES FOR ALL OR PART OF THE TIME? IS YOUR PRINCIPAL WORKPLACE OWNED BY YOU OR YOUR BUSINESS OR RENTED, LEASED OR SIMILAR ARRANGEMENT?
- Analysed by Broad Region

Analysis by region	NORTH	MIDLANDS	SOUTH	ALL
Do you work:				
at home (owned by you)	24.1%	28.8%	34.1%	30.4%
at home (rented or similar)	1.6%	1.2%	1.7%	1.6%
separate premises (owned by you)	36.1%	34.2%	25.6%	30.2%
separate premises (rented or similar)	37.9%	34.2%	37.1%	36.6%
Sample	319	333	687	1,340

NORTH = North, Yorkshire & Humberside, North West, Scotland, Northern Ireland
MIDLANDS = East Midlands, West Midlands, Wales
SOUTH = South East, South West

Table 3.4 IF YOU PAY BUSINESS RATES, ROUGHLY WHAT ARE YOUR ANNUAL RATES NOW AS A PERCENTAGE OF YOUR ANNUAL SALES TURNOVER - By Percentage Bands

Percentage of Turnover	Number	Per Cent
0.1% or less	40	5.6%
0.2% to 0.5%	119	16.5%
0.6% to 1.0%	168	23.3%
1.1% to 1.5%	86	11.9%
1.6% to 2.0%	96	13.3%
2.1% to 2.5%	33	4.6%
2.6% to 3.0%	43	6.0%
3.1% to 3.5%	10	1.4%
3.6% to 4.0%	28	3.9%
4.1% to 5.0%	28	3.9%
5.1% to 6.0%	16	2.2%
6.1% to 7.0%	11	1.5%
7.1% to 8.0%	15	2.1%
8.1% to 9.0%	4	0.6%
9.1% to 10.0%	13	1.8%
10.1% to 15.0%	5	0.7%
15.1% to 20.0%	3	0.4%
20.1% to 30.0%	1	0.1%
30.1% to 40.0%	1	0.1%
40.1% and over	0	0.0%
Total	720	
Minimum	0.1%	
Average (mean)	2.3%	
Maximum	40.0%	
No response	620	

Table 3.5

IF YOU PAY BUSINESS RATES, BY ROUGHLY HOW MUCH HAVE THEY CHANGED IN THE PAST
THREE YEARS
- By Percentage Increase Bands

Percentage Change	Number	Per Cent
down by 30.00% or more	6	0.9%
-29.99% to -25.00%	7	1.1%
-24.99% to -20.00%	14	2.1%
-19.99% to -15.00%	18	2.8%
-14.99% to -10.00%	31	4.7%
-9.99% to -5.00%	23	3.5%
-4.99% to 0.00%	51	7.8%
0.01% to 5.00%	51	7.8%
5.01% to 10.00%	70	10.7%
10.01% to 15.00%	67	10.2%
15.01% to 20.00%	111	17.0%
20.01% to 25.00%	42	6.4%
25.01% to 30.00%	26	4.0%
30.01% to 40.00%	25	3.8%
40.01% to 50.00%	28	4.3%
50.01% to 60.00%	15	2.3%
60.01% to 70.00%	17	2.6%
70.01% to 80.00%	6	0.9%
80.01% to 90.00%	5	0.8%
90.01% to 100.00%	12	1.8%
100.01% to 200.00%	15	2.3%
200.01% to 500.00%	12	1.8%
over 200.00%	2	0.3%
Total	654	
Minimum	-34%	
Average (mean)	28%	
Maximum	1055%	
No response	686	

Table 3.6 IF YOU PAY BUSINESS RATES, BY ROUGHLY HOW MUCH HAVE THEY CHANGED IN THE PAST THREE YEARS, AND ROUGHLY WHAT ARE YOUR RATES AS A PERCENTAGE OF YOUR ANNUAL SALES TURNOVER?
- Analysed by Broad Region

Analysis by broad region	NORTH	MIDLANDS	SOUTH	ALL
Rates increase Responses	19.6 174	17.0 161	38.5 319	28.2 654
Rates as percent of turnover Responses	2.1 192	2.4 177	2.3 350	2.3 720

NORTH = North, Yorkshire & Humberside, North West, Scotland, Northern Ireland
MIDLANDS = East Midlands, West Midlands, Wales
SOUTH = South East, South West

Table 3.7 IF YOU PAY BUSINESS RATES, BY ROUGHLY HOW MUCH HAVE THEY CHANGED IN THE PAST THREE YEARS, AND ROUGHLY WHAT ARE YOUR RATES AS A PERCENTAGE OF YOUR ANNUAL SALES TURNOVER?
- Analysed by Turnover Size Band

Averages by turnover size band	Less than £20,000	£20,000-£49,999	£50,000-£149,999	£150,000-£349,999	£350,000-£749,999	£750,000-£1,499,999	£1,500,000 and over	All
Rates increase Responses	59.6 15	53.2 42	37.4 141	26.6 166	17.8 127	26.3 93	12.9 70	28.2 654
Rates as percent of turnover Responses	5.1 16	4.3 49	3.3 156	2.3 182	1.7 138	1.2 105	1.0 74	2.3 720

Table 3.8 IF YOU PAY BUSINESS RATES, BY ROUGHLY HOW MUCH HAVE THEY CHANGED IN THE PAST THREE YEARS, AND ROUGHLY WHAT ARE YOUR RATES AS A PERCENTAGE OF YOUR ANNUAL SALES TURNOVER?

- Analysed by Business Activity

Analysis by business activity	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
Rates increase	12.8	16.9	4.6	27.6	32.6	42.6	32.7	26.3	31.0	58.7	28.2
Responses	8	203	10	40	62	150	22	105	46	7	654
Rates as percent of turnover	2.8	2.0	0.9	1.6	1.6	2.7	3.1	2.5	2.8	2.1	2.3
Responses	7	225	7	44	69	160	23	125	51	8	720

APPENDIX

Organisation of the Survey

Up to and including Survey 17, the regular SBRT surveys were carried out via postal questionnaires and personal interviews of members of three small business representative organisations:

* The Federation of Small Businesses (FSB) - formerly The National Federation of the Self Employed and Small Business Ltd

* The Association of Independent Business (AIB)

* The Forum of Private Business

These surveys have been supplemented by responses from readers of the National Westminster Small Business Digest.

From Survey 18, we have included responses from members of the National Chamber of Trade (NCT) as well as from the FSB and, until survey 23, the AIB.

A copy of the current questionnaire used is included at the end of the Appendix.

Further details of sample size, response and a discussion of representativeness have been included in earlier issues of the Quarterly Survey of Small Business in Britain (see, for example, Vol.3 No.2, 1987, Vol.4 No.4, 1988 and Vol.5 No.1, 1989). It should be noted that the SBRT survey is not a panel, nor is it fully random among the total membership of the bodies listed above.

Note that from the first quarter of 1989 onwards the overall balances have been weighted, using VAT registration data, by sector. This is so that a change in the importance of any particular sector, for instance manufacturers, in our sample will not affect the percentage balances and also so that the results are more representative of the UK economy as a whole. This means, however, that in tables showing the breakdowns by size, sector and region (which are unweighted) the overall balances are not strictly comparable with table 1.1. In addition, where not all respondents indicate the nature of their business some firms may be excluded from the weighted results.

Because the balances referring to the expected sales turnover and employment in the next quarter have a pronounced seasonal trend we have also constructed seasonally adjusted figures for these balances. These are listed in appendix table A1. Again, the breakdowns by size, sector and region are not seasonally adjusted, neither are the figures in table 1.1.

Special Topics

The survey reports in each issue on changes in sales and employment and on the ranking of most important problems experienced by small firms. The percentage balances for sales and employment are shown in Appendix Table A.1 and the percentage mention of problems are shown in Appendix Table A.2 for each of the surveys carried out to date.

In addition, each issue covers one or more special topics, based upon the survey results, designed to contribute to knowledge about small business in Britain.

The following topics have been examined to date:

- | | | |
|------|------|---|
| 1985 | No 1 | Some Characteristics of the Respondents |
| | No 2 | Changes in Employment
New Business |
| | No 3 | Part-time Employees
Computers in Small Firms |
| | No 4 | Employment |
| 1986 | No 1 | Finance
Membership of Representative Bodies |
| | No 2 | Exports
The Business Expansion Scheme |
| | No 3 | Employment
Skill Shortage |
| | No 4 | Incorporated and Unincorporated Business
Expanding Firms
Small Firms in the Service Sectors |
| 1987 | No 1 | Domestic versus Business Telephone Usage
Employment |
| | No 2 | Most Important Problem Facing Declining
and Growing Businesses
Characteristics of our Respondents |
| | No 3 | Employment
Slow Payment Problems |
| | No 4 | Use of Accountants |
| 1988 | No 1 | Use of Solicitors |
| | No 2 | Training background of managers and arrangements
for staff training |
| | No 3 | Access to external information |
| | No 4 | Present and future use of Telecommunications products and services
Characteristics of Respondents |
| 1989 | No 1 | Employee Turnover
National Chamber of Trade Survey
National Westminster Digest Survey |
| | No 2 | The effects of 1992 on small firms |
| | No 3 | Intergenerational and previous business background of respondents |
| | No 4 | Origins of new employees |

- | | | |
|------|------|--|
| 1990 | No 1 | European Community Special Directorate DG23 |
| | No 2 | Motivation and Objectives of respondents for setting up their own business |
| | No 3 | School-leaver Training |
| | No 4 | School-leaver Training Problems |
| 1991 | No 1 | Training and Enterprise Councils |
| | No 2 | Use of Computers |
| | No 3 | Business Growth Objectives, Gender of Owner |
| | No 4 | Sources of Small Business Finance |
| 1992 | No 1 | Co-operatives |
| | No 2 | Exports |
| | No 3 | Quality Standards |
| | No 4 | Impact of the Recession on Incomes and Prices |
| 1993 | No 1 | Business Premises and the UBR |

Future Plans

Our next Survey (No 35), will include further special questions on business premises, including costs and duration.

TABLE A.1: CHANGES AND EXPECTED CHANGES IN SALES AND EMPLOYMENT, PERCENTAGE BALANCE

Survey	Sample Size	Past Quarter Date	Actual Change, past quarter compared with same quarter last year			Expected Change, next quarter compared to past quarter				
			Sales	Employment	Investment	Sales		Employment		Investment
						U	S	U	S	U
Vol.1 No.1a	3,056	1984/3	34.7%	10.5%	-	21.2%	22.7%	3.3%	4.2%	-
Vol.1 No.1b	1,795	1984/4	32.6%	10.4%	-	9.5%	19.9%	0.9%	4.9%	-
Vol.1 No.2	1,181	1985/1	33.4%	17.6%	-	16.9%	10.1%	9.5%	7.4%	-
Vol.1 No.3	1,090	1985/2	34.4%	11.2%	-	31.4%	26.3%	5.3%	2.5%	-
Vol.1 No.4	1,072	1985/3	37.4%	12.1%	-	26.2%	27.7%	5.3%	6.2%	-
Vol.2 No.1	1,326	1985/4	41.4%	12.6%	-	9.8%	20.2%	5.3%	9.3%	-
Vol.2 No.2	1,052	1986/1	33.6%	11.6%	-	31.1%	24.3%	5.6%	3.5%	-
Vol.2 No.3	1,285	1986/2	35.5%	14.2%	-	29.6%	24.5%	11.9%	9.1%	-
Vol.2 No.4	1,435	1986/3	39.7%	15.2%	-	22.3%	23.8%	6.0%	6.9%	-
Vol.3 No.1	1,116	1986/4	40.0%	13.4%	-	17.0%	27.4%	4.6%	8.6%	-
Vol.3 No.2	1,746	1987/1	40.2%	15.2%	-	39.7%	32.9%	15.1%	13.0%	-
Vol.3 No.3	1,113	1987/2	44.7%	23.1%	-	36.8%	31.7%	13.2%	10.4%	-
Vol.3 No.4	977	1987/3	44.8%	17.6%	-	28.8%	30.3%	10.0%	10.9%	-
Vol.4 No.1	1,042	1987/4	52.7%	23.4%	-	31.4%	41.8%	10.5%	14.5%	-
Vol.4 No.2	933	1988/1	52.7%	19.3%	-	46.7%	39.9%	15.3%	13.2%	-
Vol.4 No.3	983	1988/2	55.0%	22.0%	-	47.9%	42.8%	19.1%	16.3%	-
Vol.4 No.4	950	1988/3	54.9%	22.3%	-	34.4%	35.9%	13.3%	14.2%	-
Vol.5 No.1A	1,523	1988/4	49.2%	15.1%	-	25.6%	36.0%	5.7%	9.7%	-
Vol.5 No.2	947	1989/1	38.8%	18.1%	-	18.6%	11.8%	5.6%	3.5%	-
Vol.5 No.3	2,274	1989/2	41.1%	16.7%	-	30.8%	25.7%	10.4%	7.6%	-
Vol.5 No.4	795	1989/3	33.5%	18.3%	-	20.2%	21.6%	7.4%	8.3%	-
Vol.6 No.1	1,091	1989/4	29.9%	10.5%	-	10.6%	21.0%	0.9%	4.9%	-
Vol.6 No.2	1,384	1990/1	31.4%	9.9%	-	24.4%	17.6%	3.5%	1.4%	-
Vol.6 No.3	1,043	1990/2	22.3%	4.8%	-	14.7%	9.6%	0.9%	-2.0%	-
Vol.6 No.4	1,312	1990/3	18.2%	3.5%	-	3.6%	5.1%	-4.1%	-3.1%	-
Vol.7 No.1	1,239	1990/4	-0.5%	-5.1%	-	-16.0%	-5.6%	-14.4%	-10.4%	-
Vol.7 No.2	984	1991/1	-8.6%	-11.6%	-12.7%	12.3%	5.5%	-7.6%	-9.7%	-15.0%
Vol.7 No.3	1,718	1991/2	-12.5%	-17.3%	-20.0%	-5.2%	-10.3%	-11.5%	-14.4%	-20.6%
Vol.7 No.4	835	1991/3	-14.8%	-19.9%	-15.0%	-1.0%	0.5%	-17.5%	-16.5%	-15.1%
Vol.8 No.1	1,684	1991/4	-8.1%	-15.7%	-20.5%	-9.5%	0.9%	-16.8%	-12.8%	-13.4%
Vol.8 No.2	1,359	1992/1	-2.0%	-17.2%	-14.1%	19.3%	12.5%	-5.5%	-7.6%	-6.8%
Vol.8 No.3	1,527	1992/2	-9.4%	-14.7%	-18.8%	4.1%	-0.9%	-6.0%	-8.8%	-11.9%
Vol.8 No.4	921	1992/3	-16.2%	-28.0%	-32.8%	-6.4%	-4.9%	-17.8%	-16.9%	-24.3%
Vol.9 No.1	1,339	1992/4	-9.2%	-15.2%	-21.1%	-4.0%	6.4%	-10.7%	-6.7%	-13.2%

Key: U - Unadjusted
S - Seasonally adjusted

Notes: a,b - The results from two surveys were published in Volume 1 Number 1
A - From Volume 5 Number 1, all results have been weighted to the VAT sectoral distribution.

Table A.2: PROBLEMS EXPERIENCED BY RESPONDENTS

	Inflation	Interest Rates	Access to Finance	Lack of Skilled Employees	Total Tax Burden	Low T/over or Lack of Business	Competition from Big Business	Govt Regs and Paperwork	High Rates of Pay	Shortage of Material & Supplies	Internal Management Difficulties	Cashflow & Payments	Premises, Rents & Rates	Other	No Response	Number of Replies Analysed
1984/4	3.5%	17.1%	-	5.4%	15.9%	15.3%	12.0%	12.6%	4.2%	1.1%	-	-	-	10.9%	1.4%	3,056
1985/1	3.8%	19.4%	-	4.4%	15.9%	14.5%	10.0%	15.7%	3.4%	1.3%	-	-	-	9.5%	1.5%	1,795
1985/2	5.0%	22.1%	-	4.3%	16.1%	14.3%	10.8%	12.5%	2.4%	1.3%	-	-	-	9.1%	1.5%	1,181
1985/3	2.0%	23.6%	-	4.9%	12.8%	13.8%	11.2%	13.1%	3.7%	1.9%	-	-	-	8.6%	3.8%	1,090
1985/4	2.2%	24.0%	-	5.6%	16.6%	15.7%	11.0%	10.2%	2.0%	0.9%	-	-	-	9.2%	2.0%	1,072
1986/1	3.0%	21.4%	-	7.2%	17.1%	14.4%	11.7%	9.6%	2.0%	1.8%	-	-	-	9.9%	1.3%	1,326
1986/2	1.7%	29.9%	-	7.3%	16.3%	12.6%	9.1%	9.9%	2.2%	1.2%	-	-	-	9.4%	0.6%	1,052
1986/3	0.9%	21.3%	-	7.3%	16.6%	17.0%	11.5%	7.3%	1.4%	0.9%	-	-	-	13.7%	2.0%	1,285
1986/4	1.1%	25.0%	-	7.2%	17.7%	14.7%	11.8%	6.8%	1.3%	1.3%	-	-	-	10.0%	3.1%	1,435
1987/1	0.9%	26.4%	-	8.0%	16.0%	13.0%	12.0%	7.4%	1.6%	1.3%	-	-	-	9.1%	4.2%	1,166
1987/2	1.0%	23.7%	-	9.6%	17.7%	12.0%	10.7%	7.6%	2.6%	1.5%	-	-	-	10.3%	3.3%	1,746
1987/3	1.1%	20.3%	-	11.8%	17.9%	12.9%	11.5%	6.6%	1.9%	2.2%	-	-	-	10.5%	3.5%	1,113
1987/4	1.1%	18.0%	-	11.1%	21.3%	13.0%	12.5%	6.3%	1.3%	1.3%	-	-	-	9.6%	4.5%	977
1988/1	0.7%	21.6%	-	11.1%	20.1%	9.6%	11.4%	6.1%	2.3%	1.9%	-	-	-	14.9%	0.3%	1,042
1988/2	1.0%	19.4%	-	12.7%	15.5%	10.2%	14.4%	8.0%	1.8%	2.3%	-	-	-	13.7%	1.4%	933
1988/3	0.9%	17.6%	-	17.7%	13.7%	11.3%	11.4%	8.3%	2.4%	2.7%	-	-	-	11.4%	2.4%	983
1988/4	2.8%	25.5%	-	16.9%	12.5%	8.7%	10.4%	6.0%	1.3%	3.3%	-	-	-	10.6%	1.9%	950
1989/1 ^A	5.3%	23.4%	-	16.4%	11.1%	5.7%	5.9%	7.2%	1.4%	0.3%	-	-	-	19.0%	4.3%	1,523
1989/2	6.3%	28.4%	-	14.0%	12.2%	7.1%	5.9%	5.2%	1.0%	0.8%	-	-	-	14.5%	4.7%	947
1989/3	6.1%	32.9%	-	13.3%	7.1%	13.1%	6.0%	5.9%	1.5%	0.5%	-	-	-	12.1%	1.6%	2,274
1989/4	6.9%	39.2%	-	10.4%	5.4%	12.9%	4.7%	5.1%	1.1%	0.6%	-	-	-	12.2%	1.4%	795
1990/1	4.2%	31.3%	3.1%	6.7%	5.3%	13.3%	-	5.5%	2.5%	0.7%	0.6%	11.5%	8.4%	5.3%	1.7%	1,091
1990/2	6.7%	27.9%	3.2%	7.8%	2.9%	14.6%	-	5.6%	1.5%	0.3%	1.6%	11.6%	6.6%	8.2%	1.4%	1,384
1990/3	4.3%	29.9%	3.6%	6.4%	3.7%	14.7%	3.1%	4.3%	1.6%	0.0%	1.9%	13.6%	4.8%	5.5%	2.5%	1,043
1990/4	7.5%	26.6%	2.3%	5.7%	4.4%	18.9%	3.8%	6.3%	0.2%	0.3%	0.8%	8.6%	4.7%	7.9%	1.9%	1,250
1991/1	6.0%	29.4%	2.7%	3.4%	4.2%	21.1%	2.6%	5.6%	0.9%	0.5%	0.8%	11.4%	4.2%	5.5%	1.9%	1,239
1991/2	4.0%	21.2%	4.3%	2.9%	5.1%	25.2%	2.9%	4.0%	0.4%	0.4%	0.6%	14.9%	7.1%	6.0%	1.0%	984
1991/3	3.3%	15.0%	3.0%	2.3%	4.7%	37.5%	2.4%	6.7%	1.2%	0.3%	1.2%	11.0%	3.3%	6.7%	1.5%	1,718
1991/4	1.2%	7.5%	4.6%	4.5%	4.1%	38.1%	3.4%	3.9%	0.7%	0.3%	1.3%	13.2%	5.7%	10.7%	0.8%	835
1992/1	1.9%	9.1%	5.2%	2.1%	5.6%	36.3%	3.3%	5.6%	0.5%	0.4%	1.2%	15.9%	4.0%	7.1%	1.8%	1,684
1992/2	2.2%	11.6%	4.3%	3.4%	5.4%	34.5%	4.4%	5.2%	0.4%	0.3%	1.1%	13.4%	5.0%	7.3%	1.3%	1,359
1992/3	1.6%	7.6%	3.9%	2.8%	5.1%	43.5%	2.1%	8.0%	0.3%	1.0%	0.8%	13.6%	3.0%	5.9%	0.8%	1,527
1992/4	1.0%	8.8%	3.6%	1.6%	5.9%	44.4%	4.0%	8.0%	0.5%	0.3%	0.2%	11.5%	3.0%	5.2%	2.1%	921
1993/1	0.6%	3.7%	3.2%	3.2%	4.1%	47.9%	3.0%	6.1%	0.3%	1.1%	0.6%	13.1%	2.9%	8.5%	1.8%	1,339

Note: ^A From Survey 18 (1989/1), all figures shown in this table have been weighted to the VAT sectoral distribution.

SMALL BUSINESS RESEARCH TRUST



SMALL BUSINESS RESEARCH TRUST
Survey Section
 c/o Graham Bannock & Partners Ltd.
FREEPOST 19
LONDON W1E 1QZ

Please circle the appropriate numbers or fill in the blanks.
 Your answers will remain confidential.

1 Please indicate the location of your business:

- | | | |
|---------------------------|------------------|---------------------|
| a. North | e. West Midlands | i. Wales |
| b. Yorkshire & Humberside | f. East Anglia | j. Scotland |
| c. North West | g. South East | k. Northern Ireland |
| d. East Midlands | h. South West | |

- 2 Employment:** The number of people (including yourself) who work in the business a. Number
- The number of these who work part-time b. Number
- The number of outworkers and freelancers c. Number

3 Annual Turnover (excluding VAT)

- | | | |
|----------------------|----------------------|------------------------|
| a. Less than £20,000 | d. £150,000-£349,999 | f. £750,000-£1,499,999 |
| b. £20,000-£49,999 | e. £350,000-£749,999 | g. £1,500,000 and over |
| c. £50,000-£149,999 | | |

- 4**
- a. How many years have you owned & managed businesses?
- b. How many years has your present business been trading?

5 Please classify your business activity by circling one of these categories:

- | | | |
|--------------------------------------|---|-------------------------------|
| a. Agriculture, Forestry, Fisheries | e. Wholesale Trade | i. Other Services |
| b. Manufacturing, Mining, Processing | f. Retail Trade | j. Other, not included above: |
| c. Transport | g. Catering & Restaurants | |
| d. Construction | h. Business Services (Finance, Consultants, Designers, etc) | (Please specify) |

The next few questions ask about your business premises.

- 6 Do you work:** a. only at (or from) home OR b. at separate business premises for all or part of the time

- 7 In either case, is your principal workplace** a. owned by you or your business OR b. rented, leased or similar arrangement

- 8 If you pay business rates (UBR) on your principal workplace to your local authority, by roughly how much have they changed in the past three years? (eg 'UP 20%' or 'DOWN 15%')**
 If your business premises have moved in the past three years or you do not pay business rates, please leave this question blank.

Change in business rates since 1988-89% (Indicate UP or DOWN)

- 9 If you pay business rates, roughly what are your annual rates now as a percentage of your annual sales turnover?**

Rates as per cent of turnover%

- 10 How did your sales turnover, average employment and investment (in plant, equipment & premises) in the past quarter compare with the same period in 1991? What do you expect to happen in the NEXT quarter? Please complete the table by ticking 6 boxes only.**

	ACTUAL			EXPECTED		
	Oct, Nov, Dec 1992 compared with the same period 1991			Jan, Feb, Mar 1993 compared with Oct, Nov, Dec 1992		
	UP	DOWN	SAME	UP	DOWN	SAME
Sales Turnover						
Average Employment						
Investment						

11 What is the most important problem facing your business today? Please circle ONE only:

- | | | |
|--------------------------------------|---|-------------------------------------|
| a. Inflation | f. Low Turnover/Lack of Business | k. Internal Management Difficulties |
| b. Interest Rates | g. Competition from Big Business | l. Cashflow/Payments/Debtors |
| c. Access to finance | h. Gov't Regulations and Paperwork | m. Premises, Rents and Rates |
| d. Lack of Skilled/Trained Employees | i. High Rates of Pay | n. Other (Please specify) |
| e. Total Tax Burden | j. Shortage of Material, Supplies, etc. | |

12 Please indicate the gender of the owner of the business:

- a. Male b. Female c. Joint male/female

Thank you for completing this confidential survey questionnaire.
 Please return to the Small Business Research Trust by 15th January 1993.
 Please note that this is a FREEPOST address (no stamp required).