

Totnes Neighbourhood Plan Business Survey Key Findings Report

Who received our survey?

The survey went to 325 businesses from across the town in November 2015.

Businesses in the town centre, industrial estate, Bridgetown and Follaton were targeted as were small businesses based at the REconomy Centre. **66 businesses responded** to the survey.

Summary of key findings

Key facts about respondents

- The majority of respondents were running limited companies or were sole traders in non-food retail or in businesses outside the conventional categories we listed in our survey. The majority of businesses lease their premises for their businesses alone.
- The turnover and number of people employed by businesses in Totnes suggest that the vast majority of businesses are very small businesses or 'macro businesses.' The vast majority of employees are local or very local to Totnes. Very few businesses are employing students or trainees or people on government training schemes.
- Most of the custom of Totnes businesses comes from Totnes and surrounding villages within 5-10 miles, but businesses also rely on affluent customers, both tourists and local people (perhaps specifically local people who have moved from wealthier parts of the UK) spending money in the town. The town was described as 'thriving' and foot fall was reported to be good all year round.
- Most Totnes businesses do not rely wholly on the internet. Business use of the internet is mostly for email and marketing via websites. Better bandwidth doesn't seem to be a major priority for most businesses.
- Most of the materials, services and other needs of businesses are not sourced locally, the commonest reason given for this was 'limited availability'
- All the businesses felt their turnover would increase over the next 10 years believing their turnover from local custom would remain the same but would increase from custom in other areas of the UK, other EC Countries and outside EC countries.

Benefits for businesses

- The unique character of Totnes – created both by its setting, historic character, and the uniqueness of its people, is important to businesses and therefore good for the local economy. The diversity of independent businesses and the towns markets is seen as a great asset and was commented on more than any other strength. Business networks are strong and as a result there is good collaboration between them. Totnes has a strong sense of community which makes businesses feel supported, and one can therefore deduce, is good for business. Perhaps because of these factors, there is also a strong spirit of entrepreneurship in the town which encourages new micro- businesses to set up here.
- There were multiple mentions of businesses feeling there are shared values and ethics amongst them 'doing business in a different way'. The Towns reputation for being a green centre seems to encourage businesses that are 'ecologically minded.'
- As well as being a good place to run a business economically, some businesses also reported that they liked working in Totnes because it offered quality of life for them personally and provides a good working environment and setting for their business.

Barriers for businesses

- The economic climate is cited as the number one barrier to business, with congestion, traffic flow, parking and premises coming up repeatedly as other major challenges.

Key findings in more detail

The majority of businesses are limited companies and sole traders

- The majority of businesses who filled out the survey (26) are set up as a limited company followed by sole traders who made up 20 respondents.
- Only two respondents were running a **social enterprise**, one was working in affordable housing, another was a community supported bakery. Both were CIC's.

The majority of respondents were in 'non- food retail'

- The majority of respondents (26) were non-food retail based businesses. This correlates with our baseline data. The second biggest category (14) were businesses that fell outside of our multiple choice sector categories (see table one below).
- This was followed by hotels/pubs/restaurant's (9) food retail (7) and galleries/arts & antiques (7). Bed and breakfasts and holiday lets made up the lowest number of respondents (1).

Table one: 14 businesses (the second biggest category) fell outside of the traditional business sector categories and gave the following descriptions:

- Online business
- marketing and communications
- Education, Craft.
- Hot and cold food takeaway
- Ecological Design
- Engineering tools/Thread Repair/taps & dies
- hardware
- Outside catering
- Food Processing and linking farmers to end markets
- Children's play centre
- Design & Make
- Education - study visits, so we draw on tourist infrastructure
- Furniture
- Affordable housing
- Retail-mixed

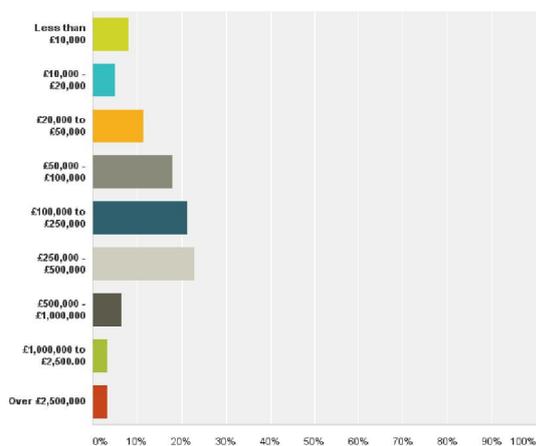
Comment [T1]: I also thought that some comparative stats on small market town businesses would be helpful. Especially as we seem generally healthy/buoyant for small businesses as a town. This could also be a further marketing draw outside the area for future businesses as part of the economy group and NP strategy.

The majority of businesses in Totnes are micro-businesses

- Based on turnover and employment figures in Totnes (see table below) and following current definitionsⁱⁱ of business size, the majority of respondents are running micro-businesses. This correlates with the findings of our initial baseline data gathered on the Totnes economy by the Economy Task Group.

Q8 What is your annual turnover per annum? This is clearly sensitive information. Please note this data will be anonymised. It is being used solely to try and get an approximation of the total economic activity in the Town by amalgamating the replies from all the businesses. No data on any individual business or business sector will be published or publicly available

Answered: 61 Skipped: 5



Employees are mostly local

- The majority of businesses (40) reported that most of their employees come from Totnes or surrounding towns and villages within 5-10 miles.

The majority of respondents had some full-time employees

- The average number of full time employees was 5. The biggest single employer had 80 full-time employees, when this number was removed the average number of full-time employees was **2.8**.

Training employees

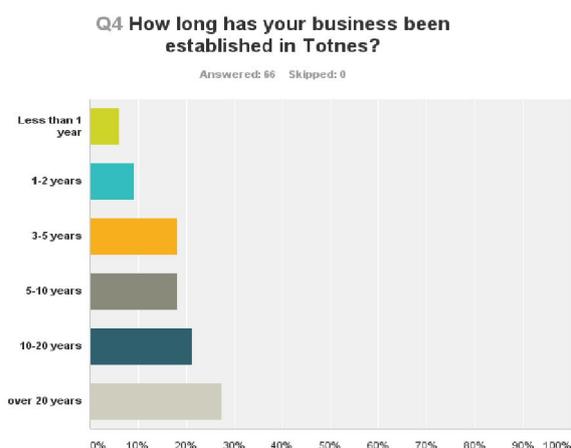
- 32 of the 66 respondents said they offered training to their staff.

Very few businesses are employing students, trainees or people on government training schemes.

- Only 8 businesses said they employ trainees, students or people on government training schemes. The majority of businesses (39) do not.
- The majority of businesses (25) didn't have an interest in offering apprentices or other government work schemes to young people in the future though 23 businesses said they were aware of such schemes and may consider it in the future.

The majority of respondents were well established businesses in Totnes.

- Over 50% of businesses have been operating in the town for more than 5 years with 18 businesses established for over 20. 'We have been here since the 1980's', said one business, 'The business was established by the former owner as a result of a passion for the product and feeling there was a gap in the market for Totnes.'



Most customers and clients of Totnes businesses are very local

- The majority of businesses (59) reported that their business (i.e. customers/clients) comes mostly from Totnes and surrounding villages within 5 miles (52).

Businesses are confident that their turnover will increase over the next 10 years

- Most businesses felt that their turn over from business as a whole **will Increase** and that this increase will largely come from other areas of the UK, other EC Countries and outside the EC as opposed to locally.

Some reasons were given for this:

- 'this is because we are looking at other parts of the business to expand external of the café'
- 'Transition Town status has benefitted us - a noticeable increase in customers from EC & non EC countries in past few years.'
- 'within a 30 mile radius of Totnes'
- 'People put off by traffic and parking, losing tourists and locals'

A UK wide survey of small businesses undertaken in 2015 by the Department for Business Innovation and Skills posed a similar question to UK businesses (asking about turnover in the next 12 months) and only 50% replied they felt their turnover would increase.ⁱⁱⁱ Could the fact that 100% of businesses in Totnes responded positively to this question indicate a healthier than average local economy?

Premises

- The majority of businesses lease their premises for their businesses alone (36). 14 businesses owned their own businesses premises. Only 7 businesses were home-based. One business was based at the Totnes Reconomy Centre.
- When asked if they could offer premises themselves, 61% of businesses said they no, they couldn't

Most of the materials, services and other needs of businesses are not sourced locally

The majority (37) of businesses said **only some** of the materials; services or needs of the business are sourced from or within a five mile radius of Totnes. Only 2 businesses said they sourced all of their materials from Totnes. The reason businesses do not source the majority of their materials/services or needs from outside of Totnes is simply availability (52 comments). The following additional comments were given as specific reasons for not sourcing locally:

- 'There is not much we need to source for our business, but those things we need to update periodically (computers, phones) are sourced elsewhere'
- 'Lack of contemporary equipment or premises for them'
- 'Because the farmers are generally further than 5 miles and they provide our main resource'
- 'Business needs are very specific'
- 'Some of our timber suppliers are further away – Modbury'
- 'Competition'
- 'not available locally'

Most Totnes businesses do not rely wholly on the internet.

- Unsurprisingly, the majority of respondents do use the internet. The biggest use is for email to contact customers and suppliers and to market the businesses via the internet. 20 businesses sell online and 12 businesses are wholly dependent on the internet (internet based businesses).
- When asked if dependency on the internet would change in the future, the majority (27) said it would remain the same but 24 respondents reported they would be a little more dependent. 14 felt they would be considerably more dependent.
- 29 businesses said it would only make 'a little difference' if bandwidth were greater (ie faster broad-band). Only 19 businesses said it would make a considerable difference.

The uniqueness of Totnes and its independent character are good for the economy:

By far the best thing about Totnes from the perspective of local businesses is the character of the town including its **'uniqueness,'** created from the diversity of individual and independent shops, small (micro) businesses and a spirit of entrepreneurship that benefit both local people and visitors: it's a town **'full of character'** said one business, the **'unique independent high street and ancient medieval historical town attracts locals and visitors alike'** said one business, this undoubtedly helps attract **'lots of visitors'** and creates a **'good year round foot-fall.'** The combination of **'an interesting mix of independent retail outlets on the High Street, historic visitor destination'** and **'river setting'** gives Totnes a strong appeal to tourists and visitors.

Totnes is a thriving town in a good location

When asked why they set up their business in Totnes, there were a wide variety of answers but various businesses made reference to Totnes being a **'thriving' 'busy' 'vibrant'** and **'the most buoyant town in the South Hams at the time'**. The location of the town was also referenced repeatedly as a positive aspect of basing a business here **'the town with a strong catchment area'** said one business, **'it's within easy reach of Plymouth and Exeter with rail links to London and beyond,'** said another.

'People' and 'community' are important to local businesses and lead to collaboration

The following comments were made by respondents:

- What's the best thing about running a business in Totnes?
- **'The fact that there is a great amount of people in this community who are open to try things out, especially if they believe it'll benefit them direct and the community as a whole.'**
- **'a strong sense of community.'**
- *And 'Totnes is a haven of small independent businesses whom feed off each other.'*
- Perhaps because of this strong sense of community, there also appears to be a tendency towards collaboration and networking amongst businesses: **'We started our business in Totnes 2.5 years ago and immediately struck up a great working relationship with another local business - the Curator Cafe. We have since worked on two projects together and have our office above the cafe/restaurant. We have found this location to be great in meeting other creatives and also potential clients. The best thing about Totnes for us, is the sense of community and the scale of the town means there is huge scope for business reciprocity - we are now working on multiple local projects with other businesses as well as private domestic clients.'**

Shared ethics and values and a different way of doing business:

- This theme came up several times in different ways, in the words of one business, they valued **'that you can be enterprising, that you can test new ideas and new ways of doing business in this town, that you can pioneer and get a flavour of what is possible, where collaboration and people are at the centre of business and not money and exploitation.'**
- **'The feeling that Totnes is full of such a variety of businesses including many innovative start-ups with a real passion for ethical business practices'** said another
- Other comments on this theme were as follows:
- **'It's great to feel part of a network of ecologically minded enterprises.'**
- The town's reputation as a **'green centre'** was also cited as important from a business perspective.

Quality of life where you work

- People like working in Totnes and benefit from a good quality of life for themselves as well as for their business as highlighted here: **'We have a consultancy business with customer base that is not local to the area, and our business could be based anywhere with reasonable infrastructure. Being based in Totnes is a lifestyle choice for us, offering good quality of life through access to coast and countryside and independent shops and cafes in the town.'**
- **'It is a nice town to invite clients to meet at our offices.'** Said another
- The multiple benefits of running a business in Totnes were summarised clearly by this respondent: **'we moved here in 1997. It was a combination of alternative culture (Dartington, interesting primary schools, Sharpham, Transition), an aware buying population (where you spend money makes a difference) the beach and Dartmoor, less than 3 hours from London and interesting businesses already here.'**

Totnes attracts affluent residents and visitors

- From the perspective of business, 'well-off' visitors or wealthy people moving in from outside the town is good for trade. When asked about the benefits of running a business in Totnes, one respondent replied: **'it is a destination town for visitors. It also has a significant number of people moving down from London etc looking to furnish their new homes.'**
- There were four other comments made about this: What's the best thing about Totnes from the perspective of your business? **'Reasonably affluent individuals with healthy disposable incomes live here and are attracted here from other areas'** Said one: **'We have a 'vibrant, diverse, reasonably affluent local community served by a good range of independent local shops in an attractive and historically interesting town'** said another. **'Savvy consumers with a good income'**, 'said a third.

Barriers to business

Premises

- Premises came up as a barrier several times in response to different questions.
- Previous research across the town has highlighted that premises is a limiting factor for local businesses. When asked specifically about this, 24 of 66 businesses said it was a limiting factor and this was because of the types of space available in town. 8 businesses made specific comments about premises that can be read below:

Comments made under additional comments when asked about premises

'We are looking to acquire premises in the next few years and haven't looked into all the options yet but supply does seem limited'

'although I have ticked No, because we have got planning permission for developments we wanted to do, it has been significantly harder to get that permission than we would have liked.'

'Business rates are high for some premises for an independent small business'

'Totnes is living in the past with too many conservation and listed buildings that are of no real importance. It's 2015 and builders are still building old fashioned housing - We need work live units like in Amsterdam for example'

'Our shop is now at the wrong end of town with much reduced parking'

'We have a potential premises but storage and logistics are going to be tight and we will need larger premises if we are to expand within a couple of years'

'accommodation for visitors community kitchen/gathering/training hall'

'Internet capacity, speed and reliability is a problem. We're in Fore Street.'

- When businesses were given a list of factors that may limit the development of their business, premises was in the top five. Businesses were also asked an open question about what the biggest challenge in running a business in Totnes. Premises were also commented on 7 times here, both in terms of availability and also in relation to affordability of rent and business rates which had 6 mentions.
- **'We are on the industrial estate as premises on the high street are too expensive. Thus we do not get enough foot-fall despite advertising etc. The separation between the centre of town and the industrial estate is a challenge for us.'** said one business.
- In response to the same question, another said: **'Lack of inexpensive workshops for light industry start-ups. There used to be some at Staverton but they were demolished by a developer and now the same has happened at Baltic Wharf to make way for non-resident second home owners. We need more opportunities for small start-up companies and less housing for the rich non- residents.'**

Businesses report that the most limiting factor for their business is the economic climate

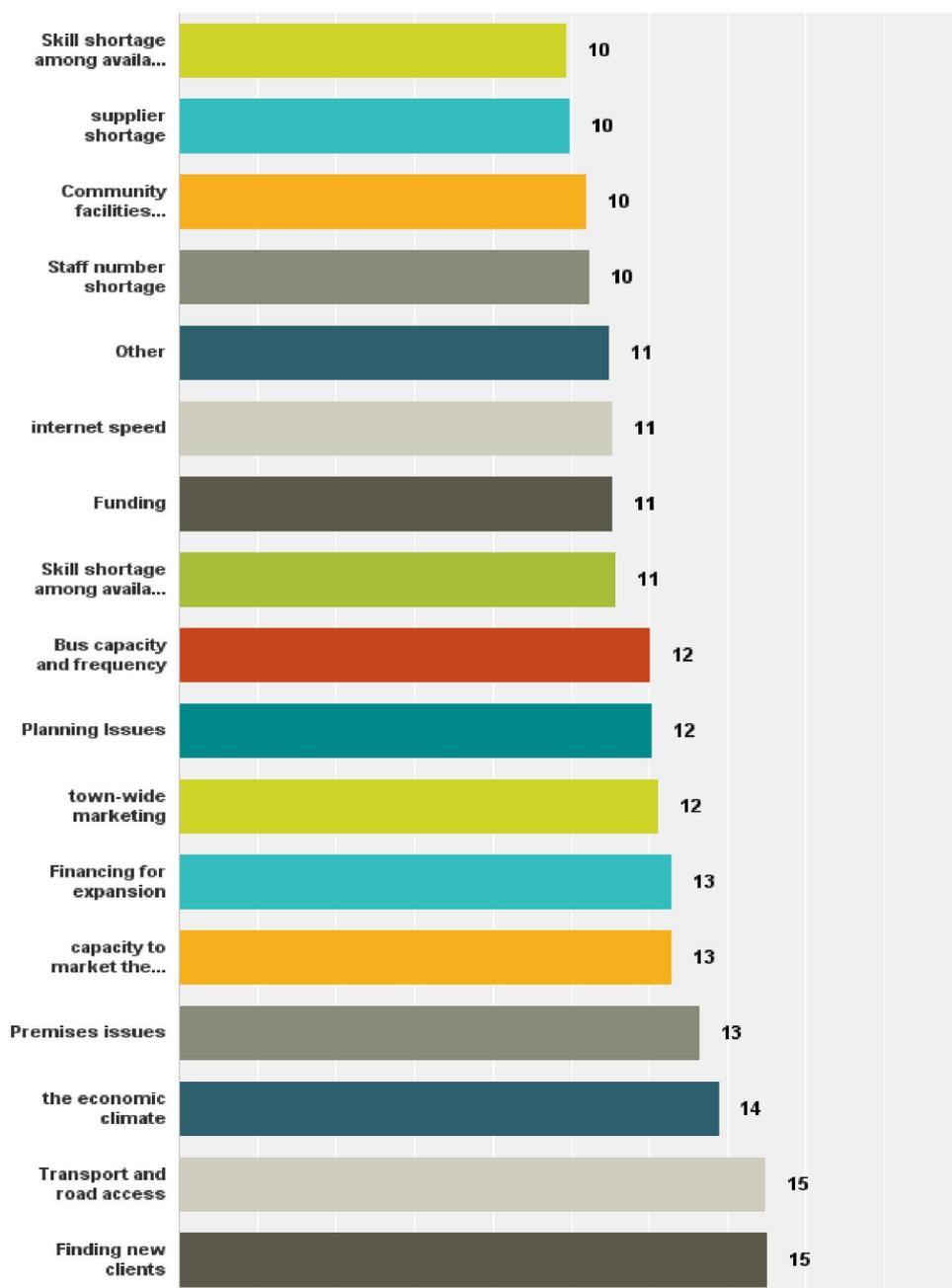
- When asked to prioritise a list of factors that may limit the development of business in Totnes, the economic climate was number one. This was followed by premises and transport, road access and parking (all with same score) in that order which correlates with other findings within in the survey.
- The lowest scoring 5 were skill shortage amongst staff, supplier shortage, community facilities available to all and internet speed.
- Bus capacity, planning, town-wide marketing, finance for expansion, capacity to market the business and planning issues ranked in the middle. **See table on page 9**

What's the biggest challenge to business?

- When asked an open question about the biggest challenge to business (as referenced above under premises), the most commented on challenge was traffic (17), followed by parking (16) traffic flow on the high street (7) premises (7) affordability of business rates and rents (6) and broadband (3).
- The reasons why traffic is a challenge to business was summarised clearly by one respondent: **'It is utterly horrendous and getting worse. It causes problems for staff getting to and from work, delays to logistics services, and issues for visitors trying to get to us.'**
- Similarly, it was reported that a lack of parking and high parking charges discourages consumers. This is a particular problem for Totnes as it relies on trade from surrounding villages where people rely on the car to get to the shops, which is most-likely why 12 businesses highlighted that bus capacity and frequency is a limiting factor for business.
- The flow of traffic is also attributed to lack of footfall by some businesses. It was reported that it also makes it difficult to receive deliveries. Two businesses highlighted that the negativity surrounding the issue of traffic flow was causing problems in itself, saying: there is **'constant squabbling about the direction of traffic in the high street, it's a bit like Hillary Clinton's emails...boring.'**

Q25 Listed below are some factors that may limit the ability of your business to develop. Please prioritise these by writing “1” against the factor that is your biggest concern, “2” against the next biggest concern etc. If these areas are not a concern that is limiting your business please select n/a.

Answered: 65 Skipped: 1



How can the Neighbourhood Plan build on the benefits the town brings to businesses and address the barriers?

Improving access to the town

- **Polices on parking and parking charges:** Identify new land for parking and make parking more affordable (community owned parking sites?)
- Re-visit park and ride and park & stride?
- **Policies to Improve footpaths and cycle paths** around the town (this has come out as a prioirtiy in the housing needs surveys and workshop one and two)

Protecting and enchancing the character of the town

- Include policies on preserving and renovating conservation areas (Culture & Heritage group)
- Enchance the visitor experience of the town by including policies on better signage and street furninture (Culture & Heritage group)
- Include policies around protecting the market town setting (i.e green-belt) as per Natural England suggestions.

Protect and encourage retail diversity and vitality

- Include policies on retail diversity (see CPRE food webs report- Economy Group)
- Include policies on vitality (see CPRE food webs report – Economy Group)
- Include policies on markets (see CPRE food webs report_– Economy Group)
- Include policies (and a plan for) better facilittes/premises for businesses of varying sizes and affordability (Economy Group)

Improve availalbity of businesses premises at better rates

- Include policies on protecting employment land from housing development (can we do this?)
- Identify potential sites for employment land
- Engage developers wanting to build employment space (community developers?)
- Build more of an evidence base around this issue?
- Include policies on mixed-use development

What could be done outside of the Neighbourhood Plan to address the findings of this survey?

- Market the town nationally as a good location to start a green business
- Market the town as an eco-tourism town, using it's unique, quirky character and alternative culture as its USP

Key questions to address

How do we address the issue of young people feeling excluded from shops/cafes/culture in the town and not finding meaningful well paid employment (relates to housing and house prices)? Can we address this in the Neighbourhood Plan?

How can we make better links between the industrial estate and the high street and make the industrial estate a more appealing/attractive place to visit? Can this be addressed through the NP?

How do we ensure our local businesses are able to make a profit from 'affluent tourists' and people moving down here from wealthier areas, whilst meeting the needs of long term locals on a local wage (i.e below the national average)? Can this be addressed by the NP?

What barriers cannot be dealt with within the Neighbourhood Plan?

- The general economic climate (though the local economy can be improved)
- Business rates and rents
- Traffic and congestion (limited – we can attempt to influence high-ways but this is a long-term project)
- Traffic flow on the high-street (County Council issue)
- Encouraging businesses to recruit people on government employment schemes, apprenticeships and students.

ⁱ Figures for employment sectors for Totnes constituency show the highest level of employment is in retail and wholesale: Pg 15,

ⁱⁱ House of commons note on SME's and the UK Economy

ⁱⁱⁱ <http://www.smallbusiness.co.uk/news/outlook/2480492/half-of-small-businesses-expect-turnover-to-increase-in-2015.thtml>