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Oxfordshire Local Enterprise Partnership



# Business Barometer

## Oxfordshire

FOCUS ON: THE BUSINESS LIFECYCLE

## RED TAPE STILL A MAJOR BARRIER TO GROWTH

**R**egulation and compliance procedures continue to have a major impact on growth potential according to directors taking part in the Oxfordshire Business Barometer.

Regardless of where they sit in the business lifecycle, company owners say bureaucracy is getting worse rather than better.

One of the UK's leading air source heat pump manufacturing and installation companies, Earth Save Products (ESP), based in Oxfordshire, has allocated ten per cent of its annual turnover and staff to managing red tape.

"I am among the first to agree that regulation is absolutely necessary but it has got completely out of hand," said Harold Wilson, a former lawyer and one of the founding directors of ESP.

"The level of bureaucracy we now have to contend with is ridiculous and it is getting worse. I have to employ two people full-time to manage the paperwork and keep up with regulatory updates, some of which change weekly.

"Five years ago, red tape was costing our business £40,000. This year it will cost us around £360,000."

Mr Wilson, chairman of ESP, added: "The renewable energy sector is still in its infancy in the UK and stringent regulation was vital in the early days to control inexperienced new entrants to the market and ensure consistently high standards.

"It still has an important role to play but instead of evolving to address the needs of a slimmer, more sophisticated sector, the regulations are becoming even more onerous and as far as I can see, are no longer fit for purpose.

"If I was starting a business today, I would not go into such a heavily regulated and administratively burdensome industry."

Paul Bellchambers runs The



*"It is difficult enough trying to balance the demands of running a business with cooking and catering without having to deal with excessive amounts of paperwork."*

Paul Bellchambers, The Late Chef

Late Chef from his home near Wallingford.

As a sole trader supported by catering assistants and chefs during his busiest periods, what Mr Bellchambers lacks most is 'time'.

He is concerned that new rules on food allergens, due to become law in December, will add yet another layer of bureaucracy to his already heavily regulated industry.

He said: "It is difficult enough trying to balance the demands of running a business with cooking and catering without having to deal with excessive amounts of paperwork.

"The latest laws require us to identify ingredients that have allergy causing potential, giving us yet more work in terms of labelling and producing guides to accompany the food I supply to my bar and café clients. It is incredibly time-consuming — and time is the one thing, as a business owner, you really do not have."

Mr Bellchambers added: "While I completely understand the need for legislation and

quality standards, I think consumers should take some responsibility for what they eat."

Charles Evesham, managing director of Kernahan Service, an authorised Ford service and repair centre based in Witney, said: "There is a lot of red tape in the motor industry, from health and safety, fire and rubbish disposal rules to pension regulations, directors' responsibilities, taxation and insurance.

"You get used to the endless form-filling but it does put serious time constraints on the business. And the smaller the business, relatively the more onerous it is."

The Government has pledged to address these issues through the Red Tape Challenge which was set up to encourage businesses to highlight regulations which were strangling their businesses.

• To find out more or to report any red tape issues facing your business, visit the website: [www.redtapechallenge.cabinetoffice.gov.uk/](http://www.redtapechallenge.cabinetoffice.gov.uk/)

### EMPHASIS ON BUSINESS SUPPORT SERVICES

**W**elcome to our latest Oxfordshire Business Barometer supplement which this quarter looks at different aspects of the business lifecycle.

Over the next few pages, we hear from business owners who are starting-up, expanding or running established companies. We also reveal the key findings of the latest Oxfordshire Business Barometer survey which is run by Withy King and the LEP in association with *In Business*.

We recognise that having the right business support infrastructure in place is crucial which is why we are continuing our research in this area. The Oxfordshire LEP is committed to providing support where it is needed most and in particular, understanding the challenges facing small and medium-sized businesses at various stages of start-up and growth.

We recognise that traditional sources of finance are more difficult to access in the current economic climate which, combined with a complex infrastructure and a continuing need for essential skills and employment space, remain as the key requirements of entrepreneurs and businesses throughout the county.

Oxfordshire Business Support (OBS) provides a comprehensive business offering and is the central location for local and national information on setting up, innovating, growing and sustaining profitable trading, regardless of a company's size, location, activity or type.

A business lifecycle emerges through a number of stages from ideas and pre-start to start-up and early stage development. This continues through to mid-life crisis or comfort zone, ending with closure, merger or take-over. At all stages, valuable support is available through guidance and mentoring, connecting and networking as well as practical help with operating a business on a daily basis ensuring compliance and change to stay ahead of the competition and enable long term success.

Nigel Tipple,  
Chief Executive  
Oxfordshire Local Enterprise  
Partnership (LEP)

### INSIDE THIS ISSUE

We talk to two entrepreneurs who left corporate life and risked everything to embark on completely new challenges

STARTING UP AND EARLY YEARS

# NEW BUSINESS, NEW START

For many people, starting their own business is an opportunity to do something entirely different. Here, we talk to two entrepreneurs who left corporate life and risked everything to embark on completely new challenges.

When the family-owned business, Kernahan of Witney, closed, several premises came up for sale and Charles Eveson (pictured) jumped at the chance to rent one of their workshops on Station Lane.

Having worked in management and recruitment roles in the motor trade for 35 years, Mr Eveson was ready for a fresh challenge and so he launched his own service and repair workshop, Kernahan Service.

"At my time of life, I knew it would be almost impossible to change careers and yet I wanted to do something different while still earning an income," Mr Eveson explained.

"As the owner of a business, I am enjoying being hands on with customers, talking to manufacturers, chasing debts and keeping an eye on our finances. If there is no cash, there is no business, which helps to focus the mind.

"Networking has been a positive experience

but you need to stick at it. I have established a really good local network of suppliers and contacts and would recommend it to any new business," Mr Eveson added.

"One of the new relationships I have formed is with an HR adviser who provides regular legal updates and support. This is a tricky area for employers as the dice are stacked against you from the minute you start employing people so to have this expertise, on tap when you need it, is invaluable."

**VITAL STATISTICS:**

**Company:** Kernahan Service, Witney

**Lifecycle stage:** Early years

**Launch:** August 2011

**Employees:** 12 plus one apprentice



**WISE WORDS:** "Invest time in a SWOT analysis and revisit it regularly with your management team."

*"The business's evolution has been organic but it has now reached a point where I need to consider the next step." — Paul Bellchambers, The Late Chef*

Paul Bellchambers has always been passionate about cooking. But it took 25 years of working in the IT sector before Paul took the plunge and turned his lifelong hobby into a business.

"I was fed up with corporate life. I just didn't enjoy it anymore," said Mr Bellchambers, who founded The Late Chef in 2009.

"While I was still working in IT, I attended night school to obtain my City and Guilds qualification in Professional Catering. I also did work experience at Le Manoir aux Quat'Saisons and although it is a young man's game, the training was invaluable."

Mr Bellchambers converted part of the garage

at his home near Wallingford into a small professional kitchen and spent the first year building his brand and marketing his services.

Five years on, the Late Chef supplies a wide range of prepared food to wine bars and retailers, consults on menu design and advises on local produce, caters for corporate events as well as private

functions from lunch parties to weddings and other special occasions. Mr Bellchambers also teaches at the Womens' Institute Cookery School at Denman College, has a regular food spot on BBC Radio Oxford and is the founder of the Wallingford Food Festival.

"I am doing what I love," said Mr Bellchambers. "The business's evolution has been organic

but it has now reached a point where I need to consider the next step. Being a one-man band gives me a lot of flexibility but it can be limiting. It can also be challenging, trying to run every aspect of the business and do all the cooking with only occasional support. It has taken longer than I expected and I have not borrowed to start the business but I would not change it."

**VITAL STATISTICS:**

**Company:** The Late Chef, Wallingford

**Lifecycle stage:** Early years

**Launch:** 2009

**Employees:** 1

## FREE TRAINING COURSE FOR START-UPS

THE Oxfordshire Local Enterprise Partnership has launched a free 'Start Up Success' programme aimed at anyone thinking of starting their own business or who is in their early years of trading.

Eligible entrepreneurs and owners of fledgling businesses will learn how to start, grow and sustain a business over the course of a six week programme. Topics include producing business plans and cash flow forecasts to raising finance and developing the right marketing mix.

The first programme run by Business Boffins on behalf of the Oxfordshire LEP, will start in November.

To find out more, please contact [info@businessboffins.com](mailto:info@businessboffins.com)



## AN HR CHECKLIST

START-UP or fledgling business will need to address several employment fundamentals when they start recruiting. Sally White (pictured left), Director at HR consultancy, SYLO Associates based in Thame, offers the following checklist for new employers:

- Provide an up-to-date contract of employment which ensures you meet your obligations as an employer and makes your employees feel that they have joined a reputable company.

Equally as important is to have appropriate business protection arrangements in place. Get the fundamentals right at an early stage as they will be difficult to introduce when the business grows.

- In the early stage of growth, your people and teams will need to be more flexible about their roles. Communication will be critical to avoid confusion and ensure teams are working as effectively as possible.
- Ensure you have resources in place to cover the four

# SHORT OR LONG? WHICH LEASE IS RIGHT FOR YOUR BUSINESS?

**M**ost owners (63 per cent) who took part in the Oxfordshire Business Barometer ran their businesses from home when they first started trading, and more than one-third (35 per cent) still do, irrespective of their stage of development.

Finding the right property to buy or rent is vital — but it can also be extremely challenging. For those that make the move to commercial premises, the majority (41 per cent) said 'finding the right premises' and 'choice and availability' were the most challenging aspects.

More than one-fifth (22 per cent) found negotiation of the terms, such as the length of the lease, to be the most difficult part of the move.

Mike Cooper (pictured), a commercial property solicitor at Withy King in Oxford, believes one of the most common areas of disagreement is over the length of the lease. How long should you tie yourself and your business into a lease — and what factors should you consider?

Here Mr Cooper provides five key pointers to help owners decide whether a short or long lease is best for their business:

**1** Longer leases at a given rent may result in higher tax being payable when the lease is entered into than shorter leases at the same annual rent. This is because Stamp Duty Land Tax is payable on the value of the rent over a certain amount (calculated by multiplying the length of the lease by the annual rent and then calculating the "net present value").

**2** Shorter leases are often excluded (by agreement between the parties) from the statutory right to apply to the landlord to renew the lease on expiry of the term. On the other hand, a lease of any length which is not excluded from the "security of tenure" provisions under the Landlord and Tenant Act 1954 is subject to a right to apply for a renewal lease at the end of the term, with a number of exclusions or grounds for landlord opposition.

**3** Longer leases are often attractive to tenants who may have an eye on the future sale of their business with the benefit of a lease in place. However, longer leases are often a risk for start-up businesses or those attempting a



roll-out of their chain to a new location.

**4** Tenants should be cautious about agreeing to extensive liability for repairs or for handing back the property in compliance with statutory obligations when they are negotiating very short leases.

**5** Leases may be subject to a right of the tenant, the landlord or both to end the lease on notice, if the parties agree to have it written into the terms. Break clauses can be at a fixed point in the term, or may be on a 'rolling' basis. This gives a tenant flexibility, for example in the case of a start-up business which may want the option to end a lease after a couple of years if the business has not been successful.

## MORE THAN TWO-THIRDS OF OXFORDSHIRE BUSINESSES TAKE A DIY APPROACH TO HR



MORE than two-thirds (69 per cent) of employers who responded to the latest Oxfordshire Business Barometer do not use HR professionals to advise them on staffing issues.

Many survey respondents said they employed people at an early stage in their business' development, with 29 per cent recruiting their first employee before they launched and a further 40 per cent taking on staff during their first year of trading.

Mark Emery (pictured), head of the employment law team at Withy King in Oxford and a part-time employment tribunal judge, said: "In my experience,

many businesses delay employing staff, particularly at managerial level, because directors and owner-managers in particular, tend to like to stay in control of all aspects of their business.

"A failure to delegate is recognised as one of the major impediments to growth and so it is encouraging that so many Oxfordshire businesses can afford to recruit staff to help them at an early stage.

"But it is counter-intuitive that so many do not use HR professionals to assist them. With the complexities of UK employment law, it is incredibly easy for experienced business owners, let alone novice businesses, to make mistakes or get it wrong, and end up on the wrong side of an employment tribunal judgment," Mr Emery said.

"Sapped of time, resources and money, many business owners ruefully tell me that with the benefit of hindsight they wish they had taken on professional assistance at the outset.

"Good HR or employment legal professionals should not just deal with documents and contracts. A good service should add value to your business, for example by providing advice on legal and regulatory requirements, how to comply with anti-bribery provisions, or what the Data Protection Act means for business.

"Many will also offer fixed fee services which can be scaled up or down to suit individual needs and budgets. This allows the entrepreneur to deal with what really matters — building a successful business."

## FOR NEW EMPLOYERS

cornerstones of business i.e. people, finance, structure and systems and processes.

It is easy to focus on just one area. Invest time ensuring you have the right people with the right skills engaged in your business as opposed to a team of like-minded individuals.

- Establish ways of building a reliable pipeline of potential, future employees.

This can be done in cost-effective ways so you are not reliant on agencies to source people and you do not have to start from scratch every time you need to make a new hire.

• SYLO Associates delivers a range of innovative HR solutions to businesses of all sizes, from reviewing employment contracts and policies through to providing advice and strategic support with resourcing, coaching and training.

Run by directors Sally White and Sarah Stevens, the business has a team of 15 HR associates supporting all areas of the HR function.

SYLO Associates are registered training providers for the Government's Growth Accelerator scheme, where businesses benefit from a match funding solution.

### JOIN THE OXFORDSHIRE BUSINESS BAROMETER

To network with fellow Oxfordshire businesses, join our LinkedIn group entitled 'Oxfordshire Business Barometer'; to take part in our quarterly surveys and contribute to this supplement in *In Business*, please e-mail your contact details to [barometer@withyking.co.uk](mailto:barometer@withyking.co.uk)

EXPANSION

# FRANCHISE OPENS DOORS TO DREAM BUSINESS



**WISE WORDS:** "Be prepared to work very hard and don't give up. Treat every problem as a challenge and learn from it."

**VITAL STATISTICS**  
**Company:** Dream Doors (Oxford)  
**Lifecycle stage:** Expanding  
**UK launch:** 2009  
**Employees:** 6

**F**or husband and wife team, Mike and Elaine Hurley (pictured above), a franchise seemed to offer the perfect solution — a proven business model and established brand with a tantalising package of readymade contacts and marketing materials, training and support.

What they had not anticipated was the phenomenal success of their business, Dream Doors (Oxford), and the extent to which they would come to begrudge some of the terms of their franchise agreement.

"The idea of starting our own business was hugely appealing but we were concerned about the risks involved in starting from scratch so we explored various options, including franchising," Mr Hurley explained.

"We first came across Dream Doors in a franchise trade magazine and were inspired by the concept. We decided to buy into the franchise and in 2010, opened the first Dream Doors showroom in Oxfordshire."

The showroom in Abingdon, which shows people how to achieve radical kitchen improvements by replacing their old doors with

new ones colour-matched to existing carcasses, was an overnight success.

The Hurleys set new financial records for the Dream Doors' franchise from the start, achieving 20 to 30 per cent growth year-on-year. In 2013, they became the first Dream Doors franchise to report a turnover of more than £1m.

However as the business grew, so too did the Hurley's aspirations. They leased a warehouse nearby and invested heavily in developing their showroom to include cookery demonstration areas and new, top of the range kitchens to complement their replacement doors business, catering for all budgets and requirements.

Mr Hurley added: "As with many franchise operations there are restrictive trading and anti-competitive covenants that we had not anticipated in the early days that prevented us from leaving the franchise and immediately setting-up independently in the same industry. In reality this makes sense as the franchisor has to protect his investment in the brand.

"If I could turn back the clock and with the knowledge and experience I have now, I would start up independently. However, hindsight is a

wonderful thing and having said that, I do not regret any of it.

"I entered this business with open eyes and without any kitchen experience at all and at the start I received a huge amount of support and training from the franchise. We are left to run our business now working to our own business plan primarily as we see fit, but within the trading guidelines set out within the franchise, after all, it is this model that makes it a success. We will continue to make the business work within the boundaries of the contract and are looking forward to another record year."

## GROWING BUSINESSES FAVOUR PERSONAL FUNDS AND BANK LOANS

MOST businesses which took part in the Oxfordshire Business Barometer take a traditional approach to borrowing, with almost two-thirds not having

considered any form of external finance apart from bank funding. The greatest financial challenge facing the majority (31 per cent) of

survey respondents was how to increase existing revenues with one-fifth blaming sleepless nights on 'sales and business development'.

### TO FRANCHISE OR NOT TO FRANCHISE?

Mike Hurley, Managing Director of Dream Doors (Oxford) provides a personal view of the ups and downs of being part of a franchise.

**Pros**

- Proven business model with well documented systems
- Comprehensive start-up support including marketing
- Ample training and a ready-made network of contacts and suppliers on start up

**Cons**

- Contracts can be onerous; understand what you are signing up to and how you are tied in
- It can be expensive to set up and get established
- You have to work within the framework provided which can be restrictive.

# “EXPANSION DRIVEN BY INDUSTRY’S FAILINGS”

An Oxfordshire company whose foundations are built on technology bought for £1 is on track to generate revenues of £3m this year.

**E**arth Save Products (ESP) was established by friends Harold Wilson and Nick Hale almost 13 years ago after Harold bought a piece of technology for £1 from someone who was winding up their business and wanted to clear their balance sheet.

Mr Hale, who has a technical background, thought he could see great potential in the technology and so together they spent the next three years and every penny they had, in developing it.

Mr Wilson’s background as a corporate lawyer working in the engineering sector enabled him to identify a company in China to manufacture their products using the new technology, including pumps which radically reduce the amount of energy needed to heat air and water within homes and commercial buildings. ESP now owns a 51 per cent stake in the Chinese company.

In addition to manufacturing cutting edge, renewable heating products, ESP has also set up a training and installation business, making it the only company in the UK to offer this integrated approach. It is also one of the reasons, Mr Wilson believes ESP wins 95 per cent of competitive tenders.

“A lack of proper training has damaged the reputation of renewable heating systems and led to bad press,” said Mr Wilson.

“The skills needed to design and install renewable systems are radically different

**VITAL STATISTICS:**  
**Company:** Earth Save Products (ESP)  
**Lifecycle stage:** Expanding  
**UK launch:** 2005  
**Employees:** 22

from those used in traditional oil and gas installations. Unfortunately training is cursory and quite frankly, people do not have the skills that they need which leads to all sorts of problems.

“We have addressed the problem ourselves

by setting up our own training centre to ensure our customers get systems that work as well as installing our own systems,” Mr Wilson added.

“It has given us a unique selling point which is great and what is more, it is a side of our business which is expanding rapidly.

“Our expansion has been driven by our industry’s failings. We identify the weaknesses and plug the gaps.”

ESP is completely self-funded, The business was operated from Mr Hale’s home in Long Wittenham initially before expanding into premises in Witney, Wallingford and Milton Park.



Prime Minister David Cameron visits ESP's new training centre

**WISE WORDS:** “Ensure you fully understand and stay abreast of the regulations impacting your market and products.”



## EMPLOYMENT TIPS FOR ESTABLISHED BUSINESSES

Sarah Stevens (pictured), Director at HR consultancy SYLO Associates in Thame, has the following advice for employers with an established employee base...

- Take a more structured approach to performance management; have appraisals, job descriptions and meetings with individuals and teams. A flexible, open-door approach to communication gives employees opportunities to contribute ideas and raise concerns.
- Delegation and trust will become more important as your business matures; it is impossible (and risky) for all decisions to sit with the directors.
- Make sure the team feels valued; understand and utilise the skills and talents of all employees and ensure this continues to remain a business priority.
- Invest in training and support for your middle and junior managers; they will be the key to sustainable growth.
- Actively encourage a shared vision of the business objectives and values.



**Withy King offers the following guide to a sale**

**Think about your key objectives:**

- Do you want to sell by a certain date?
- Do you have a target price?
- Do you wish to stay on in the business and continue to be involved in running it?

**How will you show your business in the best possible light? Examples include:**

- Making the business look attractive;
- Being able to show and prove a good solid financial record;
- Ensuring that your systems are working properly and the business is under control;
- Providing comfort to a potential buyer that the risks in their acquisition are low.

**Market your business:**

- Who are the potential buyers? Competitors, suppliers, customers, your own management team and investors are all candidates.
- Prepare a sales memorandum.
- Make a list and approach them whether directly or through an intermediary.

**Choose your buyer:**

- Ensure that you ask potential buyers to sign a confidentiality agreement before you commence discussions.
- Weigh up a good offer against a properly financed offer.
- When will your buyer pay for the business? Up front or will a part of the purchase price be deferred?

**Completing the deal:**

- The buyer will undoubtedly engage in some due diligence to investigate your business.
- Accountants and lawyers will be engaged to inspect the financial and legal aspects of the business.
- The deal will need to be properly and thoroughly documented.
- It is important that you choose advisers who specialise in selling businesses and who can manage and guide you through the process.

For further information or for a confidential discussion about selling your business, contact Richard Baxter on 01865 792300 or e-mail richard.baxter@withyking.co.uk

**MATURITY**

# THINKING OF SELLING YOUR BUSINESS?

**A**lmost ten per cent of company owners responding to the latest Oxfordshire Business Barometer said succession planning and exiting their business were keeping them awake at night.

The majority (42 per cent) believe five years is an ideal amount of time to start preparing for an exit while one-third believe two years is sufficient.

Richard Baxter (pictured), a partner and head of the corporate team at Withy King in Oxford, said: "Selling a business which you have spent years and often a lifetime building can be a difficult and emotional task not to mention time consuming.

"Reasons for selling can include realising financial investment, a change of direction,

protecting your future, retirement or ill health.

"Ideally and where possible you should think about the potential sale of your business several years before you decide to start the process because forward planning will definitely help you in achieving maximum value. There is no hard and fast rule about the optimum time to sell but it will be dictated by market conditions.

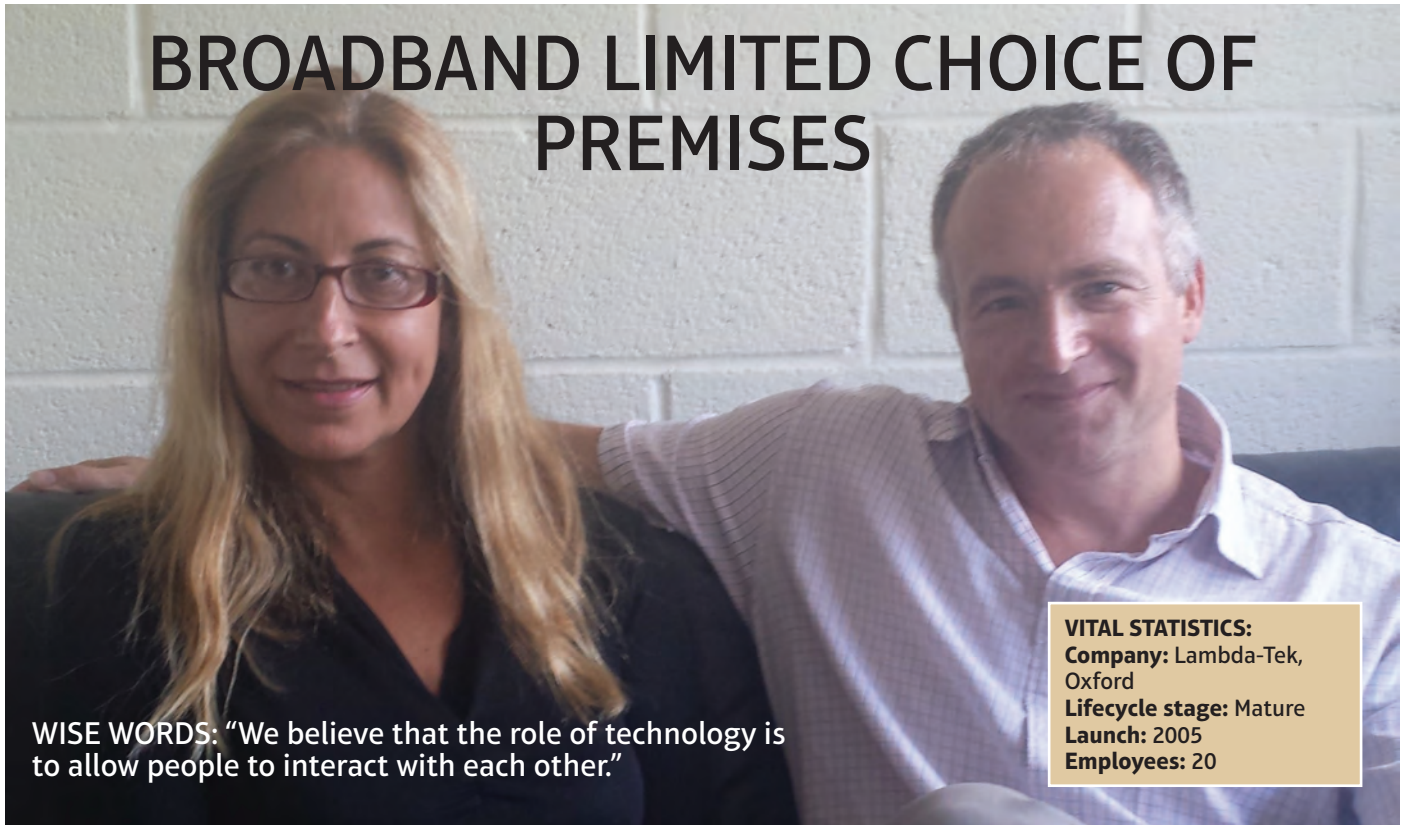
"But perhaps one of the most important aspects of selling a business is patience. It takes time to achieve the desired result and the best practice is to continue to run the business as if it was not for sale. You will not sell your business overnight but the more prepared you are the faster you will sell."



**Right Forwarding directors, Linda Jones (left) and Ginny Wright**

**WISE WORDS:**  
"Careful cash flow management is crucial in business."

# BROADBAND LIMITED CHOICE OF PREMISES



**WISE WORDS:** "We believe that the role of technology is to allow people to interact with each other."

**VITAL STATISTICS:**  
**Company:** Lambda-Tek, Oxford  
**Lifecycle stage:** Mature  
**Launch:** 2005  
**Employees:** 20

Like many entrepreneurs, Dr Tom Felici and his wife Helena (pictured) wanted to create a business which they could run from home and fit around their family life. But it took off and today, almost ten years on, Lambda-Tek employs 20 people and has an annual turnover of £16m.

Dr Felici explains how he has taken the business from a bedroom-based start-up to a highly profitable company.

"In 2005, ecommerce was still very new and I was interested to know whether it was possible to sell electronic products through a website," explained Dr Felici.

"I had relationships with various component suppliers through previous roles in computer assembly and software, so I decided to publish one of their stock lists, complete with prices and quantities updated daily. As people started to place orders, so I developed automated systems to deal with every aspect of the sales process. More and more suppliers came on board,

agreeing to fulfil any orders we placed and deliver direct to customers so we did not have to worry about storage or logistics," said Dr Felici.

"This model is now widely used but it was pioneering at the time. It was extremely hard work in the early years because we created all the systems from scratch whereas nowadays many of these can be bought as a piece of software or as a service.

"We currently process hundreds of orders a day but we only require ten per cent of our workforce for this. The rest of the team spends their time talking to customers and suppliers. We believe that the role of technology is to allow people to interact with each other in a way that machines cannot.

"Now that the business has stabilised, we are working on ways to make the technical aspects less reliant on me.

"We recently employed a programmer who is familiarising himself with the systems I have created and will hopefully allow me to

work more strategically on, rather than in, the business."

The lack of a reliable, high speed broadband connection prevented Tom and Helena Felici from moving their company closer to their home in Long Hanborough.

They decided to play it safe and stay in Oxford. "We need a robust internet connection to run our business," said Dr Felici. "Many businesses have been constrained by the lack of high speed broadband available in many parts of Oxfordshire and have had to spend thousands of pounds to get a service provider to install fibre optic cables directly into their properties. This issue is preventing a lot of businesses from expanding outside of Oxford."

Oxfordshire County Council is actively addressing the issues and reports that its £25m Better Broadband scheme is ahead of schedule and 90 per cent of homes and businesses in the county can look forward to superfast broadband by the end of next year.

# EXPORTING THE RIGHT WAY...

Right Forwarding was established by directors Ginny Wright and Linda Jones more than ten years ago after they became disillusioned with the international shipping and freight forwarding company they worked for.

It took Mrs Wright and Mrs Jones four months to find suitable warehousing and office premises. Most of the available properties at the time were too large or owned by landlords unwilling to rent to a start-up company.

Fortunately, the pair found a suitable unit in Carterton and their business grew rapidly on the back of existing customer relationships and over time, through repeat business and recommendations.

**VITAL STATISTICS:**  
**Company:** Right Forwarding, Carterton  
**Lifecycle stage:** Mature  
**Launch:** January 2004  
**Employees:** 3

"This is a very competitive market and what sets us apart, is our personalised service and attention to detail," Mrs Wright explained. "By staying small, we remain in control and customers know who they are dealing with and the added value we offer. We have also

deliberately chosen to focus on the Oxfordshire market which we know extremely well and has a large proportion of exporting businesses."

Ginny admits that marketing often keeps her awake at night. "We would like to expand our customer base and although we have grown successfully by referral, it would be good to find ways of reaching new exporters. Many businesses are arranging their exports themselves online. This is fine until there is a problem with a shipment and they cannot find the right person to help them. Because we are small, we are able to provide a personal, reliable and expert service, passing the benefits of our many years' experience onto our customers. This is the message we'd like to get out there."

# COMMERCIAL PROPERTY 'DASHBOARD'

Total office, retail and industrial floor space on the market in Oxfordshire: 2,890,485 sq ft (268,526 sq m)\*

Down 145,460 sq ft from June 2014

This supplement to the Oxfordshire Business Barometer has been created by Meeson Williams Phillips to monitor supply and demand in the county.

As well as giving the total amount of floor space

on the market, the 'dashboard' below will enable you to track availability by size, type and location.

The 'dashboard' is based on data provided by 21 of Oxfordshire's commercial property agencies\* in September.

Location	Office	Industrial	Retail
OXFORD	343,239 (31,888) 46.2% 17.3% 17.3% 19.2%	197,531 (18,351) 23.5% 11.7% 47.1% 17.7%	23,640 (2,196) 93.8% 6.2% 0% 0%
WITNEY	21,640 (2,010) 76.9% 15.4% 7.7% 0%	85,860 (7,977) 18.2% 18.2% 36.3% 27.3%	36,092 (3,353) 85.7% 7.2% 0% 7.1%
DIDCOT	25,235 (2,344) 81.8% 9.1% 9.1% 0%	176,461 (16,394) 28.5% 14.3% 28.6% 28.6%	6,167 (573) 100% 0% 0% 0%
BICESTER	22,543 (2,094) 95% 5% 0% 0%	110,168 (10,235) 53.8% 0% 23.1% 23.1%	12,273 (1,140) 90% 10% 0% 0%
BANBURY	173,951 (16,160) 69% 3.5% 10.3% 17.2%	294,412 (27,352) 23.5% 0% 5.9% 70.6%	5,791 (538) 100% 0% 0% 0%
ABINGDON	439,392 (40,821) 50.8% 10.2% 23.7% 15.3%	730,470 (67,862) 18.7% 12.5% 21.9% 46.9%	5,350 (497) 80% 20% 0% 0%
CHIPPING NORTON	3,673 (341) 100% 0% 0% 0%	13,698 (1,273) 0% 66.7% 33.3% 0%	0 0% 0% 0% 0%
FARINGDON	0 (0) 0% 0% 0% 0%	0 0% 0% 0% 0%	0 100% 0% 0% 0%
HENLEY	4,419 (410) 100% 0% 0% 0%	16,726 (1,554) 50% 0% 0% 50%	3,316 (308) 100% 0% 0% 0%
THAME	13,529 (1,257) 85.7% 0% 14.3% 0%	73,728 (6,850) 50% 0% 0% 50%	2,996 (278) 100% 0% 0% 0%
WALLINGFORD	17,841 (1,750) 57.1% 14.3% 28.6% 0%	14,354 (1,334) 33.3% 0% 66.7% 0%	7,425 (690) 75% 0% 25% 0%
WANTAGE	13,409 (1,246) 33.4% 33.3% 0% 33.3%	27,436 (2,549) 40% 20% 20% 20%	178 (17) 100% 0% 0% 0%

Areas in sq ft (sq m). Availability % by number of buildings

Colour Key • 0 - 3,000 sq ft • 3,001 - 5,000 sq ft • 5,001 - 10,000 sq ft • 10,000+ sq ft

\* Source: Based on data provided in September 2014 by 21 Oxfordshire-based, property agents. Contributors include Meeson Williams Phillips, Savills, MEPC Milton Park, Cluttons, White Commercial, Green & Co, Benedicts, Marriotts Oxford, Marriotts, Carroll & Partners, Berry Morris, Carter Jonas, LSH, VSL, Fields, Livingston Gunn, Adkin, Gilbert Walker, Parker Parr, Simmons and Sons, Stimpsons Eves.



## LOW SUPPLY AND HIGH DEMAND SIGNAL NEW OPPORTUNITIES



**T**he total amount of commercial floor space currently available to buy or rent represents a modest 4.8 per cent reduction on the previous quarter.

While this suggests that take-up has been balanced by new stock entering the market, our 'dashboard' shows there has been little like-for-like replacement with notable changes across the county.

Moreover, the number of zero per cent entries highlights the growing gaps in supply, illustrated by there being only two industrial units available under 1,000 sq ft.

Banbury town centre seems to have been the star retail performer in the last quarter with a significant take-up of shop units.

While the total available supply remains largely unchanged, Meeson Williams Phillips has recorded accelerated occupier demand quarter on quarter since the beginning of this year at a rate that can only be satisfied by new projects coming out of the ground.

We have recorded an increase in office demand of 63 per cent and industrial demand of 219 per cent in September, compared with June. This increase in office demand has largely been due to the growth in the average size requirement from 7,695 sq ft

to 12,325 sq ft, whereas industrial demand has increased in terms of both the number and size of requirements from 11,050 to 19,843 sq ft over the quarter.

The increasing tension between supply and demand is also true across most of the South East and Cambridge, and the focus is firmly on the delivery of new buildings on land allocated for commercial development.

It is worth noting that prime office rents in Oxfordshire stand at £21 to £24 per sq ft which is some way behind Cambridgeshire where prime office rents fetch £30 to £34 per sq ft. Industrial rents are more comparable at £9 to £10 per sq ft.

With delivery at the top of the property agenda, now is the time for developers, landowners, planners, lenders, agents and businesses to engage with each other and the Oxfordshire LEP in a joined up way.

By working closely together, we can start to deliver the type of properties businesses need. In particular, we can address the specific, niche requirements of our fast growing bioscience and high technology sectors.

David Williams, Director  
Meeson Williams Phillips  
dw@meesonwilliamsphillips.com

### PROFESSIONAL VIEWPOINT: Which locations and types of properties are currently in the greatest demand — and what more needs to be done to accommodate growth in Oxfordshire?

#### Martin Conway, Partner, Marriotts Oxford

IT IS gratifying to see demand returning to the market, with new enquiries across all sectors.

With stock levels so low, landlords are thinking creatively, particularly in the industrial market where we are seeing warehouses being stripped back and refurbished to the quality many occupiers are looking for.

There continues to be a shortage of offices in Oxford city centre with small and medium-sized premises being the most sought after. More entrepreneurs are looking for start-up space and the educational



sector continues to expand.

With very little designated space available for new educational use, many teaching businesses are now turning their attention to office space which they can convert to suit their purposes.

Planning is often possible as long as the applicant can prove that students' accommodation needs are dealt with satisfactorily and do not deplete existing privately rented stock.

The retail market in Oxford is as buoyant as ever, particularly for space suitable for restaurants, cafes and bars.

Demand is not as high in the market towns where retail is still in its recovery phase, but it is improving.

#### Christopher Marriott, Partner, Marriotts Property LLP

DEMAND is growing steadily and, whilst this is not yet reflected in rising rents, lead times are shorter and we are seeing less abortive transactions.

Landlords are being more selective about their tenants and we are seeing more due diligence being carried out in the form of credit and reference checks.

They are also being more realistic about terms and we are now seeing a shift

in emphasis from achieving top dollar to attracting good, reliable, long-term tenants.

The retail market is doing better in terms of rising rents but that is because they require more significant readjustment than office or industrial premises, having plummeted by 30 to 40 per cent during the recession.

While this is good news for landlords, rental rises are limited by extortionate business rates. It's a travesty that the Government pushed a much needed revaluation back from 2015 to 2017.

In the meantime rates continue to depress the retail market and will do so until a revaluation takes place and rateable values are brought more into line with market rents.

Void rates on empty buildings are another millstone and are putting developers off. They add considerably to the risk of development and are a major disincentive to speculative schemes.



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#### Martin Patchett, Consultant Commercial Agent, Stimpsons Eves Chartered Surveyors, Bicester

SUPPLY in Bicester is a problem which is only going to come under more pressure, with an additional high speed rail link to London planned for 2015 and new housing projects attracting even more people to the town.

Retail vacancies are half the national average, with only a handful of very small units available in the town centre. The new larger units on the J Sainsbury town centre development are now filling up.

The space we have available for offices is mostly small, between 500 and 1,000 sq ft. On the whole, larger enquiries cannot be satisfied and bigger businesses are forced to look elsewhere. Rents



have softened. The industrial market, on the other hand, is busy and we are seeing strong demand, particularly in the 1,000 to 5,000 sq ft size range.

Unfortunately, most of the existing stock was built in the 1970s and is unable to accommodate modern racking, which is causing issues. Rentals are rising as demand outstrips supply. Undoubtedly, there is now a risk of an outflow as successful businesses have no space to expand.

Base rents need to rise further, banks need to make finance more readily available, holding costs need to be less punitive and more land needs to be given over to commercial development, if we are to entice developers into speculative building again.

# RECRUITMENT

RATES SLOW BUT FINANCIAL GROWTH AND CONFIDENCE REMAIN HIGH

The number of businesses taking on new employees fell in the third quarter of 2014, which may be due, at least in part, to the summer holiday season and is broadly in line with headcount trends reported this time last year. The majority of businesses reported financial growth and their confidence remains consistently high.

These survey findings come from the latest Oxfordshire Business Barometer conducted by law firm Withy King, the Oxfordshire Local Enterprise Partnership (LEP) and the Oxford Times' In Business magazine.

## TURNOVER



**74%** of businesses have seen an increase in turnover in the last 12 months

↓ down from 86% in Q2      ↑ up from 63% this time last year

IN Q3 OF 2014



**60%** of businesses expected their turnover to rise down from 75% predicted for Q2

## HEADCOUNT



**31%** of businesses have increased their headcount in the last 12 months

↓ down from 61% in Q2      ✓ in line with the same period last year

IN Q3 OF 2014



**33%** expected to recruit

↓ down from 52% predicted for Q2

## INVESTMENT



**59%** planned to invest in their business in Q3 down from 81% in Q2. Key areas for investment included:

62% in marketing and business development

25% in software and hardware

25% in premises

17% in R&D

50% in people

## CONFIDENCE



**69%** are more confident about their prospects

for the second half of 2014 than they were for the same period last year

↑ up from 64% in Q2      ↑ up from 60% this time last year

Survey conducted in September 2014