



Now in its fourth year, the Oxfordshire Business Barometer has built up a loyal following of businesses of all sizes and from a wide range of sectors, that are keen to make their voices heard and contribute to these quarterly features in *In Business*. In this issue, we look at the challenges and opportunities which 2015 may have in store



Left, Michael Taylor, chairman, and John Catling, chief executive, anticipate a fast-paced and successful 2015 for WheelRight

OXFORD-BASED FIRM WHEELRIGHT FORECASTS A FAST-PACED 2015

If 2014 was good for Oxford-based tyre pressure monitoring firm WheelRight, 2015 is set to be even better. A recent private equity fund cash injection of £2.5m has helped the company to commercialise its product, allowing for the development of a mobile version of its tyre pressure monitoring device.

Next year will see the company further consolidate this new market offering, increasing take-up across the commercial vehicle, bus, truck and automotive sectors.

Founded in 2004 by chief executive John Catling and chairman Michael Taylor, WheelRight, based at Begbroke Science Park, produces technology which accurately measures a vehicle's tyre pressure as it is driven across a sensory plate, delivering instant information to drivers by text message.

Addressing a real market need, recent research found that 71 per cent of motorists' tyres are

underinflated, endangering passenger safety and increasing fuel costs.

WheelRight's own data also found one in eight tyres tested at a recent event were substantially underinflated. The benefits for fleets looking to increase safety and reduce costs are significant.

Mr Catling explained: "Now commercial fleet managers can implement daily tyre pressure checks instead of the present regime which is a manual check every four to six weeks.

"Our technology instantly provides the robust data they need to run their fleets safely and cost effectively."

While WheelRight already has a strong team in place, 2015 presents the challenge of sourcing key new recruits. Mr Catling said: "We are currently recruiting technical software specialists able to write software to communicate with real world hardware, but finding good people locally is difficult."

NEW YEAR BRINGS ECONOMIC GROWTH

As we start a new year, Oxfordshire Local Enterprise Partnership (OxLEP) is confident, based on the results of the Oxfordshire Business Barometer, that economic growth will continue across the county going from strength to strength.

Regardless of the outcome of the next General Election, we would encourage businesses to continue to plan for growth. Our ambition is to support companies to maximise their potential and contribution to the local economy.

We are delighted that business confidence remains high and our local employers expect to increase their headcount in 2015 with the creation of new jobs.

We wish everyone a prosperous 2015.

Nigel Tipple,
Chief Executive, OxLEP

MANAGING EXPANSION

GROWING PAINS

“Rapid growth can be chaotic and perilous if not properly planned. However if well handled, it can be an incredibly exciting and rewarding journey.”

John Panczak, Principal at LAUDIS Business Advisors

The picture painted by the Oxfordshire business owners who took part in Withy King’s most recent Barometer is one of continuing growth in 2015.

Every respondent expects their turnover to either increase (84 per cent) or remain the same (16 per cent) during the year ahead while almost half (48 per cent) plan to increase their headcount.

Expansion is something respondents are looking forward to the most (43 per cent) but according to nearly one-third (32 per cent), it is also likely to be one of their biggest challenges.

“Growth, especially rapid growth, can bring its own challenges and it is therefore really important to plan and think through all of the potential issues in advance,” said John Panczak, Principal at LAUDIS Business Advisors, who helps ambitious business owners and management teams to develop growth plans and exit strategies.

Mr Panczak’s advice to business owners is to ensure their business is scalable.

“The starting point is to acknowledge the fact that you, as a business owner, are not scalable, so make sure you are willing and able to delegate.

“Communicate with your key suppliers so they know what to expect; have documented systems, processes and controls in place, and in particular have great people around you who can take on some of the responsibility and workload. Learning to ‘let go’ is something we all have to face as our business grows.

“The emphasis should be on hiring the best people you can, training and motivating them so they do not leave you as workload and stress levels increase. In our experience focussing on your staff is one of the most important factors in ensuring your success.

“Growth means change, and change can be unsettling, so explaining to your staff that the company’s success could create opportunities and higher rewards for those who contribute, can help keep them motivated,” Mr Panczak added.

“Remember that your team are also stakeholders in the business and they will have a real interest in its prosperity if your plans are discussed openly with them. You should also consider bonuses and share option schemes which work well in some environments.”

Financial planning and support

Expanding businesses also have to ensure they can scale up their infrastructure, including

premises, systems, logistics and service levels and work out how they are going to finance these developments. Planning and cash flow management will be key.

“It is critically important to know how a company’s growth is going to be financed and to have a real understanding of the resources that will be needed,” said Nick Richards, also of LAUDIS.

“Be sure to produce monthly management accounts, as well as a realistic profit and loss forecast and cash flow.

“Growing businesses tend to have an increased working capital requirement which could bring a business to its knees, but with the right sort of support from the banks or alternative finance providers, working with your suppliers and even your customers, you can ensure you do not run out of cash, and can continue to grow your business.”

Richard Baxter, partner and head of the corporate team at Withy King’s Oxford office, agrees.

“When any business is growing it puts pressure on resources.

“One of the most important challenges will be cash flow. It is important to ensure that this is considered both with funders and more generally.

“While the bank may offer some support, many organisations will want to limit exposure to banking facilities in light of increasing uncertainty around interest rates. Looking carefully at your banking facilities before there is a major need for them will be a good starting point,” Mr Baxter said.

“A business would be better negotiating early on rather than when it is under pressure with a lack of cash following a fast growth period.

“Follow this with a review of standard terms of business and credit control processes. It may be possible to negotiate slightly better terms on payment to suppliers, but more likely as turnover increases there will be more pressure with debtors being late in settling invoices.



*Richard Baxter,
partner and head of
the corporate team
at Withy King’s
Oxford office*

“Being proactive in giving your customers some information about your plans and expected completion date will enable you to manage their expectations and ultimately retain them.”

“A good and proactive credit control process with tightly drafted terms of business will help manage this issue effectively,” Mr Baxter explained.

“Be wary that any kind of expansion is likely to cause at least some disruption to day-to-day operations.

“Being proactive in giving your customers some information about your plans and expected completion date will enable you to manage their expectations and ultimately retain them.

“Once the expansion is complete — shout about it! Tell people about the increased capacity of the business and any additional services and products you can offer.”

BUSINESS AS USUAL IN AN ELECTION YEAR : *The majority of business owners (93 per cent) who responded to the Oxfordshire Business Barometer will not be putting their plans on hold until after the next General Election — despite almost half (48 per cent) expecting the outcome to affect their business.*

Owner and director of
College and County,
Mark Crampton Smith



“The poor transport infrastructure, traffic congestion and commuting difficulties are costing my business a lot of time and money.”

NEW RECRUITMENT STRATEGY NEEDED TO OVERCOME COMMUTING CHALLENGES

With half of all Oxford residents now living in rented accommodation, it is hardly surprising that residential lettings companies are doing well

College and County is no exception, having achieved around 15 per cent growth every year since it was launched by owner and director, Mark Crampton Smith, in 2001.

The successful residential lettings and property management company now employs a core team of ten in central Oxford, supported by a network of remote workers.

Mr Crampton Smith believes this is a sustainable employment model fit for the 21st century – and in particular, for businesses based in Oxfordshire which are struggling to get around.

“The only time we ever lose a member of staff is when the traffic congestion and commuting in and out of Oxford become too much to bear,” he said. “We recently lost a member of staff who lived in Witney because she could not afford to live in Oxford and was spending three hours a day in the car, getting to and from work. She loved working here but could no longer tolerate the commute.”

College and County’s experience is not unique. According to Withy King’s latest Barometer, 71 per cent of businesses have been adversely affected by Oxfordshire’s road works.

More than half (57 per cent) said they had to allow much more time to travel to meetings and appointments while a quarter said it made their staff late for work. “The poor transport infrastructure, traffic congestion and commuting

difficulties are costing my business a lot of time and money,” said Mr Crampton Smith.

“From now on, we will recruit people from within central Oxford to try and avoid some of these issues.

“We accept that this will limit the pool of available candidates and we may have to take people on with little or no relevant experience and train them to the required standard.

“We also recognise that salaries may have to increase in line with the high cost of living in the city.”

Despite the challenges, College and County is prospering. It won the *Sunday Times* ‘Best Single Office UK Award’ in 2014, has 400 properties under management and is expanding its investment advisory service to existing and prospective landlords.

SUPPORT FOR GROWTH

FOR those looking to set up or grow a business in Oxfordshire, advice is available from OxLEP’s Oxfordshire Business Support service which will signpost to the wealth of local and national business support available. This includes Network Navigators who provide information and guidance to encourage and support business growth and innovation in the county.

Other local business support services include practical local advice from the District Councils; free advice for people wanting help starting a business or in their early stages from Oxfordshire Business Enterprises (OBE); and free, confidential mentoring delivered by business owners to business owners from Oxford Business Mentors (OBM). Details of all these services and more are available at www.oxfordshirebusinesssupport.co.uk

ACCESS TO FINANCE

OXFORDSHIRE businesses have access to a range of funding options to support their growth regardless of the stage they are at in their business lifecycle. As well as traditional sources of finance, there is access to grants and vouchers from local, national and international schemes. Other funding may be available via private angel investors, venture capitalists, crowd funders and local support organisations such as Fredericks, as well as a number of European funding streams.

The most suitable finance options for a business depends on many factors, including how much funding is required and current business revenues. Further information on these can be found at www.oxfordshirebusinesssupport.co.uk/funding-grants

RECRUITMENT

EMPLOYMENT STRATEGIES MAY NEED AN OVERHAUL

Recruitment and retention will be near the top of the agenda for many Oxfordshire businesses as they gear up for expansion. Almost one quarter of employers responding to Withy King's Barometer said recruitment was likely to be their greatest challenge in 2015, after managing their expansion more generally.

"Confidence has returned to the market and companies are now thinking seriously about expansion — and that means investing in their infrastructure and people again," commented Stuart Crook, a partner at accountants and business advisers, Wellers, which supports small and medium-sized, growing businesses.

"Unfortunately, there is no quick-fix solution when it comes to recruitment. Businesses cannot afford to employ the wrong people and yet they are also often under huge time pressure to boost their manpower as quickly as possible. We know that some sectors are already suffering from skills shortages.

"Overall, the market for quality employees is increasingly competitive and it is taking longer than before to fill vacancies. In the current climate, it is essential that companies develop strategies for motivating, rewarding and retaining their key people so they can focus on creating new roles rather than replacing existing ones," Mr Crook said.

"The accountancy profession is suffering from a national shortage of accountants as many firms put the brakes on their graduate trainee programmes during the recession.

"At Wellers, we are meeting our own requirements by taking a long-term view of recruitment and employing people who we think will fit with the culture and ethos of our business. By investing in training and

development, we can cultivate the skills needed to deliver appropriate and relevant services to our clients. This approach does take longer but if you make it part of your strategy, you can plan for it and factor it into your growth."



Mark Emery, head of the employment law team at Withy King in Oxford (pictured above), believes employers will also need to be more flexible to secure the best people in future.

He said: "I am increasingly being asked by



Stuart Crook, a partner at accountants and business advisers, Wellers

"A new generation of employees is emerging and they want to work to a different employment model with different employment terms to match."

employers to advise potential new recruits who are unwilling to sign up to overly legalistic clauses or restrictive covenants contained within their proposed employment contracts.

"Many are requesting amendments which reflect the importance they place on flexible working and work-life balance which may require prospective employers to make some fairly fundamental changes to the way they operate.

"A new generation of employees is emerging and they want to work to a different employment model with different employment terms to match," Mr Emery said.

"As companies cast a fresh eye over their recruitment and retention strategies, they may also like to take this opportunity to review their employment contracts and policies to ensure they are still relevant, competitive and attractive."

IT'S ALL ABOUT QUALITY



ONE of the key challenges for a service-led business is finding the highest calibre people capable of delivering outstanding work and building long-term client relationships.

CubanEight is a growing PR agency based in Upper Heyford which is looking for the right people to join its busy team. Voted one of PR Week's Top Agencies outside of London and a Top 40 Tech PR Agency, CubanEight has an expanding portfolio of clients based in the UK as well as in Europe, Asia and the US.

"We pride ourselves on the standard of people we hire and our greatest challenge is finding people who meet that standard," said managing director Sian Gaskell.

"We are looking for people who want to develop their careers with us and are passionate about what they do. I am continually looking for new ways to raise our profile so that potential recruits know we are here and see us as a credible option when thinking of a next career move."

AVOIDING COSTLY RECRUITMENT MISTAKES

It is a mistake to rely solely on one or two interviews to determine whether or not someone is right for the job, warns Anneli Thomson, Managing Director at Sandler Training, based in Chipping Norton. Her advice is to research the requirements of the role thoroughly to identify the key personal attributes and skills required, before using psychometric testing to help create a short list. “The interview process, on its own, can only provide an employer with a narrow, one dimensional view of the person being interviewed,” explained Ms Thomson, who runs sales training and business development programmes. “There are many challenges to be overcome, including the very human desire to want candidates to like you and your company and therefore preventing you from asking some of the tougher questions. “You may also find yourself sitting face-to-face with an experienced interviewee who is adept at putting their best side forward.

“One of the problems is that companies often tend to interview when they have an immediate vacancy to fill which means they are often only seeing what the market has to offer at that given moment and may feel compelled to make an appointment.”

“One of the problems is that companies often tend to interview when they have an immediate vacancy to fill which means they are often only seeing what the market has to offer at that given moment and may feel compelled to make an appointment, regardless of whether the person is the right fit for the role, the company or the team,” Ms Thomson said. “The most successful companies are often those with an open recruitment policy, continually looking for great people to complement their business, even if that means creating a role when the right person comes along. “To ensure new recruits buy into the company from the start and are properly motivated, we recommend a 15-week development plan which clearly sets out the week-by-week requirements of the role and the company’s expectations within a supportive and nurturing framework. This will also provide clear measurement criteria which feed into their appraisal at the end of their probationary period.”



POTENTIAL MORE IMPORTANT THAN QUALIFICATIONS

Employers are being urged to focus on potential rather than just qualifications when it comes to recruiting staff for their business support roles, by one of Oxfordshire’s leading independent recruitment consultancies, Allen Associates. Managing Director Kate Allen, who founded Allen Associates in 1998 and now employs a team of 16 based in Oxford, believes there is a real opportunity in today’s market for employers to recruit exceptional people with the potential to develop the skills and experience necessary to excel in support roles, including PA and administration, HR, marketing and finance. Kate Allen explained: “We know that employers found it challenging to recruit the right staff in 2014 but we believe the market is set to get even tougher as the best candidates find themselves able to pick and choose from an increasing range of good job offers. “The situation in Oxfordshire is reflected across the UK where the labour market continues to strengthen in line with business confidence. This has contributed towards skill shortages, a drop in the choice and availability of quality candidates, upward pressure on salaries and rising demand for attractive benefits packages. In Oxfordshire, we are seeing acute skills shortages in sectors such as IT, life sciences, engineering and manufacturing, although steps are being taken to address these issues through investment, innovation and training. “Although business support roles are not under the same kind of pressure, employers often inadvertently miss opportunities to recruit



exceptional people because they can be too focused on qualifications and a proven track record. While these are undoubtedly valuable indicators, candidates often have the right set of innate, softer skills, such as communication, capacity for lateral or creative thought, and business acumen, which are arguably far more difficult to teach than the specifics of the job. “Our advice to employers is to consider all the options, including ways to grow your team from within and employing talented people who will soon perform at the required level with a bit of training, support and coaching.”

WHEN it comes to recruitment in today’s candidate-driven market, Allen Associates has the following advice for employers to help them stand out from their competitors:

- Continue to invest in your brand and promote it across all platforms. Shout about your successes and make yourselves look as attractive as possible to new recruits
- Ensure you have a robust and efficient recruitment process in place. First impressions are really important and you need to be able to act quickly, if you meet someone you think may be suitable
- Check that your salaries are competitive and if possible, offer a little bit more
- Revisit your benefits and see whether they can be enhanced. Flexible working is key for many of today’s employees so try to ensure you can offer a degree of flexibility
- Do not forget to nurture your existing employees; it is far easier and more cost-effective to retain and grow your team rather than replace people every couple of years; it is also often better for customer relationships, continuity of service, reputation, culture and morale.

NEW YEAR'S RESOLUTIONS

January 2015

Oxfordshire business owners share their resolutions for the year ahead

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1 "Start to network"	2 "Continue to expand"	3	4 "Double the turnover"
5 "Be more proactive"	6 "Maintain the growth we have encountered over last nine months"	7 "Stick to core business"	8 "Work more 'on' instead of 'in' the business"	9 	10 "Look at more flexible working practices"	11 "Avoid complacency in our customer service standards"
12 "Ensure management meetings happen. Deliver our marketing plan"	13 "Concentrate on the project areas I find most rewarding"	14 "Do what we do but bigger and better!"	15	16 "Innovate"	17 "Better sales presence"	18 "Sell more"
19 "Develop the team to produce a management structure that takes responsibility for the business"	20 "Work smarter"	21 	22 "Focus on developing customer relationships"	23 	24 "Build even closer relationships with our best partners"	25 "Engage a non-executive director to assist growth"
26 	27	28 "Empower the team to share in the vision of the business and help drive it forward"	29	30 "Protect our IP better"	31 	



OXFORDSHIRE SUCCESS STORIES

As we look ahead to 2015, we showcase two companies at very different stages of the business lifecycle

Award-winning, family-owned business, Oxford Products, has remained true to its Oxfordshire roots. Founded in 1973 by the current chairman, Alec Hammond, the company occupies an impressive 100,000 sq ft, purpose-built building on a six acre site in Witney.

Oxford Products is a market-leading designer and distributor of own-label and third party brands of motorcycling and cycling clothing and accessories, which employs 90 people and is on track to turnover around £22m this year.

In 2004, the company had the foresight to buy its own premises, a 45,000 sq ft unit which was later extended in line with the business's expansion.

The new building was unveiled by Prime Minister David Cameron in 2014.

"We were fortunate that finding the right premises was never an issue for us and the support we received from West Oxfordshire District Council was invaluable in realising the company's ambitions," said managing director Andrew Hammond (pictured), who joined the business full-time in 1991.

"However, one of the challenges of being based in West Oxfordshire is employment, particularly when it comes to recruiting for more senior roles or those requiring specialist skills. We always try to recruit local people but this is not always possible."

Looking at the year ahead, Mr Hammond is bullish about the company's prospects with



OXFORD PRODUCTS – GOING FOR GROWTH

several new products and developments in the pipeline, including the sole UK distribution rights for a vehicle security tracker which is top of its class.

So how, in a nutshell, would Mr Hammond describe the company's success, having emerged

bigger and stronger despite the recession?

"My advice is to always make a coherent plan to grow. You may not achieve all your aspirations but you need a sensible plan and a very clear understanding of where your growth and revenues are going to come from," he said.

VALE FINANCIAL TRAINING – ESTABLISHING A NICHE

When Abingdon and Witney College discontinued their ACCA accountancy courses, Jo Tuffill and Liz Hulls (pictured) seized the opportunity and launched Vale Financial Training — now the only training provider in Oxfordshire to offer the ACCA qualification to aspiring accountants.

Vale FT has grown from a start-up business with 12 students which operated from hired rooms on an ad hoc basis, to a thriving ACCA training centre with over 100 students and eight tutors. As the business expanded, it needed dedicated premises and moved into a serviced office suite at Abingdon Business Centre.

Then in October last year, without any prior warning, the centre closed and Vale FT had one month to find a new base. "It was a real shock but we got straight on the phone to a few local agents who showed us what was on the market," said director and tutor Liz Hulls.

"We like the flexibility of serviced offices and the fact that the major costs are included in the rent, so we were keen to continue down this route. The biggest challenge was finding a centre which could provide two rooms large enough to comfortably accommodate up to 15 students at a time – but at an affordable rate.

"There was very little choice but in the end



Photograph: Matt Halliday, Biff Bang Pow

we found suitable space at Harwell Innovation Centre which will act as a stop gap until there is space for us at Milton Park, which is much closer to our students, many of whom are based on site or working in Oxford, Abingdon and Wantage."

What does the future hold for Vale FT? Liz Hulls said: "We want to carry on growing organically for the next few years and then revisit our training offering, perhaps adding another qualification and extending our tutor network."

In October last year, without any prior warning, the centre closed and Vale FT had one month to find a new base

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

COMMERCIAL PROPERTY 'DASHBOARD'

Total office, retail and industrial floor space on the market in Oxfordshire: 2,981,039sq ft (276,939 sq m)*

Up 90,554 sq ft from September 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.

It is based on data provided by 21 of Oxfordshire's commercial property agencies* in December 2014.

Location	Office	Industrial	Retail
OXFORD	357,097 (3,844) 49.23 14.9% 19.4% 16.4%	221,269 (20,556) 29.2% 25% 29.2% 16.6%	20,707 (1,924) 91.7% 8.3% 0% 0%
WITNEY	39,620 (3,681) 76.2% 15.4% 7.7% 0%	136,994 (12,727) 18.2% 18.2% 38.9% 22.2%	6,665 (619) 85.7 100% 0% 0% 0%
DIDCOT	24,658 (2,291) 90.9% 9.1% 0% 0%	119,534 (1,111) 30.8% 15.4% 38.5% 15.3%	4,967 (461) 100% 0% 0% 0%
BICESTER	23,366 (2,171) 94.7% 5.3% 0% 0%	189,681 (17,622) 16.7% 8.3% 14.7% 33.3%	6,728 (625) 83.3% 16.7% 0% 0%
BANBURY	168,611 (15,664) 61.5% 7.7% 15.4% 15.4%	340,298 (31,614) 20% 20% 0% 60%	12,190 (1,132) 85.7% 0% 14.3% 0%
ABINGDON	437,599 (40,654) 51.8% 12.5% 19.6% 16.1%	624,281 (57,997) 20.8% 12.5% 12.5% 54.2%	4,541 (422) 75% 25% 0% 0%
CHIPPING NORTON	5,525 (513) 50% 50% 0% 0%	4,273 (397) 0% 100% 0% 0%	0 0% 0% 0% 0%
FARINGDON	0 (0) 0% 0% 0% 0%	0 0% 0% 0% 0%	0 0% 0% 0% 0%
HENLEY	10,122 (940) 85.7% 14.3% 0% 0%	18,180 (1,689) 0% 50% 0% 50%	2,650 (246) 100% 0% 0% 0%
THAME	6,117 (568) 100% 0% 14.3% 0%	86,253 (8,013) 50% 0% 0% 50%	2,237 (208) 100% 0% 0% 0%
WALLINGFORD	28,891 (2,684) 81.3% 6.2% 12.5% 0%	16,881 (1,568) 50% 0% 50% 0%	2,572 (239) 100% 0% 0% 0%
WANTAGE	25,770 (2,394) 50% 33.3% 0% 16.7%	31,369 (2,914) 0% 80% 0% 20%	1,393 (129) 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 December 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.



NEW YEAR, NEW OPPORTUNITIES

Looking back over 2014, the cumulative commercial floorspace on the market has remained relatively constant, with a variation of only around 8.5 per cent (238,121 sq ft) across the year.

The 'Dashboard' drills down to show the availability of commercial property by location, type and size and in doing so, the extreme percentages illustrate the continuing concentrations in supply.

The market has been affected by the limited supply of properties for sale. There has also been a notable shortage in laboratories serving the science and technology sector.

One of the consequences of this limited availability has been the need by property agents (including us) to hunt for off-market transactions for clients, which will not appear on the data entered in the 'Dashboard'.

Looking to the year ahead, we are on the brink of major new commercial developments coming through the pipeline in Oxford and across the county, which combined with the housing and public infrastructure works under way, will enable Oxfordshire to build on its international business reputation.

Construction plans for a new hi-tech terrace at

Harwell Oxford have been brought forward due to significant demand from businesses wanting to join the Harwell campus and benefit from the unique range of scientific capabilities and specialist, state-of-the-art facilities available.

It will be the sixth major new development at Harwell in two years, providing a rare opportunity for the county's businesses to join this globally-significant, campus-based community. We are actively marketing this new scheme which will provide 2,730 sq m (29,500 sq ft) of space, divided into bespoke units of different sizes over ground and mezzanine levels to suit the specific needs of incoming tenants. Work is due to start early in 2015 and be completed that summer.

In the next publication of our commercial property Barometer (in April 2015), in conjunction with the contributing property agents, we plan to produce a list of forthcoming developments in Oxfordshire, providing information and who to contact for direct enquiries. The aim is to provide clarity on the delivery of new developments to local businesses to enable them to plan ahead.

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

PROFESSIONAL VIEWPOINT: What was the commercial property landscape like in 2014 and what does the New Year have in store?

Good facilities help employers attract and retain top-quality recruits

DEMAND for office space has continued to increase in 2014 and many businesses were caught unaware by the extent to which quality stock had dwindled.

While there are still plenty of properties for companies to choose from in Oxfordshire, factors such as location, environment, condition and landlord flexibility mean that choice is now far more limited. In addition, moving premises usually requires long lead times and to be successful, requires communication and trust on the part of both landlord and tenant.

These are some of the reasons why the Milton Park Innovation Centre is flourishing. Now at full occupancy with 75 companies, it provides businesses with a first-class environment on very flexible terms with all-inclusive costs.

Businesses at Milton Park also benefit from great amenities, including a new business lounge which provides a public space for informal

meetings, networking and collaboration. Anecdotally, businesses tell us it also helps them to attract and retain top-quality recruits.

Over the last 18 months, MEPC has developed 125,000 sq ft of commercial space at Milton Park but is still at the early stages of its current Enterprise Zone development programme.

Development comes with a high degree of risk and the various conditions for pre-lets, yet alone speculative builds, needed to incentivise developers are significant.

Caution is still a legacy of the recession but despite recent construction cost inflation and funding challenges, things are definitely



improving across the county as the values underpinning development continue to rise.

Oxfordshire has a robust and thriving economy and the Government has made funds available to kick-start a number of schemes which will come to the market in the next few years. Investor demand has surged this year outside London and the M25 with several notable transactions expected to complete imminently.

However, we need the larger OxLEP projects (especially transport and connectivity) to come to fruition before we can expect in particular the strong science and technology sectors to fulfil their undoubted potential.

Andrew Barlow, Commercial Director, MEPC

Increasing demand continues to put pressure on existing stock

WE HAVE seen a significant increase in the take-up for both office and industrial stock during 2014. Subject to verification of information, these amount to approximately double that of the previous year.

Most of the office activity has centred around Milton Park, Oxford and Abingdon where demand has been good and the market buoyant.

On the industrial side, there has been a resurgence in 'design and build' activity on behalf of big names, such as ProDrive and the Entertainer, who are moving to new facilities in Banbury.

There are also two new industrial units to be constructed in 2015 in Thame for Groves and Whistles, both local occupiers with expansion

needs. It is good to see companies making long-term commitments again, another sure sign that the market is on the up.

Property is a good indicator of economic prosperity and the renewed confidence we are seeing in the Oxfordshire market on the part of investors and occupiers is to be embraced.

However, increasing demand continues to put pressure on existing stock and there continues to be a shortage of quality, grade A premises



to buy or rent. The only speculative development we have seen over the last eight years has been at Milton Park.

However there are signs that speculative development will start again in other county towns in 2015 as well as further pre-let opportunities.

Investors are keener than ever to put their money into commercial property and once the next General Election is out of the way, we hope to see a further step change in activity levels.

Jon Silversides, Partner, Carter Jonas

SURVEY IDENTIFIES SURGE IN BUSINESS CONFIDENCE

Three quarters of the decision-makers who responded to the latest Oxfordshire Business Barometer* are feeling more confident about their prospects in 2015 than they were a year ago. Most survey respondents also reported a rise in revenues while headcounts look set to climb again.

The Oxfordshire Business Barometer is conducted by law firm Withy King, the Oxfordshire Local Enterprise Partnership (LEP) and the Oxford Times' In Business magazine.

*Survey conducted in December 2014

TURNOVER



84% of the businesses surveyed saw an increase in turnover in the last 12 months

↑ up from 74% in Q3

→ but in line with Q1 and Q2

IN THE FINAL QUARTER OF 2014



55% expect to see an increase in turnover

↓ down from 60% predicted for Q3 and 75% for Q2

HEADCOUNT



48% of businesses increased their headcount in the last 12 months

↑ up from 31% in Q3

↓ but still down on 51% reported in Q2

IN THE FINAL QUARTER OF 2014



21% expected to recruit

↓ down from 33% predicted for Q3 and 52% predicted for Q2

INVESTMENT



57% planned to invest in their business in Q4, in line with Q3

Key areas for investment remain the same as in the previous quarter:



66% planned to invest in marketing and business development



16% in premises



25% in R&D



47% in people



44% in software and hardware

CONFIDENCE



75% of businesses are feeling more confident about their prospects for the first half of 2015 than they were during the same period of last year

↑ up from 69% in Q3 and 64% in Q2