



Oxfordshire Business Barometer


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 Allen Associates

TRANSPORT SHOULD TOP LOCAL GOVERNMENT AGENDA

The majority of business leaders who responded to the Oxfordshire Business Barometer (53 per cent) said they wanted to see transport infrastructure top the Government's agenda in the county — ahead of affordable housing, skills and high speed broadband.

Businesses were divided over whether the proposed road and rail improvements in and around Oxford will solve the most pressing transport issues.

Nicola Blackwood MP, (pictured) who has been a staunch campaigner for road and transport infrastructure improvements in her constituency of Oxford West and Abingdon, recently admitted having to run the gauntlet on the A34 on a very regular basis.

Speaking at the annual Economic Question Time event, which was hosted by Withy King, Shaw Gibbs and HSBC at Said Business School, Ms Blackwood said: "Local economies are local ecosystems and we need to create sustainable transport, affordable housing and digital infrastructure for them."

The event heard that infrastructure challenges were inhibiting growth and that the county is playing catch up.

Huge investment is now going into road and rail improvements across Oxfordshire but will it be enough?

Jonathan Minoli, Managing Director at tiles supplier Minoli, which relies on being able to transport people and goods between Oxford, London and the South East, said: "It is becoming more apparent that the main roads around Oxford cannot cope with the current levels of traffic, despite the recent improvements to the ring road.

"One example would be the A34, which has far more traffic than many of the country's motorways and despite being a main route from the Midlands to the coast, stubbornly remains as only a dual carriageway, with any single incident on this road causing chaos



Nicola Blackwood MP

and this can be almost on a daily basis."

For many businesses, the county's transport challenges are hampering recruitment. John Cardy, Managing Director at Garden Games, based in Abingdon, said: "There are bottlenecks around Oxford that have to be addressed. The most urgent priorities, I think, are the A40 from Witney to Oxford, the junctions around Pear Tree and Sunderland Avenue, and the A34 from Abingdon to Bicester.

"The main challenge to our business is recruitment. People simply do not want to come to work via the A40 or the A34, so when skills are in short supply, it restricts our pool of talent and ability to grow at the rate we would like."

• **Banbury businesses are calling for a relief road to be built south of the M40 junction 11 to stop the town becoming gridlocked. See over the page for the full story.**

A SURVEY-BASED INITIATIVE FOR OXFORDSHIRE

FOR those of you who are not already familiar with the Oxfordshire Business Barometer, it is a local survey of business decision-makers. The results form the basis for this ten-page feature in *In Business* magazine.

Now in its fourth year, this initiative relies on businesses like yours to give it relevance and make it useful and interesting to read.

Every quarter, law firm Withy King, recruitment consultancy Allen Associates and *The Oxford Times*, email business decision-makers asking for their views on topical issues.

Survey questions are in a multiple-choice format designed to take no more than three minutes of your time.

Every completed survey generates a £2 donation for a local charity.

This quarter, the money raised will go to Yellow Submarine — Withy King's chosen charity of the year and the winner of *The Oxford Times'* Charity and Community Award 2015 for its work with people with disabilities and autism.

The survey generates results for businesses to comment on in this feature and online. It is a genuine opportunity for businesses to engage with the issues and promote themselves in a credible and informative way.

To find out more or register your interest in taking part in future surveys and features, please join our LinkedIn group entitled 'Oxfordshire Business Barometer' and email your contact details to barometer@withyking.co.uk

The next survey will be conducted in September with the feature and results published in October.

Natalie Birrell,
Editor,

Oxfordshire Business Barometer



TALKING ABOUT ANOTHER BUDGET OVER A PIE AND A PINT — AGAIN!

The latest Oxfordshire Business Barometer reveals that 54 per cent of decision-makers are feeling more optimistic about their business prospects following the outcome of the General Election and locally, they want to see the new Government prioritise transport improvements, business rates and skills.

With austerity endorsed by the election result, Richard Baxter (left), corporate law partner at Withy King and Gerry Jackson (right), director at Critchleys, got together over a salad and a San Pellegrino (well almost!) for a bit more crystal ball gazing in respect of the second Budget of 2015



Richard: By the time this is published, readers will know the contents of the Chancellor's Budget, but as we sit here in June, with you in your wellies to celebrate the 200th anniversary of the Battle of Waterloo, we can only ponder what might be in store. Over to you Gerry, to share your thoughts.

Gerry: While you patriotically consume our national dish of fish and chips and a glass of ale?

Richard: Simply deferring to expertise!

Gerry: Very well.

1 We already know that the Conservatives want to give additional Inheritance Tax reliefs for the family home. It is likely this will be funded at least in part by limiting tax relief on pension contributions for those earning over £150,000. This might be in the July Budget, ready to kick in from 2016, but there is a risk that pension relief reductions will start sooner, which means we are advising those earning over £150,000 to make their 2015/16 pension contributions before the Budget.

2 I think that the current venture capital reliefs, such as the EIS scheme, are too generous. They were introduced to help start-up businesses, but the financial services industry has hijacked them so that you can now get EIS relief on very low risk businesses. Either these reliefs should be targeted better or they should be abolished.

There is a good chance that the Government will dither over this issue, and the result will be that the individuals earning more than £150,000 will simply move out of pension products and into low risk venture capital financial products.

3 Since the early 1990s, Business Property Relief, which exempts investments in unquoted trading companies from Inheritance Tax, has also been too generous.

The same financial services industry which hijacked venture capital reliefs for tax purposes has also fixed the same products to act as Inheritance Tax shelters as well.

The Government should consider the rationale behind this relief — a relief is normally there to remove a burden that is felt unfair, or to incentivise behaviour that is felt desirable,

and I do not see that it does either.

4 For businesses, what would be useful would be a figure for the Annual Investment Allowance that is to apply from January 2016, for capital allowances purposes. The lack of a figure is poor form.

If businesses are to budget meaningfully, they need to know in advance what the tax regime is going to be, so if the Chancellor does not give us a figure in the July Budget, he is letting us down.

5 Tax avoidance is high on agendas worldwide. The EU is trying to create some sort of co-ordinated European tax avoidance plan, but the UK is being quite uncooperative.

I am not convinced that the Government is serious enough about this issue. I am happy to be proved wrong!

Richard: Many thanks for your predictions Gerry. With the Government keen to get bad news out of the way early, I do hope July 8 is not reminiscent of Turner's painting of *The Field at Waterloo!*

Mark Berrisford-Smith



THE ECONOMY IS DOING "RATHER NICELY"

More than 80 business people turned up for the third annual Oxfordshire Economic Question Time event hosted by Withy King, Shaw Gibbs and HSBC at Said Business School recently.

Keynote speaker, Mark Berrisford-Smith, Head of Economics at HSBC, told the audience that 'the economy is doing rather nicely and that is why it would be such a shame if events in Greece upset the applecart.'

He referred to a recent 'golden week of

data' with employment figures up, continuing economic growth, inflation coming back and a buoyant retail sector.

"There is nothing wrong with our spending," Mr Berrisford-Smith said. "We are confident and prepared to spend more. We may not always like our politicians but at an individual level, we feel fine and are confident enough to spend. Borrowing in May was the lowest it's been in years and the deficit is down." He said disposable income is rising and people are able to spend without having to borrow. "Next

year, could be trickier," he warned. "Where will earnings be at the end of next year? If earnings growth is only two per cent, that would not be good. But if it is three per cent or more, then recovery will continue and people will continue spending."

Mr Berrisford-Smith and MP Nicola Blackwood joined panellists Lorna Watson, director at Shaw Gibbs, Richard Baxter, corporate partner at Withy King and Nicky Godding, Editor at *Business & Professional Life* to discuss a wide range of issues raised by the audience.



Jim Wilkinson from Oxford Sciences Innovation, Urszula Gunn-Carter and Roger Mould, both from HSBC

BANBURY BUSINESSES CALL FOR RELIEF ROAD

IN A recent survey by the Banbury and District Chamber of Commerce, 85 per cent of businesses said they believed a new relief road was the answer to congestion caused by cross-town traffic and accidents on the M40. A further 68 per cent said staff found it difficult to get to and from work.

They also pointed out that new housing and the development of retail parks would lead to further congestion if a relief road was not built.

Richard Hunter, president of the Banbury Chamber of Commerce (pictured), said: "The vast majority of our members were concerned that the town is often gridlocked. Traffic comes to a standstill not only at peak commuting times but also when there is an accident on the motorway. Obviously, this is bad for business. Not only does it cause a problem for staff getting to and from work, the congestion may also result in businesses losing customers."

The Chamber of Commerce members also called for better public transport and more cycle lanes.

In a pre-General Election survey 86 per cent of respondents to a chamber survey on future business trends were of the opinion that the prospects for business in Banbury were good, with 54 per cent saying that this could lead to new jobs.

Mr Hunter said: "All the signs for Banbury are positive — apart from the traffic situation, which we feel can only get worse unless we get a proper road structure for the town. The congestion is caused in the main because of cross-town traffic and this would be eased by building a relief road or a ring road.

"A growing number of our members are concerned and calling for the county council and district council to get their acts together to alleviate the situation."





EUROPE – IN OR OUT?



Just four per cent of Oxfordshire Business Barometer respondents said they wanted to see the UK leave the EU. The majority (84 per cent) think it is in their business's best interests to stay in Europe — although almost two-thirds of these would like to see re-negotiated terms. Speaking at the recent

Economic Question Time event in Oxford, Nicola Blackwood MP, (pictured) said she welcomed the referendum 'as there is a general lack of consent for the principal of us belonging to the EU'.

She said: "I believe we need to move beyond this issue as it has become a bit of a running sore."

She also pointed out that Oxfordshire benefits disproportionately from

membership of the EU with significant European funding underpinning research and development in this county, which has an international reputation for innovation.

She said an important part of the UK's economic growth would be put at risk if this funding was withdrawn.

• **Below, members of the business community share their views:**



**Harold Wilson,
Chairman,
Earth Save Products**

"One issue that needs to be resolved as soon as possible is the UK's participation in the EU — it would be madness to leave the EU, but crazy to continue to allow European bureaucrats to tie the country up in red tape and inappropriate regulations.

"The Government has its work cut out to change the relationship that we have with the EU to allow people to vote to stay in Europe.

"If significant change is not forthcoming, it is likely that the result of the referendum will be to exit the EU — and that will be a big blow for business nationally because the EU is our largest trading partner.

"It is not a question of whether we should be in or out of Europe because that answer is clear — it is a question of the terms upon which we can stay in."

Richard Baxter, Partner, Withy King

"I think we need some kind of pan national public institutions to balance pan national private interests. Economically, we'd be better off 'in'. If we are 'out', it will mean a swing to the East and that has not been successful in the past."

Mark Emery, Partner, Withy King

"It is not surprising that only four per cent of business leaders taking part in the Oxfordshire Business Barometer want to see the UK leave the EU.

"On so many grounds — recruitment, access to markets, reduced costs — many companies see the EU as a good thing.

"While promised negotiation of the red-tape regulations is welcomed, many businesses are somewhat sceptical that the referendum is good for business, and my business contacts see it as a political distraction creating uncertainty. But it is happening, and businesses must therefore adapt to the inevitable uncertainty this will bring."

**Lorna Watson,
Director, Shaw Gibbs**

"I am very pro Europe. I find it difficult to understand why businesses would not want to be part of one of the biggest trading blocks in the world. It will be great if we can make things more efficient and cost less — but hopefully David Cameron can negotiate that."



“People in both their personal and business lives have spent too long putting off decisions on development or growth and since the election it has been full steam ahead.”

*Stuart Crook,
Wellers accountants*



WHAT DOES A NEW CONSERVATIVE GOVERNMENT MEAN TO BUSINESSES?

More than half the business decision-makers surveyed in the latest Oxfordshire Business Barometer (54 per cent) said they were feeling more positive about their business prospects following the General Election; 38 per cent said they felt the same as they did before

Survey respondents would most like to see business rates (23 per cent) and red tape (22 per cent) reformed during the next Parliament. They also called for reforms to education, tax and employment law.

“There is absolutely no doubt that the best result for business was a continuation of a Conservative Government in some form,” said Harold Wilson, a former lawyer and one of the founding directors of Earth Save Products (ESP).

“The fact that an overall majority was achieved, when so many were predicting a coalition at best, is an endorsement by the country as a whole (rather than just the business sector) of the policies and aspirations of the Conservative Party as demonstrated in their first term of office.

“The fact that the last Labour Government left a note for the incoming Conservative Government saying that there was “no money left” was still ringing in the electorate’s ears.

“Under the Conservative Government the country has come out of recession before all other European countries and is growing again whilst most other countries are still struggling.

“Right now, the UK is the best place in Europe to be to do business and Oxfordshire is one of the best places for businesses to locate — there is a highly-educated workforce, excellent schools and transport links and good quality business premises available. The only drawback is the cost of housing and office space.”

Stuart Crook, a partner at Wellers accountants,

said: “In my view, most of the businesses we come across are optimistic in spite of the well-publicised issues with Greece and austerity warnings. People in both their personal and business lives have spent too long putting off decisions on development or growth and since the election it has been full steam ahead.

“We all realise that austerity is going to mean we work harder for less rewards, but we are trying to fix issues that have been ignored for decades.

“The idea of collecting money in with one hand to pay out with the other the same day is just not sustainable and it makes sense to balance the books and reconsider state pensions and benefits. The only proviso is that when these are assessed we need to consider the ethical intangibles as well as the cost versus benefit of any changes,” Mr Crook added.

“The post-election landscape will be a case of plenty more of the same. By that I mean austerity.

“The UK’s finances make sombre reading and highlight the scale of the task remaining. Total debt of £1.6bn, an annual budget deficit of £90bn and an interest bill on our debt coming in at £50bn per year.

“Eliminating the deficit and paying down the national debt are the top priorities. That means there is very little that can be given away to either businesses or individuals, while some of the pre-election promises simply create added restrictions.

“Do not expect any generous provisions that improve your wealth, the Government does not have any leeway with which to achieve this.”

RESTRUCTURING TO ACCOMMODATE GROWTH

JUST over half of the employers taking part in the Oxfordshire Business Barometer plan to restructure their workforce or have done so recently, to accommodate their growth.

Restructuring can come with its own challenges. When existing employees are affected, for example due to technological changes, new working practices or revised duties, employment issues may arise.

Mark Emery, a partner in the employment law team at Withy King (pictured), highlights two of the areas which often catch employers unawares:



Changing contracts

A change of duties or working practices may fall foul of terms within existing contracts of employment. It’s important that employers don’t unilaterally change contracts, but instead have a consultation period with affected staff and aim to achieve written agreement to the changes. If this does not work, then employers have further steps which can be taken, but to minimise the prospects of any claim, early consultation is key.

Transferring employees (TUPE)

You may be merging or acquiring a business. If so, you will be inheriting existing employees on their existing terms and conditions.

While you may wish to, for example, rationalise terms to those of your existing workforce, this can be very difficult to achieve under ‘TUPE’ Regulations — unless you have a very good ‘Economic, Technical or Organisational’ reason to do so. The new employer also has consultation obligations.

Failing to adhere to ‘TUPE’ rules can have costly consequences, highlighting the importance of taking advice and careful planning throughout the process.



Recruitment and retention provide ongoing challenges for businesses in Oxfordshire, where unemployment is low, cost of living is high and there is fierce competition for staff at all levels. According to the Oxfordshire Business Barometer, over half (54 per cent) of employers said finding people with the right skills is their greatest employment challenge in 2015. This was closely followed by team and cultural fit (47 per cent) and suitable industry experience (44 per cent).

Speaking about the Recruitment and Employment Confederation's latest Report on Jobs undertaken with KPMG, Kevin Green, Chief Executive at the REC, said: "It is imperative that the new government gets to grips with skills shortages because a jobs crisis is looming. Recruiters are doing a great job at getting more and more people into work, but four in ten of those recruiters say that the availability of candidates is getting worse each month.

"Businesses are looking to expand, and roles like marketing, legal and HR are increasingly in-demand. This is good news for jobseekers because they can command higher starting salaries as employers compete for talent. But at the same time, shortages are a serious threat to long-term sustainability for organisations within both the private and the public sector."

Kate Allen, managing director at Allen Associates, which specialises in Admin and PA, HR, Marketing and Finance roles, agreed.

"There is no doubt that employers are finding it difficult to recruit the people they want. But it is not all doom and gloom

"There is a lot that organisations can do to help themselves, from how and where they advertise their vacancies to the processes they use for short-listing, interviewing and communicating with candidates. For example, an interview process which lasts several weeks may have worked well two years ago but today it could cost you your first choice of candidate.

"Increasingly, employees want to work for ethical and responsible organisations"

"Growth is behind many organisation's recruitment needs. It is important that businesses take proactive steps to build their brand and promote their success stories to potential employees, making sure that their actual experiences of dealing with the business reflect the perceptions that have been created.

"Any contact with candidates should be friendly and constructive while it helps to present working environments as attractively as possible."

Grant Hayward, director at Collaborent, which works with organisations to help them differentiate themselves and grow their businesses, suggests that employers could make themselves more appealing to existing and future employees by being seen to engage more with their local communities.

Mr Hayward said: "Increasingly, employees want to work for ethical and responsible organisations. With a little creative thinking, it is not difficult for employers of any size to become, or reinforce themselves, as an employer of choice and open up new business opportunities at the same time."

Andy Jones, a director at accountancy group Whitley Stimpson, agreed. He said he has seen an increasing number of job interviewees asking about the firm's social policy.

"They are more interested in wanting to know what we do in terms of community involvement. I think that if we, for instance, gave time off to perform duties as charitable trustees that would give us the advantage over somewhere else that does not."



Grant Hayward,
director at
Collaborent

SKILLS AND TEAM FIT POSE GREATEST CHALLENGES

Allen Associates has the following recruitment advice for employers . . .

PLAN: Devise a recruitment strategy for the next 12-18 months.

REVIEW: Interrogate your existing recruitment processes and ask yourself whether they are still fit for purpose. Do they allow you to react and move quickly? Will they enable you to deliver your recruitment strategy?

START INTERNALLY: Design your training and development programmes with your recruitment needs in mind. Empower your managers to identify and develop people within their teams for future roles within the business.

THINK ABOUT SUCCESSION PLANNING: Start to 'groom' potential candidates. Look at who you can promote internally.

REFERRALS: Launch a reward-based employee referral scheme to encourage staff to become proactive ambassadors.

NETWORK AND BUILD RELATIONSHIPS: Spread the word and let people know you are recruiting. Build close relationships with recruitment agencies and set high and exacting standards.

MARKET YOUR BUSINESS: Invest in your brand and communicate its values.

DIFFERENTIATE YOURSELF: Create and market points of difference which matter to staff and give you a competitive advantage

MAKE A GREAT FIRST IMPRESSION: Have processes in place to deal quickly and effectively with job applications and enquiries, by email and telephone. Create a workplace which is attractive to existing and future staff.

USE TECHNOLOGY TO HELP YOU: The Internet gives you far greater reach than ever before. Are you making the best use of the tools available?

SKYPE AND VIDEO CONFERENCING GIVE EMPLOYERS THE EDGE

The Internet and technological advances are influencing the ways in which businesses recruit. With the best job candidates in high demand, more and more employers are turning to Skype and video conferencing to expedite the recruitment process.

Over one-quarter (26 per cent) of employers who responded to the Oxfordshire Business Barometer are now using Skype to interview job applicants. While some employers have long been carrying out telephone-based interviews, video offers a greater level of flexibility, interaction and communication.

Oxford-based recruitment consultancy, Allen Associates, has always set itself apart by conducting face-to-face interviews with every temporary and permanent job candidate it registers.

Skype and video conferencing facilities have added a new dimension, as managing director Kate Allen explained: "These are great tools which make a real difference to many of our candidates, particularly those who are still in full-time employment or do not necessarily want to use holiday time, incur costs or travel long distances to attend interviews.

"We are very selective about how and when we use Skype and video conferencing but when we do, we have strict controls in place to make sure our consultants treat these interviews in the same way as face-to-face meetings.

"Many of our clients are seeing the benefits too. For example, decision-makers within the same organisation but who are based at different sites can join interviews remotely, which cuts down on travel time and costs. It also means interviews can be arranged more quickly. Speed and efficiency are fundamental in today's fast-paced jobs market and can make all the difference between an organisation securing its first choice of candidate or not. In fact, at more senior levels, candidates expect employers to offer video interview facilities — at least for first interviews. While video should never replace face-to-face contact, it is a good first step."

Business benefits

Pamoja Education, which specialises in the International Baccalaureate, has benefited significantly from the increasing popularity of video conferencing and Skype.

HR Manager Sandie Back explained: "Pamoja Education is revolutionising the delivery of the International Baccalaureate (IB) curriculum by leveraging the power of online and blended learning to connect students and teachers in a global classroom environment.

"With our student enrolment numbers increasing by around 40-50 per cent year on year, it is an ongoing challenge to recruit and retain high calibre, qualified teachers from around the globe to provide online support to over 2,000 students as well as attract staff to new positions at our head office in Summertown.

"We are in competition for resources with



Kate Allen, managing
director of Allen
Associates

Social media is now seen as an integral part of the recruitment process with almost two-thirds of Oxfordshire Business Barometer respondents using LinkedIn, a quarter using Twitter and one-fifth using Facebook to promote their job vacancies and attract candidates. More than half (56 per cent) also use online job boards.

"These are great tools which make a real difference to many of our candidates, particularly those who are still in full-time employment or do not necessarily want to use holiday time, incur costs or travel long distances to attend interviews"

some of the world's best universities and educational establishments while being located in Oxford — the second most expensive city in the UK and in an area of low unemployment.

"It is vitally important that we employ candidates with the relevant experience, who can adapt to change and have the character to fit in with the company and our values.

"While we would like to nip on a plane to Mauritius to conduct an interview with a teacher, that is clearly not viable!

"As a result all interviews are conducted by Skype and followed up with online training, which also forms part of their assessment process.

"Thereafter, we follow through with referencing and various due diligent processes. Our employee retention rate is high.

"Passion, our commitment and mission to succeed and the willingness to be flexible and embrace change is the answer to our success."



COMMERCIAL PROPERTY 'DASHBOARD'

Total office, retail and industrial floor space on the market in Oxfordshire: 3,477,404 sq ft (323,058 sq m)

Up 594,623 sq ft (55,241 sq m) from March 2015

This supplement to the Oxfordshire Business Barometer has been created by property firm Bidwells 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 June.

Location	Office	Industrial	Retail
OXFORD	424,151 (39,404) 42.7% 17.3% 25.3% 14.7%	281,412 (26,143) 36% 24% 24% 20%	14,589 (1,355) 100% 0% 0% 0%
WITNEY	265,022 (24,621) 57.6% 24.2% 6.1% 12.1%	107,391 (9,977) 47.6% 38.1% 0.0% 14.3%	11,543 (1,072) 100% 0% 0% 0%
DIDCOT	12,091 (1,123) 100% 0% 0% 0%	149,102 (13,852) 15.4% 7.7% 46.2% 30.7%	4,454 (414) 100% 0% 0% 0%
BICESTER	29,192 (2,712) 92% 0% 0% 7.1%	120,644 (11,208) 41.7% 11.1% 33.3% 16.7%	6,836 (635) 83.3% 16.7% 0% 0%
BANBURY	172,355 (16,012) 54.2% 8.3% 16.7% 20.8%	432,036 (40,137) 26.7% 6.6% 6.7% 60%	21,970 (2,041) 86.7% 13.3% 0% 0%
ABINGDON	339,777 (31,566) 58% 12% 14% 16%	871,607 (80,974) 8.4% 8.3% 22.2% 61.1%	1,649 (153) 100% 0% 0% 0%
CHIPPING NORTON	830 (77) 100% 0% 0% 0%	4,273 (397) 0% 100% 0% 0%	282 (26) 100% 0% 0% 0%
FARINGDON	0 (0) 0% 0% 0% 0%	0 0% 0% 0% 0%	0 0% 0% 0% 0%
HENLEY	9,358 (869) 100% 0% 0% 0%	15,091 (1,402) 0% 0% 0% 100%	4,853 (451) 100% 0% 0% 0%
THAME	7,219 (671) 83.3% 16.7% 0% 0%	86,761 (8,060) 62.5% 0% 12.5% 25%	3,588 (333) 100% 0% 0% 0%
WALLINGFORD	22,216 (2,064) 73.3% 9% 18% 0%	14,354 (1,334) 0% 33.3% 66.7% 0%	2,723 (253) 100% 0% 0% 0%
WANTAGE	21,150 (1,965) 40% 40% 0% 20%	18,885 (1,755) 50% 16.7% 33.3% 0%	0 0% 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 June 2015 by 21 Oxfordshire-based, property agents. Contributors include Bidwells, 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.



SUSTAINED DEMAND SIGNALS BUSINESS GROWTH

Throughout the second quarter of 2015, there was notable activity in the towns of Didcot, Bicester and Thame, with significant take up of offices within the 3,000 to 10,000 sq ft size range.

In addition, there has been take up of industrial units in Witney and Wallingford, again within the same size bracket. This demonstrates the activity amongst the small to medium sized businesses requiring larger office and industrial premises.

In terms of total supply, our 'dashboard' on the opposite page shows that this has risen to 3,477,404 sq ft (323,058 sq m), an increase of 594,623 sq ft (55,241 sq m) since the first quarter.

By comparison, the previous 'dashboard' showed little change. This is principally due to the entry of large individual properties into the market, for

example two industrial buildings of 150,000 sq ft and 186,000 sq ft respectively.

The high percentages in the 'dashboard' show the continued concentration of supply with many gaps across the county.

This is beginning to ease with new developments now coming forward, in many instances fuelled by pre-leasing agreements.

There seems to be a wave of confidence and activity following the general election with high quality new developments providing buildings fit for science and technology businesses in particular.

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PROFESSIONAL VIEWPOINT: Agents share their views on Oxfordshire's commercial property market

Shortage of large office buildings

DEMAND has continued to rise this year and landlords with buildings that have been difficult to let in the past should be seeing a renewed level of interest as the lack of new stock coming to the market is driving demand for existing, good quality accommodation.

The purchase, by Rockspring, of Abingdon Business Park from Standard Life Investments sends out a strong message about the confidence, strength and potential of the Oxfordshire property market.

Rockspring and asset managers XLB are currently planning a refurbishment programme throughout the business park which will provide much needed good quality industrial and office stock.

However, the only real way in which demand is going to be satisfied is through development. The first speculative office development in recent years was at Milton

Park with 101 and 102 Park Drive providing 55,000 sq ft of grade A office space in total. These premises have been let, or are under offer, approximately 12 months following practical completion, hitting record rents approaching £27 per sq ft.

We recently acted for SODC/VOWH councils in the acquisition of their new HQ offices, securing a deal at the 33,000 sq ft, 135 Eastern Avenue, Milton Park.

There is now a severe shortage of office buildings of 20,000 sq ft and larger across the county.

There is development planned and underway elsewhere in the county. At Harwell Campus, Kier are developing a new Trade City Scheme in Oxford and Barwood are developing a 235,000 sq ft industrial building on the M40 at Banbury but more needs to be done.

The upturn in demand and rise in rents should give developers confidence to start building.

*Kevin Wood, Director,
Lambert Smith Hampton, Oxford*



Steady rental rises

DEMAND for quality office space, particularly in the 2,500 to 4,000 sq ft bracket in central Oxford continues to rise and this is underpinned by steady rental growth.

We had a number of interested parties from both the office and educational sectors for 32 Beaumont Street which offered 2,600 sq ft in a refurbished building — a rarity in central Oxford — before it was let to a single tenant.

Similar office premises are being snapped up quickly and we are currently negotiating one property off-market.

Following recent lettings at Seacourt Tower, Botley, further space is becoming available with evidence of rising rents.

Demand is high due to its location near the ring-road and just one mile from Oxford train station, the nearby development of the new Waitrose supermarket and on-site car parking.

Supply continues to be a challenge as demand from businesses and educational institutions wanting to be based in the city centre shows no sign of abating.

Nick Berrill, Director, Savills



GROWTH PREDICTIONS ARE MORE MODEST THIS YEAR THAN LAST

Most business decision-makers (82 per cent) who responded to the latest Oxfordshire Business Barometer* have seen an increase in turnover in the last 12 months, while 61 per cent are expecting further revenue rises in Q2. This is down from the predictions made during the same period last year, when 75 per cent anticipated an increase.

The Oxfordshire Business Barometer is a quarterly survey run by law firm Withy King in association with recruitment consultancy Allen Associates and the Oxford Times' In Business magazine. It provides a platform for local commentary and debate. The findings are outlined below.

* Survey conducted in June 2015

TURNOVER



82% of the businesses surveyed saw an increase in turnover in the last 12 months

→ in line with 86% during Q2 of 2014

↑ and up from 70% in Q1 this year

IN THE SECOND QUARTER OF 2015



61% expected to see their turnover increase

↓ Down from 75% in Q2 of 2014

→ and in line with 58% in Q1 this year

HEADCOUNT



59% of businesses increased their headcount in the last 12 months

→ in line with 61% during Q2 of 2014

↑ and up from 54% in Q1 this year

IN THE SECOND QUARTER OF 2015



44% expected to recruit

↓ down from 52% during Q2 of 2014

↓ and down from 48% in Q1 this year

INVESTMENT



82% planned to invest in their business in Q2

down from 88% in Q1 and Q2 of last year

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



68% planned to invest in marketing and business development



19% in premises



29% in R&D



59% in people



45% in software and hardware

CONFIDENCE



57% of respondents are feeling more confident about their prospects for the remainder of 2015, in line with 56% in Q1 of this year. Confidence was higher at 64% in Q2 last year



34% said their confidence was about the same when compared to this time last year. 9% were feeling less confident