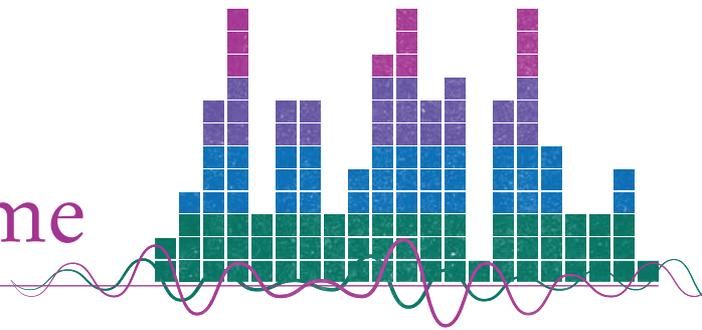


# Turning up the volume

The Business Location Index, October 2015



## Business Location Index

Our research ranked 324 local authorities in England the key economic, social and environmental criteria that influences business location decisions.

Our aim is to give local authorities and local enterprise partnerships (LEPs) the tools to better understand and market their strengths and assets to increase inward investment and inform their devolution discussions.

### QUALITY FACTORS:



#### Economic performance

- Economic scale
- Productivity
- Knowledge-driven businesses
- Business and enterprise



#### People and skills

- Scale of workforce
- Skills and qualifications
- Knowledge workers
- Labour market



#### Environment and infrastructure

- Transport and connectivity
- Innovation
- Quality of life

## Quality vs cost

While the quality of a business location will be a major factor, the final investment decision will involve other considerations – in particular **cost**.

### COST FACTORS:



#### Average earnings



#### Business rateable value



#### Average house prices

By combining both criteria we can build a picture of the most desirable and affordable places in the UK

#### HIGH QUALITY LOW COST

- Mostly located in the East Midlands and Yorkshire and Humber

Accounts for around **22 (7%)** English districts

#### HIGH QUALITY HIGH COST

- Dominated by London and by districts in the South East and East of England

Accounts for around **140 (43%)** English districts

#### LOW QUALITY HIGH COST

- Primarily located in areas on the fringe of London, such as parts of Essex, Kent and West Sussex

Accounts for around **21 (7%)** English districts

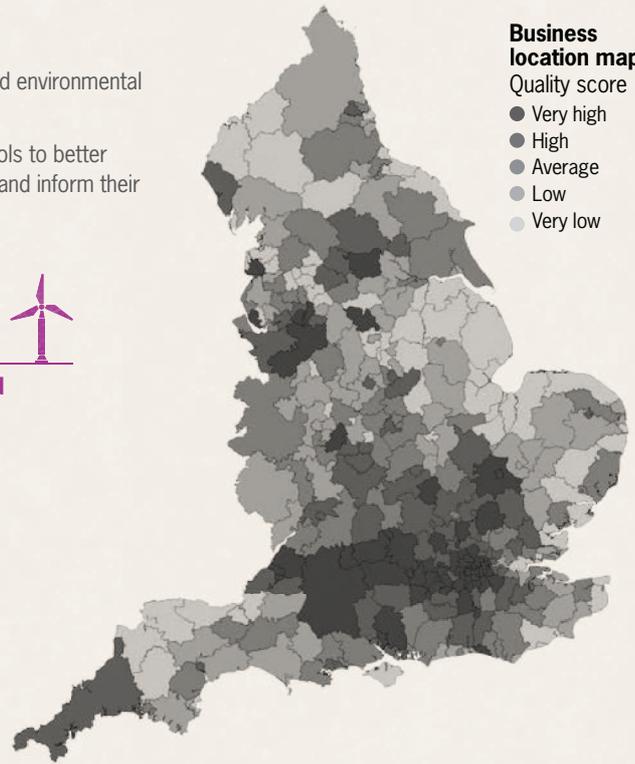
#### LOW QUALITY LOW COST

- Predominantly peripheral/rural areas and coastal towns as well as a number of former industrial areas

Accounts for around **140 (43%)** English districts

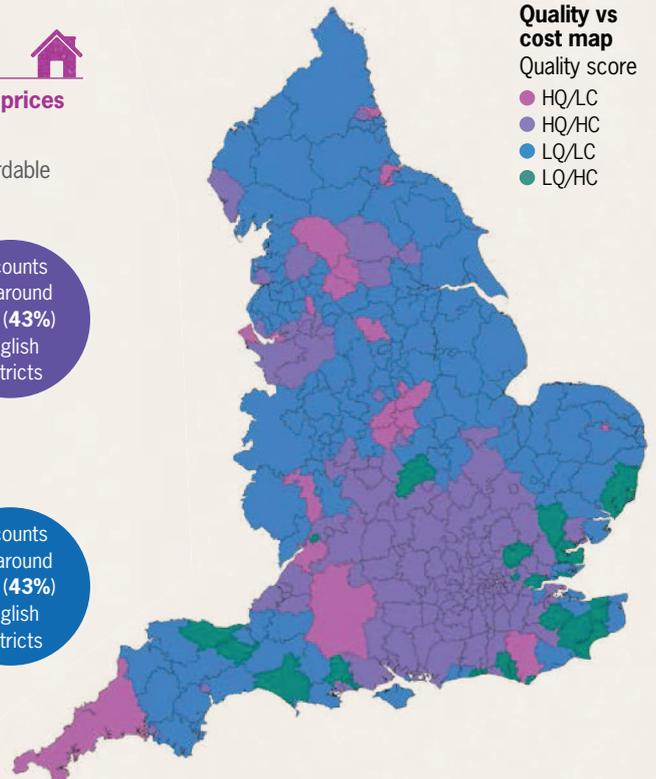
#### Business location map

- Quality score
- Very high
  - High
  - Average
  - Low
  - Very low



#### Quality vs cost map

- Quality score
- HQ/LC
  - HQ/HC
  - LQ/LC
  - LQ/HC



Inward investment is a major component of delivering growth helping to drive GDP, foster innovation, enhance productivity and support and create jobs. However, the success rate in attracting inward investment varies significantly across the country. The Business Location Index has been created to help local authorities, local enterprise partnerships, central government and other stakeholders better understand the existing variation in success in attracting inward investment and to provide them with insight that can help redress this imbalance.

### NATIONAL STRATEGIES FOR INWARD INVESTMENT

- + Recognise the importance of the City Region and wider travel to work patterns. Our research has underlined the importance of the UK cities as prime business locations, often providing the core economic ingredients required by business. These ingredients do come at a cost, both financially and in terms of quality of life. What the City Region geography invariably offers is the sought after mix of economic and environmental strengths alongside access to a larger pool of people and more varied options.
- + Use new infrastructure developments, such as HS2 and coast to coast rail developments in the North, to help shift London's sphere of influence in relation to inward investment. Access to London will remain a primary consideration for many businesses. However, as transport connectivity continues to improve, businesses will increasingly have the confidence to locate elsewhere and take advantage of lower costs.
- + Help identify and support the development of specific ecosystems and sectoral strengths. Using a range of fiscal levers and targeted investment, supported by a strong evidence base, the UK Government can help reduce competition between regions and create internationally recognised 'centres' of excellence in particular sectors. Through the creation of strong supply chains the benefit of these centres can also spread beyond the specific geography in which they are located.

### LOCAL STRATEGIES FOR INWARD INVESTMENT

- + Understand the key strengths, weaknesses, opportunities and threats of both the local and wider sub-regional geography. Build upon a robust evidence base that looks not only at the areas socio-economic and environmental characteristics but also understands the nature of the existing foreign-owned businesses.
- + Devolution provides a unique opportunity to develop more tailored inward investment offers. However, these need to be created in the context of and be fully aligned to the national offer.
- + Turn up the volume on the marketing strategies for your place. Our analysis provides a framework and methodology against which an area can understand its (relative) strengths and opportunities. This, coupled with the excellent work already being undertaken to consider the wider geographical strengths, sector expertise and area attractions, will enable areas to establish and maintain a strong investment profile.

### What can Place Analytics offer?

Business intelligence tools to help you understand places, people, economies and markets

**Place Insight** – achieve a better understanding of places in terms of economy, society and environment. Based on the latest data, at different spatial levels, it provides a powerful online research and intelligence tool.

**Customer Insight** – achieve a better understanding of customers, citizens and communities. You can generate a profile of people by where they live and draw general conclusions about their characteristics and behaviours.

**Place Profiles** – reports that provide a high-level analysis of an area and tell a 'story of place'. Place Profiles can be created at a range of different spatial levels and on a number of different topics, providing an overall assessment of economic, social and environmental conditions.

**SMART Observatories** – customised versions of Place Analytics designed to meet individual client needs. These can be created for specific localities or for specific themes/topics.



### About us

Grant Thornton UK LLP provide independent assurance, tax and advisory services to over 40,000 public interest entities, privately owned and publicly listed businesses and individuals. Our people use insights, experience and instinct to advise dynamic organisations on growth.

Our Place Analytics team provides a market leading analytical and advisory service. The team helps clients across the public and private sectors to understand better the places, economies and markets in which they operate and the people that they serve.

To find out more about your business location story, understand where your place ranks on our index or to obtain a copy of your Business Location Index profile please visit our website ([gt-placeanalytics.com](http://gt-placeanalytics.com)) or contact one of our team. Alternatively you can download the full version of the report here: <http://www.grantthornton.co.uk/en/insights/turning-up-the-volume-the-business-location-index/>



*“Our ambition is to support local authorities and LEPs in becoming insight enabled organisations. We do this through a suite of methodologies, of which the business location index is one”*

Phil Woolley, Place Analytics Partner

### Contact us

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