

Understanding Rochdale Borough economy Executive Summary

Not for Profit Group 11 (India), Class of 2020

Prepared by:

Ali Azmy

Hannah Davies

Hussain Dohadwala

Thiago Paixão

Vergil Francisca Deepa

Submitted On:

23rd November 2018

Acknowledgements

We would like to acknowledge the following people:

Edward Carpenter

Malik Ajani Jr

Elaine Johnson

Aine Graven

Prof Xavier Duran

List of Abbreviations

GDP – Gross Domestic Product

RBH - Rochdale Borough Housing

RCH – Rochdale Borough

SIC – Standard Industrial Codes

SOC – Standard Occupation Code

ONS – Office of National Statistics

1 Executive Summary

In 2018 Rochdale Boroughwide Housing (RBH) commissioned a project under the Rochdale Stronger Together Initiative, with desire to understand the Rochdale Borough economy better.

RBH requires a replicable methodology; resources and time taken to measure the flow of goods/services in the Borough through piloting the methodology within the construction industry. The methodology aims to identify goods/services in the economy purchased from outside the Borough to understand how to best support the area.

There were three components:

1. Designing, planning and orchestrating a methodology to assess monetary leakages from the Rochdale Borough in an industry.
2. Tracking methodology progress and resource use to recommend best future execution.
3. Identifying largest supply imports, supplier choice methods used and methods how best to encourage local suppliers.

The methodology is based upon the expenditure model of Gross Domestic Product (GDP) involving primary research (expert interviews and surveys) distributed via email, telephone and face to face interviews, secondary research (qualitative and quantitative data from ONS, Companies House and industry insight reports). The information was analysed through frequency analysis and classifications of meaningful themes.

An industry criterion was derived to ascertain prioritised pilot methodology industry. The industry chosen was Construction. Key parameters of the research methodology are stated below:

- Population of construction firms: 1054
- Sample size achieved: 32
- Confidence level achieved 75%
- Margin of error: 10%

Results-based recommendations from methodology:

1. Methodology replication: Test construction to confidence level 95% margin of error 5%, then investigate retail and professional services sectors as next priority.
2. For small companies use a structured approach; first send the survey via email, then contact by telephone, finally visit in person. Larger companies must be approached on an organisation level i.e. RBH level through the networks they have.
3. It would take a total 21,202 hours to replicate the methodology across all 21 industries within Rochdale to a 95% confidence level and 5% margin of error. This number was derived from 84

hours required for replicability of method and 3.28 hours per response required for primary research.

4. Import replacement - goods: Three top areas of goods to consider supporting locally were Roofing, Timber & Joinery and Building Materials with potential import replacement of £42m, £39m and £35m respectively.
5. Import replacement – services: Three top areas of services to consider supporting locally were Plasterers, Electrical Trades and Installation and Labourers with potential import replacement of £17m, £16m and £16m respectively.
6. Key finding from expert interviews: the greatest portion of businesses selected their supplies through relationship sources (40% of reasons given for choice) and yet 100% of respondents were not part of any business network. We recommend that:
 - a. Rochdale Stronger Together should setup a monthly non-formal business forum to share ideas, connect local business within construction and provide information on upcoming projects.
 - b. Yearly formal event to be organised with support from anchor organisations to promote business activities within construction industry.
 - c. Establish an online business networking website serving as a common focal point for all businesses in Rochdale Borough to exchange business contact information.
7. 19% of the business have online presence compared to 41% in construction nationwide. It is recommended to
 - a. Align with Rochdale Library and Hopwood College who give free basic IT lessons to establish support for businesses setting up websites.
 - b. Rochdale Stronger Together to assist businesses to set up websites including contact details and testimonials.
 - c. Create a central resource portal for construction businesses and make it publicly available to buyers.
 - d. Rochdale Stronger together to run an awareness campaign with support of anchor organisations to educate local businesses on the importance of purchasing from local suppliers within Rochdale.
8. Next set of significant industries to replicate the methodology would be retail and professional services. While executing the methodology ensure to include a question to understand better the reasons why business within Rochdale part of a business community or association are not.