

11 April 2011

Small businesses cautious about growth prospects following Budget

Small businesses are cautious about their prospects following the 2011 Budget, with 55 percent of small business decision makers expecting their business to 'stay about the same size' and 25 per cent predicting their businesses will grow in the next 12 months, according to new research for Safestore, the UK's largest self-storage company.

The research, which assessed 500 small business senior decision makers' perceptions of the 2011 Budget and the implications for small business, also shows that more needs to be done to help them cut costs. 54 percent of small businesses surveyed said the measures announced by Chancellor George Osborne will make no difference to their growth prospects and 26 percent actually think it make things harder for them to grow.

When asked to consider the budgetary measures they thought would have the most positive effect on their business, 22 percent said that no new regulation for firms with less than ten employees for three years was the most advantageous. This was followed by business rate relief holiday being extended for a year (12 percent) and fuel duty to be cut by one pence (12 percent).

Key facts from the Safestore small business Budget research include:

- 56 percent of small business decision makers said the area of their business in which they would most like to cut costs was in taxes (corporation tax, VAT and NI) – 14 percent want to cut down rents and rates
- 25 percent of small business decision makers say they are optimistic they will grow and only 17 percent believe their business will decline in the coming 12 months.
- 32 percent of small businesses believe the 2011 Budget would be most beneficial in stimulating growth in larger businesses



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- The Budgetary measure most advantageous for small firms was no new regulation for firms with less than ten staff for the next three years, with 22 percent selecting this answer

Peter Gowers, CEO of Safestore commented: "Small businesses clearly remain cautious about trading prospects. They want to grow and are doing what they can to keep on top of costs, for example by moving into flexible self storage facilities rather than tying themselves into rigid property leases. What they need from the government is more help to reduce the burden that lies beyond their control - taxes, rates and regulation."

John Walker, National Chairman, Federation of Small Businesses, said: 'This research ties in with findings from a Federation of Small Businesses survey which showed that small firms feel that while the measures announced in the Budget will do no harm – it won't help them either.'

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Notes to Editors

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 500 senior decision makers in small businesses. Fieldwork was undertaken between 28th - 30th March 2011. The survey was carried out online.

Safestore is the UK's largest self storage company with 94 stores across the country and two business centres, plus a further 22 stores in Paris. The company provides secure, cost-effective self-storage facilities, an increasingly attractive solution to the growing storage needs of both business and household customers. As a result of this increasing demand for self storage, Safestore has seen unprecedented levels of occupancy growth, with levels in 2010 being 26 percent higher than in 2009.

Stores are staffed by a highly trained teams and accessible seven days a week. Services include free van hire, four weeks free storage for new customers, Tesco Clubcard token acceptance and a DHL service point to send parcels worldwide. For business customers, there are larger storage rooms with wider aisles and doors available together with a goods holding facility.

For more information, please see www.safestore.co.uk

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