

scrumptious ('skrʌmpʃəs) *adj.* *Inf.* very pleasing; delicious — 'scrumptiously *adv.*

scrumpy ('skrʌmpɪ) *n.* a rough dry cider, brewed esp. in the West Country of England.

scrunch (skrʌntʃ) *vb.* **1.** to crumple or crunch or to be crumpled or crunched. — *n.* **2.** the act or sound of scrunching.

scruple ('skrʌ:pəl) *n.* **1.** a doubt or hesitation as to what is morally right in a certain situation. **2.** *Arch.* a very small amount. **3.** a unit of weight equal to 20 grains (1.296 grams). — *vb.* **4.** (*obs.* when *tr.*) to have doubts (about), esp. from a moral compunction.

scrupulous ('skrʌ:pjuləs) *adj.* **1.** characterized by careful observation of what is morally right. **2.** very careful or precise. — 'scrupulously *adv.* — 'scrupulousness *n.*

scrutinise or **-nize** ('skrʌ:ti:naɪz) *vb.* (*tr.*) to examine carefully or in minute detail. — 'scruti:**niser** or **-nizer** *n.*

scrutiny ('skrʌ:ti:ni) *n.* **1.** close or minute examination. **2.** a searching look. **3.** official examination of votes [from Latin *scrūtiniūm* and *scrūtārī* to search even to the rags, from *scrūta*, rags, trash.]

scuba ('skju:bə) *n.* an apparatus used in scindiving, consisting of a cylinder or cylinders containing compressed air attached to a breathing apparatus.

scud (skʌd) *vb.* **scudding, scudded.** (*intr.*) **1.** (esp. of clouds) to move along swiftly and smoothly. **2.** *Naut.* to run before a gale. — *n.* **3.** the act of scudding. **4.** **a.** a formation of low ragged clouds driven by a strong wind beneath rain-bearing clouds. **b.** a sudden shower or gust of wind.

scuff (skʌf) *vb.* **1.** to drag (the feet) while walking. **2.** to scratch (a surface) or (of a surface) to become scratched. **3.** (*tr.*) *U.S.* to poke at (something) with the foot. — *n.* **4.** the act or sound of scuffing. **5.** a rubbed place caused by scuffing. **6.** a backless slipper.

scuffle ('skʌfl) *vb.* (*intr.*) **1.** to fight in a disorderly manner. **2.** to move by shuffling. — *n.* **3.** a disorderly struggle; the sound made by scuffling.

scull (skʌl) *n.* **1.** a single oar moved from the stern of a boat to propel it. **2.** one of a pair of double-handed oars, both of which are pulled by the same person. **3.** a racing shell propelled by a single oar. **4.** an act, instance, period, or distance. **5.** to propel (a boat) with a scull. — 'sculler *n.*

scullery (skʌləri) *n., pl. -leries.* *Chiefly Brit.* a small part of a kitchen where kitchen utensils are kept.

scullion ('skʌliən) *n.* **1.** a mean or despicable person employed to work in a kitchen.

sculpt ('skʌlp) *vb.* **1.** variant of **sculpture**. **2.** to carve. — 'sculpture *n.* — also: **sculp.**

sculptress ('skʌlpres) *n.* a female sculptor.

sculpture ('skʌlpʃə) *n.* **1.** the art of making a three-dimensional work of art by carving wood, stone, or metal. **2.** a work of art so made.

sculptural ('skʌlpʃərəl) *adj.* **1.** of or relating to sculpture. **2.** in the manner of sculpture.

by natural processes. — *vb.* (*mainly tr.*) **4.** (*also intr.*) to carve, cast, or fashion (stone, bronze etc) three-dimensionally. **5.** to portray (a person, etc.) by means of sculpture. **6.** to form in the manner of sculpture. **7.** to decorate with sculpture. — 'sculptural *adj.*

scumble ('skʌmbəl) *vb.* **1.** (in painting and drawing) to soften or blend (an outline or colour) with an upper coat of opaque colour, applied very thinly. **2.** to produce an effect of broken colour on doors, panelling, etc. by exposing coats of paint below the top coat. — *n.* **3.** the upper layer of colour applied in this way.

scunner ('skʌnə) *Dialect, chiefly Scot.* — *vb.* **1.** (*intr.*) to feel aversion. **2.** (*tr.*) to produce a feeling of aversion in. — *n.* **3.** a strong aversion (often in **take a scunner**). **4.** an object of dislike.

scupper¹ ('skʌpə) *n.* *Naut.* a drain or spout allowing water on the deck of a vessel to flow overboard.

scupper² ('skʌpə) *vb.* (*tr.*) *Brit. sl.* to overwhelm, ruin, or disable.

scurry ('skʌri) *vb.* **-rying, -ried.** **1.** to move about hurriedly. **2.** (*intr.*) to whirl about. *n., pl. -ries.* **3.** the act or sound of scurrying. **4.** a brisk light whirling movement, as of snow.

scut (skʌt) *n.* a small animal, esp. one of animals such as the deer or rabbit.

scuttle ('skʌtl) *vb.* **1.** to move quickly. **2.** *Dialect chiefly Brit.* to cut up (vegetables, etc.). **3.** to move quickly, esp. to run or move hurriedly.

scurry ('skʌri) *vb.* **-rying, -ried.** **1.** to move about hurriedly. **2.** (*intr.*) to whirl about. *n., pl. -ries.* **3.** the act or sound of scurrying. **4.** a brisk light whirling movement, as of snow.

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Home-based / Self Employed Task Group - Final Report

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CONTENTS

Contents	Page 1
Foreword	Page 2
Introduction	Page 3
Task Group Membership	Page 4
Executive Summary / Recommendations	Page 5
Part 1: Role and Function of the Task Group	Page 7
- Background to the Task Group	Page 7
- Terms of Reference	Page 7
- Links to strategic planning	Page 8
- Methodology	Page 8
Part 2: Findings	Page 10
- Overview	Page 10
- The absence of a clear evidence base	Page 13
- Access to clear information and advice	Page 15
- www.richmond.gov.uk/business	Page 17
- Tailored Support / “Working 5 to 9”	Page 18
- Dealing with isolation / The need to connect	Page 20
- Planning and housing	Page 21
Selected Reading	Page 22
Appendices	Page 23



FOREWORD



As Chair of the Co-ordination, Finance and Performance Commission, I am pleased to introduce this report on home-based business. I think you will agree, as we did at the Commission meeting on Wednesday 27th January 2010, that this is an outstanding piece of work and contributes greatly to the high quality work of our task groups.

The Home-based / Self Employed Task Group should be taken in context linked to work being prepared for the Local Strategic Partnership on the Economic Development Strategy. This task group report will form part of the Local Economic Assessment, further evidence of the joined up thinking in the London Borough of Richmond upon Thames. The Commission therefore asks the Local Strategic Partnership to take full cognisance of this report and its recommendations.

I would like to take this opportunity to thank task group members and advisers for their hard work and the completion of such a high quality task group report.

Councillor Sue Jones
Chair of the Co-ordination, Finance and Performance Commission



INTRODUCTION



I would like to thank everyone who has contributed to the work of the task group and I am particularly grateful to those who gave up their time to attend meetings and share their knowledge and experience with us. Particular thanks are due to Christian Scade, Senior Scrutiny Officer, for his unstinting support and contributions to the task group.

This report was requested when the findings of the Small Business Task Group identified the importance of the Self Employed Home Working sector but did not have the time to research it within the time frame of reporting in June 2009.

We decided to concentrate our efforts on the self employed and not study those working from home while earning a salary from an employer as the sectors have few factors in common.

Home-based businesses are not easy to quantify as they tend to fly beneath the radar of the usual indices. However, our findings confirm the received wisdom that more new businesses start up during times of economic difficulty with Richmond making a vibrant contribution to the sector.

The contribution of “working 5-9”, involving those who have started new businesses while still employed, and those who have made their hobby/special interest into a business opportunity cannot be overlooked. The advent of broadband has opened a wide vista of opportunities.

The task group recognised the contribution being made by Self Directed Support (SDS) and they hope that those using SDS for home-based business will find our report of interest. We thank Paul Leonard for his valuable contributions when studying this area.

We also want to recognise that the task group has been an active partner for the Council, creating new initiatives for the home-based sector. Cllr Acton’s contributions as the Cabinet’s *Business Champion* have been welcomed as have those of Sean Gillen, the Council’s Economic Development Manager. We see this as another good example of how Overview and Scrutiny should operate by working alongside the executive to have an input into new positive policy initiatives. We trust that our recommendations will facilitate the growth of this important contributor to the local economy.

Cllr Brian Miller, Chair of the Home-based / Self Employed Task Group



TASK GROUP MEMBERSHIP

Membership:

- Cllr Brian Miller (Chair)
- Cllr Pamela Fleming
- Cllr Ben Khosa
- Cllr Rita Palmer
- Mr Peter Dolan (co-optee)

Observer:

- Mr Paul Leonard (co-optee) was asked to represent people with mental and physical disabilities and raised such issues during the investigation.



EXECUTIVE SUMMARY AND RECOMMENDATIONS

“Great strides have been made in the past 12 months. It’s a year in which we celebrate the UK’s first ever Home Enterprise Day, Business Link launches a national home business guide, and central Government adopts planning recommendations to encourage live/work developments... Yet more needs to be done to encourage the sector to fully flourish...¹”

1. Home-based businesses are a significant proportion of the small business sector and account for an increasing proportion of business start-ups. However, they are largely invisible, not separately identified in official statistics and difficult to survey. The Council is currently working closely with partners through the Business, Skills and Economic Development Partnership to address the recession but also to plan ahead. To these ends, an Economic Development Strategy will be prepared for the Local Strategic Partnership underpinned by a thorough Local Economic assessment. The findings of this task group report will contribute to this assessment and strategy development. The task group has made eight recommendations. These are listed below and it is hoped that these suggestions will help combat the invisible nature of home-based working by ensuring people have access to all relevant help and networking opportunities.

Number	Recommendation
1a	That the growth of the home-based business sector is recognised and supported by the Council and the Local Strategic Partnership.
1b	That the themes outlined in this report be promoted via articles in Arcadia, and other appropriate publications, as a way to celebrate the contribution of home-based business in Richmond upon Thames.
2	The growth of the home-based business sector, and its importance to the local economy, should be picked up as part of the 2010 Local Economic Assessment.
3a	That the Cabinet Member for Environment asks the Business, Skills and Economic Development Partnership to produce an information document (similar to the LSP recession leaflets) to improve signposting to current services and to clarify issues associated with

¹ Emma Jones, founder of Enterprise Nation, Home Business Report, November 2009



	starting and running a home-based business in Richmond upon Thames.
3b	Once completed the information document should be widely circulated and added to the council's website – www.richmond.gov.uk/business
4	That there is a link from www.richmond.gov.uk/business to the Enterprise Nation website www.enterprisenation.com
5a	That there is a link from www.richmond.gov.uk/buisness to www.buisnesslink.gov.uk/london under the “Advice for established Businesses” heading as well as the “Advice and Information for Business Start Up” section.
5b	That there is a link from www.richmond.gov.uk/business to the Business Link national home business guide which can be viewed via www.businesslink.gov.uk/homestartup
6a	The growth in “working 5 to 9” should be recognised and supported by the Council and the Local Strategic Partnership.
6b	That the Cabinet Member for Environment asks the Business, Skills and Economic Development Partnership to investigate the demand for, and feasibility of offering, advice and support services between the hours of 5.00pm and 9.00pm.
7	That the Council works with partners to identify (a) suitable venues for business meetings and (b) networking opportunities for home workers such as conferences / seminars (with guest speakers).
8	That the Council fully considers local opportunities for live / work developments by supporting working from home in local policies such as the Local Development Framework and the Economic Development Strategy.



PART I – ROLE AND FUNCTION OF THE TASK GROUP

Background to the Task Group

2. The work of the Small Business Task Group (June, 2009) highlighted, that despite the economic downturn, increasing numbers of people are now running part-time or full-time businesses from home.
3. The task group were impressed by the sector, area and market based intelligence work that the Royal Borough of Kensington and Chelsea had done in this area. However, while the group recognised the growing importance of the sector they were unable to analyse local data due to limited information being readily available. As a result, it was suggested that further research should be carried out to ensure suitable business support is provided to the home-based business sector in the London Borough of Richmond upon Thames.
4. Following this recommendation, the Co-ordination, Finance and Performance Commission agreed, on 23 June 2009, to set up a task group. The group established the following terms of reference:
 - (a) To review the business and employment support that is provided to the home-based / self employed sector in the London Borough of Richmond upon Thames
 - (b) To look at the ways to help the home-based self employed sector in the short term, during the economic downturn, and the long term
 - (c) To find out what services are currently provided, by the Council and partners, and look at what could be provided in the future
 - (d) To investigate the support provided to this sector in other boroughs
 - (e) To report back to the Co-ordination, Finance and Performance Commission by January 2010.

NOTE: Home working comprises two distinct types of economic activity: employees and business owners. The task group studied the different definitions and it was decided that the focus of this review should be on home-based business owners. The



group also agreed that whether an issue was considered from a management/labour market, environmental or a cultural perspective it was essential to make a conceptual distinction between those who run a business from home and employees who work from home.

Links to strategic planning

5. A diverse and successful business environment benefits the borough's residents by providing employment, services and attracting visitors. The diversity of this environment helps to ensure its success, as businesses interact and become interdependent. Micro-businesses are a key part of this business 'bio-diversity'.
6. The Community Plan identifies the support of small and medium size local businesses as a key part of supporting a vibrant and prosperous borough, including promoting business start-up and growth. A healthy home business sector also contributes to sustainability objectives by reducing travel to work and supporting other local businesses.
7. In turn, the Council's Corporate Plan 2009-12 commits to supporting the community through the recession and to preparing for the recovery. This includes providing advice and support to the local business community and to people and families directly affected.
8. The Council is working closely with partners through the Business, Skills and Economic Development Partnership to address the recession but also to plan ahead. To these ends, an Economic Development Strategy will be prepared for the Local Strategic Partnership underpinned by a thorough Local Economic assessment. The findings of this home-based business task group report will contribute to this assessment and strategy development.

Methodology

9. As noted above, home-based businesses are now a significant proportion of the small business sector and account for an increasing proportion of business start-ups. However, they are largely invisible, not separately identified in official statistics and difficult to survey.
10. To overcome some of these issues, members agreed that it was important to gather evidence from a wide range of organisations. The task group interviewed the following witnesses (in order of their appearance before the group):

- Rob Grover, Partnership Manager, Business Link in London



- Denis Palmer, Regional Manager, Business Link in London
 - Emma Jones, the founder of Enterprise Nation
 - Professor Robert Blackburn, Director of Research, Small Business Research Centre, Kingston University
 - Carole Young, Director of Business Development, St Mary's University
 - Nick Winch, London Policy Manager, Federation of Small Businesses
 - Christina Conroy, Principal, Richmond Adult Community College and Chair of the Business, Skills and Economic Development Partnership
 - Cllr Geoff Acton, Cabinet Member for Environment / Business Champion
 - Sean Gillen, Economic Development Manager
11. **Appendix A** outlines the issues discussed at each task group meeting.
 12. In addition, members of the task group attended seminars and briefings and carried out their own research by, for example, going to the Business Link "*Starting a successful home-based business*" Conference² held on the 16 September 2009. Information was also requested from other local authorities, such as Horsham District Council, who have done some innovative work in this area.
 13. The methodology allowed the task group to learn about a variety of cross cutting issues and ensured the task group could consider the benefits of: tailored support plans, ways to promote home-based businesses, clarifying tax issues and creating "Entrepreneurial Support Hubs" for networking.

² Guest speakers included Patrick Elliott, Chief Executive, Business Link in London; Emma Jones, Enterprise Nation and Doug Richards, serial entrepreneur and original star of the BBC's Dragons' Den



PART II – FINDINGS

“Once upon a time home was where you put your feet up after a hard day’s work. Not any more. The past year has seen a surge in the number of home-based businesses, fuelled by a rise in redundancies and a fall in the number of jobs available. Now more than 60% of all new businesses are started from home³.”

Overview

14. One of the most significant trends in the post-industrial era has been for many homes to become an important focus for work, reversing the forces of the industrial era in which the spaces of home and work were clearly demarcated (Felstead et al, 2005). In *Free Agent Nation*⁴, Daniel Pink observes that “the home itself is being reconfigured as a place that’s not a respite from work, but the central location for it” (2001: 41).
15. Home working comprises two distinct types of economic activity: employees and business owners. Although many of the issues of home-based working are common to employees and the self-employed, there are also some fundamental differences. Mason et al (2008) state in *Invisible Businesses* that it is “essential to make a conceptual distinction between those who run businesses from home and employees who work from home”. For example, home-based employees are linked to an organisation, are managed and are likely to have colleagues with whom they are likely to interact, whereas home-based business owners, who are the focus of this investigation, are more socially isolated.
16. The growth in home-based working has attracted a growing volume of research. This, however, is dominated by a focus on home-based *employees*, addressing issues such as work-family boundaries and how they are negotiated (Fitzgerald and Winter, 2001; Tietze, 2002; Felstead et al, 2005), managing at a distance (Felstead et al, 2005) and employee well-being (Mann and Holdsworth, 2003). Significantly less attention has been given to the growth of home-based business.

³ Bridge, R (2009) *Come to my office – in the kitchen*, The Sunday Times, 14 November, 09

⁴ Pink, D H (2001) *Free Agent Nation*, Warner Business Books: New York



17. Meaningful scholarly and policy discussion about the significance and characteristics of home-based businesses has been thwarted by an invisibility in official statistics and a limited research base. Nevertheless, it is clear that home-based businesses comprise a significant and growing segment of the small business population and this scrutiny review has been an opportunity to focus on a type of economic activity that has been largely ignored by policy-makers.
18. According to the *Home Business Report*, compiled by Enterprise Nation in November 2009, it is estimated that there are 2.8 million such businesses in the UK, generating a combined annual turnover of £284 billion. This is an increase of 300,000 in the past 12 months. Indeed, home businesses have become so important that this years *Global Entrepreneurship Week*, for the first time, designated one of their days to home working.
19. The recession has contributed to this increase with 32% of respondents to the 2009 Home Business Survey having started their business in the past 12 months. This is on account of redundancy or people opting for a new career path that involves gaining greater control over their working life.
20. Enterprise Nation believes there are five key factors influencing rapid growth in the home business sector. These are:
 - **Reducing costs** – New business owners are avoiding the cost of a second office and starting up in the spare room, attic or garden shed. Home workers are also saving on travel costs, typically to the tune of £8.40 per day, equal to £2,000 per year and for home business owners who can do without a second car, annual savings can be in excess of £6,000.
 - **Increasing income** – people are looking for ways to earn extra income, sometimes alongside a day job. Research from Capital Economics shows 56,000 people ‘exploiting their job skills to earn extra cash’ and Robert Watts wrote in The Sunday Times on 13 July 2008 that ‘Thousands of professionals – lawyers, financial advisers, computer programmers and marketing managers are looking for freelance work outside of normal office hours’.
 - **Greater demand** – home businesses tend to cater to niche audiences and provide a personal service or tailored product. Such niche businesses face a growing level of customer demand,



for example, as confirmed by Yell in June 2008, there was a 60% increase in searches for businesses offering help around the home from June 2007 to June 2008. The businesses offering this help are, in the main, home-based businesses⁵.

- **Lifestyle choice** – a clear shift towards individuals wanting to find work that's fulfilling is leading many to self-employment and the freedom and flexibility it brings. This is resulting in hobbies being turned into businesses. Witness the rise of crafts marketplace, Etsy.com and findings from Hiscox Insurance showing a surge in the number of non-traditional businesses looking for policies; such as badger consultants, dog psychologists and Feng Shui consultants⁶.
- **Advances in technology** – there is no doubt that technology, particularly the internet, has been the key enabler, driving home working levels even higher. In entries to the Enterprise Nation 2008 Home Business Awards, 73% of business owners said they believe technology is critical to the success of their business. Entries show home business owners making the most of all forms of technology (telecoms/software/web applications) to keep costs low and sales and productivity high.

21. In summary, people are starting up at home to reduce costs, earn more income and, in their mind, achieve an enhanced, albeit more blurred, work / life balance. Enterprise Nation suggests that "areas that...act to encourage and support home business will (also) reap benefits for their local community and environment⁷".
22. For example, home-based businesses are likely to look to their local community for social activities and to obtain advice, information and business services. In terms of the environment, based on a study by Bradford University, it is estimated that having BT employees working flexibly and from home has reduced commuting costs, saved 12m litres of fuel and reduced CO2 emissions by 97,000 tonnes. Enterprise Nation estimates that home workers, across the UK in 2009, will save 18 million kg in CO2 emissions.

⁵ 'Demand for domestic services on the rise as UK households seek home help', Yell.com, 30 July 2008

⁶ 'When I grow up, I want to be...' Hiscox Insurance 1st August 2008

⁷ Home Business Report, November 2009



23. The task group's investigation and the themes outlined in this report point to an increasing number of people starting a business from home and an ambition from existing home business owners to grow. But is enough being done to ensure the home business sector is able to fully flourish in Richmond upon Thames? The task group believe there is room for action across two key areas:

- Support people who want to start a business from home by providing improved information and support services.
- Support existing home businesses to grow.

Recommendation 1a: *That the growth of the home-based business sector is recognised and supported by the Council and the Local Strategic Partnership.*

Recommendation 1b: *That the themes outlined in this report be promoted via articles in Arcadia, and other appropriate publications, as a way to celebrate the contribution of home-based business in Richmond upon Thames.*

The absence of a clear evidence base

24. According to statistics from the Department for Business, Enterprise and Regulatory Reform (SME statistics, August 2008) the greatest numbers of home-based businesses are located in London, East of England and the South East.
25. The *Voice of Business Survey* (2009), conducted by the Federation of Small Businesses, suggests that 27% of all London businesses are home-based.
26. The Small Business Task Group (June, 2009) reported that in Richmond upon Thames there are 18,200 self-employed people – 14.5% of the workforce. This is around 50% higher than the national figure. Data sourced by InfoUK, for Enterprise Nation's 2009 Home Business Report, shows that Richmond upon Thames is a "*top 200 home business hotspot*" appearing at no 169 with a count of 726 home businesses⁸.

⁸ It should be noted that this data is not a complete representation of home businesses but, at a district level, this is the most reliable source of intelligence available.



27. Given that the number of residents claiming Job Seeker's Allowance has doubled in the last year, it's more than likely that the number of home-based businesses will increase further, especially as other vacancies have declined.
28. It is well documented that during times of benign economic conditions, entrepreneurship flourishes less than in times such as at present when "necessity is the mother of invention". The corollary is that now is the best time for the Council and its partners to support home-based businesses not only in the context of the current difficult economic conditions but also to reap rewards in the medium and long term.
29. However, despite having information and data to review, the task group were concerned by the absence of a clear evidence base. This invisibility imposes challenges for survey-based research. Specifically the fears of many home-based business owners – based on uncertainties about their legal position – that they will be subject to regulation, business taxes or eviction if they are "discovered" by officials. This is likely to result in significant undercounting. For example, a survey by Horsham District Council identified 8.7% of households who admitted to running a home-based business but estimated that the true proportion was around 15%.
30. The quintessential problem therefore is that we have no reliable method of identifying the constituency that we are trying to help. It is clear, therefore, that there is a need for a much stronger evidence base on home-based businesses, particularly, if the Council and its partners are to develop meaningful policies to ensure people have access to all relevant help, support and networking opportunities.
31. *What can be done?* Professor Robert Blackburn, Director of Research, Small Business Research Centre, Kingston University, informed the group there were a number of things that could be done including:
 - Carrying out a ground clearing exercise of the existing knowledge base. For example using information contained in the following documents: *The Prevista Survey of Londoners who recently set up their own businesses (2009)*; *The Home Business Report 2009* compiled by Enterprise Nation; *The Voice of Business Survey (2009)* conducted by the Federation of Small Businesses; *The LDA's London Annual Business Survey (LABS)* etc.



- Commission some sort of data collection exercise for Richmond upon Thames to establish whether there is a specific need or supply side gap of advice / support.
 - Carry out a joint survey, with neighbouring authorities, to allow more resources and thus a bigger survey as well as allowing comparative analysis i.e. to work out what is special about home-based businesses in Richmond upon Thames.
32. The task group discussed all options but agreed that the cost of such research may be too expensive and suggested that instead this report should be used to highlight the importance of the home-based sector in Richmond upon Thames. The benefits of home working and the growth of the sector should also be picked up in the 2010 Local Economic Assessment⁹.

Recommendation 2: *The growth of the home-based business sector, and its importance to the local economy, should be picked up as part of the 2010 Local Economic Assessment.*

Access to clear information and advice

“It really bugs me that I am reducing travel, encouraging people to have a work-life balance and working at the same time as managing not to neglect my family – yet I had to fund the office build personally, as if I put it through the business the revenue will class that section of my house as a business asset and we could potentially get hit for capital gains if we ever sell.

This also means the amount of expenses that I can claim back are paltry, again not exactly encouraging home-working. I’m in the process of looking at what I can do to make it more financially viable with a tax accountant, but it’s all smoke and mirrors. A clear policy and supportive taxation policy would be brilliant¹⁰.”

⁹ A duty placed on local authorities by the *Local Democracy, Economic Development and Construction Development Act (2009)*

¹⁰ Home business owner, Somerset (taken from Home Business Report, Nov 2009)



33. It is widely suggested that home-based businesses are uncertain of their legal position and confused about which regulations apply to them¹¹. Home-based business owners fear that local authorities and public agencies will regulate them, tax them or even forbid them from working from home; hence they strive to remain invisible to the authorities.
34. To overcome some of these issues the task group suggest adopting the newly developed LSP leaflets, for individuals and companies affected by the recession, and the Business Link national home business guide, to help clarify various issues associated with starting and running a home-based business in Richmond upon Thames. From the evidence collected the task group suggests that the following issues should be covered –
- Tax – including capital gains tax
 - National Insurance
 - VAT
 - Business rates
 - Planning permission
 - Health and safety
 - Insurance and mortgage issues
 - Waste management
 - Training and development – especially online and IT training.
35. The document should also signpost users to current services such as those listed in **Appendix B**.
36. Once completed the “*Assistance for Home-based Business in Richmond upon Thames*” document should be widely circulated and added to the much improved website – www.richmond.gov.uk/business.

Recommendation 3a: *That the Cabinet Member for Environment asks the Business, Skills and Economic Development Partnership to produce an information document (similar to the LSP recession leaflets) to improve signposting to current services and to clarify issues associated with starting and running a home-based business in*

¹¹ Bridge, R (2007) Working from home leads to a legal mire, Sunday Times, 30 December 2007



Richmond upon Thames.

Recommendation 3b: *Once completed the information document should be widely circulated and added to the council's website – www.richmond.gov.uk/business*

www.richmond.gov.uk/business

37. Members of the task group recognise that significant improvements have been made to the business pages of the Council website. However, in addition to Recommendation 3 the task group suggests there should be a link from www.richmond.gov.uk/business to the Enterprise Nation website. Enterprise Nation was founded by Emma Jones, a task group witness, in 2006 and enterprisenation.com is a free resource to help people start and grow their business at home.
38. The business pages on the Council website currently lists Business Link in London under the “Advice and Information for Business Start Up” heading. However, as this organisation offers a comprehensive service for established businesses, including the business review service, it may be helpful to include a link for Business Link in London under the “Advice for established Businesses” section as well. There should also be a link from www.richmond.gov.uk/business to the Business Link national home business guide which can be viewed via www.businesslink.gov.uk/homestartup

Recommendation 4: *That there is a link from www.richmond.gov.uk/business to the Enterprise Nation website www.enterprisenation.com*

Recommendation 5a: *That there is a link from www.richmond.gov.uk/buisness to www.buisnesslink.gov.uk/london under the “Advice for established Businesses” heading as well as the “Advice and Information for Business Start Up” section.*

Recommendation 5b: *That there is a link from www.richmond.gov.uk/business to the Business Link national home business guide which can be viewed via www.businesslink.gov.uk/homestartup*



Tailored support / 'Working 5 to 9'

39. The number of people holding down a day job and building a business at nights and weekends has increased from 33% in 2008 to 42% in 2009¹². Enterprise Nation calls this form of business start up as "Working 5 to 9" and they believe "it's...taking off!"¹³ There are a few factors explaining why this is happening:

- *Protection against redundancy*
 - Employees concerned about their job prospects have responded by building a business on the side to safeguard against future loss of employment and earnings.
- *Unleashing creativity*
 - Many 5 to 9'ers do something quite different to their day job and see the business as a creative outlet.
- *Technology advances*
 - Technology at affordable prices has enabled working 5 to 9 to flourish. A mix of gadgets and applications now keeps people in touch with business round the clock with PayPal predicting a boom in online spending (from £8.9 billion in 2009 to £21.3 billion in annual sales by the end of 2011), many 5 to 9'ers are turning to the web to promote and sell products.
- *It's the best way to start*
 - Being in the position of having an idea yet needing the time for it to develop and sales to grow, means starting out whilst holding down a day job is simply the best way to start. People get the security of a salary whilst building the confidence and cash flow in their new business.

40. Working 5 to 9 is a way of working – and a route to starting a business that should be actively encouraged. It's low risk, low cost and gives people time to develop the confidence required to ease out of employment and into self-employment. Support programmes should ensure they do not exclude this

¹² Home Business Report, November 2009

¹³ Home Business Report, November 2009



community of part-time entrepreneurs by having support available only on weekdays and during office hours.

41. The Home Business Report (2009) notes that Jonathan Dowden, enterprise manager at North East agency, Entrust, has been trailing a 5 to 9 business support hotline. He says:

“Having recognised a rise in the number of people starting a business whilst holding down a day job, we wanted to ensure our support was tailor-made for this audience. We launched a 5 to 9 telephone service so 5 to 9’ers can call and access support at a time to suit them. The service has been available since July 2009 and is growing in popularity”.

42. In summary, working 5 to 9 should be promoted as a sensible and low risk way to start a business and support should be provided (possibly working with other local authorities / agencies to share costs) between the hours of 5 to 9 so this growing group of part-time entrepreneurs can access the advice they need to accelerate business growth.

Recommendation 6a: *The growth in “working 5 to 9” should be recognised and supported by the Council and the Local Strategic Partnership.*

Recommendation 6b: *That the Cabinet Member for Environment asks the Business, Skills and Economic Development Partnership to investigate the demand for, and feasibility of offering, advice and support services between the hours of 5.00pm and 9.00pm.*

43. In terms of ensuring the correct support is provided it’s worth noting that the Home Business Survey revealed 16% of respondents were not aware of any form of business support. This was also reflected in the 2009 Business Pulse Survey that showed a higher percentage of home-based businesses (as opposed to out-of-home businesses) saying business support is not essential in advancing their business. This may be down to business owners feeling support is not sufficiently tailored to their needs. The task group calls on all relevant agencies to offer tailored support via channels of information, events and networks and hope that the recommendations listed in the next section of the report will be taken forward.



Dealing with isolation / The need to connect

“Home business owners need a place to come together to collaborate, socialise and share equipment. We are now seeing work-hubs being set up in cities, towns and villages to meet this demand¹⁴”

44. As noted earlier in the report, local economies are springing into life on account of home business as workers stay home during the day, avoid clogging up the roads (and polluting the environment) and spend money in local shops and on local services.
45. As part of their research, for the Home Business Report 2009, Enterprise Nation asked *“what is the one thing you’d like to see in your area that would help you and your home business?”* Responses were:
 - Dedicated live/work developments – 8%
 - Events and networks for home business owners – 43%
 - A unit that offers hotdesking and professional meeting space – 12%
 - Faster broadband / more wi-fi hotspots – 37%
46. Enterprise Nation suggests *“this highlights...home businesses needing to connect with each other to develop new business and relationships¹⁵”*.
47. The task group recognise that home businesses are already connecting through social media with almost three-quarters utilizing social networking sites to meet/interact with new businesses etc. However, the Home Business Report (2009) suggests there is an eagerness from home business owners to come together offline.
48. Mason et al (2008) suggest that informal meeting spaces are needed and to counter the loneliness of their previous workplace home-based business owners need social spaces to congregate with like-minded peers to counter time spent in isolation. In its work to encourage and support home businesses, Horsham District Council hosts an annual Microbiz event. Now in its 7th year, the event in 2009 attracted 423 visitors and 44 exhibitors; the highest visitor numbers on

¹⁴ Tim Dwelly, Director Live Work Network (Home Business Report, November 2009)

¹⁵ Home Business Report, November 2009



record, confirming an appetite from home business owners to attend events that offer learning and networking opportunities.

49. The task group were also informed of other events, such as an event hosted by NESTA¹⁶ in 2009. Paul Leonard attended and informed the group that the event was essentially speed dating for individuals with business ideas. This was very productive as it allowed 50 people to spend 10 minutes talking about what they did and what they wanted to do, before repeating the process with the next person. The task group believe that during 2010 there should be similar networking events made available for home-based business workers in Richmond upon Thames.

Recommendation 7: *That the Council works with partners to identify (a) suitable venues for business meetings and (b) networking opportunities for home workers such as conferences / seminars (with guest speakers).*

Planning and housing

“As more and more of us abandon the comfort blanket of the traditional office (and the far less comforting commute), we take a look at the brave pioneers of home-based working...be it in a purpose-built live/work property, a home office or the garden shed¹⁷”

50. The task group did not spend a significant amount of time looking at live/work developments but it recognised that if, as expected, the home-based business sector continues to grow, there will be a demand to promote working from home in a variety of different local policies. For example, by identifying local opportunities for live/work developments and housing design that enables home working. To ensure issues like this get picked up the task group suggests that there should be greater scrutiny of such policies and suggests that these issues get picked up as part of the development of the Local Development Framework.

Recommendation 8: *That the Council fully considers local opportunities for live / work developments by supporting working from home in local policies such as the Local Development Framework and the Economic Development Strategy.*

¹⁶ NESTA is the UK's leading independent expert on innovation

¹⁷ Source – www.liveworkhomes.co.uk



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Appendices

Appendix A

Timetable of meetings

Appendix B

Support for Home Working



Appendix A – Timetable of Meetings

Date	Witnesses	Issues discussed
20 July 2009	n/a	Scoping Session
7 September 2009	Rob Grover, Partnership Manager, Business Link in London	An introduction to Business Link and the services / support they offer the home based / self-employed sector
16 September 2009	Business Link Conference	Starting a successful home based business
25 September 2009	<p>Denis Palmer, Regional Manager, Business Link in London</p> <p>Emma Jones, the founder of Enterprise Nation</p>	<p>The role and responsibilities of Business Link Advisers in relation to the home based / self employed sector</p> <p>(a) Facts and figures (b) Needs and requirements (c) A template for action</p>
13 October 2009	<p>Professor Robert Blackburn, Director of Research, Small Business Research Centre, Kingston University</p> <p>Carole Young, Director of Business Development at St Mary's University</p> <p>Nick Winch, London Policy Manger, Federation of Small Businesses</p>	<p>Key findings from academic research</p> <p>Training and support</p> <p>Input / suggestions from the Federation of Small Businesses</p>
3 November 2009	Christina Conroy, Principal, Richmond Adult Community College and Chair of the Business, Skills and Economic Development Partnership	<p>Information on the college and the impact of the recession</p> <p>Draft Local Strategic Partnership Recession and Recovery Action Plan</p>
13 November	n/a	Workshop / collation of evidence
30 November 2009	n/a	Draft Report
17 December 2009	n/a	Draft Report



Appendix B – Support for Home Working¹⁸

	Advice	Creation of Volunteering Opportunities	Training and Qualifications	Apprenticeships	Financial Advice	Enterprise Advice
Business Link	Yes				Yes	Yes
Job Centre Plus		Yes				
Hawk Training		Yes	Yes	Yes		
LB Richmond upon Thames					Yes	
Prosell			Yes			
Richmond Adult Community College	Yes		Yes			Yes
Chamber of Commerce						Yes
Richmond Council for Voluntary Service		Yes				
Richmond-upon-Thames College	Yes		Yes	Yes		
St Mary's University	Yes		Yes			
Way to Work			Yes	Yes		

¹⁸ **Source:** RuT LSP (2009) A guide for businesses affected by the recession

