Commission for Rural Communities

Tackling rural disadvantage

Under the Radar

Tracking and supporting rural home based business

The Commission for Rural Communities

As a result of the Defra's Rural Strategy, published in July 2004, the Commission for Rural Communities was established as a division of the Countryside Agency from 1 April 2005.

The Commission provides the well-informed, independent advice to government and ensures that policies reflect the real needs of people living and working in rural England, with a particular focus on tackling disadvantage.

The Commission has three main functions:

Rural advocate: the voice for the rural people, businesses and communities.

Expert adviser: giving evidence-based, objective advice to government and others.

Independent watchdog: monitoring and reporting on the delivery of policies nationally, regionally and locally.

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Tracking and supporting rural home based business

A report for the Commission for Rural Communities from Live Work Network

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How this report is organised

This report discusses the support needs of home-based businesses, a sector of the rural economy that is largely falling under the radar. Remarkably little hard or consistent evidence is gathered to track the almost 12% of people employed in rural areas of England who work from home. What are they doing, what support do they get, and what support do they need? And what impact are they having on the rural economy?

Using available statistical evidence, together with survey and case study evidence commissioned for this report, we argue that there is a strong case to be made for home-based business to play a vital part in tackling rural deprivation, contributing to sustainable development and creating stronger rural communities.

But this will require change - change in the attitudes of planners, economic development departments, regional development agencies and national agencies. It also means changes for business support agencies and the business community itself. We identify the nature of some of those changes, the scale of the challenge, and who is best placed to address them. It is our intention to bring rural home-based business above the radar so that it is seen, perhaps for the first time, as a sector in its own right.

The report begins with an overview of the scale of rural home-based businesses, within the context of one in nine working people in rural areas now doing so mainly from home. We set out specific policy changes and actions for national, regional and local government to enable this sector to be identified and supported. We also suggest how business support agencies, public and private sector organisations, employers and home-based businesses themselves need to restructure some of their activities to take account of the needs of the sector.

Chapter 1 identifies the overall extent of homeworking and home-based businesses. It identifies trends where figures permit, and challenges some persistent myths.

Chapter 2 makes the case for home-based business as a key driver of rural sustainability. Daytime economies can be created by people who are working as well as living in the community. There is also the potential to tackle deprivation through increased economic activity - demand for goods and services locally can be boosted, as can subcontracting of work to other local microbusinesses through home business networks. Environmentally, there is also a reduced need for new build and car use by commuters.

Chapter 3 sees how this vital part of the rural economy remains stubbornly under the radar - for a variety of reasons sometimes based on false assumptions and sometimes on the fears and attitudes of home-based businesses themselves. Specially commissioned surveys are summarised, exploring the difficulties that agencies face in engaging with home-based businesses.

Although there is a growing awareness of the potential for the home-based sector, knowledge of how it operates and action to support is scant. We identify the risks of continuing to ignore the support needs of this sector and show what integrated support for rural home-based business could look like in 2010.

Chapter 4 summarises our findings at three pioneering projects that address the needs of home-based businesses: Rural Women's Network in Cumbria, Calder Connect Co-operative, a community broadband network in West Yorkshire, and Digital Peninsula Network in Cornwall. We identify common themes, explore how their services could be mainstreamed and examine to what extent that may be starting to happen

Chapter 5 gives more detailed recommendations of what policy and attitude changes are needed, and how they might be brought about. We also indicate the scale of the challenge and show how it does not have to cost much and may even be achieved by a more imaginative use of present budgets.

Detailed **appendices** give statistical tables based on census and Labour Force Survey data providing a homeworking 'league table' for the regions and rural local authority districts. However the information in this report is clearly only the tip of the iceberg. RDAs, local, regional and national government will need to do a lot more detailed and consistent tracking of this sector over the next decade if they are to harness its potential benefits. This is a remarkably under-researched area of the UK economy.

Summary and recommendations

Home-based working is a significant part of the rural economy: 11.8% of economically active people work mainly from home in rural districts. This trend is also on the increase, driven by advances in technology, high property costs and a growing preference to avoid stressful and time-consuming travelling to work. Yet economic development and business support agencies have so far substantially failed to track and understand, let alone support, those people who run their businesses from home. They remain 'under the radar'. Here we summarise the current situation and make recommendations for action at all levels

Main findings

More than **one in nine** (11.8 %) economically active people in rural districts work mainly from home, over half a million people (Census 2001) Home-based working is **significantly more common** in rural than in urban areas. The figures are 9.16% (two million people) for England as a whole and 8.2% (one million) in urban districts outside London

The Labour Force Survey shows that home-based working in the UK as a whole has been **rising** over the last five years - up from about 2.9 million people in 1999 to 3.3 million in the spring of 2004, a rise of over 12.5%

Of the economically active, a greater proportion are self employed in rural areas than in urban, 16.3% (881,000 people) in rural compared to 12.17% (2,073,000) in urban districts (Census 2001)

Key theme: Tackling rural deprivation

Our research into projects that support home-based businesses found that low paid and aspiring businesses can be helped enormously by being **connected with more established/financially successful** home-based micro businesses.

Grouping the less-experienced/deprived all together for support and training is **not as effective** as linking them with those that have already become strong and have access to valuable contracts, often beyond the immediate local area.

In turn, more successful home-based businesses often see great advantages in subcontracting work to start ups located nearby - a cost-effective and convenient alternative to sending work to more expensive businesses in urban areas. See our case studies for more

There is a strong correlation between home-based working and self employment. In England 51% of those working from home are also self-employed (1,053,000 people). In rural areas this rises to 58% - 372,000 out of a total of 638,000)

There is a lack of **consistent comparable data** being collected and published on home working trends. This makes tracking the sector extremely difficult and may be contributing to the marginalisation of support for home-based businesses. Ideally, future data should

differentiate between home-based businesses and employees - as well as exploring the types of work now taking place in the home

In a survey of all 145 rural districts' economic development departments for this report, we found **only four doing any research** into the home-based workers in their area. Over half (54%) admitted not using readily available information on home-based working to inform their policies and strategies

In a survey of the 39 Business Link operators with a rural clientele, we found that advisers believe that their traditional 'growth model' business advice service is often seen as **irrelevant** by home-based micro businesses. They also feel that people working from home are frequently **reluctant** to approach them, fearing regulation and red tape

Comprehensive research identified only a **handful of one-off projects** across rural England that have any significant remit to target the needs of home-based businesses

Anecdotal evidence from agencies and business advice professionals suggests a **sea-change** in the nature of home-based working in rural districts. The decline of agriculture, coupled with the advent of broadband and many other factors have led, many say, to a significant growth in **service, ICT and craft** businesses. They also report a growing number of micro business start-ups by in-migrants

Key theme: Home-based business knowledge
With so many home-based businesses operating 'under the radar' - invisible to business support agencies and to each other - an opportunity is being missed. Many of these businesses are operating high value **knowledge-based** businesses. By connecting them with one another, knowledge and skills can be transferred effectively within the rural economy without having to parachute in experts from urban centres.

The growing number of experienced in-migrants who start second careers in rural areas is a potentially rich source of this know-how.

This is particularly important for more disadvantaged groups wanting to opt for self employment. Learning and sharing knowledge with others working in a similar way - but at various stages of business success - can appeal more than education-sector based training, we found. Our cases also showed a level of confidence and reassurance in those start-ups who knew they could access relevant help or others in a similar position, reducing risks of isolation. See case studies and interviews for more detail

Key theme: A sustainable 'daytime economy'
We found that in many rural areas, as many as one in seven working people are home-based, over half of these running their own business. Many villages now lack an active daytime economy - agriculture is in decline, second homes and commuters are prominent. Could home-based business offer a sustainable alternative?

Where home-based businesses flourish, there is **greater demand** for services such as post offices and wealth is brought in (often downloaded) rather than exported/left to circulate in urban centres.

Economic strategies to revive rural areas need to learn more about the needs of those who work (often from home) within villages and towns that otherwise risk becoming commuter dormitories with little daytime economic activity.

Being home-based is also a way for businesses to **reduce their costs,** encouraging this trend. With house prices often very high in rural areas, the chance to avoid the cost of a separate workspace (often a drive away in an urban area) is a key factor behind the home working trend.

Recommendations

An overall goal for government:
'Ensure that home-based businesses in rural areas are fully supported to the same extent as businesses using traditional workspace and those in urban areas'

An overall goal for local authorities
'Research and track patterns of home-based business in the district. Ensure that they can access appropriate and ongoing business support assistance of equivalent value to that enjoyed by traditional businesses'

Actions for Government

Government action is needed to set an overall agenda that results in mainstream support for home-based business - and to co-ordinate gathering and analysis of more useful data

- **recognise the particular significance** of home-based businesses in the rural economy: 11.79% of the economically active work from home in rural districts (census 2001). Reduced reliance on car use and advances in ICT allow home-based businesses to play a significant role in creating a truly sustainable rural economy, with greater prospects for disadvantaged groups

- recognise and **address current failure** to support rural home-based businesses: research for this report found almost no specifically targeted assistance by responsible agencies, allowing home-based businesses' contribution to the rural economy across England to remain hidden and largely unsupported

- aim to **'mainstream' business support** for home-based rural businesses. Encourage business support providers routinely to assist this hitherto hidden sector with appropriate and effective

measures that recognise their particular needs and their importance to the sustainability of rural communities

- give one government department or agency **lead responsibility** for promoting and tracking the effective support of rural home-based businesses.

- consider issuing a **Public Service Agreement** to add power to this role (to be shared between DTI, DEFRA and ODPM): to give home-based businesses equal access to business support, tailored to their needs

- encourage **RDAs**, the **Small Business Service** and **Business Link** operators to all develop specific strategies that support home-based businesses in rural areas

- include support for home-based businesses in the **comprehensive performance assessment criteria** for all rural local authorities

- recognise home-based business as a **sector in its own right**. Given the diversity of what they do, according them sector status is necessary to avoid their business support needs appearing fragmented and failing to achieve the priority it deserves

- consider extending the tax exempt **'rent a room' scheme** principle to home-based business, including live/work provision. Positively encourage home working and live/work property, both of which reduce transport use, promote mixed communities, and make best use of scarce property space

Why support rural home-based businesses at all?
- Evidence shows that businesses supported effectively at an early stage are more **likely to survive and grow**

- Rural micro-businesses do not have access to **urban business 'buzz'** and capacity. They can find it harder to recruit skilled staff and source quality services and workspace. They 'make do' with other ways of working, growing businesses by collaborating and contracting rather than taking on premises and employees. This should not be penalised. Instead support should aim to **plug the gaps** caused by rural realities

- Every business seeks support from others - from banks to accountants and friends. Making the most professional support available is likely to enhance their chances of success. It can also **challenge** any tendency to be 'growth resistant'

- With much **higher incidence** of home-based business in rural than urban areas, support needs to be rural-proofed: made available on equitable terms whatever the context of the business's choice of premises

- All businesses at all levels face challenges complying with regulations and understanding the opportunities presented by new technology etc. Making support equitably available to rural micro-businesses can help them **avoid time-wasting** and uncertainty

- If home-based business is not **the answer** to the challenge of creating a sustainable rural economy, what is? It is up to those who fail to support home-based rural business effectively to justify this, not vice versa...

This report challenges what we found to be a common assumption amongst many involved in business support: that a business without premises and growing numbers of staff is one that is not serious and is therefore not worth supporting.

Many very successful businesses are started from home - and always have been: historical examples include F International (now the major plc Xansa) Ford, Walt Disney, Apple Mac, Hewlett Packard and Habitat.

Today, advances in ICT and broadband enable global business to be carried out from a room with a computer as never before. Add this to the high cost of running a separate workspace and home - plus what many perceive to be the waste and stress of spending the equivalent of one working day a week sitting in a car commuting - and the appeal of home-based business is obvious. Reduction in commuting activity also has clear environmental benefits

Actions for regional development agencies

Responsibility for setting overall objectives for Business Link operators now rests with RDAs, who also collate regional statistics through observatories

- set clear **annual targets** for assistance given to rural home-based businesses for Business Link operators under their new contracts managed by the RDAs

- establish the incidence of home-based business in the region. Work with observatories and research organisations to establish **statistical benchmarks** that can enable future trends in the sector to be **tracked** and hot spots identified

- develop **home-based business strategies** as part of their regional economic development and innovation strategies. Ensure these strategies support the provision of appropriate, carefully targeted services to businesses that are often isolated and harder to reach

- **rural proof** these strategies, recognising that home-based micro-businesses are a particularly significant and sustainable part of the rural economy

- expand the definition of growth potential to include businesses that **sub-contract** rather than employ staff. Current models that assess potential for intense business support do not acknowledge that sub-contracting is contributing to economic growth

- ensure home-based working opportunities are available to **service users, not just staff**. Our research identified many organisations considering ways their staff can work from home while failing to consider - even discouraging - users (e.g. social housing tenants) from working from home

- use support for home-based business as one strategy to fulfil the 2005-8 PSA targets of increasing employment rates of **disadvantaged** groups such as lone parents, ethnic minorities and people aged 50 and over

- link support for home-based businesses with achievement of the PSA target of building an **enterprise society** in which firms of all kinds thrive, and support more enterprise in disadvantaged communities

- fund **pilot schemes** that support home-based businesses with central hubs, for example in market towns and/or live/work schemes. Learn lessons from these pilots that can inform the mainstreaming of business support for the home-based sector

- work with further and **higher education** to maximise facilities for home-based businesses and to help areas retain skilled graduates with the lower costs associated with home working

- review plans for building industrial estates. Just as housing can be built on brownfield sites, so the potential for business encouragement in **existing buildings** needs revisiting

- recognise that home-based businesses are often started and maintained as a **positive choice**. Individuals are increasingly choosing where they work rather than being constrained by spatial planning

- understand the growing tendency of employees who are home-based to connect through web-conferencing and other digital means, so that **distance from head office** becomes irrelevant. Home-based employees can be attracted to an area even if it physically very remote from their head office

Actions for local government

At a district level, support can be provided to local agencies such as enterprise agencies who work with micro business start-ups. Networks of micro-businesses are often very locally based and local government is best placed to provide 'on the ground' support for their activities

- **research** the incidence of home-based working in the district and home-based businesses' needs

- work with **local strategic partnerships** to incorporate support for home-based businesses in their strategies. Encourage LSPs' business/employment sub-groups and any business brokers to direct resources to micro-enterprises

- create or facilitate, through business brokers where available, information gathering to **identify needs** of current and potential home-based businesses. Connect with private sector players who speak directly with the businesses

- develop a **policy** based on this research to continually monitor and support home-based businesses

- set **annual targets** for assistance given to rural home-based businesses

- **mainstream support** of home-based businesses. Audit spending and time spent on business across the district to ensure that future efforts are equitably distributed to all businesses, including those based at home

- draw up a **supplementary planning policy** on home-based working and live/work property, to clarify support for environmentally acceptable work use of property. Enable home-based businesses to operate openly without fear of enforcement and other actions that are out of step with modern working practices

- encourage the creation of and support **business networks** that support and appeal to the home-based sector. Work with established groups such as chambers of commerce and the Federation of Small Businesses

- help to create **'hub' facilities** that offer a locally-appropriate range of services and meeting spaces to home-based businesses - a venue they can use to learn, collaborate and combine their spending power

- carefully consider the role of **market towns** or other centres frequented by diverse home-based businesses as the appropriate location for such hubs

- monitor local authority and housing association **tenancy agreements**, to ensure that they do not include conditions banning all business use of property. Persuade landlords that seek sites in the district to support and enable home-based working

- put in place systems to **measure the impact** of home-based working and live/work on housing, jobs, businesses and transport

Actions for Business Link operators, learning and skills councils and sector skills councils

These agencies control most business and skills support activities. They need to be aware of the potential contribution of home-based

business and to include them in the design of their services and interventions

- **audit** the amount of support offered to home-based businesses, developing a statistical framework that can track assistance of this sector in the future

- recognise that services provide by Business Link operators (including contracted services) need to be **tailored to home-based businesses**. Recognise that support devised and designed for other types of business is likely to be seen as irrelevant and inaccessible by home-based businesses

- adapt the **value added growth model** that identifies target businesses for intensive one-to-one business support. Count contracted out services as adding value, not as a cost

- divert existing mainstream funding to support **targeted projects** that home-based businesses feel comfortable with. This is critical to ensure a wide take up, to maximise business survival and growth in this sector

- meet the **'rural proof' target** set by government to provide equal assistance to rural businesses as to those in urban areas. Consider innovative means of delivery to meet this target

- consider **using local networks** of businesses to provide micro-business support. Review the automatic use of enterprise agencies as delivery vehicles for this

- encourage **'networks of networks'**, involving specialist agencies such as the Prince's Trust, Shell Live Wire and other voluntary and community enterprise support structures. This will ensure that existing local connections and knowledge are shared

Actions for private sector agencies and businesses such as banks, estate agents etc

Joined up action, especially in rural areas, needs to link public, private and voluntary agencies together in partnership working to help support and enable rural communities to thrive

- consider **funding and supporting** local business networks through financial support, mentoring, pro-bono support to advertise services - these are your potential customers

- **join** networks as members to contribute to their development. This will greatly raise your profile amongst a group who our case studies show are particularly keen to purchase services locally

- working with business brokers or local authorities, **gather information** in a systematic way to identify needs of existing and potential home-based businesses. Feed these through to a central source

- give **talks** on issues of significance to home-based businesses

- contribute **premises/meeting rooms** that are not fully used to pools of facilities that can be hired

Actions for home-based businesses

Home-based businesses need to become accepted parts of the mainstream economic community to reap the rewards enjoyed by more visible businesses

- become **visible** - be willing to be identified and tracked in return for seeking greater assistance

- **check out** local enterprise agencies, Business Link operators, post offices for information on where help can be accessed. Don't wait for them to come to you

- join local **broadband groups** if your area still hasn't got access, and add your name list that need a trigger point

- find out if there are any local business **networks**, join at least one and become an active member, encouraging others to meet up occasionally

- if you have **particular skills** or knowledge, offer to give a talk to a local group

- to get the **message out** or to start a local group, start a column in a local newspaper/set up a website/connect with the local chamber of commerce/ask friends to tell their friends – word of mouth is a great recommendation

- start with coffee or lunch **once a month** and identify levels of demand

- offer something **different** at each meeting

- make sure people bring along and swap **business cards** or contact details

- if you don't see what you need, **ask** – local networks, enterprise agencies, the local authority, Business Link operators

- actively search out **mentors**, potential collaborators, people to benchmark - offer to swap experiences

- realise that within a network, the more visible you make yourself and what you can offer, the **more you will get** out of it

Actions for employers

With the growth of employees working full or part time from home, employers can get economies of scale by linking up with and joining in support mechanisms for all home-based workers

- encourage employees to **link up** with local home-based self-employed for mutual support and mentoring

- recognise that employees working from home need to act as if they are **'freelance'** (see www.wfh.co.uk). Encourage them to learn and share tips and support with fully self-employed neighbours. These can range from both technical tips to isolation-busting cups of coffee

- explore possibilities of providing more **local support** mechanisms to staff, such as specialised computer support, if local home-based businesses can contribute

- see if support for employees can be shared with others in market-town based **hubs**

- see home-based businesses as a potential **source of support**, markets and sub-contractors for your own employees

1

‘The majority of the self employed in the UK are home-based’

‘Almost 12% of those in work in rural districts work from home, compared to 8% in urban districts’

Rural home working in context

How significant is home–based working?
- More than **two million** people (2,056,000) in England work at or mainly from home (Census 2001)

- This translates as **9.16%** of the working population

- The percentage of the workforce working from home in the 125 rural districts is even higher at 11.79% - over **half a million** people (637,700)

- Over **one million** self employed people in England work from home (1,053,100)

- In rural districts almost **7%** of those in employment are both self employed and working from home.

'Most home workers now share a common way of working: reliance on information and communications technology. The number of teleworkers doubled between 1997 and 2001: over two million now work this way, the vast majority of home workers'

Who is working from home today?

- Of the nearly three quarters of a million people working from home in rural districts, about 60% (382,600) are men and 40% (255,100) women. (Census 2001)

- The Labour Force Survey for the spring of 2001 shows that the **majority of self employed** in the UK (56%, about 1.75 million people) were **home-based** (those working in their home, in the same grounds or building as their home or based from home). This demonstrates the vital importance of support for home-based working in developing an enterprise culture

- A survey of 18,635 members by the Federation of Small Businesses found that just under 40% were home-based (FSB biennial survey 2004). The rural figure was higher: **55%**

Self employed by location of workplace (LFS 2001)

In home
12%

In same grounds or building as home
6%

With home as a base
38%

Separate from home
44%
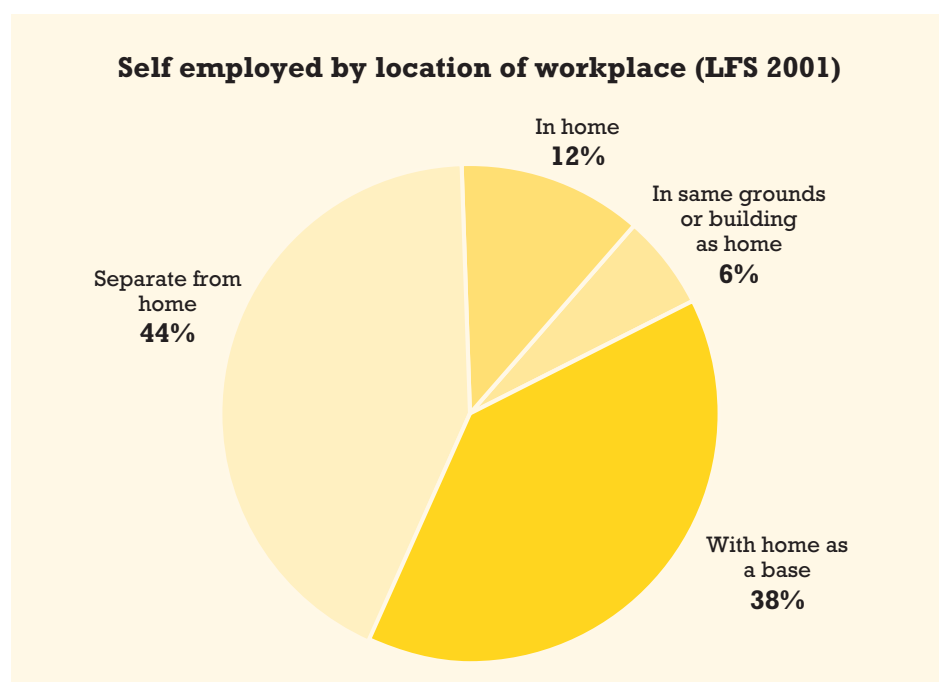
Census 2001 snapshot	Self employed home workers	
	(number)	(% of total workforce)
England	1,053,100	(4.69)
Rural Districts	371,800	(6.88)
Urban districts (excluding London)	268,400	(3.57)
Mixed Districts	271,300	(4.38)
London	141,600	(4.27)

What are the trends?

- Home working is nationally on the increase. The Labour Force Survey shows that home-based working in the UK as a whole has been rising rapidly over the last five years, from about 2.9 million in 1999 to almost 3.3 million in the spring of 2004, a rise of over 12.5%. The numbers and proportions are **likely to increase** further in rural areas for the foreseeable future

- Home-based business can be **well paid** in the modern economy. A recent survey of 443 home-based businesses in south east England (Step Ahead Research, 2005) found that 35% reported a turnover over £30,000, 13% over £100,000

- SIBIS (Statistical Indicators Benchmarking the Information Society), an EU funded project tracking the growth of the information society, claims that in 2002/03 about **4.5%** of the UK working population were self employed as home-based teleworkers

- There is a wide **diversity** of home business types identified in most research - no one pattern is likely in any district. The Step Ahead Research study 'Home Based Businesses in the South East of England' found 67% were the main source of household income, the rest providing supplementary income. Almost two thirds (64%) were run by men

What is driving the trend?
Many studies of home working to date have identified **four main drivers**:
1. the increasing use (and lower cost) of information technology and broadband
2. work-life balance and flexibility - time is increasingly seen as a precious asset
3. linked to above, a growing preference to avoid stressful, costly and time-wasting commuting
4. the lower cost of combining workspace and home under one roof - a major factor for small business

These factors were also identified in our interviews with home-based businesses and projects that support them

Where are the home-based workers?
Although less than 25% of all people in employment in England live in rural districts, **31%** of home-based workers are to be found there according to the 2001 census.

Home-based working is most prevalent in more sparsely populated areas. This probably reflects the lack of alternative employment.

Particularly high levels are found in the rural districts of the West Midlands (13.23%) and South West (13.13%) regions.

The lowest proportion of rural homeworkers is in the North East region (9.44%).

In terms of **numbers**, the South West region has the highest number of rural home-based workers (165,300) followed by the South East (123,700). The region with the lowest number is the North East (29,700).

Rural home-based working is of particular significance in the South West, which has high levels of home-based workers both in terms of numbers and proportion of the workforce. All 18 rural districts in Cornwall, Devon and Dorset have levels of home-based working above the rural average. So do three of the four districts in the Somerset county

council area, three of the four in Gloucestershire and one in Wiltshire. There are almost **twice as many** home-based workers in the rural districts of the region than in the urban centres and mixed districts combined (165,300 as opposed to 86,100).

North Yorkshire is another area that has high levels of home-based working, both in terms of numbers and proportion of the workforce. Four of the five rural districts in the county have above average levels with 13.53% of the overall rural district workforce working at or from home.

This hotspot is adjacent to other districts with above average levels in Lancashire, Cumbria and Teesdale in County Durham which connect it to another cluster in Northumberland.

The West Midlands has a concentration around Herefordshire, western and northern Worcestershire and southern Shropshire.

Distribution of rural districts with above average levels of homeworking

Regional snapshot 1. (Data from 2001 Census)	Home workers in rural districts (as a % of workforce)		Home workers in urban districts (as a % of workforce)		Home workers in mixed districts (as a % of workforce)	
East Midlands	80,900	(10.99)	34,100	(7.65)	58,400	(7.93)
East of England	98,900	(11.02)	35,500	(8.84)	109,100	(8.52)
North East	29,700	(9.44)	43,800	(6.84)	5,700	(7.49)
North West	38,500	(11.98)	146,800	(7.59)	57,300	(8.86)
South East	123,700	(11.54)	106,000	(8.80)	156,600	(9.71)
South West	165,300	(13.13)	38,300	(8.34)	47,800	(8.43)
West Midlands	58,000	(13.23)	88,500	(7.41)	62,300	(8.88)
Yorkshire and Humberside	42,700	(11.64)	91,800	(7.36)	49,700	(8.74)

Regional snapshot 2. (Data from 2001 Census)	Self employed home workers in rural districts (as a % of workforce)		Self employed home workers in urban districts (as a % of workforce)		Self employed home workers in mixed districts (as a % of workforce)	
East Midlands	44,700	(6.07)	14,800	(3.33)	27,300	(3.71)
East of England	54,700	(6.09)	17,400	(4.33)	52,600	(4.11)
North East	15,400	(4.88)	17,300	(2.69)	2,500	(3.27)
North West	23,000	(7.16)	68,500	(3.54)	29,300	(4.53)
South East	70,300	(6.55)	52,300	(4.35)	78,700	(4.88)
South West	103,200	(8.20)	19,500	(4.25)	24,700	(4.34)
West Midlands	35,300	(8.03)	35,900	(3.01)	30,100	(4.29)
Yorkshire and Humberside	25,300	(6.90)	42,600	(3.42)	26,100	(4.49)

Proportion of the rural self employed working from home in England

East Midlands
5.86%

Yorkshire and
Humberside
6.90%

East of England
5.40%

West Midlands
8.03%

North East
4.72%

South West
8.20%

North West
7.16%

South East
6.55%

Distribution of rural self employed working from home in England

East Midlands
(44,705)

Yorkshire and
Humberside
(25,305)

East of England
(54,683)

West Midlands
(35,262)

North East
(15,383)

South West
(103,196)

North West
(23,001)

South East
(70,261)
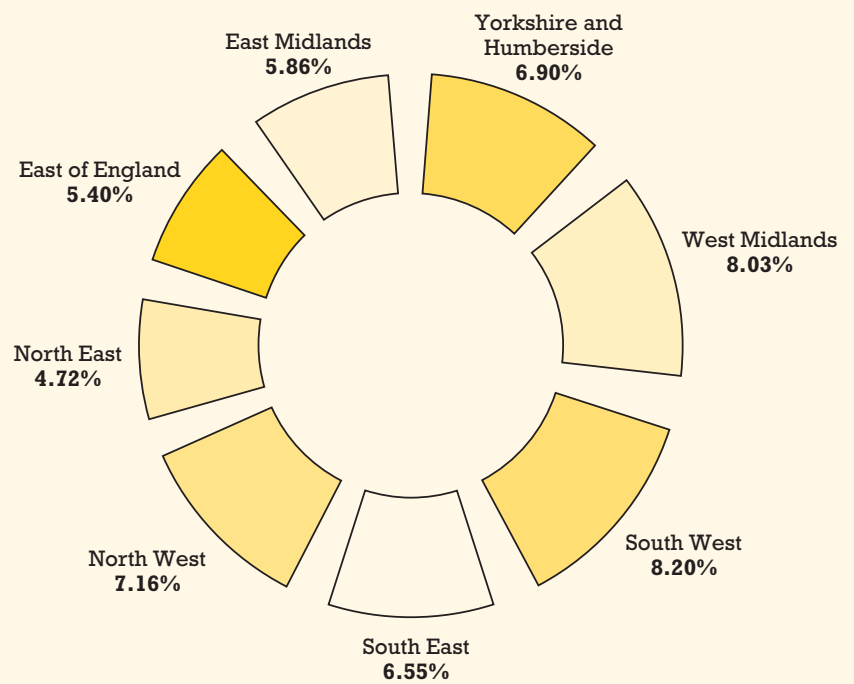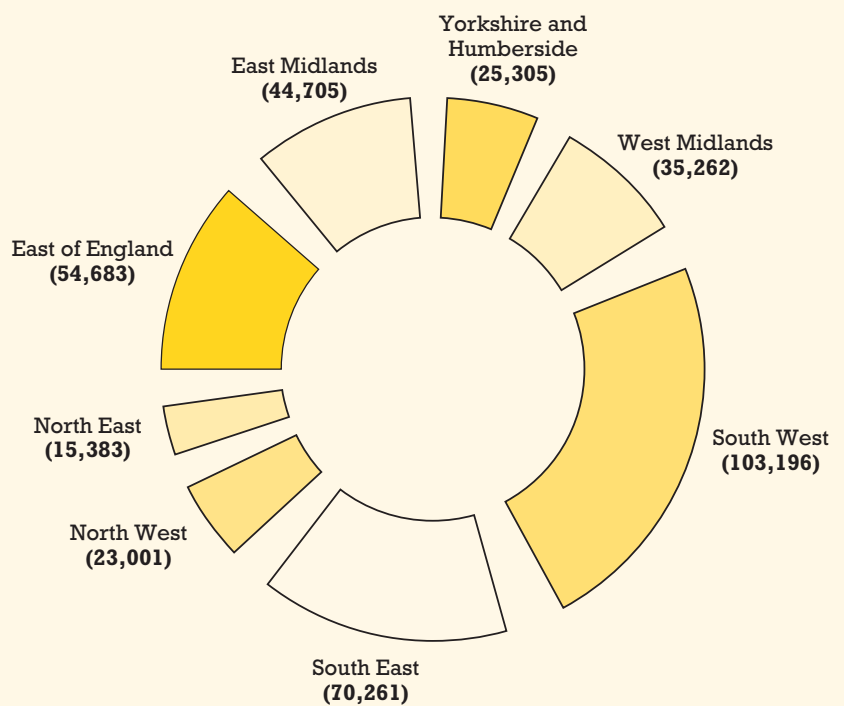
What are they doing?

- In the sample used by Step Ahead Research for their study the **breakdown** of sectors showed only 8% of businesses working in manufacturing, mining, transport and communications. The highest proportion, 30%, were based in financial and business services, followed by 23% in education, health social work and other services, 22% in construction, 9% in wholesale, retail, hotels and restaurants and 8% in agriculture, hunting and fishing

- The autumn 2004 Labour Force survey showed 24% of home based working in England as being in construction, 20% in real estate, renting and business activity and about 9% in each of 'manufacturing', 'wholesale retail & motor trade' and 'other community social & personal' sectors.

- Whatever their sector, a growing number of home-based workers now share a **common way of working**: reliance on information and communications technology. The Telework Association reports that that the number of teleworkers in the UK more than **doubled in four years**, from 1.01 million in 1997 to 2.113 million people between 1997 and 2001. This figures includes the vast bulk of home workers

Sector of home based workers in England (Data from 2004 Labour Force Survey)	Number of home based workers (as a % of workforce)	
Construction	713,900	(24.31)
Real estate renting & business activity	598,268	(20.37)
Manufacturing	264,754	(9.02)
Wholesale retail & motor trade	258,220	(8.79)
Other community social & personal	255,567	(8.70)
Health & social work	212,331	(7.23)
Transport storage & communication	152,624	(5.20)
Agriculture hunting & forestry	128,522	(4.38)
Education	109,773	(3.74)
Private house holds with employed persons	61,397	(2.09)
Financial intermediation	59,886	(2.04)
Hotels & restaurants	55,363	(1.89)
Public administration & defence	46,290	(1.58)
Electricity gas & water supply	13,777	(0.47)
Mining quarrying	3,239	(0.11)
Fishing	2,148	(0.07)

Myths about home-based working

'It is overwhelmingly low paid and manual'
By the early 1990s over 45% of home-based workers in rural districts were already employers, managers, professionals and other non-manual workers (ONS). Data is scant on home-based working and earnings but an increasing number are now 'teleworkers'. The DTI estimates that only 160,000 home-based workers would benefit from a 'minimum piecework' rate to equate to 120% of the minimum wage

'It is mainly employees not the self employed'
The 2001 census data shows a strong correlation between levels of home-based working and self employment in rural districts. The UK Labour Force Survey for the same year showed that 56% of self employed people worked at or from home as opposed to only 4% of those who were employed

'Only very tiny businesses can operate from home'
In terms of numbers of employees, this is clearly true. But this assumption forgets the importance of turnover and of modern business networking, which allows micro-businesses to work together on particular projects, enabled by new technology. Almost a fifth of the 443 home-based businesses sampled in the south east (Step Ahead Research, 2005) had between 1 and 2 employees, 10% had 3 or more and 13% divulged turnovers of over £100,000. Home-based businesses can and do move beyond the margins of economic significance

'Home-based business is not a significant part of the rural economy'
Almost 12% of those working in rural districts mainly work from home. The Countryside Agency report Stepping Stones found that many rural households rely on small contributions from a range of activities and sources, including part time jobs and home-based micro businesses

'It's something incomers do'
None of the district economic development officers or RDAs surveyed for this study had any data on this. However a study in Horsham (Jill Carter, 2004, Home-Based Business Survey) found that 50% of home-based businesses in that district were run by someone resident for more than 20 years. Our interviews and research found anecdotal evidence that increasing numbers of both locals and incomers are choosing to work from home

'Teleworking is just for middle class people'
Use of information and communications technology is no longer confined to certain socio-economic groups. In the course of this study we found businesses using ICT to market craftwork, bed and breakfast accommodation and complementary therapies, as well as to provide remote secretarial and office support, and even run a butcher's shop. Running a business without access to email or the internet is increasingly difficult, especially in remote rural areas.

2

Significance to rural economy

Home-based micro businesses have a potentially critical role to play in revitalising rural communities. In areas no longer dominated by agriculture and/or tourism, they can contribute to sustainable 'daytime economies' - an alternative to communities dominated by commuters, the retired and second home ownership

Home-based businesses are a hidden engine in the creation of sustainable rural communities. Their presence can:
- reduce commuting
- revitalise daytime communities
- contribute to diverse rural economies, reducing overdependence on particular sectors.

They contribute to overall rural household income in a variety of ways. Research and case studies show people running home-based businesses both full time and part time, sometimes combining this with other paid employment. Home-based businesses' relatively modest space requirements can ensure that increased rural economic activity does not have to be associated with major new build. In effect, they are doubling the contribution of their property (as combined workspace and home) and halving its drain on natural resources (by sharing fuel costs).

With one in nine of the rural workforce working from home in 2001, it would be prudent for government at all levels to start taking this part of the rural economy more seriously. All the statistics (see above) show an ongoing national trend towards this type of working. The drivers - improved communications technology, high housing costs (making a separate workplace harder to afford for small businesses) and a growing reluctance to waste time commuting - all have particular relevance to rural England.

'Improved technology, high housing costs and reluctance to waste time commuting all have particular relevance to rural England'

It is therefore not hard to imagine home-based businesses becoming the largest single 'sector' in some rural areas in the future. Already many rural districts report 15% or more of the workforce working at or from home, almost **double** the urban average.

Transport impact

A comprehensive survey of 1991 census data (Boyle et al for the Countryside Agency) showed that wards with clusters of in-migrants and self-employed people reduce the incidence of **outward commuting**. Rural-based commuters travel as much as 1.6 times further than their urban counterparts.

Our case studies did include home-based businesses who travel to a city, perhaps once a month. But they reported that broadband and ICT based connectivity have **reduced the number** of these visits.

Several interviewees have given up long commutes to work from home. We also found that where home-based workers travel to meet clients, potential customers etc, they often do so after taking their children to school, staggering the **congestion impact** of their business journeys.

A fuller picture of the current transport impact of rural home-based businesses is needed. The growth of web conferencing, use of the computer to computer speaking systems such as SKYPE, and e-commerce are likely to further reduce the need for travel. This will play its part in reducing vehicle **emissions**.

Reduction in time commuting gives workers more flexibility and improved quality of life. The Sustel report surveying BT teleworkers in the UK showed that over 60% of those surveyed had saved at least six hours a week from their usual commute - close to a full working day.

Revitalised 'daytime' economies

Some local rural economies are facing serious challenges. Nine out of ten post offices are described as commercially unviable (ruralfocus, Sept/Oct 2004) and village shops continue to close down. Some 70% of rural parishes have no general store and many more are under threat. In 2003 the Campaign for Real Ale reported 20 traditional pubs closing every month, many in rural areas.

Initiatives such as the Countryside Agency's Vital Villages programme and Virsa (Village Retail Services Association) are working for the survival of village shops. Rural home-based workers, present in local communities during the day, can play a major part by providing custom. Many of our case study interviewees reported actively **purchasing locally** when they could, to support their local economies. Home-based businesses are an invisible **engine of support** for daytime rural economies.

Social and community capital is enhanced by people who frequently see each other on streets and in shops. Dormitory villages could therefore be revitalised with a significant contribution by home-based businesses.

Diversification

DEFRA estimates that the agricultural labour force reduced from a full time equivalent of 361,000 in 1999 to 306,000 in 2003.

'Contrary to popular opinion, rural economics are not just about agriculture and tourism' wrote Pam Warhurst (Countryside Agency, 2002). Her comments explode the myth of countryside economies being based on agriculture. She found that:
- **only 4%** of the rural workforce is employed in farming
- 17% of total rural employment is in **manufacturing**, higher than the 14% of the urban workforce.

These trends are likely to increase, highlighting the need to diversify rural employment away from a dependence on less significant and declining sectors. Existing research stresses the variety of work carried out by rural home-based businesses. Our own case studies illustrate another factor - the **flexibility** of how people work from home. Many have changed careers and are working in more than one sector. Some have part-time employment combined with self-employment, so classification into these two areas is increasingly likely to show a false picture. This diversification reduces the risk of catastrophic economic downturn in rural economies such as that experienced in the foot and mouth outbreak in 2001.

Put simply, the rural economy needs to ensure it does not put all its eggs in one basket. Home-based businesses' diversity should therefore be seen as a strength, not as a weakness. To public sector business support and economic development staff they may seem hard to track and categorise, but this does not mean they are not a positive - and growing - element of the rural economy.

Limiting environmental impacts

Home-based businesses tend to grow through increased turnover, not necessarily on-site job creation, so they do not require large amounts of newly built workspace. Step Ahead Research (2005) found that increased turnover did not necessarily result in the increase in staff numbers or demand for floor space predicted by conventional business models.

In this study, more than half the businesses occupied less than 20 sq feet of floor space. But 81% reported that they were unlikely to need new floor space in the next five years. Only 9% reported that limited space was a drawback to running a business from home. This is despite the fact that 55% said they expected to experience growth in their business over the same period. Revitalising rural economies through supporting home-based business will reduce the need for new specialised employment sites to be built.

Sustainable communities impact

There is little evidence of a strategic connection between the business needs of home-based working and its environmental impact. While district plans increasingly refer to it in terms of its ability to reduce commuting and help produce other outcomes that help to create **sustainable communities** employment strategies have little to say on home-based working.

The potential benefits include:
- use of one property not two
- low floorspace requirements (the Step Ahead Research survey of home-based businesses in the south east found 81% unlikely to need extra floor space in the next five years)
- significant reduction in waste of natural materials as a result
- significant reduction in fuel use as a result
- less need to build new workspace, protecting green belt land and making best use of brownfield sites possible
- village and town centre renaissance - people living as well as working in town centres
- no need to commute (fewer journeys, lower CO_2 emissions)
- increased security - more homes occupied during the day can reduce fear of crime in a neighbourhood
- a daytime economy - people working in places otherwise dominated by second homes and commuters
- spending power for local services - users of post offices etc
- an enhanced role for market towns (as the hub for scattered hinterland of home-based workers).

What is rare is any **cross-theme thinking** that sees the success of home-based business as being good for wealth creation as well as the community and the environment. Put simply, planning and economic

development departments are not doing enough to connect the two issues together and work at supporting the new home-based working sector.

Low paid home-based working

Very low paid manual home-based working does continue in the UK. The National Group on Homeworking (NGH) categorises many of those involved as 'dependent' home-based workers, rather than genuinely self-employed home-based businesses. It has found concentrations of such groups (mainly ethnic minority women) in a number of inner city areas, carrying out piece rate work, assembling items and other kinds of repetitive work.

In autumn 2004 an NGH campaign was launched, sponsored by Oxfam and the TUC to persuade four major UK supermarkets who source items assembled by such home-based workers to abide by the minimum safety and payment requirements of the Ethical Trading Initiative.

Reliable figures on this group are not available. Estimates have ranged from 250,000 to an unsubstantiated one million plus. As an NGH report (Felstead and Jewson 1996) states, 'there are no nationally available statistics' and there is a widespread reluctance of such home-based workers to declare their status to researchers, let alone the Census.

In its January 2004 Regulatory Impact Assessment on fair piece rates for 'output workers including homeworkers', the DTI estimated that 160,000 home-based workers would benefit from a proposal to pay a minimum piecework related rate equivalent to 120% of the national minimum wage. But it acknowledged that research sample sizes have been too small to estimate precise numbers with confidence.

There is anecdotal evidence of rural residents being targeted by firms promising riches for home-based workers selling items such as internet access and a range of cleaning products. We could not find any information on the scale of this activity.

Whatever the scale of this kind of home-based working, it is largely part of the informal economy and/or a casual source of 'top up' income. It is, in our view, highly unlikely to represent a large proportion of home-based businesses in rural areas.

More action is undoubtedly needed to help those exploited by unscrupulous employers. But this task should not be allowed to blur the positive significance of home-based businesses to the rural economy

3

Under the radar - a hidden sector

Home-based rural businesses are generally under the radar of those responsible for supporting the local economy. Unlike more visible types of business - shops, offices, farms, tourist accommodation - what they do and what they need is simply not known by most local authorities and business support agencies

NOT ALL rural home-based businesses are under the radar. Some are receiving unprecedented levels of support, mainly because of macro-economic pressures such as the reform of the common agricultural policy.

But in general there is a faulty connection between many home-based businesses and business support agencies in rural areas. Our research for this report suggests that benefits (such as business planning support, signposting/access to grants, training and funding and specialist advice) that are routinely used by workspace-based businesses are frequently missed by home-based businesses.

This is a missed opportunity, as our research shows that home-based working is becoming **increasingly common** and particularly prominent in a rural environment where workplace-based jobs are often in short supply or are low paid - or (in the case of, say, farming and fishing) unstable.

Why don't home-based workers get business support?
Invisible home-based businesses are generally not monitored or tracked. This is for a number of reasons. These include:
- many are reluctant to link up with local authorities and other public agencies, in case their way of working is jeopardised
- home-based businesses often keep their heads down for fear of becoming excessively regulated. Many are unclear about the implications of their working practice on their home insurance and their liability to pay business rates

these concerns are genuine in that few local authorities make it known publicly that they support and welcome home-based working. Rare exceptions include Horsham with their MicroBiz initiative and Tonbridge and Malling, which is participating in a West Kent LSP survey of home-based working to find out how further to support it

- in the case of social landlords, most have tenancy agreements that explicitly forbid working from home - this creates fear of eviction. Our interviews with social housing tenants show a different experience from the statements of some senior housing managers who consider that home-based working is allowed 'within reason'. Often this is being interpreted more strictly on the ground or home working tenants are being advised just to 'keep quiet'

- few have any kind of 'shop front' or signage

Our research found that, at a strategic level, almost all RDAs, district councils, Business Link operators and other business support agencies have **no requirement** to address the needs of home-based businesses. The Small Business Service co-ordinated cross departmental review of small business statistics has not included identifying a need for tracking home-based businesses. No questions are asked and there is simply no box to tick.

Mapping exercises for social enterprise have been initiated. The Plunkett Foundation has identified the number of rural social enterprises, and generated a debate. Farm bed and breakfasts are offered special directories, and farm diversification support schemes abound.

But for most home-based business to be recognised, tracked, appreciated and supported, attitude changes are required on all sides. Agencies and government authorities need to appreciate the contribution such businesses make to rural economies. The home-based businesses themselves will also need to be willing to be identified.

Wider benefits of home-based working

Strategic support for home-based working should consider not only the business and employment case but wider impacts in supporting sustainable communities. For example:

economy - access to world markets from any home with PC and broadband

crime - greater security with homes used during the day for work

education - opportunities for skilled graduates to be retained in rural areas

housing - reduced pressure on new homes, making best mixed use of existing properties

environment - reduced travel by car, fewer fuel emissions by combining workplace and home

social – enhanced 'daytime economies', more social interaction

Ideally there should be strategic cross-cutting recognition of these impacts agreed at local authority and regional levels

"Support agencies have tended to think 'they can come to us if they need to''

This lack of an **explicit aim** to track and support home-based businesses, coupled with the invisibility of home-based workers and their reluctance to link up with mainstream business support has driven some agencies to take a defensive stance of 'they can come to us if they need to'. For those experienced in working with hard-to-reach communities, this producer-driven perspective is reminiscent of the experiences of both women and ethnic minority groups.

A different culture of work

Our research and interviews with people running businesses from home found a very different work culture to the one expected to be the norm by business support agencies. These differences are outlined in the box, xxx.

It seems unhelpful to leave this divide intact, at a time when all the trends are pointing towards the home-based working model becoming increasingly important and common. Rather than expecting home-based workers to fit their needs to the services offered by business support agencies, it would surely make more sense for agencies to be enabled to develop their understanding of the way home-based workers operate and to **adapt support services** to their circumstances.

This process is outlined in section five, where we suggest steps to help home-based businesses grow to their full potential

Two worlds of business

Are business support and economic development only geared up to helping the businesses on the left? These are generalised but often accurate depictions of the two different approaches

Traditional business	Home-based business
Workspace premises	Work in/from residential property
Work from one place	Based in several places
Success defined by extra employees sales/value-added per employee	Success defined by extra revenue or or sub-contracting
Easy to identify and help	Hard to identify and help
Pay business rates	Usually not liable to pay business rates
LA knows it is there	LA generally does not know it is there
Open about work activity	Often private about work
Liable for capital gains if selling	Usually not liable to pay capital gains
Business mortgage, insurance etc	Cheaper domestic versions
Invests in shop front/signage	Hidden, no signs - cheaper
Listed in yellow pages etc	Often not
Represented by trade bodies chamber of commerce etc	Often not, makes own links
Competing	Collaborating
Website adds to presence	Website is the presence
Thinks as 'business' that hires help	Often thinks as 'professional' that is hired to help
Easy to identify in a sector	Hard to do so
Technology a bonus	Technology essential
Commute to work	No commute
Customers/clients visit premises	Go to visit clients/customers
Separate account for utilities	Utility cost shared with home
Usually located near businesses or in employment zone	Usually within residential or mixed area
Single use of property	Mixed use of property
Emphasis on employees to deliver	Emphasis on sharing/contractors
Fixed number of staff	Teams form to deliver contracts, then dissolve
Business plan	Ideas
Expands to new premises	Subcontracts and raises price to reduce demand
Support mainstreamed: ongoing responsibility	Usually supported only by time-limited special projects
VAT registered	Often not VAT registered

Two worlds of business support

Business support (advice, support and assistance) in rural districts should ideally be available to all types of business, whether based in a workplace or home. They should therefore operate using both methods listed below:

Traditional business support	Home-based business support
Outputs: mainly jobs	Outputs: higher turnover, skills and knowledge, sub-contracted work
Measure success by growth in jobs and 'value added' by employees alone	Measure success by continuing viability, growing turnover/reputation, increase in business collaboration
Links business to trade bodies	Supports hubs, both physical and virtual, where home-based businesses can network
Categorises business by sector	Sees home-based businesses as one sector defined by way of working, not product/service
Uses long-established ways of configuring businesses	Supports re-configurations, supporting by new uses of broadband
Targeted at non-competing SMEs growth with employee potential	Connects self-employed with others to collaborate
Individual professionals cannot be helped	Supports networks of professionals
Emphasis on advice	Emphasis on advice and facilitating provision of joint services such as remote computer support, regional/national networks of rooms to book

Forging better business links

We contacted 39 Business Link operators across rural England. Most told us that while there were **no specifically targeted support** services for this group, the generic business support and advice services were available to home-based workers as well as other businesses in both urban and rural locations.

Other points raised included:
- the **difficulty of accessing** home-based businesses and assessing their needs
- business support geared to **growth and expansion models** often does not appeal to home-based clients, content to maintain a steady level of economic activity, fitted round other aspects of their lifestyle
- emphasis on regulation and the use of **jargon** were both seen as barriers to engaging home-based businesses
- many advisers linked rural home working with **farm diversification**
- anecdotal evidence of an increasing variety of businesses starting up in farmhouses, sometimes food or craft related but often also include the use of ICT
- the farmhouse **B&B** model is seen as old hat and increasingly dated
- in some areas training sessions are held in village halls and community centres, but it is often difficult to get information about these events to the people who could most benefit from them
- home-based businesses were often identified with business start-

ups and seen as within the remit of enterprise agencies.
- inappropriate support can lead to home-based businesses approaching a string of different agencies without finding the help they need.

Advisers were often uncomfortable with what they saw as **gaps in the provision** of services to home-based businesses. They acknowledged that they only have anecdotal evidence about the scale and support needs of home-based businesses. The lack of more formal evidence is often seen as a barrier to challenging the current models used to measure business success and to providing a more appropriate support service.

Business Link operators currently identify businesses **meriting intensive support** by measuring gross 'value added' at enterprise level. This is the sum of salaries, interest, depreciation and profit. This implies that money spent on jobs adds value, but money spent on sub-contracting work is a cost.

Where the home-based business has a high turnover but sub-contracts work to a number of different people at different times, this will fall under the value added radar. The model being used to support businesses and segment them for business support identifies: survivalist, lifestyle, limited growth and high potential businesses, as measured by traditional value added. This model will miss those potentially high growth home-based businesses who do not create jobs.

This seems to be falling into the trap the SBS Action Plan (2004) explicitly mentions: 'Aspects of policy which contain a subtle or unintended endorsement of employment as the preferred option must be revisited.'

We suggest that an adaptation of the model needs to be applied to those businesses whose growth is not dependent on job creation but are nevertheless contributing to local economies.

Business Link advisers - sample comments
A service team leader from **Coventry and Warwickshire** believes there is 'not really any support at all for people working from home. The numbers of registered businesses in some of these places just don't add up. There are a lot of **invisible businesses** in rural areas, many people are out there, often sitting in well upholstered garden sheds, connected to broadband and we have no idea what they are doing. There are an awful lot of self employed people working from home who could do with help with activities like bookkeeping and administration. A lot of these businesses could do with major support but they are very **difficult to access**.'

A team leader from **Northamptonshire** saw home-based workers as a '**hard to reach group**'. He said: 'We would be delighted to give help, if only we could get to them. Anecdotally we know that there are a whole range of home-based businesses from party selling upwards. Research indicates that people at the lower end of the scale are **frightened to access advice services** in case they are catapulted into a whole load of regulation and tax issues. We are grappling with how to get advice to

them, perhaps sometimes this could be done by using the structures of network marketing itself. The business advice material that is produced for conventional businesses is not always appropriate for these groups.'

A **Kent** farming and rural business adviser also saw that a new approach was needed to providing services to rural home-based workers. 'Homeworkers are typically individuals working alone and a **single visit** to assess their needs could cost us upwards of **£200**, this might not be the most cost effective or appropriate way of delivering the help and support they need. We could do with looking at new approaches like e-mentoring, virtual networking, email and tele-consultations. It is something that I see as a good idea, but we need funding to pursue it.'

A team leader from **Hertfordshire** felt that support could sometimes be better targeted. 'There are so many **parallel programmes** that I can find that I am the fifth adviser to visit a particular client offering similar advice. We offer training and support to very different businesses, so it is sometimes difficult to know how to pitch our material. Micro businesses and sole traders need something with **less jargon** that is more accessible, but homeworkers often just don't step forward to be helped. However the field is changing as we speak and the development of a system of **rural hubs** may be an opportunity to re-think services'

Keeping it quiet – home-based worker reticence

The inadequate connection between business support and home-based workers is not all down to the agencies. Although agencies clearly need to do more to adapt how they work with home-based businesses, there are some important barriers that need to be recognised as part of this process.

Whether founded or unfounded, many home-based businesses are quite **surreptitious.** High earning owner managers and low earning social housing tenants alike have concerns that the authorities may in some way **restrict or forbid** them doing what they do.

In general, few home-based workers tell their mortgage lender, landlord or insurer that they work from home. This is in case they incur **higher costs**, have their choices reduced or are penalised with sudden extra taxation. In the case of social tenants, eviction is a real fear (see Live Work Network report *Disconnected*).

Certainly very few inform the planning department of their activity. Use of home as a workspace may have been common before the industrial revolution, but since the Victorian times, homes and workspace have been **zoned apart**. Only now is there a growing recognition in public policy that this is not always appropriate in the 21st century. However, zoning and use classes remain heavily imbedded in the **culture of the planning profession**. Planners have not known how to (or had the resources) to enforce against work use of owner occupied property. But there remains a fear shared by many home-based workers that they might do so.

If this fear is groundless (and with well over a million homes now used in the UK for work the trend is probably unstoppable), local authorities could and should produce clear polices on home-based work - not policies that unrealistically seek to control or restrict it, but that clearly promote it as a sustainable use of property that can help the local economy. All new housing should be required to **enable home-based working**, as one of a number of 'lifetime homes' uses (adding a category to the Joseph Rowntree Foundation system).

The freedom factor

There is an upside to home-based workers' invisibility - a greatly enjoyed freedom. The kind of freedoms home-based workers often cite as their reasons for this way of working include:

- working hours they choose
- not paying for extra premises and associated costs
- being able to 'dip into' work without travelling
- being able to combine business and community/voluntary work
- being close to children/school, home life and garden
- being able to combine paid employment with the 'vigilant care' of a sick or vulnerable adult
- their own chosen environment not one that has to look like a 'business'
- work life balance control made much easier
- no need to maintain an outward presence/shop front
- no need to commute
- stronger connection to their local community (Sustel 2004)

Home-based working is often a positive choice. Our case studies and recent research in the south east find **few significant drawbacks** reported by those who run home-based businesses.

The main downsides reported are difficulties in separating work from home life, and **isolation** from other colleagues. Positive reasons cited included **cost savings** in terms of using premises and **flexibility** issues, allowing people to fit their work around family responsibilities. Our research indicates that most home-based businesses feel they have a choice about how and when they work.

One of the most damaging myths is that home-based working is 'not real work'. This goes against all evidence that shows **higher productivity** and the higher earnings of home-based self employed than the average

The EU funded Sustel study (2004) found that over 67% of teleworkers employed by BT found financial benefit from this way of working. A teleworking pilot of benefit workers in Bradford found that productivity increased by 25% compared to office based workers and absenteeism fell by 80%.

So do they want to remain 'under the radar'? Our research suggests not. Most home-based businesses we interviewed would prefer to '**come out**' with authorities accepting their way of working as a modern reality. They would prefer to be able to be open - but (and this is very important) they are reluctant to lose the cost savings that home-based working represents. This poses tough questions for the way that business is taxed and services costed.

One simple answer is to allow domestic mortgages, no business rates etc for home-based working as a reward for its **contribution to sustainable communities.** In effect this status quo can and should be left alone

The isolation factor

There are downsides to home-based working which also need to be considered by business support agencies. The pressure to avoid work dominating home life is a well known example. But perhaps the most significant issues challenging the business's prospects in a rural setting are

- distance from viable markets
- isolation.

The first point is often dealt with by home-based workers as a trade off. They may be a long way from people and places that can give them business, but this is sacrifice many are willing to make in return for a viable means of making a living in a rural setting.

There is growing evidence that use of the internet and the trend towards high value-added service businesses is reducing the challenges of **distance from markets** for a significant number of home-based businesses. The Step Ahead Research report identifies that 'traditional' home-based businesses, such as construction trades, domestic services gardeners and mechanics, often serve local markets. However, 'businesses in sectors that serve customers outside their local area... are likely to be able to change their working practices and customer communication strategies by using new technology'.

Our case studies show examples of this, where a monthly visit to central London is sufficient to keep 'in the swing' of things. Anecdotal feedback from some London-based policymakers is that they experience some rural home-based workers to be better informed on what's going on than those who work in the city. It may be that the rural-based workers are aware of problems of isolation and remoteness from potential customers, so they **work harder** at finding out what is going on. As they are often members of multiple networks, they may also be more experienced at working within and taking advantage of those networks. Physical distance from markets and information no longer has to mean inaccessibility.

'The Small Business Service website has only two mentions of home working, teleworking or home-based business -one in a report on work opportunities for people with mental illness, and one briefing note for employers about employees working from home'

The second point - the isolation of home-based businesses from one another and from business networking - can relate to the first. Projects we have visited that connect home-based businesses up with one another have helped them not only to share costs and knowledge but to **access sources of income and contracts** more effectively by working together.

In the 'under the radar' analogy, it is not only the way home-based businesses can be invisible to agencies that could be holding back their prospects. It is also their **lack of visibility to one another**. Businesses with visible premises in business locations have little difficulty finding one another. Home-based businesses do face this difficulty. Opportunities to sell and buy services to/from home-based businesses are therefore limited, as are opportunities to collaborate and expand by creating partnerships at all levels.

Out of sight, out of mind

Until home-based business is treated as a sector it risks remaining invisible. We did find a number of local projects attempting to gather information on home-based businesses and some innovative and interesting things being done to support them. However, because these projects are seen as peripheral by policy makers, they often remain unconnected and undervalued. For example:

In October 2002 **Horsham District Council** undertook research into the size and support needs of local home-based businesses in order to help maximise their economic contribution to the district. (Jill Carter, 2004, Home-Based Business Survey)

It found that 8.7% of households in the area had at least one person operating a business from home (56% male and 44% female, with 77% under the age of 55). Also:
- 50% had lived in the district for more than 20 years
- 74% had been running their business for more than three years
- 53% expected turnover to grow in 2/3 years
- 58% serve the local market, 21% regional, 21% national, 15% international
- 21% expected to employ staff in 2/3 years
- 13% likely to seek external business premises in 2/3 years

As a result of this study Horsham organises an annual networking event for home-based businesses - **MicroBiz Fair** - with over 40 exhibitors and a range of seminars. The research and this event are supported by, among others South East England Development Agency (SEEDA).

However in our survey the head of rural heritage at SEEDA was not able to signpost any information about levels of home-based working or support for home-based businesses.

There are a number of other projects dealing with home-based businesses that SEEDA has supported in the region including the Step Ahead Research previously cited and another project in west Kent. This pattern of home-based working falling **out of consciousness** is repeated elsewhere.

One support network we interviewed in the north of England named an individual officer from their RDA as having been particularly helpful to them. This same individual had returned our questionnaire answering that they did not know of any networks supporting home-based businesses.

This is indicative of the fragmented and often marginalised nature of information about and support services for home-based businesses.

Lack of strategy

There is a serious lack of strategic commitment to home-based business at all levels, our research has found.

Central government: A clear recognition of the changing pattern of work

comes from the Lyons review of public sector relocation (HMSO 2004), available on the Treasury website: 'The working environment is evolving, with home-working, hot-desking and other kinds of flexible working becoming more common.' This comment, referring to future work patterns of civil servants, is not so far reflected in government strategies relating to support for home-based businesses.

ODPM's sustainable communities plan does not explicitly feature home-based business as a theme. DTI's Small Business Service is not currently tracking home-based workers, or including them in any policy documents. The main action is the Low Pay Unit provision of support to identify groups of exploited mostly urban home-based workers earning less than the minimum wage.

The Department for Work and Pensions has produced a leaflet for people who are thinking about working for themselves, but it does not mention working from home.

Public Service Agreements
PSAs published on the Treasury website, and updated in 2004 do not explicitly mention home-based working but the following could apply to rural home-based businesses (our italics):

DEFRA
'Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2008, demonstrating progress by 2006, and improve the *accessibility of services* in rural areas'

DTI
'Build an enterprise society in which *small firms of all kinds* thrive and achieve their potential, with:
  • an increase in the numbers of people considering growing their business
  • an improvement in the overall productivity of small firms
  • more enterprise in disadvantaged communities'

DTI (with ODPM and the Treasury)
'Make sustainable improvements in the economic performance of all English regions by 2008, and over the long term reduce the persistent *gap in growth rates between the regions*, demonstrating progress by 2006'

'Half of the RDAs do not use information on home-based working to inform their economic strategy'

Regional Development Agencies: The responses to our survey from RDAs were largely disappointing, demonstrating a lack of overall strategy on this issue in most cases. RDAs are increasingly seen as drivers of economic development and regeneration. Therefore their knowledge and response to the issues of home-based working is critical. Yet half admitted not using information on home-based working to inform their economic strategy. Another said that they thought that research on the regional economic strategy 'may pick this up'.

A notable **exception was SWRDA** which has been working on developing a methodology for tracking and supporting home-based working. It was also able to signpost networks, support projects and

employers using home-based workers in the region. Most impressively the information it provided was gathered from a number of departments within the RDA, demonstrating an ability to mainstream thinking about home-based working in the south west. It is worth noting that, according to census data, levels of home-based working in the region are high both in terms of proportion of the working population (11% overall and 13% in rural districts) and of numbers (more than 250,000).

We found that those currently devising the handover to RDAs of SBS responsibilities were vague about the definitions of small businesses that they would support. They were likely to quote without reflection the 'value added' model of segmenting business support. Without adaptation to meet the needs of rural home-based business, this model runs the risk of **disqualifying** from serious support almost all such businesses. This lack of a strategy for such businesses could have serious consequences for rural economies.

Small Business Service: It is striking that a search on the SBS website reveals only two instances of home-based working, teleworking or home-based business. One is in a report on work opportunities for people with mental illness (Mind/Social Firms UK 2004), which dismisses home working as very poorly paid, labour intensive and offering few entitlements. There is also a mention of employers whose employees work from home.

The SBS household survey of entrepreneurship (over 10,000 interviews in 2003) does also make one mention of home-based businesses, finding that 33% would be most likely to start their own business from home, 'no doubt because this will reduce business overheads significantly'. This point does not seem to have led to further analysis of the home-based sector.

'The Small Business Service does not track how many home-based businesses are supported through its services'

Our research indicates more complex reasons for rural home-based businesses to choose a home location. Interviewees expressed an ongoing strong motivation to work from their rural homes. The SBS 2004 business plan emphasises that it needs to 'think small' to connect with its clients, but the fact that microbusinesses may be home-based is not considered. Again the theme stays under the radar, as shown by the fact that currently the SBS **does not track** how many home-based businesses are supported through their services.

Business Link operators: Information on home-based businesses available on the current Business Link website is heavily weighted towards highlighting regulation and barriers to home-based businesses. Its signposted planning portal for business premises makes no reference to the possibility of using your home as a site for a business.

Individual advisers indicated to us their awareness that there are unknown numbers and types of home-based businesses 'out there', and some are connecting with a number of rural businesses who contact the service. This does include visiting the home-based businesses in some instances. Organisationally there is no obvious move towards finding out about home-based businesses or developing any strategy to support them.

Local authorities: In a survey of economic development departments of

145 rural districts we found only four doing any research into home-based workers in their area. 54% of respondents admitted not using information already available on home-based working trends to inform any of their policies and strategies. We were told that it is not compulsory for a local authority to do anything to supports its local economy.

However, the Local Government Act 2000 enables a local authority to do what it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of their area.

One local authority reported that the main best value performance indicator that was usable in relation to business support required the production of a cultural strategy.

Many authorities do provide support through routes not obviously labelled economic, e.g. trading standards and environmental health. Selby district council in Yorkshire has a helpful guide to running a home-based business on its website, and Horsham runs an annual MicroBiz fair, examples others could emulate. But overall, support for home-based business is very limited.

'Councils should consider and act on factors that would produce a sustainable economy and labour market'
Audit Commission 2005

The new 2005 draft comprehensive **performance indicators** issued for consultation by the Audit Commission, may start to change this. It gives a helpful framework into which local authorities' strategy for home-based business can be placed, in section 5.1.1: 'Evidence is required that the council has holistically considered and acted on factors that would produce a sustainable economy and labour market'

Enterprise Agencies: We found evidence of enterprise agencies grappling with issues relating to home-based businesses, but not necessarily being supported by the systems of funding and structures they work within. Pioneer projects such as one which recruited over 1,000 volunteer business mentors over four years (both specialists and geographically organised) is still only funded one year at a time via the Small Business Service's Phoenix fund. The Step Ahead Research report on homeworking in the south east of England (cited frequently in this report) was commissioned by West Sussex Enterprise Centre.

Although the **Prince's Trust** does not explicitly discuss home-based working, the holistic design of its support projects for young people could provide a useful model for other agencies to copy. Teams of up to 15 young people go through a shared set of experiences for 12 weeks designed to build confidence and develop skills. They are supported by mentors. A major partnership with the Royal Bank of Scotland supports a holistic set of measures, including supplying business mentors from within the bank.

Confusion over access to support
We have found widespread uncertainty about how to access business support at several levels. The new co-ordinating role of RDAs provides a chance to reduce this. Home-based business should not be left out of the equation.

A key issue, which applies to all businesses, is how to **enable a**

business to survive in the long term. This is not about propping up failing businesses, it is about providing key interventions of support when needed, in the interests of developing sustainable communities and an enterprise culture.

Currently when a business wants to get support, there is a **bewildering range** of support providers. This has been commented on in various research reports, particularly for rural areas, where a wasted journey to the wrong source of support can take up nearly a whole day.

The 160 **enterprise agencies** in England provide advice and information, counselling and training on a comprehensive range of business issues, as well as managed workspace in some cases. They are involved with every variety of SME, including pre-starts, start-up, sole traders, partnerships, co-operatives, and limited companies. Currently the Jobcentre plus leaflet on starting your own business mentions Business Link operators but not enterprise agencies, and we found some confusion about who does what.

Business requirement	Current gap?	Possible solution
Starting up business without employees	often	Enterprise agencies Specialist organisations – PRIME for over 50s Prince's Trust for under 30s
Starting up social enterprise	no	UnLtd, specialist advisers
Starting up business with employees	no	Business Link operators
Maintaining high growth business	no	Business Link operators
Maintaining micro-business – enabling it to survive and thrive	yes	Local business-run networks, mentoring, public/private/voluntary and community partnerships

The risks of inaction	
2010: the status quo	2010: home business sector full supported
emphasis on staff numbers and premises	emphasis on turnover, sub-contracting and sustainable property use
home-based businesses working alone in isolation	home-based businesses working with each other
lack of knowledge of each others' existence	local resources help to create easy connections
feelings of isolation	isolation busted
nowhere to meet each other or clients	vibrant hubs in nearby market towns
rural support underfunded	rural support has adequate resources
high growth home-based businesses unknown to agencies	pro-active seeking out of high-growth home-based business
support aimed at staff expansion and workspace premises	home-based business support needs catered for
in-migrants reluctant to relocate to area lacking business buzz	home business networks and quality of life advertised to potential newcomers
support based on advice on how to do it all in-house	external support enabled for defined period, mentoring by experienced practitioners

Start up businesses' choice of premises

- our case studies and the Step Ahead Research report show many start-up businesses working from home

- these often turn into mature businesses still working from home

- the Step Ahead Research report on south east England showed nearly 70% of home-based business very unlikely to need new premises over the next five years

- projects, enterprise agencies and specialised schemes to support both start-up businesses and the self-employed need to be aware they will have a high proportion of clients who are working from home

- support for such start-ups needs to be 'home-based' proofed – it does not need to be separate, but it must not exclude hard to reach groups such as those working from home

- in rural areas, planning regulations and lack of nearby office space are likely to make this even more likely

4

Pioneering projects

Who is trying to solve the problem of lack of support for home-based businesses in rural areas? We found very little evidence of action on the part of mainstream agencies. But a handful of projects are pioneering support for the home-based business sector. Here we report on what they do

IT HAS been down to a small number of **time-limited projects** to make an impact in home business support. These projects, usually funded by a combination of special grants and revenue from membership, all contain useful pointers for other areas to learn from. They have been pathfinders in their own right.

What makes these projects different?

These projects and ones like them are **true networks**, seeking to facilitate and forge long-lasting connections between home-based businesses. Our cases and interviews emphasise the value of person to person networking and tailor made support.

This support can come from paid central staff or from other members of the network. The recent Small Business Service report on promoting female entrepreneurship states that women entrepreneurs want peer group contact, networks and pre-start up support. This could equally apply to home-based businesses.

Home-based businesses are supported in variety of ways through many projects. Wired Wessex, Wired Sussex and other internet connecting networks are likely to have many home-based members, but they do not currently track them.

The national Women in Rural Enterprise (WiRE) network provides significant benefits to its members, including access to finance from a women-friendly part of HSBC bank, training courses and an annual conference, but they do not focus on whether or not members work from home or consciously support home-based business activity. The three case studies were chosen to cover a variety of geographical areas, to include one with a number of paid staff supporting activities, with another run almost entirely by volunteers.

Two of the three projects were set up and grown entirely by **members themselves**, not existing agencies. In particular both 3-C and Digital Peninsula Network have been founded on huge amounts of volunteer time. They have both struggled to find funding and are starting to make some headway in getting their members' perspectives heard in high level strategic discussions.

The impetus for their creation varied. In Cumbria it was the shock of the impact of foot and mouth disease to the rural economy. In the upper Calder Valley it was the realisation that other towns might get broadband and leave them at a big disadvantage. In Cornwall it was a

realisation of the existence of each other and the need to start the campaign for broadband in Cornwall.

Common features
The three case studies visited for this research shared certain common features that future initiatives may wish to learn from:

- the typical requirement to be **self financing** without grant within three years is unrealistic, given proportions of low paid/unemployed members
- successful members of the network can benefit from links to fragile start ups as local/lower cost suppliers of services. Linking businesses of all levels of **strength** is effective
- clusters of businesses in a **mixture of sectors** can and do benefit from working together
- working from home is a strong **glue**, creating a shared experience that links diverse businesses effectively
- large reserves of **energy/commitment** are common in a significant number of individual 'champions' in each network
- without support, these leaders risk **burn-out** with no certainty of replacements
- **mutual respect** for fellow practitioners in all sectors is typical
- there is a need to explain how a network is as strong as its members to people who **joined later** and did not take part in initial formation efforts
- importance of understanding **funders' requirements**
- importance of building bridges with mainstream agencies, not **alienating them**
- understanding members' needs as they **change** over time (e.g. when broadband arrives)
- participants need to **recognise and celebrate** full value of networks' services - these are often overlooked
- funders need to **recognise business consequences** of starving these organisations of essential funding where there is market failure
- benefits appreciated by members are not so immediately obvious to funders. Projects might have helped market themselves by doing a wider and clearer **impact analysis**

Case one: Digital Peninsula Network, Cornwall

This private-sector led business network in West Cornwall has used EU Objective One and other funding to link up over 170 micro businesses - most of which are home-based. Digital Peninsula Network encourages face to face networking and offers members training, newsletters and a hub drop in centre as a second office

At a glance

What is it?
Digital Peninsula Network (DPN) is a private sector led membership network of over 170 micro-businesses. DPN estimates that at least 160 (around 95%) are home-based. This pioneering network has been active since 1999. It was the first to offer micro businesses use of broadband before ADSL came to Cornwall.

Location
The network has a resource centre/hub, in the heart of the market town of Penzance, Cornwall. There are three full time and three part time staff/contractors managing funding, administration and technical support.

How it works
Members pay a minimum fee of £60 per year. The network uses email newsletters, provides both on–line and physical support services and also hosts or signposts training and networking events. This enables members to increase turnover and strengthen their businesses.

In partnership with other agencies, potential clients or employers, DPN actively provides information on work opportunities to its members, while publicising their skills online and with a directory.

Members range from start-ups and some unemployed to major micro-businesses with turnovers of at least six figures. A key strength is the way the start-ups are linked to members with established businesses who value their services' proximity, cost and quality.

Funding
Original funding from January 2000 to September 2001 of £83,000 came from the European Regional Development Fund (Cornwall had Objective 5B status). This was matched by a variety of public and private sector organisations, including county and district councils, local economic support agencies and BT as well as both in-kind support and subscriptions from members. Total cash funding amounted to £128,500. One innovative form of in-kind funding was advertising space donated by the local paper.

In March 2001 a successful bid to the DTI's Innovative Cluster Fund via the South West RDA for £347,000 enabled the network to kit out its centre with the latest technology, including broadband, ahead of the rest of Cornwall.

Current funding from August 2002 to November 2005 amounts to £236,000 from ERDF via Objective One. It is matched by SWRDA, district and county councils, BT, sale of services, and the membership. Total cash funding for this period will amount to £428,800.

Results

From August 2002 to December 2004 (target figures are to November 2005):

- gross additional sales (members' turnover up by): £3.55 million (target £3.42 million)
- number of full time jobs created directly: 3.5 (target 2)
- number of new full time jobs created by members' businesses (over 30 hours per week): 47 (target 58.5)
- net additional GDP (number of net additional jobs x £23,000): £1,081,000 (target £1,345,500)
- number of full time jobs safeguarded within members' businesses: 48 (target 41)
- small businesses assisted, signposted or received technical support by DPN staff/members: 198 (target 300)
- number of newsletters sent out: 48 (target 25)
- learning opportunities (members who have attended training, mentoring, seminars): 260 (target 290)
- number of new businesses who have joined: 125 (target 165)
- value of in-kind hours contributed to DPN by members: £32,018 (target £37,500).

A GROUP of creative, knowledge and ICT professionals with clients worldwide, but working from their homes in Cornwall, got together in 1999 to form a collaborative network. Initially meeting monthly at Penzance Arts Club with 12 attending, the group became a formal network with a constitution and has grown ever since.

Today Digital Peninsula Network is thriving with a central hub in Penzance and over 170 members. The network has been the spur that has created a generation of teams of home-based micro businesses adept at grasping market opportunities.

Although there are staff employed to support the network, it has grown out of practitioners' self-identification of needs, enabling people at different stage of business development to collaborate. There is a varied membership, ranging from the already successful (producing animations for the BBC or international news for a global agency) through to prospective business start-ups. Most are home-based or frequently work from home.

The range of high specification equipment in the centre helps members share costs and 'try before they buy' (e.g. scanners, video editing facilities, digital cameras and projectors). Members can specify their training needs. 'We like to be ahead of the game, helping members use equipment they can get themselves when their business grows,' says Lynda Davis, the director. 'As a business support project we also need to act in a way that can attract, represent and support businesses.'

The centre's early broadband access enabled members to jump ahead of that trend. Unsurprisingly many signed up for ADSL when it later arrived. 'Today we are pioneering wireless working. We also plan virtual office and webconferencing,' she says. 'We try to give our members access to the latest technology and software early so that they are not disadvantaged by our remote rural location or by their size as small businesses.'

What works

The network has helped micros that were previously invisible from one another to **collaborate** and win bigger contracts by forming ad hoc teams. Loose partnerships enable members to bid for bigger multi-disciplinary projects than any could alone. Teams often dissolve at the end of a project.

'DPN has been a catalyst,' says a founding director Kevin Brownridge creative industries and regeneration consultant. 'Because we are all connected, we can offer clients services that once might have made us nervous. If someone wants a website I know exactly who to get in to help. Before DPN that wouldn't have been easy. Many of us were subcontracting to designers in London, now we subcontract to local businesses. It is hard to imagine this happening on the same scale without DPN.'

The network also keeps in close touch with **members' needs**, which are always changing. Lynda Davis's team carries out regular surveys to track these needs. One survey changed the whole training schedule. 'We assumed members wanted to learn about specialist software but found they prioritised business training, marketing and time management,' she says. DPN has also bartered, for example bringing in time management trainers in return for getting them website development training.

Other initiatives identified as successful by DPN and its funders include:
- mix **business and social events** - e.g. summer barbeques to encourage face to face **networking** (in 2004 over 70 people attended a single event)
- easy to access café facilities, outdoor seating and sofas inside encourage use of the centre for meetings and networking - a popular town centre alternative to visiting each other's homes
- making **alliances** and key contacts in other business support organisations - letting them use the centre as a base and emailing their own news/services to members (Lynda Davis: 'If other bodies perceive you as a threat they may obstruct projects and funding. As friends they promote your interests')
- an informal **partnership** with a local theatre, providing a strategic review of its IT systems in return for use of this venue for socials events
- strong link with local **training providers** at all levels. Network Training, which provides ICT training for the long-term unemployed, can refer clients wanting to set up their own business to DPN at minimum costs and with continued support
- avoidance of duplication - networking actively with related organisations allows each to specialise and **add value in partnership** to each other's core service (Lynda Davis: 'Network

Training does basic ICT, Let's Do IT goes to people's homes in rural areas. We signpost our members to these services and host the high end courses in our centre.')

Lessons learnt

One of the major challenges for the organisation is its time-limited funding as a special one off project. The thought of such a successful business support project having its funding ended leaves many members aghast at the priorities of the mainstream agencies. Many members regard Business Link operators and enterprise agency services as inappropriate to their needs.

The funding threat is exacerbated by past recruitment problems. For much of its lifespan DPN has operated without a paid director. Getting the right personnel and keeping them in a remote part of England has proved a challenge. Lynda Davis was appointed in 2004 with 13 months left of funding and a project urgently needing to move towards self-sustainability. The team took several steps:

- making the centre look **professional**. 'We cleaned and made it tidy, revamped its look and layout. This has made a big difference. We placed greater emphasis on technical support being always available when the centre is open.'
- focusing **outwards**. 'We provide fortnightly email newsletters regularly and on time. It has excellent content, including training opportunities, often offered by members. We also signpost jobs and tenders. We had relied on people visiting our website, but found email the key way to communicate.'
- opening in the **evenings** has helped people with childcare responsibilities. The membership of the network has been dominated by men (77% currently). Lynda Davis and centre manager Jennifer Atherton have helped to create a more woman-friendly environment. 'This isn't just good for female members. Having female management teams can reduce friction in an organisation with mainly male members!'
- maximising **income** - members will pay for good services not available cheaper elsewhere
- **explaining** to each member what the network does – people often don't understand costs or realise what a bargain they are getting
- being creative and jumping **across funding streams**. DPN meets the needs of both unemployed members and successful businesses, so has to access different funders
- following the **real needs** – widely available broadband is no longer key, innovative uses of broadband and access to tender opportunities is now the focus

Outputs reports (e.g. members' achieved turnover) are required by funders, but difficult to excite members about. Some are reluctant to divulge financial details, so DPN offers incentives (free membership periods, cinema tickets, etc). 'It is important to shield members from the high demands of funding bodies,' says Davis. 'So we act as a **bridge**, interpreting the needs of each to the other.'

Partnerships

Lynda Davis liaises with steering and planning groups Cornwall-wide, to

get the perspective of micro-business included in their plans. DPN also has links with ICT training providers who can refer potential members.

Links with other complementary organisations like arts and community groups are also vital in keeping the network rooted in the real needs of home-based businesses locally.

The future

Maximum income from membership and services covers about a quarter of the core costs. 'Our new **three tier membership** structure puts prices closer to market levels,' she says. 'One, low cost, is for unemployed or inexperienced people, a second for ICT users seeking to progress. Many of these want to be subcontracted by the most successful members and larger businesses. The third category is larger ICT related companies who want use of some equipment but rarely attend the centre. Networking events are important for them.'

Further income generating schemes planned include 'ICT Scout', developed voluntarily by a member who sets up and maintains databases for international companies. **This is an on-line marketplace** for IT and media work, ranging from local shops needing a website to public sector organisations needing cabling or research.

'All members skills sets will be registered on the site, and any project will automatically get emailed to those with relevant skills' she says. 'The key is to get both private and public sector organisations to send us opportunities, and for sufficient DPN members to respond. We're attempting to link supply and demand, one without the other doesn't work.'

Member Kevin Brownridge argues: 'DPN was required to be self financing, which was ludicrous with a third or more of its members unemployed. Its sustainability should have been seen in terms of businesses, the target should be for members to have sustainable businesses. DPN should both help members just starting off and support the sustainability of established businesses.'

'Cornwall only has five years of Objective One funding and is still experiencing economic declines. Rural regions in Portugal and Ireland took decades to turn themselves around' he says.

The original target for the current project was for £1.8 million income attributable to DPN membership. The final six months of the project, an extension to November 2005, is projecting a level of members' sales of £3.5 million - an additional £1.7 million. By the end of December 2004 the network had achieved over £3.5 million sales attributable to membership, in return for £289,000 in cash funding during the period, matched by in kind and over £20,000 from members.

As with other projects that support home-based businesses, the key question is: can the economic advantages they create be sustained if or when funding is withdrawn?

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'Sustainability should be in terms of members businesses. The idea that DPN itself should be self financing is ludicrous - a third of its members are unemployed'

Greg Dyer - new media marketing

Greg Dyer co-runs Light Circus Digital Media Ltd from a custom built cabin in the garden of his house in Relubbus, Penwith. He and his business partner Mark Noall, who also works from home in St Ives, use digital media to fulfil clients' marketing and communications requirements. That could be design for print, web design or multi media CD ROMs and DVDs.

Both Greg and Mark originated from Cornwall but went 'up country' as it didn't seem possible to make a living in Cornwall 15 years ago. However, Greg returned from working in the M4 corridor in 1999 and Mark moved to St Ives in 2002.

'We were two freelancers working together remotely back in 1999, we formed a partnership, then in 2003 became a limited company, but we each still work from home' says Greg, tracing the business's expansion pattern.

'I read about a digital **teleworkers' group** in the local paper and got involved with Digital Peninsula Network very early on in 1999, meeting round a big table in the Penzance Arts Club - there were about 15 of us. I've been actively involved as a member since then, at one point as a board member of the company.'

Networking wasn't a new activity for Greg: 'I'd worked this way before in Gloucester. There was group of us who worked together as freelancers, taking each others' phone calls, wiring up a large shared room to give all of us the best connections available.'

What support has Greg received from DPN? 'It's provided us with the means to identify some very good quality local people with the skills we don't have, but need. We've **contracted work out** to fellow members with great success. The network works at lots of different professional stages. You can tell if someone is at the same stage as you – when that happens you feel you can trust them. In a network, if people are working with each other, word soon gets around about **who is reliable** and good at what.

'We can also deal with clients at different levels. Some of us deal with national or even international clients – that's not everybody's cup of tea. So some people choose to work at a more local level, and that's fine too.'

'Before I got broadband at home I was able to use it at DPN's centre which was invaluable. I've attended seminars on things like time management, and people talking about interesting things that opened my eyes to things I wasn't aware of. And I've certainly gained business. Other members of the network have either commissioned us, or we've been asked to enter a **tender process jointly**. I've been able both to give work out and to receive work.'

The biggest contribution DPN made to Greg's business was a team approach with other members to create a CD ROM to show the aeronautical and tourism industries in the south west what the potential benefits of broadband can be. 'We were commissioned to be part of the South West RDA Broadband Show. It was a big contract - £37,000 - for

us at that time, but more vitally, it gave us **exposure**. At a celebration of the Broadband Show at the WaterShed in Bristol in 2004, Light Circus was one of only three companies invited onto the stage to profile their work. That was great publicity. That piece of our work is now on a DVD, we own the copyright and other RDAs are now using it.'

'We don't create full time jobs, but we do **substantial local contracting** and partnership working. Through DPN contacts, we now use local book-keepers, accountants and specialist computer programmers. Our customers are now mainly national, rather than local. But we work in collaboration with other trusted companies - many home-based - to deliver.'

A natural networker, Greg has not been reluctant to link up with mainstream business support services. Unlike his positive experience of DPN, a time-limited one-off project, he is very **unimpressed** with the mainstream.

'Many people like me are practitioners, **not business people**,' says Greg. 'I'm in business but I'm not a businessperson. What I don't need is the Business Link approach which goes 'We won't talk to you until you've done a business plan'. I need human reactive useful business advice and relevant information. If I need a contract to do a website, why are we all trying to find a quality solicitor, why are we all doing the same thing? The best help we can be given is on **professional best practice** - a resource with advice on how to do things.'

Greg believes that standard business advice feel **deliberately arcane**. 'Getting useful business advice is deliberately made hard, you feel. It's as if it is trying to shake out people who aren't going to make it. The irony is that successful people are too busy to **jump through hoops**, and it's really patronising. So some people with time on their hands and no orders are writing business plans. Successful people who know how to generate business and earn money don't get supported or accelerated.'

Greg says that his business is on the verge of a breakthrough. 'We need support right now to help us refocus. But what's on offer is **irrelevant**. The whole focus is job creation. I don't want to **employ** someone, I want to contract them on a flexible ad hoc basis. I will pay for it, but I don't want a workforce.'

What would Greg ideally like mainstream support services to offer? 'We need intelligent on demand **mentoring** from someone who's gone through what I want to do with my business, showing me examples of a typical contract, a licence agreement, etc. We also need a fast track way to tap into cost-effective support services. The hardest thing to do is your own marketing, for example.'

Jayne Herbert - website design

Jayne Herbert works from her home in the hamlet of Ding Dong in West Penwith. She's a web manager and designer and designs and maintains websites for number of environmental projects in Cornwall. She also manages the Cornwall Wildlife Trust website as part of **part-time job**. Her experience shows how partial self-employment and home working can fit with part time employment in a traditional office setting.

She and her partner came to Cornwall seven years ago. She got a seven month contract with the Wildlife Trust fairly quickly. 'I've had several different jobs with them ever since, but I've always taken web stuff with me. I'm in the office one day a week, and the rest of the time I work from home or in DPN centre, doing Wildlife Trust and other organisations' websites such as Cornwall Butterfly Conservation, the Helford marine Centre, Cornwall Moths and Devon Moths. The money I earn goes into Wildlife Trust.

'I joined Digital Peninsula Network six months ago, came across a course on Dreamweaver, the advanced web design software. I realised the £60 annual fee was worth it. The network's been really good for me as I'm all **self-taught**, struggling on my own. Through it, I've also found a **mentor** who'll look at my coding and comment on it.

'Broadband has only just arrived at Ding Dong, so I've been taking my laptop into the DPN centre, plugging in and doing all my connections. The staff have been very helpful and I've also borrowed the technical library books – they are pretty expensive and I wouldn't be able to afford them myself. By working at home or in the DPN hub I save myself a 30 mile two way journey each day.'

Is there any additional support that would have been useful? 'More of the same,' says Jayne. 'I'd like a course on leading software products such as Photoshop or Flash. I need to **try them before I buy** them, as it's a big risk to take. Doing a day-long course which shows me how to use the software helps save me a lot of money by only buying what's useful to me.'

'By working at home or in the network's hub I save myself a 30 mile two way journey each day'

Going totally freelance is not Jayne's preference. 'I'm a worrier. I would consider being part of a group of freelancers, as I'm not a sales person and would need someone else to sell for me. But I'm already very lucky, I really enjoy my work.'

Morgan Francis - film and TV animation
Morgan Francis runs Spider Eye Ltd from his home in the old tin mining hamlet of Botallack, West Penwith. The company, which has worked on 3 Oscar-nominated films, of which one, 'Father and Daughter' won the award, also uses a chapel in the centre of St Just, Britain's most westerly town. Spider Eye produces film and TV animation and offers media facilities in its studio. It employs Morgan and his fellow director Erica Darby. It then expands and contracts according to the contracts it wins.

'We've trained up school-leavers from the local school in St Just, and we employ them on a **contract-by-contract** basis,' says Morgan. 'Currently one is picking daffodils, one working in a kitchen, another in a pub. We pay them much better rates when we've got the work.' The problem, he says, is getting the funding and business support agencies to respond to his company's needs rather than expecting it to fit in with their own slow and 'that will do' approach.

Morgan is from Cornwall but started the business in Soho in London, working in two locations with a colleague in St Just from 1998, before there was any broadband. 'I moved back down in 2000,' says Morgan, 'and at first it was all run from my home. You don't need a big office for this sort of work.

'As my business partner was one of the founders of Digital Peninsula Network, I knew about it from the beginning. It's been vital on several occasions. I've used the centre's broadband when ours hasn't worked, and got jobs finished on time. One time we had a job for a client in Australia who wanted a DVD made up. We ordered some specialist stuff via a courier and it didn't arrive. DPN had some of the right spare stuff, so we made the DVD and sent it off on time again. What's important is that there is someone around to provide you with **unexpected support**. I've also found training courses on things like health and safety and first aid useful.'

He has also attended some of DPN's networking events. 'They are a good way to meet people informally, such as the Cornwall Film Fund, building up relationships with potential clients. Relationships are what get you through in the end.'

Is there any additional support that would have been useful to help him sustain his home business? 'Aside from support to attend international events that can help us win more work, we need better access to **responsive financing**. We could do lots more work here in Cornwall but it needs upfront funding. Finance Cornwall (a financing company funded by the European regional Development Fund under Objective One) works at a snail's pace as it is used to supporting traditional businesses that aren't in a huge hurry. We could have brought in several shows to create 20 or 30 well-paid jobs for up to 18 months. We needed access to £200,000. Finance Cornwall would put up the finance, but needed 3-6 months to give a definite yes or no. We didn't have that time - the people who had the idea needed to know within a month or two at most. So the works goes to Germany or the Channel islands.

'I know people in Cornwall who could do this work. We've trained up 10 people in St Just alone. I can't find out who to talk to about this. They seem to have their system and that's that.'

Wireless broadband is now available in St Just, making a big difference to Spider Eye. But other downsides to remote working remain. In these circumstances, hub centres like DPN's can perform a valuable service: 'There is no **reliable courier service** here. They won't even come to Penzance after 3pm. So I have to drive 15 miles to Redruth to get the last courier going up country. We are thinking of suggesting a shared pick up from the DPN centre in Penzance at 6 pm. On our own we'd use it every week...'

Stephanie Berry - international student placements
Remote and home-based working in rural areas often relies on accessing clients **long-distance**, even globally. Stephanie Berry runs EducQuest from her home on the outskirts of Penzance. She works as an agent and representative of a range of colleges and universities in the UK, recruiting full fee paying students from Zimbabwe.

'I've been in West Penwith for over two years. Someone mentioned Digital Peninsula Network to me soon after I arrived. I popped in and got the booklet. At first I found some of the blokes in the centre a bit geeky, but they are all nice guys. When I needed some help, they were there when I popped in.

'I've had technical support and have been able to use the machines in the centre when my computer was down. Everyone's always been very helpful when I asked questions. I've also used the books they have in their library.

'I went on a course on time management and also one on grants. The grants seminar was very good and I gave the info to others who I thought would find it useful. I don't think I've been as sociable as I could have been - you can feel pretty **isolated** working on your own from home.'

Home working can be an important fallback position for businesses in rural areas, as Stephanie's experience shows. As her business expands, she is seeking to take on a small office. 'But they are hard to find round here. So having DPN as a **second office** is very helpful. The centre receives courier packages for members - incredibly helpful for me as currently I get packages from overseas delivered to my London accommodation address and then posted down here, which slows things down. I also need a good website and a reliable web designer and expect to find one locally via DPN.'

Illustrating the need to link rural businesses to work in big cities, Stephanie explains that she pays £800 per year for an accommodation office in north **London** with free boardroom use for meeting clients. 'I may be able to team up with other DPN members to get a discounted place in central London with more facilities by sharing the cost.

The company employs an assistant in Zimbabwe. Stephanie is currently doing an entrepreneurs' course for 10 weeks at Plymouth University. 'It's all about **scaling up** your business. I'm asking myself, how could I create a bigger business down here? The right support and infrastructure in an area like this is critical.'

Case two: Rural Women's Network, Cumbria

The economy of Cumbria is emerging from the 2001 foot and mouth outbreak in a very different shape. Rural Women's Network, initially set up to support women in farming, now links up and supports hundreds of members in a wide variety of business activities

At a glance

What is it?
More than 3,500 women in Cumbria are on the Rural Women's Network (RWN) database of contacts, with 276 rural women's businesses featured in its on-line business directory, most of them run from home
www.ruralwomen.org.uk

Location
There are staffed offices in Penrith, and services are provided across the county. Local networking groups meet in eight different parts of the county: Brampton, Broughton in Furness, Cockermouth, Egremont, Kendal, Kirkby Stephen, Penrith and Wigton

How it works
RWN supports women in rural parts of Cumbria to start and develop their businesses. They use a variety of techniques including an information sharing website, facilitated networks, mentoring, business advice, training and celebration of achievement through awards, get togethers and events

Funding
The network's core costs were funded by a National Lottery Community Fund for the north west region grant of £285,000 for three years from September 2001 until August 2004. Various other sources of funding, including Northern Rock, EQUAL and Phoenix funding also contributed. RWN also works in partnership with Business Link for Cumbria, which contracted out the delivery of a start-up support scheme (POINT) to the network and a number of other enterprise agencies. Redundancies will occur by spring 2005 unless more core funding is found.

Results
Outputs so far recorded since 2001 include:
- over 2,500 members receiving information
- 798 women taking part in networking opportunities
- 348 women taking part in training events (personal development and business skills)
- 400 women receiving training bursaries
- 366 receiving one to one business advice
- 65 business start-ups
- over 100 jobs created
- 29 women supported through the Business Link franchise POINT programme, to obtain a £1,000 grant towards business start-up costs

RURAL Women's Network exists to help women in Cumbria realise their full potential through enterprise and the development of workplace and personal skills. It enables participants to gain confidence in their ability to create a business, learn new skills, work with like-minded women and improve their prospects of finding work. Its role as a supporter of business start ups for Cumbrian women was given greater impetus following the foot and mouth disease outbreak in 2001.

'Our predecessor project was a smaller organisation that helped farming women through networking and providing information. Its funding ended just as foot and mouth disease was hitting Cumbria very hard.' says programme manager Gillian Murdoch.

Given the need to make the Cumbrian economy **less dependent** on livestock farming to avoid another shock, helping women - often farmer's wives - to diversify into alternative sources of income suddenly became a very high priority. With many saying that the traditional business support model was not well placed to help them, alternative solutions were listened to carefully.

The National Lottery Community Fund for the north west region agreed to support the establishment of a new Rural Women's Network in September 2001. Its remit over 3 years was to:
- set up a business support network for women, targeting 1,200 beneficiaries
- cover all Cumbria
- create a business directory, website
- hold 180 network events, an annual conference
- make 9 alliances and partnerships
- hold 30 seminar events for at least 300 women
- recruit 30 volunteer mentors.

The Rural Women's Network has achieved these outputs and succeeded in encouraging a number of women to consider starting a business for the first time. Members now run a wide range of businesses such as plumbing, secure document storage, art and crafts, food and catering, business services, retail and holiday services.

There are nine support staff including a combination of local farming women, and some women who are new to the area. Alison Marrs, networking and training co-ordinator, lives locally on an organic dairy farm. 'This has been a pretty old fashioned area in its attitudes to women and working,' she says, 'but in the last two to three years we've made a bit of a dent.'

Newcomers like the programme manager Gillian Murdoch, who is from New Zealand, have added an external dimension: 'Maybe incomers bring a different perspective to local issues,' she says. 'This is an area where women have not traditionally been the direct breadwinners. A continuous task is to gain acceptance from some of the men that women can contribute to household incomes, while early network research showed that boosting the confidence of the women to realise they could do it was also important.

How the network operates

'It's the way we package and deliver our service that makes the difference,' says Gillian. 'We have a friendly and down-to-earth attitude that ensures our clients are comfortable with us. We **go to our clients**, they don't have to come to us, so we can understand and support their **real working environment**, which is their home. We take this seriously.'

Four staff provide one-to-one business support, often in women's homes, and business skills training courses. Members can also access support in areas such as market research, ICT, branding and business promotion.

Two networking and life skills staff co-ordinate a wide variety of events, ranging from local meetings to a major award-giving lunch and an annual conference. There are eight local groups meeting in hotels throughout Cumbria, and **four themed groups**. These are based on identified need, covering catering, complementary therapies, equine businesses and art. Meetings, usually held monthly, are open to all members and feature speakers on common issues such as raising finance or publicising your business. Increasingly speakers are fellow members of the network, rather than invited 'experts'.

A key part of the package is personal development training, aimed at building up women's confidence to enter a new world. Networking is also supported by a website of women's services, face-to-face events and increasing encouragement of women members to identify and support each other.

Evaluation

'It's a combination of feedback via evaluation and an advisory steering group – which we revamped in 2004 to think who else needed to be on it. We have people like Rural Regeneration Cumbria, Business Link, the Learning and Skills Council and various individuals from higher education' Gillian says.

'We haven't formally recorded a lot of economic activity yet. We know we have members with turnovers ranging from £5,000 to £115,000. I'd estimate our members are making an average turnover of £20,000 today. Women who have gone through the POINT business start-up scheme, contracted by Business Link for Cumbria, are recording their turnover but this is still early days and we haven't done any analysis yet.'

What works

National and local recognition has come as the network is one of 15 women's business support organisations that received flagship status under PROWESS. This is the UK-wide advocacy network that supports the growth of women's business ownership through developing effective women-friendly business support infrastructure. It is funded through a mixture of membership fees and support from Equal, the Small Business Service, Royal Bank of Scotland and East Midlands Development Agency (www.prowess.org.uk).

In October 2004 RWN won the 'Most innovative Cumbrian business support provider' award at the Pride of Cumbria Awards, an event hosted by Business Link for Cumbria. In January 2005, RWN won the Cumberland News' community contribution award for a group.

Our individual case studies highlighted the particular success of a **networking auction** and business awards lunch in December 2004 which attracted over 100 women. Over 60 requests for help or information were met from within the room. By asking for and offering help, women were encouraged to meet **each others' needs**, creating ties that otherwise would not have existed

Celebrating **success** by a range of prizes helps highlight what can be achieved. At the December 2004 lunch awards were given out for: the best woman rural entrepreneur, start-up business, existing business, most innovative and best training.

The importance of showing women what **can** be done is central to the project. Entrepreneur adviser Bev Bamford emphasises **achievable ambitions**: 'We try to get speakers at our events who our members can aspire to be, an appropriate role model, not some superstar. They are Cumbrian women with children and we need to be realistic. We aim to help them grow their business bit by bit, in stages with milestones As a result of its support for business start-ups, over 65 women's businesses are now trading, contributing to a local economy still fragile in the wake of foot and mouth. 'Generally they use local suppliers, helping to breathe life back into the wider economy here, and acting as an exemplar of what women can achieve doing business in a rural setting,' says Gillian.

Lessons learnt

Gillian believes that, by **learning together** as a group, members have picked up skills and expertise much faster than they would have done attending ad hoc events on their own. 'In the area of business skills, we initially did five different workshops separately. Over time we developed them into an integrated seven week course. Our personal development course is also now an integrated four week course.

It's also vital that the organisation is seen as being **professional**, to gain credibility in a traditional man's world, says Gillian. 'We were not initially invited to economic forums and other gatherings, so we had to be better than the rest. We have delivered high standards of service and tangible results. Now that we've proved ourselves, we are taken seriously with the contract to deliver Business Link for Cumbria courses a first step towards mainstreaming.'

Although the project is Cumbria based, members need to be encouraged to look beyond the county borders. The lesson is that to be sustainable, local businesses need to consider markets **beyond** the immediate **local** area. If they do not, any future crisis like foot and mouth will hit not only the farming sector but the pockets of those who buy goods and services from members' businesses.

Our study came across several men, especially from farming backgrounds, calling the network's activities 'a gossip shop' and implying that the support given to it was disproportionate. Where a major restructuring of an economic landscape is underway, mechanisms such as the RWN need to take account of this potential **misunderstanding and hostility** to their activities. Sensitivity to needs of those feeling displaced has to be shown both by initiatives themselves and by mainstream funders.

Partnerships

The network is deliberately **outward looking**, learning from other projects outside Cumbria and the UK, including urban models, Gillian says. 'We have learnt from other projects such as Train 2000 in Liverpool. We learnt a lot from their women-oriented business start-up course, which we incorporated into our own. As well as emphasising business skills, the course helps women consider the impact running a business will have on their **family life**, and provides tools for them to negotiate critical issues in advance.

'We have developed strong relationships with a range of UK partners through the Accelerating Women's Enterprise partnership (www.awe-uk.org.uk) which brings together a number of leading agencies operating at the cutting edge of women's enterprise development. We also exchange information and ideas about best practice with a number of other partners across England, including Devon county council, Business Link Yorkshire and LEADER in the Peak district. From these various contacts we've had useful tips on how to share knowledge in networks, and also about providing appropriate role models for our audience'.

'Further afield we've also connected with groups in Sweden, where there is a lot of farm diversification, and a group that gives business advice in remote rural areas of Slovenia. It's valuable to see how far Cumbria has come, while we've been helping women in Slovenia.'

Plans for the future

To highlight and promote the importance of the contribution of women in rural communities and economies, the Network decided to host the first National Rural Women's Conference at Carlisle racecourse in April 2005. The conference planned to have a variety of contributors including senior managers from the Countryside Agency, DEFRA, Cumbria Vision and Jenny Shipley, former prime minister of New Zealand. It will be an opportunity to test the feasibility of whether there is a need and demand to run a national Rural Women's Network.

The Commission for Rural Communities is providing financial support for this conference, and its Deputy Chair, Pam Warhurst and Acting Chief Executive, Margaret Clark are both speakers.

But despite a growing reputation, the future of much of the network's work is uncertain. The main funder, Community Fund, turned down a continuation bid because their local priorities have changed. From April 2005 the network has 'bits and pieces' of funding, but unless a replacement for the Community Fund support is found, it will lose its ability to run:

- personal development training
- employment skills training
- all its networks – local and theme based
- information signposting
- administration support.

The mainstream support challenge

The Network has a contract, from early 2004 to June 2006 to deliver the business start-up scheme to its members on behalf of Business Link for

Cumbria. It is designed to provide women with the skills and support to produce a business plan and start implementing it. A staged £1,000 grant is paid once the business plan is completed and after two monitoring visits. To learn how to do the plan women can either attend a series of courses – the RWN Business Start-Up course- designed to take them through all aspects of starting up their business, or they can study at home.

There is a self-study workbook, designed for the course, and a member of the RWN support staff visits the women at several stages, to give feedback and advice. This **flexibility of delivery**, both in place and timing allows women with other responsibilities to work through the course their own pace. This **innovative delivery**, serving a hard-to-reach group, has been recognised by being mainstreamed via Business Link for Cumbria.

But support for those already under way with their businesses - vitally important to maximise their chances of success, the project believes - will dry up. Gillian identifies both lack of funding and **explicit targets** as an issue 'The delivery of the national women's entrepreneurship agenda was never supported through the provision of funding for delivery, and the responsibility for the implementation of the national agenda is in the process of being passed to RDAs. Additionally, the project believes that the emphasis placed on hard outputs ignores the importance of the process women go through to start their business, and the softer skills developed as part of this.

Longer term sustainability plans are being drawn up, which may incorporate charging for services. But the team is still working on accessing funds to keep the networking support aspects of the project going into the future. 'At the moment mainstream providers mostly have a one size fits all service', says Gillian. 'It's not just women who have different needs, there are other target groups such as people from a BME background. We want to build on our contract with Business Link for Cumbria where we are mainstreamed but delivering a targeted and focused service. What needs to be done is to roll out a similar approach in other rural areas'

Contact
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01768 210997

Clare Bland - ice cream parlour
Clare Bland runs the Abbot Lodge Jersey ice cream parlour and tea room on a farm just outside the village of Clifton. It is open all year, with a large window facing onto a children's playground with 20 picnic tables.

There is a spacious function room upstairs – where meetings and photographic exhibitions have been held, and a viewing area to watch the calves - this is a local 'treat' venue, a tourist attraction and a place for businesspeople to meet.

There are over 15 types of ice cream made here. The parlour also makes ice cream cakes. 'We restocked after foot and mouth – our herd had been completely destroyed,' says Clare. 'Stalls for calves in the

shed were getting very tight for the breed we had before, so we restocked with Jerseys. So I decided to give up my previous secretarial job and to work at home on the farm, diversifying into ice cream production.'

The parlour opened in June 2002. Assisted by the network, it got a DEFRA grant via the local rural enterprise scheme, of £55,000, which covered 40% of the costs of turning a gincase into ice cream parlour' (a gincase is an area where a horse walked round turning a spindle to power machinery).

Clare came across the network when she was looking for a training scheme on how to make ice cream. 'They were really helpful,' she says. 'They paid for travel and bed and breakfast costs for my husband and me to visit Roskilly's ice cream on the remote Lizard peninsula in Cornwall. It was very useful. One of the things they advised me not to do was to get into distribution. They have plenty of deliveries to do during the peak summer months when Cornwall is full of tourists. But during the winter they still have to send a van out to keep topping up supplies in surrounding towns and villages and it's not economic for them. So I don't deliver – it's all here, and I learnt from other's experience.'

Clare is part of the network's 'action learning' group who are supporting each other to help grow their businesses. 'Some men call this just a gossip group, but I've found incredibly useful. I've brought an issue to the meeting – it's about part-time staff. How can I afford to pay a person over the entire season when I've got fluctuating levels of demand? The group explored the issue at a wider level and as a result I'm currently looking for one person for two days a week.'

Although she no longer commutes, transport issues are still a still big challenge for Clare. How do visitors without cars access the farm? 'In a rural area you have to be much more organised than in the town – as you can't just pop down the road if you run out of 20p pieces, or some critical ice cream ingredients. It's a major expedition.'

Sally Seed - communications consultancy
Sally Seed runs Stoneleigh Communications from her home in the picturesque but isolated village of Orton about 12 miles south of Penrith. There's a chocolate factory opposite her house, and a primary school just down the road for her five year old son.

The public relations and communications consultancy offers writing, editing, media relations and crisis planning/training. 'I used to work part-time in a major chemical business in Macclesfield, in communications,' says Sally. 'Now my friends say I run a Robin Hood business, charging larger corporate clients higher rates so I can charge smaller local businesses lower rates. I also give the village post office about £800 pa of business.'

Sally has made a profit in her first year, and she's particularly pleased that new client business, not connected with previous employment, has broken even. 'You need to trust. At the beginning of the summer I didn't have much work on my books, but my network adviser said I was doing all the right things. And then I got asked to do a fortnightly newsletter

during initial reorganisation phases after an acquisition. So I ended up being pretty busy. I never met the client face to face, all our communication was by phone and e mail.'

Sally can be time flexible by working at home. She tends to work while her son is at school and then after he's gone to bed. 'I once managed to track down an elusive client contact in Helsinki by ringing him at 6.50 am – he seemed surprised! My time flexibility means that I can also work with USA clients later in the evening.'

Sally saw a network marquee at a National Trust event in October 2003, before her family moved to the area. 'There were four or five members displaying their goods and they had information on the network. I saw that and thought ''that's what I need when I get here''.'

When she arrived, she did the network's business skills course in a hotel in Appleby. 'It only cost me £35. It was really good to get marketing consultancy, an outsider's view, that was very helpful. Also two months later, I had a visit from a business adviser to provide another perspective on how I was setting up and running my business. That, for me, brought reassurance I was doing the right things.'

Today she is an active member of the Kirkby Stephen network group, and is giving presentations to members in other groups. 'I did one in Ullverton and called it "right words to the right people" rather than using any more technical words. I'm also part of an action learning group and have brought up issues of clashes I've had with dates required by clients. So I've developed my assertiveness on when I can be available, and I'm also beginning to build a network of people with similar or complementary skills.'

This work led her to start an informal mutual sub-contracting group to share peaks and troughs with fellow practitioner members of the network. 'We're also aiming to be capable of jointly bidding for and coping with bigger contracts than we could manage on our own. I'm getting business referrals via the network, and some of them are translating into real business.'

She says she would ideally like somewhere to get things delivered when she is out. 'Also in the future I can see need for me to have some affordable occasional workspace. I have heard of a scheme in Cheshire that houses 20 small businesses who pay jointly for a receptionist and meeting room. There are 4 or 5 disused chapels in this area - maybe they could work?'

Currently she uses the Westmoreland Hotel and North Lakes Hotel – they have large reception areas for coffee and meetings with clients.

'What I really miss is my previous employer's computer information and telephone helpdesk. I did notice at the recent network talent auction there were lots of requests for how to email images, how to download images from cameras, transfer files etc. We need technical computer support.'

Catherine Cannon - publishing
Catherine Cannon, who has lived in Cumbria all her life, runs Red Wellies Publishing from her home in the village of Great Strickland. It is

a self publishing business for her children's books about Felix the fast tractor (www.felixthefasttractor.co.uk)

Catherine started publishing in April 2004. The first book has sold over 3,000 copies. A second book was published in December 2004. An additional source of income is Red Wellies consultancy, a PR and marketing consultancy.

'My printer is in Penrith, my illustrator in Carlisle. I'm making sure I supply retail outlets all over the area.' she says. 'I deliver the books myself, and I'm also using one national book chain.'

She came across Rural Women's Network when she was thinking of leaving her job as marketing manager for a museum in Carlisle. 'I didn't want to commute and wanted to see more of my children.

'I've had a lot of help from the network on setting up my accounts and start up issues like law. It's lots more flexible than the other agencies I've met. I'd already prepared a business plan and the network accepted that for my application to its POINT scheme. I didn't have to restate my entire business plan to fit their requirements.'

Publishing requires a lot of cash up front to pay for printing, so cash flow is an issue for Catherine. She obtained a POINT grant from the network - £1,000 for member businesses with a clear business plan - to help with this. 'The money wasn't the most important thing. It was having a support network – having someone you can ring who knows your business and can help. I feel more secure knowing the help is there. They are brilliant.'

What other services does she feel she would ideally like if they were available? Catherine does not regard herself as knowledgeable about computers. 'I've got no time to go on courses. But I have just got broadband and would like someone to come and install things I need, to come round and show me how to do it. I need to know how to use spreadsheets and maybe databases, as I only use Word and a calculator for my accounts.'

Catherine went to the networking and talent auction lunch. 'Lots of people said they wanted a website or computer type help, so I'm not the only one. As my business grows I see that I will eventually be negotiating with big distributors. That's when I'll need negotiating skills training, so I'm on an even playing field when doing deals with organisations much bigger than me.'

Jan Rhodes - bed and breakfast
Jan Rhodes runs the Riverside bed and breakfast on the banks of the river Eden, near the village of Great Corby outside Carlisle. It's part of a hamlet of three dwellings and a farm. As well as a bed and breakfast Jan is breeding Shetland sheep for their wool and ultimately for spinning.

Jan and her husband were both teachers near Lewes in Sussex before relocating. They have two children and wanted to escape the rat race of southern England. 'In 2001 my husband got a job in a pupil referral unit in Carlisle, and so we moved up to Great Corby,' she says. 'My running the bed and breakfast was part of the plan. I had a tester in autumn 2003

- both to test demand, and to see what the impact on my family of having strangers staying in the house would be. It worked out OK, so the business actually started in February 2004.'

Jan found out about the network when she went to a tourism business event at Carlisle racecourse. Rural Women's Network had a stand there, with members showing what they sold, and some of the staff. 'They made me feel welcome. I'd tried the Cumbria tourist board and they couldn't help. In fact they put me onto the North West RDA and they couldn't help either. As this house isn't part of a farm, it couldn't go into the Farmstay brochure. In the end I decided this was a blessing in disguise as I'm marketing a different image. We get people like anglers and walkers and as we're relatively close to the motorway we also get people looking for a friendly stopover.

'I tried Business Link via the internet and printed off their pro-forma business plan. I got put off. It just wasn't user friendly.' What support did she find more useful from the network? 'I had the opportunity to get a £1,000 Point grant, but I had to produce a business plan to draw down the money. I needed training in how to do it and the network offered me a choice of a set of evening classes, or self-supported home study system – working through questions at my own pace. I chose to do the course at my own pace.'

'What's different about this workbook is that there is an emphasis on reflecting and being sure it's what you want to do. It suggests you don't go ahead if there is a slight niggle, that you make sure your family is behind you, etc.'

When Jan was ready with the first sections of her workbook, which included lifestyle considerations and market research, she rang the network and someone came out to her to deliver one to one support. 'She also told me of other network members who were doing bed and breakfast.'

Jan wrote her own business plan over about two months. The Point grant was released in stages after monitoring. In her first year Jan put money into advertising that wasn't effective, but not too much as the grant was staged. 'If I was given £1,000 at the beginning, I might have wasted it in the wrong areas. Instalments made me more careful,' she says.

'I always get the impression the network is there to help if I need them. Background support makes you feel comfortable in business when you start up. They don't look down their nose at you. Up here it's a man's world, but I felt very comfortable with the Rural Women's Network.'

Case three: Calder Connect Co-operative

Calder Connect Co-operative (3-C) in West Yorkshire was one of the UK's first community-based internet service providers. A flagship member of the Community Broadband Network, it has chosen to extend its impact well beyond its technical service. Its presence has uncovered a cluster of home-based businesses which it helps to collaborate, with face to face as well as virtual networking

At a glance

What is it?
3-C is a member-owned co-operative, costing £1 to join. Set up and maintained mostly by volunteers, it buys wholesale broadband from the Phone Co-op and sells it on either as wireless or wired ADSL to its members at discounted prices, typically £15/20 per month for 1Mb wireless, or 512k wired ADSL. It has over 500 members in around 300 households

Location
3-C is a modern 'virtual' organisation. It is available to residents in the Upper Calder valley, West Yorkshire, which includes the market towns of Hebden Bridge, Mytholmroyd, Todmorden, Sowerby Bridge and nearby Ripponden. This represents a population of around 50,000

How it works
The co-operative owns a share in the broadband provider, thereby reducing costs and giving the community the potential to control future developments. A paid administrative assistant supports a range of technical volunteers who install wireless or wired broadband in people's homes and provide technical support. There's a growing number of wireless points fixed to local towers and high points in the hilly Calder Valley, so the number eligible for cheaper, higher performance wireless is growing

Funding
3-C is run mostly by volunteers. A Community Broadband Network presentation summarised this as 'sweat equity'. Apart from sales of broadband, which have yet to break even, it is funded by a mixture of loans from ICOF (Industrial and Common Ownership Fund), and grants from local councils, and West Yorkshire Social Enterprise Link. A spin-off project, involving members of 3-C, with a working title of the engine room, has received £10,000 from social entrepreneur support agency UnLtd to develop plans for further networking, training and skills sharing

Results
By the end of December 2004 the co-operative had 530 members. 250 had signed up to buy broadband, 30 through wireless, 220 through wired ADSL

IN EARLY 2002 a Hebden Bridge-based community website, Hebweb

started a campaign for broadband in the area. The nearby market town of Todmorden had got phone-wire based ADSL broadband from BT with a trigger of the minimum level of 200 interested customers. But there were no plans for it in the Hebden Bridge area.

The Hebweb campaign group, based in the upper Calder valley, was formed by individuals specialising in web design and internet services to spearhead the campaign. In early 2003 consultant Mark Harrison was commissioned to deliver a 'digital profile' of the area, to show how it would benefit from broadband. 180 replies were returned on paper or a web-based format within three weeks. The exercise uncovered previously hidden aspects of economic activity in Hebden Bridge and Mytholmroyd - an area that had not realised before that it was the base of a cluster of home-based businesses. The district of Calderdale overall has 8.75% of people employed in home-based working, but in the Calder Valley ward the percentage goes up to 11.64%.

Forty five of the 180 respondents were home-based workers or individuals using digital technologies to do significant amounts of work at home. Only 20 had ISDN or satellite connections, all others depended on dial up access to the internet which was causing them to suffer a competitive disadvantage.

Very few conventional visible businesses responded to the questionnaire, despite it being widely distributed in the centre of the town. Many of the respondents had been previously invisible to each other and to the campaign group. Over 130 (72%) respondents stated the thing that would most improve their ICT working life would be faster internet services.

Using wider figures, combining all those already using or wanting broadband as an indicator of home-based business activity, as well as survey results, Mark Harrison concluded:
- there were at least 400 to 500 micro-businesses and homeworkers active in the Hebden Bridge and Mytholmroyd area
- there was a need for education in the business potential of digital services and applications
- there was enthusiasm for local ownership and control of any broadband provision, to cut costs.

In May 2003 Anne Handley, then co-ordinator of the local homeworkers' group for Hebden Bridge and Mytholmroyd, focused the group's monthly informal lunchtime meeting on the lack of broadband. This coincided with BT reducing the trigger level for broadband in the area from 500 to 300.

Sitting in the central Hebden Bridge pub the Shoulder of Mutton, which is now one of three wireless broadband hot-spots, Anne, who became a board member of 3-C, takes up the story: 'About 50 people came to the first meeting in Hebden Bridge to discuss setting up a community provision for broadband. By July 2003 Calder Connect Co-operative had been formed, with £600 seedcorn funding from Hebden Royd town council. It buys broadband in bulk from the Phone Co-op and then sells it on to its members. Orders for broadband were being taken from September 2003 and installation in people's homes started that October.'

By December 2004 there were 530 members of the co-operative, of whom 250 had signed up for broadband. Thirty paid £15 per month for a wireless connection, and 220 paid £20 per month for ADSL broadband.

3-C acted extraordinarily swiftly to establish itself and roll out wireless broadband in the area. It created three public wireless hotspots: in a pub and a cafe in Hebden Bridge and a cafe in Todmorden. These locations provide meeting places where home-based businesses can network, share knowledge and plan ways to work together or buy each other's services.

Today, anyone who subscribes to 3-C broadband can get a password to use the wi-fi facility for a fee of £30 per machine. 3-C is a pioneer here as well, using an encrypted security system (802.1x), which prevents the usual wifi problems (when those nearby can tap into your broadband and sometimes even files when your computer is on).

What works
Anne Handley identifies several factors that contributed to the speed of 3-C's rapid establishment as a business network:
- having a single clear shared goal
- access to expert information and connections - notably Andrew Bibby, resident and national specialist journalist - he arranged for Poptel, then an independent co-operative providing internet services, to explain how they operated as a co-operative back in 2002 to an existing large cluster of homeworkers, including many willing to contribute resources - time, skills, enthusiasm and persistence. 'It was our own idea so we put more into delivering it,' says Handley
- Several cafes in Hebden Bridge provided places for people to meet, network and plan.

'Our technical engineers are our equivalent of community development workers when they go into people's homes'

Once the co-operative was formed, its continuing success in attracting new and enthusiastic members was not just due to its competitive prices, but also its level of service. 'Our technical engineers are our community development workers when they go into people's homes, although they don't see themselves as such.' All those who sign up for broadband at £15 or £20 per month get a personal visit from a volunteer technician to actually install it.

Lessons learnt
The co-operative's strength in having very little reliance on outside funding is also its weakness. The financial model does not so far allow for any substantial core funding. Movement towards break-even needs interim funding for working capital. The decision to substantially undercut commercial potential rivals' prices while delivering a high standard of service based on voluntary effort may have raised expectations of a continuing level of service that 3-C will not be able to sustain.

Anne Handley identifies some key factors that led to a high level of stress experienced by the leading lights in 3-C:
- lack of funding to **pay employees** or compensate for self-employed people's loss of earnings during the early set-up stages

- lack of access to support on how to **organise a co-operative**, from a people perspective rather than a technical one. The current structure of both a board and an executive has taken a year of discussion and negotiation to achieve
- lack of prompt funding to **train volunteers** early on when the network was taking off

'We need a blend of the community aspects of a co-operative with some hard-nosed business sense', says Anne Handley. 'How can we get people to realise that £20 per month just pays for their broadband? The extra connection and service support is provided by volunteers - we need members to recognise and value that.'

Time will tell if the pioneering activities have generated an alternative business model in a fast evolving technical climate. As 3-C is an internet service provider, competition rules do not allow funders to support its operation from business support funds.

Funding of £10,000 for technical and diagnostic equipment for the volunteer technicians has come from social entrepreneur support organisation UnLtd. Because it does not fund incorporated groups, the technical support volunteers formed an unincorporated standalone 'technical engine room' which has been able to receive the funding.

'The 3-C project has been a catalyst, connecting hundreds of home-based businesses in a way that would have been unthinkable before'

No-one is receiving personal benefit, but this separation to match a funder's requirements has created some disquiet at the dilution of co-operative principles within some members of 3-C.

As the individual case studies show, the formation of the 3-C project has been a **catalyst**, connecting home-based businesses in a way that would have been unthinkable without an initiative like this.

However, generating social and financial capital often does not operate at the same pace. It is not realistic to expect a new organisation that is so obviously delivering on its social goals to also be financially viable in its first year.

3-C is the subject of an extensive research project based at the Institute of Work Psychology at the University of Sheffield. An initial report by an MSc student has identified a theme of potential volunteer burn-out and stress experienced by those closely involved in the setting up of 3-C.

Partnerships
Rob Wilmot of Freeserve joined the initial management committee of the co-operative, and gave it excellent publicity, describing it 'having the potential to be one of the most innovative schemes in the country'.

ICOF, the co-operative based Industrial and Common Ownership Fund, provided a three year loan of £20,000 in April 2004. This is helping to fund working capital needs.

3-C is seen as a showcase member of the Community Broadband Network and Anne Handley has been asked to mentor other organisations seeking to follow the same route.

West Yorkshire social enterprise link has provided two grants of £4,000 each to help create conditions in 3-C to enable someone to be employed. Ian Clark has been now employed since September 2004 as full time administrator, working from home. So far he is the only paid employee.

Hebden Bridge town council provided a grant of £3,000 to pay for putting up four wireless access points on tall buildings such as a redundant mill chimney and church steeples. Each wireless access point can potentially provide wireless broadband for 100 customers.

There are also growing links with the multi-million pound Upper Calder Valley Renaissance project (www.ucvr.co.uk), which is funded by the RDA Yorkshire Forward, currently at the planning stage. The project aims to 'transform the stunningly beautiful valley into a self-sustaining, green and prosperous series of linked communities'.

Its website tells local residents about 3-C. Buzz, the business, marketing and IT action group of UCVR, is carrying out a survey of homeworkers' needs for a meeting space, hot-desking etc, to establish demand for a **hub support centre** in the market towns at the bottom of the valley.

Plans for the future
3-C's constitution states that the co-operative seeks 'to work as a not-for profit organisation to provide the communities of the Upper Calder Valley with evolving state of the art communications networks to enhance the quality of commercial and social life for residents and stakeholders'.

Break even point is either around 600 wired ADSL connections (230 at December 2004) or 120 wireless connections (30 at December 2004).

'We've got two big wireless access points up and running at the end of 2004' says Ian Clark. 'Wireless is much more cost effective for us, and as one point is on a chimney in the middle of Hebden Bridge and the other on a church tower in Mytholmroyd, we're thinking of suggesting to existing customers they change to wireless. We're marketing ourselves much more strongly and in the first eight days of January 2005 new members came in at the rate of one a day.'

'Potential in-migrants now contact 3-C before moving to the area'

Potential in-migrants are contacting 3-C in advance of moving to the area, adds Ian. 'We're starting to receive phone calls from all over the country from people thinking about moving here. A chap who's coming up here from Kent, having previously worked in Australia, wanted internet access from his home – his employer had agreed to pay for him to have this. He contacted us and we had him online within a week.'

The mainstream support challenge
The formation of 3-C has brought together a whole community of home-based businesses who mostly did not know each other existed. The major plans for the Upper Calder valley renaissance project will now include their requirements. Previously they may not have even been noticed.

Spin-offs from 3-C members such as the 'engine room' and the hub idea are growing at a fast rate to respond to changing opportunities. The mutual business support and collaboration aspects of 3-C could be

encouraged with funding for its website, training events and hub-based meeting places/shared facilities in the market towns along the Calder valley.

But becoming an ISP is a commercial activity. The risk is that 3-C's success at generating a good part of its required income through using its own initiative make it harder for the public sector to support it.

If so this will demonstrate that a genuine public-private partnership to deliver business support, with significant leadership from home-based businesses themselves, is a model that challenges the current approach, rather than fits it. In terms of grant funding and support from mainstream funding, hand outs seem easier to obtain than 'hand ups'...

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Anne Handley - science publishing

Anne Handley lives and works in Mytholmroyd, West Yorkshire. Her business, AWHEdits, was founded on the back of her 20 years' experience in science publishing.

Having worked from home in a remote working trial with her last employer, she was made redundant in 2001 when high level jobs like hers were outsourced to the Philippines. She decided to set up her own business in the same field.

Anne has been a main co-ordinator of 3-C as a volunteer. 'I've received a lot back from 3-C as well,' she says. 'Broadband arrived here earlier than it would have done, thanks to 3-C's campaigning. It is essential for my work.'

Being a member of 3-C has expanded the circle of people she knows who are in the same work situation as her, she says. 'We **support each other**. I've even found another information consultant member of the co-operative and already we have put in a couple of bids for work together.'

Anne is involved in a number of spin-offs from 3-C. 'I'm putting my organisational approach together with more technically qualified colleagues and we're planning what we're calling an **engine room**, based on an empty building in our nearby market town Hebden Bridge. We want to convert it to a hub. It'll provide meeting rooms, hot desking for home-based businesses, and a place to meet, network and access training courses. I've also built up trust and confidence in, for instance, web designers who are members of the network.'

Anne says that her experience of 'normal' business groups reinforced her sense that a more appropriate project like 3-C was needed. 'When I became self-employed, I went to chamber of commerce evening meetings for small businesses, on business planning, tax issues etc. I just didn't meet anyone else in the **same situation** as me, anyone useful for networking. I would have appreciated the same concepts discussed from a service provider perspective. The meetings were also usually

held in Halifax, the nearest large town, it would have been nice to have them more locally.'

Wanting to create a website for her new venture, she enrolled at Bradford University. 'It was a great course, but what a long way to go! Locally the only courses were the European Computer Driver's Licence, a very general computer usage qualification, and I didn't want the whole thing.'

She also believes that a hub, such as the one 3-C is trying to create, could help people like her launch their businesses more quickly and effectively. 'I had my redundancy money to help me and my ex-employer left me some office equipment. If I'd had to invest my redundancy in a computer, I'd have wanted to share facilities to start with – to try before I buy, make sure I got what I needed. I'd have liked somewhere where I could rent a workstation.'

'For new businesses it's good to be able to share facilities to start with – to try before you buy, to make sure you get what you need'

Fay Robinson - legal research

Fay Robinson lives at the bottom of the Calder valley in Mytholmroyd. She has a major client, a local law firm, for whom she does internet research for witnesses and facts on cases like asbestos claims. 'I give them an edge,' she says.

Fay is an internet pioneer, having worked at home since 1979 and with the internet since the early 1990s. She recognised the possibilities of the internet, went to the law firm with her suggestions, and they said 'show us what you can do'. She did. 'They were shocked at how much I could do!' she says.

She came across 3-C at a homeworkers' meeting about broadband, when people were campaigning to get broadband in the Calder valley. 'Some bright spark said why don't we form our own ISP [internet service provider] and we did, just over a year ago.

'It's brought a lot of people together', she says. 'I know many people around here, but there are lots more working from home I didn't know. The biggest benefit of 3-C is that you are **less isolated**. We've all got a shared idea, we've matched our skills and made lots of new friends at the same time. All this came out of our early campaigning for broadband. Fantastic!'

3-C's technical support has been an obvious benefit, she says. 'Somebody who I met through campaigning connected two of my apple macs to a router modem so they both connect to broadband. With 3-C you can ask 'how do we do this?' and somebody is bound to know. Last week a colleague going to Madrid wanted Spanish radio on the internet to connect to the news. I couldn't make my machine work to get it, but within an hour of posting the question on the 3-C forum I got an answer and connected it up.

'With a network like this your isolation's gone. You no longer need to go into the office once a week which was the old style idea if you were a homeworker'

What additional support might help Fay work more effectively from home?
'A place to take **deliveries** for me would save me time. There have also been many times I could have done with easy access to a photocopier and fax machine. Libraries and supermarket are not ideal. I'd also value

somewhere to meet, to have a coffee with like-minded people. It's amazing what can be achieved when people like us work together.'

Patrick Gordon - web design

Patrick Gordon runs Rockmill Webspinners from the village of Luddenden, near Halifax, in a quiet little valley. Wanting to relocate for a better quality of life, he and his family left a village near Cambridge where he'd worked for a software company until he started his self-employment in 2000.

He arrived in the Calder Valley two years ago. The presence of 3-C, he says, was not decisive but was a useful bonus in **choosing the area**, which now has home business initiatives and activities and broadband.

'I helped with 3-C from the start,' he says. 'The human networking with other people has made a huge difference to me. I didn't know anybody in the area. I tried a couple of other business type associations, but they didn't have much life in them. So 3-C has been really about isolation-busting. It's also bringing me some work. Through my son's school I've met up with a local designer. He joined 3-C and as he can do design but not build websites, together we can work for larger and a bigger range of clients. We've already secured one piece of work together.'

Patrick has also got several local commissions already to add to his national contracts. These include designing a website for a shop, the Hebden Royd town council and the Upper Calder valley Renaissance project. 'I'm a bit technical and I'm part of the 'technical engine' we've set up at 3-C,' he says. 'Up to 12 of us meet monthly, to talk about things like computer networking. It's really helpful to keep aware of what else is going on.'

What additional support might have been useful to support Patrick in his home-based business? As a recently arrived inmigrant, **social business networking** is his top priority. 'Most of my previous work was through connections I made via friends, relatives or contacts in Cambridge. Also, I'm really bad at promoting myself, so I need some sort of support to sell my work. It's hard to generate brand new work from scratch.'

In common with many home-based businesses, Patrick chooses to **contract out** work rather than employ staff. 'The first step is a bit scary, it's quite daunting to get into PAYE and being responsible for another person as well as yourself and your family. I'm more likely in the short-term to work in co-operation with others, to increase both their and my business.'

He hopes that some kind of hub may become available to provide a focus for the networking that 3-C enables. 'I'd really like a place we could all go to **share skills** and knowledge, perhaps hold some presentations and events. I'd also like to be able to hire rooms there by the hour. It's OK to meet clients in your home once you get to know them, but you don't want to invite strangers there first time. I used one in Cambridge – a private sector place, full on with glossy leaflets and different sized meeting rooms. It was about £60 for a couple of hours back in 2001. That's what we need here.'

Roger Munday - architect

Architect Roger Munday lives in Blackshawhead, high up the upper Calder valley. He has been based in the area for nearly 30 years. For 15 of those he commuted to a job, then set up an office in Hebden Bridge.

In the mid 1990s he moved his business up to his home in the hills. There was little business being generated by having a shopfront premises in the small town and after his children left home there was space in the house for an office. He has a part-time secretary who lives just a few doors away.

'This house is like a **hub**,' he says. 'As well as paid work I do lots of voluntary work. The community newsletter is printed on my kit, local people can use my photocopier. I feel I am helping the local community to tick.'

Roger came across 3-C when Living Stones, a church-based charity he works for, wanted a website and the person they contacted was a prime mover in 3-C. Roger soon got actively involved.

'The broadband I get through 3-C is a huge help for my business. Because the technical team are on my doorstep and several of them use Apple Macs like I do, I get a really good standard of technical support. Even if my technical problems have been caused by my own internal software, they have always talked me through how to sort it out. Today I feel my business can operate freely with very little holding back due to location, though post comes later here, at lunchtime not early in the morning.'

Three years ago Roger set up **Blackshawhead Homeworkers** as a way of networking all the people he suspected were working from home. 'We meet informally four to six times a year, and especially for a Christmas lunch. There's lots of talk and exchange of knowledge and we create **mutual support** mechanisms. So if I'm away and I've got a package to be delivered, one of the network will pick it up for me.'

'There is one thing that's tricky: security of **data storage**. I keep a backup copy of my files in the boot of my car, to keep them away from my house. Ideally I'd like to be able to back-up on line via 3-C'.

Learning from the case studies

The case studies show the importance of providing a network that home-based businesses can trust, even if they do not need to use its services regularly. Building up this **trust**, and the confidence of self-employed people who had often moved from the comparative security of paid employment, takes time.

The social aspects of support need to come out of providing business-related support. It is vital to **evaluate** projects in a way that fits with the funders' agenda. If, as in Cornwall, many funders require you to track growth in revenue, you need to track growth in revenue. 3-C found that its activities as a provider of broadband could not be supported, even though, as a co-operative, it was providing them to a much wider section of the community than would otherwise receive them. Its 'engine room' concept that aims to bring people together to share expertise, training etc could be funded by the social enterprise support agency UnLtd.

All three case studies were apparently generating large amounts of **social** and **community capital** that was not being measured in any way. They were supporting the development of sustainable communities through reduction in commuting, effective use of buildings and encouragement of local purchasing.

As they were supporting many diverse small businesses, they were also **spreading the risk** of economic failure. These benefits need to be recognised. Techniques such as social return on investment, developed by the New Economics Foundation (Aeron-Thomas et al 2004) could capture the wider benefits of such projects and help make the case for continuing support from funding bodies.

One way of moving towards mainstreaming was for the particular delivery style of a network to be recognised as being appropriate for a **hard-to reach** group. This was the case with the Point business start up scheme franchised out to the Rural Women's Network by Business Link Cumbria.

Digital Peninsula Network provided the venue and clients for high value-added training supplied by the Cornwall-wide 'Let's Do IT' scheme. What was surprising about these cases was how home-based businesses had been working away, living near each other for years, and not known of each others' existence until the project introduced them. Although they all had websites, and often had very ICT-literate members, **face-to-face networking** was valued more than chatting on a website.

We found a number of similarities between the case studies. These included:
- all projects had members
- all shared the view that traditional business support isn't what members want/value - they were filling a gap
- existence of a network has given members confidence to relocate, continue or take more risks with their business
- intense volunteer input was required at times, which risked leading to burn-out
- members wanted to meet and talk to people in same position as them face-to-face
- projects survived on uncertain funding, with a risk of a short life span, but this also created flexibility and rapid response to circumstances
- projects were all offering something very different to mainstream providers, so found difficulty in accessing mainstream funding
- support, training or broadband installation was provided in a variety of ways including within members' homes
- projects are building alliances with mainstream deliverers, who trust them more once they are well-established.

What home-based businesses told us they need

- security of knowing there's someone they can **trust** to help/advise them

- **mentoring** by people who've faced similar issues and solved problems

- **connection** with people in a similar position

- **social networking** from a **business** perspective to help reduce isolation

- signposting to **responsive financing**, especially for one-off projects

- understanding that growth comes through **sub-contracting**, not necessarily through creating full-time employment

- possibility of **trying** equipment or software before they buy

- **hot desking** opportunities or possibilities of **renting** a workstation for people starting out

- help in **setting up** new computer systems

- reliable **IT support** if their system goes down

- accessible **meeting rooms** to be hired for short periods

- a place to take **deliveries** when they are not at home

- **marketing** support and advice, perhaps on a joint basis

- signposting to **reliable** plumbers/builders, general sub-contractors

Several of these requirements are **services** rather than **advice**. They are often uneconomic for one business to provide for itself, but could be provided for a larger **networked group** through joint facilitated purchasing. This could replicate the services big employers provide for their home-based employees and a group of self-employed businesses would provide the necessary economies of scale for services none of them could afford individually.

The evidence of Digital Peninsula Network members paying fees for membership and individual services show that home-based businesses are willing to pay for what they experience as valuable

5

Taking action at district level

In this section we propose a practical toolkit for local authorities and business support agencies wishing to support home-based businesses

THERE ARE three key ingredients in effective support for home-based businesses in a district. First is an **evidence based approach** to identifying them and their needs. Second is a joined up and strategic commitment - with goals against which the performance of those responsible for providing support can be **measured**. Third is the use of appropriate means of support, **tailored** to the realities of home-based working.

So a step-by-step approach is necessary. We suggest the one summarised in the box below.

Supporting home-based businesses - a step by step approach for local authorities and their partners

1. Gather **evidence**: identify numbers and trends from a variety of sources: VAT registrations, early broadband adopters, users of existing hubs, virtual offices

2. Create means to **connect** with home-based businesses to help your research: broadband adopters, local grass roots networks, send messages via virtual networks, use village shops, pubs, multi-service outlets as message centres, connect with social enterprise initiatives where they exist, use libraries and local media. Identify local home-based employees as well

3. Establish and describe a **profile** of home-based businesses to influence future work. Consult/disseminate via existing networks, both physical and virtual, identify priority needs

4. Recognise home-based businesses as a local business **sector** in its own right, one based on means of working not on product/service offered

5. Create a **policy** with measurable outcomes as well as outputs: examples could be increase in local purchasing/sub-contracting, to keep wealth in the local area, increase in business turnover, ability of home-based workers to form collaborative teams to work on larger-scale projects. Support significant level of mentoring both within the district and in collaboration with other areas

6. **Join up** this policy with agencies working in planning, environment, housing and transport: a home business policy should cover not only employment objectives but transport reduction, sustainable development, and the development of 'countryside capital'. A variety of agencies should sign up to support the policy with clearly agreed practical roles

7. Help to **establish a network** of home-based businesses which can operate at least on a basic level without funding

8. Connect home-based businesses with home-based employees in an area. See if any facilities can be shared or jointly delivered

9. Look for one off project funding to help with the **start up costs** of such a network. If grants are available that can support a more substantial intervention (e.g. funding of a project with staff and premises), be careful to focus on the exit strategy. The aim is to help home-based businesses **help themselves**/each other

10. Look at ways in which a **website** can be funded to provide virtual back up for the network - although websites are no alternative for face to face networking for often isolated rural homeworkers

11. Identify **champions** - home-based businesses with the interest and drive to help set up and run networks. The most sustainable and effective business networks are those run by real businesses, not by public sector agencies (whose role should be to enable and support them, not to lead them)

12. Identify appropriate **locations for 'hubs'** to support these networks: venues for face to face meeting, whether these be cafes, extended shops, existing cultural or other centres. It is important that they be natural places the home-based businesses would want to go, with the right feel. Market town centres are often ideal. NB Do not use business parks and industrial estates - these have consistently been found inappropriate and unappealing by home-based businesses

13. Perform a **mainstreaming test**: check that ongoing business support and facilities are equally available to home-based businesses as they are to traditional workspace based business

14. Test for **inclusivity**. Ensure that any support or funding for a network is made conditional on its services being available to all kinds of home business - low income and fragile as well as well established. Ensure that there is no discrimination based on gender, race, sexuality or differences of ability

15. Engage the **private sector**, such as banks, training providers and estate agents to set up or become involved in hub activities, provide mentors, and track levels of interest from potential in-migrants

16. Once the network is well-established, help it **sell your district** to potential relocating businesses. In-migrating high earners, who can provide a welcome boost to local GDP, are more likely to chose your district and to work from home rather than commute to separate premises if they see a well-established network and culture of home base business in the area

17. Become a two-way channel for useful information for and possibly from potential **in-migrants**, liaising to get up-to-date information from estate agents, solicitors, educational authorities. Also building up a profile of in-migrants' requirements from the same sources.

The home-based business sector

Business support and economic development in a rural context often sees business defined heavily by **sector**. Agriculture and tourism are prominent examples of highly visible business sectors which are supported by a range of interventions including:

- planning policy (mentioned in district plans and county/regional spatial planning strategies)
- employment strategies at all levels: national, regional and district
- ongoing mainstream support - for example tourist information offices
- nationally and locally funded agencies with specific remits to support the sector - for example in fishing

Invisible home-based businesses rarely get a mention in strategies and rarely receive business support of any kind. Yet as we have shown, home working is the norm for almost 12% of the working population in rural districts - often much higher proportions in many districts.

One reason for the lack of infrastructure to support home-based businesses may be that they are seen as too small and too diverse - too hard to help. This is understandable for practical reasons. But if agencies were to see them as a sector in their own right, making business support available would become much simpler.

Farms diversifying into bed and breakfasts are often generating relatively small turnovers, far less than many home-based businesses. Yet the visibility of farm diversification has enabled support agencies to classify such businesses as a sector.

Our research found that home-based businesses see themselves having lots in common with other home-based businesses. It is not what they do that defines this shared experience but **how they do it**. Whether they be making and selling craft or running high level remote IT support, they share the experience of working from home.

Given the diverse nature of the work that they do in any given area, they are often unlikely to neatly fit into support structures/interventions that are based on traditional sectors. For example, a home-based business running internet bookings for hotels in a county may not feel that what they do is going to be supported by tourist information offices nearby which have a more narrow local reach.

Defining home-based business as a sector in its own right would provide an important opportunity for local authorities and agencies to make a real difference to these businesses' prospects.

Do home-based businesses need support at all? Are they inherently more able to stand on their own feet than mainstream sector businesses? The simple answer to this is: that assumption cannot be made without research into their experience and their needs at a local level.

Our findings were that home-based businesses do feel they could benefit from support because they:

- are often run by someone who feels isolated from business buzz/networking opportunities

- value opportunities to collaborate with others to gain bigger contracts and to share knowledge and cut costs by joining together
- often feel vulnerable because of their size (if one key person becomes ill/dies, the business is usually unsustainable)
- often carry out their own administration but would welcome ad hoc support with this (e.g. virtual office call answering, book keeping)
- often feel restricted in choice of local suppliers (of services such as book keeping, website design etc)
- often feel better connected to colleagues and friends in their own business field than to others nearby
- do not know where to get advice that is tailor made to their modus operandi

One small example of this was the response received from rural members of the Telework Association for this research. Asked to name support projects that helped home-based working in their area, none came back with any examples. But a number did reply and ask us for details of any projects supporting home-based businesses in their area if we found any...

On the radar
By defining home-based businesses as a sector, local authorities and agencies can begin the task of analysing this sector's **shared needs**.

Activities that help to make home working **visible** - both literally (in terms of face to face contact) and in policy terms (appearing in strategies) - will help to persuade home-based businesses to engage with agencies.

Methods to make support for home business visible within a district could include:
- running items in the **local press** announcing support for home business and publicising fact of any council workers teleworking
- publicising supplementary **planning policy guidance** that clarifies support for home business
- clarifying and **reassuring on fear factors** (e.g. fear of having business rates applied) - for example by stating this in councils' district wide newsletters
- exploring links with partner agencies such as BT, Business Link operators, chambers of commerce and Customs and Excise, asking them to **send out standard materials** inviting contact with home-based businesses, offering them a clear range of assistance if they choose to get in touch
- ensuring **district websites** feature a welcoming stance on home-based businesses, with answers to frequently asked questions and key contact details
- providing information about support to home business in **libraries** and other information points used in the district
- ensuring all **relevant partners** - local enterprise trusts, development trusts, Prince's Trust schemes etc - have information about support for home-based business
- have a **named officer** with contact details available to be first port of call for queries

From our research we suggest the following as examples of support needs that could be offered in some form:

- signposting to **networking events** with others in similar positions – both isolation busters and problem sharing
- local, regional or even national **system of room booking** for meeting clients or each other. A project to enable access to spare capacity of rooms in buildings such as development trusts, enterprise agencies and local government buildings could provide those organisations with a source of revenue and meet this need
- **mentoring** for short intensive times on specific professional issues, from others with experience. This could build on the National Federation of Enterprise Agencies' business volunteer network
- access/signposting to standard **'best practice'** contracts, policies etc
- finding them the right people to employ or contract work to (key contacts) - and vice versa
- connecting home-based businesses with any nearby larger premises-based ones. This could be a role for business brokers working within local strategic partnerships
- whatever local research uncovers as a **priority** for home-based businesses

In Cornwall, one of the key successes of Digital Peninsula Network (see case study) was the way it connected together the successful micros with the more fragile start ups. The benefit to young businesses in connecting them to those who may want to give them work nearby is fairly obvious to everyone. What is not always apparent (but Digital Peninsula Network found) is that there are major benefits to the high growth businesses too.

If a project or activity helps find them high quality service providers - IT support, web design, marketing skills, book-keeping, information gathering - they can not only cut their costs (using home-based providers not companies in far off cities with higher overheads) but gain access to local face-to-face suppliers, reducing travel needs and the sense of isolation from centres of business. This also plays its part in creating or recreating vibrant local communities.

By offering relevant and attractive support, authorities are creating an incentive for home-based businesses to make contact with them. This is an opportunity to **gather evidence** on:

- the scale and significance of home-based businesses' contribution to the local economy
- any hidden clusters (e.g. of knowledge, creative or IT professionals)
- the businesses' skills needs (to inform training that is made available)
- their employment/contractor needs
- links to higher education (e.g. opportunities for graduates to get work as contractors linked to existing high earning micro-businesses in the area).

This evidence can then hopefully be tracked from a baseline, using surveys and other tools. It can also be used to refocus support offered,

from what agencies think may be helpful to what the businesses themselves know is helpful. But it is important not to over-burden the local home-based businesses with too many surveys and questions.

This is why an overarching strategy is important. By channelling information needs into one place, all agencies are likely to get answers. Having many separate surveys and questionnaires on different aspects of home working, from travel to business needs, will be off putting and discourage a good response. In contrast, making a range of services and support available to home-based businesses on the condition that they give basic information through an all-in-one survey is more likely to work. Those involved in the Step Ahead Research south east of England survey have stated that they felt there could be potential reluctance on the part of respondents to admit to a local authority that they worked from home. Any survey needs to be able to guarantee true anonymity.

'Surveyitis', like initiativitis is a genuine threat to the gathering of quality information. It can also confuse home-based businesses: which organisation do they provide information to and why?

Mainstreaming - an urgent need
The examples above show what happens when support for home-based business is not mainstreamed. When it is only available as part of a special project or projects, information is often required in a piecemeal way. And few agencies ever think to share this evidence with one another. This is because they are all working to their own project's priorities.

With no shared sense of a local home business sector and no economic development officer or Business Link operator tasked clearly with co-ordinating and enabling support for the home-based sector, support is patchy at best. The risk is that home-based businesses feel they are asked to give more than they get, for example by being encouraged to:
- sit on project committees
- help staff centres/update websites/write email news
- chair meetings
- meet agency staff
- provide output information that is time-consuming to gather.

Most stressful and time consuming of all is the process of bidding for a grant. Home-based businesses that have been involved in this often report a **deeply frustrating** experience. As one told us: 'There is often a huge lack of understanding and consistency amongst the public sector managers who deal with applications. Really worrying is the lack of transparency on how and why decisions are made - often by invisible committees and panels. We never got thanked for giving all our time up to create something they should have been doing themselves in the first place.'

If these tasks are not outweighed by the benefits, 'burn out' and **disillusion** is likely. This risks fracturing what can initially seem a successful creation of a cluster or network of home-based businesses in a district. These factors certainly seem to apply to cases studies in Calderdale and West Cornwall (see case studies). Participants in both projects reported that key volunteers who had played extremely active

parts in setting up the projects had often stepped back entirely to recover their home life, and get back to earning a living.

Research for this report found that where support is offered, it is usually through one-off grant-dependent initiatives. These projects are asked to become 'sustainable' - sometimes literally self-financing. In the latter case, this is clearly **unrealistic** if they include members on low incomes or unemployed people seeking to become self-employed. It is also questionable that home-based businesses should only expect one-off rather than ongoing support. It is hard to imagine tourist information offices being required to become self financing within three years...

'Tourist information offices would not be required to become self financing within three years…'

Although mainstreaming is very important, there is a risk that in some rural areas public sector agencies might over-control the process of supporting home business. Ideally it is the information gathering and **enabling** that should be mainstreamed. Getting home-based businesses themselves involved in specifying what is needed and helping to control its delivery is essential. This may mean outsourcing parts of the economic development function or budgets to home-based business networks - in return for public service agreements that guarantee delivery of agreed objectives.

Our research found a very strongly held view amongst those who work from home that 'public sector nine to five employees' rarely understand their needs. Business-run networks (like Digital Peninsula Network and 3-C) in contrast have credibility because they are run by those who also have experience in working the same way.

Creating clusters and networks

In many rural districts, there are already clusters of home-based workers and businesses - significant numbers of people doing **similar things**. Yet they are often invisible clusters. Not only are they not known to the authorities, they are often **unaware of each other**.

In cases we have tracked for this report, home-based businesses typically say they just didn't know how many people were doing relevant and similar work to them nearby. Finding out about them - and getting the chance to meet up and compare experiences and perhaps consider teaming up to share knowledge, contacts and work - is seen as very valuable. In many cases, this can also be psychologically important, reducing the sense of isolation and creating a sense of **business buzz** that individuals find hard to sustain on their own at home.

'Before we established the network we were all left to fend for ourselves. Now it's like the camaraderie that people get in a workplace. Networking also generates work, helps cost saving and spreads ideas on how to do things more efficiently'

As one business told us: 'Before we established the network we were all left to fend for ourselves. I like working from home but I can't deny I felt lonely at times. Now I can go to others' houses to chew the fat and can meet them in town at certain cafes. It feels social, like the camaraderie that people get with workplace colleagues. But it's also funny how much work this activity generates, not to mention cost savings and ideas to do things more efficiently.'

To create a successful network of home-based businesses, it is first important to make its potential members aware that they are part of something, even if they didn't realise it. They need to see with their eyes that there is a cluster of individuals working in a similar way **nearby**.

'When we met regularly in our first monthly meetings, everyone knew someone else in the room. But no-one knew everyone,' said one home-based business we interviewed. 'It was truly exciting. We all realised for the first time that we weren't alone out here doing this.'

Enabling collaboration

Supporting home-based business isn't social work. It is true that some of the most beneficial aspects of business networking are hard to measure. Isolation-busting, knowledge-sharing and business buzz are, after all, abstract concepts.

But there is one aspect of successful home-based business networking that can relate directly to business growth, GDP and enhanced turnover: collaboration.

Where possible, support projects and interventions should help encourage home-based businesses with **different skills** to become stronger by working with each other. For example, a skilled furniture maker with a website designer, a software manufacturer with a marketing expert, a book-keeper with an accountant or a translator with a publisher. When a home-based business can team up with others, the combined strength of their skills will enable them to win bigger contracts and offer more services as a team. In many cases some of these functions would also otherwise be outsourced to contractors outside the area

As one business we interviewed put it: 'I used to get graphic design and photos done by people in London and use printers in the north. Now I use designers, photographers and printers nearby. Not only are they significantly cheaper, they are better quality and are easy to see **face to face**. Together we are like a team. We are downloading work from big economic centres into the local economy and keeping it here.'

> **'Local designers and photographers are not only significantly cheaper, they are better quality and are easy to see face to face. Together we are like a team. We download work from cities and keep it here'**

It should be recognised that many home-based businesses choose to **remain** so, not to take the traditional 'success' route of expanding to bigger premises with more employees. Those who work from home usually choose to do so freely and value its benefits (see interviews with live/work businesses). Opportunities to take on staff will be limited at least in part by a desire to retain a clear distinction between work and family/home life. This is why so many owner-managed home-based businesses, we have found, employ family members.

Expansion will therefore be made possible by **subcontracting and collaboration**. It is important to note here that this approach is not restricted to home-based business. Many modern urban businesses assemble ad hoc teams of contractors to suit each individual contract's needs. Multi-million dollar film companies in Hollywood often 'employ' only a handful of staff, for example. Yet in a rural context it is sometimes hard to create the conditions for this kind of approach to business without some support - places to meet, knowledge of who does what, etc.

These things are not easy to find in the yellow pages or through local trade bodies that mainly represent shops and commercial premises.

Although face-to-face connection is vital for first meetings and establishment of trust, there is also an opportunity here for **virtual collaboration**. The SIBIS report identifies the innovative aspects of teleworkers, which includes those who use some form of ICT from home 'Teleworkers are early adopters, and often developers of, many new ICT innovations'.

New possibilities for web conferencing, the Skype system of communicating via computers and the increasing mainstream use of intranets and bulletin boards all point towards a radical reconfiguration of communication that home-based workers will be able to adopt.

Private sector partners
The public sector can only play a part in creating the conditions in which enterprise will flourish. It is up to the private sector to actually deliver the business benefits. Banks, estate agents and other professional service providers all have an interest in supporting business in their catchment areas. They therefore have an incentive to help support home-based business networks.

They could also gather information and statistics about home-based businesses and potential in-migrant demand, and channel that information into a central resource (for example the local authority's website).

This private sector involvement could also enable the companies to tailor their services to the needs of this growing sector, many of whom are keen to purchase services locally but sometimes do not know where to find them.

Anecdotal evidence from estate agents in areas such as Shrewsbury is showing growing demand for home-based working premises. There is an opportunity for the nature of that demand and support needs to be collated centrally in districts.

There is a growing number of business brokers attached to local strategic partnerships. Their explicit role is to connect business and the community to mutual benefit. They could be helping these connections get off the ground, and also connect any information gathered by the private sector with the local authority.

Market towns as 'hubs'
The concept of a hub is a modern one at first glance. Hubs are places, usually in urban areas, where compatible types of business bump into one another, share facilities and attend meetings or training. They are the place at the **heart** of the local business cluster. They might be managed workspace centres, media centres, live/work developments or just particular venues where people choose to meet.

Yet this applied historically was exactly the role of the market town in rural areas. Today the purpose of market towns is not always clear. The agriculture nearby and the market days have often declined. People are shopping at out of town supermarkets and online. Yet in many cases market towns are still the place where people are most likely to meet up casually or formally to discuss work. They are also places people **go for other reasons** (to shop, eat, drink, travel from).

So they are potentially ideal places to base relatively high cost facilities and meeting spaces which can support home-based and other businesses. Rather than try to slot support for home-based businesses into premises available on business parks and industrial estates (which have a very different, often **alien**, feel to the informal workspace experience chosen by home workers), locating a hub in the most-used market town makes more sense.

There is also a sustainability point to this choice too. If premises and the opportunity to network face to face with home workers are available in the market town where home workers go for other reasons, their **car journeys** can be reduced. Business parks on the edge of main roads require a specific extra journey and are often particularly hard to access by public transport. Home-based businesses at all stages, including those without much money, will often find a market town location for a hub much easier to access and much more **appealing**.

'An attitude change is needed, a move away from a focus on the needs of business support suppliers to the needs of their customers'

Adapting the language and culture

Too often, home-based businesses told us, economic development staff and business advisers expect them to lean how to speak their language. Too rarely do EDOs and advisers learn how to speak the **language** of home business.

The Small Business Service's business plan speaks of targets such as improving the 'Business Link brand', while what our interviewees often wanted was a sympathetic appreciation of their own particular circumstances. This suggests an attitude change is needed, a move away from a focus on the needs of business support suppliers to a focus on the **needs of customers**.

Once agencies show an understanding of and support for home business, it is easier for them to persuade home-based businesses to **raise their game** and consider activities such as creating business plans. The transformation of an individual home working freelance into a growing business that uses home as premises is an important one to support.

To take the first steps towards VAT registration and setting up a limited company needs careful assistance - a different approach to the one adopted by business advisers to businesses with premises.

It is probably true to say that a growing number of freelancers now work from home, partly because of technology making this easier, but also because high **housing costs** make taking on additional premises unappealing.

These factors, and many others highlighted in this report, should be studied carefully by all those in the public sector given the task of supporting local businesses.

The broadband link

There has been much reporting in the technology and national press of the campaigns for broadband to be rolled out more quickly to remote rural areas. Here there was - and is - an opportunity to use this process to help identify home-based businesses. This is because many of them are likely to have a significant presence the **early adopters** of broadband as a business necessity.

Our research has found evidence of this in areas where wireless broadband has been introduced because homes are too far away from a telephone exchange that has been converted to ADSL (or has yet to be).

However, in areas where residents are calling for an exchange to be converted by BT (seeking to get enough properties to 'trigger' this work), there is also likely to be a significant number of home workers.

One way that district councils, Business Link operators and other agencies can help to identify viable local home-based businesses could therefore be to contact them as they sign up for broadband or request it. For data protection reasons, household details cannot be divulged to these agencies by BT and other broadband providers. But it might be possible for all early adopters to be sent materials **offering support** for home business by the broadband providers. This could be a useful avenue for government to explore nationally

A recent evaluation of the Cornwall-based ACTNOW project, which brings subsidised broadband to rural businesses, received responses from 272 participating businesses. It also collected information from 252 comparator businesses who were not participating in the scheme.

Nearly 50% of the ACTNOW businesses stated that home and work are the same place, with a further 8% running their businesses from home but conducting work elsewhere. In addition, 30% of the ACTNOW businesses were more likely to have **staff also working from home**, contrasting with only 17% of the comparator businesses.

However, again this demonstrates one of the dilemmas in supporting home-based businesses. Many are paying for residential services, just as they do with their phone service. In many cases this **cuts costs** considerably compared to business services. Would BT and others be happy to explicitly acknowledge that businesses in the home are exploiting this cost difference, or would it be awkward to do so while only making business services available to those operating in workspace premises rather than at home?

Home-based businesses - early adopters of broadband

The percentage of home-based working customers in the first wave of wireless broadband users in Cornwall's Community Broadband Networks is estimated by the service provider to be 40%. The networks are available to areas without ADSL (phone line-based broadband) in Penwith, Portreath and St Agnes in Cornwall, as well as Buckfastleigh in Devon.

Managing director of 1st Broadband Simon Murley: 'The easiest way to come to an initial figure was the number taking up RABBIT (remote area broadband inclusion trial) grants to support their business. But we know that some subscribers were sceptical of using this service through their own choice, possibly for tax or insurance reasons. They subscribed independently.

In Penwith 27 subscribers utilised RABBIT grants to help pay for satellite kit from an overall total of 74 – 36% of the group. Murley believes that independent home-based working subscribers would easily add a further 4-5% to the total.

Our research into ways that new broadband provision can be used to spur support for home-based businesses suggest that this would be possible, given goodwill (and self interest) on the part of the broadband providers.

Simon Murley, MD of wireless broadband company Microcomms (see box) believes that 'any roll out of new technology the first initiative is to identify earlier adopters as **local champions**. Without these individuals the job becomes more complex and a drain on resources. Early adopters are your evangelists who will be happy to spread the word, do mail shots and attend meetings. They often have a business incentive to get involved like this - they want broadband to help their work at home. Linking up the broadband services companies like us supply with projects that support home-based workers would therefore make a lot of sense. We would have been more than happy to provide information on a project to all the households enquiring about our services.'

Encouraging in-migrants to work from home
It is important to recognise the factors that might help initiatives to attract high earning in-migrants into the area to play a meaningful part in the local economy (running business from and in the area, not commuting to urban work centres).

Although between 1999 and 2000 rural England experienced a net change of 103,000 people moving from urban areas (Stepping stones), evidence from our case studies suggests this trend is likely to be increasing.

We found a number of rural out-migrants in Cornwall, for instance, who were **returning** in their 30s and 40s, as they saw possibilities of earning a living back in the rural home. The pattern a decade ago would have been that they sought work in urban conurbations and returned only to either retire or at least down-shift several decades later.

There is some evidence that such in-migrants usually trade outside the local area. The presence of an existing network of businesses will enable the in-migrant to slot into the local economy more easily, as it will be visible.

These high earners will often assume that they can only continue to do well in business with an urban base or employer. They may be attracted

to rural quality of life, but they do not necessarily connect the rural environment with **business success**.

Having a very visible home business sector in the area may change that. Projects like Digital Peninsula Network show what their members businesses do on their website, in member handbooks and in features in the local press. The project's development director Lynda Davis says that 'showing the scale of achievement of local home-based businesses has, in our view, helped encourage inward investment. Companies that were considering coming to West Cornwall have told us that they found the presence of our network a **decisive factor**'.

Initiatives to attract in-migrants to a rural district can therefore use the presence of a vibrant well-supported home-based business sector as a key influence. Supporting existing home-based businesses can be a way to add to their numbers and grow the sector and its strength.

Most studies of the movement of people from town to country have emphasised negative impacts, in particular on house prices. A recent study funded by the Countryside Agency looked at how rural in-migration can be a **catalyst** for economic regeneration.

Dr Aileen Stockdale and Prof Allan Fundlay, from the universities of Aberdeen and Dundee respectively, surveyed households in five different rural areas in England. They found that 32% (184) of all households had moved to their current address since 1981 from a distance of over 15 kms and were described as incomers. Focusing on labour market effects, they found a variety of impacts. Incomers stood out as having a much **higher pre-tax annual income** of heads of household – over 40% earned over £25,000 compared with 13% of long-term residents. 19% of these incomers were self-employed.

Tentative attempts to assess their economic impact showed that for every self-employed migrant, some **2.4 jobs** are created. Those working in the engineering and service sector created on average 2.8 jobs, while those in the primary sector created 0.4 jobs on average. These incomers were not necessarily producing the stereotypical age 'geriatrification'.

'The main hope for direct job creation in rural England comes from the in-migration of self-employed people who bring their businesses with them'

Nearly half of migrants in rural England had heads of households **under the age of 40** at the time of their last move. But there were strong regional differences. In East Devon, for instance, some 36% of migrant household heads were aged 60 or more, while in the Wear Valley, an older industrial area, 25% of such heads were under 30.

The authors concluded: 'one could argue that economic planners and training and enterprise councils are failing to capitalise upon rural in-migration, especially amongst migrants with entrepreneurial skills… The main hope for direct job creation in rural England comes from the in-migration of self-employed people who bring their businesses with them'

Interviews with local authority and community council representatives revealed a range of **stereotypical views** about commuting, or retired migrants in their areas, that was not backed up by the survey evidence.

The authors found that rural policy–makers are not yet embracing the positive attributes associated with migration: 'There needs to be an adjustment both of training practices, to fit the new jobs being created in non-traditional rural sectors, and a redirection of employment aspirations of the local population.'

A detailed survey of rural businesses, by Kalantaridis and Zografia, based in Cumbria, identified the importance of rural in-migrants to the generation of enterprise, and suggested this is an area where there needs to be more policy support: 'It was the more recent arrivals that demonstrate the greatest propensity towards entrepreneurship, with smaller settlements expressing the greatest benefit from this.'

Another key finding of several studies is that quality of life issues are dominant in the decisions of self-employed migrants' **choice of location**. This suggests a need for local authorities to ensure that the positive aspects of living in their locality are well known.

The Countryside Agency has identified what it calls 'countryside capital' as a key factor in attracting in-migrants and retaining existing businesses. This is a combination of the fabric of the countryside, its distinctive landscapes, biodiversity, historic features and built environment of our villages and market towns. It is the product of economic activity. Initiatives that attract in-migrants need also to be attractive to local businesses already working locally.

In-migrants households are credited with providing up to 2/3 of all businesses in rural areas (Stepping stones). But we found almost no focus on encouraging them. The old 'lifestyle entrepreneur' label with its underlying implication that the in-migrant will not be contributing to the local economy, social or community life, is currently preventing business support agencies from seeing the opportunity for rural areas presented by in-migrants.

Opportunities to help specific groups
There are some particular groups within rural communities that might benefit from targeted support if they want to work from home. These include older people, people with disabilities and home carers.

The Countryside Agency's Stepping stones report showed that a quarter of all rural self-employed were over 55, and that people over 50 years old now account for an estimated 15% of all business start-ups. A 2005 survey of home-based business in the south east identified 266 (60%) of 443 home-based businesses run by people over 45.

PRIME, (www.primeinitiative.org.uk) is a national organisation whose aim is to release the untapped potential of people in their 50s, 60s and older. It is also involved in a consortium managing the £1.5 million **social and community enterprise development** programme for DEFRA. This programme will support social enterprises and community organisations adopting social enterprise approaches in four of the English regions. Projects will be delivered as packages of financial and advisory support. The programme is intended to demonstrate to RDAs how these enterprises can help them achieve key rural and social targets. Many social and community enterprises are set up and run by people from their homes.

The government's New Deal for Disabled people identifies another major opportunity for rural disabled people. This voluntary programme has been extended to March 2006. It is delivered through a network of job brokers. People receiving health-related benefits, either through a disability or health condition, can get support which can include:

- special aids/equipment/assistance based on the needs of the individual
- confidence building and additional training if needed.

Advice is also available to employers on how to adapt the workplace to enable recruitment or retention of a person with a disability.

The current emphasis is on preparing people for employment and helping them apply for jobs. Our survey of New Deal job brokers in the south west of England revealed that **none** of them were considering signposting disabled people into working at home or setting up a home-based business. Given potential commute distances in rural areas, which can act as a barrier to a disabled person feeling able to make the transition to relying on paid work, this seems like a missed opportunity.

Home-based businesses are also a potential route into employment for those with primary responsibility for the care of the elderly, the chronically sick and the very young. 'Vigilant caring' of the sick or vulnerable often involves a large proportion of time when the carer has to be **on hand** in case of need rather than the performance of a specific task. In such circumstances a well-supported home-based business can provide flexible employment giving access to financial resources and social links beyond the household.

Support for home-based business presents an opportunity for RDAs to make significant inroads into addressing the Department of Work and Pensions PSA target of increasing the employment rates of disadvantaged groups. Currently more home-based businesses are run by men than women. Sensitive adaptation of support to meet women entrepreneurs' needs, as exemplified in the Rural Women's Network, could also play its part in achieving the Small Business Service's goals of enabling more women entrepreneurs to start-up and contribute to their local economies.

Linking with homeworking employees
In the UK, 56% of self-employed people, around one and three quarter million, are home-based, as opposed to only 4% of employees (Labour Force Survey 2001). This 4% represents nearly a million people, but so far there are no figures available to show the incidence in rural areas.

There is an opportunity, through rural district's economic development offices, to link newly locating and existing home-based employees with any clusters of home-based businesses. This could create a critical mass of demand for any services the employer provides, enabling more locally delivered facilities to be shared by both groups of workers.

This needs action by local districts and, where possible, could be facilitated by business brokers. Contact with existing clusters of home-based businesses will be an 'isolation-buster' for employees. The Work Foundation's report on homeworking, *Living at Work*, makes the point: 'It

is lack of contact with people, not with office colleagues, that causes isolation.'

Arguably home-based employees' needs are mainly the **responsibility of employers** - local authorities would not ordinarily be expected to assist them in any significant way.

However, with home-based working by employees expected to **grow significantly** in coming years, there is much to be said for linking them with the self employed in some way. There are wider economic and environmental reasons to do this: making home-based working easier for employees in a district can help contribute to:

- reduced use of car
- increased security in villages - more daytime presence
- sustainable use of property - one property, two functions
- increased demand for local shops and services including post offices and schools.

Examples of ways in which employees could link with the self-employed in networks to mutual benefit include:

- shared training events
- use of more expensive equipment by both groups
- some employee-based bulk purchasing schemes open to self-employed people
- grouping together to provide critical mass for services such as childcare, shared school collection rotas etc.

Learning from BT (British Telecommunications plc)
BT has embraced a range of flexible working patterns for its employees including part and full time home working (45,000 people have the potential to work flexibly with greater than 9500 dedicated Homeworkers). Management support of homeworking has enabled them to engage with staff to build a common understanding of the advantages and issues involved in home working.

This has helped in developing a range of ongoing support services for home workers including:

- regular individual and team meetings, virtual and physical, to avoid isolation
- on line café and chat rooms for homeworkers to keep in touch with each other
- training and education packages on-line which can be delivered either on a one to one basis or via a virtual class
- virtual telephone number which offers flexible call routing and voice mail
- audio and visual conferencing with on-line document sharing facilities via broadband
- detailed homeworking web site which offers advice on Inland Revenue and taxation issues, health and safety issues, mortgage and household insurance advice for issues related to working from home, including templates of letters

- designated Homeworker ICT Helpdesk – which advises on the appropriate software/hardware packages available to homeworkers and provides a 24 hour support service
- homeworker helpdesk for supply of specified furniture, including ergonomic advice
- shared office space, flexi-desks, touchdown areas/hot desks and conference rooms with voice and PC connectivity. These are located in offices across the country and can be booked through a central system.

Although BT uses a range of ICT-related tools and techniques to support its homeworkers, their experience is that the aspects of homeworking that need most support are the **social and psychological** – the software rather than the hardware. Lessons can be learned from BT's approach in configuring support for the home-based self employed.

Leading employers such as BT with many years of experience of home-based working stress the necessity to attend to the social and **isolation-busting** aspects of supporting home-based workers.

There may be opportunities here for contributions to home business networks to be made by employers who recognise the benefits to their staff of having their sense of isolation reduced and work practices made more productive. However, by its nature, home-based working will be based on where employees live.

Remote working in a modern economy enables employees to work long distances from the main office. This makes it unlikely that any one employer will have significant numbers of employees working from home in one rural district. The exception to this may be in the public sector, with a growing number of local authorities pursuing home-based working to cut office costs and to promote work-life balance and staff retention.

However, if a rural area has a reasonably close market town based hub, then networking events, especially social and professional updating ones, can be made available to all home-based workers within reach.

Support for home-based businesses by local authorities could therefore include a review of whether projects and activities might also be made available to home-based employees in the area.

Network marketing

Network marketing has a poor reputation and is still closely connected in the public mind with pyramid selling scandals. However a web search for 'home work' shows that many such schemes continue to exist and actively target 'homeworkers'.

During the course of this research we have been put in contact with a number of organisations using this sort of structure including some selling cleaning and household products and telephone/internet services as well as herbal slimming aids, holidays and utility services.

How many people might be involved in these activities in the UK is almost impossible to judge. This sort of scheme often appeals to people with little business experience. Some specifically claim to provide 'top-up' income and target the retired.

Some of the claims made may be more realistic and plausible than others. However what these organisations do provide are **comprehensible and straightforward techniques and systems** with step by step instructions for someone starting out, trying to earn money from home. There are also often social as well as business incentives to join, with promised networking events, prize-givings and ongoing mentor support.

The branched mentoring system - where members are each guided by a more experienced member and themselves help to support those with less experience - is a flexible and cost-effective method of disseminating information and training.

Our research implies that support for home-based businesses may be able to learn something from this type of organisation. It is also important that **objective and independent** business advice and support becomes readily available to people contemplating, or already involved in network marketing schemes.

Creating teams of home-based workers
The communication possibilities of broadband and the growing realisation that many jobs may be outsourced overseas are stimulating the development of 'local' distributed responses.

In the private sector companies such as Southampton based Seven by Seven (www.sevenbyseven.co.uk) are recruiting growing numbers of rural home-based workers to provide back office services for clients. This could be outsourced book keeping, personnel systems or virtual assistant systems to small businesses. Bigger clients include a district that is a major tourist destination. Seven by Seven staff contact all hotels and attractions once a month to update its tourist information website.

Managing director David Vane explains that by using innovative intranet-based software, staff can be located all over the country but nevertheless keep informed of everything as if they were all in an office together. He employs both full time and part-time staff, who have a choice of when to work: 'We bring individuals together, and manage their schedules. We have about 200 people on our books we can call in to do particular things such as translations, word processing, book keeping, as well as our full time virtual assistants'.

Vane sees training as the key to enabling staff to use new technology such as the Skype computer-to-computer communication system which is paving the way to easier web-conferencing. He sees that UK companies who have outsourced back office functions overseas are sometimes regretting it. 'We can put together a group of local homeworkers who will know where towns are in a particular area or

county. For place-dependent services such as tourist information this gives them an advantage over people who are not familiar with the area.'

Another initiative currently being trialled in north east England is called ki-work. (www.ki-work.com) This involves the outsourcing of work to a flexible and self-organising workforce, with broadband-based communication. Through a networked system of 'process owners' back-office work from organisations such as online travel agencies can be shared between a number of remotely based home-based workers. Training is again a key aspect of the ki-work model which aims to be robust and scalable, providing a low cost, high quality service to contact centre operators, together with flexible competitively paid work to home-based workers.

Both these models involve an intermediary obtaining work for a group of home-based workers who have a certain amount of flexibility in how much and when they work.

Pathfinder proposal

This report highlights a range of actions that rural districts can undertake immediately. However, there is clearly an opportunity here for those who lead this process to take on pathfinder status. It should be in the interests of regional development agencies (and central government) to support this process, ensuring that lessons learnt from the districts that pioneer this kind of business support are learnt widely. This way, future interventions can avoid reinventing the wheel and can avoid making mistakes that were unforeseen by the first pathfinders.

In return for helping to spread knowledge, districts that adopt a home business support strategy should legitimately be able to request support from RDAs and national agencies for their efforts.

For this reason we suggest that a part of each RDA business support budget be set aside to support a small number of **pilot projects**. We also suggest that the following agencies are involved in this process: Small Business Service, Local Government Association, CEDOS (the chief economic development officers society), Countryside Agency, National Federation of Enterprise Agencies and specialist agencies such as PRIME and the Prince's Trust.

'Allowing clients to choose their potential package of support would bring more of an element of business realism into the mix'

Housing associations involved in regeneration and planning organisations such as the Royal Town Planning Institute (RTPI) and Commission for Architecture and the Built Environment (CABE) could also be involved. A radical option within such pilots would be to ensure that a significant cohort of business support people need to be employed or contracted on a part-time basis, while running some sort of **business themselves**.

Instead of being allocated to businesses, they could be required to **market themselves** to their support clients, in the same way that private sector support organisations are required to tender. Just as the delivery of personal care is now entrusted to the person who knows their own individual needs best, so a move towards 'support vouchers' of some

kind to allow the client to choose their potential package of support would bring more of an element of business realism into the mix. Business support is, after all, an attempt to enable people to survive and thrive in a market economy.

We would also recommend that government departments with a remit to support sustainable development - notably ODPM, DEFRA and the Treasury - should be kept aware of the pathfinder projects, as they have wider implications for spatial planning and regional housing strategies.

Appendix 1 - Scale of the challenge

Here we summarise the step-change in attitudes towards home-based businesses that is required and consider its resource implications

A RECENT Countryside Agency report on support for the self employed has recommended a 'rural premium' - increased funding allocations for business support in rural areas to help cover the higher cost incurred by agencies working in these areas (Self-Employment in Rural Areas, 2003).

Although this may be needed, a far more challenging but potentially useful scenario would involve a **reconfiguration** of the whole structure and culture of business support in rural areas. A more flexible, client-centred business support process does not have to cost more money than is currently allocated. But it does involve letting go of old ways of doing things.

Above all it means looking at the **relative contribution** of home-based business to the economy compared with the **resources** put into supporting them, and redressing the balance. If one in nine rural workers are home-based and contributing to sustainable development, then an argument could be made for spending around 11% of the business support budget on their particular needs. This will free financial resources to do some of the actions we suggest - with no additional resources required.

Gathering the evidence

- At national and regional level, existing surveys of businesses must ask if businesses are home-based and what they see as priority needs *(no extra spend for SBS, RDAs, Business Link operators. Work with regional observatories and centres of excellence)*

- At local level, research projects will cost money. Lessons from existing surveys need to be learnt, existing information currently within enterprise agencies, small local networks etc needs to be collated. Several local authority economic development officers stated they wanted to do this research but had no budget. Resistance of home-based business to identify themselves will need addressing *(small research cost)*

Creating joined-up strategic commitment

- Government departments such as ODPM, DTI, DWP and DEFRA need to recognise home-based businesses as a **sector** and start tailoring policies to their needs *(challenge is in attitude change)*

- A home-based business support **public service agreement** for the above departments would contribute to economic, social and environmental sustainability of communities *(challenge is in attitude change)*

- RDAs to include home-based business as a sector in all business support planning, particularly in rural areas *(challenge is in attitude change)*

- Local authorities need to include support for home-based business as a key plank of delivering a **sustainable economy and labour market** as required in draft comprehensive performance assessment criteria for 2005 *(no extra resources)*

Tailoring delivery to real need

- A radical change in the culture, language and expectations of business support - advisers offering services that **fit the way home-based businesses operate**, not vice versa *(training, mentoring, costs in terms of advisor time and training costs)*

- A **shift in focus** away from premises being developed to encourage enterprise. SBS and other surveys of businesses show this is a minor consideration for small businesses in their expansion plans *(major challenge for many RDAs whose regeneration recruitment strategy has often been surveyor and therefore premises focused. Potential redundancy costs or retraining/redeployment of premises focused staff)*

- A move towards facilitating application of planning regulations to encourage sustainable **home-based** business, rather than implicitly forbid it *(financial cost nil, attitude change needed)*

- On a rotating basis, require in-house staff to **work/shadow** local business support networks for at least a week, to gain experience of working in the front line *(one week's salary costs for each business advisor)*

- Require business advisers to work for guaranteed salary only part-time and to run their own business in rest of the time, to gain **experience of uncertainty**. Hire currently self-employed home-based workers as part-time advisors with money saved *(net cost nil)*

- Consider switching funds from in-house staff whose remit is often vague, like 'support the creative sector' to **supporting frontline business-run networks**, with agreed targets to be achieved by the networks. Losing two members of staff, with say £35k pa as incremental costs of pay plus associated costs, would release £70,000 to support a business network and leverage in additional funds. *(no additional resources required)*

- A new emphasis on enabling **networking and collaboration** to boost turnover, less emphasis on job creation and premises *(no additional resources required)*

- Fill the **gap** in support for existing home-based businesses by delivering relevant support and services, and bringing them 'above the radar' so that they qualify for support *(no additional resources required)*

- A shift from standard business advice to **services and mentoring** - for example on the spot IT training or help with marketing. Link up with national schemes such as NFEA mentoring scheme, learn from Prince's Trust experience – if all rural local authorities put in

£1,000 each this scheme would thrive *(potential cost £1,000 per district)*

- Support for **directories** of micro businesses in the area, allowing home-based businesses to use each others' services more easily *(web-based directories need setting up, say £10,000 set up costs. Members can put their own details on the websites, to be vetted by network support staff costing say £5,000 pa)*

- Rework the *definition of value added* when identifying growth potential businesses, seeing contracted-out costs as equivalent to payroll costs, both adding value *(design self-explanatory form for businesses to self complete, minimal cost, then change decision-making, no financial cost)*

Appropriate service delivery in practice

To support the collaborative approach adopted by micro business networks in our case studies, business support staff and agencies need to learn to **collaborate better themselves**.

There is an opportunity for RDAs in their regional commissioning to test new ways of offering business support. To ensure a closer match of support and real needs, where possible **self-managed networks** of home-based businesses should be the norm, with support and funding from mainstream budgets.

This may involve fewer staff directly employed by agencies like Business Link operators and district economic development departments.

Just as services like refuse are now **contracted out** to the private sector, so could be the resources used to support micro and home-based business.

The new way of working might include:
- involving representative home-based businesses intimately in the design of all support projects - they know what works
- joining up services with non-business projects such as new technology based information outlets offering one-stop-shop services in rural settlements, to ensure basic business-related support and facilities are available locally in remote rural areas
- siting more comprehensive provision of services and face-to-face networking opportunities in market town hubs
- learning from successful rural-proofed services in other areas, e.g. Sure Start and Connexions, as benchmarks

RDAs and districts would encourage **consortia** of providers for delivery of business support, not competition or confusion between agencies. They would act as enablers, not direct providers. Local strategic partnerships would provide an effective collaborative platform for this.

To meet very remote **rural needs**, travelling advice and training services could be made available on a rota basis. Devon based 'Project Cosmic' has an ICT enabled bus that visits remote areas to provide on-site training - this approach could be extended to offer services to

home-based businesses. Cumbria based Rural Women's Network's training in preparing a business plan, social entrepreneur support scheme UnLtd in rural Yorkshire and Cornwall based ICT training project Let's Do IT are all examples of visiting rural scattered clients, building up countryside capacity.

Appendix 2 - Our survey findings

The contribution already made by home-based businesses is frequently unnoticed by policy makers and support services. This represents a missed opportunity

IN A comprehensive survey of the economic development offices of all the county councils and all 145 districts identified by the Countryside Agency as rural as well as the eight regional development agencies with responsibilities for rural areas we asked:

1. Do you track information in the impact of home working in your region, district or county (by employee/self-employed, manual/professional, sector, tenure etc)?
80% of respondents answered 'no' or 'don't know'

Examples of positive responses included:
EMDA had funded a Life/Work survey in 2003 that included a question about home working but no analysis was available
SWRDA intends to gather information from each of the sub-regional broadband partnerships on the numbers of teleworking opportunities being created. It is still assessing ongoing methodology but intends to examine the impact of teleworking on the regional economy, job satisfaction, ease of recruitment, staff retention levels, learning opportunities and environmental impact
Herefordshire expressed the belief that there were high levels of home working in the county but it found tracking levels difficult
Somerset tracks home working in very general terms
Derbyshire Dales was conducting a survey in partnership with the Peak District National Park that included a question about home working
East Hampshire uses the 2001 Census data
Richmondshire was aware of a sub-regional statistical resource starting to collect data on home working
Selby keeps a rough track of numbers
Shrewsbury and Atcham was aware that the Office for National Statistics publish percentages of homeworkers
Tonbridge and Malling had not so far done so but was involved in a new project on home-based business with the LSP in West Kent
Tynedale had done some research into 'knowledge intensive businesses', some of which were home-based.

The main barriers to this being done were: insufficient funds, insufficient staff, and lack of a clear methodology. However there was a disappointingly low awareness of what information is already published and readily available from the Office of National Statistics. There were also a number of dismissive responses including 'We don't have anything to do with homeworkers at X District Council'.

2. Do you analyse types of home working in your region, district or county (by employee/self-employed, manual/professional, sector, tenure etc)?
84% of respondents answered 'no' or 'don't know'

Examples of positive responses included:

SWRDA has been more interested in types of flexible working - homeworking, mobile working, use of drop-in centres, hot-desking, job-sharing etc than industry sectors and employment status. Its broadband projects are generally looking to help high-growth SMEs so the needs of many self-employed home-workers may not be addressed. But it will be looking individually at the key sectors

Derbyshire Dales cited the study mentioned in answer 1

West Somerset replied: 'Very occasionally, when other research can be funded to allow the base data in the first place. Given the local economic environment it would be highly beneficial.'

Wychavon carried out a survey of new businesses in Evesham and Pershore to assess their future commercial property requirements.

Similar difficulties to those mentioned in response to question 1 were again raised here

3. Have home working levels and trends in your district or county been used to inform any of your economic development policies and strategies or other policies and programmes?

64% of respondents answered 'no' or 'don't know'

Examples of positive responses included:

EEDA feels it reflects the need to develop flexible working in its regional economic strategy

NWRDA does not specifically look at home working but thinks it would be picked up by the regional economic strategy and the rural needs survey

SWRDA has a project at the pre-appraisal stage on running a feasibility pilot for remote working. This is to inform future development policies

Devon had discussed home working trends in relation to design for new communities

Herefordshire mentions home working in its unitary district plan

Somerset said that home working trends had influenced its thinking with regard to its broadband project as well as incorporating communications access for deeper rural areas of the county into the wider economic strategy

East Staffordshire mentions home working in its draft borough strategy.

Ribble Valley has noted that there is a desire for home working - seen through planning applications. This has informed the regeneration work within the borough and has been taken account of through planning policy and forward planning

Richmondshire see this beginning at a sub-regional level - but it is still 'in its infancy'

Selby has produced an extremely impressive guide for people wishing to start a home business (www.selby.gov.uk/upload/homebusiness.pdf)

Suffolk Coastal has a strategy to increase the availability of affordable broadband technologies to rural areas, this is seen as a major factor in encouraging the spread of home working in the professional sectors

Tynedale was influenced by what it learned in the 'knowledge economy' study mentioned in question 1

Wealdon is aware of the demand for home working and support improved broadband coverage to support this

West Somerset has used what data it has had available

Wychavon studied home-based businesses to assess the demand for incubator units

The response to this question is particularly interesting. It implies that 16% of respondents saw levels and trends of home working as having influenced their economic strategy in spite of having admitted to not tracking these within their area

4. Is home working in your region, district or county concentrated in particular areas/types of areas (urban, market/costal towns, village centres, spread?)
70% of respondents answered 'no' or 'don't know'

Examples of positive responses included:
One NE said: 'According to the census data it seems to be largely rural'
Somerset believes it is spread
Wiltshire also sees it as fairly evenly spread
Breckland says it is 'possibly market/coastal/village centres-spread'
Derbyshire Dales sees it as spread throughout the area with concentrations around the market towns
East Hampshire has raw data (2001 census), not yet analysed, showing great variation of levels across district
East Staffordshire found that the 2001 census indicates high proportion of rural population in borough work from home
The Isles of Scilly has homeworkers spread over five islands
Ribble Valley finds demand tends to be focused on village centres, not much demand in market towns
Selby identifies more homeworkers in its rural wards
Shrewsbury and Atcham also sees a rural concentration and believes this to reflect the importance of agriculture in those wards
Suffolk Costal assumes a focus around market towns
Test Valley sees it as spread
Tynedale - spread
West Somerset - spread
Wychavon – spread

Most of these replies relied on anecdotal evidence alone. Only very few cited census data as informing their response

5. Are most rural homeworkers established local people or incomers?
79% of respondents answered 'no' or 'don't know'

Examples of positive responses included:
Herefordshire - mixed, but might be more locals
Somerset has anecdotal evidence that points to a slightly higher percentage being incomers
Derbyshire Dales report that current perception is incomers
Pendle found incomers constituted the greatest no of enquiries for grant assistance, but no official survey was undertaken
Ribble Valley reports that some are incomers but quite a few are local people.
Suffolk Costal has anecdotal evidence that homeworkers are largely incomers and second home owners
Test Valley saw both locals and incomers working from home, though incomers were more likely to be involved in consultancy and teleworking
Tynedale – both
West Somerset – 'estimated to be mostly incomers'

Responses were almost all explicitly anecdotal, using terms like 'estimated' 'I imagine' 'at a guess'

6. Do you know of any specific schemes designed to support home working or to encourage the relocation of homeworkers into the rural parts of the region, district or county?

65% of respondents answered 'no' or 'don't know'

Examples of positive responses included:
NWRDA has a broadband rollout project 'Project Access' which it hopes will stimulate home working
SWRDA is running a remote working pilot in conjunction with the ConnectSW broadband project
Devon County Council has an internal policy for staff wishing to work from home
Northumberland also encourages flexible working and has staff working from home
Somerset Business Link (www.businesslinksomerset.co.uk) provides an e-commerce support service. Also through the developing Somerset Broadband Project there will be general support for rural businesses moving up the e-adoption ladder and this may well encourage more home working as a result
Wiltshire also encourages flexible working by staff
Lancaster took part in a single regeneration budget-funded Rural Workspace Programme which included grant support to encourage home working in rural areas it aimed to encourage increased levels of home working as a means of raising economic activity in rural areas
Ribble Valley and **Pendle** also took part in the scheme above
Shrewsbury and Atcham mentioned SoS - Switch on Shropshire - a £4.79 million project aimed at providing broadband access to businesses and the community of shropshire (www.switchonshropshire.org.uk)

A number of respondents also mentioned Business Link, Enterprise Agencies and Women in Rural Enterprise. However 66% of respondents could not signpost any schemes

7. Are there any networks or business forums that provide support for home workers?

65% of respondents answered 'no' or 'don't know'

A number of respondents mentioned Business Link, Enterprise Agencies and Women in Rural Enterprise, Teleworkers Association, Chambers of Commerce and the Federation of Small Business.

SWRDA was able to highlight a number of SW networks including the Digital Peninsula Network (see case studies)
North Kesteven also runs Connect UK, a support network for artisans, many of whom are home-based
West Somerset has a new Rural Business Network that will welcome home-based businesses

The respondents unable to signpost a single network or forum included 5/8 RDAs

8. Which other agencies might be involved in any such scheme?

57% of respondents answered 'no' or 'don't know'

Respondents mentioned Business Link, Enterprise
Agencies and Women in Rural Enterprise, Teleworkers Association,
Chambers of Commerce, Federation of Small Business, Local District
Councils, County Councils, the RDAs, Job Centre Plus, GO of the regions
Countryside Agency and Bedfordshire Rural Communities Charity

*Some of those who answered no here had already signposted other
agencies in the previous two questions. However it is worth noting that
42% including 5/8 RDAs were unable to signpost a single project or
agency in their area*

9. Has the issue of homeworkers been discussed in any sub-regional economic partnerships to your knowledge?

58% of respondents answered 'no' or 'don't know'

Advantage West Midlands noted: 'One piece of anecdotal evidence is
that when we were doing a broadband exercise around Bredon Hill, we
found nearly 100 businesses in the villages around the hill that the local
authority and the business agencies knew nothing about. This highly
unscientific example demonstrates that there is a lot more of it going on
than we have evidence for.'

Appendix 3

Revised statistical tables using updated rural districts and new ONS figures on the co-incidence of self-employment and home-based working

rank	Rural districts ranked by percentage in employment that are self employed	Number aged 16 – 74 Self employed	Percentage in employment self employed
1.	Isles of Scilly	447	35.12
2.	South Shropshire	5,095	27.98
3.	West Somerset	3,817	26.52
4.	North Cornwall	8,790	25.46
5.	Eden	6,150	24.85
6.	Penwith	6,204	24.81
7.	Torridge	6,289	24.64
8.	West Devon	5,456	24.57
9.	South Hams	8,871	23.97
10.	Rother	7,901	23.67
11.	Ryedale	5,674	23.46
12.	West Dorset	8,878	22.24
13.	Mid Devon	7,299	22.22
14.	Craven	5,676	22.07
15.	North Devon	8,578	21.82
16.	Wealden	14,007	21.71
17.	East Devon	11,178	21.29
18.	South Lakeland	10,288	21.25
19.	Herefordshire County of	17,113	21.05
20.	Cotswold	8,232	20.96
21.	Berwick-upon-Tweed	2,380	20.77
22.	Teesdale	2,278	20.59
23.	Chichester	9,748	20.31
24.	Derbyshire Dales	6,784	20.28
25.	North Norfolk	8,255	19.94
26.	Malvern Hills	6,597	19.74
27.	Carrick	7,345	19.70
28.	Caradon	6,945	19.23
29.	Tynedale	5,285	19.16
30.	Hambleton	8,003	19.10
31.	North Dorset	5,482	19.08
32.	East Lindsey	10,193	19.08
33.	Ribble Valley	4,973	18.83
34.	Teignbridge	10,017	18.82
35.	South Bucks	5,613	18.62
36.	Maldon	5,365	18.54
37.	Tandridge	7,259	18.53
38.	Uttlesford	6,487	18.51
39.	North Shropshire	4,965	18.50
40.	Mendip	9,009	18.43
41.	Lewes	7,521	18.28

rank	Rural districts ranked by percentage in employment that are self employed	Number aged 16 – 74 Self employed	Percentage in employment self employed
42.	Restormel	7,498	18.14
43.	Stratford-on-Avon	10,252	18.13
44.	Kerrier	7,022	18.12
45.	Waverley	10,213	18.11
46.	East Dorset	6,658	17.97
47.	Richmondshire	4,313	17.88
48.	Sevenoaks	9,283	17.84
49.	Purbeck	3,619	17.80
50.	Isle of Wight	9,554	17.54
51.	Alnwick	2,419	17.47
52.	Babergh	6,989	17.34
53.	South Norfolk	9,115	17.32
54.	Mid Suffolk	7,369	17.29
55.	Bridgnorth	4,602	17.03
56.	Forest of Dean	6,350	16.91
57.	Wychavon	9,453	16.82
58.	East Hampshire	9,210	16.71
59.	Tendring	8,899	16.59
60.	Sedgemoor	7,897	16.40
61.	Stroud	8,585	16.39
62.	Rutland	2,710	16.36
63.	Harborough	6,487	16.29
64.	Suffolk Coastal	8,518	16.28
65.	Staffordshire Moorlands	7,422	16.28
66.	Horsham	9,902	16.19
67.	Oswestry	2,784	16.17
68.	South Oxfordshire	10,735	16.08
69.	Kennet	6,008	15.99
70.	Winchester	8,521	15.99
71.	South Somerset	11,346	15.93
72.	Allerdale	6,602	15.79
73.	West Oxfordshire	7,951	15.75
74.	Castle Morpeth	3,324	15.73
75.	King`s Lynn and West Norfolk	9,457	15.71
76.	Salisbury	8,972	15.61
77.	South Northamptonshire	6,572	15.61
78.	South Holland	5,434	15.52
79.	East Cambridgeshire	5,765	15.50
80.	Braintree	9,995	15.12
81.	Daventry	5,563	15.09
82.	Melton	3,631	15.07
83.	Breckland	8,349	15.01
84.	South Cambridgeshire	10,381	15.01
85.	West Lindsey	5,318	14.97
86.	Aylesbury Vale	12,818	14.86
87.	Mid Sussex	9,618	14.86

rank	Rural districts ranked by percentage in employment that are self employed	Number aged 16 – 74 Self employed	Percentage in employment self employed
88.	East Riding of Yorkshire	21,390	14.77
89.	Lichfield	6,781	14.69
90.	North Somerset	12,944	14.59
91.	High Peak	6,335	14.50
92.	Mid Bedfordshire	9,242	14.49
93.	West Lancashire	7,006	14.34
94.	Newark and Sherwood	6,709	14.17
95.	Tewkesbury	5,373	14.10
96.	Tonbridge and Malling	7,421	13.99
97.	North Wiltshire	9,015	13.97
98.	Rushcliffe	7,222	13.87
99.	Fenland	5,229	13.85
100.	West Wiltshire	7,898	13.68
101.	Selby	5,149	13.59
102.	Test Valley	7,709	13.49
103.	North Warwickshire	4,093	13.40
104.	North East Derbyshire	5,894	13.26
105.	North Kesteven	5,818	13.20
106.	Congleton	5,884	13.20
107.	Dover	5,941	13.19
108.	East Northamptonshire	5,053	13.16
109.	South Kesteven	8,009	13.12
110.	Vale of White Horse	7,807	13.05
111.	St. Edmundsbury	6,512	12.98
112.	Vale Royal	7,128	12.51
113.	North West Leicestershire	5,147	12.28
114.	Bassetlaw	5,647	12.24
115.	Wear Valley	2,943	11.85
116.	Huntingdonshire	9,629	11.70
117.	Forest Heath	3,269	11.55
118.	Copeland	3,244	11.10
119.	North Lincolnshire	7,226	10.61
120.	Derwentside	3,336	9.26
121.	Durham	3,165	8.57
122.	Sedgefield	3,045	8.32
123.	Blyth Valley	2,843	7.79
124.	Wansbeck	1,971	7.71
125.	Easington	2,499	7.48

Calculated from figures supplied by the ONS from the 2001 census

Key

Upper quartile

Lower quartile

rank	Rural districts ranked by percentage in employment working from home	Number in employment working from home	Percentage in employment working from home
1.	Isles of Scilly	295	23.17
2.	South Shropshire	3,719	20.42
3.	Eden	4,804	19.41
4.	West Somerset	2,617	18.18
5.	Torridge	4,635	18.16
6.	North Cornwall	6,256	18.12
7.	Ryedale	4,329	17.90
8.	West Devon	3,960	17.83
9.	Teesdale	1,850	16.72
10.	Mid Devon	5,453	16.60
11.	Berwick-upon-Tweed	1,820	15.88
12.	South Hams	5,843	15.79
13.	North Devon	6,043	15.37
14.	West Dorset	6,111	15.31
15.	Penwith	3,811	15.24
16.	Herefordshire County of	12,380	15.23
17.	East Devon	7,934	15.11
18.	South Lakeland	7,310	15.10
19.	Hambleton	6,296	15.03
20.	Ribble Valley	3,425	15.01
21.	Tynedale	4,121	14.94
22.	Cotswold	5,841	14.87
23.	North Shropshire	3,987	14.86
24.	Craven	3,791	14.74
25.	Alnwick	2,022	14.60
26.	Malvern Hills	4,835	14.47
27.	Rother	4,727	14.16
28.	North Dorset	4,051	14.10
29.	Derbyshire Dales	4,682	14.00
30.	Wealden	8,890	13.78
31.	Caradon	4,882	13.52
32.	Chichester	6,475	13.49
33.	Bridgnorth	3,576	13.23
34.	Stratford-on-Avon	7,481	13.23
35.	North Norfolk	5,450	13.16
36.	South Bucks	3,960	13.14
37.	Uttlesford	4,584	13.08
38.	Rutland	2,165	13.07
39.	Carrick	4,865	13.05
40.	East Lindsey	6,920	12.95
41.	Mendip	6,296	12.88
42.	Teignbridge	6,829	12.83
43.	Mid Suffolk	5,461	12.81
44.	Kerrier	4,913	12.68
45.	Waverley	7,083	12.56
46.	Wychavon	7,001	12.46

rank	Rural districts ranked by percentage in employment working from home	Number in employment working from home	Percentage in employment working from home
47.	East Dorset	4,555	12.29
48.	Kennet	4,614	12.28
49.	Allerdale	5,118	12.24
50.	Harborough	4,869	12.23
51.	West Lindsey	4,343	12.23
52.	Tandridge	4,759	12.15
53.	Babergh	4,888	12.13
54.	Forest of Dean	4,551	12.12
55.	Stroud	6,313	12.05
56.	South Norfolk	6,326	12.02
57.	Winchester	6,386	11.98
58.	Purbeck	2,418	11.89
59.	Sedgemoor	5,715	11.87
60.	South Northamptonshire	4,984	11.84
61.	Restormel	4,888	11.83
62.	South Oxfordshire	7,882	11.81
63.	Daventry	4,342	11.78
64.	East Hampshire	6,471	11.74
65.	Maldon	3,395	11.73
66.	Horsham	7,127	11.65
67.	Castle Morpeth	2,457	11.63
68.	South Holland	4,065	11.61
69.	South Somerset	8,264	11.60
70.	West Oxfordshire	5,794	11.48
71.	Breckland	6,379	11.47
72.	Sevenoaks	5,947	11.43
73.	Lewes	4,673	11.36
74.	Suffolk Coastal	5,939	11.35
75.	North Wiltshire	7,271	11.27
76.	Staffordshire Moorlands	5,139	11.27
77.	Melton	2,713	11.26
78.	Salisbury	6,419	11.17
79.	Oswestry	1,918	11.14
80.	South Cambridgeshire	7,697	11.13
81.	King`s Lynn and West Norfolk	6,676	11.09
82.	Aylesbury Vale	9,546	11.07
83.	Lichfield	5,087	11.02
84.	Richmondshire	3,621	11.02
85.	East Cambridgeshire	4,082	10.97
86.	North Somerset	9,654	10.88
87.	Tewkesbury	4,108	10.78
88.	Selby	4,080	10.77
89.	Congleton	4,765	10.69
90.	Mid Sussex	6,921	10.69
91.	Isle of Wight	5,797	10.64
92.	Newark and Sherwood	4,996	10.55

rank	Rural districts ranked by percentage in employment working from home	Number in employment working from home	Percentage in employment working from home
93.	Vale of White Horse	6,240	10.43
94.	North Kesteven	4,579	10.39
95.	Test Valley	5,897	10.32
96.	East Riding of Yorkshire	14,920	10.30
97.	Mid Bedfordshire	6,562	10.29
98.	South Kesteven	6,259	10.25
99.	High Peak	4,470	10.23
100.	Tendring	5,488	10.23
101.	Rushcliffe	5,323	10.22
102.	West Wiltshire	5,882	10.19
103.	Braintree	6,695	10.13
104.	St. Edmundsbury	5,083	10.13
105.	Vale Royal	5,751	10.09
106.	Tonbridge and Malling	5,283	9.96
107.	East Northamptonshire	3,790	9.87
108.	Fenland	3,696	9.79
109.	Huntingdonshire	8,051	9.78
110.	Wear Valley	2,427	9.77
111.	West Lancashire	4,713	9.65
112.	North Warwickshire	2,943	9.64
113.	North West Leicestershire	3,999	9.54
114.	Bassetlaw	4,278	9.27
115.	North East Derbyshire	4,079	9.18
116.	Copeland	2,563	8.77
117.	Dover	3,864	8.58
118.	Forest Heath	2,422	8.56
119.	North Lincolnshire	5,658	8.31
120.	Derwentside	2,917	8.10
121.	Durham	2,873	7.78
122.	Sedgefield	2,662	7.27
123.	Blyth Valley	2,606	7.14
124.	Easington	2,303	6.89
125.	Wansbeck	1,662	6.50

Calculated from figures supplied by the ONS from the 2001 census

Key

Upper quartile

Lower quartile

rank	Rural Districts ranked by percentage in employment both self employed and working from home	Number self employed people aged 16 - 74 Work mainly at or from home	Percentage of self employed working from home	Percentage of people who work from home self employed	Percentage of people in employment both self employed and working from home
1.	Isles of Scilly	235	52.57	79.67	18.46
2.	South Shropshire	2,612	51.26	70.24	14.34
3.	Eden	3,412	55.48	71.02	13.78
4.	North Cornwall	4,510	51.31	72.09	13.06
5.	Torridge	3,299	52.45	71.18	12.93
6.	West Somerset	1,858	48.67	71.01	12.91
7.	West Devon	2,800	51.32	70.71	12.61
8.	Ryedale	2,968	52.31	68.56	12.27
9.	Teesdale	1,283	56.32	69.36	11.60
10.	Mid Devon	3,672	50.31	67.34	11.18
11.	Penwith	2,747	44.28	72.08	10.99
12.	South Hams	4,019	45.31	68.79	10.86
13.	North Devon	4,192	48.87	69.37	10.66
14.	West Dorset	4,145	46.69	67.83	10.39
15.	Herefordshire County of	8,204	47.94	66.27	10.09
16.	Craven	2,591	45.65	68.34	10.07
17.	South Lakeland	4,875	47.39	66.69	10.07
18.	Berwick-upon-Tweed	1,147	48.19	63.03	10.01
19.	East Devon	5,239	46.87	66.03	9.98
20.	Tynedale	2,660	50.33	64.55	9.64
21.	Hambleton	3,988	49.83	63.34	9.52
22.	Richmondshire	2,275	52.75	62.83	9.43
23.	Cotswold	3,659	44.45	62.64	9.32
24.	Rother	3,105	39.30	65.69	9.30
25.	Derbyshire Dales	3,044	44.87	65.01	9.10
26.	North Shropshire	2,439	49.13	61.17	9.09
27.	Malvern Hills	3,023	45.82	62.52	9.05
28.	Caradon	3,227	46.46	66.10	8.94
29.	North Dorset	2,533	46.21	62.53	8.82
30.	Carrick	3,253	44.29	66.86	8.73
31.	Alnwick	1,170	48.36	57.87	8.45
32.	Wealden	5,435	38.80	61.14	8.42
33.	North Norfolk	3,441	41.68	63.14	8.31
34.	Chichester	3,982	40.85	61.50	8.30
35.	East Lindsey	4,352	42.70	62.89	8.14
36.	Kerrier	3,154	44.91	64.20	8.14
37.	Ribble Valley	2,130	42.83	62.19	8.07
38.	Mendip	3,893	43.21	61.83	7.96
39.	Teignbridge	4,234	42.27	62.00	7.95
40.	Stratford-on-Avon	4,488	43.78	59.99	7.94
41.	Allerdale	3,249	49.21	63.48	7.77
42.	Bridgnorth	2,075	45.09	58.03	7.68
43.	Restormel	3,134	41.80	64.11	7.58
44.	Mid Suffolk	3,233	43.87	59.20	7.58
45.	Uttlesford	2,607	40.19	56.87	7.44

rank	Rural Districts ranked by percentage in employment both self employed and working from home	Number self employed people aged 16 - 74 Work mainly at or from home	Percentage of self employed working from home	Percentage of people who work from home self employed	Percentage of people in employment both self employed and working from home
46.	South Bucks	2,210	39.38	55.81	7.33
47.	Rutland	1,213	44.77	56.02	7.32
48.	South Norfolk	3,798	41.67	60.04	7.22
49.	Purbeck	1,461	40.37	60.43	7.19
50.	Forest of Dean	2,684	42.27	58.98	7.15
51.	Waverley	3,999	39.15	56.46	7.09
52.	South Somerset	5,024	44.28	60.79	7.05
53.	Babergh	2,839	40.62	58.08	7.05
54.	Wychavon	3,953	41.82	56.47	7.04
55.	East Dorset	2,599	39.03	57.06	7.01
56.	Stroud	3,669	42.74	58.12	7.00
57.	West Lindsey	2,483	46.69	57.17	6.99
58.	Tandridge	2,726	37.55	57.28	6.96
59.	Lewes	2,835	37.69	60.67	6.89
60.	Kennet	2,584	43.01	56.01	6.88
61.	Sedgemoor	3,297	41.75	57.69	6.85
62.	Staffordshire Moorlands	3,105	41.84	60.42	6.81
63.	Winchester	3,620	42.48	56.69	6.79
64.	Isle of Wight	3,693	38.65	63.71	6.78
65.	Oswestry	1,164	41.82	60.68	6.76
66.	West Oxfordshire	3,383	42.55	58.39	6.70
67.	Harborough	2,666	41.10	54.75	6.70
68.	South Holland	2,319	42.67	57.05	6.62
69.	East Hampshire	3,632	39.43	56.13	6.59
70.	Suffolk Coastal	3,448	40.48	58.06	6.59
71.	Horsham	4,001	40.41	56.14	6.54
72.	Castle Morpeth	1,380	41.52	56.16	6.53
73.	South Northamptonshire	2,745	41.77	55.07	6.52
74.	South Oxfordshire	4,331	40.35	54.95	6.49
75.	Sevenoaks	3,364	36.24	56.57	6.47
76.	Breckland	3,577	42.85	56.08	6.43
77.	Salisbury	3,691	41.14	57.50	6.42
78.	South Cambridgeshire	4,414	42.52	57.34	6.38
79.	Melton	1,522	41.92	56.09	6.32
80.	King`s Lynn and West Norfolk	3,797	40.15	56.88	6.31
81.	Daventry	2,324	41.78	53.52	6.31
82.	East Cambridgeshire	2,328	40.38	57.03	6.26
83.	Maldon	1,791	33.38	52.75	6.19
84.	North Wiltshire	3,920	43.48	53.91	6.08
85.	Tewkesbury	2,278	42.39	55.46	5.98
86.	Selby	2,260	43.89	55.39	5.97
87.	East Riding of Yorkshire	8,542	39.93	57.25	5.90
88.	Mid Sussex	3,774	39.24	54.53	5.83
89.	Aylesbury Vale	5,019	39.16	52.58	5.82
90.	Lichfield	2,663	39.27	52.35	5.77

rank	Rural Districts ranked by percentage in employment both self employed and working from home	Number self employed people aged 16 - 74 Work mainly at or from home	Percentage of self employed working from home	Percentage of people who work from home self employed	Percentage of people in employment both self employed and working from home
91.	High Peak	2,495	39.39	55.81	5.71
92.	Newark and Sherwood	2,697	40.20	53.99	5.70
93.	North Kesteven	2,478	42.59	54.12	5.62
94.	North Somerset	4,983	38.50	51.62	5.62
95.	Rushcliffe	2,896	40.10	54.40	5.56
96.	West Wiltshire	3,203	40.55	54.46	5.55
97.	Vale of White Horse	3,309	42.38	53.02	5.53
98.	Tendring	2,965	33.32	54.03	5.53
99.	Test Valley	3,068	39.80	52.03	5.37
100.	Congleton	2,373	40.33	49.80	5.32
101.	South Kesteven	3,233	40.37	51.66	5.29
102.	Vale Royal	2,975	41.73	51.73	5.22
103.	West Lancashire	2,548	36.37	54.06	5.22
104.	St. Edmundsbury	2,606	40.02	51.27	5.19
105.	Fenland	1,957	37.43	52.94	5.18
106.	Mid Bedfordshire	3,283	35.52	50.03	5.15
107.	Braintree	3,400	34.02	50.78	5.14
108.	Wear Valley	1,273	43.25	52.45	5.12
109.	North Warwickshire	1,536	37.53	52.18	5.03
110.	Tonbridge and Malling	2,626	35.39	49.71	4.95
111.	Copeland	1,439	44.36	56.15	4.92
112.	North East Derbyshire	2,180	36.99	53.44	4.91
113.	East Northamptonshire	1,872	37.05	49.40	4.88
114.	Huntingdonshire	3,954	41.06	49.11	4.80
115.	Dover	2,149	36.17	55.61	4.77
116.	North West Leicestershire	1,997	38.80	49.94	4.76
117.	Bassetlaw	2,189	38.76	51.17	4.74
118.	Forest Heath	1,245	38.08	51.40	4.40
119.	North Lincolnshire	2,681	37.10	47.39	3.94
120.	Derwentside	1,368	41.01	46.90	3.80
121.	Durham	1,363	43.07	47.45	3.69
122.	Sedgefield	1,189	39.04	44.66	3.25
123.	Easington	914	36.57	39.68	2.73
124.	Blyth Valley	991	34.86	38.03	2.72
125.	Wansbeck	645	32.72	38.81	2.52

Calculated from figures supplied by the ONS from the 2001 census

Key

Upper quartile

Lower quartile

	Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census	Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
	London	**141,585**	**29.78**	**49.52**	**4.27**	
1.	Kensington and Chelsea	6,696	39.52	65.25	8.86	Urban
2.	Camden	6,310	35.36	64.01	6.87	Urban
3.	Richmond-upon-Thames	5,943	37.46	60.32	6.65	Urban
4.	Westminster, City of	5,702	35.13	57.57	6.37	Urban
5.	City of London	273	30.78	63.19	6.36	Urban
6.	Barnet	8,491	30.43	54.90	5.82	Urban
7.	Hammersmith and Fulham	4,427	33.08	60.05	5.33	Urban
8.	Haringey	4,731	32.34	56.22	4.94	Urban
9.	Islington	3,925	30.55	58.51	4.92	Urban
10.	Kingston-upon-Thames	3,572	33.77	52.64	4.77	Urban
11.	Hackney	3,730	30.86	53.74	4.71	Urban
12.	Bromley	6,610	30.85	52.25	4.67	Urban
13.	Harrow	4,359	29.37	45.18	4.46	Urban
14.	Wandsworth	5,888	31.21	54.44	4.17	Urban
15.	Merton	3,957	30.97	49.15	4.17	Urban
16.	Lambeth	5,367	30.49	54.37	4.11	Urban
17.	Brent	4,737	26.37	43.52	3.99	Urban
18.	Sutton	3,536	28.08	47.70	3.92	Urban
19.	Croydon	5,990	29.36	44.80	3.82	Urban
20.	Enfield	4,540	25.63	45.49	3.74	Urban
21.	Redbridge	3,925	23.97	43.77	3.70	Urban
22.	Ealing	5,254	28.71	42.89	3.65	Urban
23.	Southwark	3,896	28.31	46.85	3.61	Urban
24.	Lewisham	4,040	28.43	48.37	3.53	Urban
25.	Hounslow	3,641	30.20	42.03	3.51	Urban
26.	Hillingdon	4,107	29.75	42.69	3.51	Urban
27.	Havering	3,407	24.27	45.46	3.26	Urban
28.	Bexley	3,367	25.51	44.69	3.25	Urban
29.	Greenwich	2,862	26.14	43.46	3.12	Urban
30.	Tower Hamlets	2,180	25.21	38.54	2.95	Urban
31.	Waltham Forest	2,844	24.30	42.22	2.91	Urban
32.	Newham	2,013	23.84	28.54	2.33	Urban
33.	Barking and Dagenham	1,265	19.47	31.54	1.92	Urban

Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census	Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
South East	**201,333**	**36.46**	**52.12**	**5.18**	
Rural	70,261	39.31	56.79	6.55	
Urban	52,326	33.28	49.36	4.35	
Mixed	78,746	36.41	50.29	4.88	
1. Rother	3,105	39.30	65.69	9.30	Rural
2. Wealden	5,435	38.80	61.14	8.42	Rural
3. Chichester	3,982	40.85	61.50	8.30	Rural
4. Chiltern	3,363	41.74	59.08	7.80	Mixed
5. Mole Valley	2,983	38.90	60.21	7.62	Urban
6. South Buckinghamshire	2,210	39.38	55.81	7.33	Rural
7. Waverley	3,999	39.15	56.46	7.09	Rural
8. Elmbridge	4,145	37.31	57.28	7.05	Urban
9. Tandridge	2,726	37.55	57.28	6.96	Rural
10. Lewes	2,835	37.69	60.67	6.89	Rural
11. Winchester	3,620	42.48	56.69	6.79	Rural
12. Isle of Wight	3,693	38.65	63.71	6.78	Rural
13. Tunbridge Wells	3,424	39.15	58.95	6.73	Mixed
14. West Oxfordshire	3,383	42.55	58.39	6.70	Rural
15. East Hampshire	3,632	39.43	56.13	6.59	Rural
16. Horsham	4,001	40.41	56.14	6.54	Rural
17. South Oxfordshire	4,331	40.35	54.95	6.49	Rural
18. Sevenoaks	3,364	36.24	56.57	6.47	Rural
19. New Forest	4,788	38.86	55.63	6.21	Mixed
20. Ashford	2,989	39.14	53.93	6.12	Mixed
21. Windsor and Maidenhead	4,034	39.31	51.70	5.92	Mixed
22. Mid Sussex	3,774	39.24	54.53	5.83	Rural
23. Aylesbury Vale	5,019	39.16	52.58	5.82	Rural
24. Arun	3,500	34.91	55.35	5.79	Urban
25. Guildford	3,791	38.01	54.33	5.65	Mixed
26. Wycombe	4,591	37.74	51.39	5.60	Mixed
27. Shepway	2,322	37.74	55.36	5.55	Mixed
28. Canterbury	3,155	37.52	55.37	5.53	Mixed
29. Vale of White Horse	3,309	42.38	53.02	5.53	Rural
30. Brighton and Hove	6,448	33.46	59.30	5.49	Urban
31. Reigate and Banstead	3,474	35.19	53.64	5.41	Mixed
32. Surrey Heath	2,300	38.43	50.07	5.40	Mixed
33. Test Valley	3,068	39.80	52.03	5.37	Rural
34. Hart	2,430	39.85	49.87	5.34	Mixed
35. West Berkshire	4,134	39.13	48.63	5.33	Mixed
36. Hastings	1,803	31.70	58.65	5.08	Mixed
37. Maidstone	3,519	35.56	50.25	5.07	Mixed
38. Cherwell	3,514	40.64	51.84	5.00	Mixed
39. Thanet	2,456	33.49	55.28	4.99	Mixed/
40. Tonbridge and Malling	2,626	35.39	49.71	4.95	Rural

Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census		Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
41.	Wokingham	4,016	39.29	46.31	4.94	Urban
42.	Epsom and Ewell	1,601	31.94	52.19	4.82	Urban
43.	Dover	2,149	36.17	55.61	4.77	Rural
44.	Eastbourne	1,743	31.05	55.40	4.75	Mixed
45.	Worthing	2,087	33.02	54.36	4.72	Urban
46.	Woking	2,178	34.80	50.68	4.71	Urban
47.	Runnymede	1,824	34.01	49.29	4.67	Urban
48.	Adur	1,267	31.42	51.54	4.66	Urban
49.	Oxford	2,801	43.53	55.29	4.66	Mixed
50.	Swale	2,516	32.98	49.25	4.52	Mixed
51.	Basingstoke and Deane	3,541	37.16	45.59	4.29	Mixed
52.	Spelthorne	1,889	33.17	47.25	4.03	Urban
53.	Fareham	2,143	34.43	46.00	3.94	Urban
54.	Bracknell Forest	2,364	34.95	43.53	3.94	Urban
55.	Eastleigh	2,343	33.59	45.27	3.87	Urban
56.	Havant	2,007	30.04	46.74	3.79	Urban
57.	Milton Keynes	3,949	36.28	42.69	3.65	Mixed
58	Gravesham	1,542	28.38	42.62	3.51	Urban
59.	Medway Towns	3,810	27.96	41.93	3.19	Mixed
60.	Reading	2,301	31.31	42.19	3.13	Urban
61.	Rushmoor	1,508	31.44	35.75	3.02	Mixed
62.	Portsmouth	2,568	28.13	43.72	2.95	Urban
63.	Dartford	1,239	25.65	40.72	2.93	Urban
64.	Southampton	2,850	29.94	43.77	2.90	Urban
65.	Gosport	1,031	30.81	40.77	2.76	Urban
66.	Crawley	1,340	29.39	36.57	2.60	Mixed
67.	Slough	1,451	26.96	34.04	2.48	Mixed

Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census		Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
North East		**35,166**	**36.44**	**44.34**	**3.40**	
	Rural	15,383	43.35	51.76	4.88	
	Urban	17,270	32.03	39.40	2.69	
	Mixed	2,513	35.40	43.71	3.27	
1.	Teesdale	1,283	56.32	69.36	11.60	Rural
2.	Berwick-upon-Tweed	1,147	48.19	63.03	10.01	Rural
3.	Tynedale	2,660	50.33	64.55	9.64	Rural
4.	Alnwick	1,170	48.36	57.87	8.45	Rural
5.	Castle Morpeth	1,380	41.52	56.16	6.53	Rural
6.	Wear Valley	1,273	43.25	52.45	5.12	Rural
7.	Darlington	1,684	38.38	47.42	3.92	Mixed
8.	Derwentside	1,368	41.01	46.90	3.80	Rural
9.	Durham	1,363	43.07	47.45	3.69	Rural
10.	Chester-le-Street	818	36.64	42.58	3.31	Urban
11.	Sedgefield	1,189	39.04	44.66	3.25	Rural
12.	Redcar and Cleveland	1,690	35.34	43.35	3.11	Urban
13.	Newcastle upon Tyne	3,016	31.00	42.69	2.97	Urban
14.	Stockton on Tees	2,162	34.25	39.67	2.85	Urban
15.	North Tyneside	2,345	32.26	38.75	2.80	Urban
16.	Easington	914	36.57	39.68	2.73	Rural
17.	Gateshead	2,151	34.00	39.23	2.73	Urban
18.	Blyth Valley	991	34.86	38.03	2.72	Rural
19.	Wansbeck	645	32.72	38.81	2.52	Rural
20.	Hartlepool	829	30.57	37.72	2.46	Mixed
21.	Sunderland	2,661	30.29	37.79	2.33	Urban
22.	Middlesbrough	1,133	29.92	35.56	2.30	Urban
23.	South Tyneside	1,294	27.59	34.60	2.20	Urban

Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census		Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
South West		**147,376**	**41.34**	**58.62**	**6.45**	
	Rural	103,196	44.48	62.44	8.20	
	Urban	19,525	34.48	50.96	4.25	
	Mixed	24,655	36.36	51.55	4.34	
1.	Isles of Scilly	235	52.57	79.67	18.46	Rural
2.	North Cornwall	4,510	51.31	72.09	13.06	Rural
3.	Torridge	3,299	52.45	71.18	12.93	Rural
4.	West Somerset	1,858	48.67	71.01	12.91	Rural
5.	West Devon	2,800	51.32	70.71	12.61	Rural
6.	Mid Devon	3,672	50.31	67.34	11.18	Rural
7.	Penwith	2,747	44.28	72.08	10.99	Rural
8.	South Hams	4,019	45.31	68.79	10.86	Rural

Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census		Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
9.	North Devon	4,192	48.87	69.37	10.66	Rural
10.	West Dorset	4,145	46.69	67.83	10.39	Rural
11.	East Devon	5,239	46.87	66.03	9.98	Rural
12.	Cotswold	3,659	44.45	62.64	9.32	Rural
13.	Caradon	3,227	46.46	66.10	8.94	Rural
14.	North Dorset	2,533	46.21	62.53	8.82	Rural
15.	Carrick	3,253	44.29	66.86	8.73	Rural
16.	Kerrier	3,154	44.91	64.20	8.14	Rural
17.	Mendip	3,893	43.21	61.83	7.96	Rural
18.	Teignbridge	4,234	42.27	62.00	7.95	Rural
19.	Restormel	3,134	41.80	64.11	7.58	Rural
20.	Purbeck	1,461	40.37	60.43	7.19	Rural
21.	Forest of Dean	2,684	42.27	58.98	7.15	Rural
22.	South Somerset	5,024	44.28	60.79	7.05	Rural
23.	East Dorset	2,599	39.03	57.06	7.01	Rural
24.	Stroud	3,669	42.74	58.12	7.00	Rural
25.	Kennet	2,584	43.01	56.01	6.88	Rural
26.	Sedgemoor	3,297	41.75	57.69	6.85	Rural
27.	Torbay	3,634	37.10	62.55	6.79	Mixed
28.	Salisbury	3,691	41.14	57.50	6.42	Rural
29.	Taunton Deane	2,972	41.82	56.74	6.18	Mixed
30.	Bath and North East Somerset	4,919	40.59	59.56	6.13	Mixed
31.	North Wiltshire	3,920	43.48	53.91	6.08	Rural
32.	Tewkesbury	2,278	42.39	55.46	5.98	Rural
33.	North Somerset	4,983	38.50	51.62	5.62	Rural
34.	Bournemouth	4,038	35.82	57.80	5.58	Urban
35.	West Wiltshire	3,203	40.55	54.46	5.55	Rural
36.	Christchurch	999	33.87	55.84	5.51	Urban
37.	Weymouth and Portland	1,361	35.23	55.99	4.82	Mixed
38.	Poole	2,980	33.84	52.44	4.64	Urban
39.	Cheltenham	2,369	36.51	51.05	4.46	Mixed
40.	Exeter	2,029	35.54	50.51	3.93	Mixed
41.	South Gloucestershire	5,006	34.99	45.88	3.92	Urban
42.	Bristol	6,502	33.72	50.24	3.67	Urban
43.	Plymouth	3,197	32.25	45.64	3.01	Mixed
44.	Gloucester	1,565	33.07	41.56	2.98	Mixed
45.	Swindon	2,609	32.26	39.17	2.78	Mixed

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	East Midlands	**86,854**	**37.28**	**50.12**	**4.53**	
	Rural	44,705	41.19	55.29	6.07	
	Urban	14,837	32.33	43.55	3.33	
	Mixed	27,312	34.76	46.78	3.71	
1.	Derbyshire Dales	3,044	44.87	65.01	9.10	Rural
2.	East Lindsey	4,352	42.70	62.89	8.14	Rural
3.	Rutland	1,213	44.77	56.02	7.32	Rural
4.	West Lindsey	2,483	46.69	57.17	6.99	Rural
5.	Harborough	2,666	41.10	54.75	6.70	Rural
6.	South Holland	2,319	42.67	57.05	6.62	Rural
7.	South Northamptonshire	2,745	41.77	55.07	6.52	Rural
8.	Melton	1,522	41.92	56.09	6.32	Rural
9.	Daventry	2,324	41.78	53.52	6.31	Rural
10.	High Peak	2,495	39.39	55.81	5.71	Rural
11.	Newark and Sherwood	2,697	40.20	53.99	5.70	Rural
12.	North Kesteven	2,478	42.59	54.12	5.62	Rural
13.	Rushcliffe	2,896	40.10	54.40	5.56	Rural
14.	South Kesteven	3,233	40.37	51.66	5.29	Rural
15.	Boston	1,293	38.22	54.07	5.16	Mixed
16.	North East Derbyshire	2,180	36.99	53.44	4.91	Rural
17.	East Northamptonshire	1,872	37.05	49.40	4.88	Rural
18.	Hinckley and Bosworth	2,500	37.60	50.17	4.87	Mixed
19.	North West Leicestershire	1,997	38.80	49.94	4.76	Rural
20.	Bassetlaw	2,189	38.76	51.17	4.74	Rural
21.	South Derbyshire	1,881	38.39	50.84	4.70	Mixed
22.	Amber Valley	2,484	38.19	52.18	4.54	Mixed
23.	Charnwood	3,252	37.09	49.14	4.43	Mixed
24.	Blaby	2,088	35.68	48.57	4.43	Urban
25.	Gedling	2,239	33.37	50.05	4.12	Urban
26.	Kettering	1,646	34.03	47.75	3.99	Mixed
27.	Bolsover	1,128	36.33	48.85	3.83	Mixed
28.	Oadby and Wigston	1,011	31.03	47.54	3.79	Urban
29.	Broxtowe	1,892	34.43	46.96	3.69	Urban
30.	Wellingborough	1,288	33.94	42.14	3.67	Mixed
31.	Chesterfield	1,486	33.51	46.71	3.46	Mixed
32.	Mansfield	1,346	32.47	46.75	3.31	Mixed
33.	Erewash	1,694	31.89	42.87	3.23	Urban
34.	Northampton	3,090	32.81	43.03	3.21	Mixed
35.	Ashfield	1,542	32.11	44.06	3.15	Mixed
36.	Lincoln	1,102	30.71	45.88	2.95	Mixed
37.	Derby City	2,729	31.84	41.92	2.86	Mixed
38.	Nottingham	2,881	31.92	42.47	2.83	Urban
39.	Leicester City	3,032	29.60	36.09	2.72	Urban/
40.	Corby	545	32.41	37.20	2.20	Mixed

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East of England		**124,635**	**34.71**	**51.19**	**4.83**	
	Rural	54,683	39.39	55.31	6.09	
	Urban	17,400	28.76	48.96	4.33	
	Mixed	52,552	32.89	48.18	4.11	
1.	North Norfolk	3,441	41.68	63.14	8.31	Rural
2.	Mid Suffolk	3,233	43.87	59.20	7.58	Rural
3.	Uttlesford	2,607	40.19	56.87	7.44	Rural
4.	South Norfolk	3,798	41.67	60.04	7.22	Rural
5.	Babergh	2,839	40.62	58.08	7.05	Rural
6.	Suffolk Coastal	3,448	40.48	58.06	6.59	Rural
7.	Breckland	3,577	42.85	56.08	6.43	Rural
8.	South Cambridgeshire	4,414	42.52	57.34	6.38	Rural
9.	King`s Lynn and West Norfolk	3,797	40.15	56.88	6.31	Rural
10.	East Cambridgeshire	2,328	40.38	57.03	6.26	Rural
11.	Maldon	1,791	33.38	52.75	6.19	Rural
12.	St Albans	3,676	38.16	52.90	5.60	Mixed
13.	Hertsmere	2,559	32.28	54.48	5.56	Mixed
14.	Tendring	2,965	33.32	54.03	5.53	Rural
15.	Broadland	3,131	37.01	55.34	5.40	Mixed
16.	Three Rivers	2,159	32.61	52.18	5.32	Urban
17.	East Hertfordshire	3,555	34.94	52.54	5.26	Mixed
18.	St. Edmundsbury	2,606	40.02	51.27	5.19	Rural
19.	Fenland	1,957	37.43	52.94	5.18	Rural
20.	Mid Bedfordshire	3,283	35.52	50.03	5.15	Rural
21.	Braintree	3,400	34.02	50.78	5.14	Rural
22.	Epping Forest	2,956	27.12	52.14	5.11	Urban
23.	Brentwood	1,656	33.21	51.82	5.05	Mixed
24.	North Hertfordshire	2,901	36.26	50.03	4.93	Mixed
25.	Cambridge	2,422	44.00	57.47	4.92	Mixed
26.	Dacorum	3,391	34.63	50.28	4.89	Urban
27.	Waveney	2,211	34.65	53.05	4.81	Mixed
28.	Huntingdonshire	3,954	41.06	49.11	4.80	Rural
29.	Great Yarmouth	1,701	32.01	50.97	4.53	Mixed
30.	Colchester	3,357	34.11	48.78	4.47	Mixed
31.	Bedford	3,142	36.60	47.10	4.46	Mixed
32.	Forest Heath	1,245	38.08	51.40	4.40	Rural
33.	Welwyn Hatfield	2,018	34.30	48.85	4.37	Mixed
34.	Rochford	1,631	29.10	48.60	4.32	Urban
35.	Chelmsford	3,440	33.20	47.94	4.29	Mixed
36.	South Bedfordshire	2,381	33.25	45.95	4.16	Mixed
37.	Southend-on-Sea	2,760	27.71	49.16	3.93	Urban
38.	Castle Point	1,497	23.85	46.06	3.65	Urban
39.	Broxbourne	1,571	24.67	44.83	3.61	Urban/
40.	Watford	1,435	28.80	44.00	3.45	Urban

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41.	Peterborough	2,494	34.95	45.13	3.40	Mixed
42.	Norwich	1,817	33.43	50.97	3.39	Mixed
43.	Basildon	2,360	24.05	43.29	3.03	Mixed
44.	Ipswich	1,575	29.73	43.52	2.91	Mixed
45.	Stevenage	1,130	27.72	40.67	2.86	Mixed
46.	Luton	2,273	25.81	37.70	2.76	Mixed
47.	Thurrock	1,823	24.86	38.00	2.62	Mixed
48.	Harlow	930	25.25	37.37	2.40	Mixed

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Yorkshire and Humberside		**94,020**	**36.33**	**51.04**	**4.31**	
	Rural	25,305	44.06	59.27	6.90	
	Urban	42,618	32.52	46.43	3.42	
	Mixed	26,097	37.10	52.50	4.59	
1.	Ryedale	2,968	52.31	68.56	12.27	Rural
2.	Craven	2,591	45.65	68.34	10.07	Rural
3.	Hambleton	3,988	49.83	63.34	9.52	Rural
4.	Richmondshire	2,275	52.75	62.83	9.43	Rural
5.	Scarborough	3,576	43.08	65.39	7.95	Mixed
6.	Harrogate	5,725	43.97	59.93	7.56	Mixed
7.	Selby	2,260	43.89	55.39	5.97	Rural
8.	East Riding of Yorkshire	8,542	39.93	57.25	5.90	Rural
9.	Calderdale	4,061	36.94	52.72	4.61	Mixed
10.	York	3,659	38.96	53.25	4.19	Mixed
11.	Kirklees	7,047	33.62	47.98	4.05	Urban
12.	Bradford	7,619	34.34	48.58	3.98	Urban
13.	North Lincolnshire	2,681	37.10	47.39	3.94	Rural
14.	Barnsley	3,151	32.00	47.91	3.55	Mixed
15.	Leeds	11,334	33.76	47.25	3.51	Urban
16.	Doncaster	4,139	33.37	44.89	3.50	Mixed
17.	Sheffield	7,178	30.79	46.86	3.29	Urban
18.	Rotherham	3,289	31.42	44.50	3.09	Urban
19.	Wakefield	4,238	31.97	44.44	3.07	Urban
20.	North East Lincolnshire	1,786	28.00	41.36	2.71	Mixed
21.	Kingston upon Hull	1,913	26.21	36.85	1.99	Urban

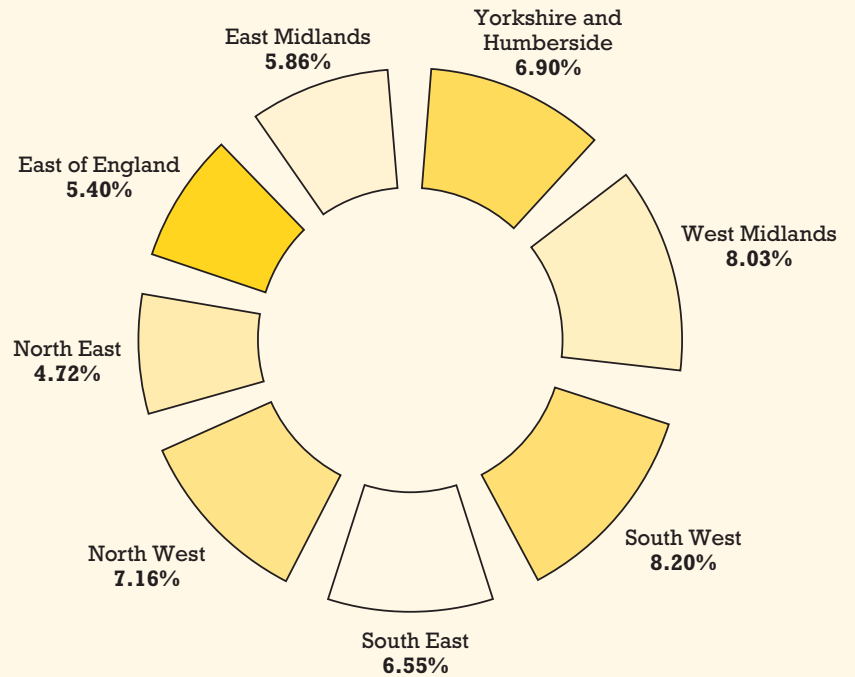|	Regional ranking of percentage of workforce in home-based businesses Calculated from figures supplied by the ONS from the 2001 census	Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed people working from home	Percentage of people working from home also self employed	Percentage of people in employment self employed and working from home	Urban/ Rural Mixed
	North West	**120,754**	**35.12**	**49.80**	**4.16**	
	Rural	23,001	44.86	59.82	7.16	
	Urban	68,492	31.99	46.67	3.54	
	Mixed	29,261	37.33	51.09	4.53	
1.	Eden	3,412	55.48	71.02	13.78	Rural
2.	South Lakeland	4,875	47.39	66.69	10.07	Rural
3.	Ribble Valley	2,130	42.83	62.19	8.07	Rural
4.	Allerdale	3,249	49.21	63.48	7.77	Rural
5.	Blackpool	4,023	40.75	66.18	6.81	Urban
6.	Macclesfield	4,877	39.43	57.07	6.68	Mixed
7.	Wyre	2,770	36.34	61.51	6.15	Urban
8.	Carlisle	2,702	44.99	58.19	5.77	Mixed
9.	Fylde	1,795	35.37	56.86	5.57	Urban
10.	Chester	3,057	41.05	55.59	5.52	Mixed
11.	Lancaster	3,060	40.29	56.37	5.47	Mixed
12.	Crewe and Nantwich	2,757	43.53	53.99	5.35	Mixed
13.	Congleton	2,373	40.33	49.80	5.32	Rural
14.	Vale Royal	2,975	41.73	51.73	5.22	Rural
15.	West Lancashire	2,548	36.37	54.06	5.22	Rural
16.	Copeland	1,439	44.36	56.15	4.92	Rural
17.	Chorley	2,292	37.00	49.98	4.66	Urban
18.	Rossendale	1,354	33.87	51.09	4.53	Mixed
19.	Pendle	1,665	32.69	55.29	4.49	Mixed
20.	Stockport	5,834	33.95	48.73	4.29	Urban
21.	South Ribble	2,089	36.60	50.12	4.07	Urban
22.	Trafford	3,974	32.80	46.18	4.01	Urban
23.	Bury	3,168	30.32	47.05	3.78	Urban
24.	Sefton	4,223	30.47	48.34	3.63	Urban
25.	Blackburn with Darwen	1,933	31.53	44.38	3.61	Mixed
26.	Burnley	1,365	35.27	48.61	3.58	Mixed
27.	Bolton	4,093	31.26	45.17	3.58	Urban
28.	Hyndburn	1,235	32.56	47.04	3.55	Mixed
29.	Warrington	3,219	35.23	42.69	3.53	Mixed
30.	Preston	1,952	33.97	47.19	3.47	Urban
31.	Rochdale	2,996	29.50	44.50	3.45	Urban
32.	Wirral	4,335	33.02	48.31	3.43	Urban
33.	Oldham	3,054	29.52	42.31	3.29	Urban
34.	Tameside	3,161	31.83	42.48	3.28	Urban
35.	Ellesmere Port and Neston	1,143	34.18	45.35	3.08	Urban
36.	Wigan	4,159	30.32	42.83	3.07	Urban
37.	Salford	2,635	31.41	39.76	2.93	Urban
38.	Barrow-in-Furness	844	31.81	43.09	2.93	Mixed
39.	St Helens	2,096	31.74	43.59	2.87	Urban
40.	Manchester	3,755	28.58	40.31	2.64	Urban
41.	Liverpool	3,774	27.11	43.38	2.44	Urban
42.	Halton	1,193	30.15	38.45	2.37	Mixed
43.	Knowsley	1,171	25.85	39.46	2.15	Urban

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West Midlands		**101,332**	**36.24**	**48.52**	**4.34**	
	Rural	35,262	44.55	60.73	8.03	
	Urban	35,943	30.35	40.63	3.01	
	Mixed	30,127	36.73	48.36	4.29	
1.	South Shropshire	2,612	51.26	70.24	14.34	Rural
2.	Herefordshire, County of	8,204	47.94	66.27	10.09	Rural
3.	North Shropshire	2,439	49.13	61.17	9.09	Rural
4.	Malvern Hills	3,023	45.82	62.52	9.05	Rural
5.	Stratford-on-Avon	4,488	43.78	59.99	7.94	Rural
6.	Bridgnorth	2,075	45.09	58.03	7.68	Rural
7.	Wychavon	3,953	41.82	56.47	7.04	Rural
8.	Staffordshire Moorlands	3,105	41.84	60.42	6.81	Rural
9.	Oswestry	1,164	41.82	60.68	6.76	Rural
10.	Shrewsbury and Atcham	2,769	41.46	56.72	6.00	Mixed
11.	Lichfield	2,663	39.27	52.35	5.77	Rural
12.	Bromsgrove	2,367	36.47	52.45	5.46	Mixed
13.	Stafford	3,153	41.59	52.25	5.37	Mixed
14.	Warwick	3,157	39.82	52.43	5.04	Mixed
15.	North Warwickshire	1,536	37.53	52.18	5.03	Rural
16.	South Staffordshire	2,626	34.35	49.79	5.01	Mixed
17.	Wyre Forest	2,286	36.61	50.28	4.85	Mixed
18.	East Staffordshire	2,337	39.19	50.49	4.83	Mixed
19.	Rugby	1,959	39.64	50.57	4.53	Mixed
20.	Solihull	3,987	35.16	46.65	4.27	Urban
21.	Newcastle-under-Lyme	2,167	34.72	47.88	3.94	Urban
22.	Telford and Wrekin	2,532	36.88	43.87	3.40	Mixed
23.	Worcester	1,556	34.73	43.27	3.31	Mixed
24.	Redditch	1,284	32.02	41.42	3.19	Mixed
25.	Cannock Chase	1,367	27.59	40.67	3.11	Mixed
26.	Dudley	4,304	29.73	41.28	3.08	Urban
27.	Walsall	3,173	29.28	39.96	3.01	Urban
28.	Birmingham	10,939	29.25	39.83	2.98	Urban
29.	Nuneaton and Bedworth	1,674	33.26	42.61	2.96	Mixed
30.	Tamworth	1,060	33.12	38.34	2.86	Mixed
31.	Wolverhampton	2,699	29.53	38.11	2.84	Urban
32.	Coventry	3,445	31.08	42.09	2.74	Urban
33.	Stoke on Trent	2,628	29.63	40.23	2.66	Urban
34.	Sandwell	2,601	28.76	33.49	2.29	Urban

| Regional comparison Calculated from figures supplied by the ONS from the 2001 census	Number of people in Employment	Number of people aged 16 - 74: Economically active: Self-employed	Percentage of people in employment - Self employed	Number of people in employment working from home	Percentage of people in employment working from home	Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed working from home	Percentage of people working from home self employed	Percentage of people in employment - self employed and working from home
All England	**22,441,500**	**2,954,894**	**13.17**	**2,055,245**	**9.16**	**1,053,055**	**35.64**	**51.24**	**4.69**
Rural	5,406,261	881,457	16.30	637,665	11.79	371,796	42.18	58.31	6.88
Urban	10,844,725	1,313,154	12.11	870,687	8.03	409,996	31.22	47.09	3.78
Mixed	6,190,514	760,283	12.28	546,893	8.83	271,263	35.68	49.60	4.38
Yorks/Humber	**2,182,839**	**258,815**	**11.86**	**184,199**	**8.44**	**94,020**	**36.33**	**51.04**	**4.31**
Rural	366,745	57,431	15.66	42,696	11.64	25,305	44.06	59.27	6.90
Urban	1,247,064	131,050	10.51	91,792	7.36	42,618	32.52	46.43	3.42
Mixed	569,030	70,334	12.36	49,712	8.74	26,097	37.10	52.50	4.59
North East	**1,032,968**	**96,500**	**9.34**	**79,304**	**7.68**	**35,166**	**36.44**	**44.34**	**3.40**
Rural	314,974	35,488	11.27	29,719	9.44	15,383	43.35	51.76	4.88
Urban	641,239	53,913	8.41	43,836	6.84	17,270	32.03	39.40	2.69
Mixed	76,755	7,099	9.25	5,749	7.49	2,513	35.40	43.71	3.27
North West	**2,900,020**	**343,787**	**11.85**	**242,478**	**8.36**	**120,754**	**35.12**	**49.80**	**4.16**
Rural	321,025	51,275	15.97	38,450	11.98	23,001	44.86	59.82	7.16
Urban	1,932,419	214,132	11.08	146,753	7.59	68,492	31.99	46.67	3.54
Mixed	646,576	78,380	12.12	57,275	8.86	29,261	37.33	51.09	4.53
South East	**3,888,756**	**552,227**	**14.20**	**386,299**	**9.93**	**201,333**	**36.46**	**52.12**	**5.18**
Rural	1,072,061	178,732	16.67	123,720	11.54	70,261	39.31	56.79	6.55
Urban	1,204,194	157,231	13.06	106,008	8.80	52,326	33.28	49.36	4.35
Mixed	1,612,501	216,265	13.41	156,570	9.71	78,746	36.41	50.29	4.88
South West	**2,286,110**	**356,460**	**15.59**	**251,421**	**11.00**	**147,376**	**41.34**	**58.62**	**6.45**
Rural	1,258,922	232,025	18.43	165,284	13.13	103,196	44.48	62.44	8.20
Urban	459,567	56,622	12.32	38,311	8.34	19,525	34.48	50.96	4.25
Mixed	567,621	67,813	11.95	47,826	8.43	24,655	36.36	51.55	4.34

Regional comparison Calculated from figures supplied by the ONS from the 2001 census	Number of people in Employment	Number of people aged 16 - 74: Economically active: Self-employed	Percentage of people in employment - Self employed	Number of people in employment working from home	Percentage of people in employment working from home	Number self employed people aged 16 - 74 working mainly at or from home	Percentage of self employed working from home	Percentage of people working from home self employed	Percentage of people in employment - self employed and working from home
All England	**22,441,500**	**2,954,894**	**13.17**	**2,055,245**	**9.16**	**1,053,055**	**35.64**	**51.24**	**4.69**
Rural	5,406,261	881,457	16.30	637,665	11.79	371,796	42.18	58.31	6.88
Urban	10,844,725	1,313,154	12.11	870,687	8.03	409,996	31.22	47.09	3.78
Mixed	6,190,514	760,283	12.28	546,893	8.83	271,263	35.68	49.60	4.38
East Midlands	**1,917,728**	**233,006**	**12.15**	**173,305**	**9.04**	**86,854**	**37.28**	**50.12**	**4.53**
Rural	735,999	108,525	14.75	80,856	10.99	44,705	41.19	55.29	6.07
Urban	445,161	45,899	10.31	34,065	7.65	14,837	32.33	43.55	3.33
Mixed	736,568	78,582	10.67	58,383	7.93	27,312	34.76	46.78	3.71
West Midlands	**2,334,567**	**279,609**	**11.98**	**208,828**	**8.95**	**101,332**	**36.24**	**48.52**	**4.34**
Rural	439,014	79,157	18.03	58,066	13.23	35,262	44.55	60.73	8.03
Urban	1,194,082	118,436	9.92	88,465	7.41	35,943	30.35	40.63	3.01
Mixed	701,471	82,017	11.69	62,297	8.88	30,127	36.73	48.36	4.29
East of England	**2,579,378**	**359,118**	**13.92**	**243,490**	**9.44**	**124,635**	**34.71**	**51.19**	**4.83**
Rural	897,521	138,824	15.47	98,874	11.02	54,683	39.39	55.31	6.09
Urban	401,865	60,501	15.06	35,537	8.84	17,400	28.76	48.96	4.33
Mixed	1,279,992	159,794	12.48	109,079	8.52	52,552	32.89	48.18	4.11
London	**3,319,134**	**475,371**	**14.32**	**285,921**	**8.61**	**141,585**	**29.78**		**4.27**

Proportion of people in employment in rural districts who are both self employed and working from home

East Midlands
5.86%

Yorkshire and Humberside
6.90%

East of England
5.40%

West Midlands
8.03%

North East
4.72%

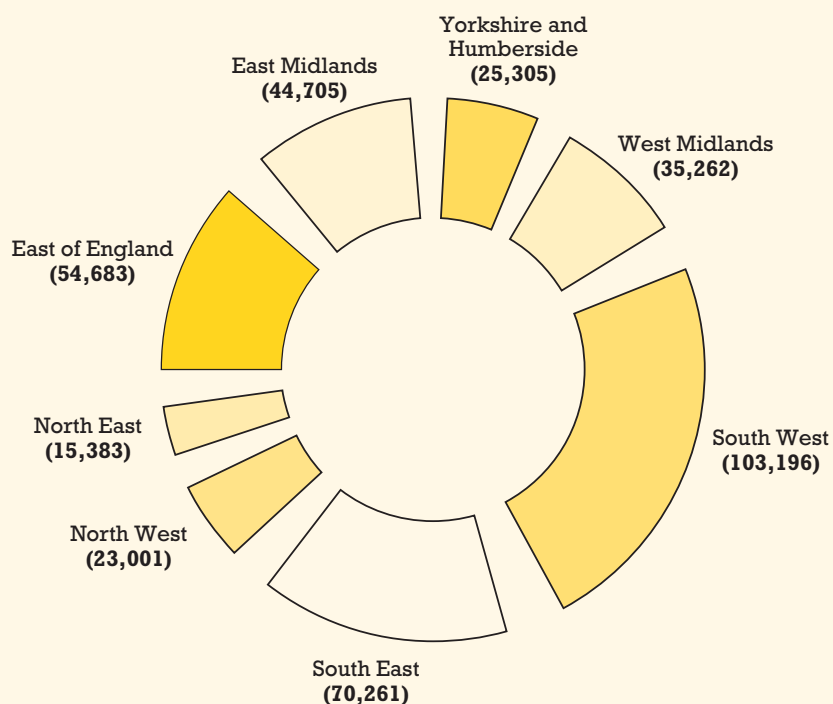North West
7.16%

South East
6.55%

South West
8.20%

Calculated from figures supplied by the ONS from the 2001 census

Home based working in England by sector (LFS 2004)
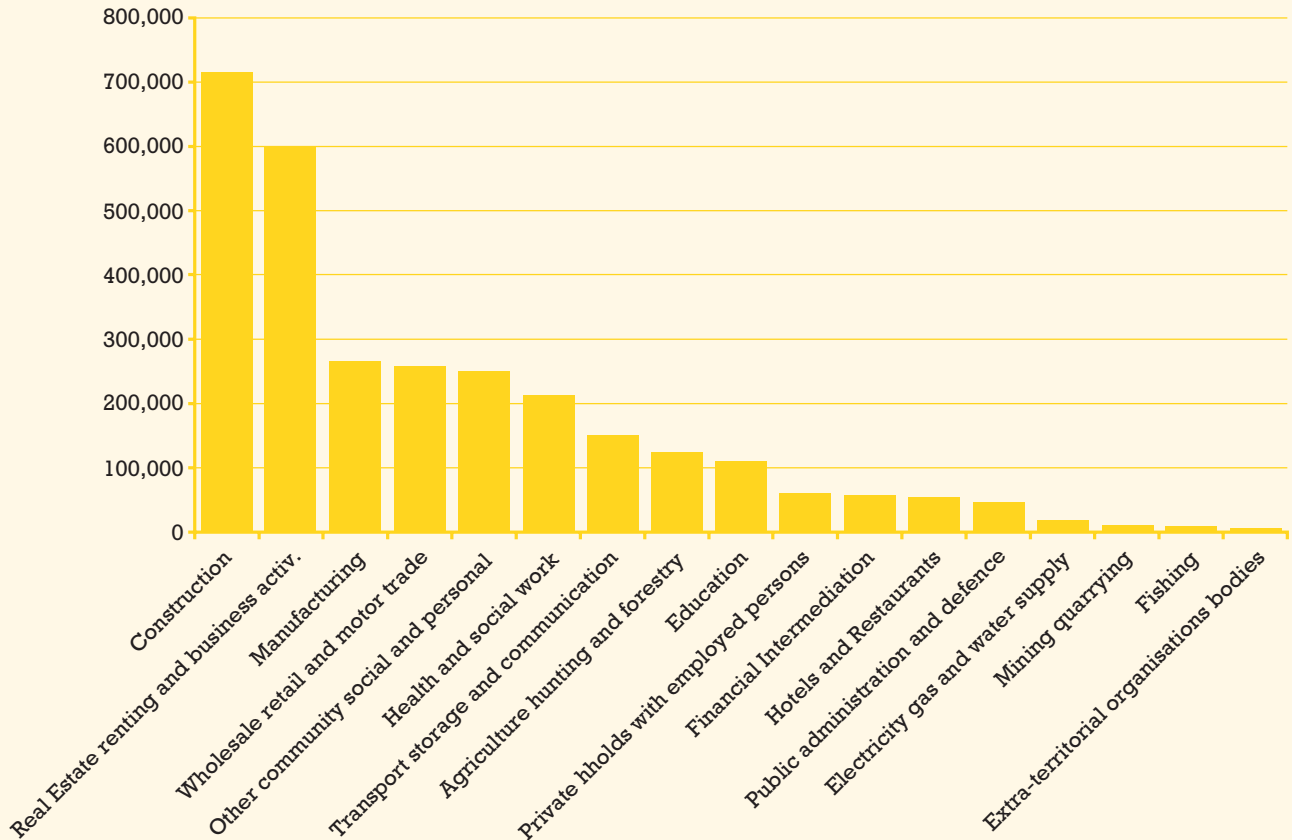
Calculated from figures supplied by the ONS from the autumn 2004 Labour Force Survey

Distribution of rural self employed people who are working mainly at or from home in England

East Midlands
(44,705)

Yorkshire and
Humberside
(25,305)

West Midlands
(35,262)

East of England
(54,683)

South West
(103,196)

North East
(15,383)

North West
(23,001)

South East
(70,261)

Calculated from figures supplied by the ONS from the 2001 census

UK trends 1999-2004	Total home-based (own home, same grounds or building, different places with home as a base)	Total employed and self employed	Percentage of those employed and self employed home-based
Spring 1999	2,914,603	26,637,765	10.94
Spring 2004	3,279,200	27,855,050	11.77

Calculated using data from the Labour Force Survey: ONS

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