



Policy Voice full survey results September 2024

- Remote and flexible working
- Business tax roadmap
- Public sector pay deals

Number of respondents: 661

Survey Dates: 13 – 27 September 2024

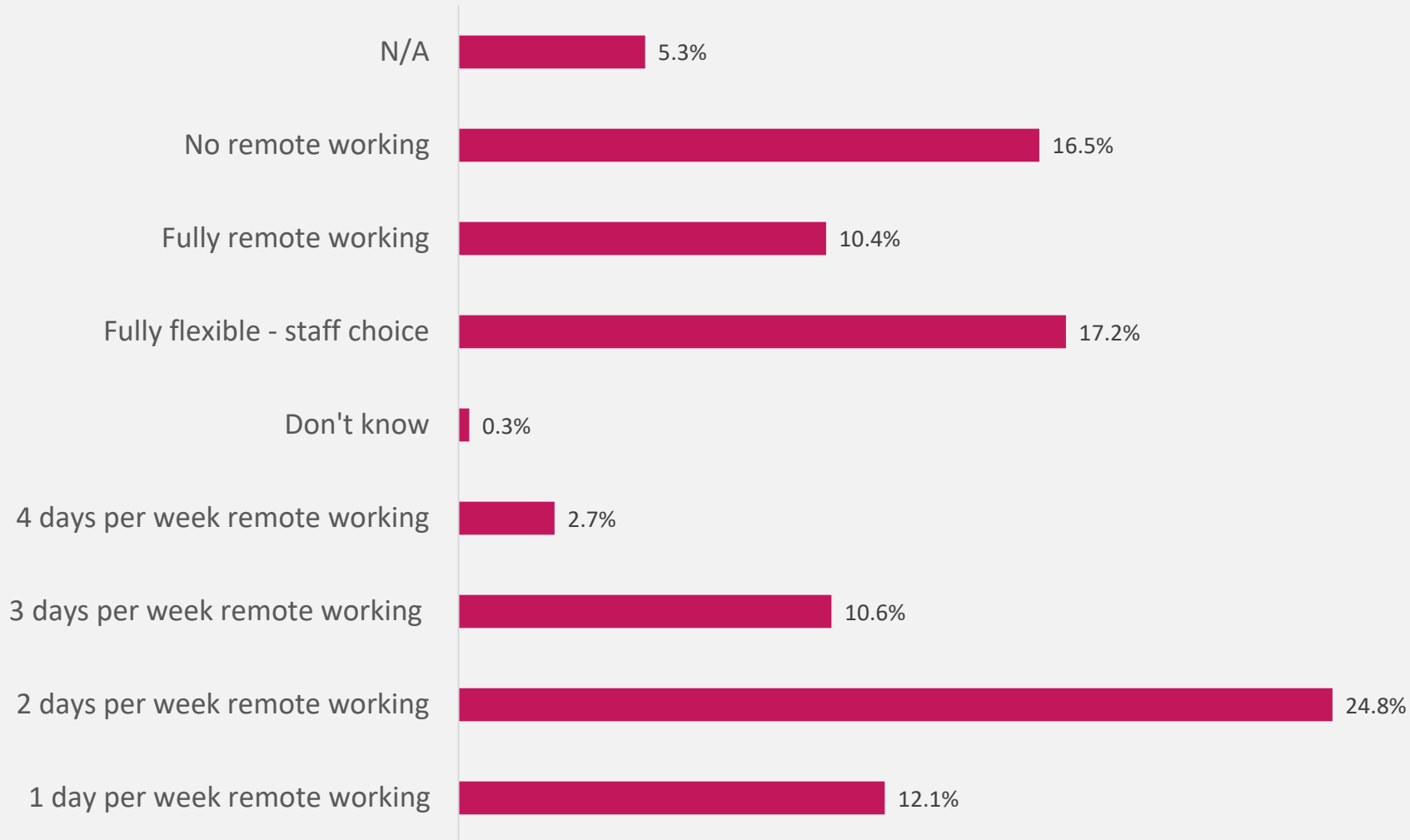
Remote and Flexible Working

Responses to these questions will help shape our continues engagement with government on their employment rights package.





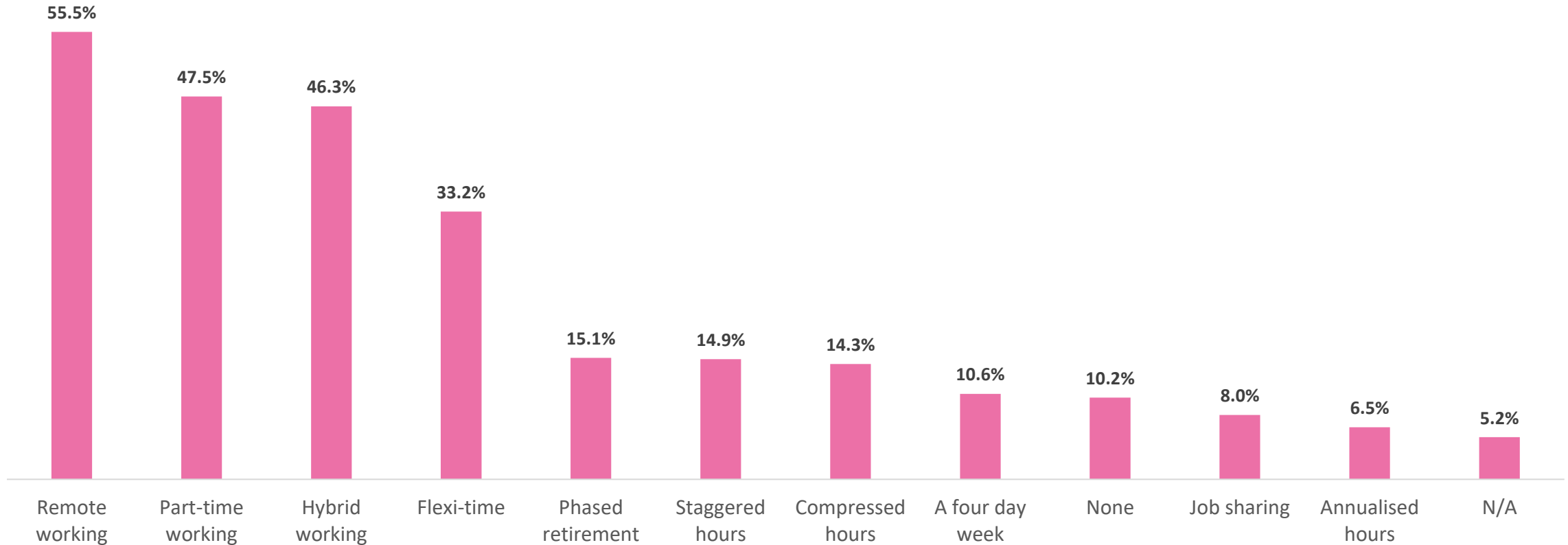
Which of the following most closely describes the expected average use of remote working for office-based employees in your organisation?





Which, if any, of the following forms of flexible working does your organisation have in place for one or more employees?

Please select all that apply.



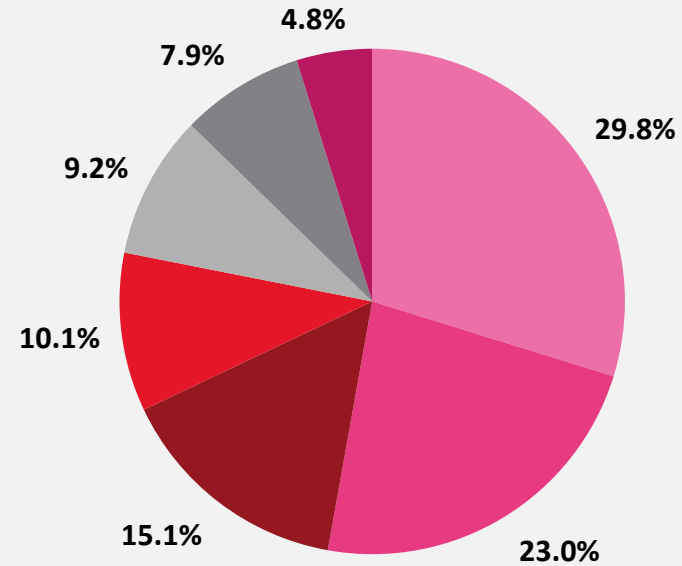
Business Tax Roadmap

The Chancellor has promised to introduce a tax roadmap for business in the Autumn Budget, which will incorporate the Labour manifesto promise to cap corporation tax at 25% for the rest of this parliament.

Responses to this question will continue to influence our discussions leading up to and following the Budget on 30 October.



Which of the following is the most important priority for ensuring the success of the business tax roadmap?



- Certainty regarding the government's overall ambition for business taxation
- Reducing tax complexity
- Addressing the burden of tax compliance on business
- International competitiveness
- Improving the performance of HMRC
- Better consultation with business on tax design
- Reducing the rate of change in the tax system

Public Sector Pay Deals

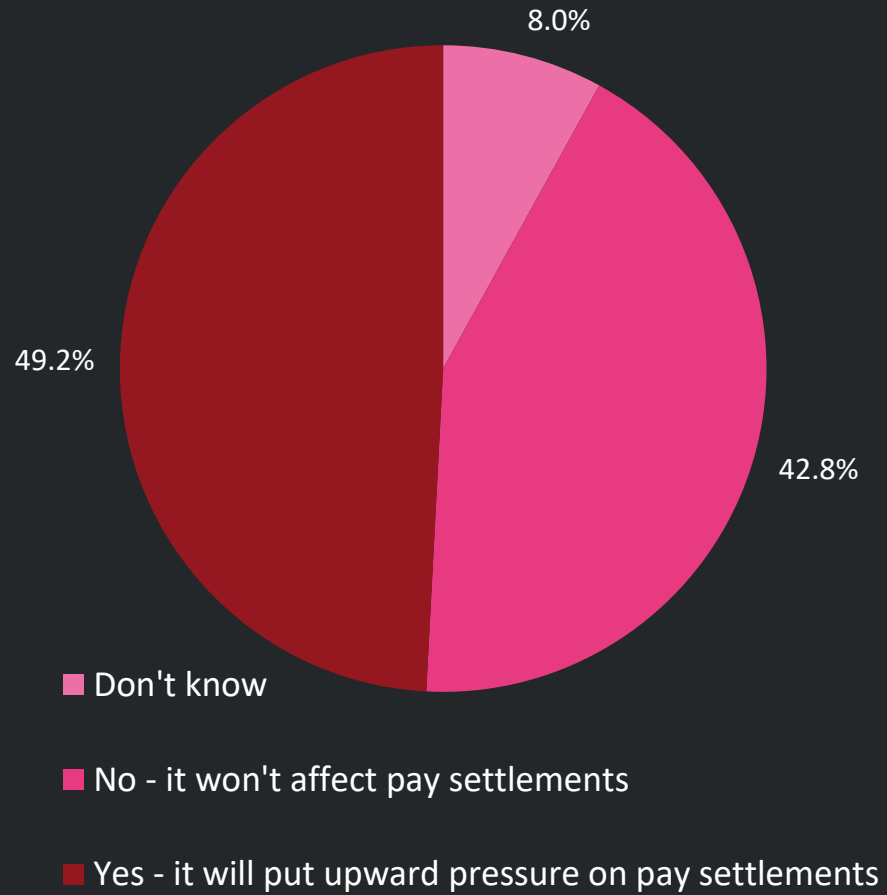
The government recently accepted the Pay Review Bodies' recommendations that public sector workers receive pay increases of 5%-6% in 2024-25. ASLEF - the train drivers' union - also accepted the government's offer of an average pay increase of 4.75% over 2022-25.

Responses to this question will continue to influence our discussions leading up to and following the Budget on 30 October.





Do you think these acceptances will affect pay settlements within your organisation?



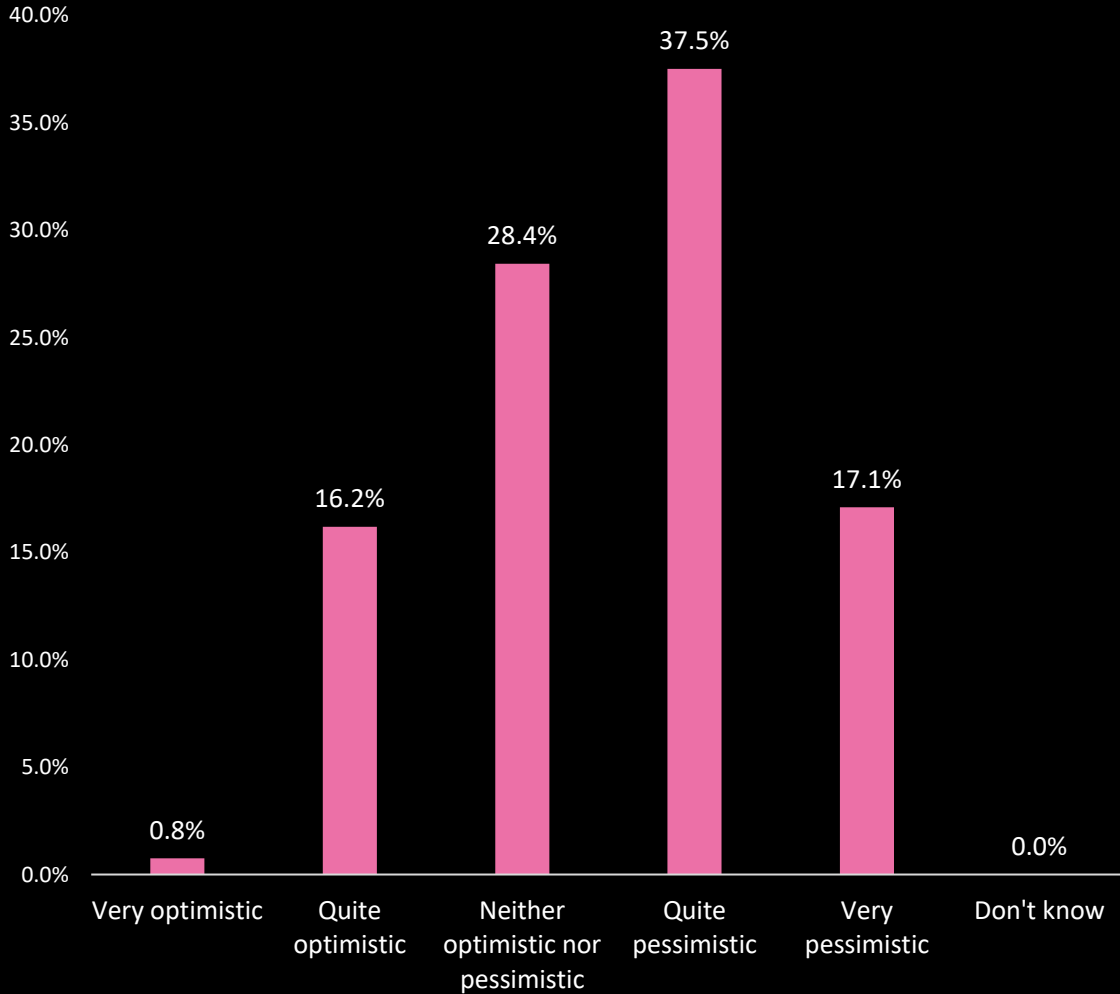
Economic Monitoring: Data

The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month.

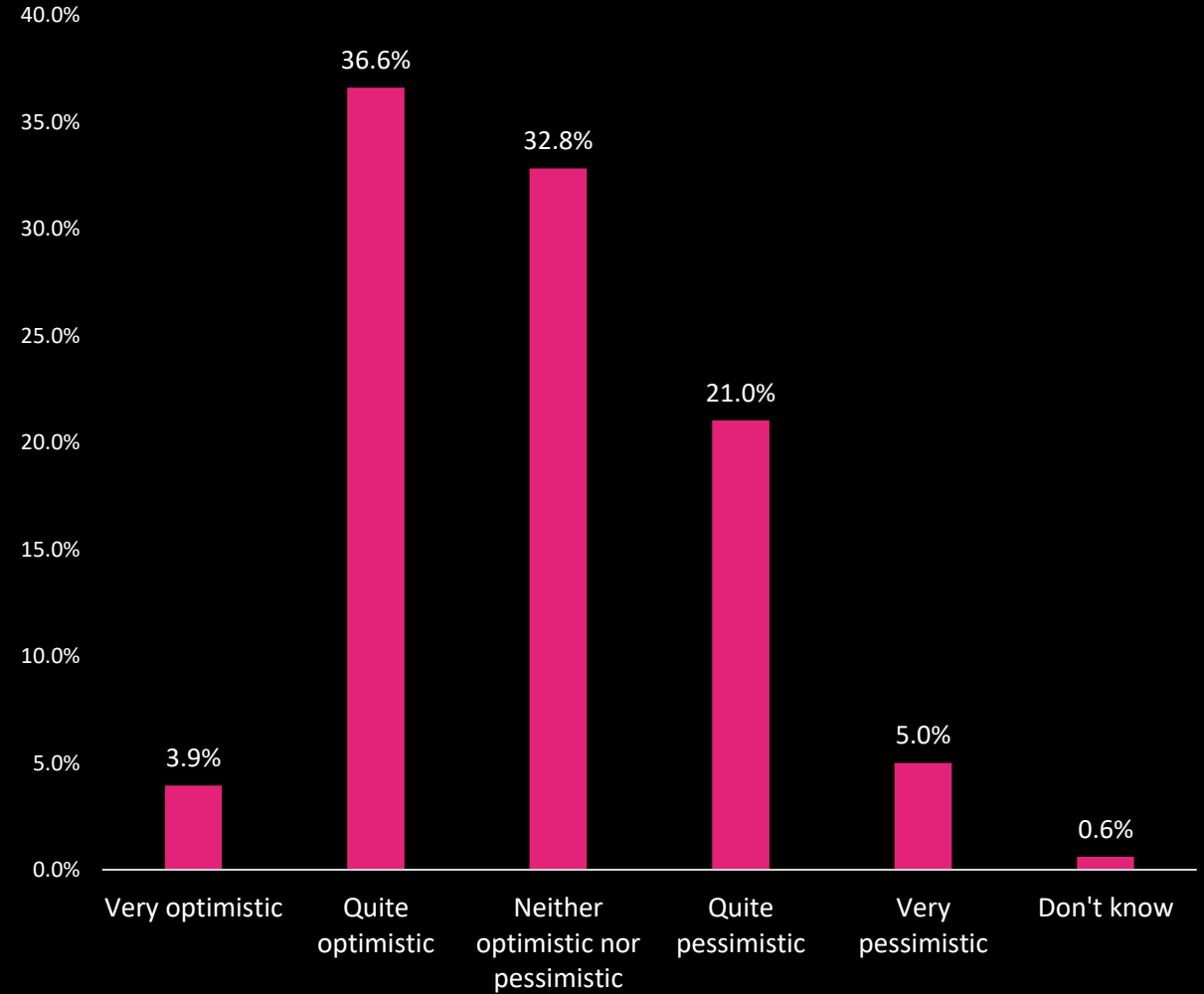


How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

Wider UK economy



Your (primary) organisation





The overarching sentiment expressed in the further comments reflects deep concerns about the current government's economic policies and their implications for future growth. Several key themes emerge from the comments:

Taxation and Regulation Concerns

Many respondents expressed frustration with the prospect of increasing taxes and regulatory burdens. One comment states, *"Need less tax and regulation, not more to drive innovation and growth."* (East, Professional, scientific and technical activities, 2-9 employees)

This sentiment is echoed throughout, with another respondent highlighting, *"This government will put more and more pressure on the commercial sector to pay for everything,"* (East, Information and communication, 2-9 employees) suggesting a pervasive fear that higher taxes will stifle business development.

Lack of Confidence and Direction

There is a clear lack of confidence in the government's ability to lead the economy. Comments such as, *"The new government 'gloom & doom' message is damaging confidence,"* (London, Professional, scientific and technical activities, 2-9 employees) illustrate a belief that negative rhetoric is undermining business optimism.

Additionally, concerns are raised about the upcoming Budget's potential to *"[detrimentally impact] a lot of people, especially businesses."* (London, Professional, scientific and technical activities, 2-9 employees)

Impact of New Policies

Many respondents are apprehensive about proposed the new government's reforms, viewing them as detrimental to hiring and overall economic health. One pointed out that *"Labour's plans are anti-business,"* (London, Construction, 50-99 employees) while another warned that increased workers' rights might *"disincentivise companies from hiring new staff."* (London, Professional, scientific and technical activities, 2-9 employees)

Global Competitiveness

The responses indicate a shift in focus towards international markets, with several businesses considering relocating operations abroad due to the challenging UK environment. A business noted, *"We are focusing investment and employment on our Dutch operations as this government is making UK operations too difficult to manage profitably."* (International, Professional, scientific and technical activities, 2-9 employees)

Overall, there is a pervasive sense of pessimism regarding the UK's economic future. One respondent articulated a common sentiment by stating, *"My long-term outlook for the UK is bleak,"* (Yorkshire and the Humber, Professional, scientific and technical activities, 50-99 employees) emphasizing structural issues that are seen as insurmountable without significant policy changes.



Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

Row Labels	Business investment	Costs	Exports	Headcount	Revenue	Wages
Much higher	1.7%	15.1%	2.0%	0.8%	4.1%	4.7%
Somewhat higher	24.4%	67.6%	14.5%	27.4%	45.1%	59.0%
No change	39.9%	11.2%	29.3%	47.7%	25.7%	28.7%
Somewhat lower	20.9%	3.9%	5.7%	18.6%	18.3%	4.7%
Much lower	10.9%	0.3%	1.7%	3.6%	4.2%	0.8%
Don't know	0.6%	1.1%	1.1%	0.8%	1.2%	0.6%
N/A	1.7%	0.8%	45.7%	1.2%	1.4%	1.5%



The overarching sentiment expressed in the comments from companies reflects frustration with rising costs, regulatory burdens, and a perceived lack of direction, which they believe are stifling growth and investment opportunities.

Key Themes and Supporting Quotes:

Tax and Cost Increases

Many comments emphasise the detrimental impact of rising taxes. For example, one respondent stated, *“The threat of increasing CGT has already destroyed investment prospects for this country.”* (London, Other Services, 10-49 employees)

Another commented, *“I am not confident in the wider economy with a pending budget that will be primarily focussed on increasing tax revenue.”* (East, Professional, scientific and technical activities, 2-9 employees)

Impact of Government Policies on Business

There is a prevalent belief that government actions are counterproductive to business health. A respondent noted, *“This government is so far not business friendly. It needs to realize that tax disincentivises whatever it falls on.”* (London, Financial services, 250+ employees)

Economic Uncertainty

Uncertainty regarding government actions leads to hesitancy in investment, as noted: *“The uncertainty on tax increases in the budget is causing delays in spending.”* (London, Professional, scientific and technical activities, 2-9 employees)

Employment and Recruitment Challenges

Respondents expressed reluctance to hire due to regulatory complexities, with one stating, *“I won’t be employing more staff in the UK as Government Regulations means I don’t want to take the risk on new staff.”* (South East, Other services, 10-49 employees)

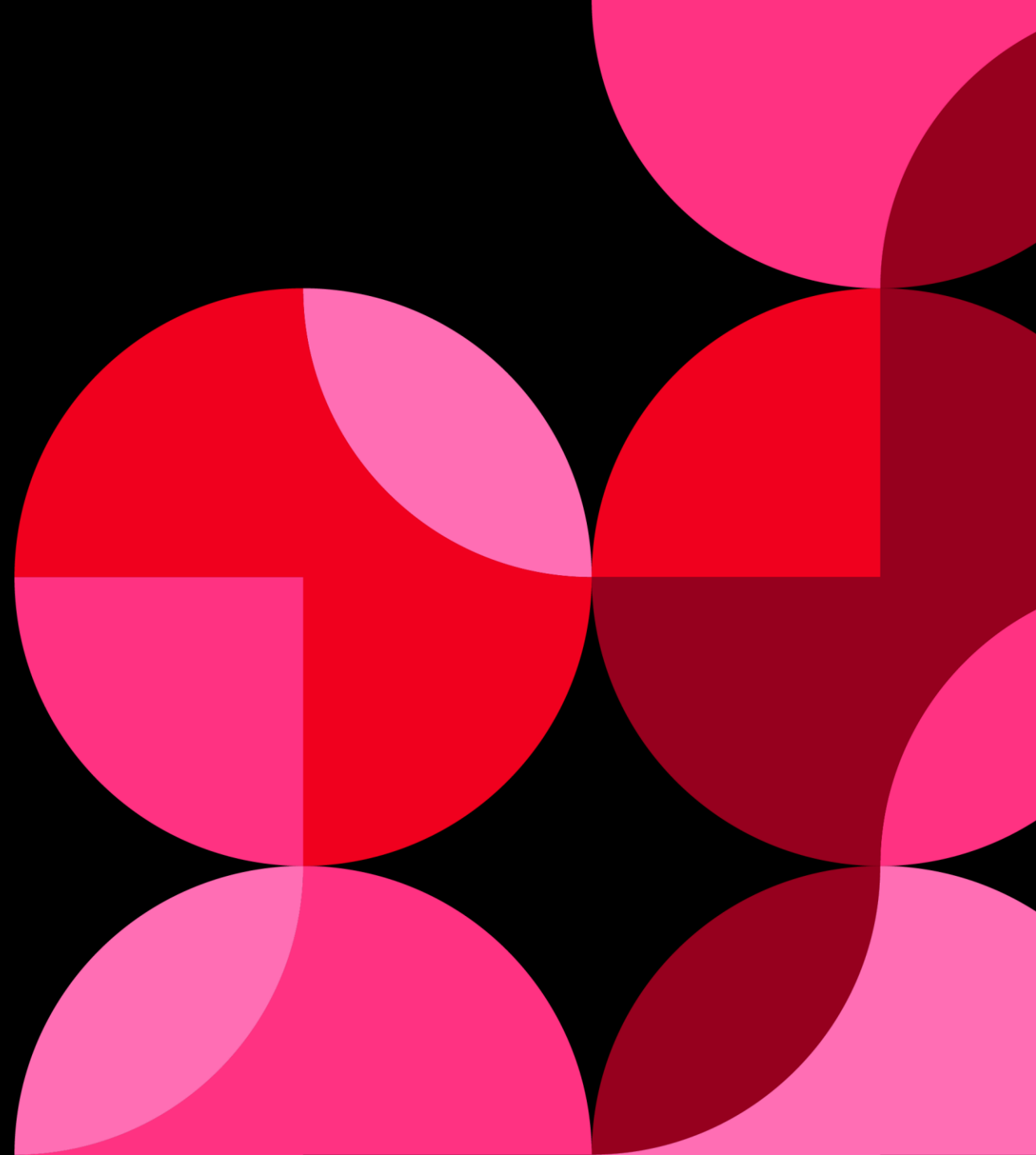
Another pointed out, *“Small biz cannot grow with employment laws making hiring staff too difficult and expensive.”* (London, Accommodation and food services, 2-9 employees)

Desire for Positive Change

Despite the negative sentiment, there are calls for more supportive policies. One comment suggests, *“Lead by example. You are borrowing huge sums anyway, at least put it to good use and reduce business rates.”* (South West, Other services, 100-249 employees)

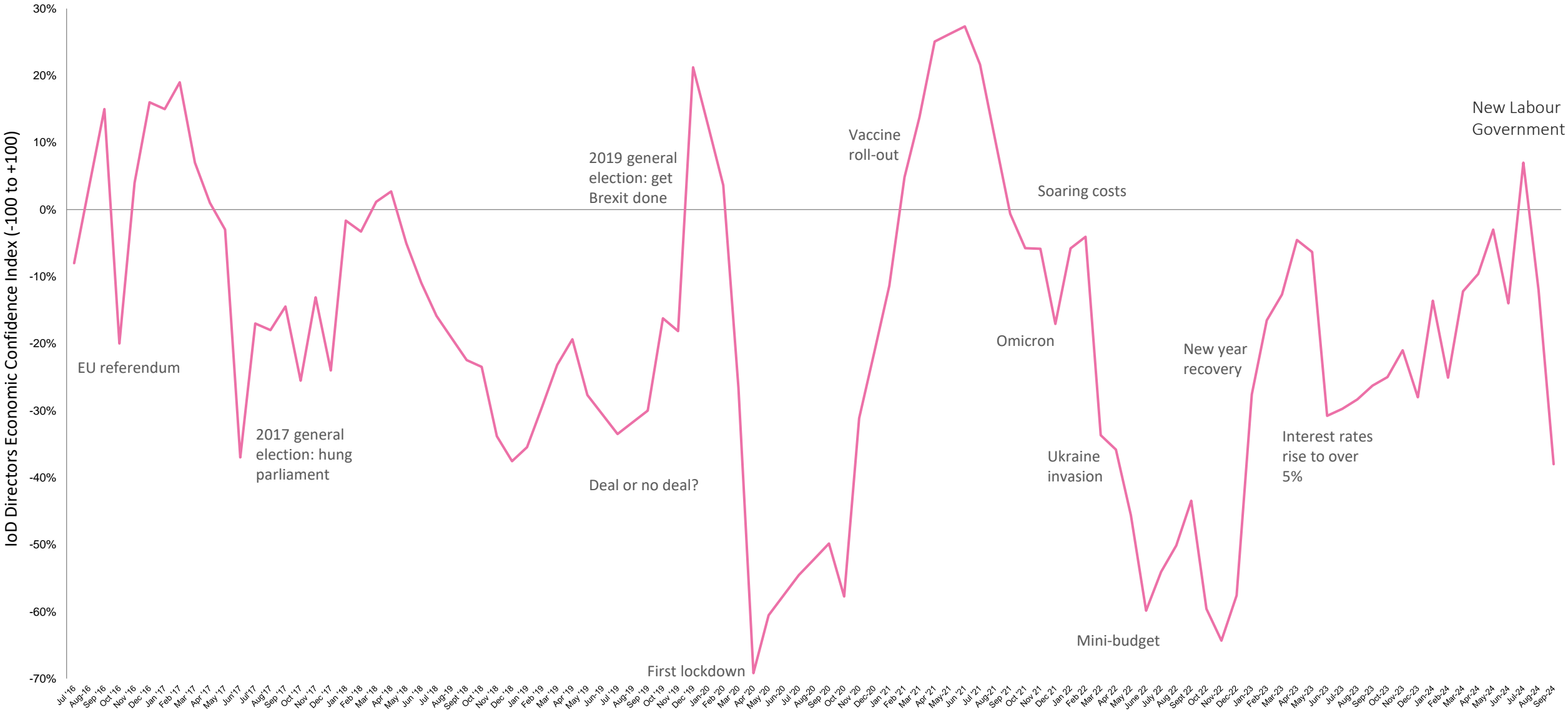
Overall, the comments reflect a collective sentiment of scepticism and frustration regarding the government's economic strategy, with a clear demand for policies that foster a more favourable environment for businesses.

Economic Monitoring: Trends





Business confidence falls further in September

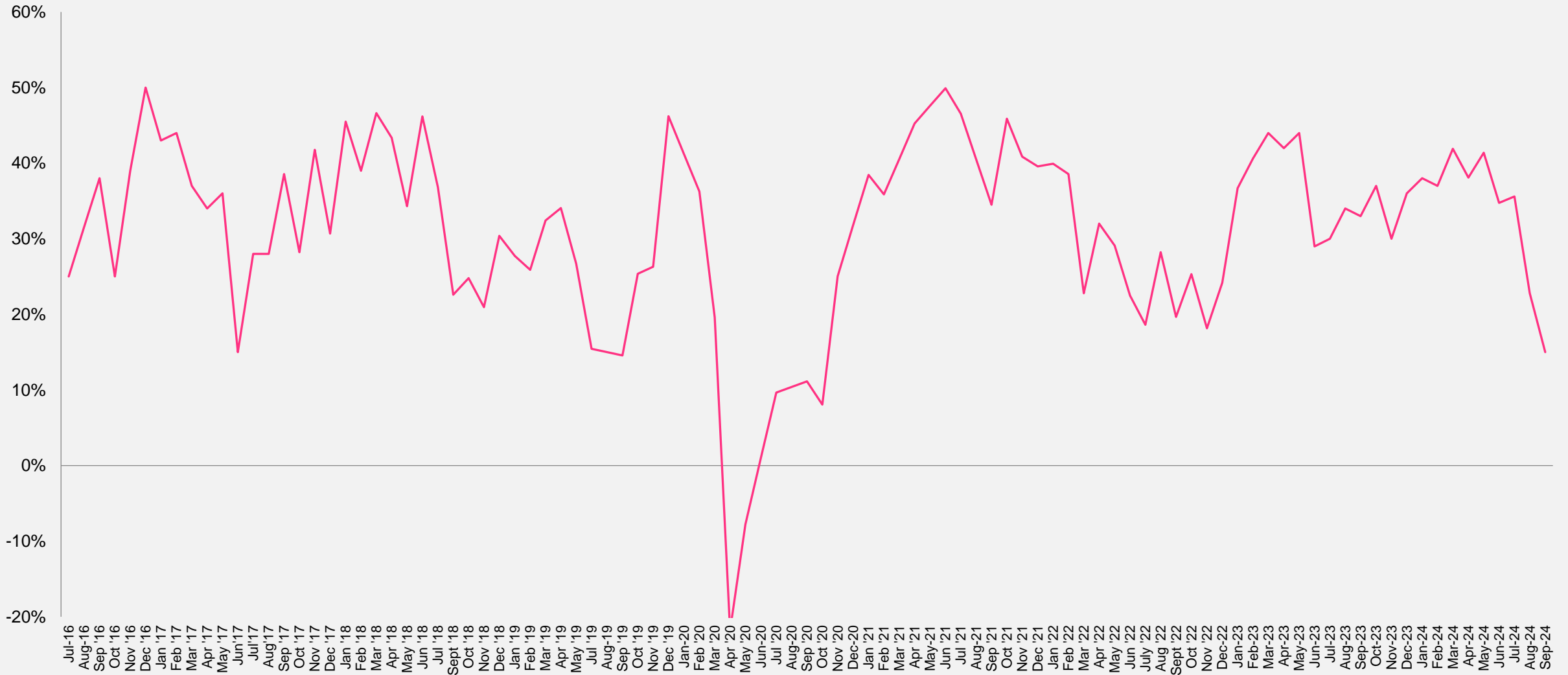




Confidence in own firm's prospects falls from +23 in August to +15 in September

How optimistic are you about your own organisation over the next 12 months?

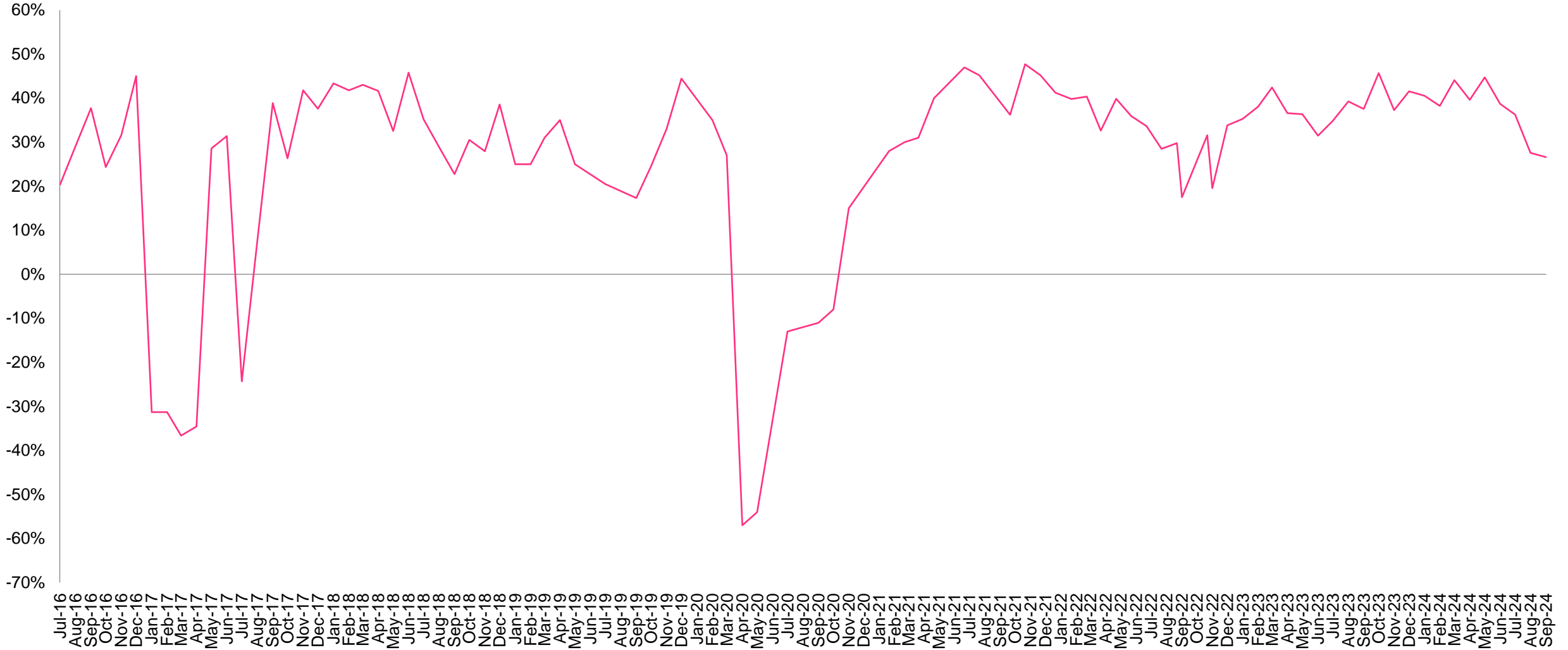
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





Net revenue expectations continue to decline

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys

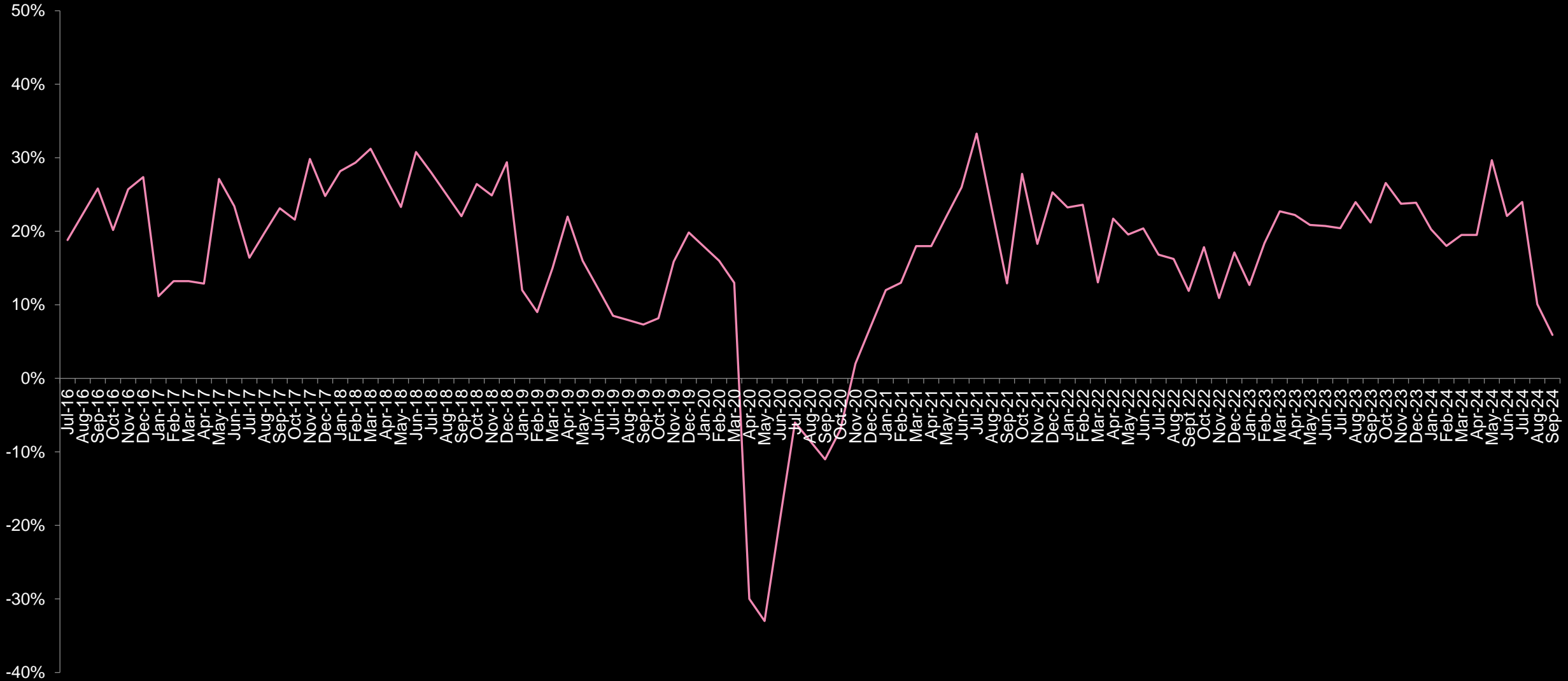




Headcount expectations continue their downward trend

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.

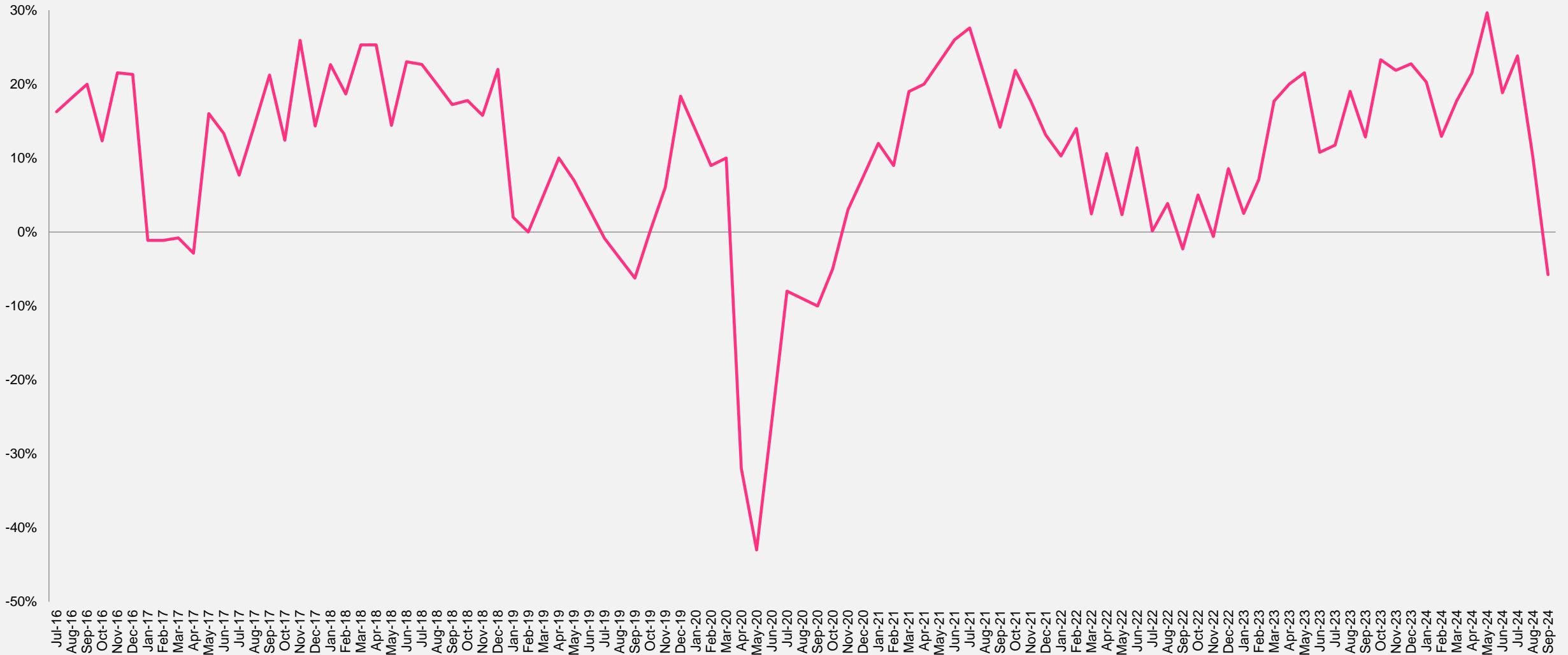
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Investment intentions registered their lowest level since September 2020

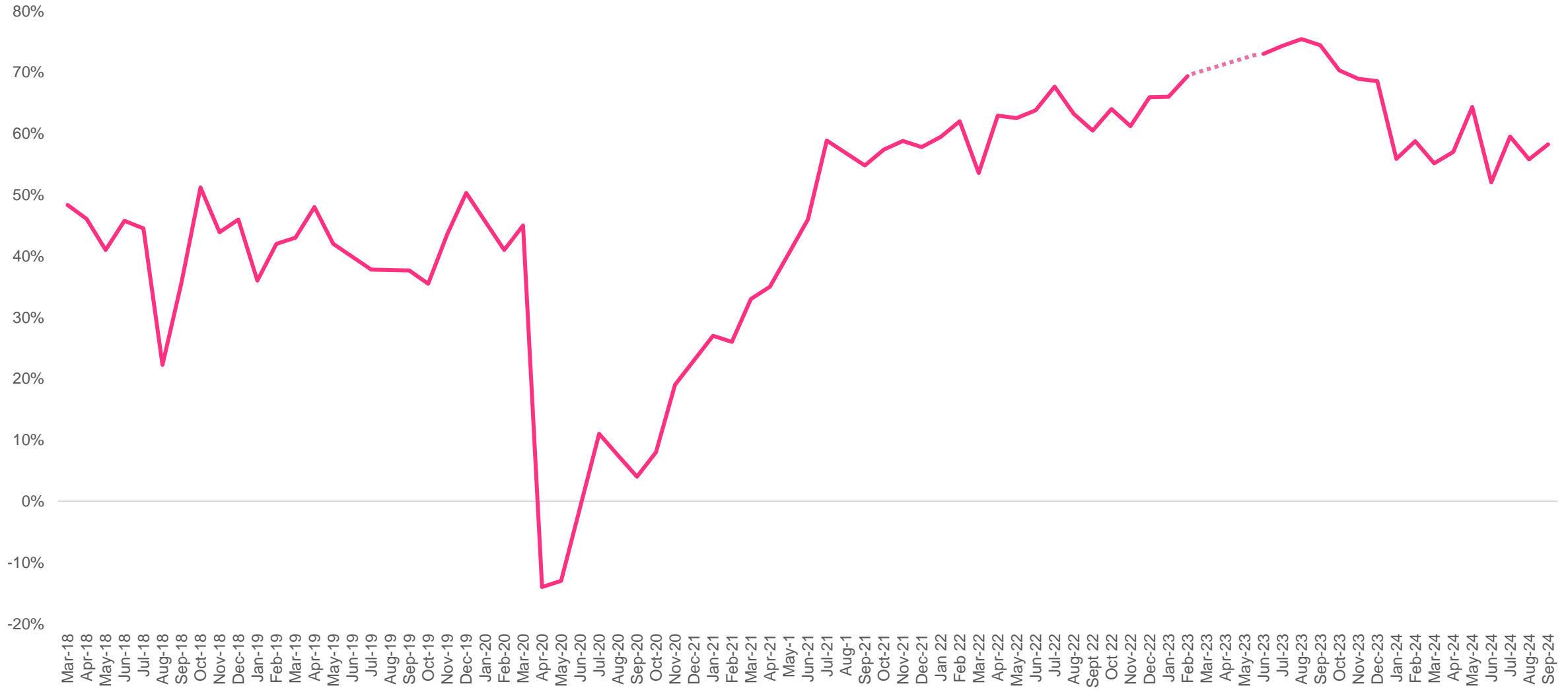
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Wage cost pressures show little change in September

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



..... = question not asked



Cost expectations reduce slightly in September

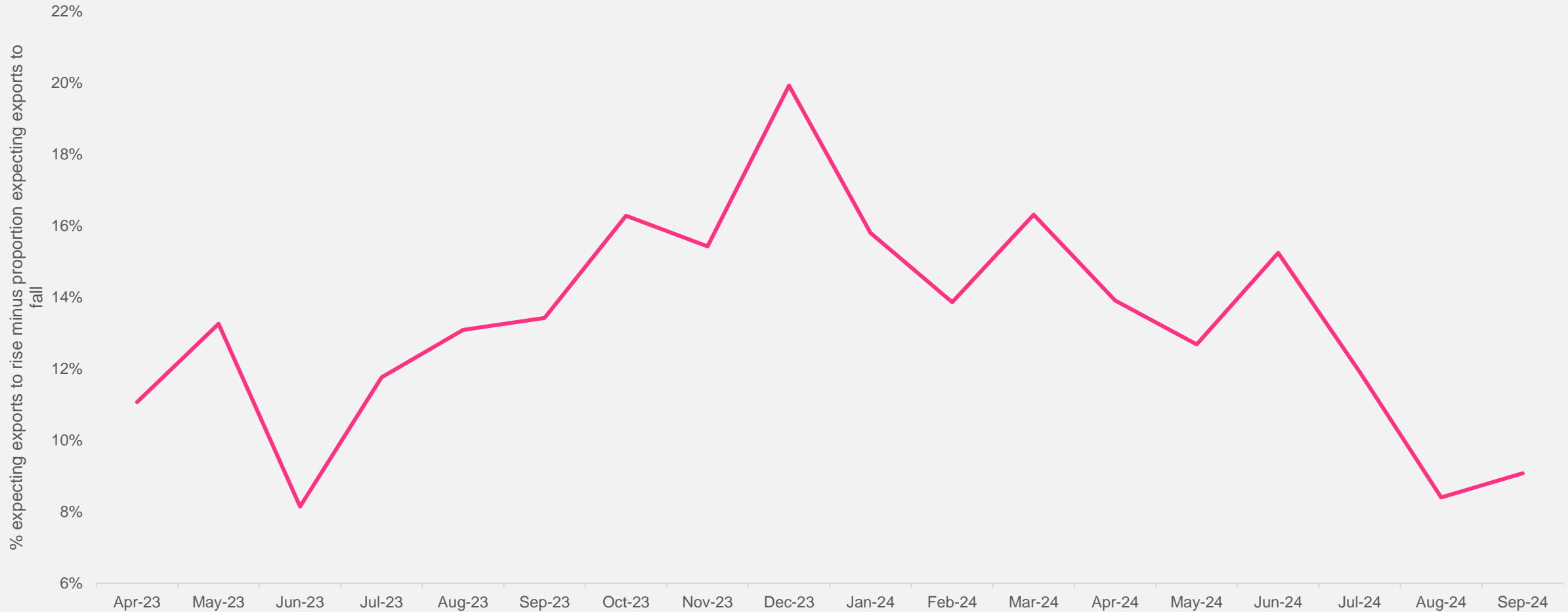
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Export expectations remain largely unchanged

*Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: EXPORTS
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys. Question first asked in April 2023.*



Our purpose

Our Royal Charter sets out a clear purpose

We have a clear vision – The Institute of Directors is the professional institute for responsible directors and leaders.

Our mission is to develop, support and represent skilled, knowledgeable and responsible leaders for the benefit of the economy and society at large.

Integrity and Enterprise are our core values.



The objects of the institute are:

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.