



Policy Voice full survey results August 2023

Number of respondents: 688

Survey dates: 11 - 30 August

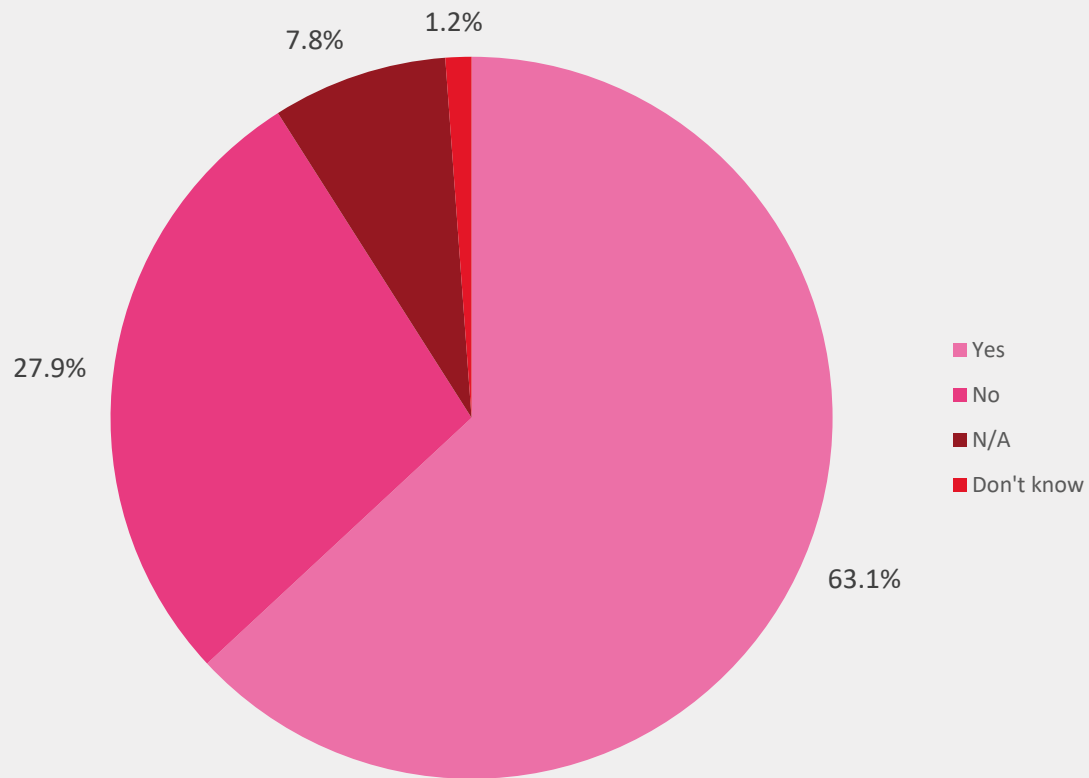


Occupational Health

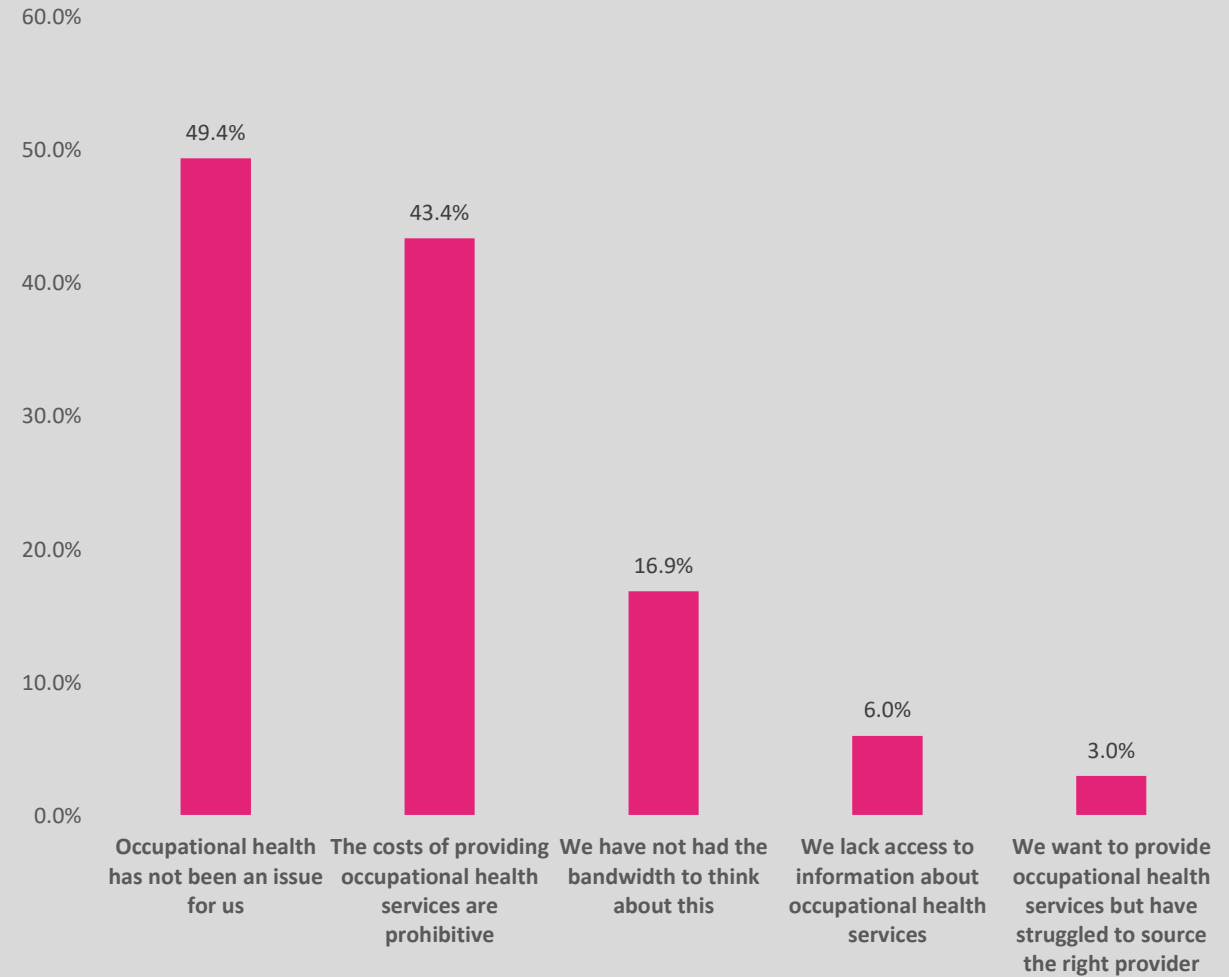
The responses to the following questions were used to feed into an [HMT consultation](#) on tax incentives to increase the proportion of employers who offer occupational health services.



Does your organisation provide employees with access to any occupational health services? Examples might include flu vaccinations, welfare counselling, private medical insurance or health screenings.



You said your organisation does not provide employees with access to any occupational health services. Why is this?





The government is consulting on ways to increase occupational health services provided by UK employers. Please rank the following potential changes to government policy in terms of how likely they would be to increase your own organisation's occupational health provision for employees.

	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
A national 'health at work' recommended standard for employers, supported by a government-endorsed accreditation scheme on workplace health and disability which employers could use to demonstrate they had met the standard	9.31%	7.73%	15.14%	24.76%	43.06%
A super-deduction against corporation tax for businesses for the cost of procuring occupational health services	26.18%	26.81%	20.98%	13.88%	12.15%
Direct subsidies to help with the cost of purchasing occupational health services	15.46%	20.50%	29.18%	24.45%	10.41%
Expanding the range of occupational health services that are exempt from being taxed as a 'benefit in kind' when calculating employee income tax and employer NICs	40.85%	31.86%	16.72%	7.10%	3.47%
Greater access to low-cost collective occupational health schemes by third-party providers	8.20%	13.09%	17.98%	29.81%	30.91%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%



In the comments section, members offered further insight on the question of how government could effectively increase occupational health provision by employers.

Some members indicated that occupational health is now a key component of their employee value proposition.

“We see this as a real benefit to our employees and their wellbeing hence it is important the team members see the benefit.” (East Midlands, Manufacturing sector, 100-249 employees)

Some members raised concerns that an expectation that employers should bear responsibility for employees' health represented an erosion of the scope and purpose of the NHS, that improved NHS provision would negate the need for more occupational health provision, and that responsibility for employee health should not be transferred to employers.

“This must not become another indirect tax placed on business to counter the state of the NHS... transferring the problem to business should not be the solution.” (East Midlands, Wholesale and retail trade (including motor repair), 100-249 employees, £10 million - up to £50 million turnover)

Many members expressed concern that additional regulation would add red tape to a trading environment already weighed down by bureaucracy.

“The government should not be involved in business' decisions on occupational health services they provide. Any further government interference will increase the already excessive burden on business, particularly SME's to comply with an already massively overcomplex tax and regulatory regime.” (Wales, Manufacturing, 50-99 employees, £10 million - up to £50 million turnover)

Where members indicated a preference for state intervention, it tended to be in favour of leveraging the tax system to incentivise investment, as opposed to additional regulation or the development of standards.

“Minimum government intervention required please. Tax incentives seem simplest; setting national standards sounds like new government bureaucracy.” (South West England, Professional, scientific and technical activities, 250+ employees, Over £50 million turnover)

There was some concern, however, about the efficiency and efficacy of using tax incentives to encourage greater occupational health provision.

“A super-deduction would be mostly deadweight cost as it would mostly benefit very large and/or wealthy SMEs who already provide these benefits. Support needs to be targeted at SMEs.” (London, Professional, scientific and technical activities, 2-9 employees, under £250,000 turnover)

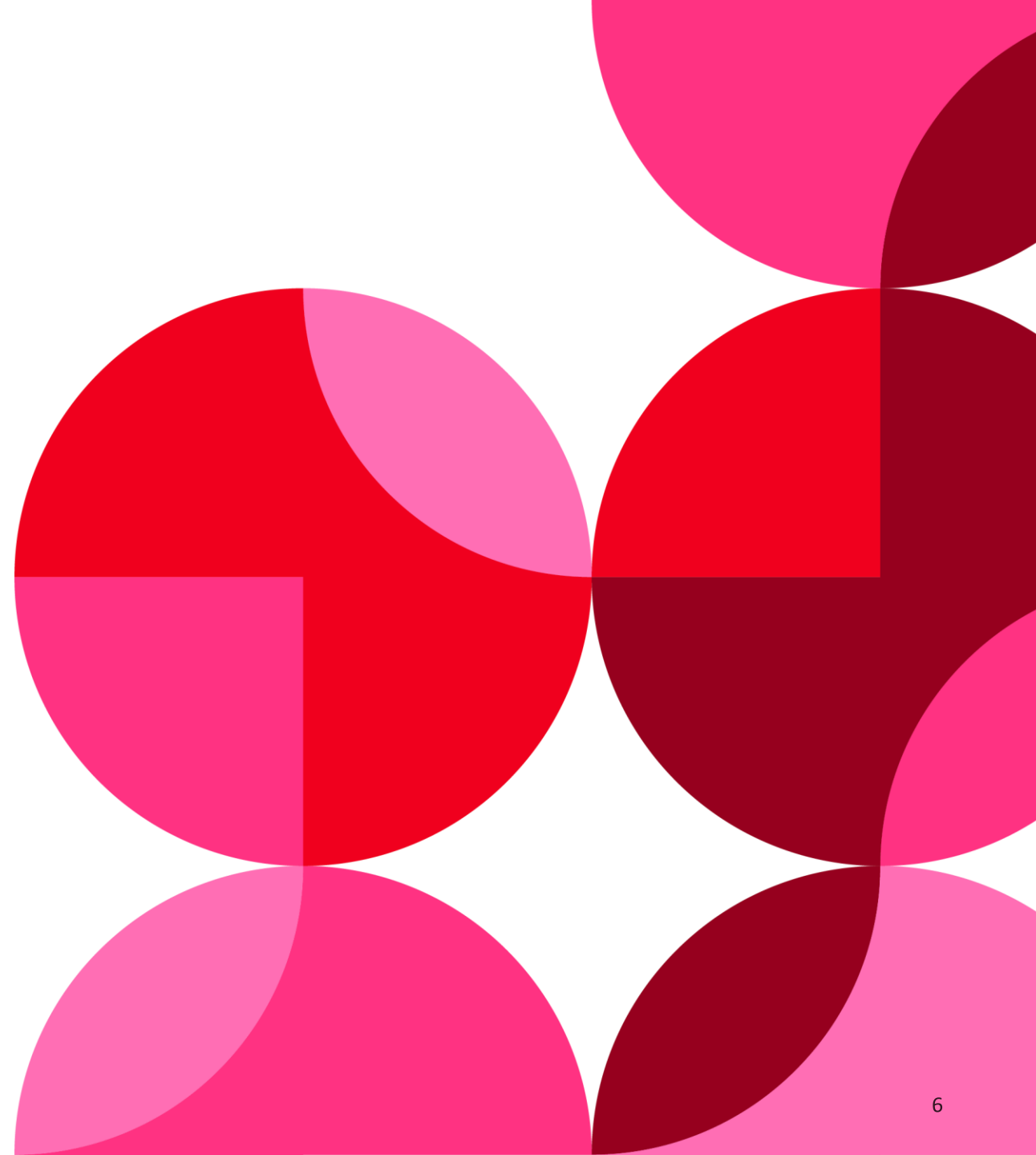
A few members highlighted that employers offering occupational health services is not enough on its own to ensure take-up by employees.

“We have private healthcare but only about 50% of staff take this up.” (East of England, Professional, scientific and technical activities, 100-249 employees, £10 million - up to £50 million turnover)



Investment Plans

The responses to the following questions will be used in our member advocacy activities to the Treasury.



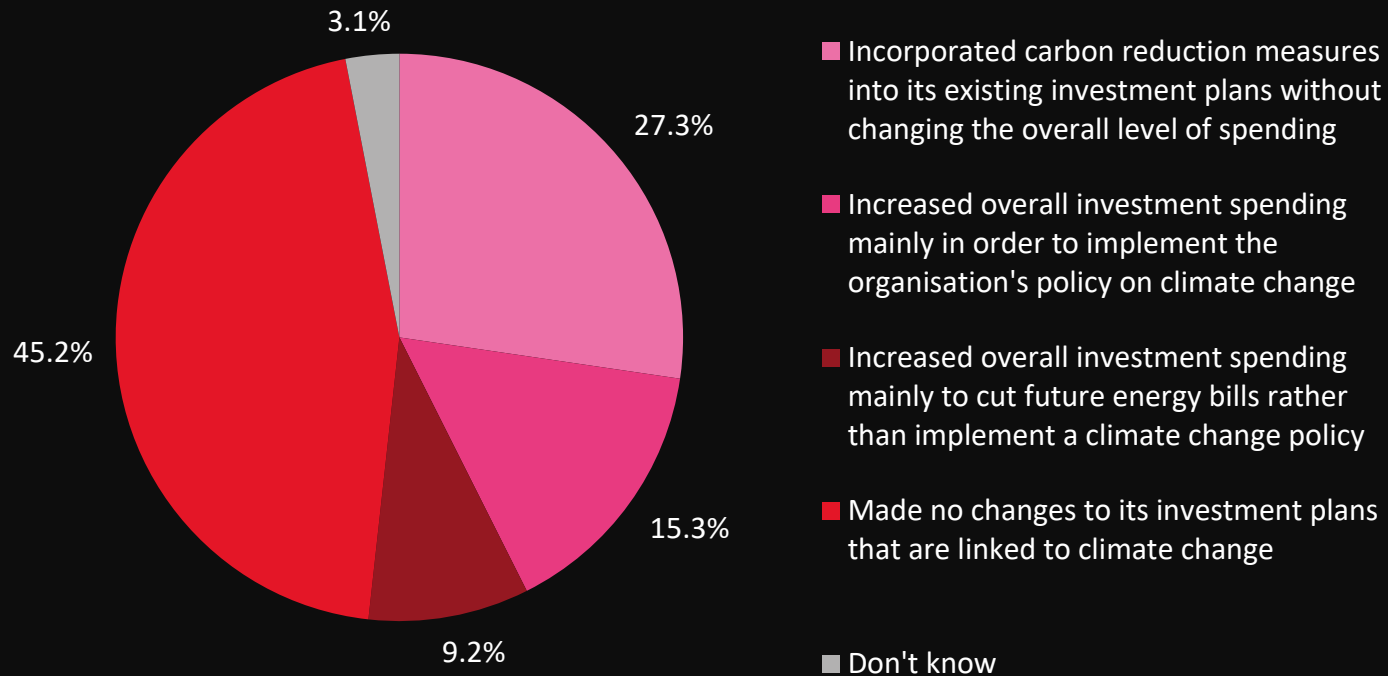


If your organisation was able to increase investment in only one area, which of the following would have the greatest positive impact?





This question is about the extent to which your organisation has already increased investment spending in order to meet its climate change goals if at all. Please choose the option that best represents your view.



Many respondents used the comments to give examples of specific initiatives they had undertaken, some of which were due to recent pressure of high energy bills.

“Invested in solar panels, purchased green energy, improved efficiency of operations” (‘Other services’ company, 250+ employees, over £50m turnover, London)

“I have always been committed to reducing my carbon footprint but have invested heavily this year even more due to energy blackmail from the local electricity companies...” (Manufacturing company, 2-9 employees, turnover £250K-£2m, South East England)

Others went a stage further to explain how climate considerations were already integral to the way their business operated, either from conception or due to large scale previous investment.

“Our investment plans already incorporated significant carbon reduction plans and have so for the last 6 years.” (ICT company, 10-49 employees, turnover £10m-£50m, East of England)

“We are a start-up company, and the environmental impact is part of our DNA from the start” (Manufacturing company, 2-9 employees, turnover under £250K, London)



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Those who answered more negatively fell into three main camps.

One group was waiting for a greater sense of direction from the government.

“Having confidence in the Governments Carbon Neutral targets is also becoming less and less as this needs huge investment...Keeping my business afloat and people employed is my focus and will be until I see a change in direction from the Government.” (Construction company, 50-99 employees, turnover £10m-£50m, Scotland)

“I think the government’s plan for net zero and Carbon reduction are poorly thought out.” (Construction company, 100-249 employees, turnover £10m-50m, South East England)

Another group had more pressing priorities for their business right now.

“It is something we know we ought to be doing - and we want to do - but we have too many immediate priorities / 'fires' to put out...” (Health and social care company, 250+ employees, turnover £10m-£50m, South West)

“We know what we need to spend for carbon reduction but need to be able to afford it first (Manufacturing company, 10-49 employees, £2m-£10m turnover, Wales)”

The third group were either personally sceptical so did not feel motivated to take action, or felt there was no point because the problem was too large to be affected by decisions made in the UK.

“The obsession with net zero is leading to a huge misallocation of capital across the whole economy. It will make everyone poorer and weaken the country.” (Wholesale and retail trade company, 100-249 people, £10m-£50m turnover, Yorkshire & The Humber)

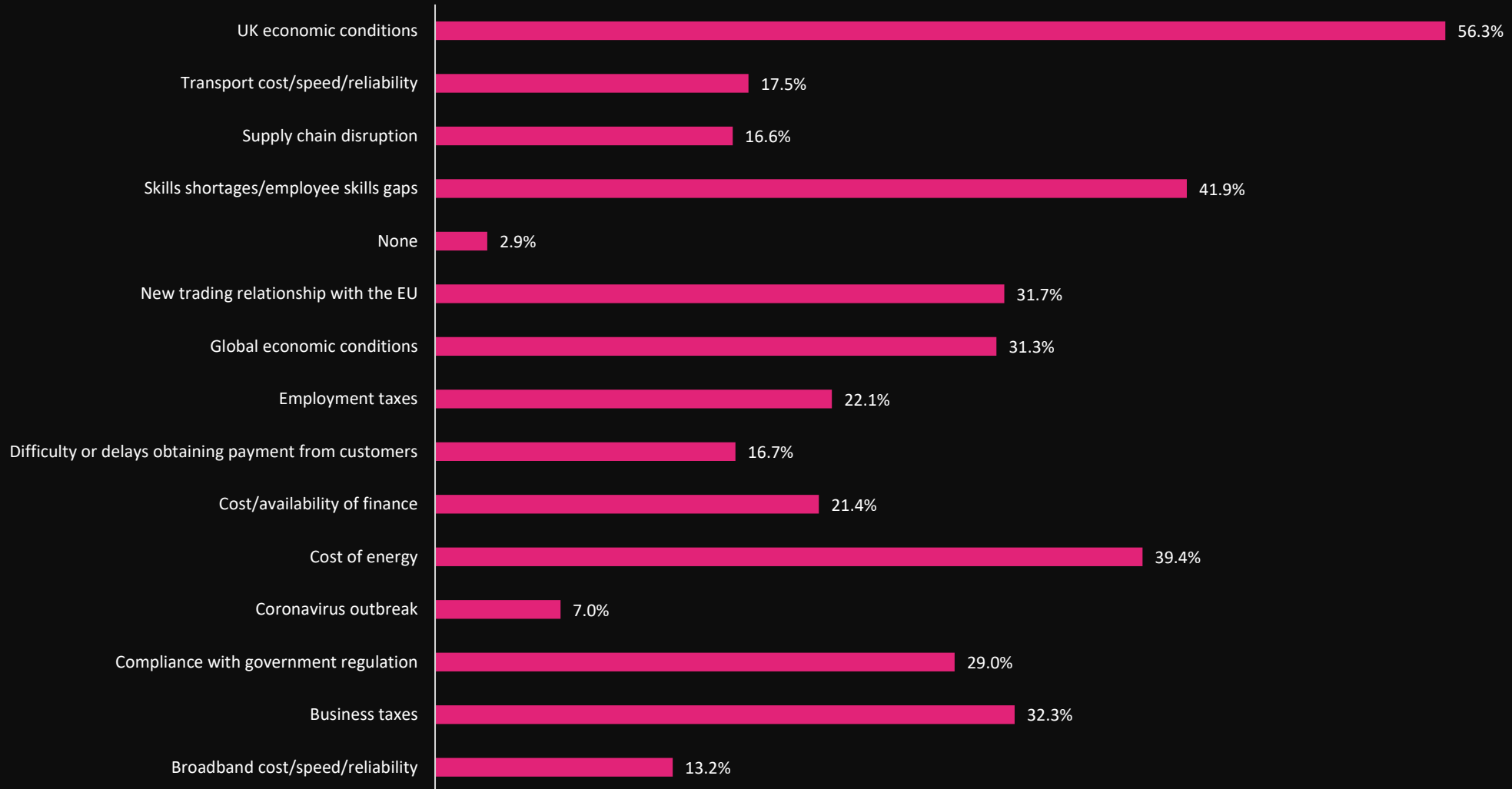


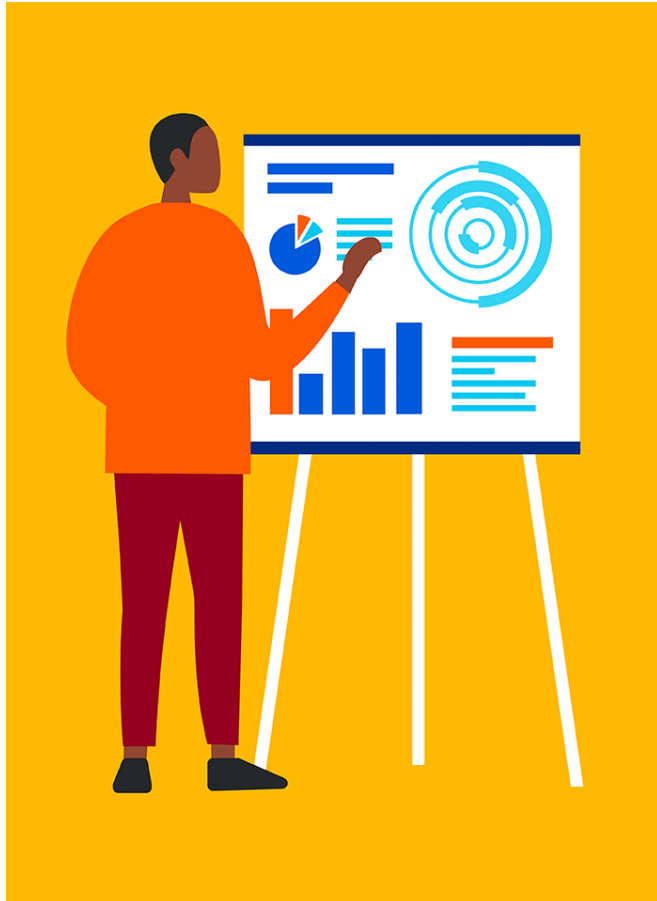
Economic Monitoring: Data

The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month. August data gave a reading of -28, however, business views about their own organisations' prospects recovered some ground. Inflation expectations have also improved, but cost pressures, particularly wage costs, remain a major concern.



Which of the following factors, if any, are having a negative impact on your organisation?





At what point, if at all, do you expect the rate of inflation in the UK to peak before starting to fall back again, or has it already peaked?

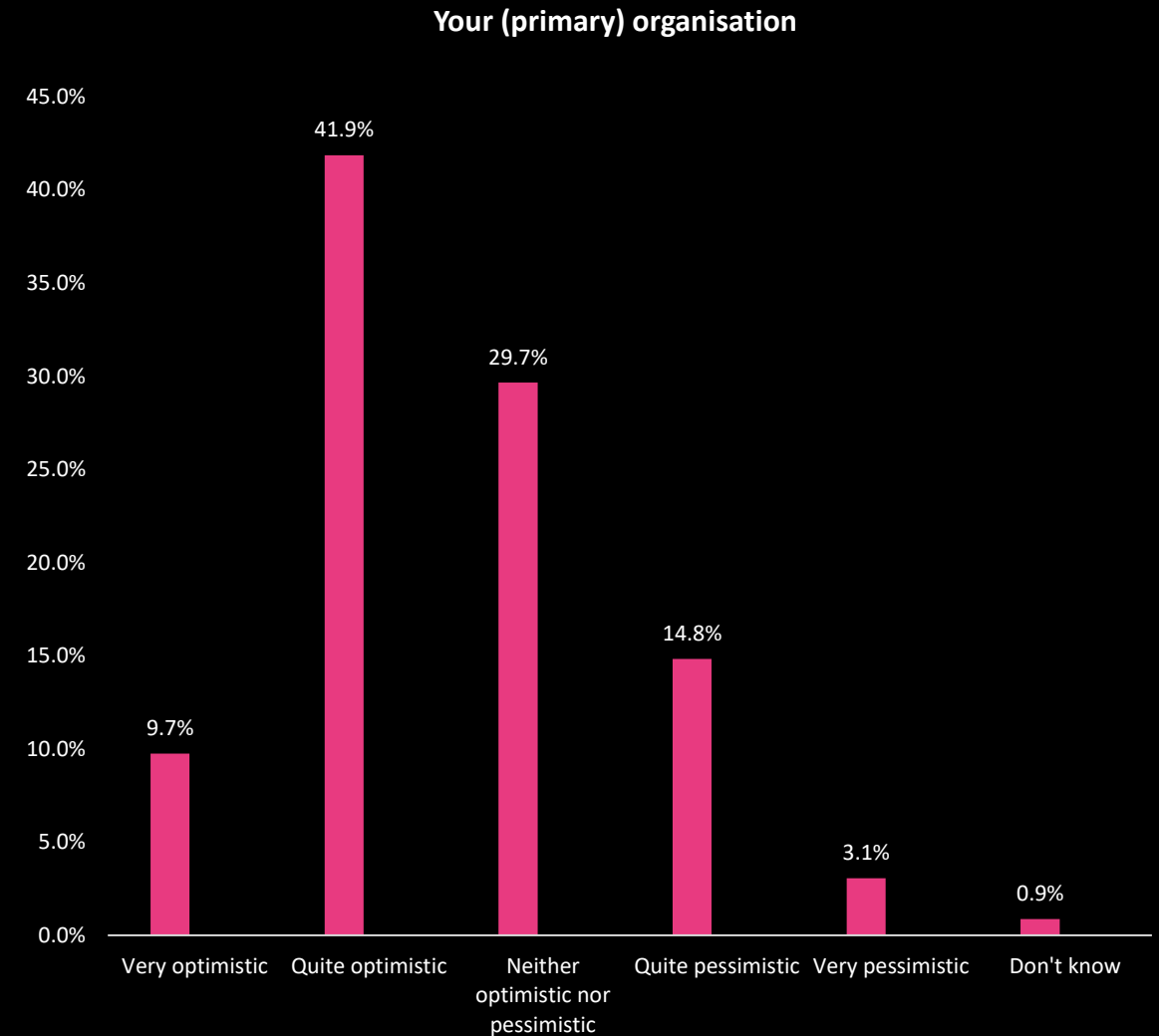
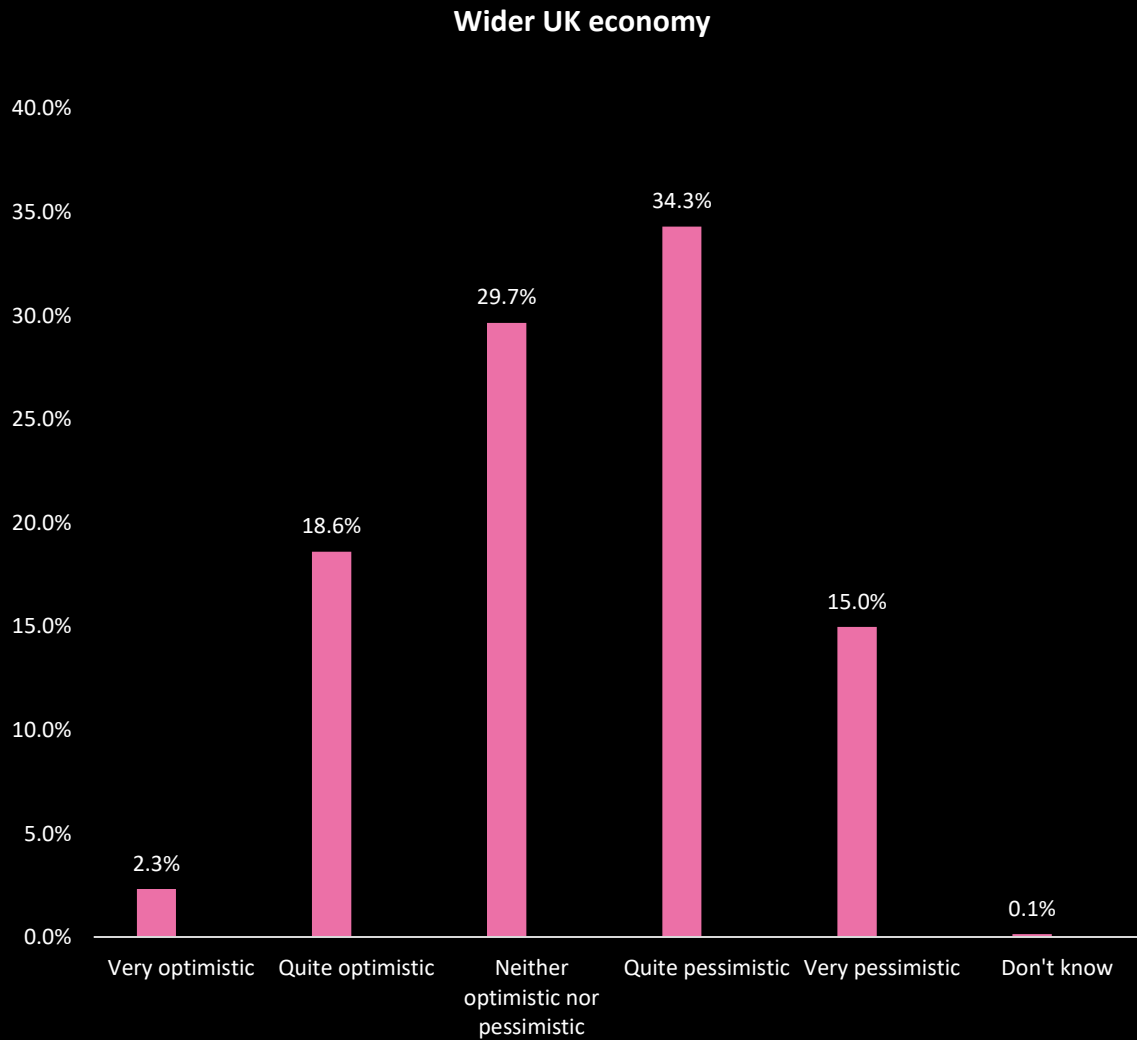
Summer 2023	6.1%
Autumn 2023	10.2%
Winter 2023-2024	14.7%
Spring 2024	8.3%
Summer 2024	3.5%
Autumn 2024	3.9%
Later than Autumn 2024	2.3%
Inflation has already peaked	44.5%
Never	0.9%
Don't know	5.7%
Grand Total	100.0%

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

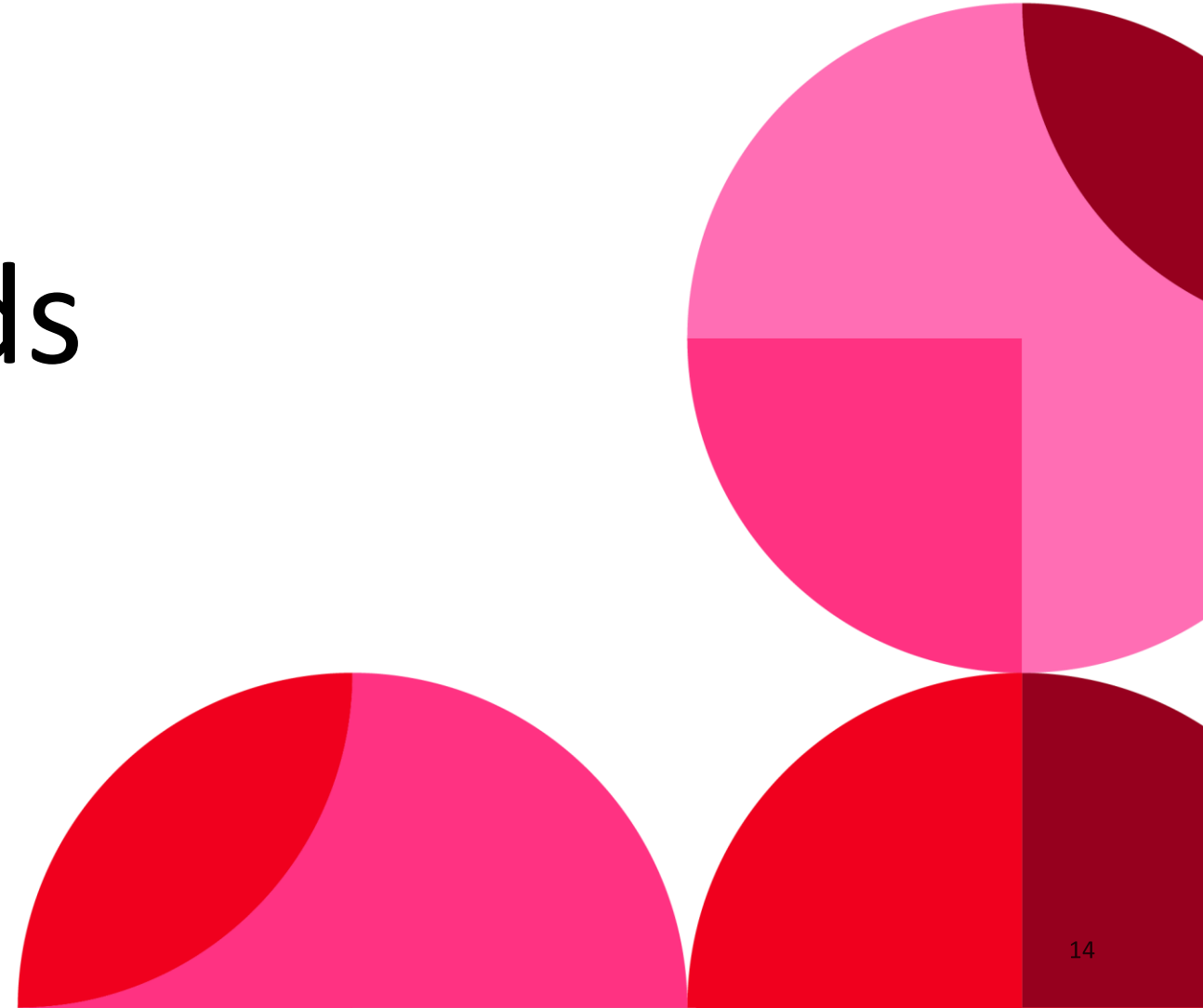
	Much higher	Somewhat higher	No change	Somewhat lower	Much lower	Don't know	N/A
Business investment	7.3%	32.0%	39.1%	14.1%	6.1%	0.3%	1.2%
Costs	16.4%	69.6%	10.9%	1.9%	0.0%	0.6%	0.6%
Exports	4.1%	15.8%	34.7%	4.9%	1.9%	1.0%	37.5%
Headcount	3.5%	35.3%	45.1%	12.5%	2.3%	0.1%	1.2%
Revenue	8.9%	48.4%	23.1%	14.8%	3.2%	0.7%	0.9%
Wages	12.8%	64.7%	17.7%	1.7%	0.3%	0.1%	2.6%



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



Economic Monitoring: Trends





IoD member confidence in prospects for the UK macroeconomy remained low in August

How optimistic are you about the wider UK economy over the next 12 months?

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

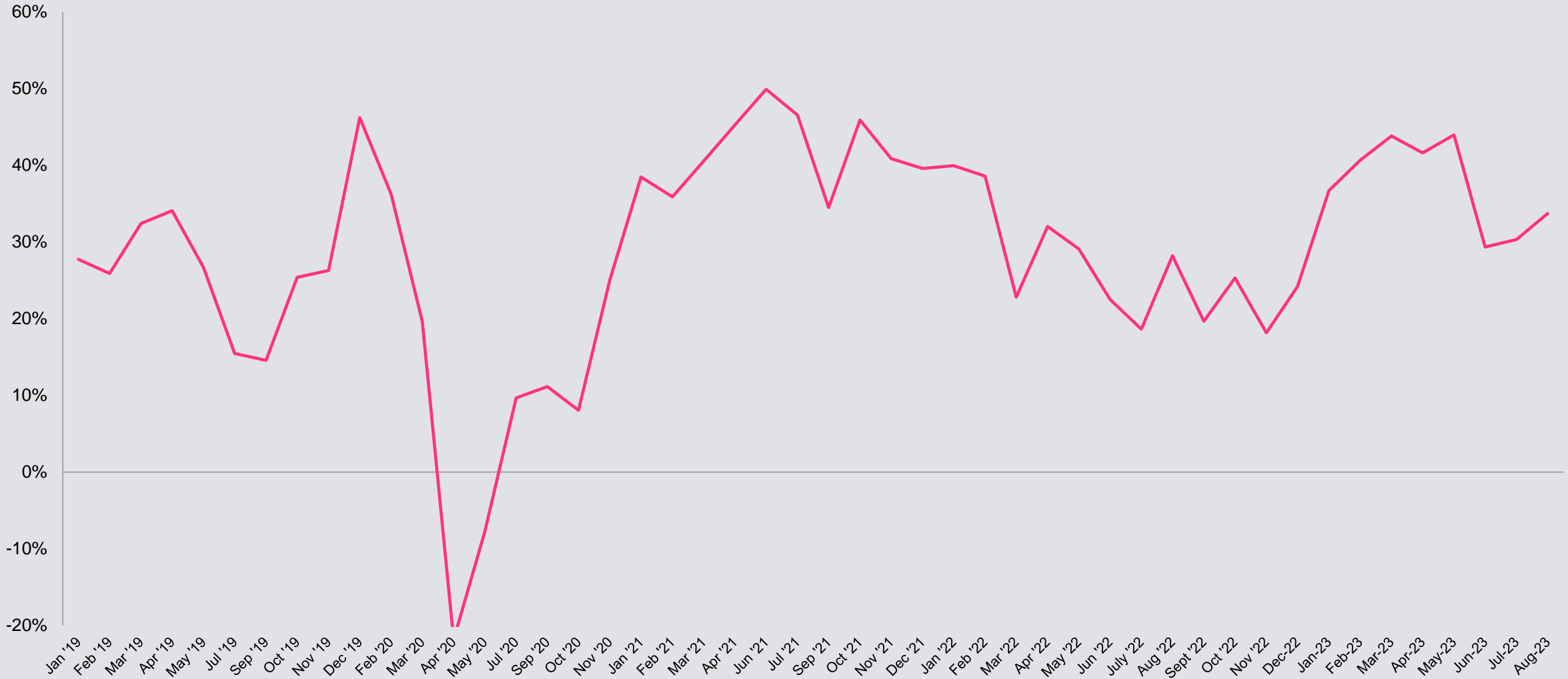




Confidence in own firms rose slightly in August following the mid-year drop

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

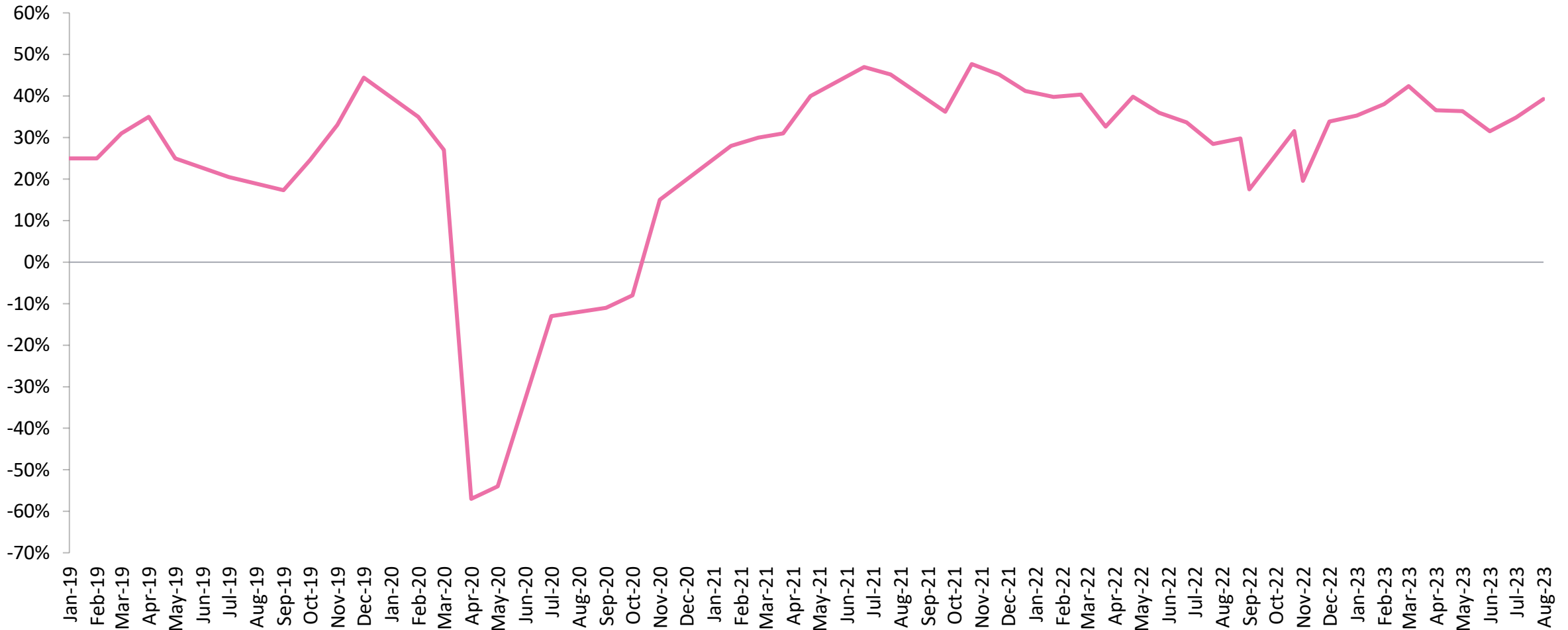




Revenue expectations recovered in August from the mid-year dip

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 remained strong in August

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

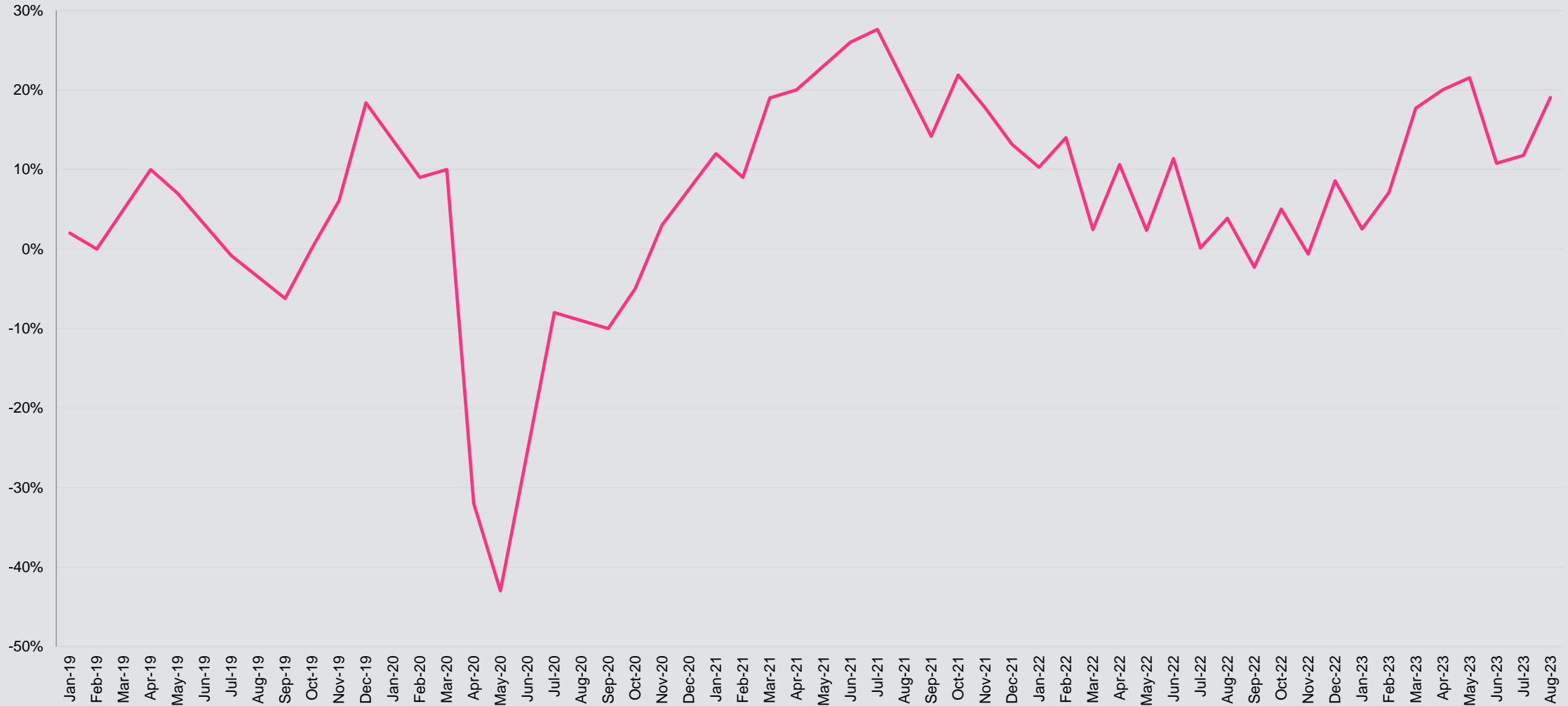




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Investment intentions recovered in August

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 were the highest ever recorded in August

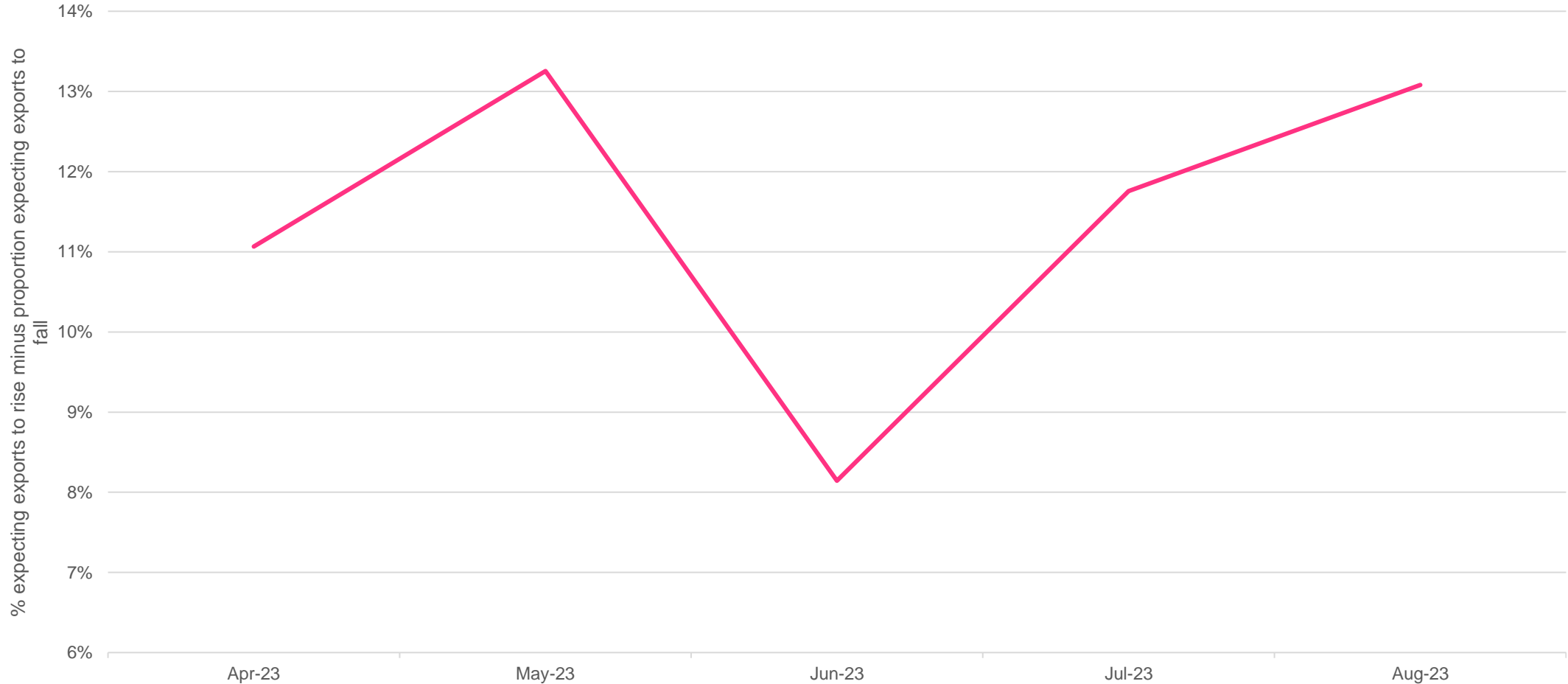
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Export opportunities also improved in August

*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.*



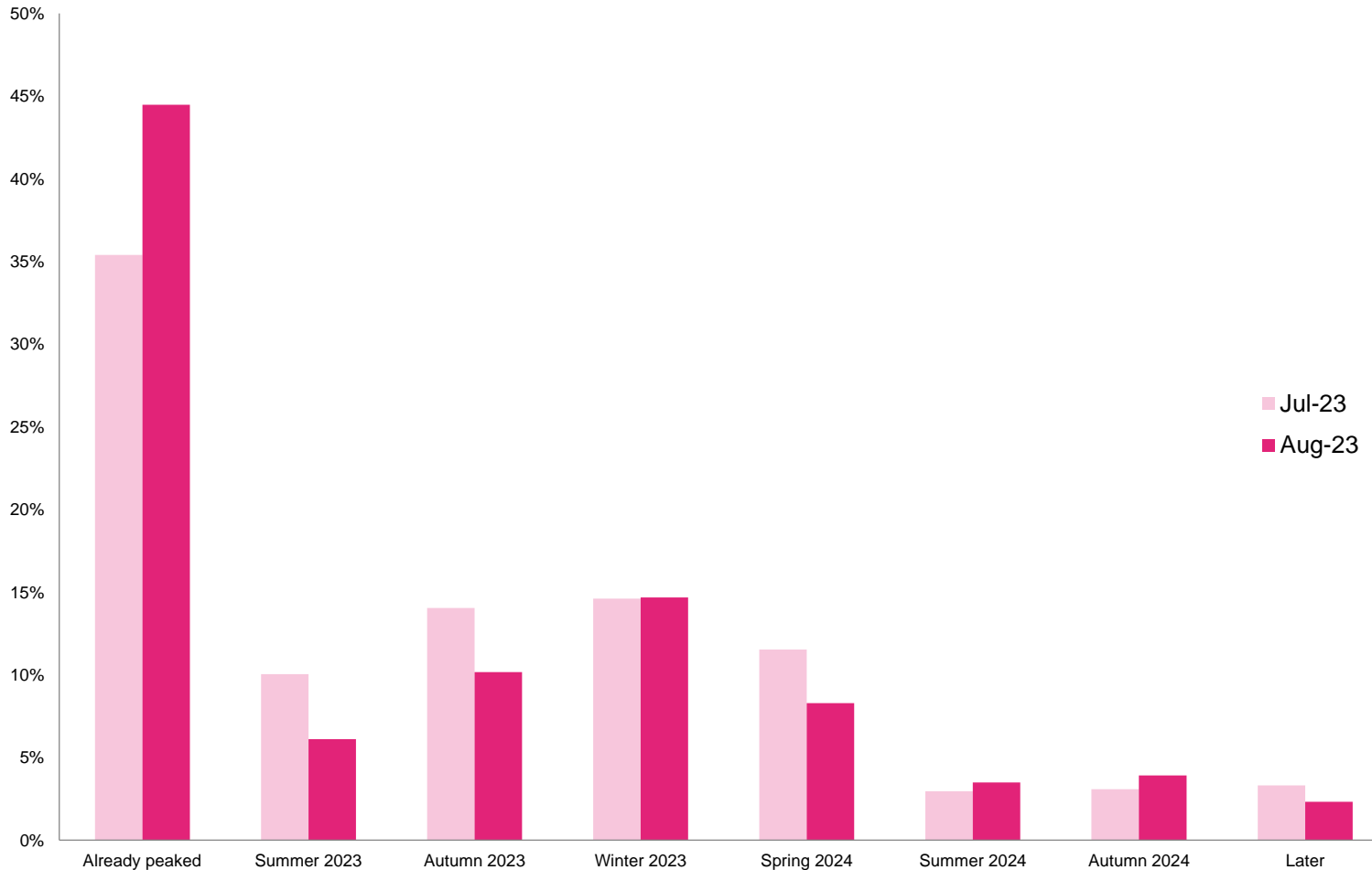


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Inflation expectations improved significantly in August

At what point, if at all, do you expect the rate of inflation in the UK to peak before starting to fall back again?

Source: IoD Policy Voice surveys July 23 and August 23



In the comments relating to the general economic situation, many IoD members referred to the perceived quality of government leadership and high costs, particularly wages. There was also concern around Britain’s place in the world, staff shortages and the impact of higher interest rates.

*"Government is good at jaw, jaw, but poor at execution. We are wandering towards regaining the status of the sick man of Europe."
(London, Services, 250+ employees, over £50m turnover.)*

*"Overheads and wage demands are far outstripping revenue levels at present and should they continue to do so more drastic measure might be required."
(NW England; Professional, scientific, technical; 100-249 employees; turnover £2m-£10m)*

*"War, inflation, Brexit, Wages, Material supplies, Interest rates ...EVERYTHING is against us right now"
(East Midlands; Manufacturing; 10-49 employees; £10m-£50m turnover)*

Top 10 business worries tracker

1. UK economic conditions (56%)
2. Skills shortages (42%)
3. Cost of energy (39%)
4. Business taxes (32%)
5. Trading relationship with the EU (32%)
6. Global economic conditions (31%)
7. Compliance with government regulation (29%)
8. Employment taxes (22%)
9. Access to, or cost of, finance (21%) *new entry*
10. Transport cost/speed/reliability (18%)

Change since May : more, same, less IoD members worried.

IoD members answer to the question *Which of the following factors, if any, are having a negative impact on your organisation?* Policy Voice August 2023. Sample size: 688



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.