



Policy Voice full survey results November 2023

Number of respondents: 480

Survey Dates: 14 – 29 November 2023

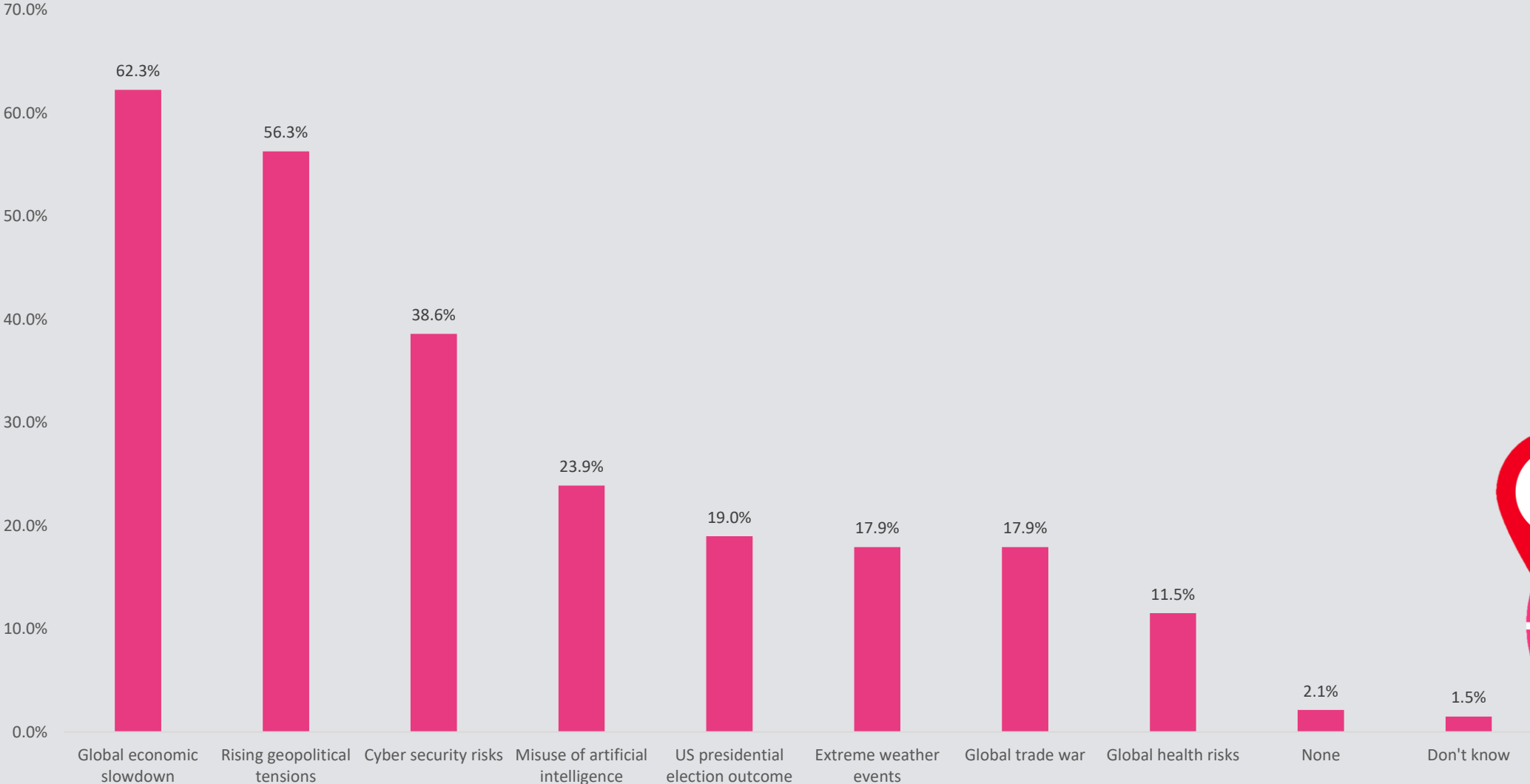


Outlook for 2024

The following question identifies the top business concerns moving into the coming year. The results will help inform our policy priorities for the coming year and shape our Business Outlook for 2024.



Which of the following global risks are the most concerning for your business in 2024? Please choose up to three.



In the comments section members highlighted certain global risks that they felt were the most concerning for their business. The most common comment centred around AI and technological advancements, reinforcing the sentiment that many members view this as an opportunity, rather than a risk.

‘There are significant parts of the work that we do for our clients that could potentially be fulfilled by AI’ *South East, professional, scientific and technical activities, 250+ employees, over £50 million turnover*

‘Not so much the misuse of AI, but more failing to grasp the opportunities its presents’ *East Midlands, professional, scientific and technical activities, 2-9 employees, £250,000 - £2 million turnover*

Many members also noted that current domestic political instability, potentially exacerbated by the upcoming election, was a concern for them.

‘Far more than the global events, the biggest risk is continued political instability and chaos in the UK. We just need a stable, competent, professional and ethical UK government, which will then stabilise the UK economy. Top priority. Anything global is a long way behind this national problem.’ *London, information and communication, 2-9 employees, £250,000 - £2 million turnover*

‘The instability and lack of focus in the UK government is a concern.’ *East, professional, scientific and technical activities, 10-49 employees, £2 million - £10 million turnover*



Members also mentioned the climate change, and the strain turbulent weather is having on their businesses, as being a worry.

‘Governments around the world seem to be getting cold feet about the actions required to avoid the impending climate meltdown.’ *South West, other service, 2-9 employees, £250,000 - £2 million turnover*

‘Extreme weather is putting enormous strain our business’ *Scotland, water supply, sewerage and waste management, 250+ employees, over £50 million*

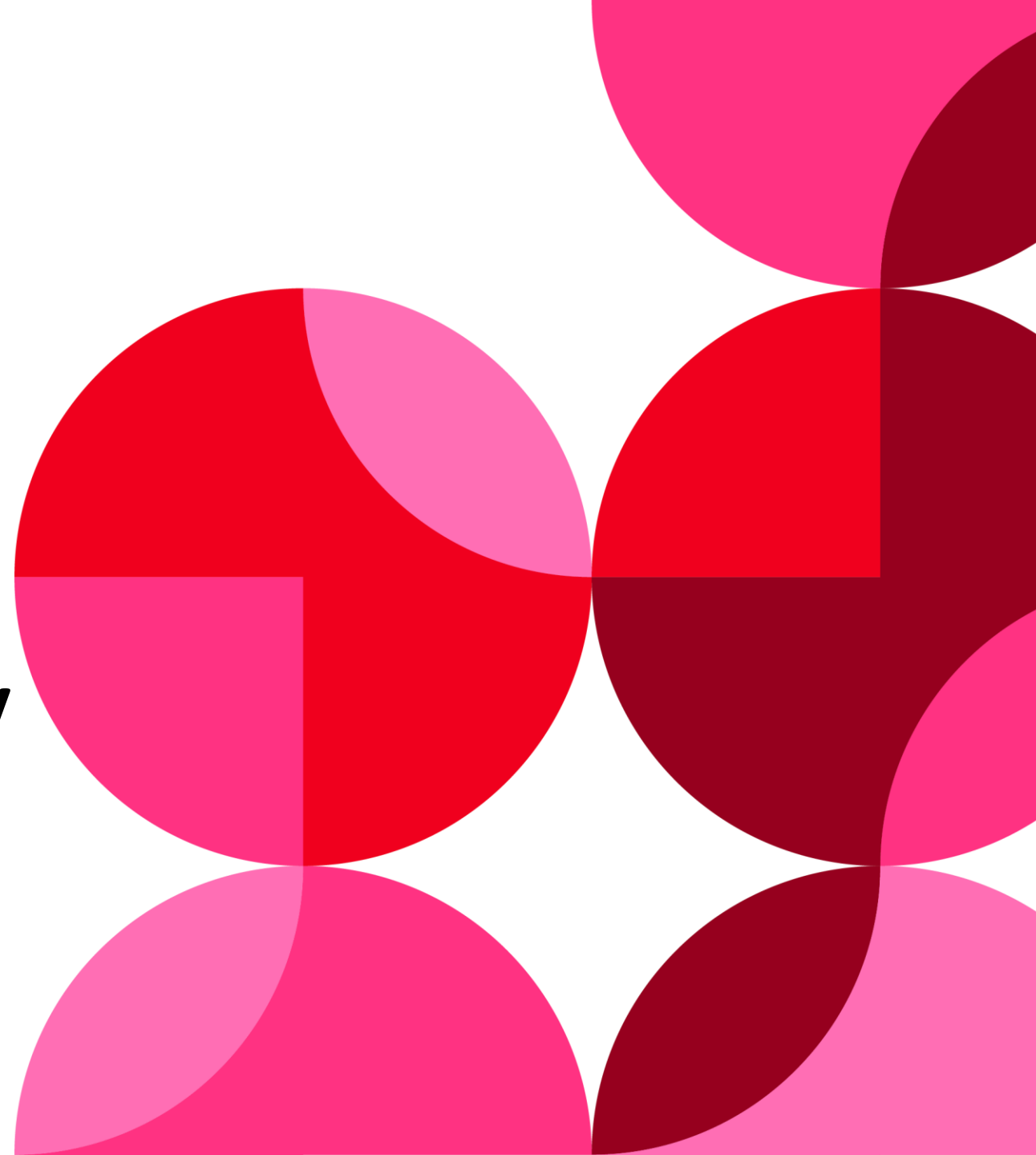
Skills shortages were also highlighted as a concern for business leaders.

‘Skilled resources are becoming scarcer to find, so internal development and apprentices are the main way we are addressing this issue. The short term (<5 years) impact is slower growth due to the length of time needed to train to an effective level. This also impacts management time in reviewing training requirements and progress.’ *East Midlands, arts, entertainment and recreation, 250+ employees, over £50 million turnover*



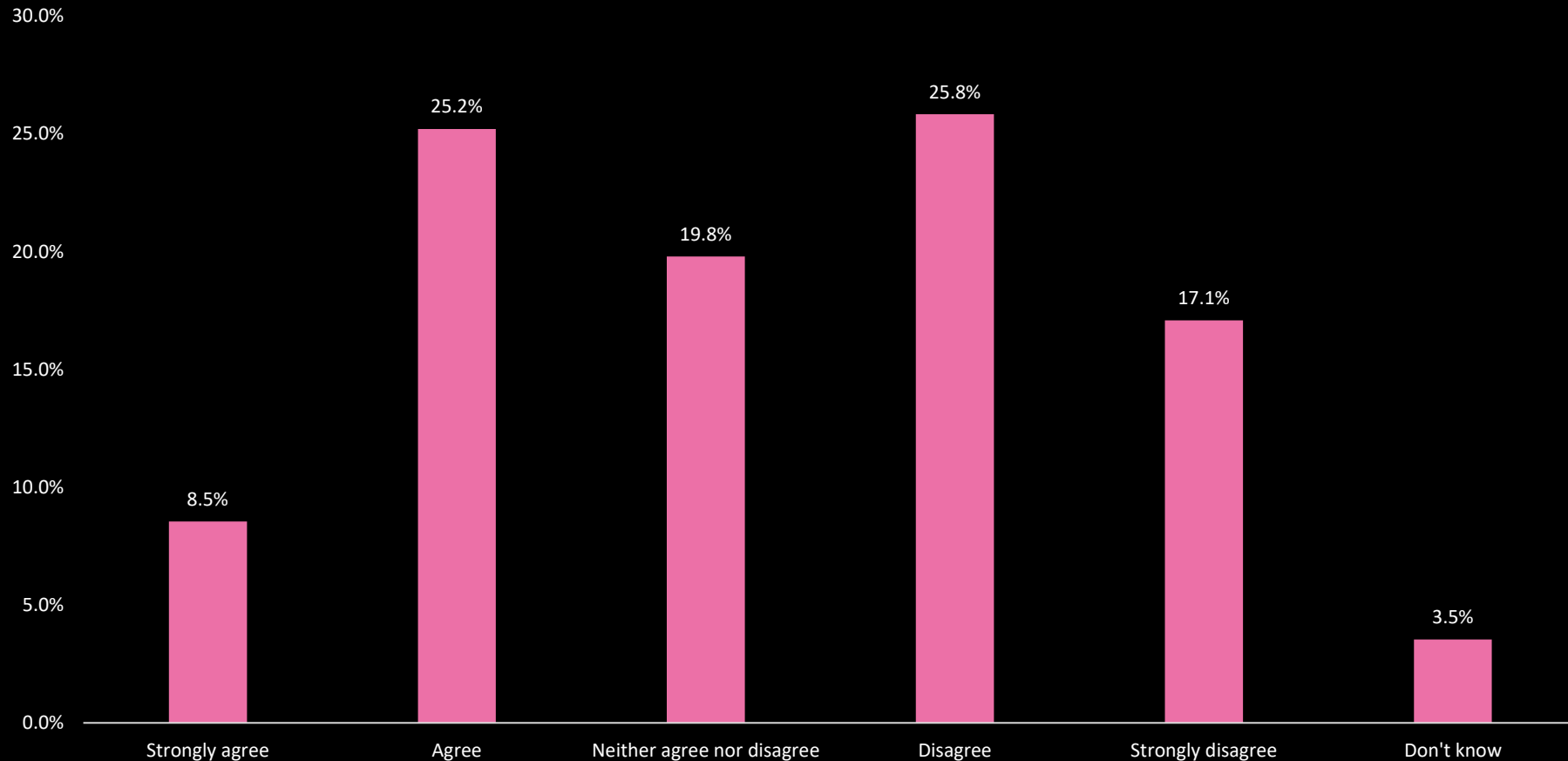
Labour Party commitments: Statutory sick pay

Answers to this question help us gauge members sentiment on recent Labour Party commitments. This helps to inform our position on them.





The Labour Party has committed to amending statutory sick pay by removing the waiting period and the lower earnings limit to bring more workers in scope. To what extent do you agree with this policy?





IoD members were divided on the topic of Statutory Sick Pay reform (SSP), with 34% supportive of Labour's proposed reforms and 48% opposed.

Four main themes emerged in the qualitative responses to the question:

Concern that the proposed reforms would increase the number of sick days taken by employees and encourage abuse of the system, and the necessity of safeguards against such potential abuse.

“The abuse of this is predictable, without strong legal protections for employer like official recognition and not self-certification. Also some legal framework to reclaim sick pay once abuse is recognised.” *East, administrative and support services, 250+ employees, £2 million to £10 million turnover*

“But there must be mechanisms available for the employer to use if the system is being abused. This is out of fairness both to the business (particularly for SME's) but also their fellow employees” *South East, Wholesale and retail trade (including motor repair), 250+ employees, over £50 million turnover*

Concern that the suggested reforms would add to employers' administrative and financial costs, particularly for SMEs.

“It seems this is a policy which adds to the administrative burden of employers, which will discourage small businesses from having employees” *Scotland, professional, scientific and technical activities, 10-49 employees, £250,000 to £2 million turnover*

Support for removing the lower earnings limit, but not for enabling employees to access SSP from day one.

“[Reforming the] lower earnings limit is good, but SSP shouldn't be immediate.” *East, professional, scientific and technical activities, 10-49 employees, £2million - £10 million turnover*

Unintended consequences of the policy.

“What this will mean is that I will no longer need to contemplate paying a sick employee at full pay for the first few days, I can rely on the statutory sick pay to compensate the employee, even if that is at a lesser rate than I'd normally pay an employee.” *South West, professional, scientific and technical activities, 10-49 employees, £2 million - £10 million turnover*

“Good employers like me would then require SSP certificates and would only pay SSP instead of full pay for the odd day sick.” *East, financial services, 2-9 employees, under £250,000 turnover*



Labour Party commitments: Advanced British Standard and compulsory work experience

Answers to these questions help us gauge members sentiment on recent Labour Party commitments. This helps to inform our position on them.

Answers regarding the Advanced British Standard will inform our consultation response.

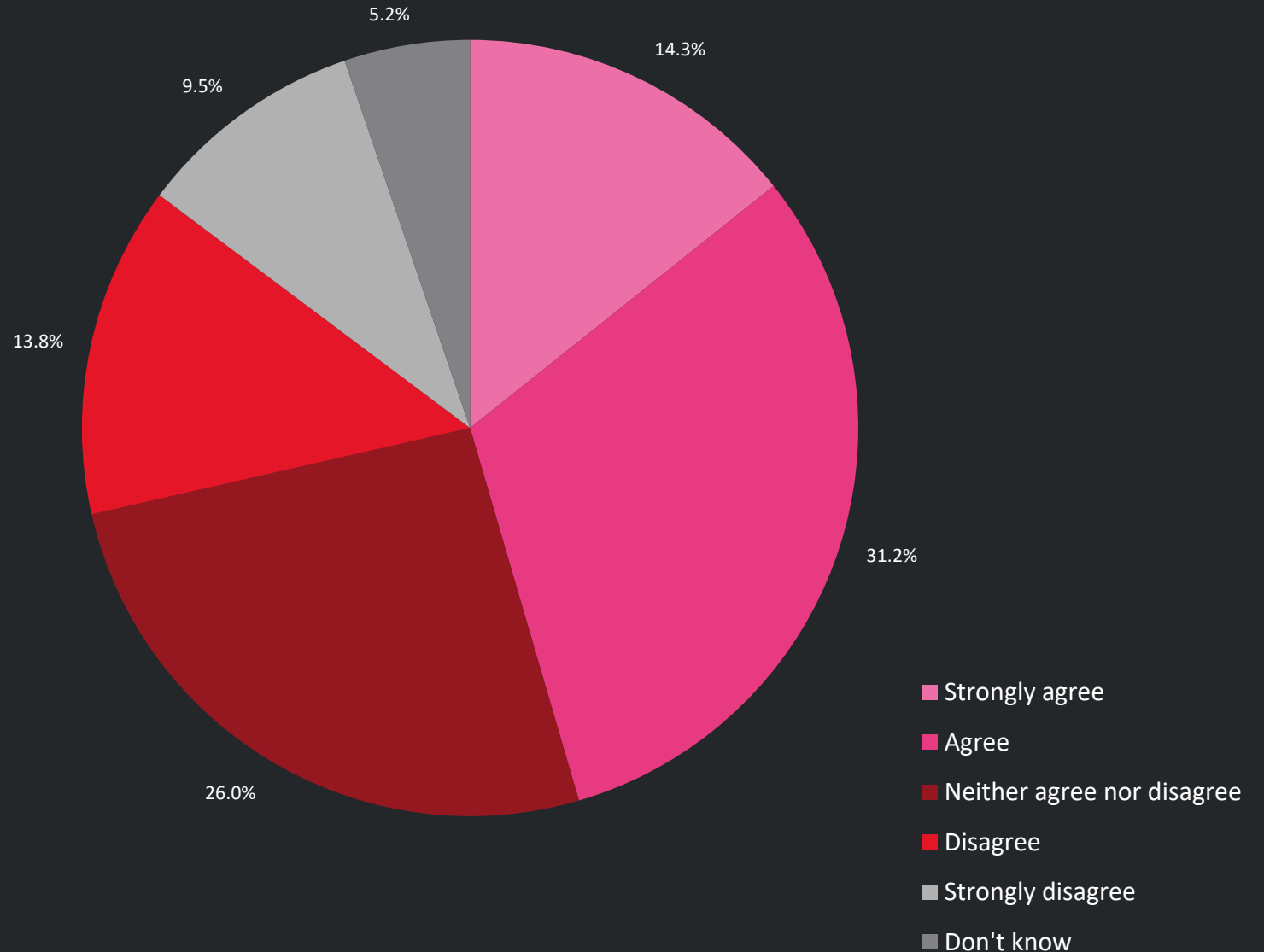
*These questions were asked to members based
in England, 420 responses*



The government has announced plans to replace A Levels and T Levels with a new baccalaureate-style qualification for 16–19-year-olds, the Advanced British Standard.

Students would typically choose five subjects from both academic and vocational options and would be required to study some form of English and maths.

To what extent do you agree that this policy would be an improvement on the current system?



Business leaders were, on the whole, positive about the Advanced British Standard. Of those who expressed an opinion, two thirds (66%) agreed with the policy.

In the comments, members offered further insight on their views in favour and against the policy:

Concern about the frequency of changes to the education system.

“Biggest blocker to the education system overall are the substantive changes to education policy being made every 1-2 years by successive governments.” *West Midlands, other services, 0-1 employees/sole trader, £250,000 - £2 million turnover*

“This is reinventing the wheel, we had GNVQs, 14-19 Diplomas, T-Levels and now this.” *South East, education, 10-49 employees, £2 million - £10 million*

Support for a broader education than is currently offered through the A Level route in particular.

“I come from Ireland (Republic) originally. Our education system required 6-7 subjects with English, Maths (and Irish) compulsory - much better than A-Levels and leads to a much more rounded skillset.” *East Midlands, other services, 10-49 employees, £250,000 - £2 million turnover*

“[In Texas] the breadth at the upper school level is so much better for future work offering more than just 3 A levels, which is just too narrow at that age” *South East, professional, scientific and technical activities, 10-49 employees, £250,000 - £2 million*



Support for English and maths being compulsory until 18.

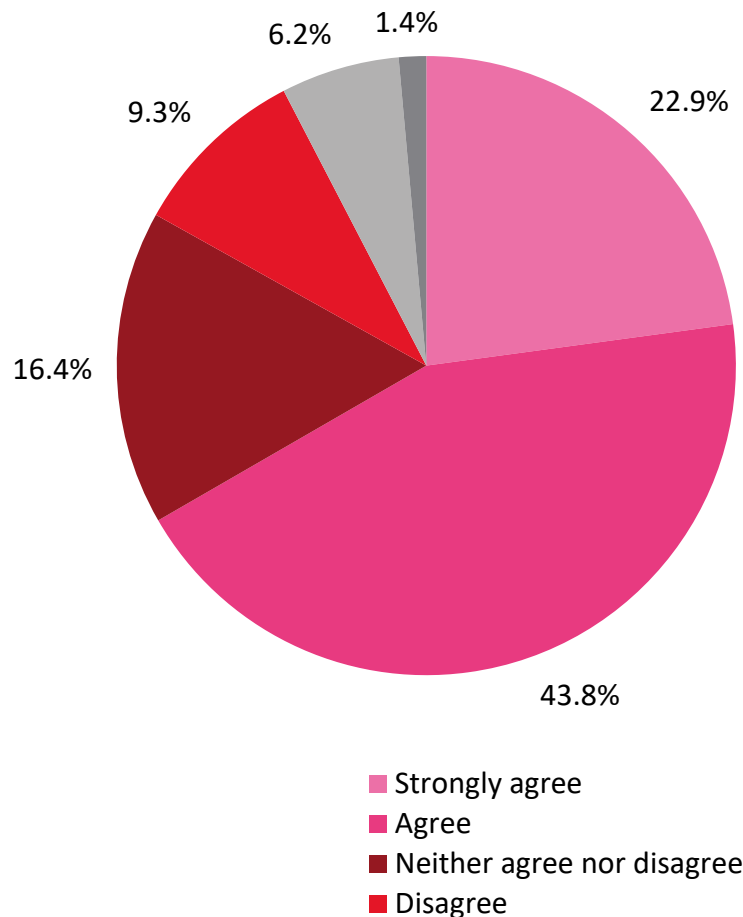
“The enhancement of education standards for maths is very welcome” *South East, financial services, 10-49 employees, £2 million - £10 million turnover*

“Studying Maths and English until you leave school I personally feel is probably a good thing.” *West Midlands, agriculture, forestry and fishing, 2-9 employees, £250,000 - £2 million turnover*





The Labour Party has committed to introducing two weeks' worth of compulsory work experience for every young person. To what extent do you agree with this policy



IoD members were broadly very supportive of Labour's commitment to introduce two weeks of compulsory work experience for every young person, with two thirds (66%) agreeing with the policy and just 16% disagreeing.

Qualitative responses highlighted several themes:

Concern that mandating work experience would lead to it becoming a 'tick box' exercise which contributes little value to the young person or the employer.

"I think work experience is valuable, but if it is compulsory we shall see a lot of people 'going through the motions'" *West Midlands, health and social work, 2-9 employees, under £250,000 turnover*

Concern that two weeks is an insufficient amount of time for a work experience placement.

"Two weeks' work experience sounds good, indeed if well done it would be good, but two weeks is very little and useful work experience requires a bigger input from the business in which they are placed than most give or are able to give." *South West, education, 2-9 employees, £250,000 - £2 million turnover*

Concern about the ability of employers to provide enough placements to meet demand, particularly given the rise in remote and hybrid working patterns, insurance risks, and the risk of hosting placements being accompanied by significant bureaucracy.

"The difficulty with so many companies operating a work-from-home policy is that offices will not be staffed, and so doing two weeks work experience when over half of this may be from home is a dangerous issue for young people." *South East, other services, 10-49 employees, £2 million - £10 million turnover*

"Government needs to make giving work experience to students as red tape free as possible, financial and moral benefits need to be promoted (i.e. it supports CSR and ESG policies)." *West Midlands, transportation and storage, 100-249 employees, £10 million - £50 million turnover*

"A barrier to work experience for young people is insurance coverage, especially for under 16s. There is also a perceived safeguarding risk." *South East, information and communication, 0-1 employees/sole trader, under £250,000 turnover*

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.





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
Business investment	4.0%	35.4%	42.9%	11.8%	5.5%	0.4%
Cost	11.8%	68.1%	16.6%	3.2%	0.0%	0.4%
Exports	4.6%	31.5%	49.8%	11.1%	0.7%	2.3%
Headcount	1.9%	34.5%	51.1%	10.1%	2.3%	0.2%
Revenue	6.3%	49.8%	25.3%	14.3%	4.0%	0.2%
Wages	10.3%	62.4%	24.8%	1.7%	0.2%	0.6%



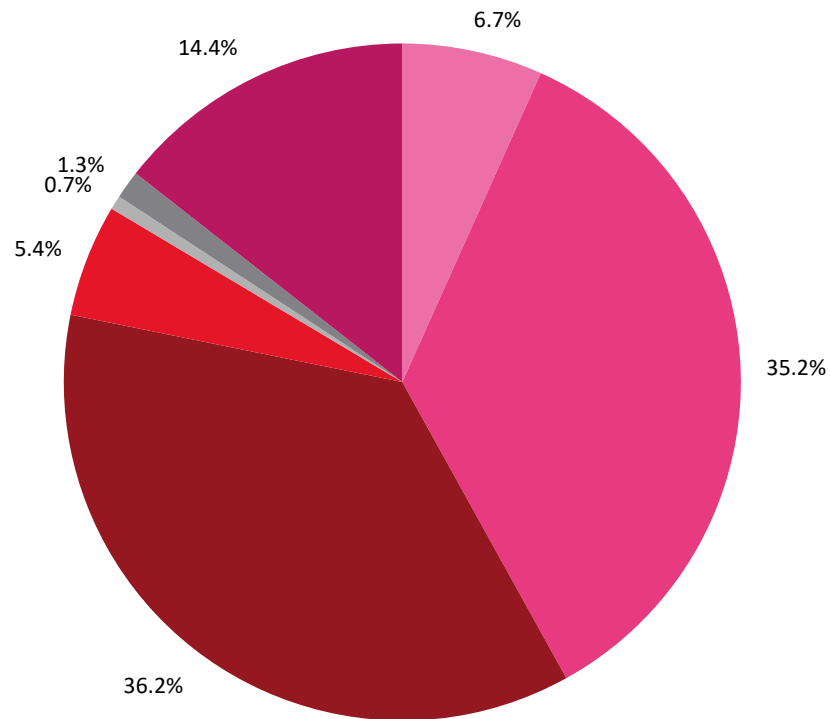
Which of the following factors, if any, are having a negative impact on your organisation?

UK economic conditions	58.8%
Skills shortages/employee skills gaps	39.0%
Global economic conditions	37.3%
Cost of energy	32.9%
Business taxes	28.1%
Compliance with government regulation	26.7%
Trading relationship with the EU	26.5%
Difficulty or delays obtaining payment from customers	23.5%
Employment taxes	22.5%
Cost/availability of finance	21.5%
Transport cost/reliability/speed	16.3%
Supply chain disruption	15.8%
Broadband cost/speed/reliability	12.5%
Coronavirus outbreak	4.2%
None	2.9%

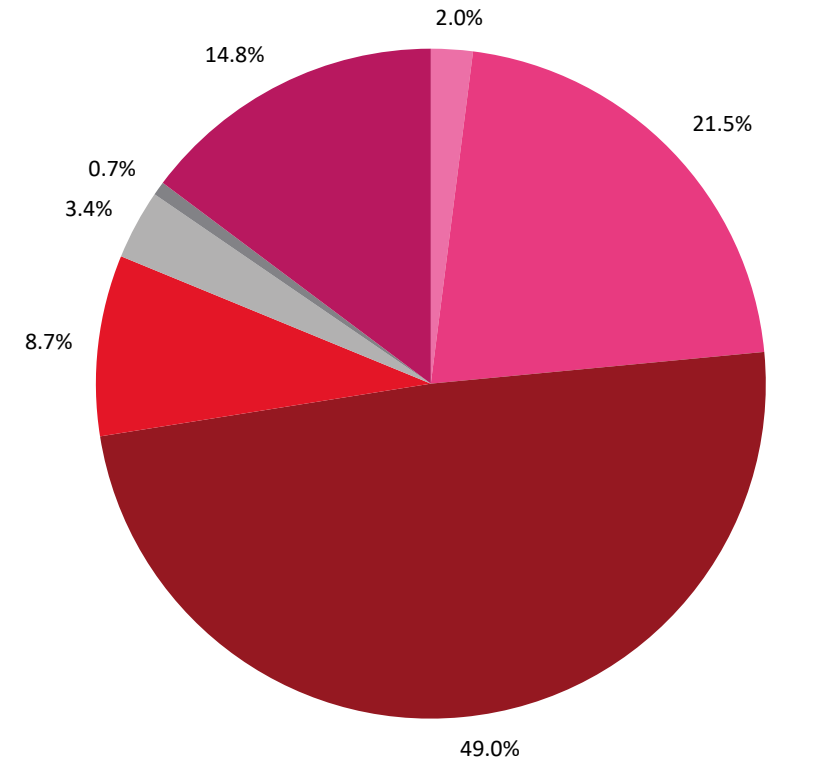


You said you were expecting a change in the outlook for your exports over the next 12 months. What do you believe your outlook will be for both EU and non-EU exports?

Exports to non-EU countries



Exports to EU countries



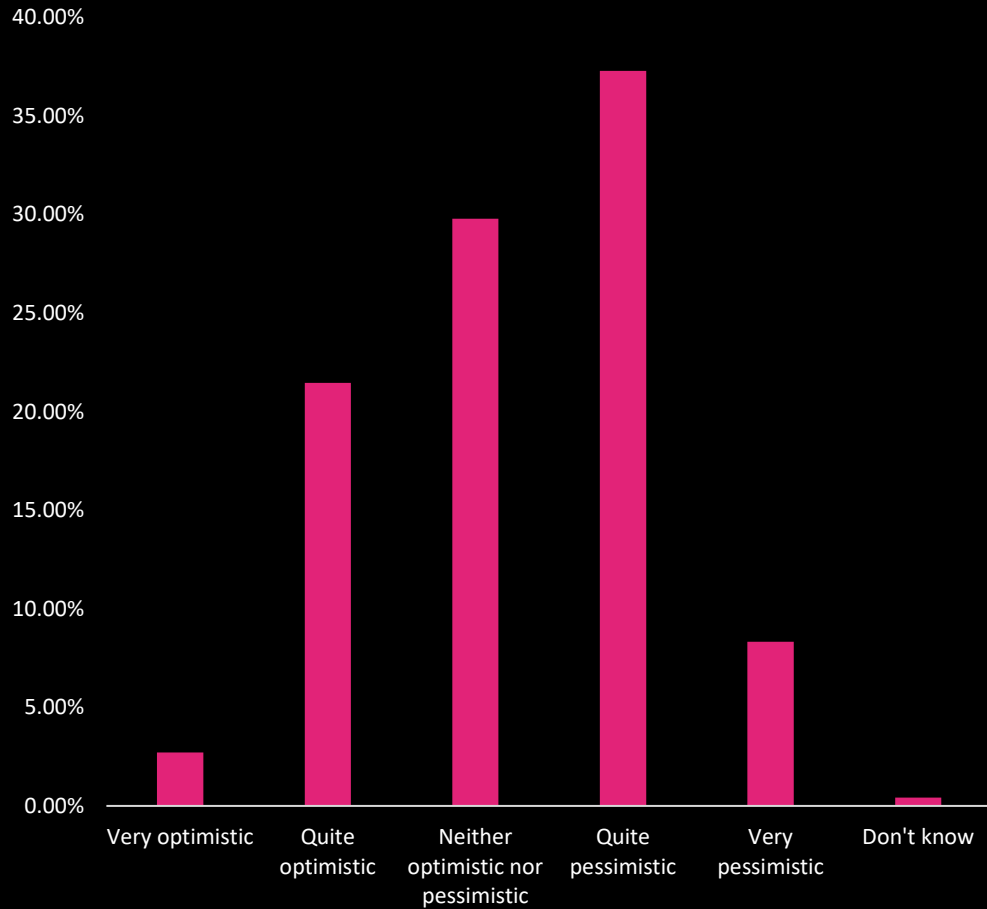
- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know
- N/A

- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know
- N/A

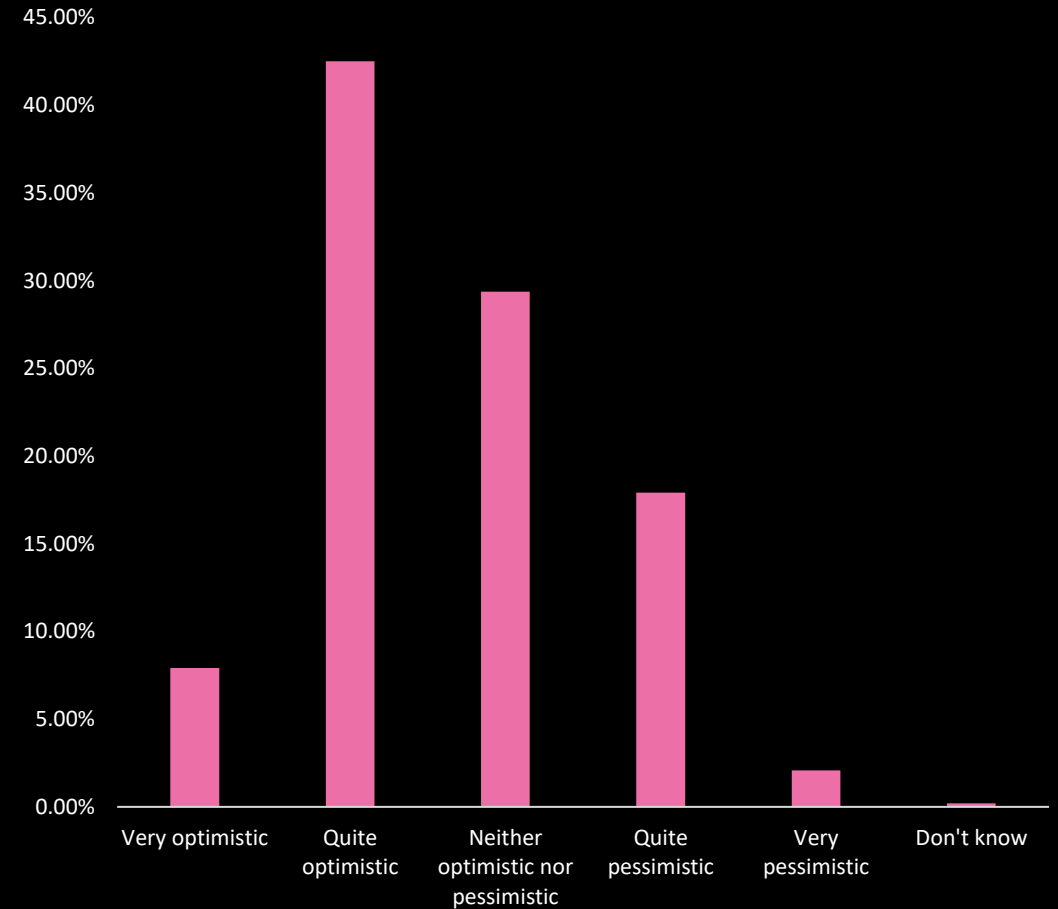


How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

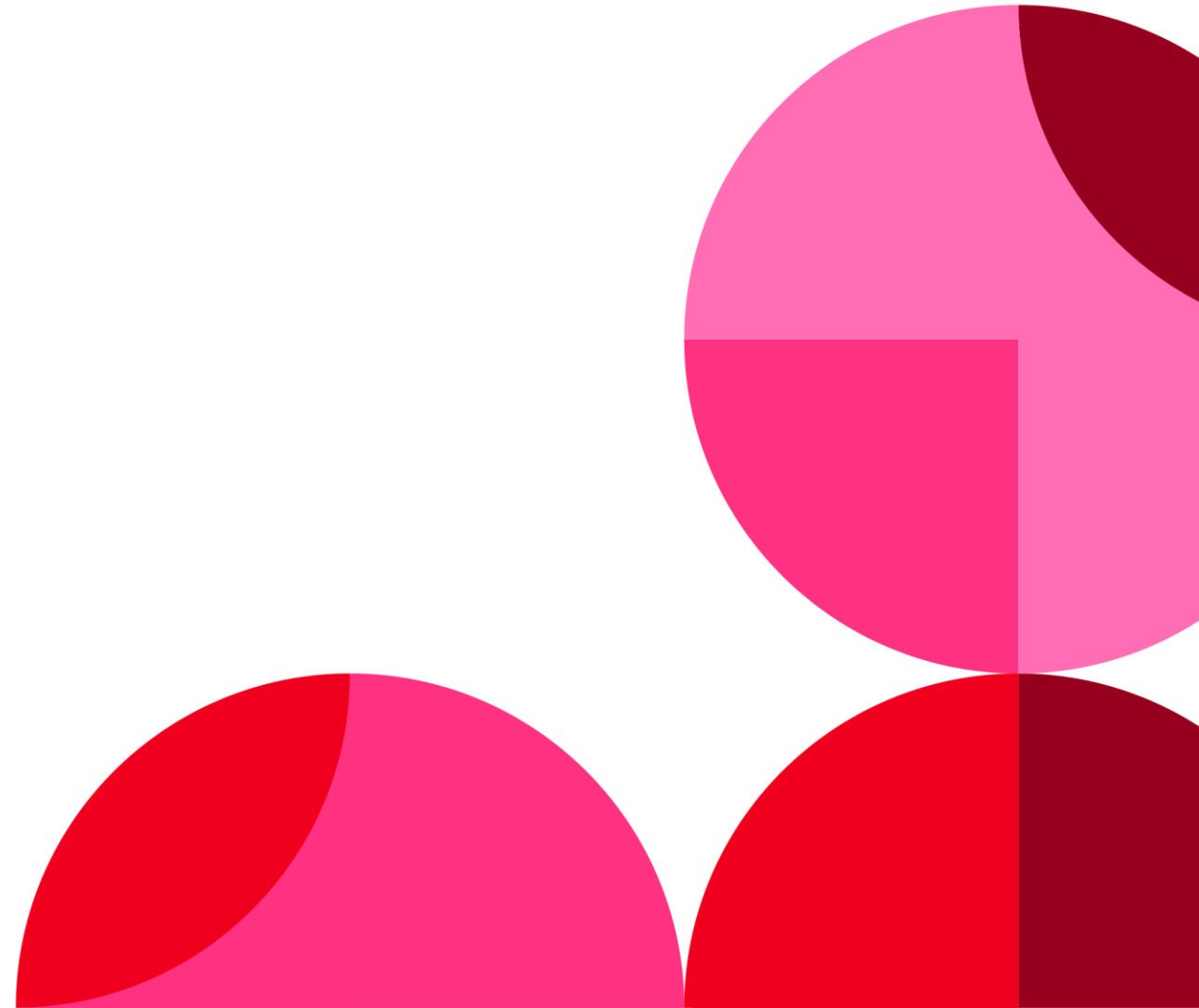
Wider UK economy



Your (primary) organisation



Economic Monitoring: Trends





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Directors' confidence remains stuck in a rut



Confidence in own firm's prospects down in November

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



Economy is flat-lining as prices re-adjust

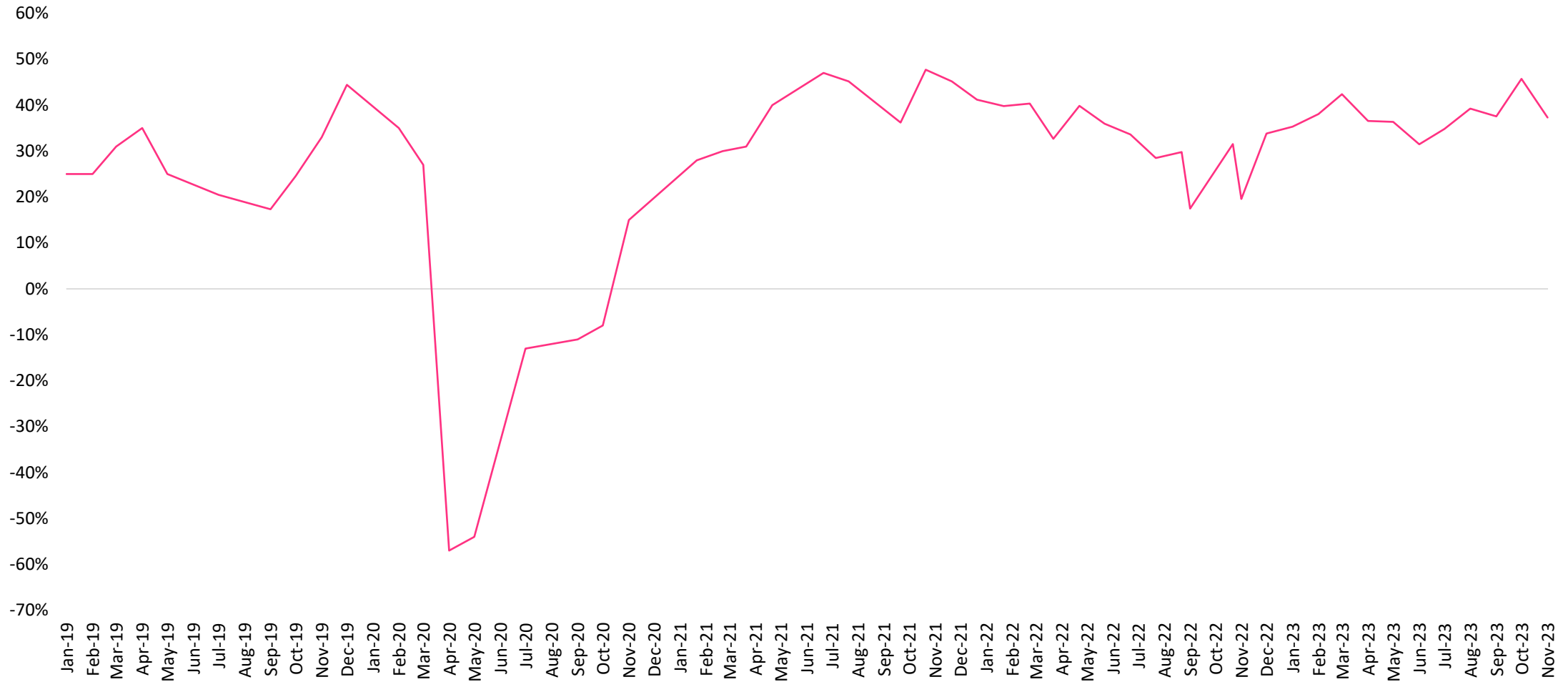




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Net revenue expectations fall in November

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

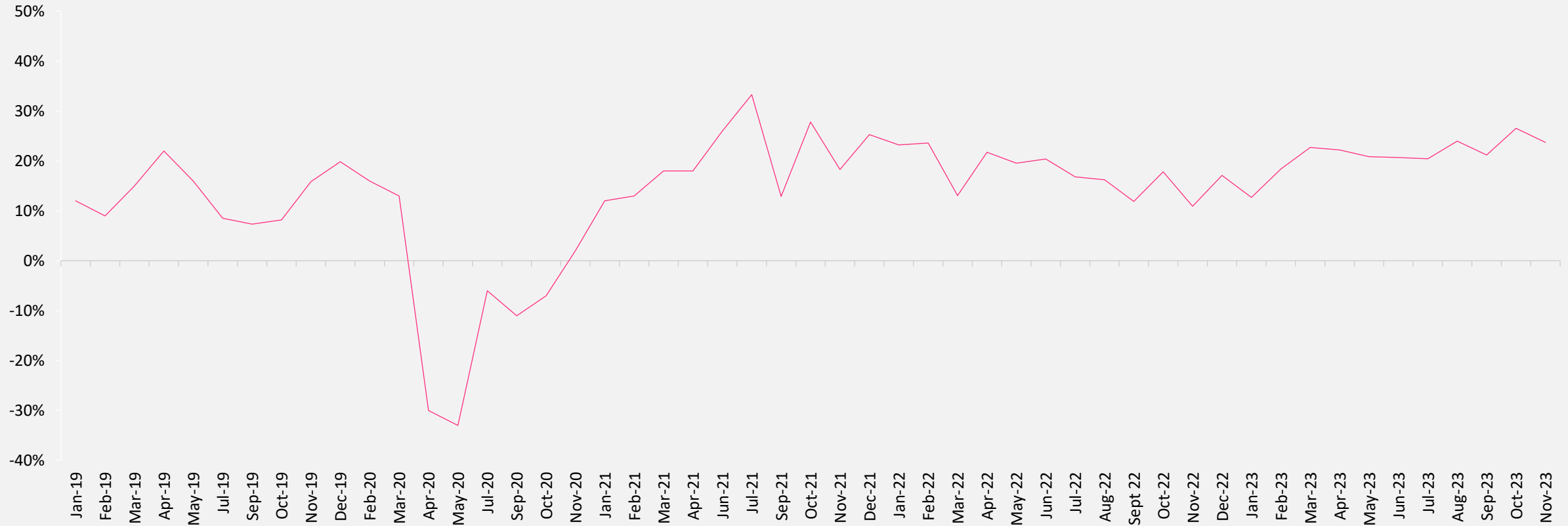




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Headcount expectations continue to be robust throughout 2023

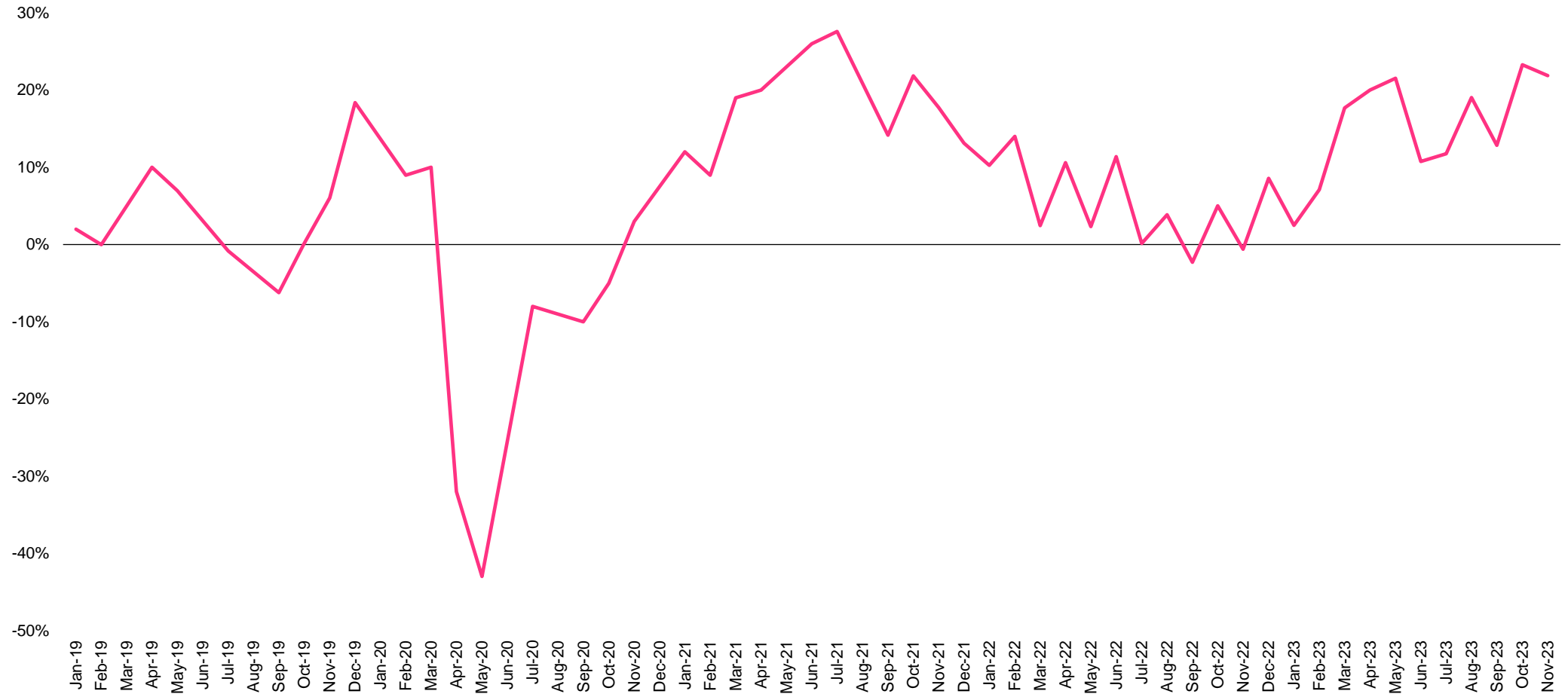
*Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys*





Investment intentions continue to follow month-on-month volatility

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 appear to be easing

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

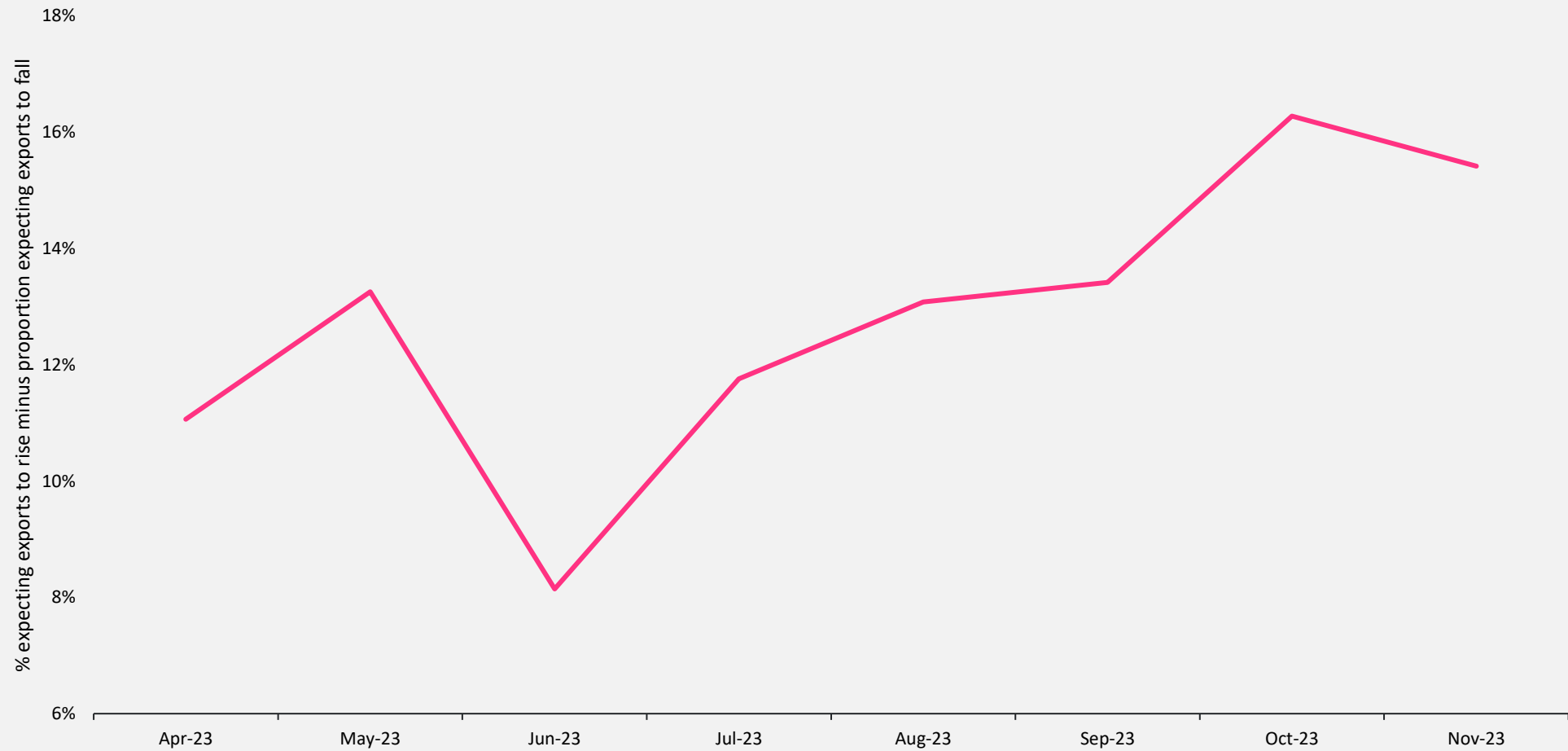


..... = question not asked



Export expectations fall slightly in November

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.