



# Policy Voice full survey results December 2023

Number of respondents: 703

Survey Dates: 14 – 29 December 2023

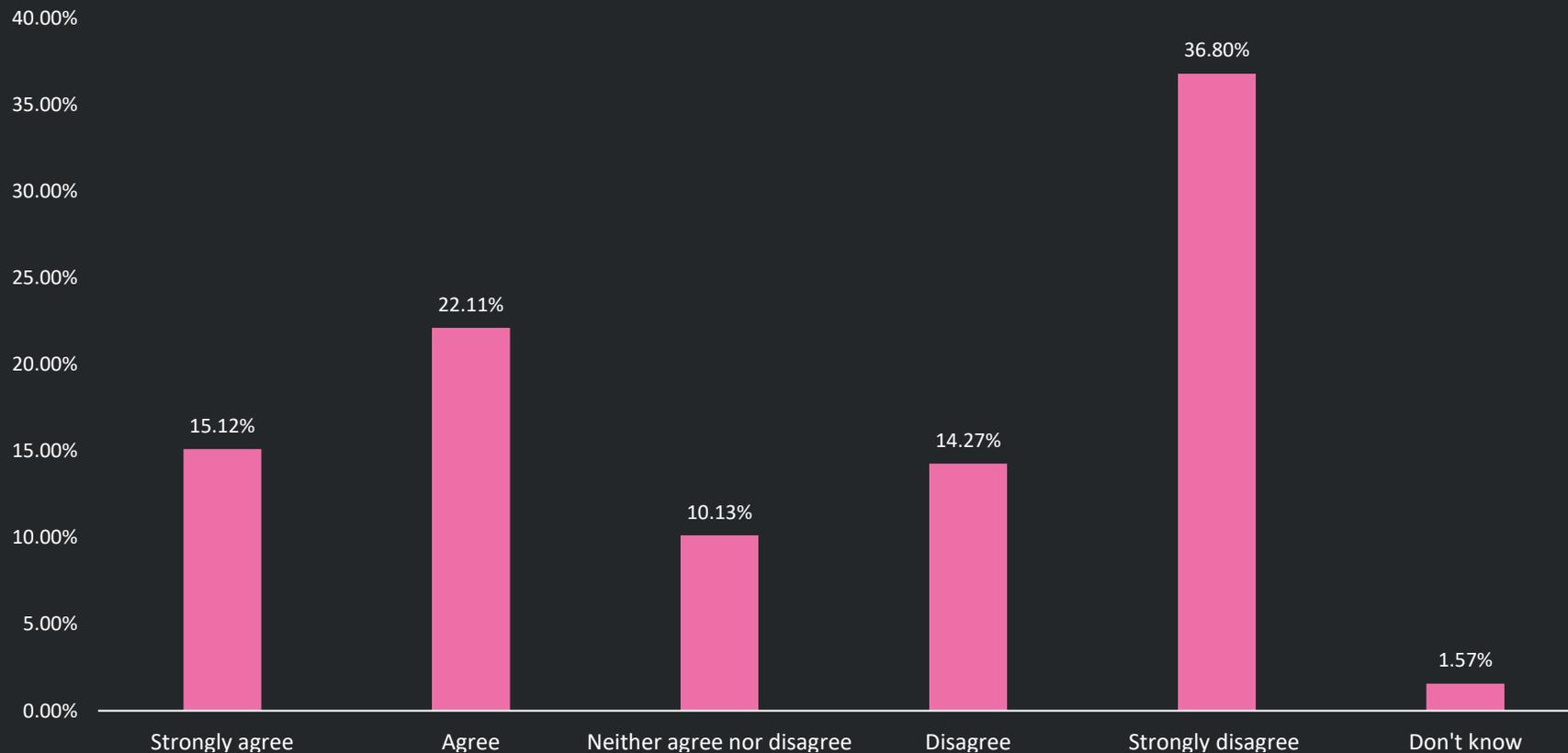


# Legal Migration

This data will be passed to Home Office officials and used to inform IoD policy positioning ahead of the General Election



**The government has announced a range of policies designed to reduce net migration to the UK, including raising the general salary threshold for the Skilled Worker visa from £26,200 to £38,700 (except for Health and Care visas) and removing employers' ability to pay foreigners salaries 20% below the going rate in the UK for jobs where there is a shortage of domestic workers. To what extent do you agree or disagree with these policies?**



**Slightly over half (51%) of business leaders disagreed with the government's package of policies to reduce net migration to the UK, with 37% supportive of the policies.**

**In the comments, members offered insights on the impact that the policies will have on UK business:**

**Broad support for the removal of the 20% going rate salary discount for shortage occupations, but overwhelming opposition to the increase in the salary threshold for the Skilled Worker visa:**

"I agree with removing the ability to pay below market rates to immigrants, but the salary threshold is too high." *Microbusiness, Southeast England, Administrative and support services*

"The salary cap is far too high. Operating in hospitality, a sector with severe staff shortages at every level, with a UK work force that looks down at our industry and is not equipped nor willing to work in our industry, the salary cap at this level is not workable if one wants the industry to survive." *SME, Yorkshire and the Humber, Accommodation and food services*

**Concern about the impact of the policy on businesses' ability to access the skills they need against a backdrop of a shortage of domestic labour supply, highlighting the need for urgent skills policy reform:**

"There is a skills shortage and increasing the payment cap won't help business recruit more from the UK." *Microbusiness, East of England, Manufacturing*

"This policy has already increased the flight risk of four of my staff and demoralised them hugely. There is no benefit to companies, and it should be stopped." *SME, North East England, Electricity and/or gas supply*

"I work as a director of three early-stage biotechnology and chemical technology companies, and over the last year we have recruited several employees at salary levels above the £26.2k level, but in some cases, well below the new £38.7k level. The new limits will, therefore, make it extremely difficult to recruit the best employees at the lower levels (there are limits to availability of UK-based talent in these competitive areas)." *SME, Southeast England, manufacturing*



**Concern that the policies will disproportionately negatively affect certain regions and sectors of the UK economy:**

"The Skilled Worker visa salary threshold should be different for different sectors. In the arts sector, that salary level would be considered high, whereas in the computing sector it would be considered low." *Microbusiness, London, Education*

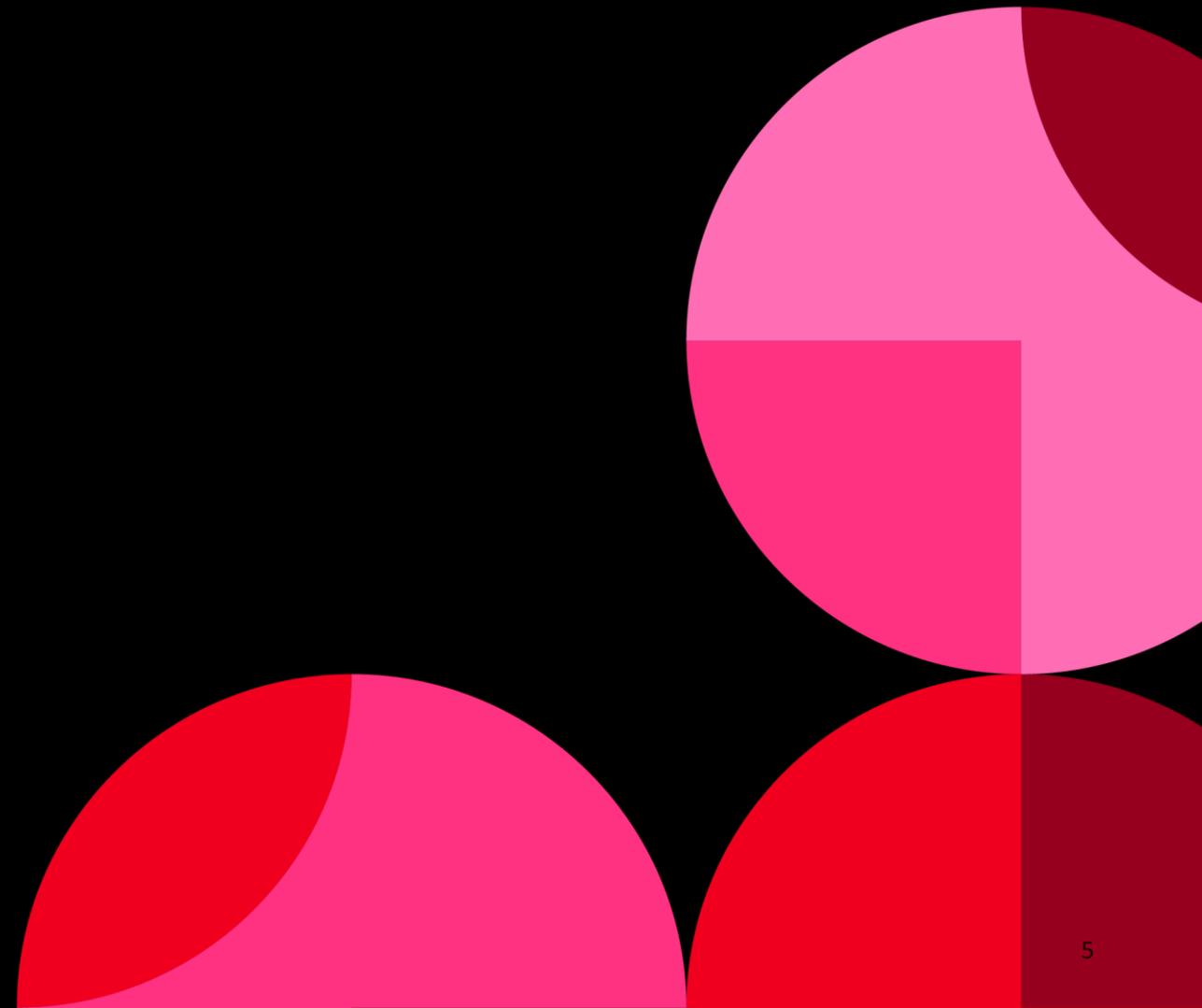
"[This policy makes] it impossible for NI businesses to attract workers unless it is at the highest management level. It is clear that this policy does not have the hospitality and tourism sector in mind and even less so does it have NI in mind. This will not only hamper growth but survival for many businesses." *Large business, Northern Ireland, Accommodation and food services*



# Exports

The following data will contribute to our key asks of government ahead of the general election. These will focus on business mobility and travel, digitisation and the trading relationship with the EU.

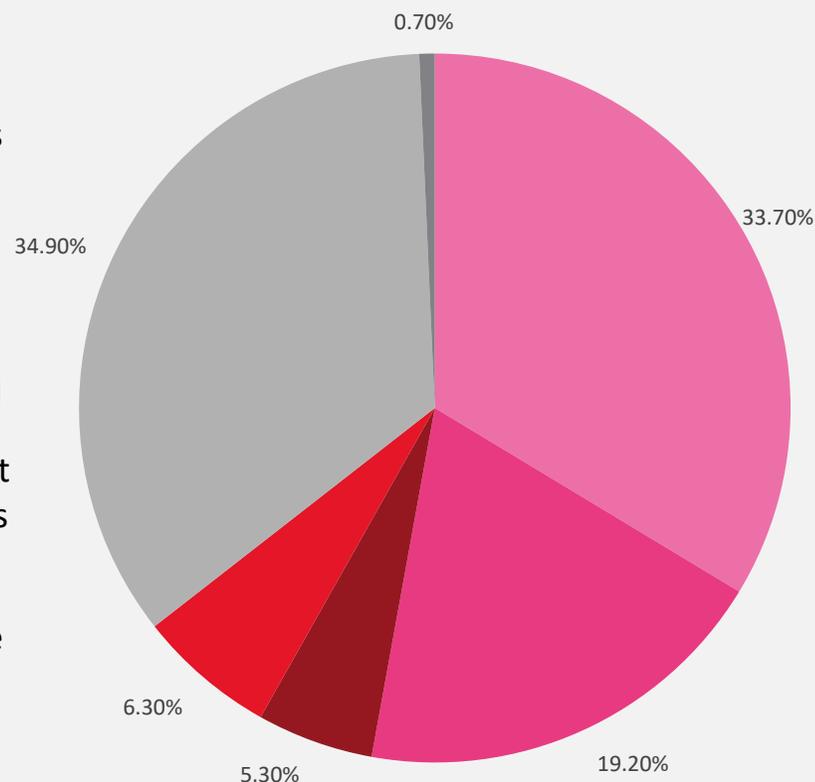
It is also helpful for us to keep track of the number of businesses that export and the challenges they face.





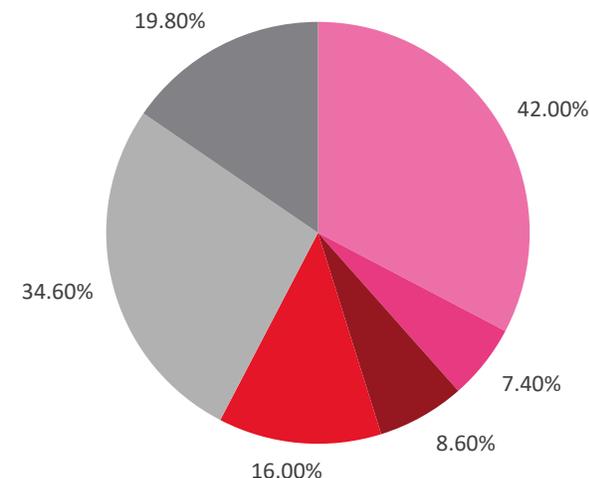
## Which of the following best describes your exporting activity?

- My organisation exports goods and/or services on a regular basis
- My organisation exports goods and/or services on an ad-hoc basis
- My organisation has an exportable product and/or service but has never exported
- My organisation used to export goods and/or services but does not currently export
- My organisation does not have an exportable product
- Don't know



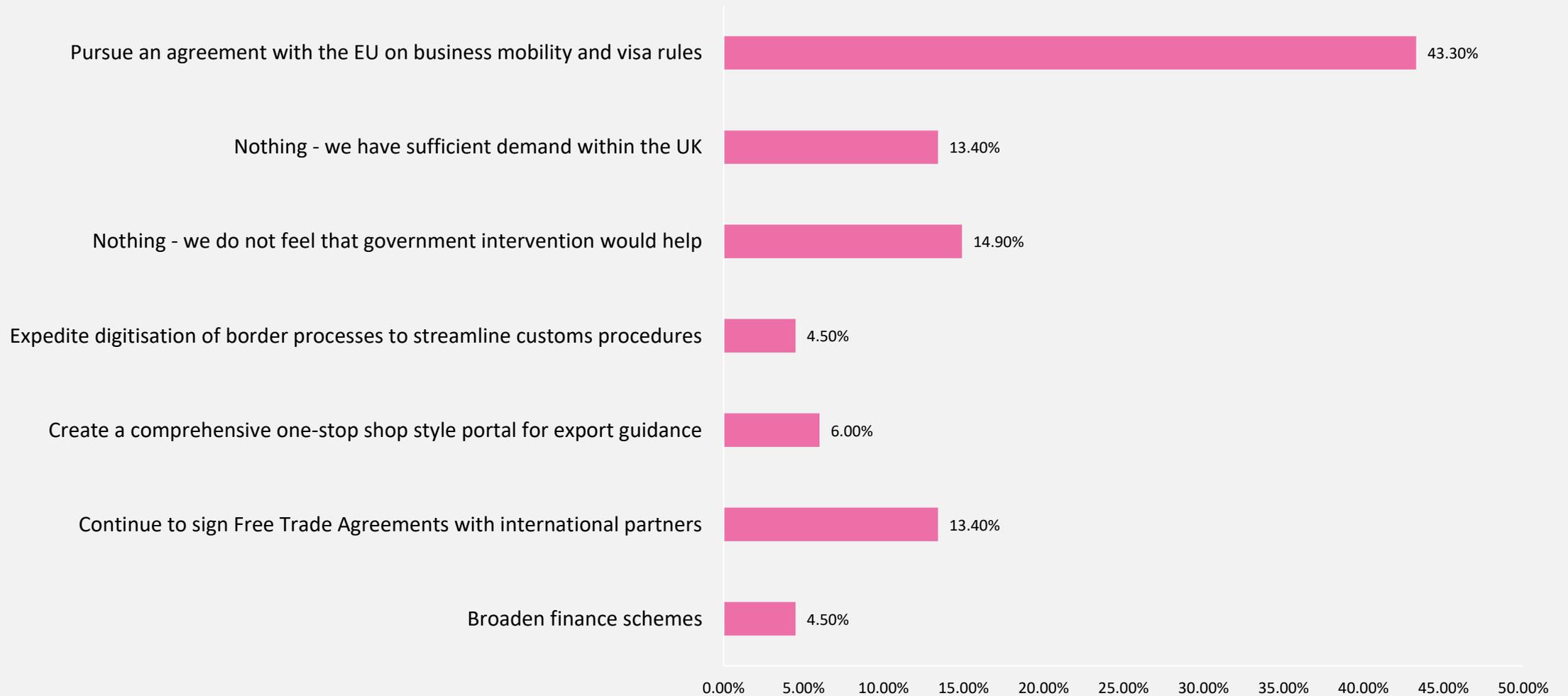
## You said your organisation has an exportable product or service but does not currently export. Why is your organisation not currently exporting? Please select all that apply.

- Changes to the trading relationship with the EU have made exporting too burdensome
- Lack of availability to finance
- We do not have the relevant knowledge and skills
- We do not have the staff capacity
- We have sufficient demand for our products/services within the UK
- Other





## What do you feel would be the MOST helpful thing the government could do to support your business to return to or start exporting?



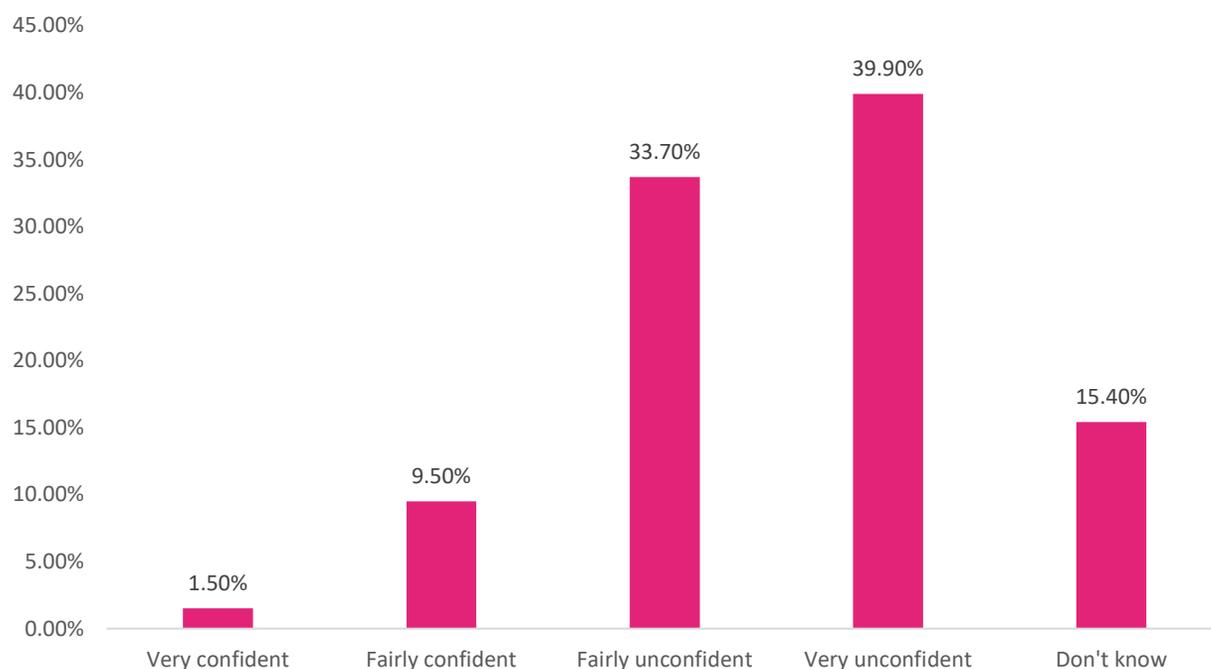
# Local Enterprise Partnerships (LEPs)

The following data will be used in an upcoming press release



**During the summer, the government confirmed that it would no longer provide funding to Local Enterprise Partnerships (LEPs), and would instead transfer LEP's responsibilities to local and combined authorities from April 2024.**

**How confident are you that local authorities have the capacity to provide effective local support to business?**



**When asked to provide further comments, members expressed their concern over several issues regarding this transfer of LEP responsibility to local authorities.**

**Most members were concerned at the ability of local authorities to take on an extra workload given they are already stretched and underfunded:**

*'Local Authorities are having to shut a range of welfare services, they are not going to provide local support to businesses due to financial restrictions and they have absolutely no skills to assist business.'* *South east, Information and communication, 100-249 employees, £10 million - £50 million turnover*

*'All my clients are local authorities and they are stretched to the limit for staff and finance'* *South east, Professional, scientific and technical activities, 10-49 employees, £250,000 - £2 million turnover*

*'Local authorities are chronically underfunded, and the position has been getting worse for some years. Without additional funds from central government, it is ridiculous to expect councils to take on this additional responsibility.'* *London, Professional, scientific and technical activities, 10 – 49 employees, £2 million - £10 million turnover*

*'Government cannot keep transferring things to local authorities without resourcing properly.'* *London, Financial services, 50 – 99 employees, over £50 million turnover*



**Others in the comments were concerned about the LEP budget being misused:**

‘Unless the LEP budgets are ringfenced and protected within the local council spending settlement, they will be eroded, with a reduction in skills levels.’ *South east, Professional, scientific and technical activities, 0 – 1 employees/sole trader, under £250,000 turnover*

‘This will just disappear into local authority funds and will kill off the LEPs. Pointless move that devalues what the LEPs have provided in the past.’ *South east, information and communications, 250+ employees, over £50 million turnover*

**Some also worried that local authorities lacked the expertise to deal with business focused matters:**

‘It is so dependent on local authorities having the funding or expertise to handle this and I have not yet seen evidence of this.’ *London, Professional, scientific and technical activities, 50-99 employees, £10 million - £50 million turnover*

‘Local authorities are poor at support for business.’ *North west, Administrative and support services, 50-99 employees, £2 million - £10 million turnover*

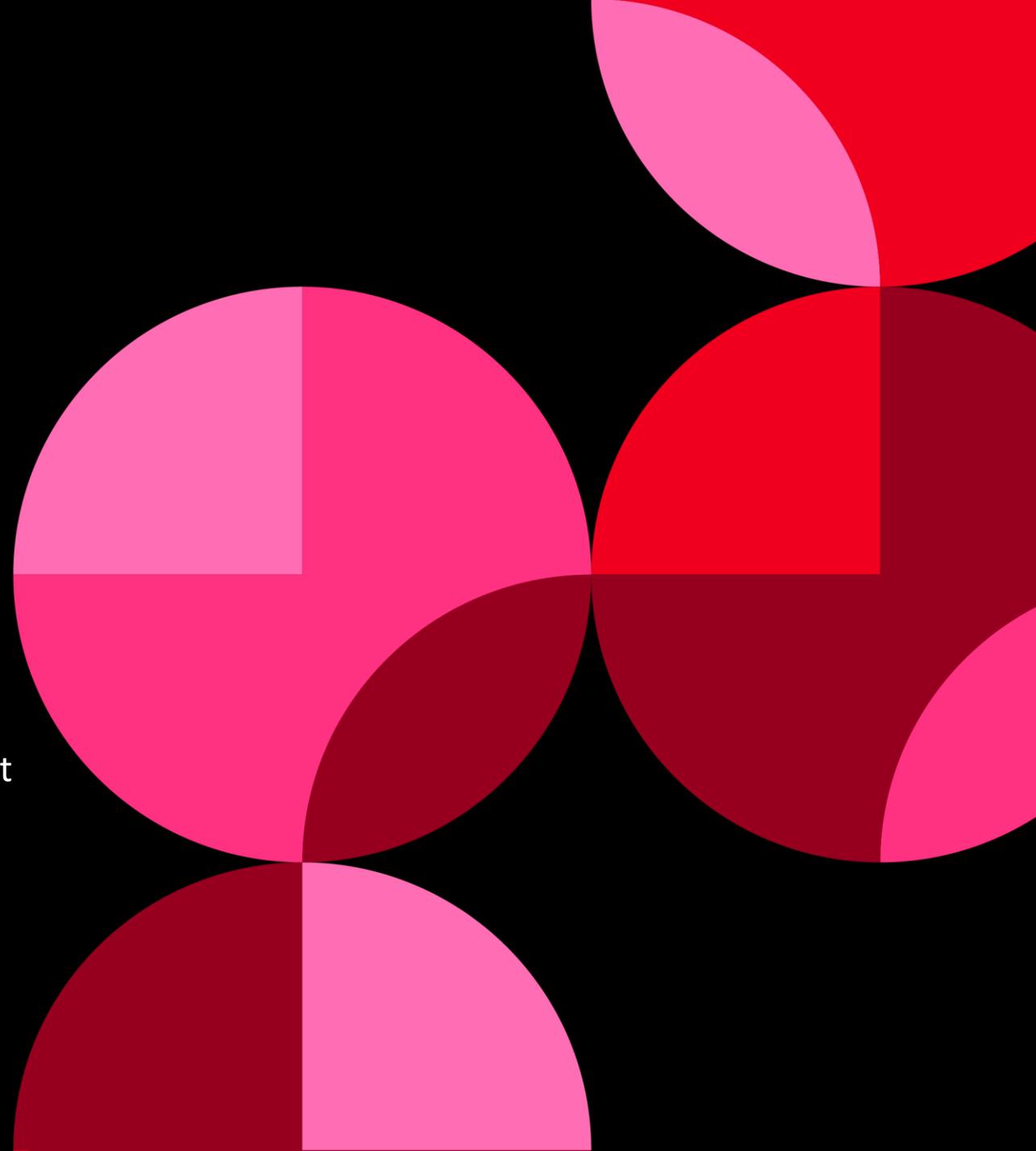
**And finally, some said that they had worked with LEPs before, and were not satisfied with the level of support they received before the transfer was proposed.**

# 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.

December's data gave a reading of -28, sinking to its lowest level since August 2023.

This data was featured in articles by [The Telegraph](#), [Mail Online](#) and [City A.M.](#)





## 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	3.8%	36.0%	39.7%	10.8%	6.3%	0.9%	2.6%
Cost	10.8%	67.3%	16.2%	3.0%	0.9%	0.4%	1.4%
Exports	3.1%	23.5%	29.6%	3.8%	2.8%	1.6%	35.6%
Headcount	2.0%	33.3%	50.4%	8.7%	2.7%	0.9%	2.1%
Revenue	7.1%	51.1%	22.5%	13.2%	3.4%	1.1%	1.6%
Wages	9.4%	62.0%	22.8%	2.0%	0.9%	0.9%	2.1%





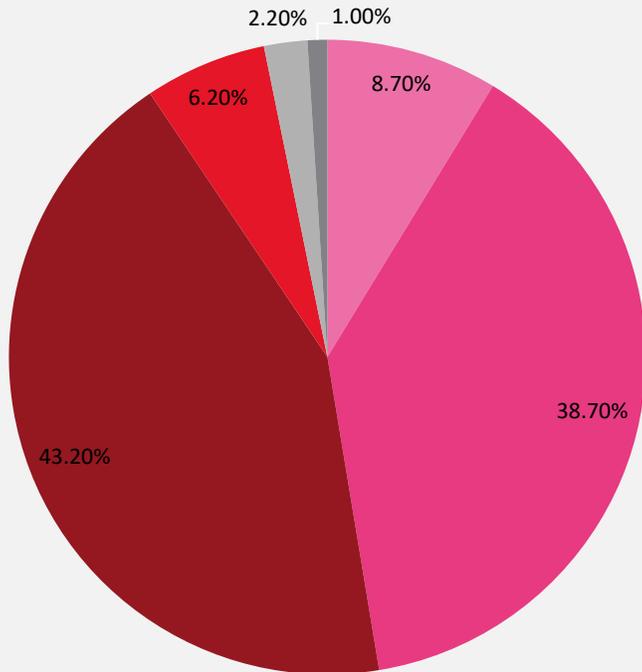
## In 2023, to what extent did the following change when compared to 2022 levels?

	Business investment	Cost	Exports	Headcount	Revenue	Wages	Grand Total
Much higher	4.7%	22.3%	2.0%	4.8%	6.5%	16.2%	9.4%
Somewhat higher	30.4%	62.0%	17.9%	31.0%	45.7%	56.5%	40.6%
No change	39.7%	11.2%	29.4%	43.7%	19.6%	21.2%	27.5%
Somewhat lower	16.6%	1.7%	8.7%	13.4%	19.3%	2.6%	10.4%
Much lower	6.1%	0.7%	4.4%	4.3%	7.1%	0.4%	3.8%
Don't know	0.1%	0.4%	1.0%	0.4%	0.1%	0.6%	0.5%
N/A	2.3%	1.6%	36.6%	2.4%	1.6%	2.6%	7.8%

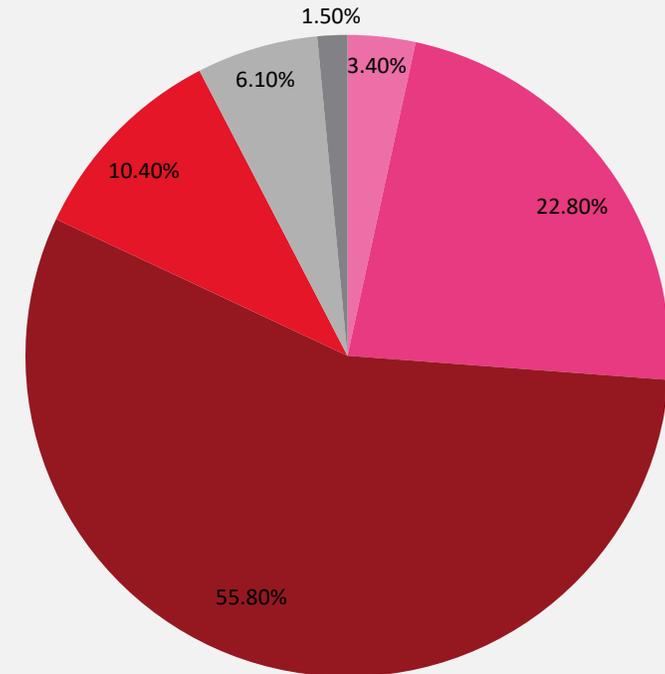


## Thinking about your levels of exports over the next 12 months, what do you believe your outlook will be for both EU and non-EU exports?

Exports to non-EU countries



Exports to EU countries



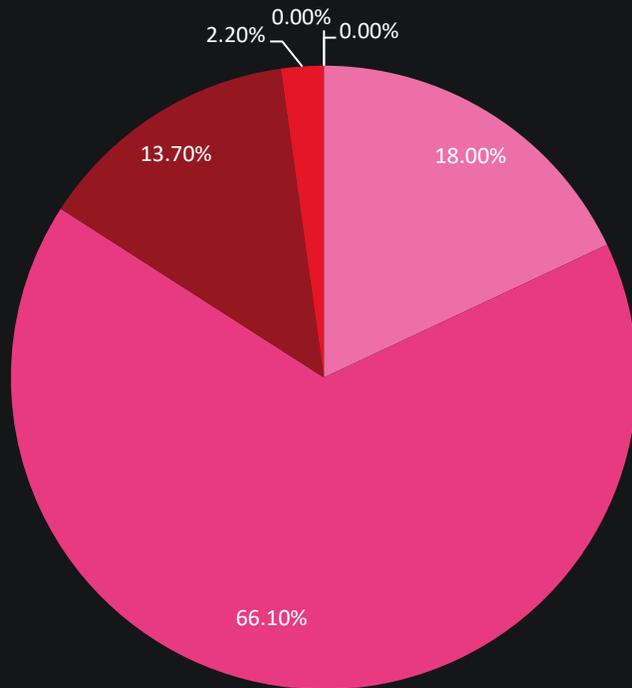
- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know

- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know

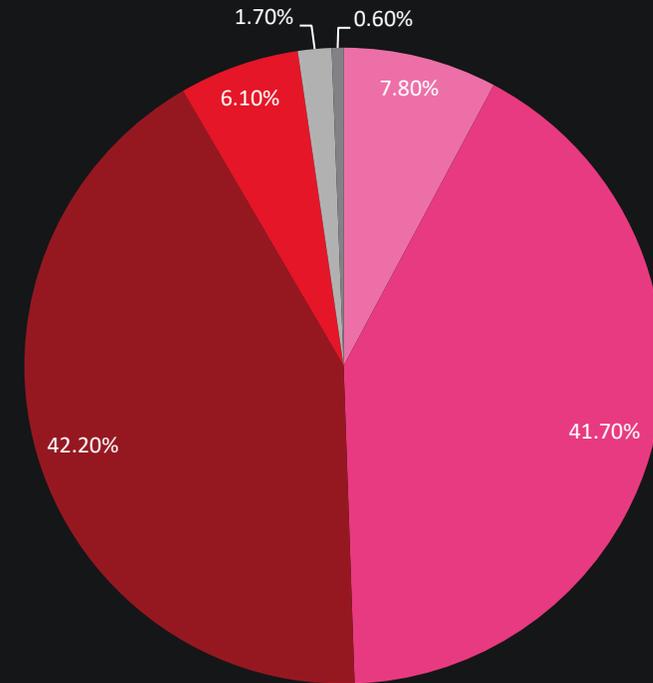


**You said you were expecting your exports to rise over the next 12 months. What do you believe your outlook will be for both EU and non-EU exports?**

**Exports to non-EU countries**



**Exports to EU countries**



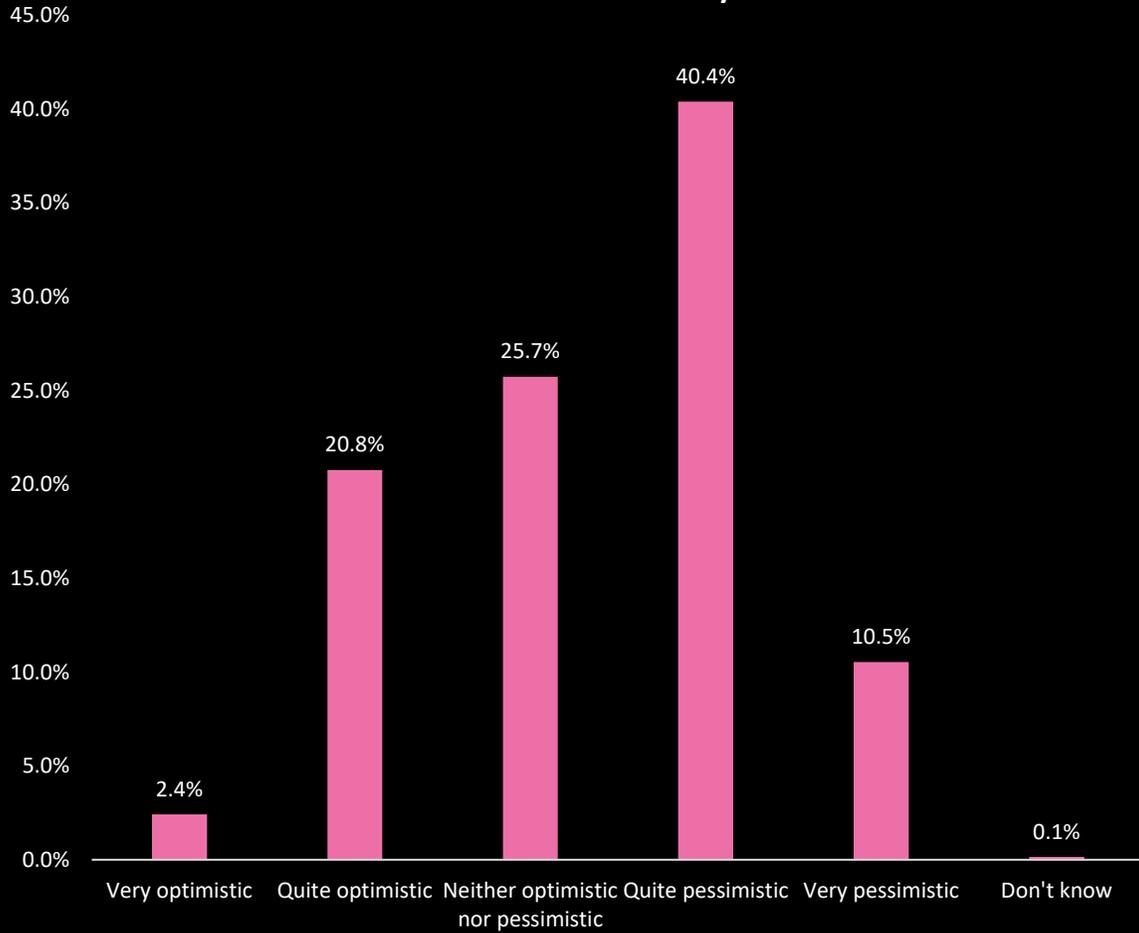
- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know

- Much higher
- Somewhat higher
- No change
- Somewhat lower
- Much lower
- Don't know

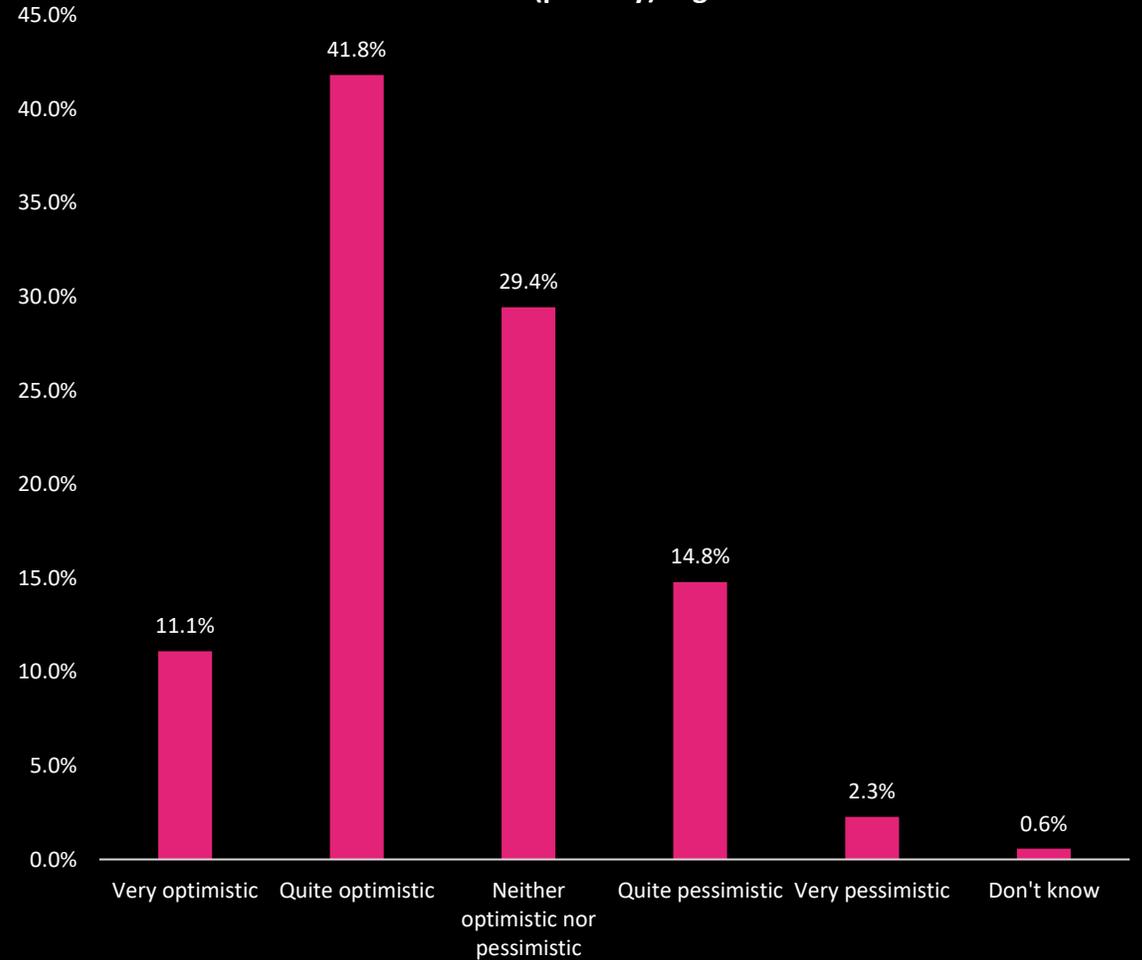


## How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

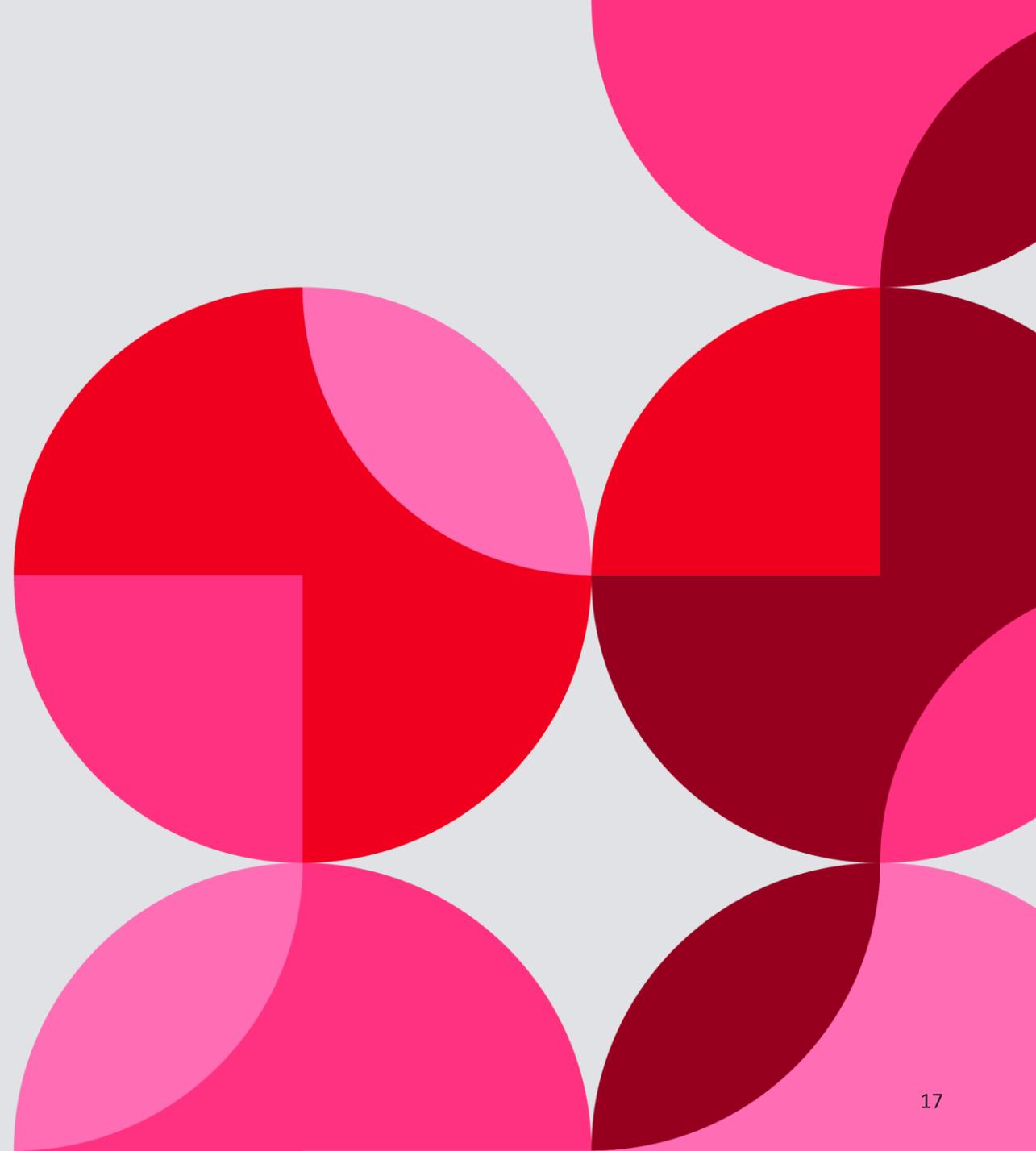
### Wider UK economy



### Your (primary) organisation



# Economic Monitoring: Trends





# Business confidence ends the year in a relatively depressed place

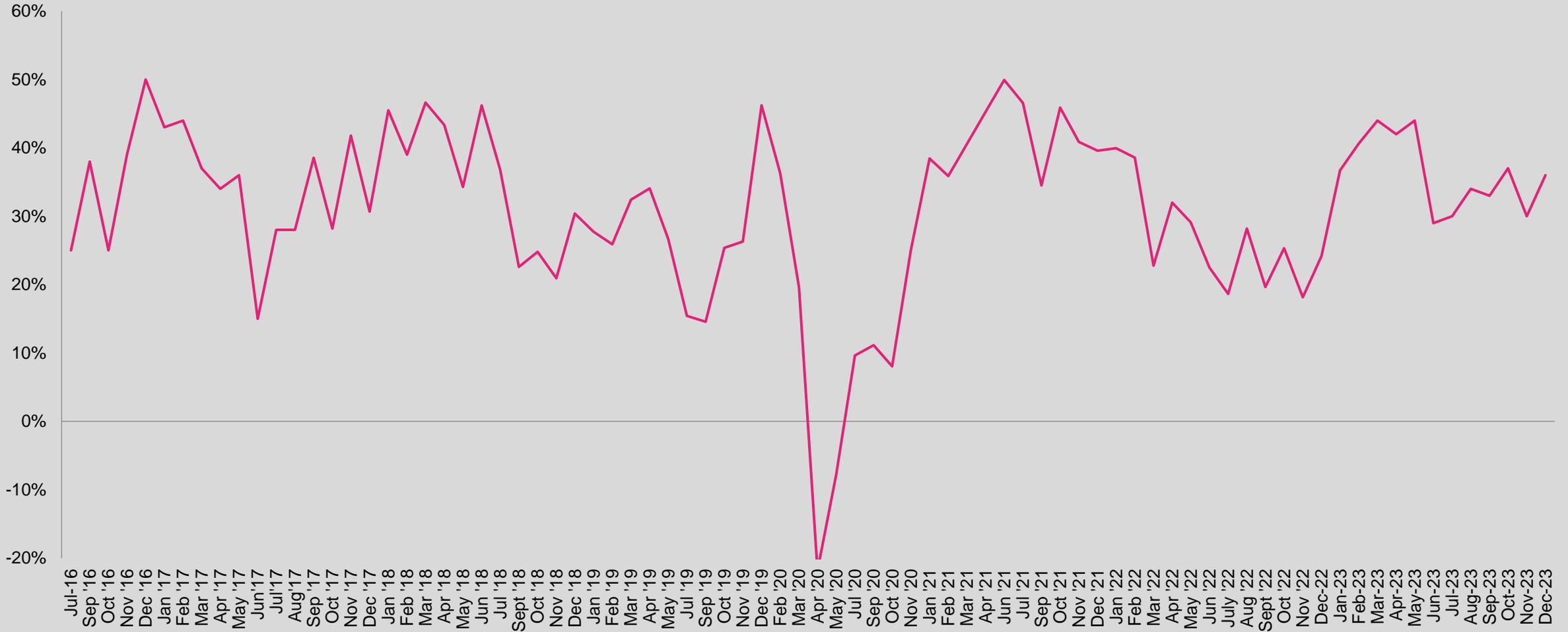




# Confidence in own firm's prospects rise in December

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

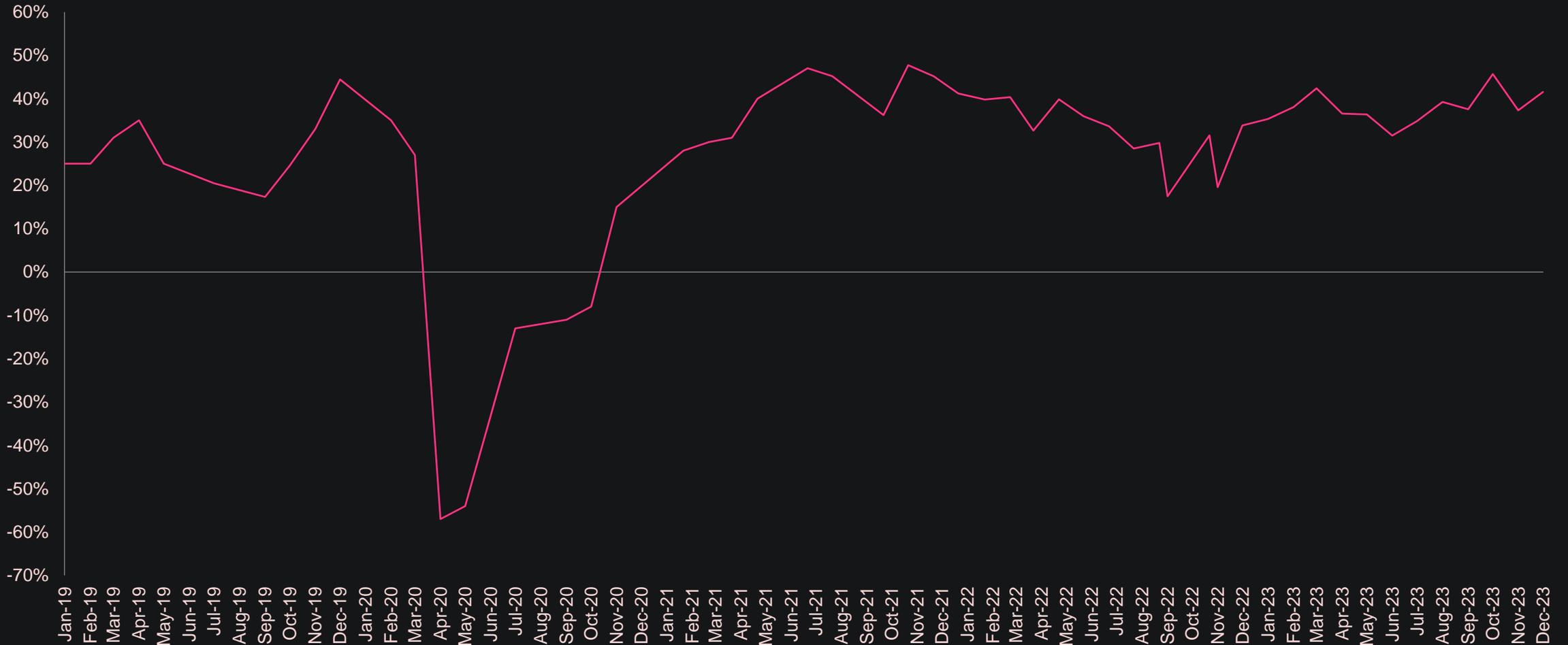
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





## Net revenue expectations increase in December

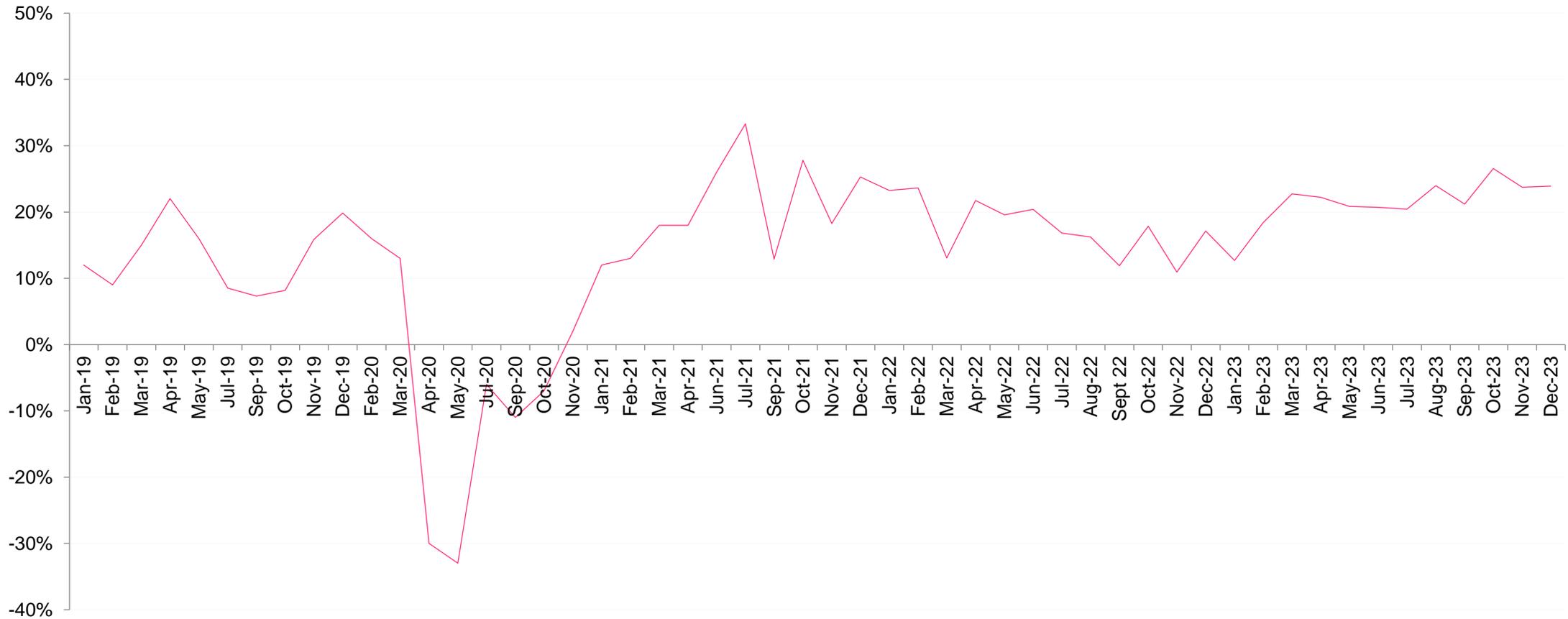
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Headcount expectations continue to be robust through to the end of 2023

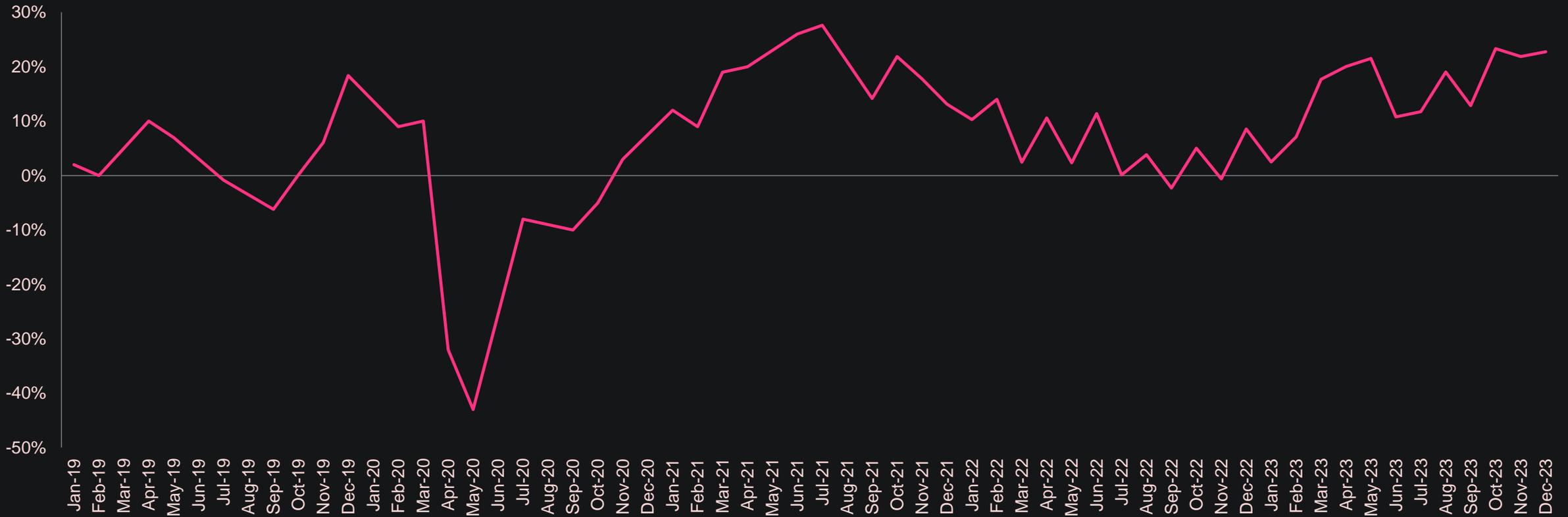
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Investment intentions plateau following month-on-month volatility

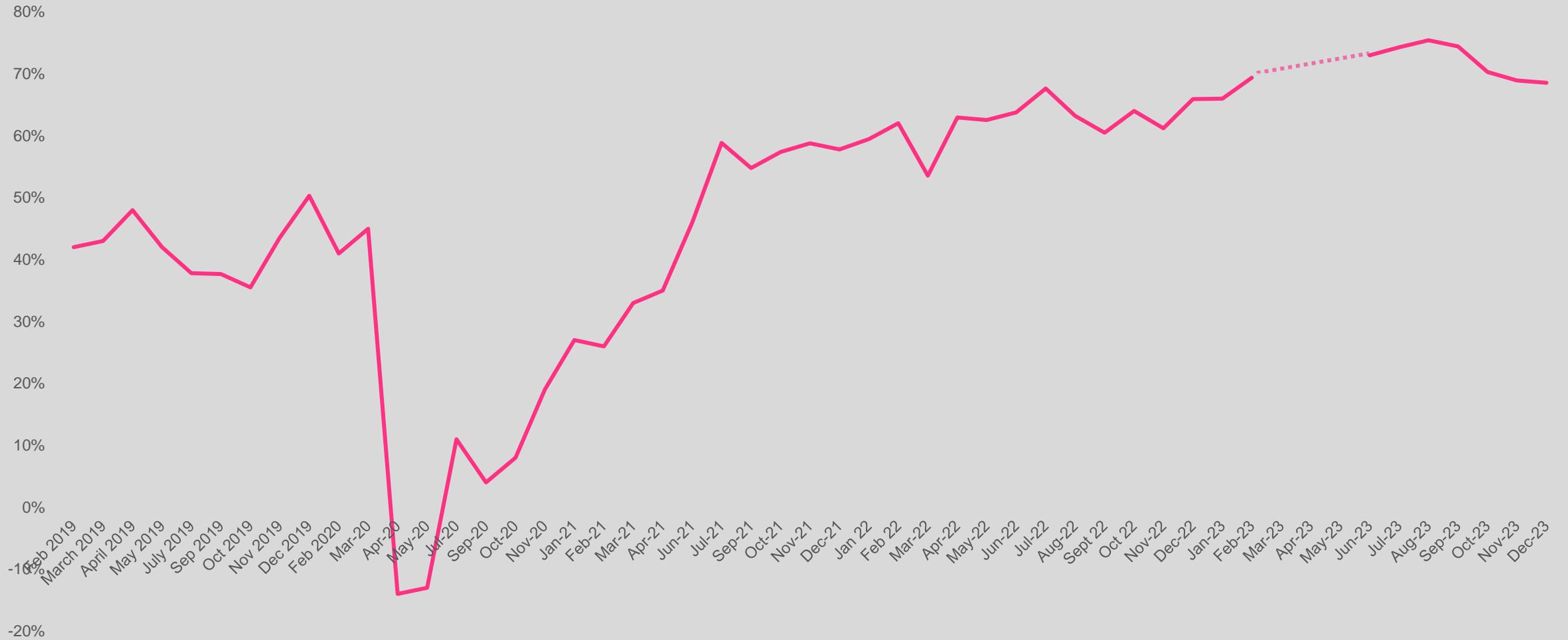
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Wage cost pressures continue to ease

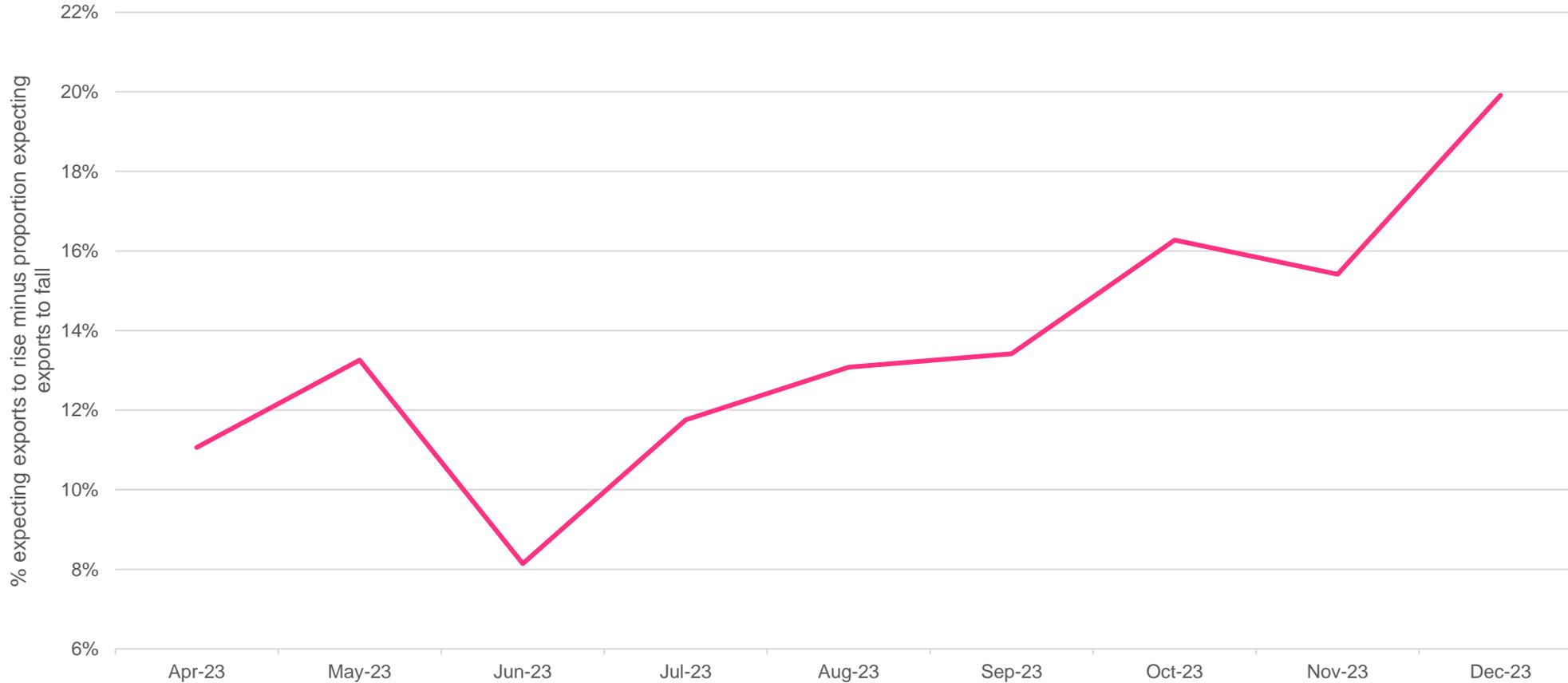
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Export expectations on the rise again, following 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: 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:

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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.

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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.

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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.

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