



Policy Voice full survey results April 2024

Number of respondents: 712

Survey Dates: 12 – 29 April 2024



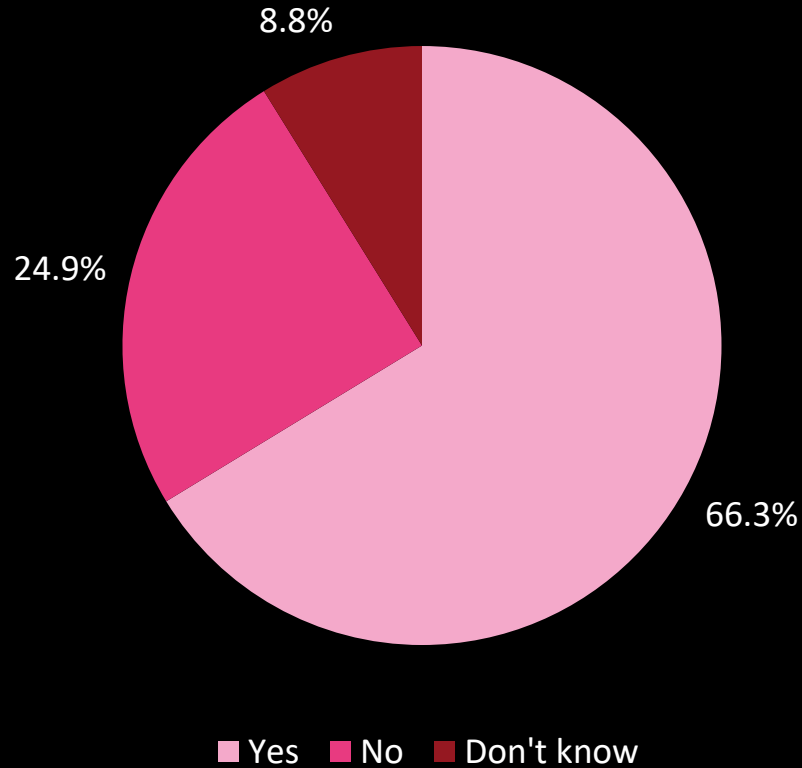
Interest Rates

We used data from this question in a [press release](#) to help enhance our position on whether the Bank of England should have reduced the Bank Rate in May 2024.





Do you think the Bank of England should reduce the Bank Rate (currently 5.25%) at the next meeting of the Monetary Policy Committee on 9 May?



While the overwhelming majority of members responded that they wanted to see a cut in interest rates, the qualitative comments showcased both sides of the argument.

For those who argue bank rates should be decreased, the reasons are about consumer confidence and growth:

"BoE was very slow in increasing the interest rates and caused the higher inflation. Now they are making a similar mistake not lowering the Interest rates and causing stagnation in the economy." (Administrative and support services, London, 2-9 employees)

"Recession fears diminished, we need to stimulate growth, many factors will help but this is a key signal to the market." (Other services, East Midlands, 10-49 employees)

"High interest rates are taking a toll on the average person, we need to boost peoples' confidence" (Other services, North West England, 250+ employees)

But still, the consensus among those who are in favour of a decrease in interest rates is that it should happen slowly. Many respondents feel a 0.25% cut would be appropriate this time given inflation is not yet at the Bank of England's 2% target and in light of the jump in inflation in the US.

On the other side of the coin, there are those who feel the situation in the US should be a caution that decreasing interest rates now is too early:

"I would like it if they did, but I think they need to wait until it is clear that core inflation is still coming down - especially after what has happened in the USA." (Professional, scientific and technical activities, London, 2-9 employees)

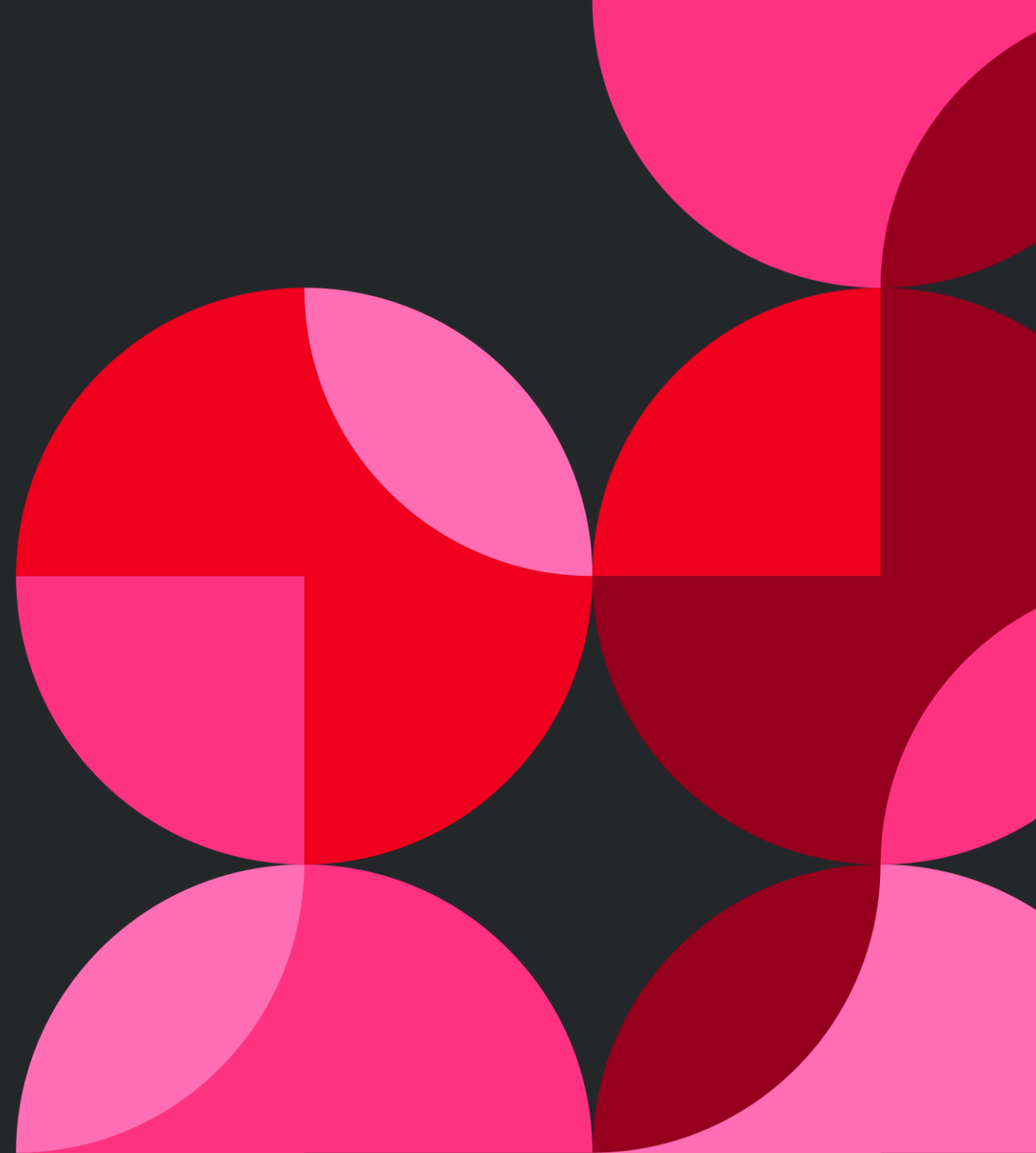
Members say they are cautiously optimistic, but still want to see long term growth and inflation properly under control before bank rates fall:

"I believe May is too soon, but most likely at the next one - property transactions are back and mortgages are already factoring in longer term reductions, so we should not chase headlines." (Construction, South East England, 250+ employees)

"It's too early to reduce rates given uncertainties. The risk of weakening the pound and letting inflation in is too high. BoE should do what's right and push back on the political pressures." (Professional, scientific and technical activities, Scotland, 2-9 employees)

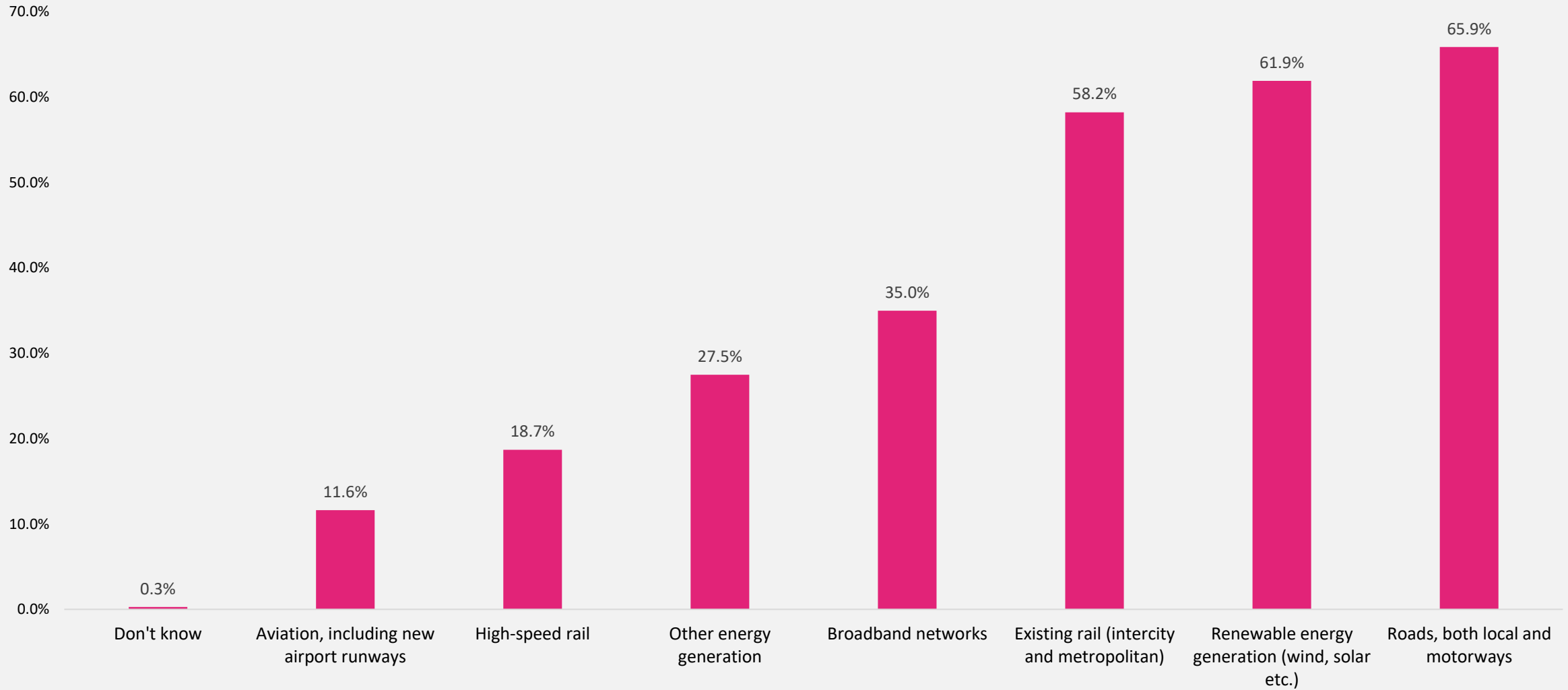
Infrastructure

We used this data in a [press release](#), to help give us an idea of what members would like to see in this space. This data will also help shape our policy asks ahead of the upcoming UK General Election.





Which of the following areas of infrastructure development should a new government prioritise? Please select up to three.





Some primary themes emerged from the further comments on which types of infrastructure a new government should prioritise.

The most prevalent was that there needs to be a focus on the development of sustainable infrastructure. This is both from the perspective of 'greening' existing transport networks and also facilitating the transition to renewable energy sources.

For example, electrical infrastructure is not seen to be effective enough to support the growing number of electric vehicles:

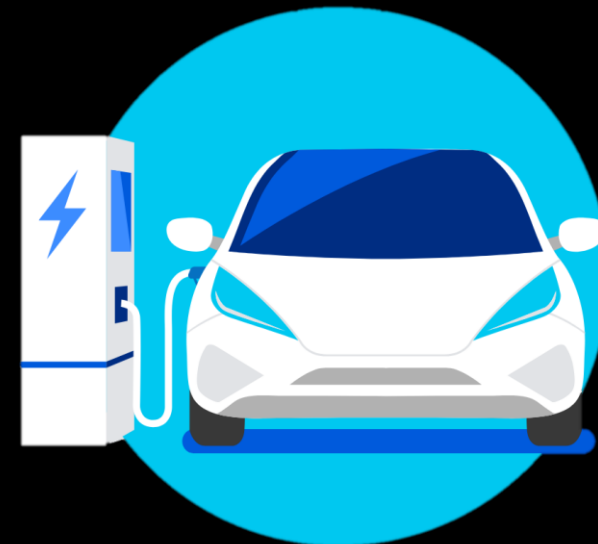
"EV infrastructure in the UK is a serious problem. As a business EV user, I cannot wait to hand my EV vehicle back as its not fit for purpose and doubles the journeys." (Other services, 10-49 employees, West Midlands)

"It is unacceptable that EV charging companies are unregulated, often requiring pre-registration to use and charging 20% VAT when home charging is 5%." (Education, 50-99 employees, London)

There were also comments around the need to ensure future developments adhere to the UK's sustainability targets:

"All infrastructure developments must be assessed against a credible climate impact test, eg approved by Climate Change Committee." (Other services, 0-1 employees, Scotland)

"Getting traffic off the roads via better mass transit systems will help meet out 2050 net zero target, but 'last mile' solutions using micro-logistics hubs and future delivery systems such as autonomous guided trucks and drones must be developed." (Financial services, 100-249 employees, London)





But most of all, the comments highlighted how transitioning to other types of energy should be the priority, and particularly nuclear:

“Investment to replace ageing nuclear fission reactors is long overdue. More nuclear energy is necessary to mitigate the intermittency of renewable energy, which should no longer be subsidised.” (Real estate, 0-1 employees, London)

“Nuclear power and onshore fracking are critical. Inexpensive energy is the biggest driver of industrial growth.” (Agriculture, forestry and fishing, 10-49 employees, London)

“Stop pouring money into unsustainable, unreliable and uneconomic wind generation for power - we need nuclear (urgently) and gas.” (Education, 10-49 employees, East Midlands)

But of the UK’s existing infrastructure, rail and roads were the most prominently mentioned. Trains are seen to be expensive, unreliable and slow, and members feel roads are not durable and are not repaired effectively:

“Focusing on repairing roads, improving broadband networks and improving existing rail networks can all be done in a way to boost the internal economy.” (Administrative and support services, 2-9 employees, South West England)

“Our roads, national, regional and local are in an appalling state! What is even more disturbing is that repairs are frequently shoddy and of limited durability. We have seen potholes locally taking a year to be repaired, only to find that within less than a year they are back again!” (Other services, 10-49 employees, South West England)

“Rail, particularly for freight should be a huge priority. Frequently, HGVs block 2 out of 3 lanes of motorways, these goods should be rail-freight ideally.” (Manufacturing, 250+ employees, West Midlands)

“The railway network is a mess. It is way out of date, financed and managed badly. We only need to go to the major countries of the EU to see cheap affordable and far better quality rail transportation systems.” (Education, 250+ employees, North East)





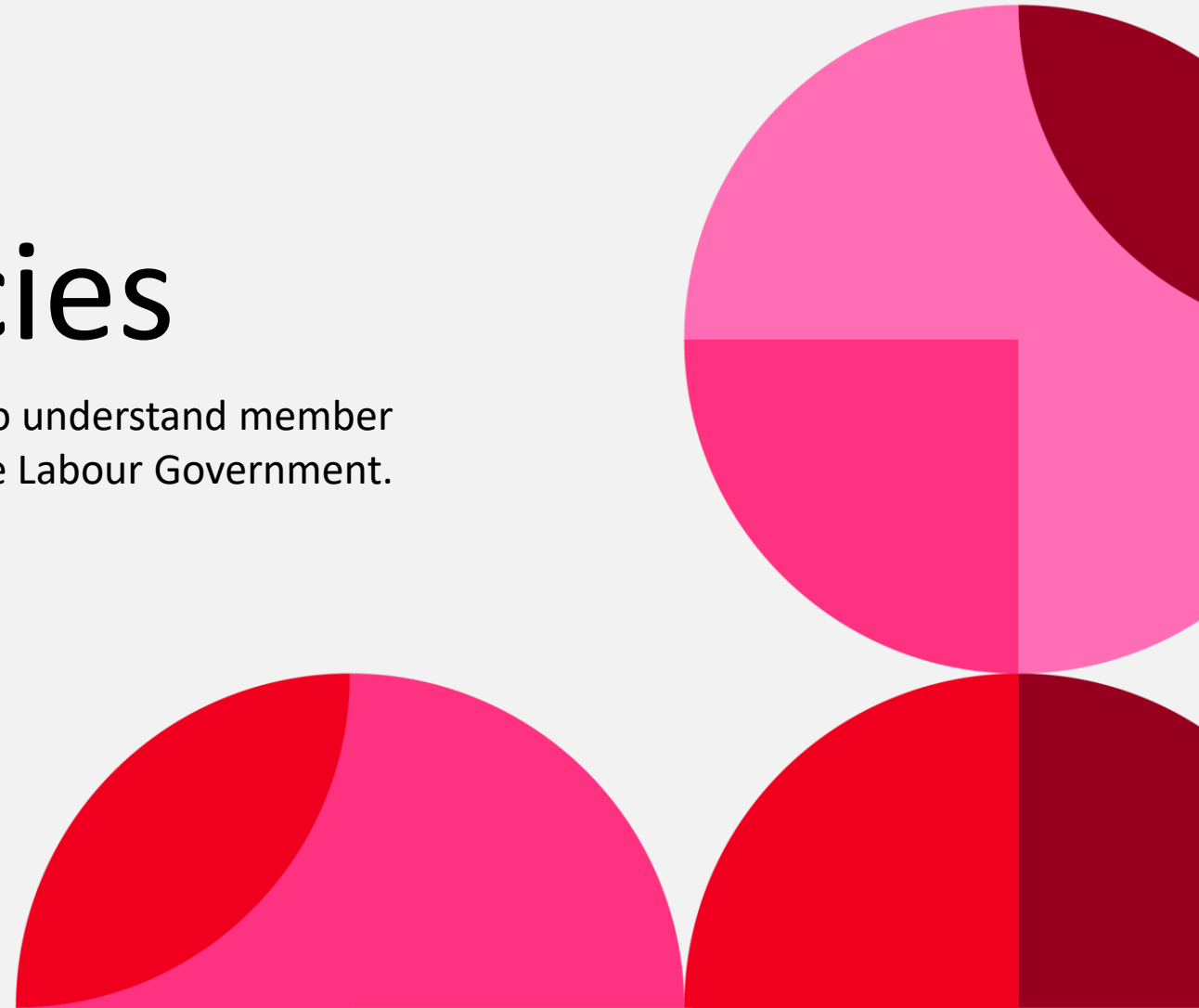
Overall, many respondents highlighted the lack of effective planning, investment and long term thinking that is holding back infrastructure development and the need for a cross-government strategy:

*“The planning system is a blocker to all infrastructure, projects of national importance need to be fast tracked.”
(Professional, scientific and technical activities, 100-249 employees, East Midlands)*

“There is no point in any new government 'prioritising' investment or indeed levelling up if it entirely lacks the capacity and competency to deliver to budget to time. Also many projects take more than a single parliament: cross party agreement must be procured.” (Manufacturing, 10-49 employees, London)

Employment Policies

With a UK General Election on the horizon, we would like to understand member views on some measures that might be adopted by a future Labour Government.

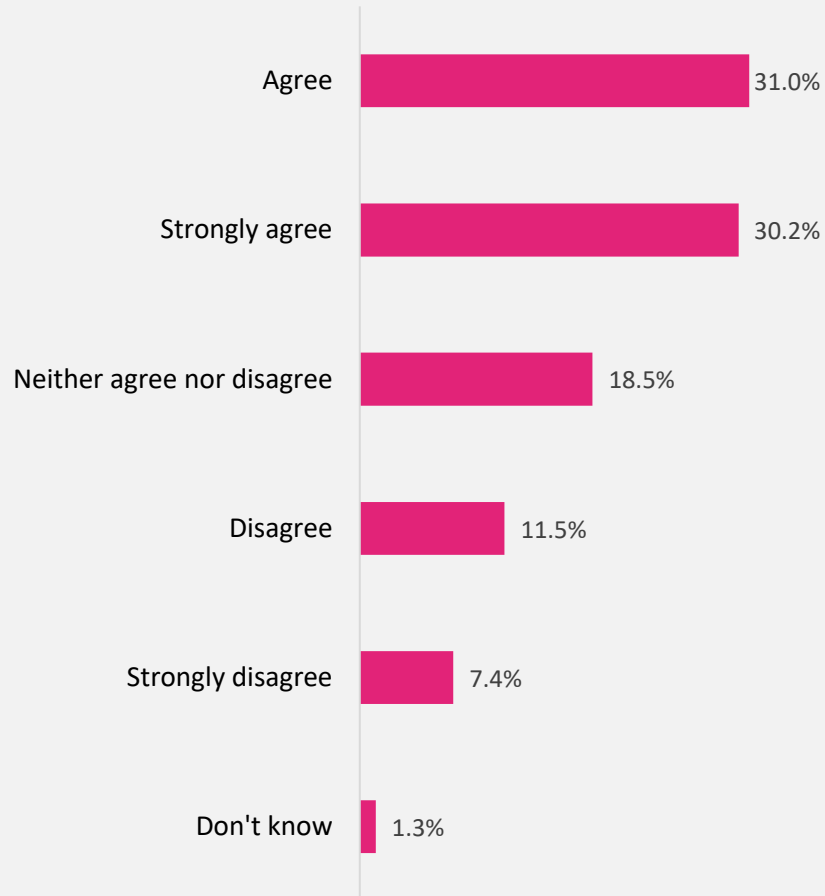




Policy Voice full results April 2024

Labour has pledged to end the practice of 'fire and rehire', whereby employers dismiss employees and rehire them under new, often less favourable, contractual terms.

Do you agree that a future UK government should outlaw the practice of 'fire and rehire?'



A clear majority (61%) of members agreed that a future government should outlaw the practice of dismissal and re-engagement, with only 19% disagreeing.

Three key themes emerged in the comments.

That the practice of dismissal and re-engagement undermines good employee relations to the extent that it should be banned outright:

"If a business needs to change the way it operates, good quality communication and consultation should always be the way forward. Better leadership in companies and an honest, open culture can help these conversations. Simply firing and rehiring is a crude method which isn't conducive to good employee relations." -- Large employer, Arts, entertainment and recreation, West Midlands

That provisions should be in place for dismissal and re-engagement to be used in exceptional circumstances, where the viability of the business would otherwise be at risk:

"It depends on the circumstances. If the alternative is the company becomes insolvent and the jobs are lost altogether it may be justified. But there must be clear and transparent case." -- SME, Professional, scientific and technical activities, South East England

"It needs more regulation, not outright banning" -- Large employer, Health and social work, South East England

The risk that additional employment regulation will undermine UK business competitiveness and innovation:

"I think employment regulation should be cut, not extended. We have a tight labour market and there are not enough workers for the available jobs, so i struggle to believe that a mendacious use of this technique would be in employers' interests (or is widespread)" -- SME, Education, East Midlands

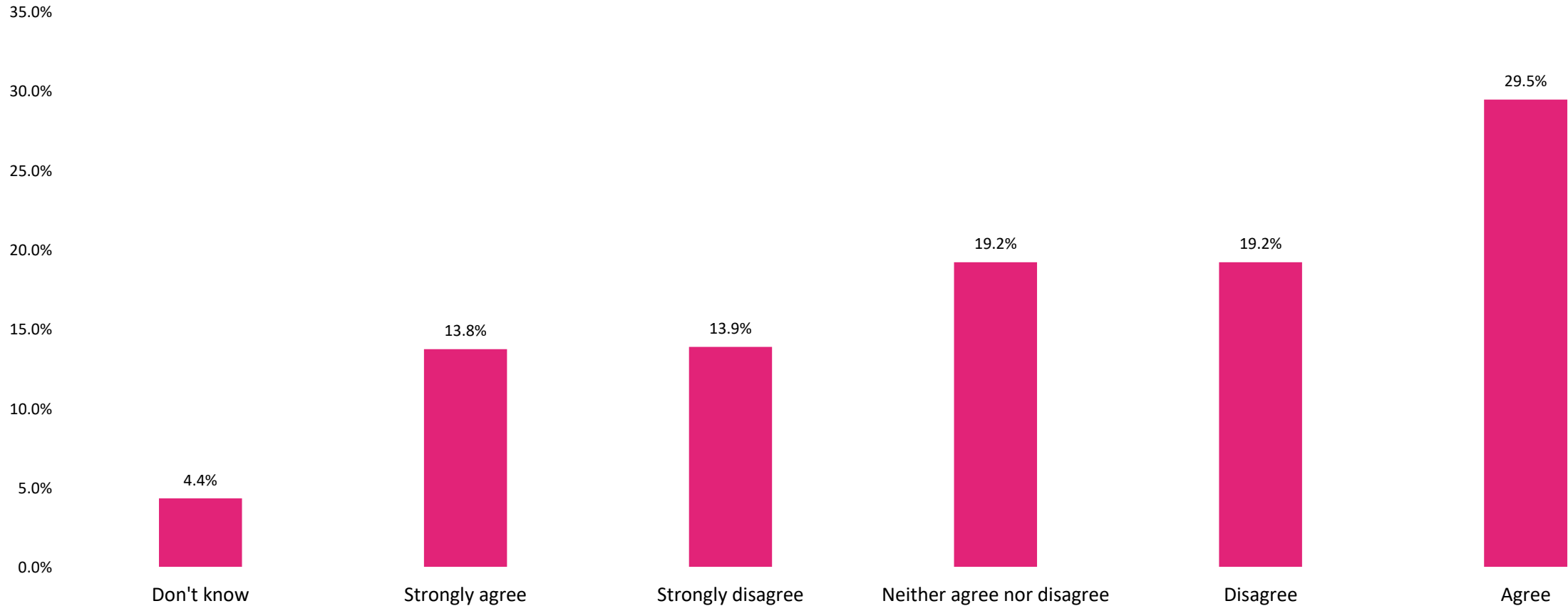
"There are legitimate times when job roles need to change. Employees should be looked after in a transition but businesses must not be constrained by requirements to retain old jobs. This will limit innovation and competition." -- Sole trader, Education, Scotland



The UK currently allocates rights to workers by organising them into three different categories: worker, employee, and self-employed.

Labour has pledged to create a single status of worker for all but the self-employed. All workers would be afforded the same basic rights and protections.

Do you agree that a future UK government should create a single status of worker in employment law?





Almost half (43%) of members agreed that a single status of worker should be created in employment law, compared to a third (33%) who disagreed.

The potential for a single status of worker to simplify the current system for employers and employees:

“Two categories would be better than three. Employed or self-employed.” -- SME, Financial Services, South East England

Concern that a single status of worker would increase costs for employers and undermine labour market flexibility:

“Perhaps 'Worker' is being over-used or may be exploitative in certain scenarios, but in others it seems to benefit both parties” -- SME, Manufacturing, London

“Where employees truly work on a casual basis, with no fixed hours, it is unreasonable to expect employers to pick up the cost of sick pay, and other statutory benefits and this would be required if there was only one category of employee” -- SME, Professional, scientific and technical activities, Scotland

Concern that a single status of worker would prove an oversimplification:

“There are very clear differences between an employee and workers that should remain distinct. Some categories of worker require this for things like second jobs, for example people whose main form of employment is transient like people in the Arts who rely on being a worker to top up their income between jobs... There are other ways to protect all workers, including the self-employed, that do not involve changing categories of worker.” -- Sole trader, Professional, scientific and technical activities, North West England

“I think there are good arguments for reducing the inappropriate use of worker status to avoid appropriate protections for people in precarious roles which are evidently meant to be employee roles - but folks who have high power in the job market and choose the flexibility of worker status could get caught between this new legislation and IR35 constraints on self-employment.” -- SME, Accommodation and Food Services, London



Economic Monitoring: Data

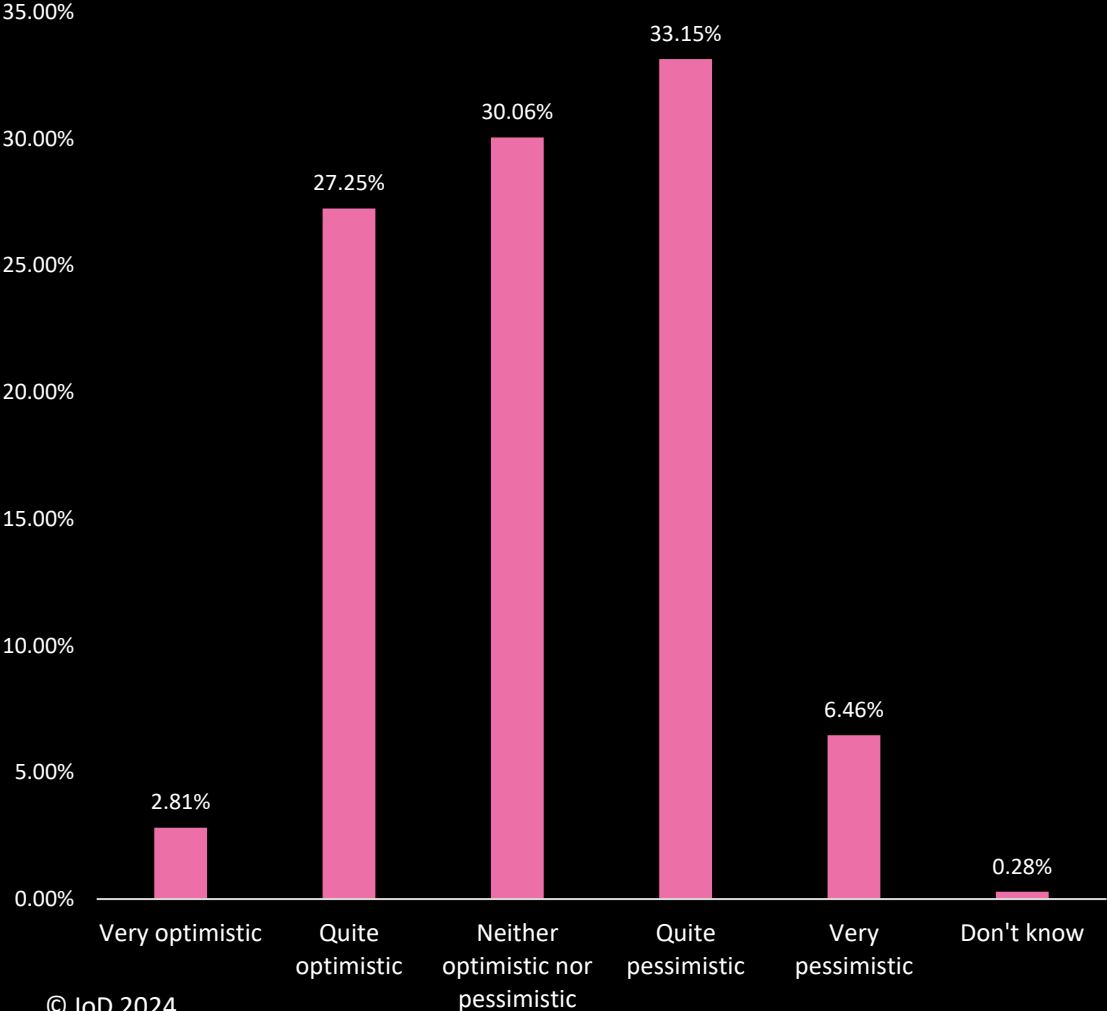
The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month.

This month, coverage of the Index featured in The Times and Daily Mail.

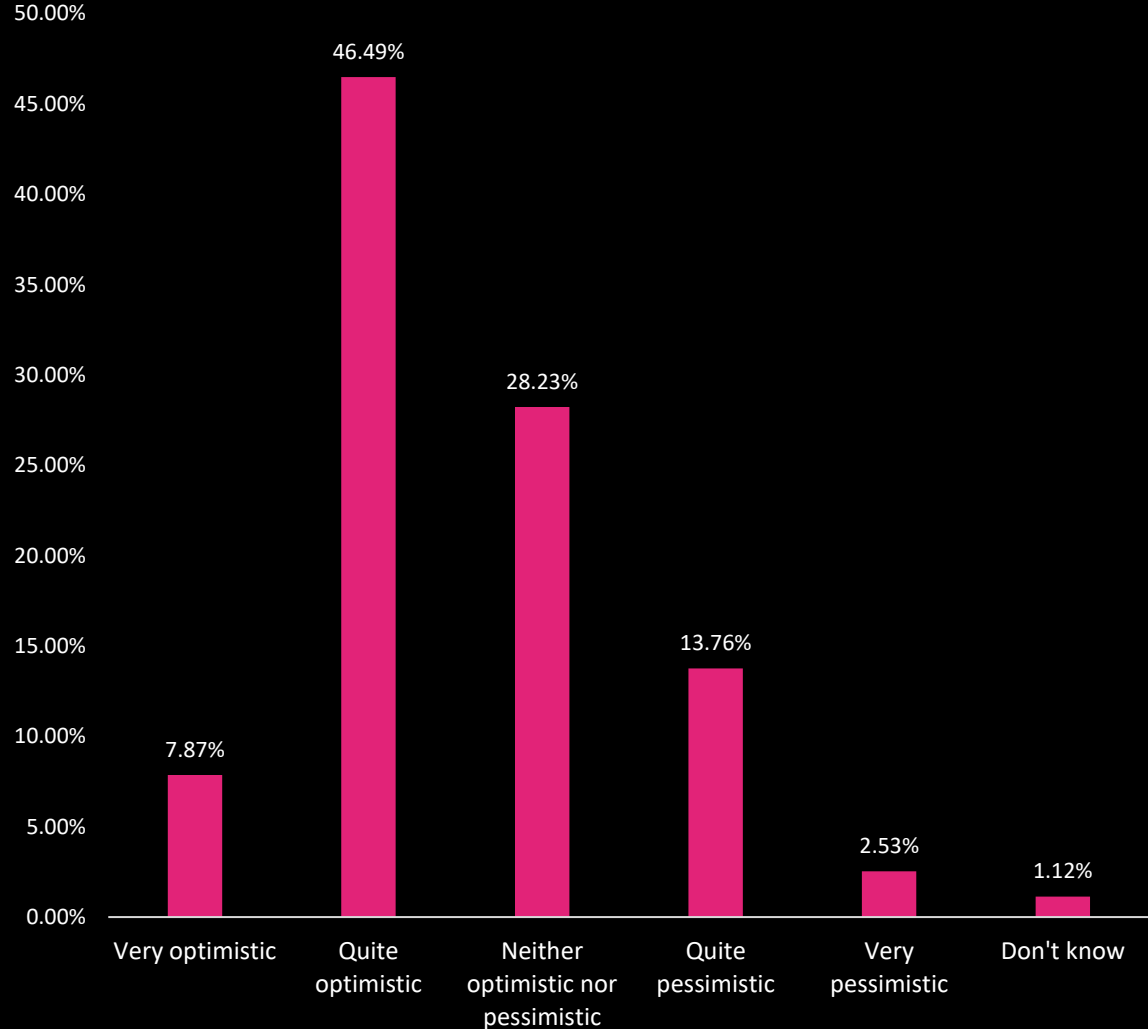


How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

Wider UK economy



Your (primary) organisation

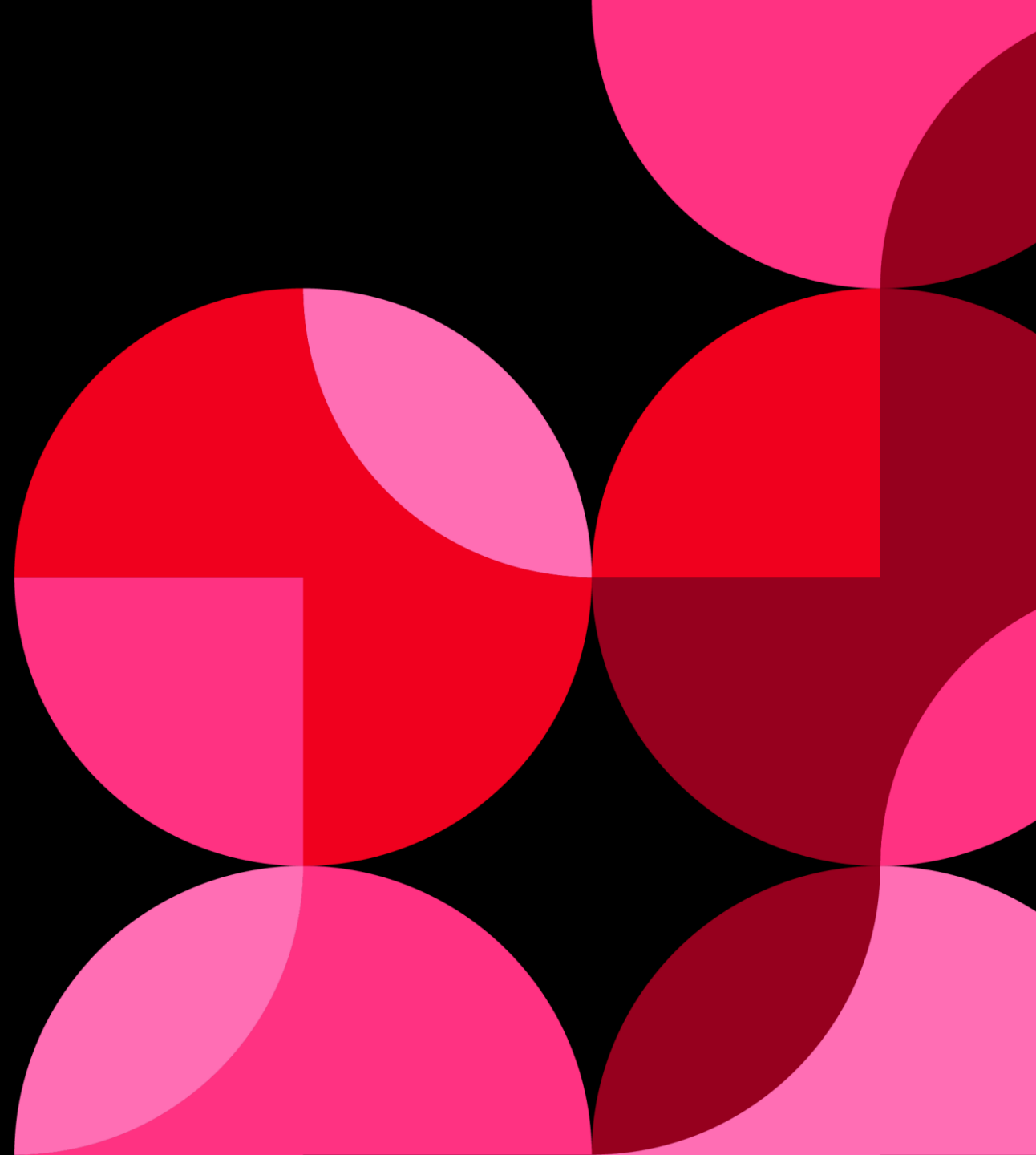




Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

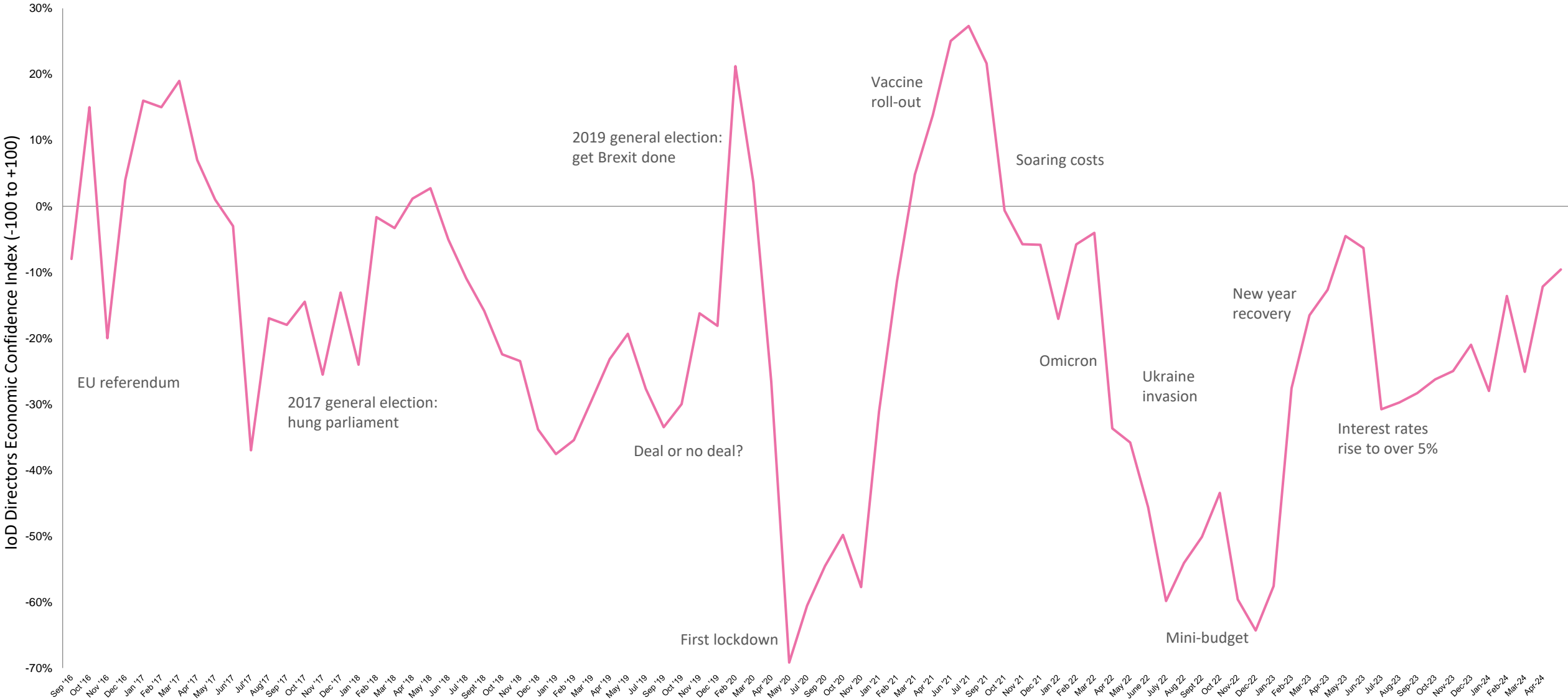
Row Labels	Business investment	Costs	Exports	Headcount	Revenue	Wages
Much higher	4.5%	11.4%	3.2%	1.8%	7.7%	3.9%
Somewhat higher	35.0%	68.5%	16.9%	31.3%	49.3%	56.6%
No change	39.9%	14.6%	31.0%	51.1%	23.3%	33.8%
Somewhat lower	13.9%	3.4%	4.4%	11.8%	15.0%	2.9%
Much lower	4.1%	0.7%	1.8%	1.8%	2.4%	0.6%
Don't know	0.6%	0.1%	1.0%	0.3%	0.7%	0.1%
N/A	2.1%	1.3%	41.7%	1.8%	1.5%	2.0%

Economic Monitoring: Trends





Economic confidence of business leaders continues to edge up in April

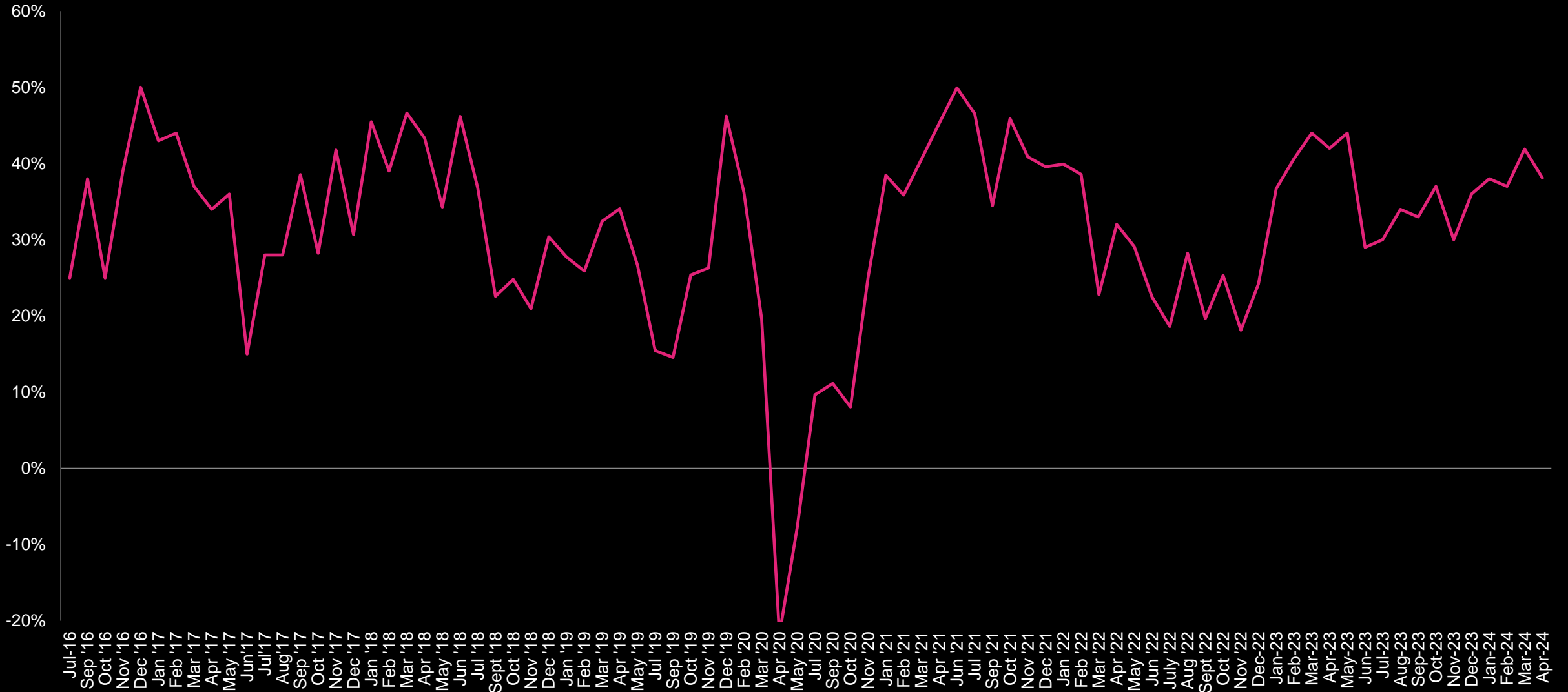




Confidence in own firm's prospects dips slightly in April

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

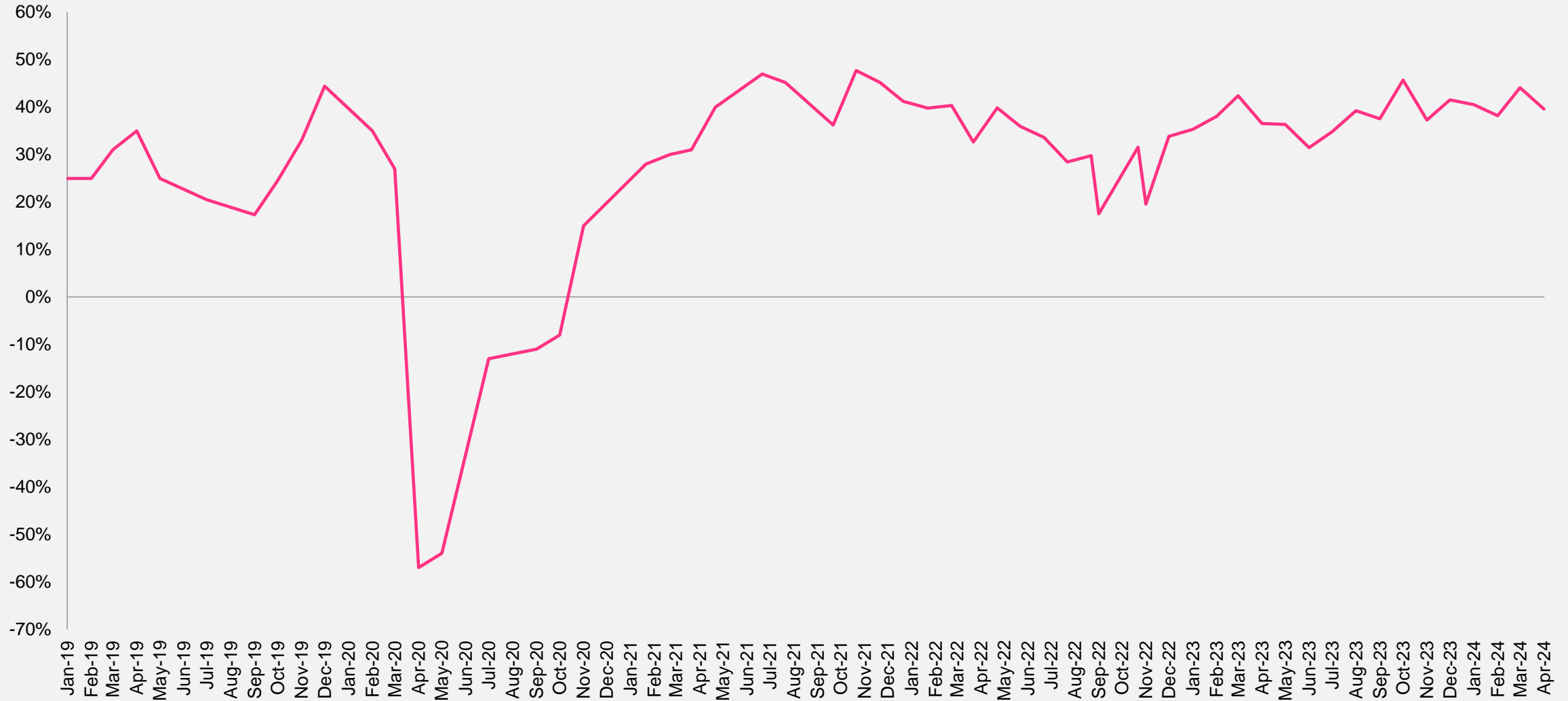
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





Net revenue expectations fall marginally

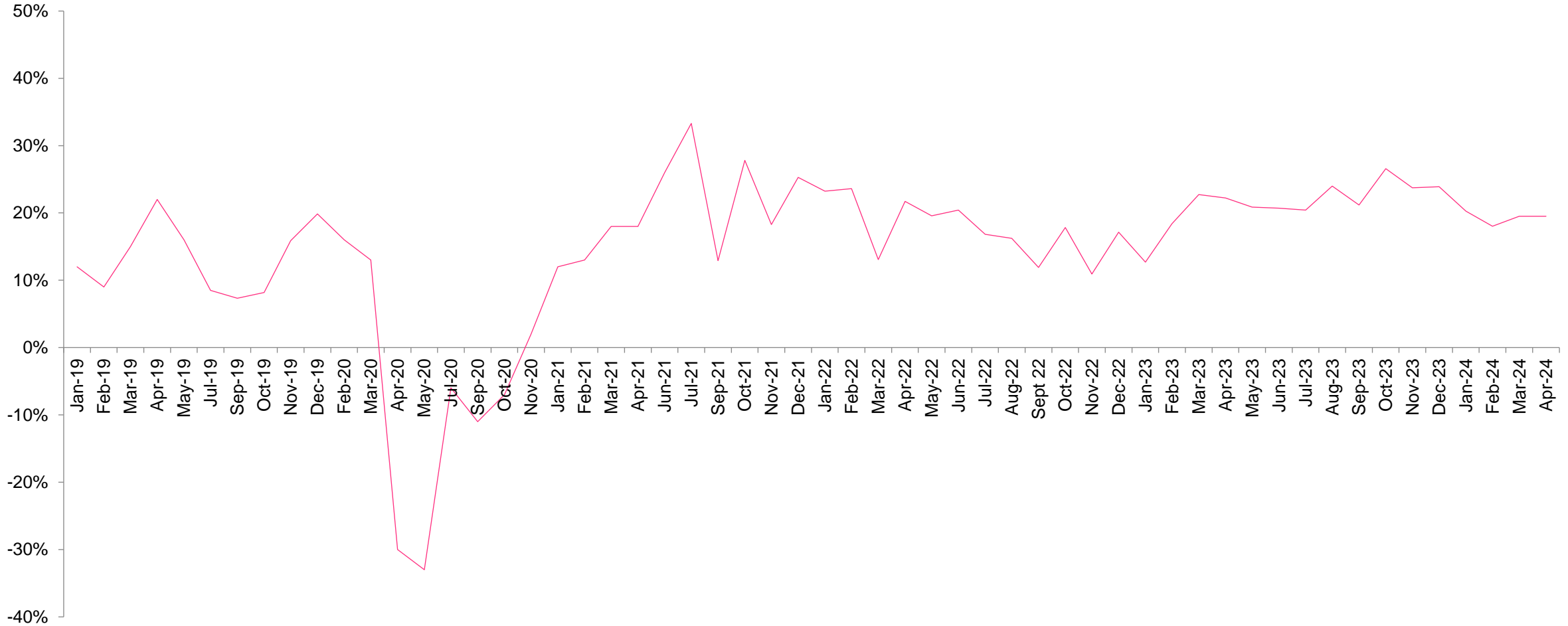
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Headcount expectations remain consistent in April

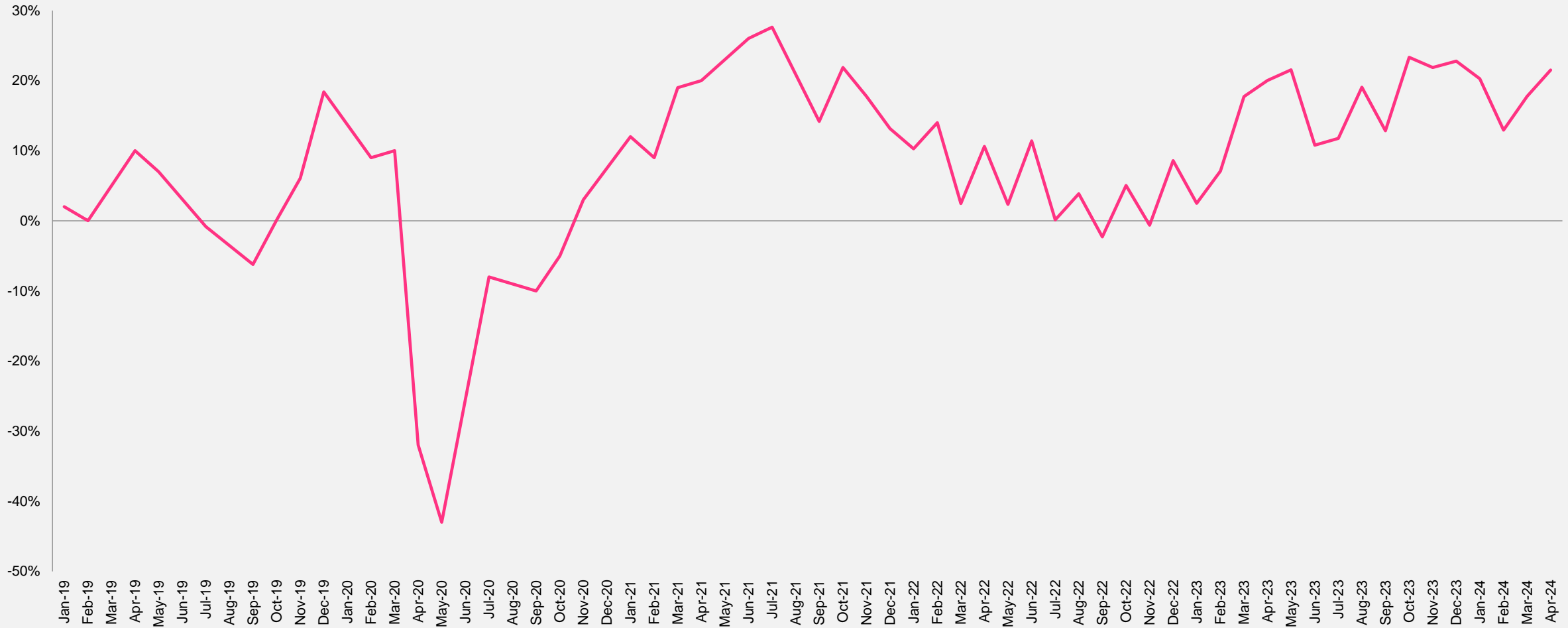
*Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys*





Investment intentions rise

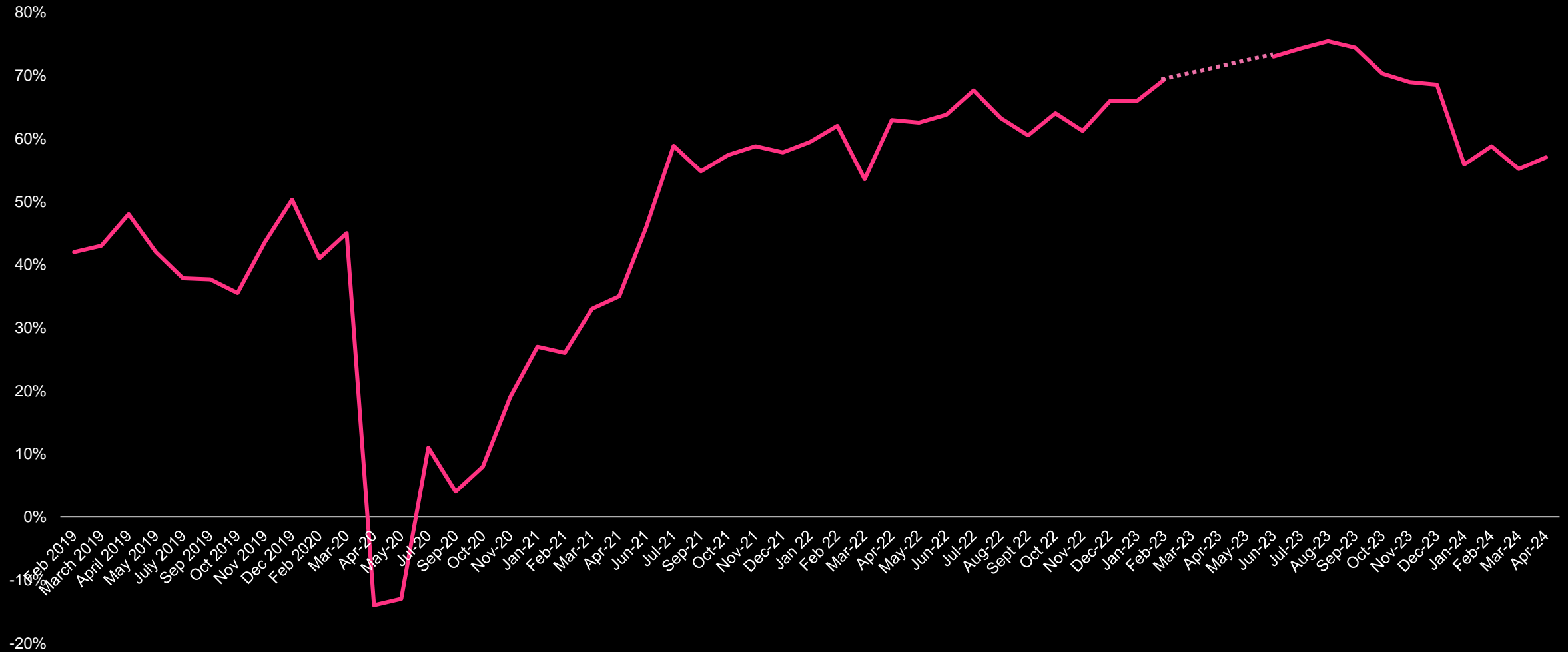
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Wage cost pressures remain largely consistent

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

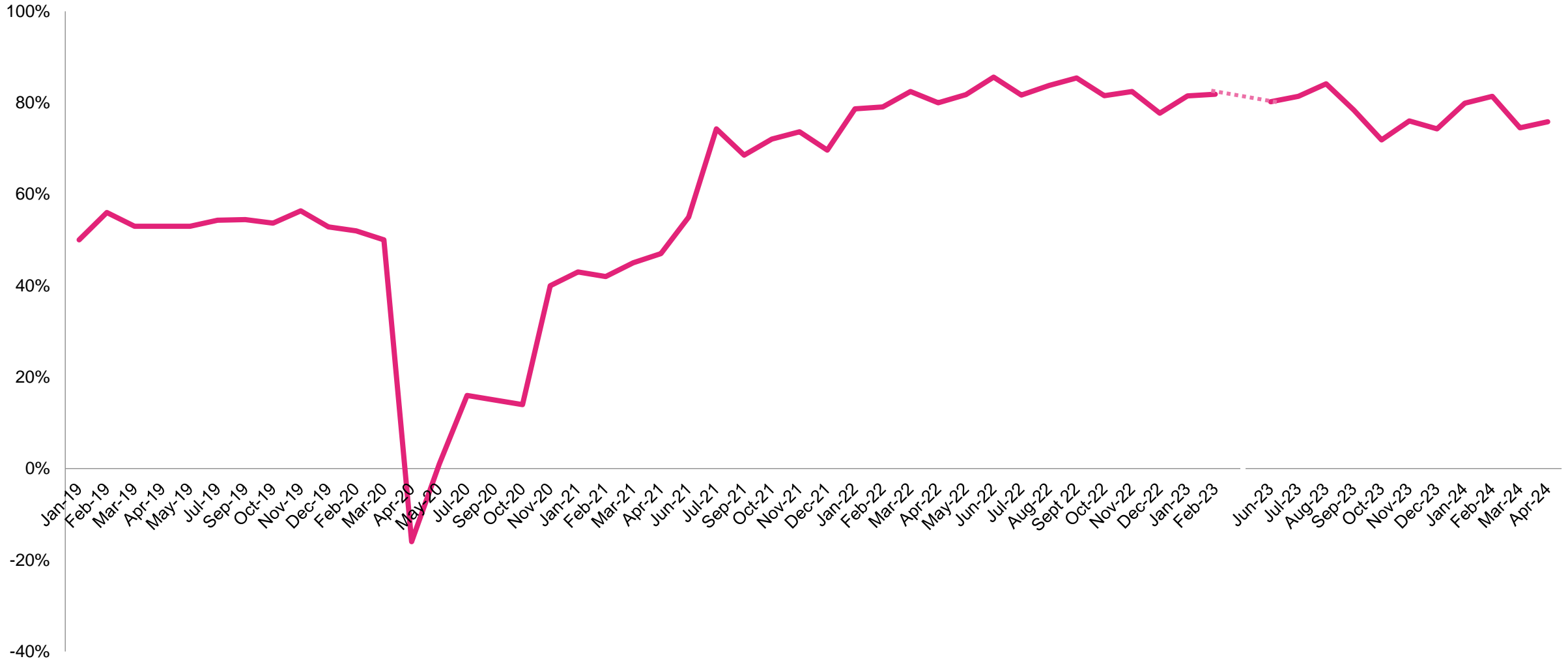


..... = question not asked



Cost pressures plateau in April

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

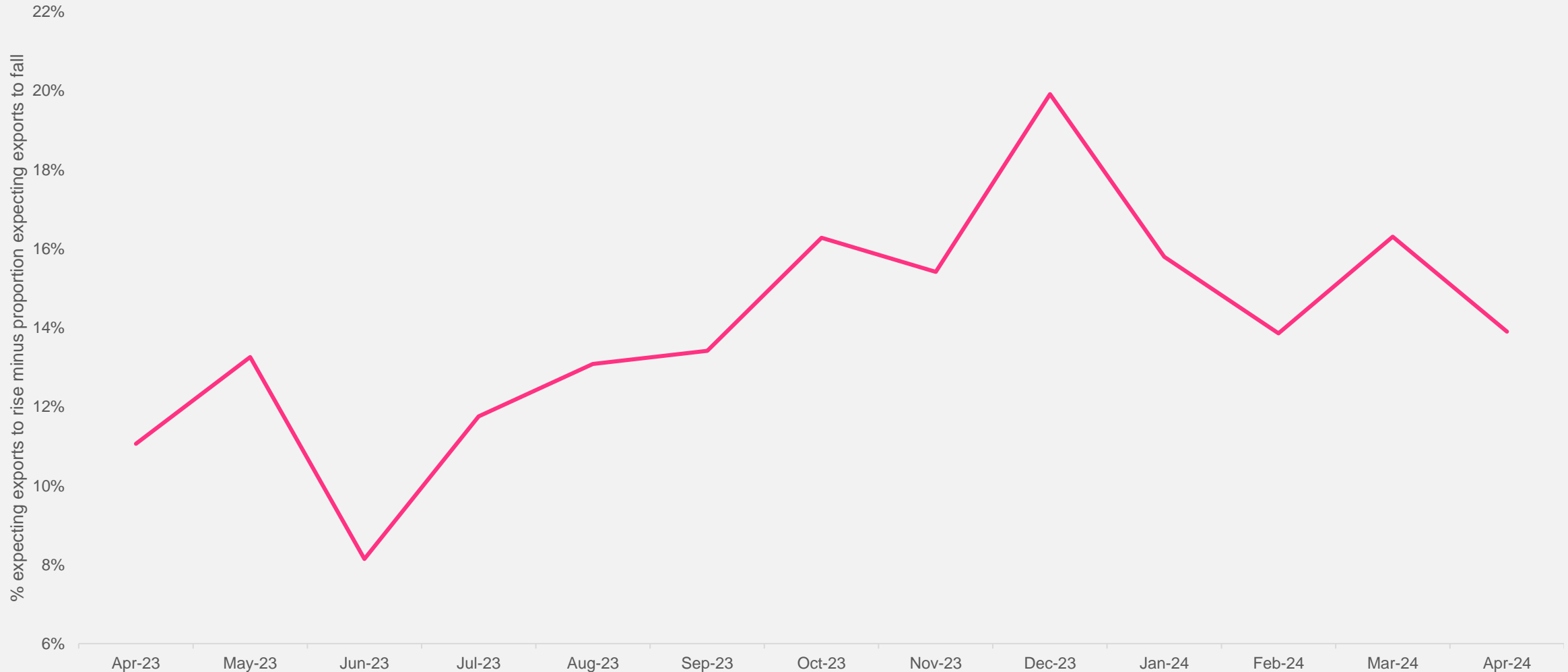


..... = question not asked



Export expectations fall after rising in March

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.