



Policy Voice full survey results January 2024

Number of respondents: 671
Survey Dates: 15 – 29 January 2024



UK General Election

2024 is an important year for policy, with an upcoming general election and manifesto period well under way. To celebrate this, we thought we'd kick off the first survey of the new year with an election sweepstake: guess the exact date of the general election, and you could be in with a chance to win a bottle of Champagne or non-alcoholic alternative of your choice.

All those who successfully guess the date will be entered into a prize draw. We will then reveal the lucky winner when the Prime Minister announces the event.

The data from this question will also help us shape our manifesto.



The following dates were the top choices for the next UK General Election:

- 15% of members guessed 14 November 2024
- 8% of members guessed 21 November 2024
- 6% of members guessed 10 October 2024

Each UK political party will be producing their manifestos ahead of the election. We will also be producing a submission on behalf of our members.

What do you feel would be the MOST impactful action the elected government could take to improve the business environment?

The overall sentiment was that business leaders want the government to deliver stability and credibility to the UK.

Words such as ‘consistency’, ‘long-term’ and ‘trust’ came through many of the responses. For example: *“a period of fiscal stability”* (manufacturing, 250+ employees); *“a long-term economic plan for the country”* (Professional, scientific and technical activities, 10-49 employees); *“consistency of legislation”* (Financial services, 2-9 employees).

The responses were very split between those who want the government to stay out of the way of business and those who want the government to actively support different policy areas. The majority agreed that the government should cut corporation tax, regulation and business rates. However, where opinions differed was on areas like net zero and the UK’s relationship with the EU.

For example, where one member responded, *“Pledge to achieve cross party consensus on Government policy on implementing net zero”* (Health and social care, 250+ employees), another said *“Reduction in net zero commitments”* (Professional, scientific and technical activities, 0-1 employees).

Likewise, one member wants *“A real, concerted and just policy commitment to a net zero transition backed with the funding plans to achieve same”* (Construction, 10-49 employees) while another member feels the government should *“Strongly discourage ESG and DEI activities and encourage to focus on growth, productivity improvement and profit”* (Arts, entertainment and recreation, 2-9 employees).

Similarly, on the subject of Europe, a large number of members want the government to push for re-entry into the EU: *“Closer alignment with Europe - re-entering the free trade area and removing all trade barriers with the European market”* (Construction, 2-9 employees). **However, at the same time, some feel the UK should move on:** *“Kill the myth that Europe is the UK’s growth market of the future. Promote and target global trade”* (Professional, scientific and technical activities, 2-9 employees) and *“Complete break with the EU”* (Agriculture, Forestry and Fishing, 10-49 employees).





One strong theme that emerged was calls for skills reform. Specifically, members want the government to invest in the development of skills and especially in areas such as technology.

One member said, *“Execute a policy aimed at increasing productivity and improving skills and technological implementation”* (Manufacturing, 250+ employees). Another said, *“Prioritise investment and skills development in emerging technologies linked to sustainability/environment, life sciences and technology”* (Professional, scientific and technical activities, 2-9 employees). One member proposed, *“Review the Apprenticeship Levy programme and open up learning and skills.”* (Professional, scientific and technical activities, 50-99 employees)

Linking to this are the comments on immigration policy. Many responses related to the easing of the visa rules or immigration policies to alleviate labour shortage pressures: *“Reduced VAT rate for hospitality businesses, particularly in rural parts of the UK, or allow easing of immigration for the hospitality sector in rural Scotland and UK”* (Financial services, 10-49 employees), *“Relax employment and visa constraints for foreign workforce”* (Professional, scientific and technical activities, 2-9 employees) and *“Reduce visa bureaucracy and cost for EU citizens to work in the UK”*. (Manufacturing, 10-49 employees)

There were mentions of policy areas we do not currently cover. A big one was infrastructure. Members feel the government can invest more in the UK’s infrastructure to fix roads, rail networks, housing and connectivity: *“Invest in public services and infrastructure: fix potholes; clear NHS backlogs; ensure sufficient police on the beat; stop councils going bust.”* (Financial services, 2-9 employees)

But members also recognise there needs to be more focus on infrastructure that is developing such as technology and green initiatives: *“Roll out the infrastructure for EV Charging”* (Professional, scientific and technical activities, 0-1 employees) and *“tangible additional funding of technology and infrastructure for “green” initiatives”*. (Information and communication, 0-1 employees)

To support this, many members expressed the need for a long-term industrial strategy that actively supports UK business. *“Clear Industrial Strategy - commitment to improving UK manufacturing investment and worker productivity”* (Manufacturing, 250+ employees). **At the same time, there were many calls for an energy strategy to bring down energy bills, invest in renewables and promote energy security.**

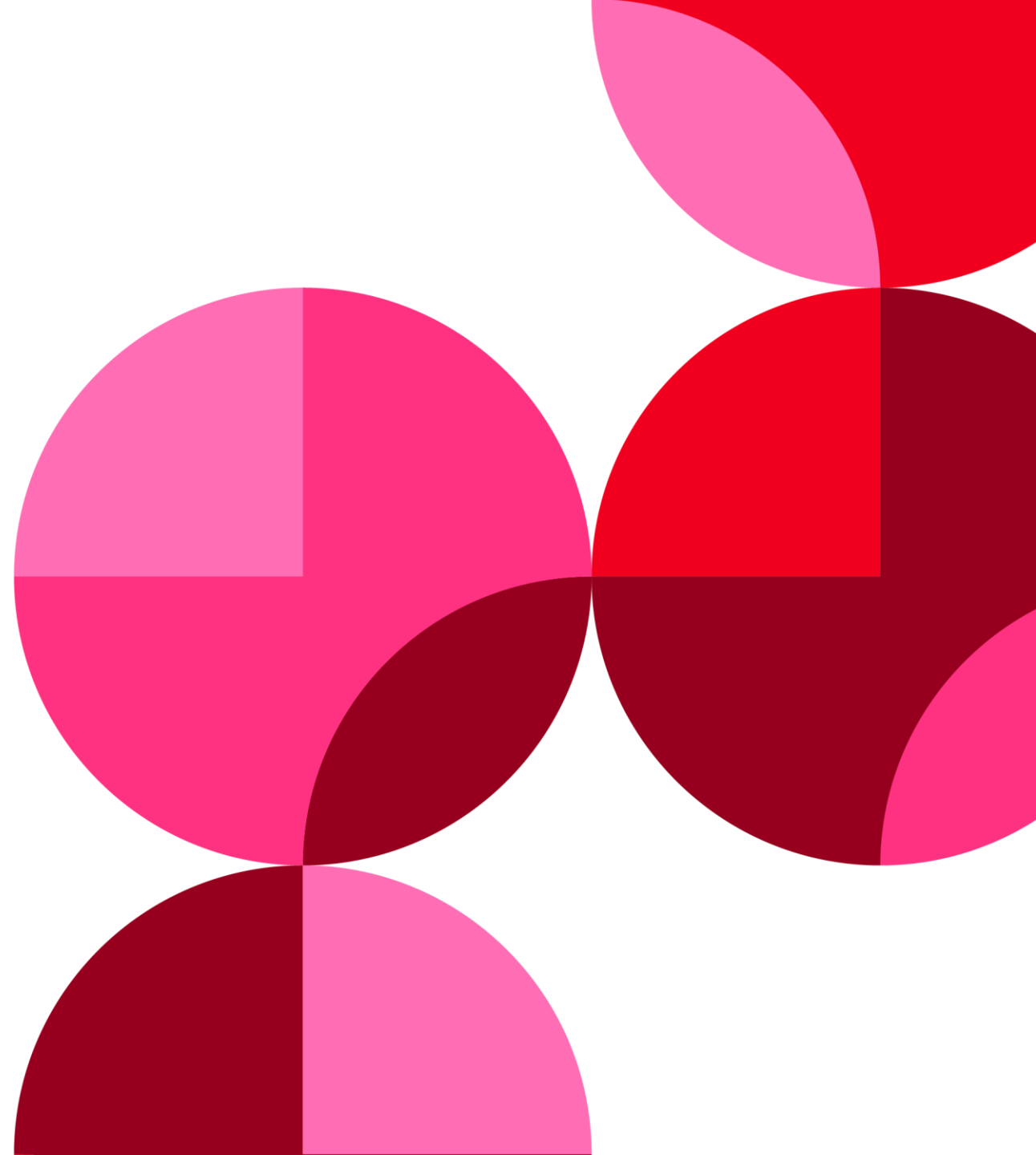
There were also numerous mentions of IR35, most with calls to abolish it: *“Removal of IR35 for small businesses and start-ups who provide services to business and public sector”* (Other services, 2-9 employees), but at least calls to clarify it: *“Amend and/or clarify the IR35 legislation”* (Professional, scientific and technical activities, 0-1 employees).

By far the most requested action was for the government to cut corporation tax. For some, this was specifically in relation to small and medium sized businesses and start-ups. Many asked for the cut to go back to the 19% rate. A similar number are also calling for a cut in business rates.



Post Office Horizon scandal

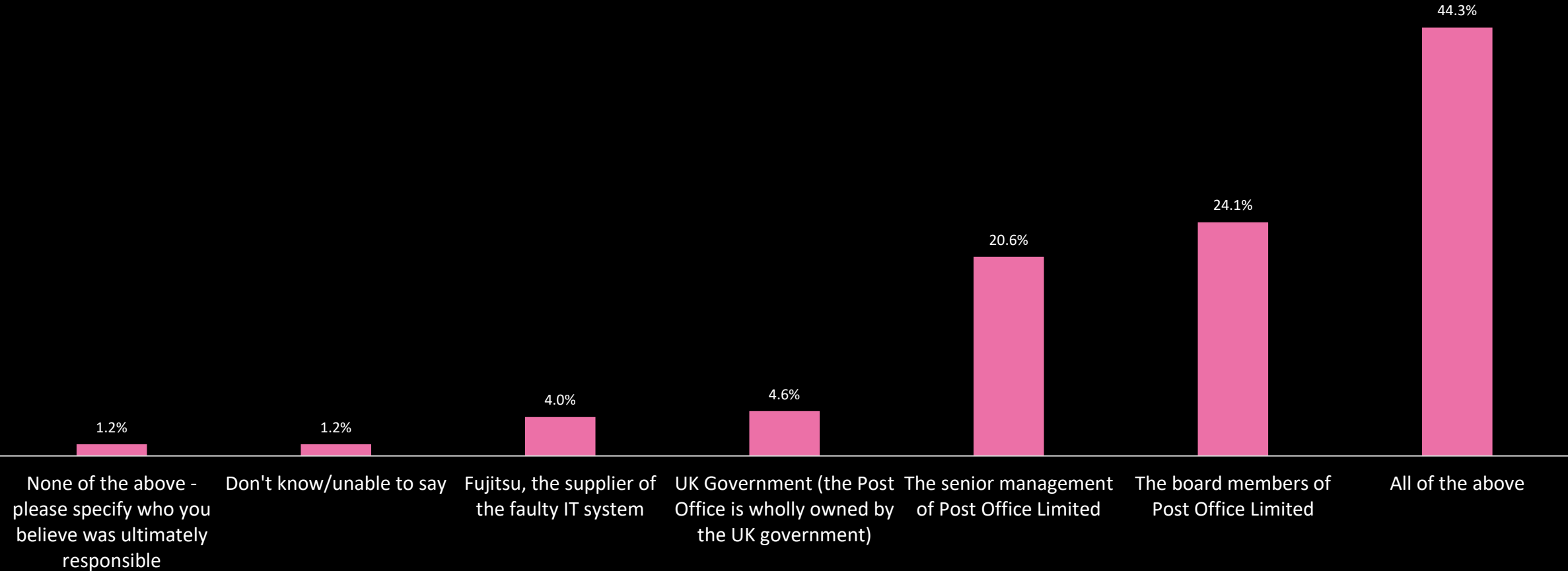
This data will be used to complement our upcoming podcast series on the Post Office Horizon scandal, and posts on social media.





The Post Office Horizon scandal has been described as the most widespread miscarriage of justice in UK legal history.

Several thousand sub-postmasters were falsely accused of crimes like theft, false accounting and embezzlement on the basis of a faulty IT accounting system. **In your opinion, who was ultimately responsible for the scandal?**



T Levels

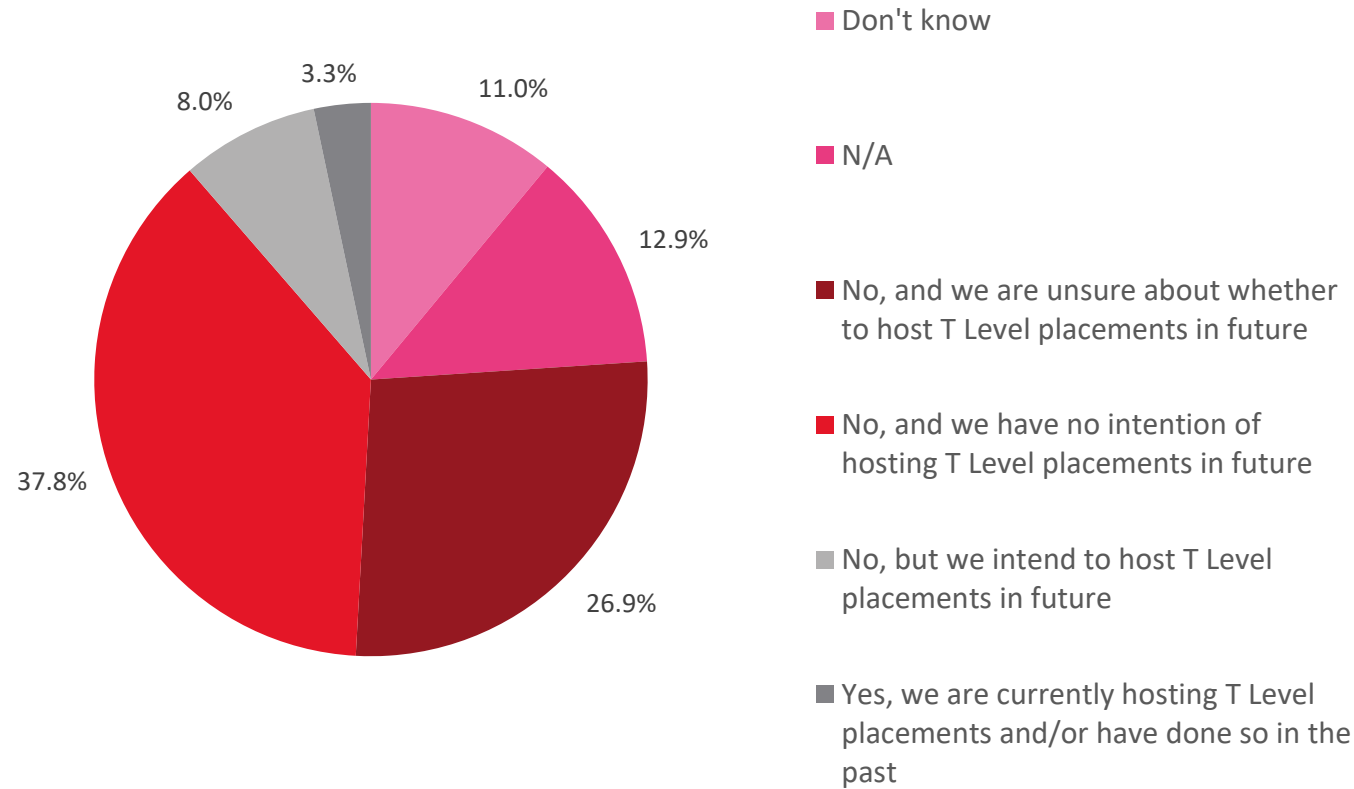
This month we asked question on T Levels for those based in England.

This data will be shared with the Department for Education, and will be used to inform our T Levels information campaign with members.

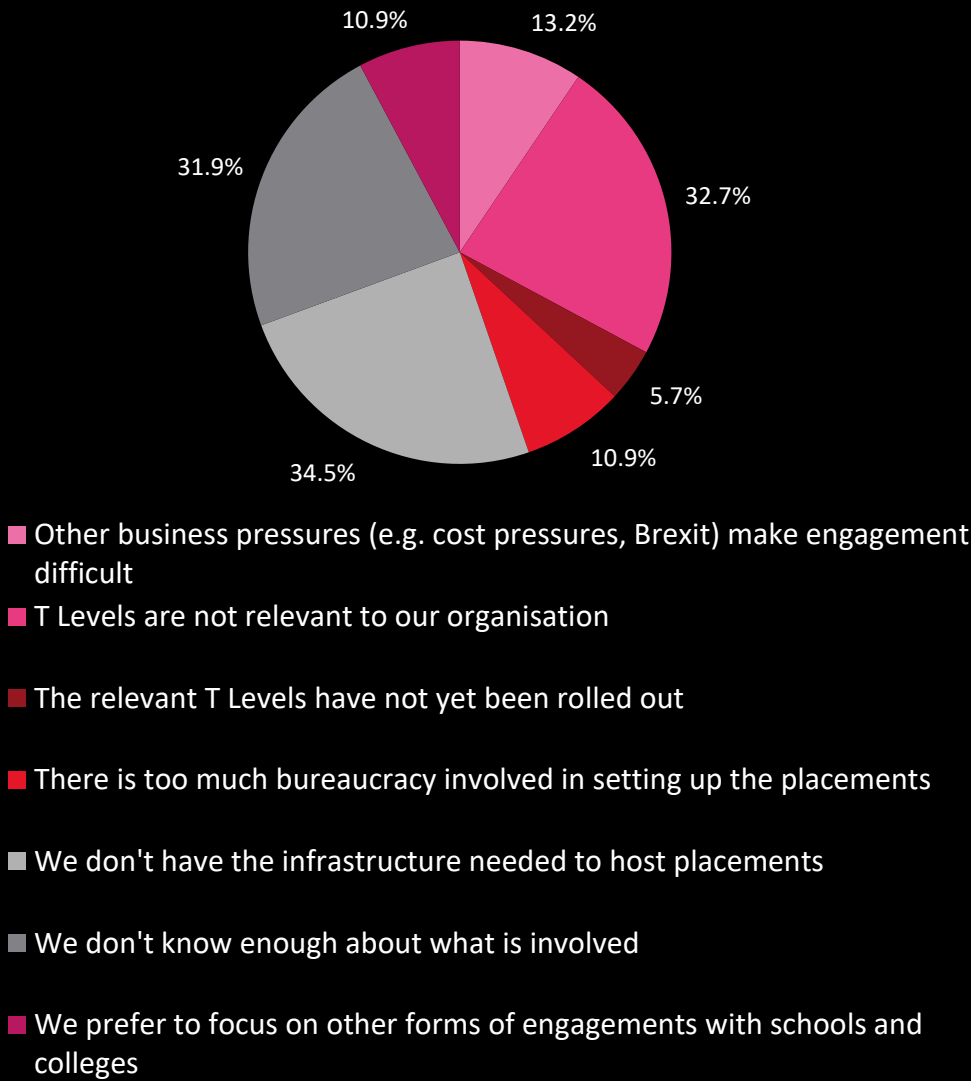


The rollout of T Levels, designed as a vocational alternative to A Levels, began in September 2020.

T Level students must undertake an industry placement with a suitable employer for at least 45 days. **Has your primary organisation hosted any industry placements as part of a T Level course?**



Why is your primary organisation not currently offering T Level placements? Please select all that apply.





One in ten (11%) of business leaders reported that their organisations are hosting T level industry placements or planning to do so in future, a drop of six percentage points since we last asked members the same question, in November 2022.

Three main themes emerged as barriers to businesses hosting placements:

Not having the right infrastructure in place to host placements (35%)

“We fully support the idea of having placement students at all levels and ages. BUT it takes a great deal of staff and management time and current pressures mean that we have no capacity to take one in.” -- Small business, construction

“Much of our company's work is handled remotely making it difficult to adequately accommodate a student.” -- Small business, manufacturing

T Levels not being considered relevant to members' organisation

“There are no T levels in logistics” -- Microbusiness, manufacturing and storage

“We were told that [the DfE] wanted T-Level finishers to have the option to progress onto an apprenticeship at Level 3 or above... There needs to recognition for students that they will not always go in a linear fashion when achieving qualifications, and that a Level 2 apprenticeship is a worthwhile route following a Level 3 qualification such as T-Levels.” -- Large business, construction

Not knowing enough about what is involved

“First I've heard of T levels, not sure what form the rollout took but it entirely passed me by.” -- Medium-sized company, manufacturing

“Had no positive communication from the relevant parties running them, what courses are involved and any engagement/information from local government or institutions about them and what they offer.” -- Small business, manufacturing



Economic Monitoring: Data

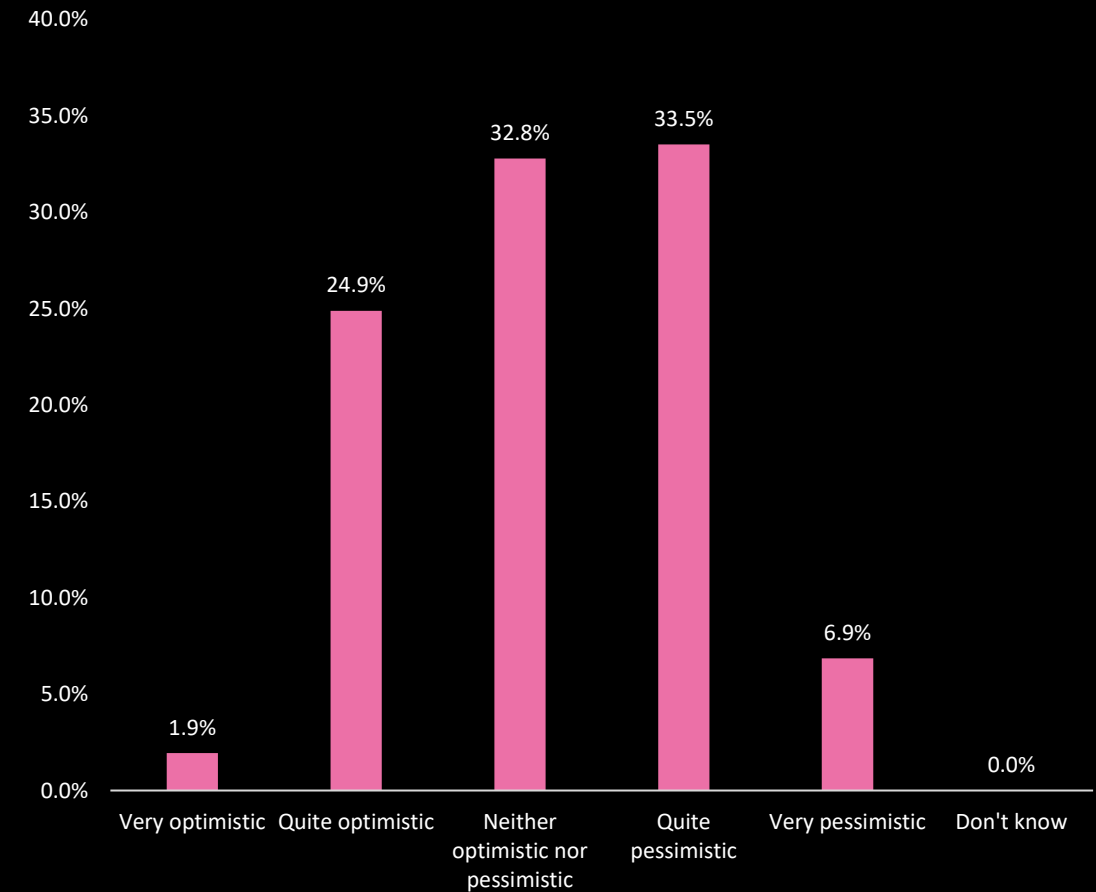
The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month.

January's data gave a reading of -14, up from -28 in December 2023. This represents the Index's highest value since May 2023 (-6) and the biggest jump in a single month (+14) since this time last year (+30)

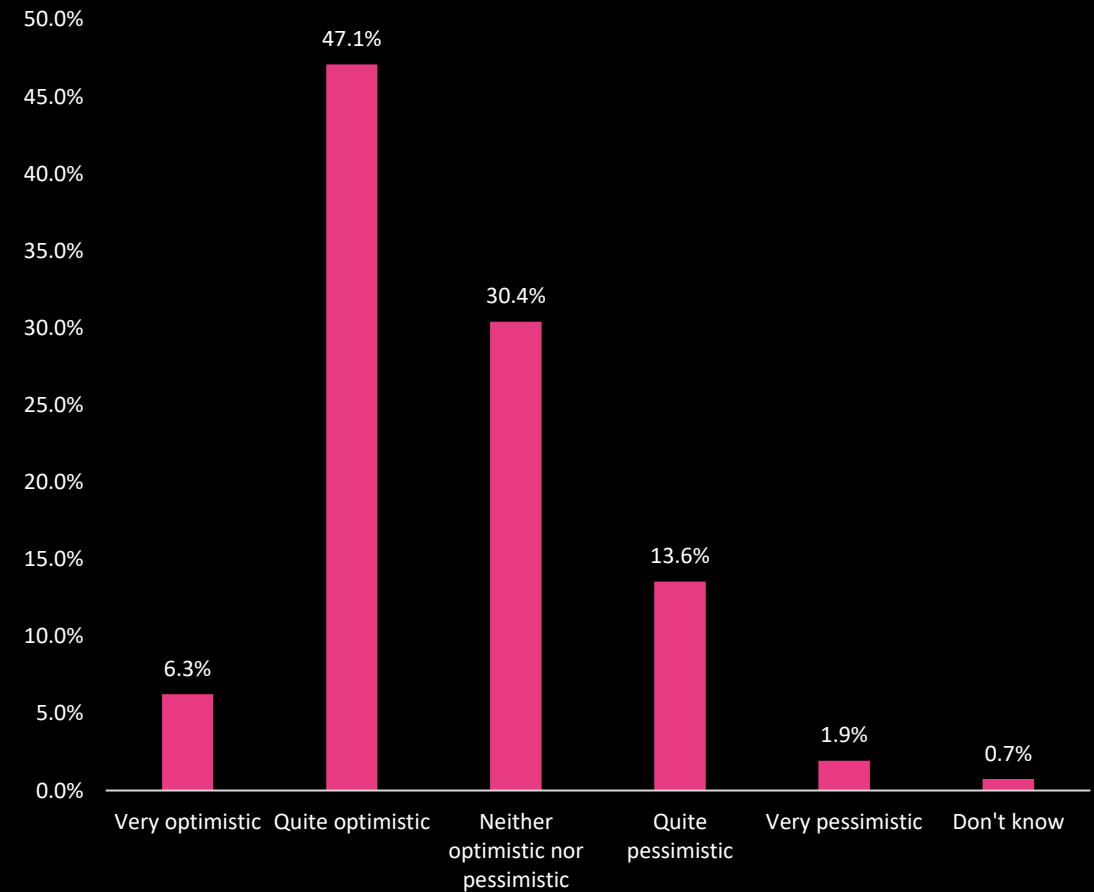


How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

Wider UK economy

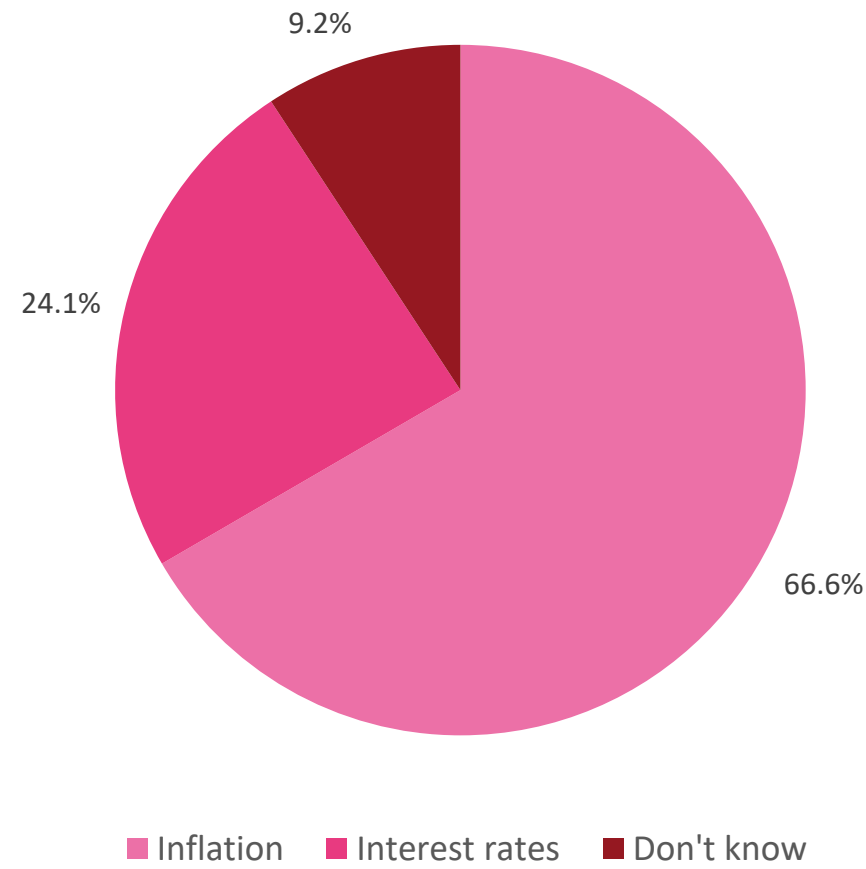


Your (primary) organisation

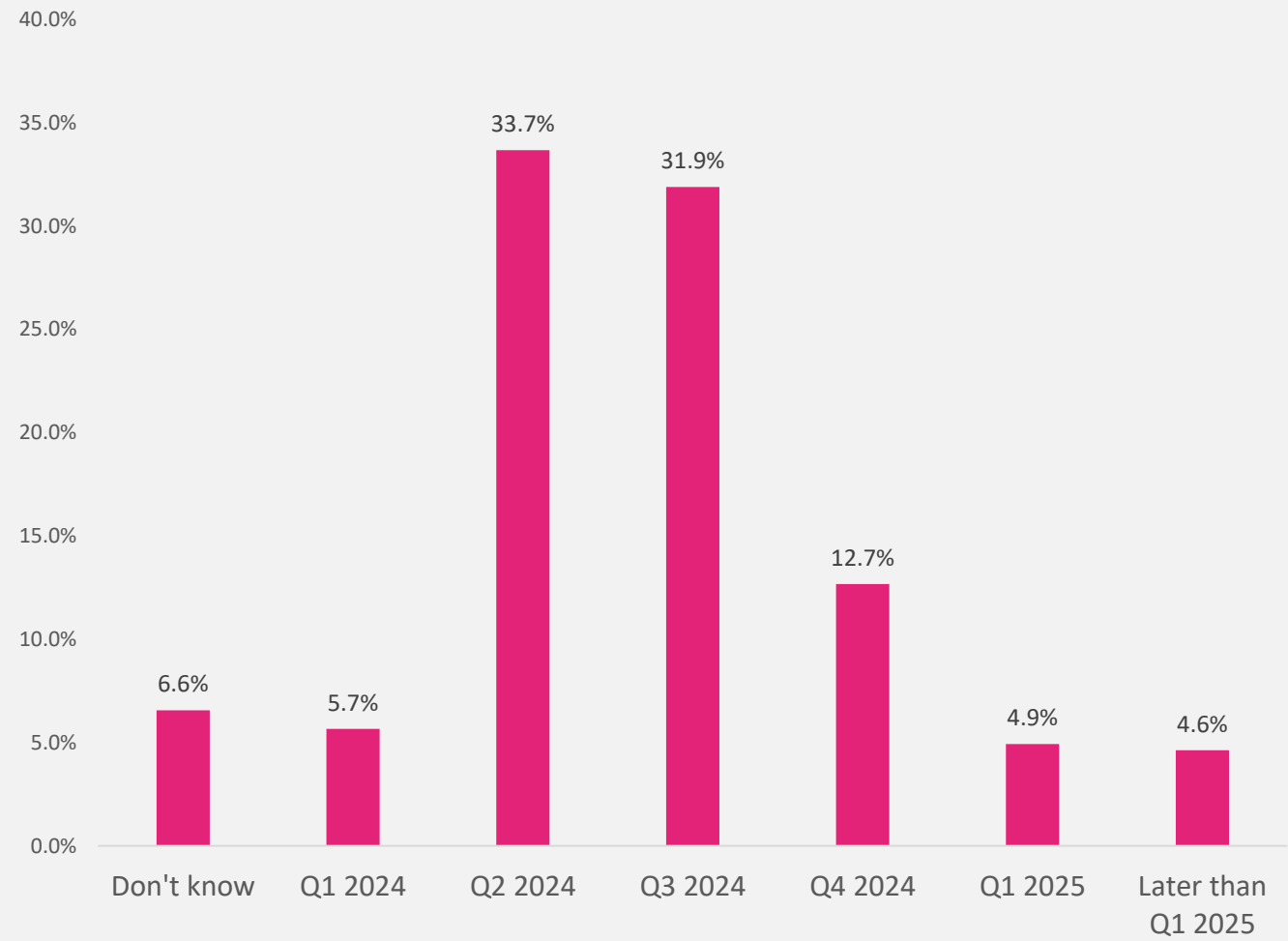




If you had to choose, which of the following would you say is causing the greatest difficulty for your organisation?



At what point, if at all, do you expect the Bank of England to decrease interest rates?

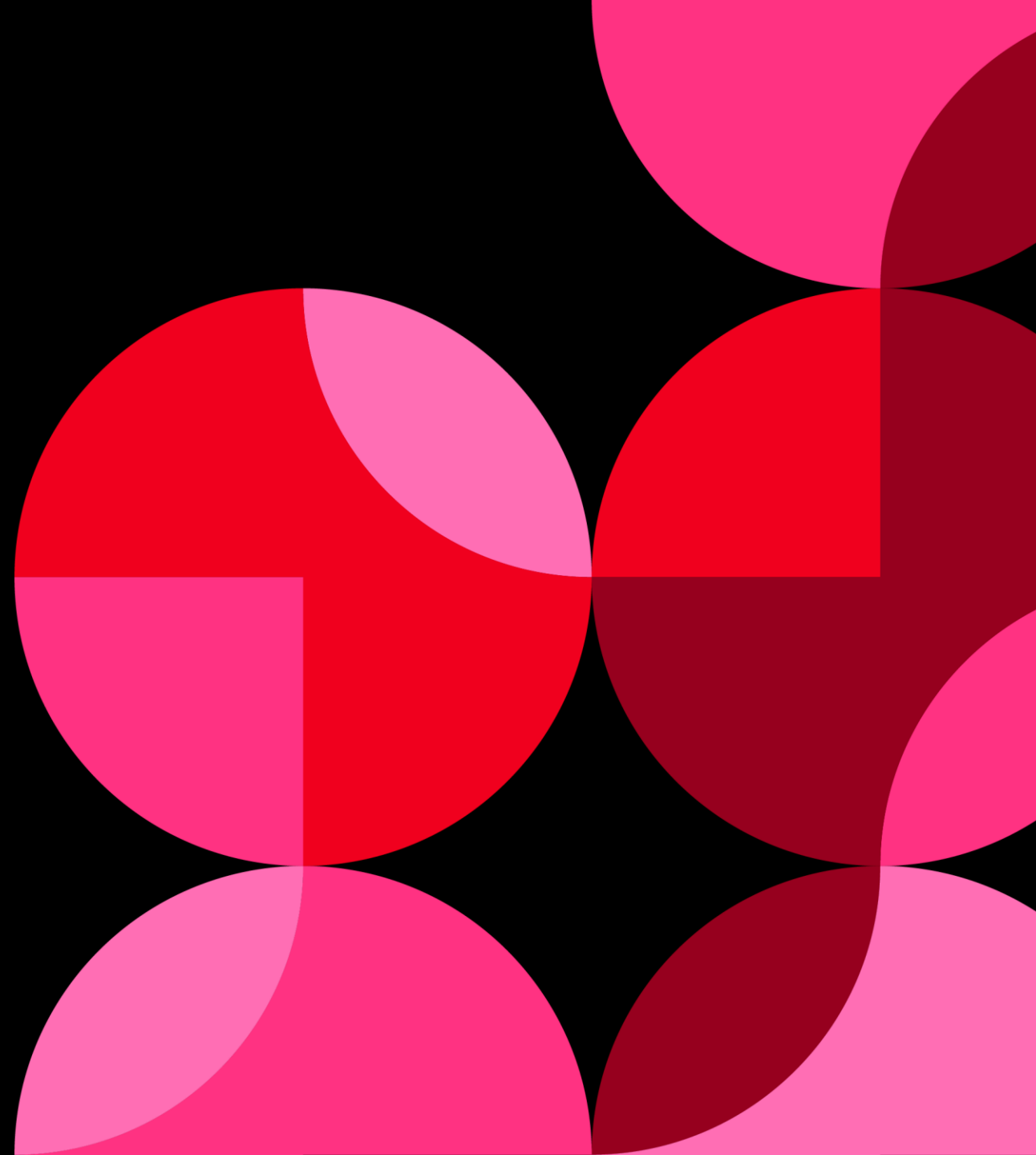




Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

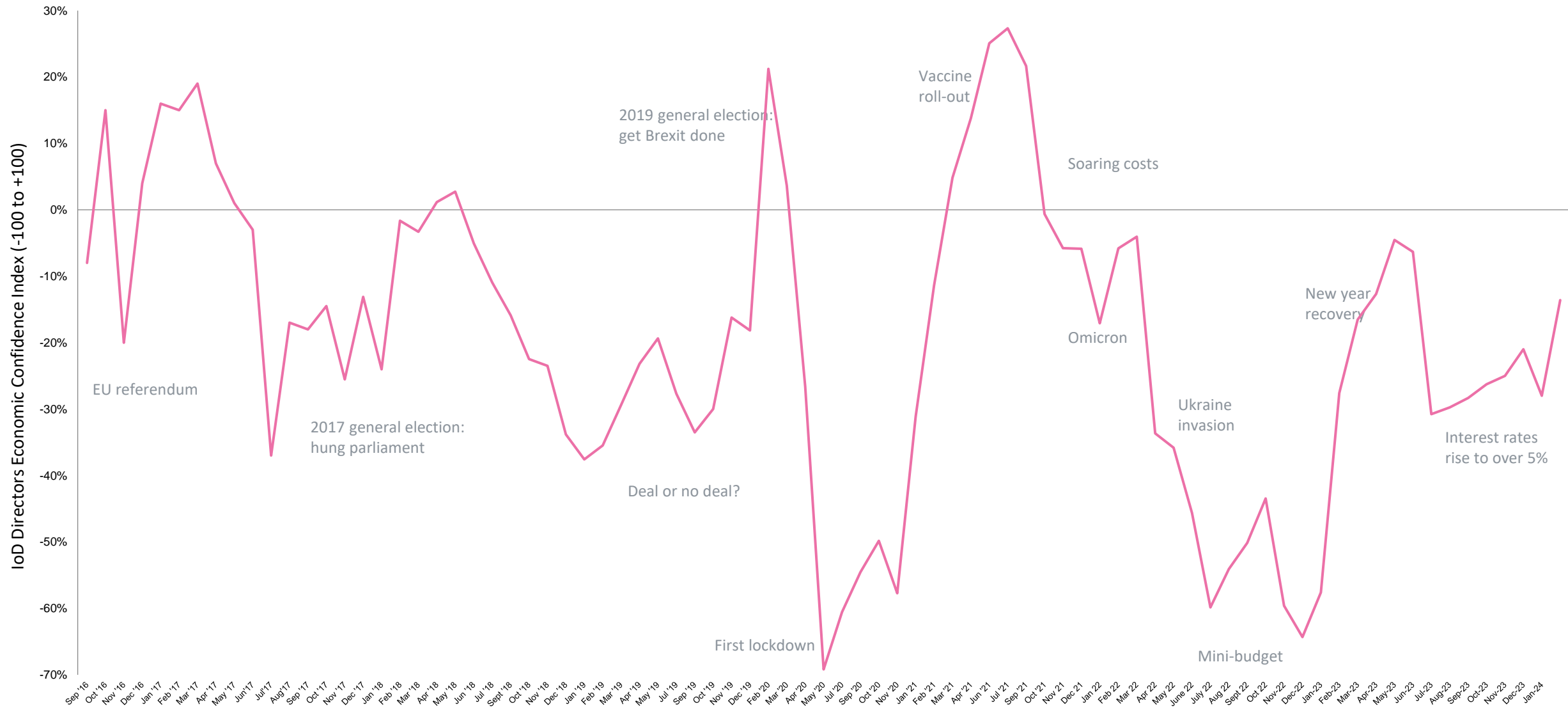
	Business investment	Costs	Exports	Headcount	Revenue	Wages
Much higher	4.2%	14.3%	3.6%	1.8%	6.0%	4.9%
Somewhat higher	31.7%	68.1%	16.7%	31.0%	50.1%	54.2%
No change	45.5%	13.4%	33.1%	52.0%	26.4%	34.9%
Much lower	4.2%	0.1%	1.0%	2.1%	1.8%	0.6%
Somewhat lower	11.5%	2.4%	3.4%	10.4%	13.7%	2.7%
Don't know	0.4%	0.4%	0.4%	0.0%	0.4%	0.1%
N/A	2.5%	1.2%	41.7%	2.7%	1.6%	2.5%

Economic Monitoring: Trends





Business leaders find reasons to be more optimistic in 2024

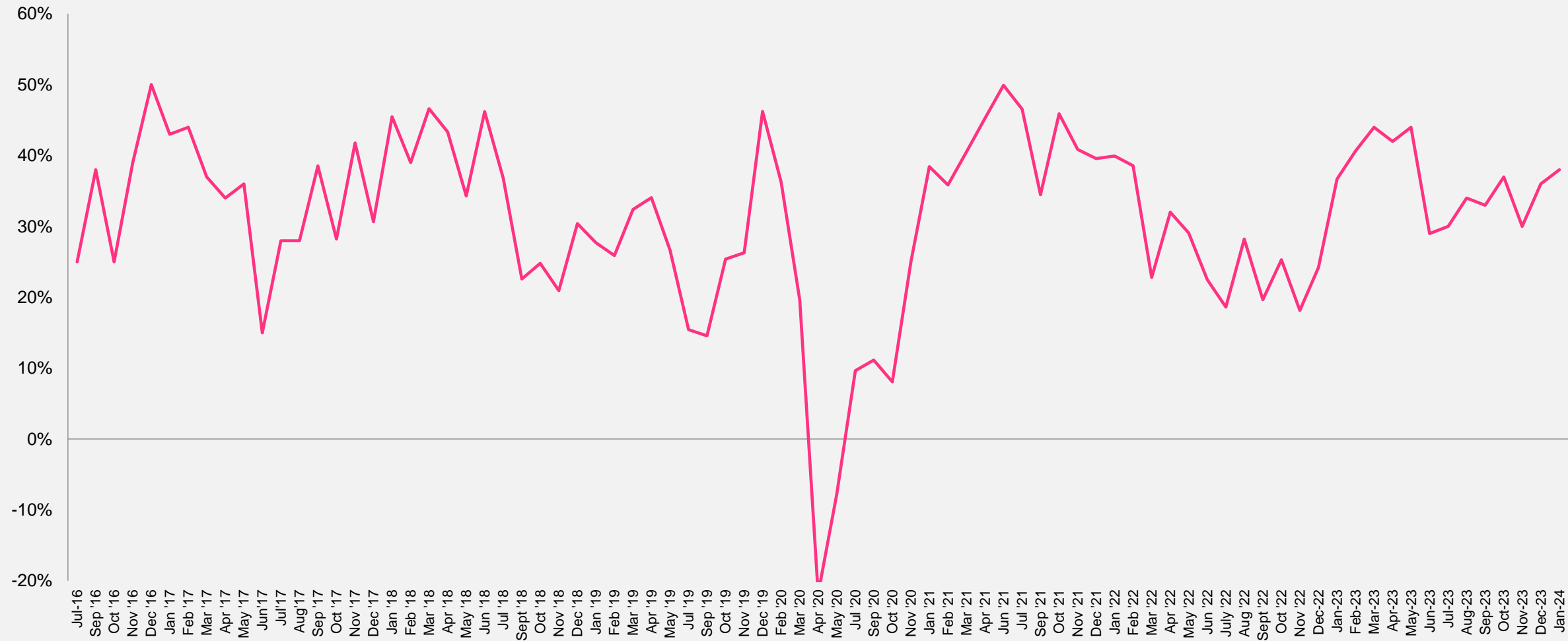


How optimistic are you about the wider UK economy over the next 12 months?
(5-point scale from very optimistic to very pessimistic, net positive %. Latest datapoint: January 2024)



Confidence in own firm’s prospects continues upward trajectory

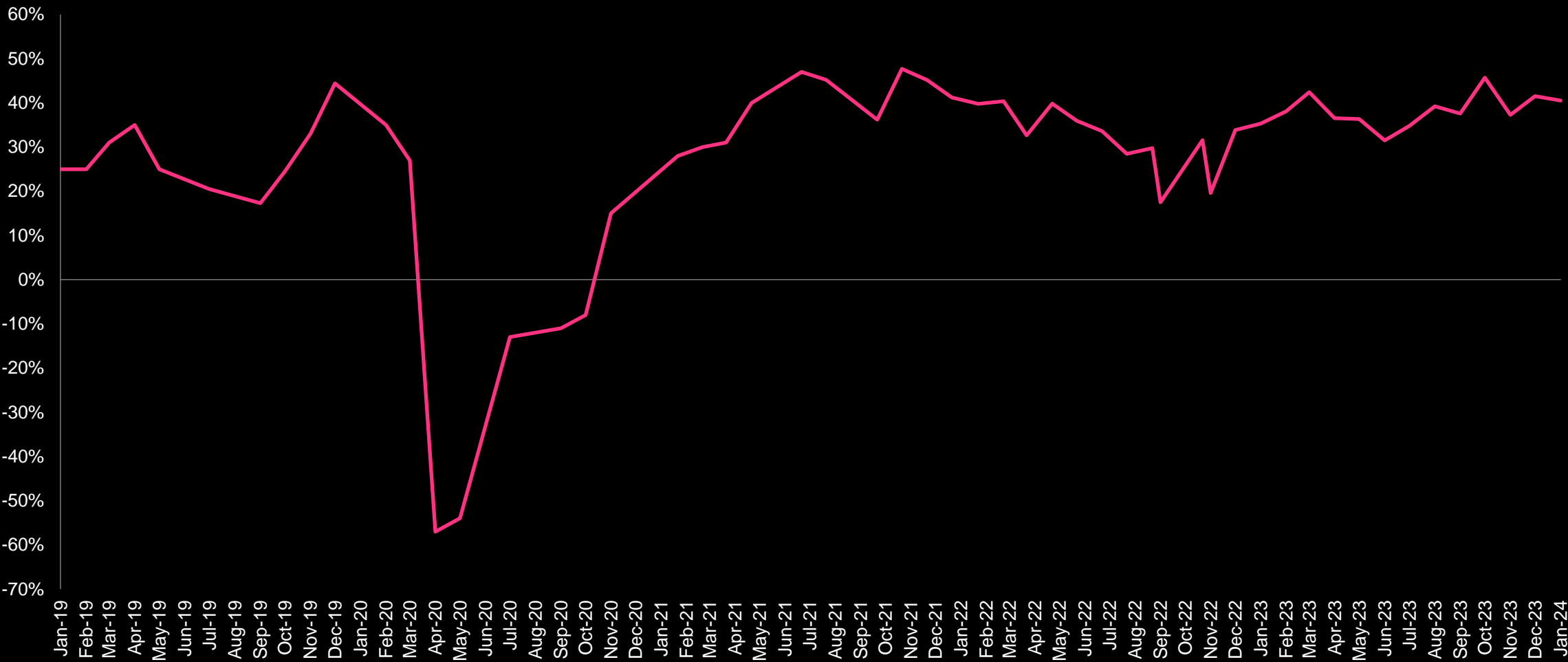
How optimistic are you about your own organisation over the next 12 months?
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





Net revenue expectations stay level in January

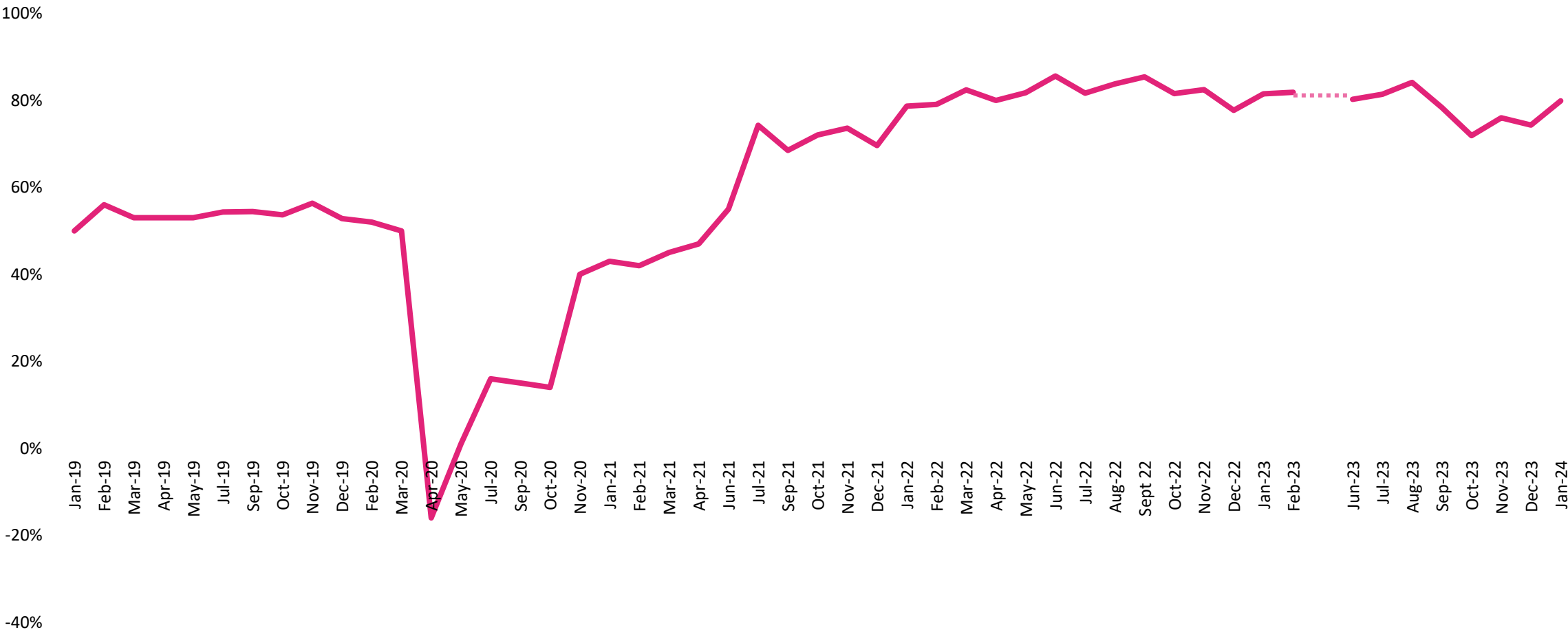
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Cost pressures continue at a high level in January

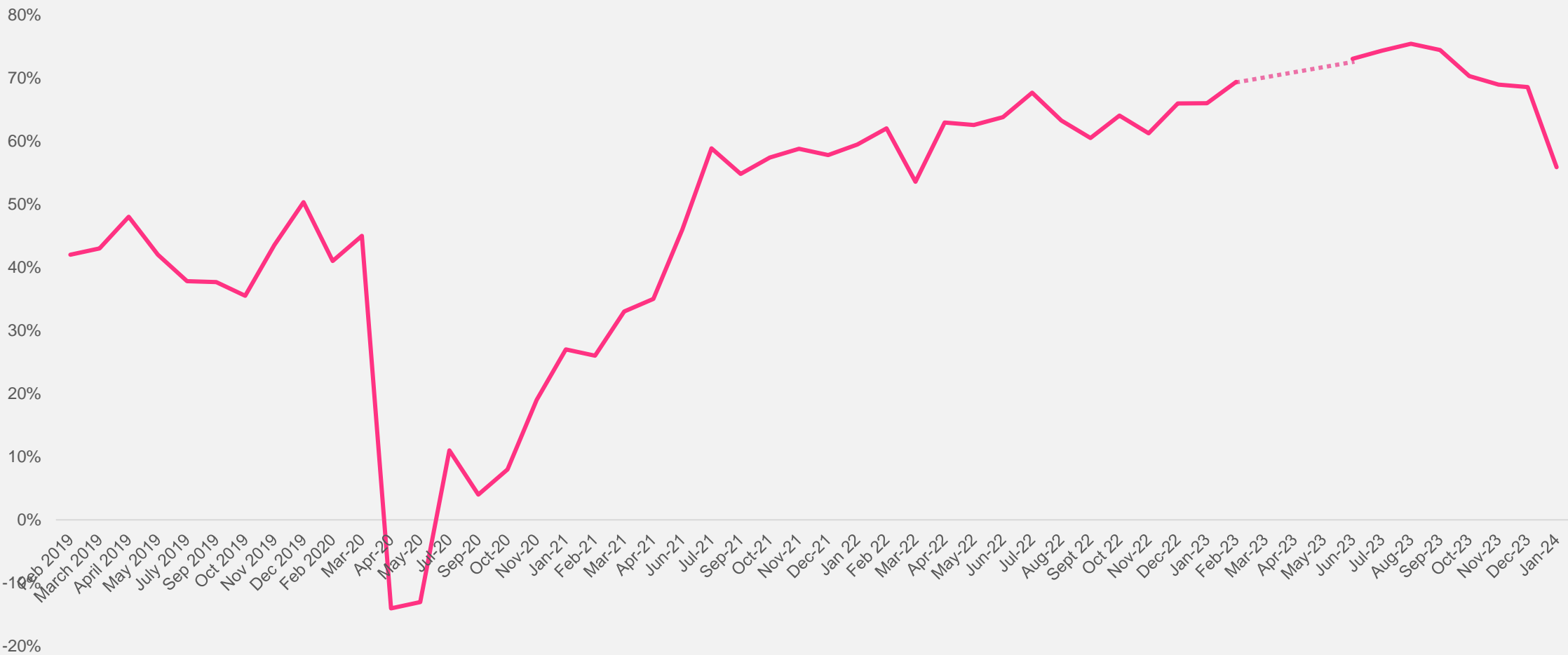
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Wage cost pressures take a sharp fall in January

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



Headcount expectations continue to be robust in the new year

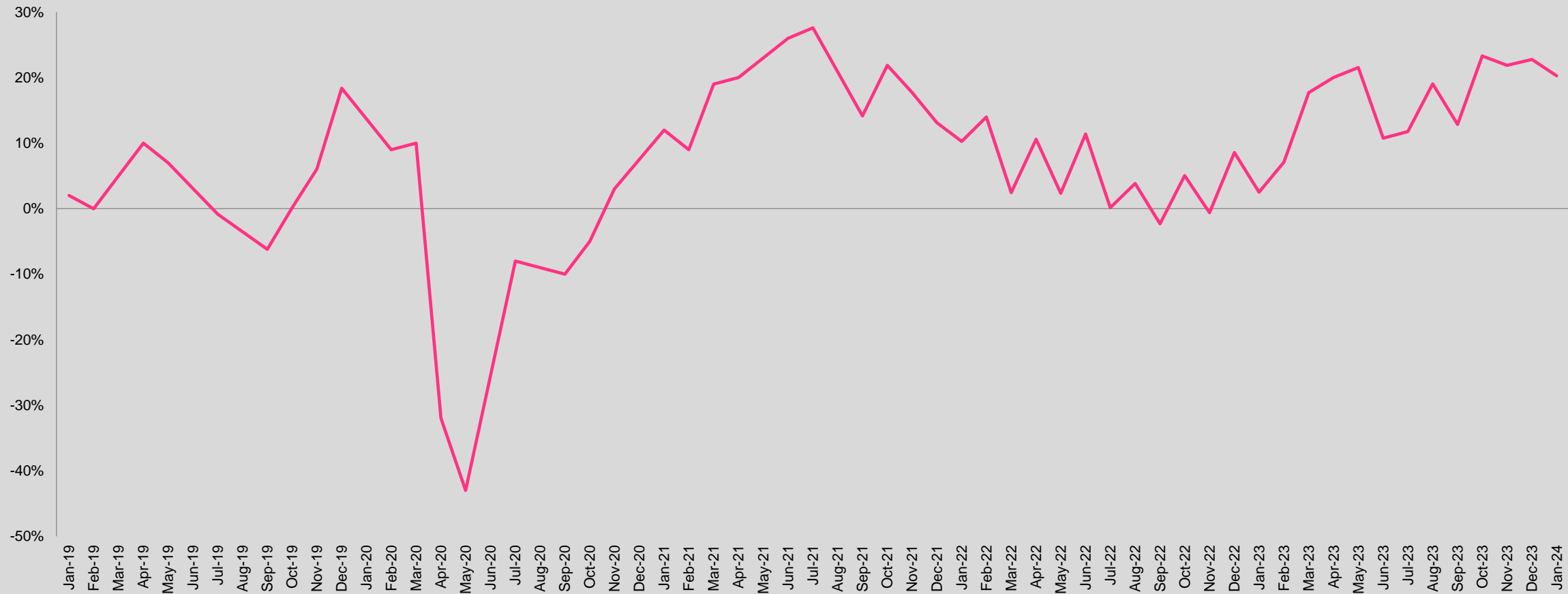
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Investment intentions continue to stabilise following month-on-month volatility

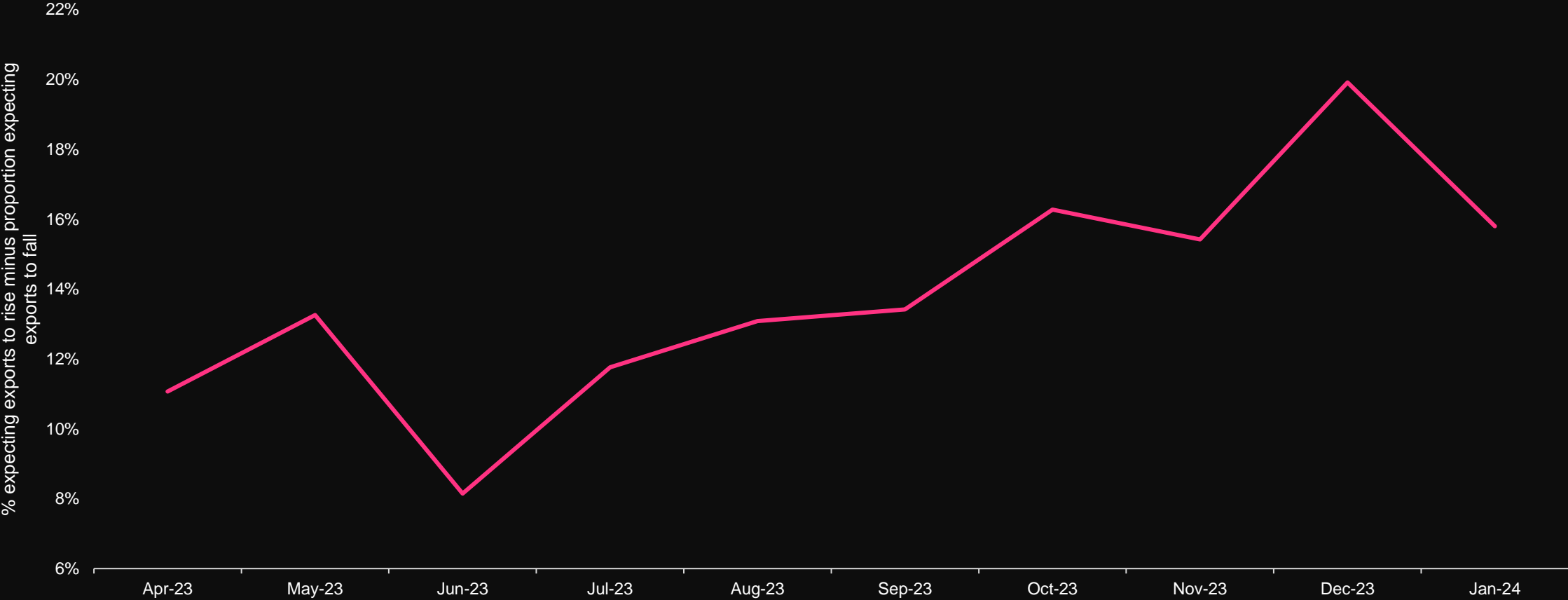
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Export expectations fall in the new year

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.