



Policy Voice full survey results June 2024

Number of respondents: 584

Survey Dates: 14 – 27 June 2024

- The new government
- Fit notes
- Sustainability in the boardroom



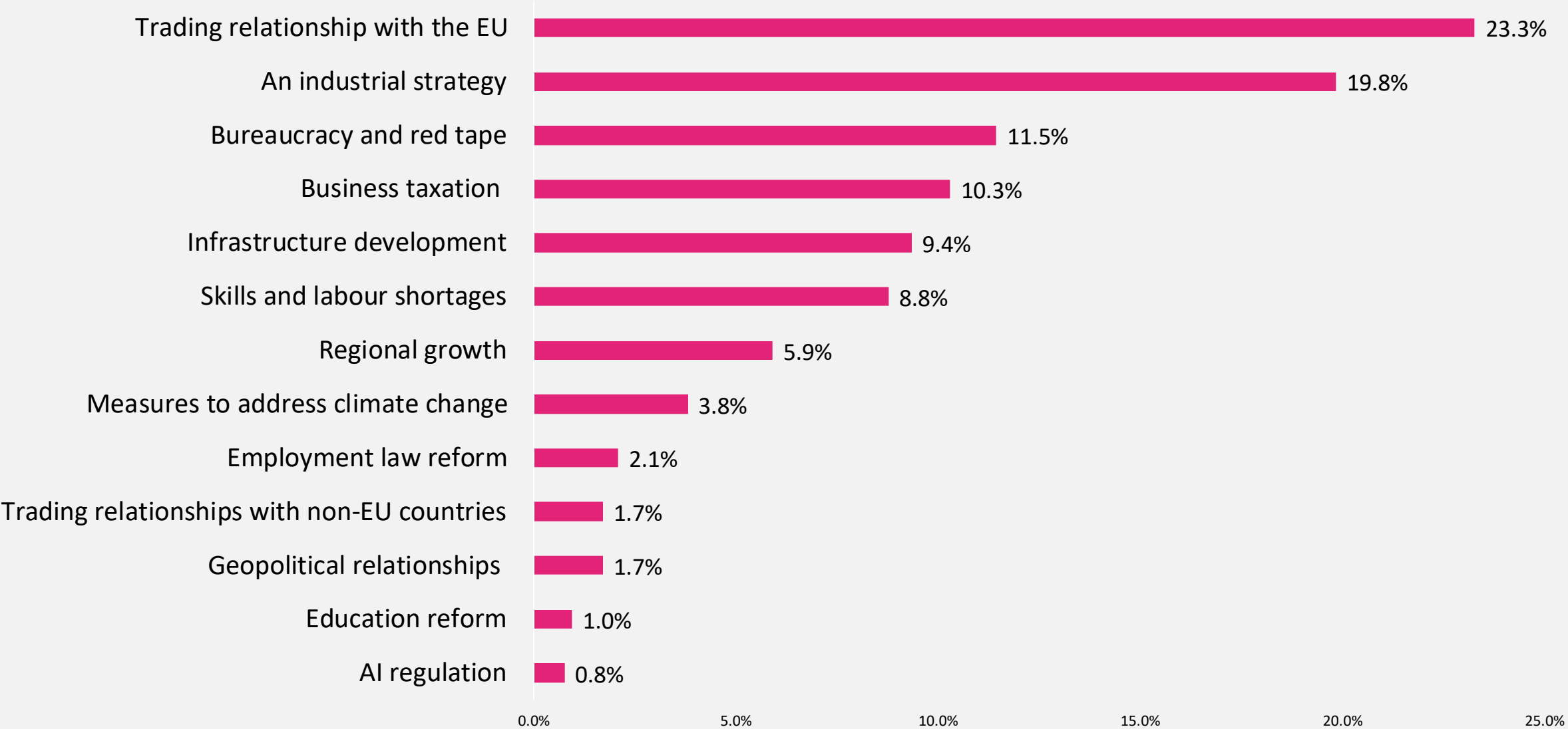
The new government

With the election results in, we wanted to know how members think the new government can support the business community.

This data will be used to underpin our asks of the new government.



What should be the top priority of the new government in its first 100 days to support business?



Aside from specific areas of policy, businesses want to see the new government operate with clear direction and stability. The further comments reflect an urgency for long-term strategy and growth:

"A clear strategy for the next five years would be key. Many of the above points are vital but must fit within an overall strategy for industry to ensure unity of effort." (0-1 employees, other services, Northern Ireland)

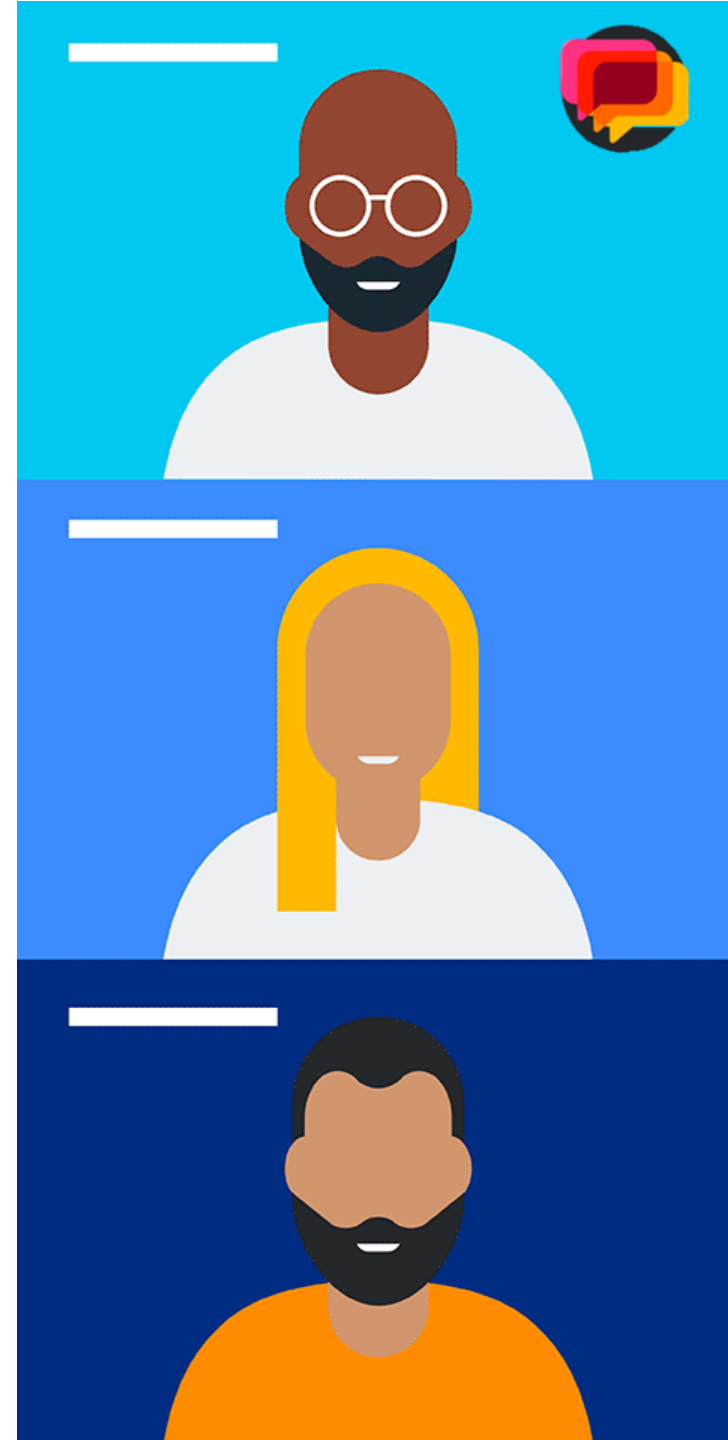
"Actually the biggest issue that needs addressing is the machinery of government which is substantially dysfunctional - nothing to do with party politics but how a sensible government can both make and implement policies on a long term basis. this includes government being able to efficiently manage cross cutting issues which straddle more than one department of state." (10-49 employees, manufacturing, London)

"The disincentives to business growth are overwhelming at present - increased restrictions, reduced benefits or tax breaks - without a realistic approach to business growth the future is looking bleak." (2-9 employees, education, South West)

Meanwhile, many business leaders highlighted the need for better support for SMEs, often feeling like smaller firms are squeezed out of opportunities by bigger businesses:

"Active support to SME businesses to support business confidence and productivity growth. Support has become so piecemeal and ineffective leaving business owners marginalised, isolated and feeling unsupported." (10-49 employees, professional, scientific and technical activities, North West England)

"As a small business under £500k turnover, it is important to me that there are no business tax hikes. I am concerned about a raid on small businesses, particularly corporation tax." (2-9 employees, education, North West England)





And while 'Business taxation' only received 10.8% of submissions, not even reaching the top five priority issues, many of the comments discussed on tax. The focus was on not hiking tax, particularly Capital Gains Tax.

"Capital Gains Tax is a major question and will determine long term planning for companies: the sooner industry knows the rules the sooner activity will commence. Currently major investments are stagnating because nobody can plan for certain." (250+ employees, health and social work, South East England)

"SMEs pay too much tax. We are the engines of future growth and should be freed to invest to deliver that growth." (2-9 employees, administrative and support services, West Midlands)

Finally, woven through all themes is the issue of red tape. Many feel that bureaucracy has significantly increased in the last few years, and this needs to be addressed.

"Bureaucracy and red tape have increased dramatically and unnecessarily since Brexit, contrary to what everyone was being told at the time." (50-99 employees, manufacturing, London)

"I run a mid size business. The Red Tape has now reached a level that is hindering our growth." (10-49 employees, wholesale and retail trade (including motor repair), South East England)

Fit notes

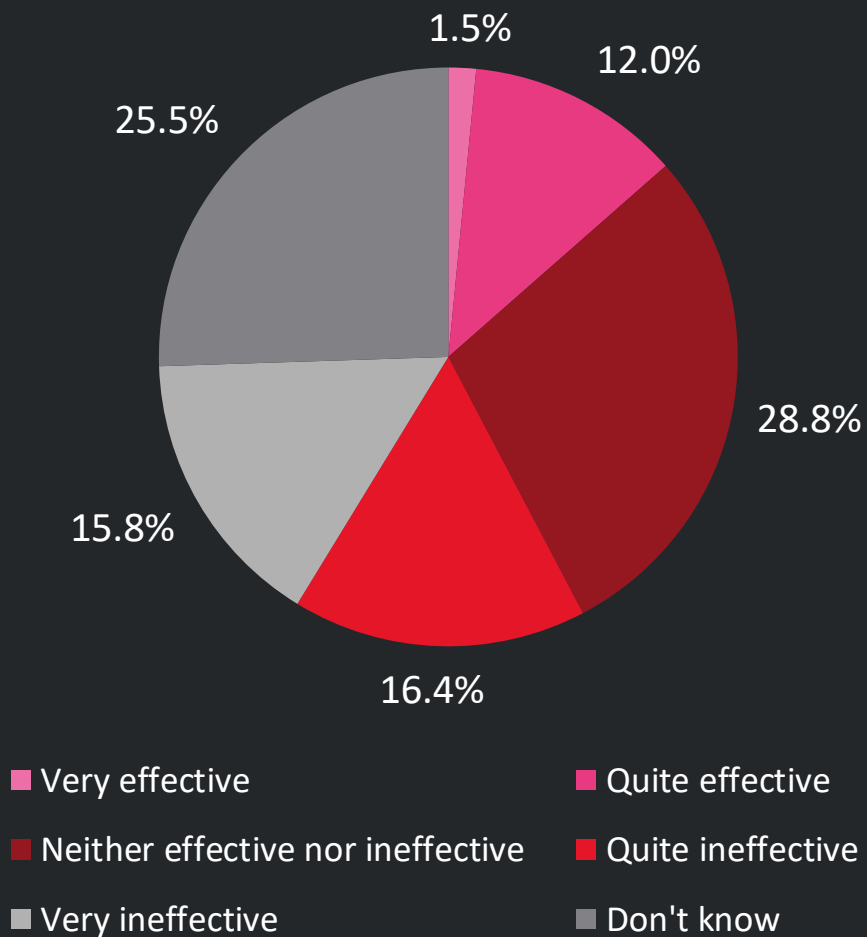
Fit notes are a medical statement issued by eligible healthcare professionals to employed people in order to evidence a request for sick pay from their employer.

This data informed our response to the government's call for evidence on fit note reform.





How effective do you feel the current fit note process is at meeting employer needs?



Only 14% of business leaders consider the current fit note process as meeting employer needs, while a third (32%) view the process as ineffective.

Two major themes emerged in the comments:

1. A view that fit notes fail to provide sufficient useful information for employers.

“Fit notes very rarely say as intended, what the employee is fit to do or when they can return on a transitional or changed duties basis” -- SME, Professional, scientific and technical activities, Southeast England

“GP's do not have any incentive or time to properly evaluate what the person can do and write anything meaningful so instead just sign them off as the simplest and safest option from their perspective” -- SME, Manufacturing, Wales

“[It is] difficult to make preparations for return to work with scant detail and often have gaps in between notes” -- SME, Electricity and/or gas supply, Northeast England

2. Concern that the system for issuing fit notes is open to abuse.

“These are effective for the normal case, but do not protect employers against “bad agents” within the workforce. Clearly you need a sensible policy that protects both.” -- SME, Health and social work, Wales

“They are issued with little consultation and are in practice easy to obtain and poorly evidenced.” -- SME, Construction, Southeast England

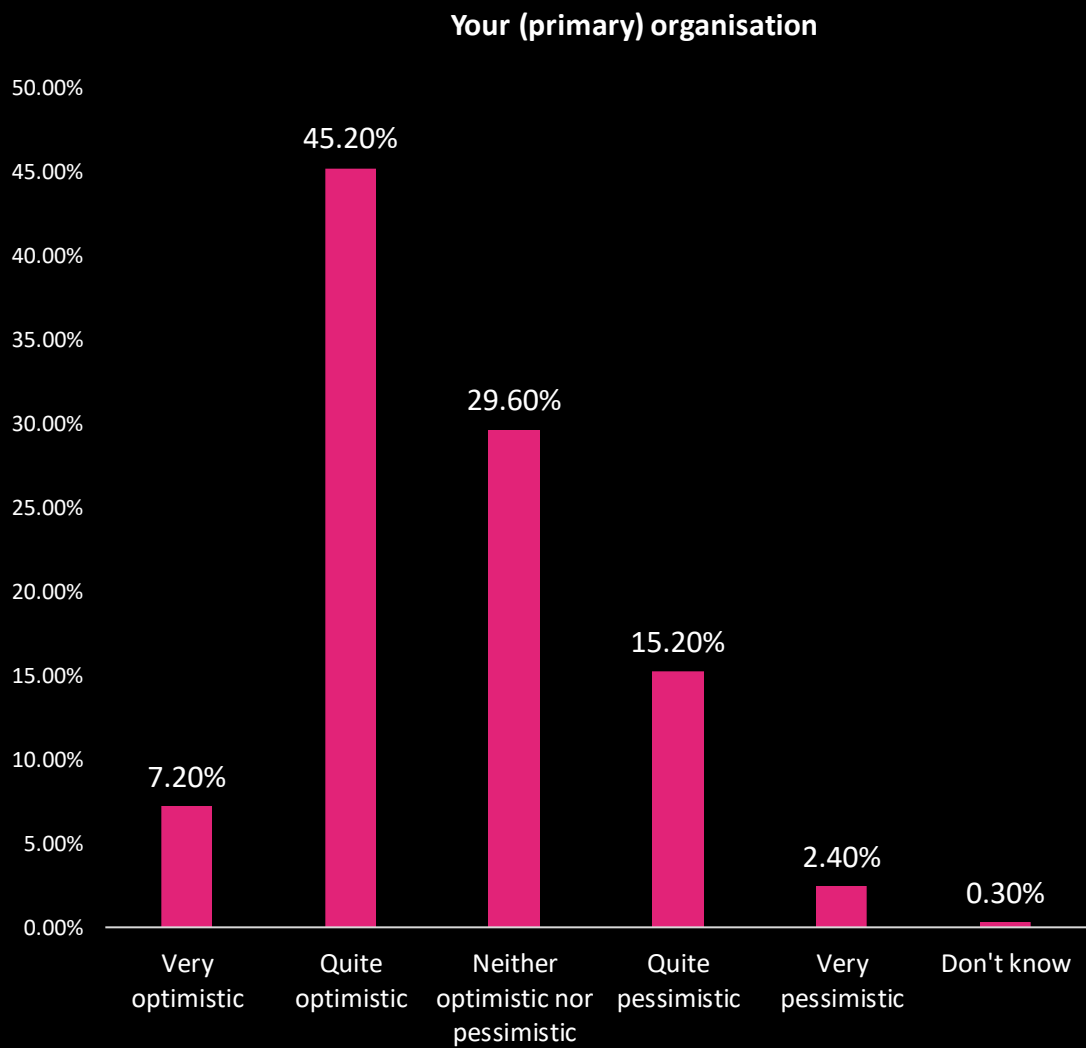
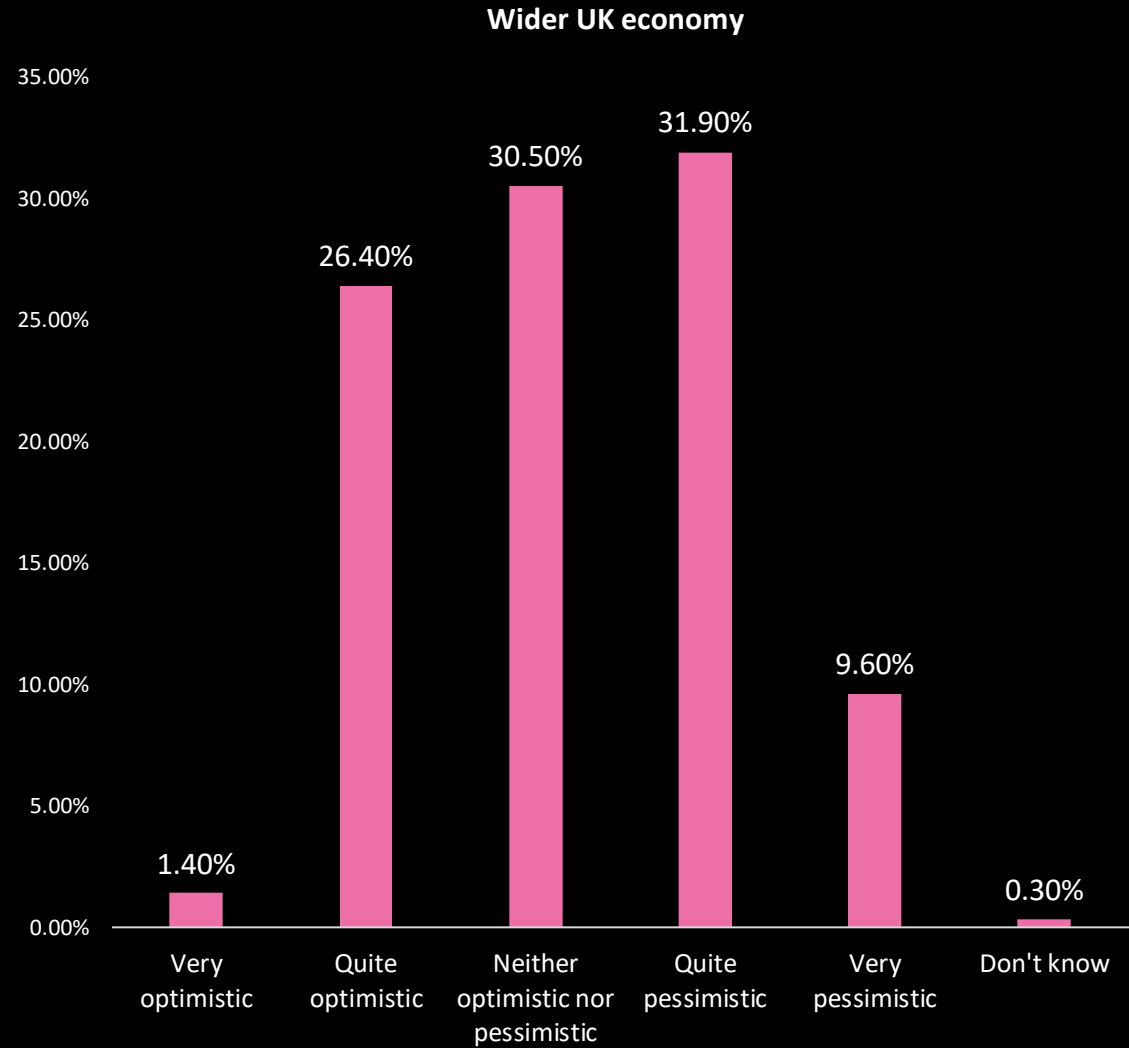
Economic Monitoring: Data

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

This month's data was featured in the Daily Mail, The i Newspaper and on LBC.



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

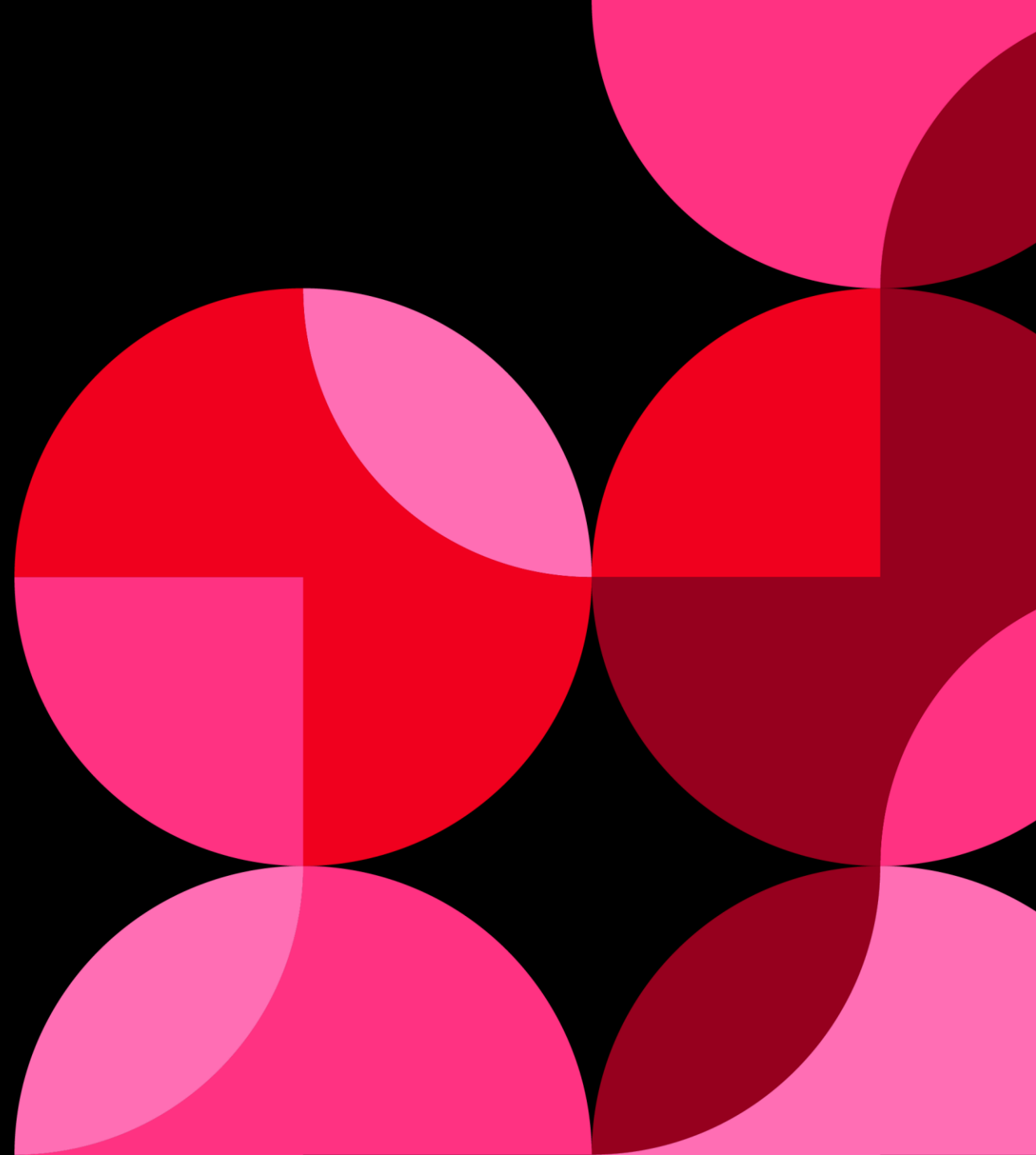




Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

Row Labels	Business investment	Costs	Exports	Headcount	Revenue	Wages
Much higher	4.3%	34.1%	0.9%	13.9%	5.7%	39.7%
Somewhat higher	11.0%	68.3%	1.0%	3.6%	0.7%	14.6%
No change	3.8%	17.6%	0.9%	4.8%	1.4%	29.8%
Somewhat lower	1.9%	33.6%	0.7%	10.6%	2.7%	48.8%
Much lower	6.3%	52.4%	0.5%	17.3%	2.7%	19.7%
Don't know	4.5%	51.9%	0.5%	3.4%	0.9%	38.0%
N/A	4.3%	34.1%	0.9%	13.9%	5.7%	39.7%

Economic Monitoring: Trends





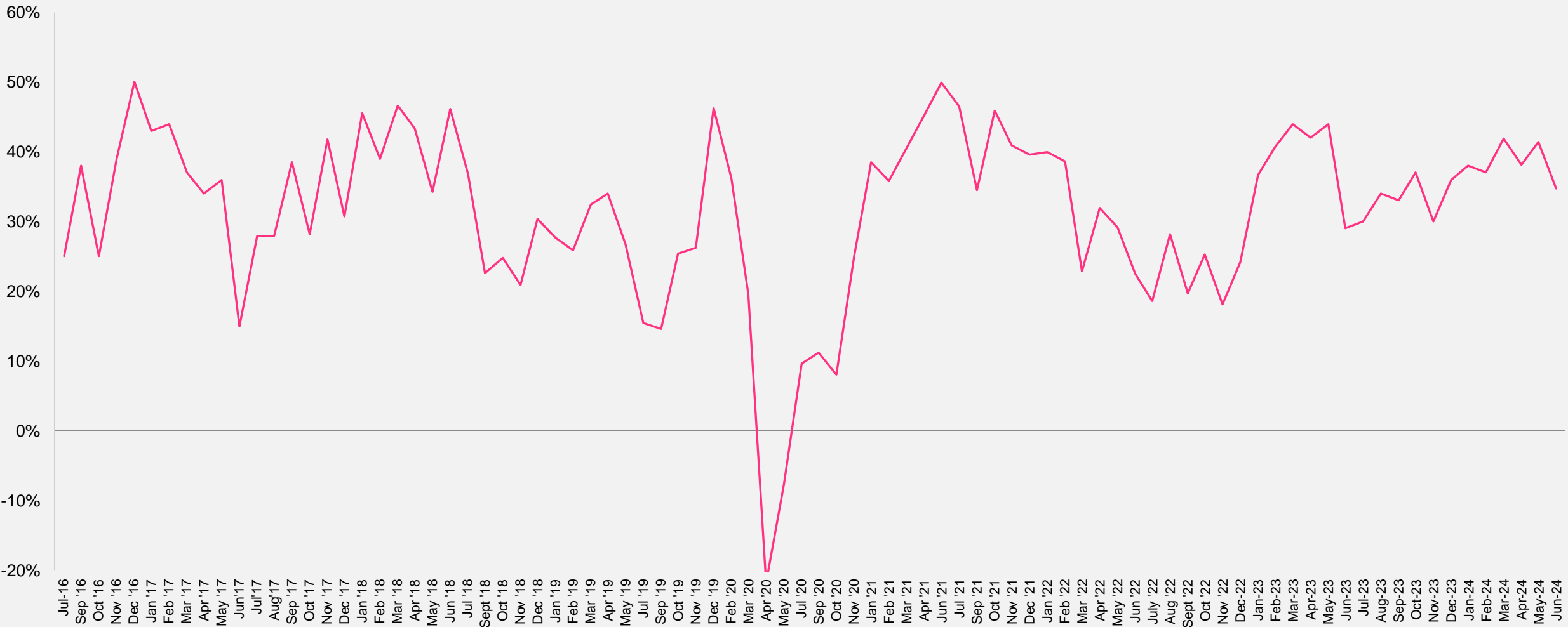
Economic confidence amongst business leaders hits four-month low





Confidence in own firm's prospects falls in June

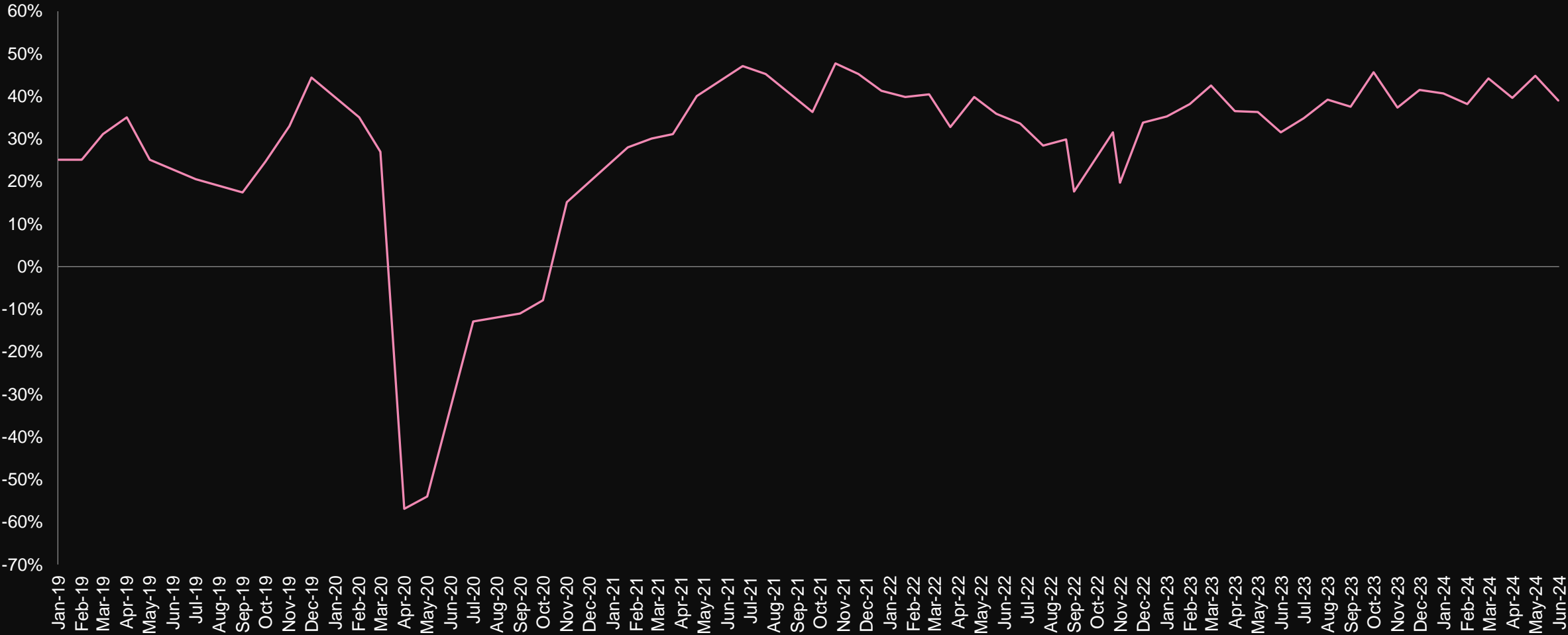
How optimistic are you about your own organisation over the next 12 months?
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





Net revenue expectations continue to hold largely stable

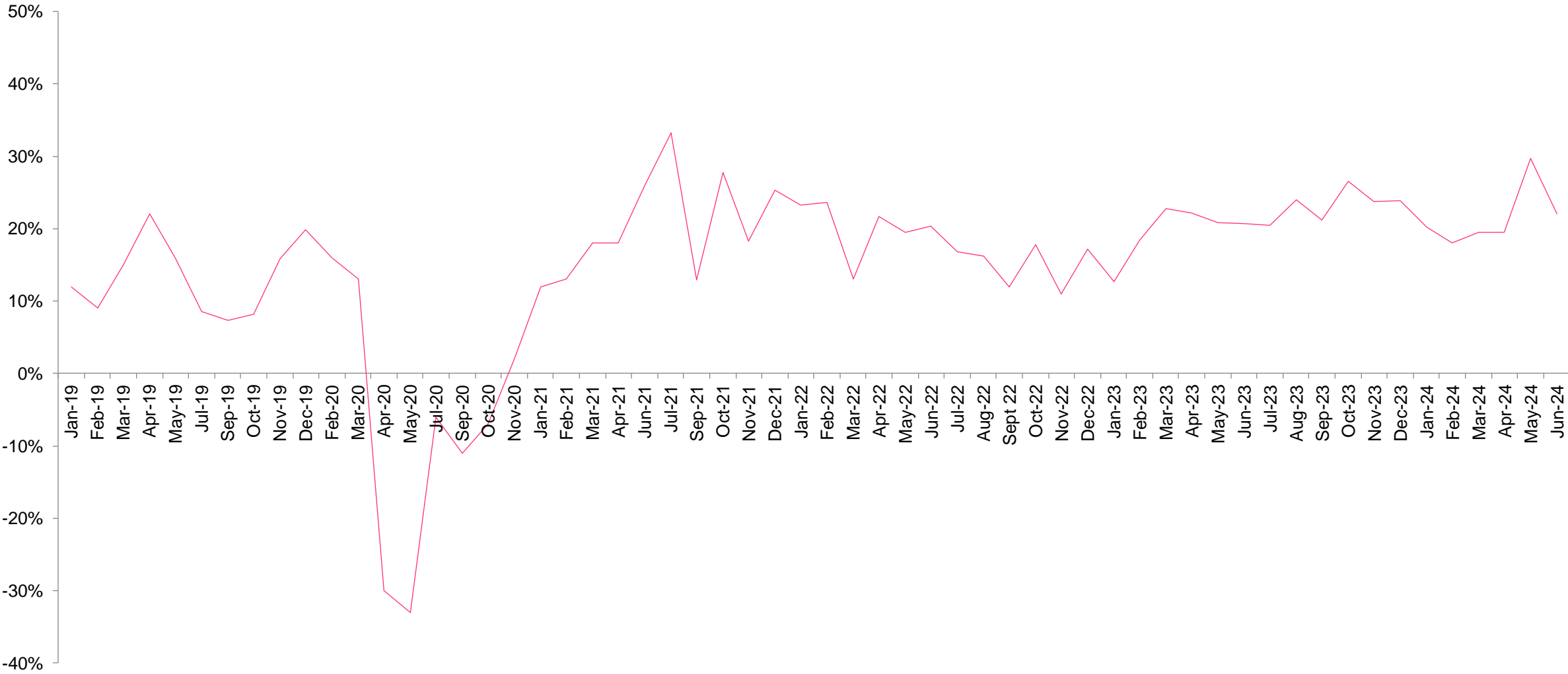
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Headcount expectations fall back in June following spike in May

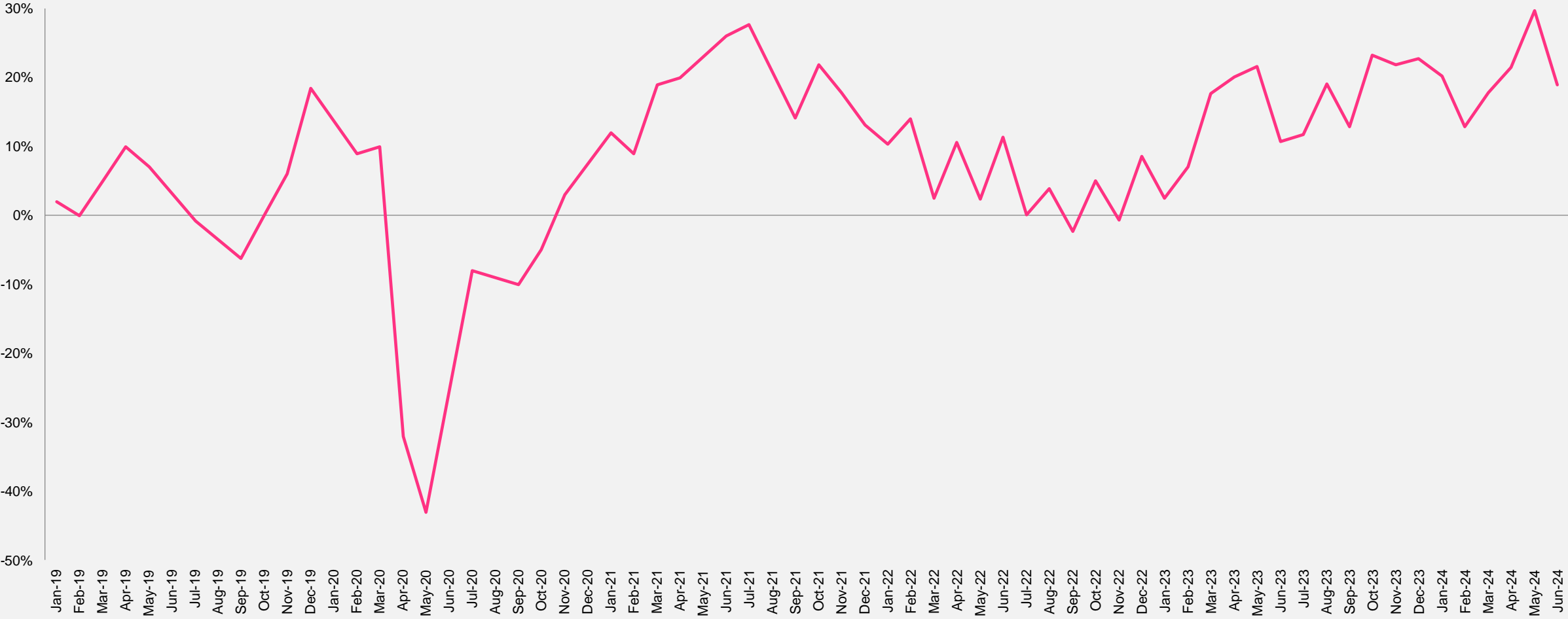
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: **HEADCOUNT**.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Investment intentions end steady increase in June

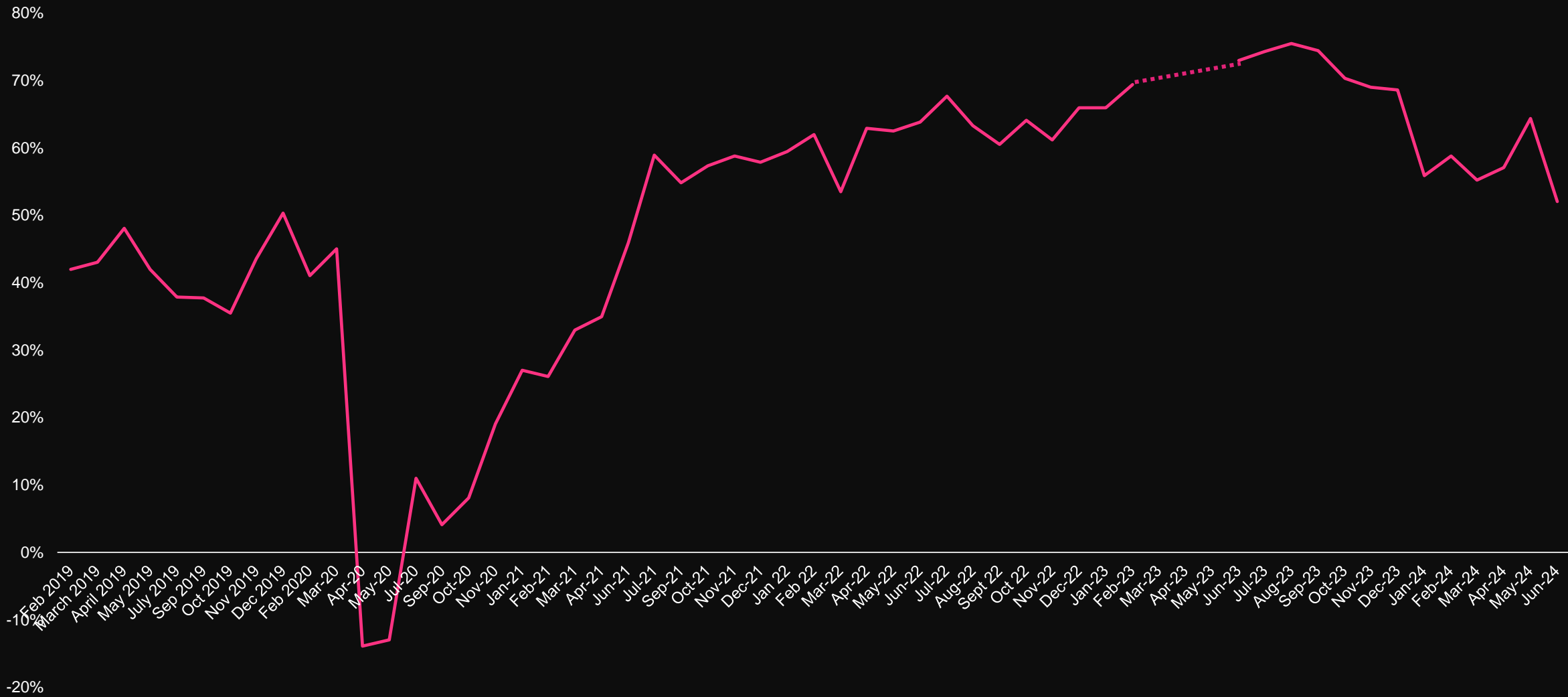
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Wage cost pressures drop back in June, after spiking in May

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

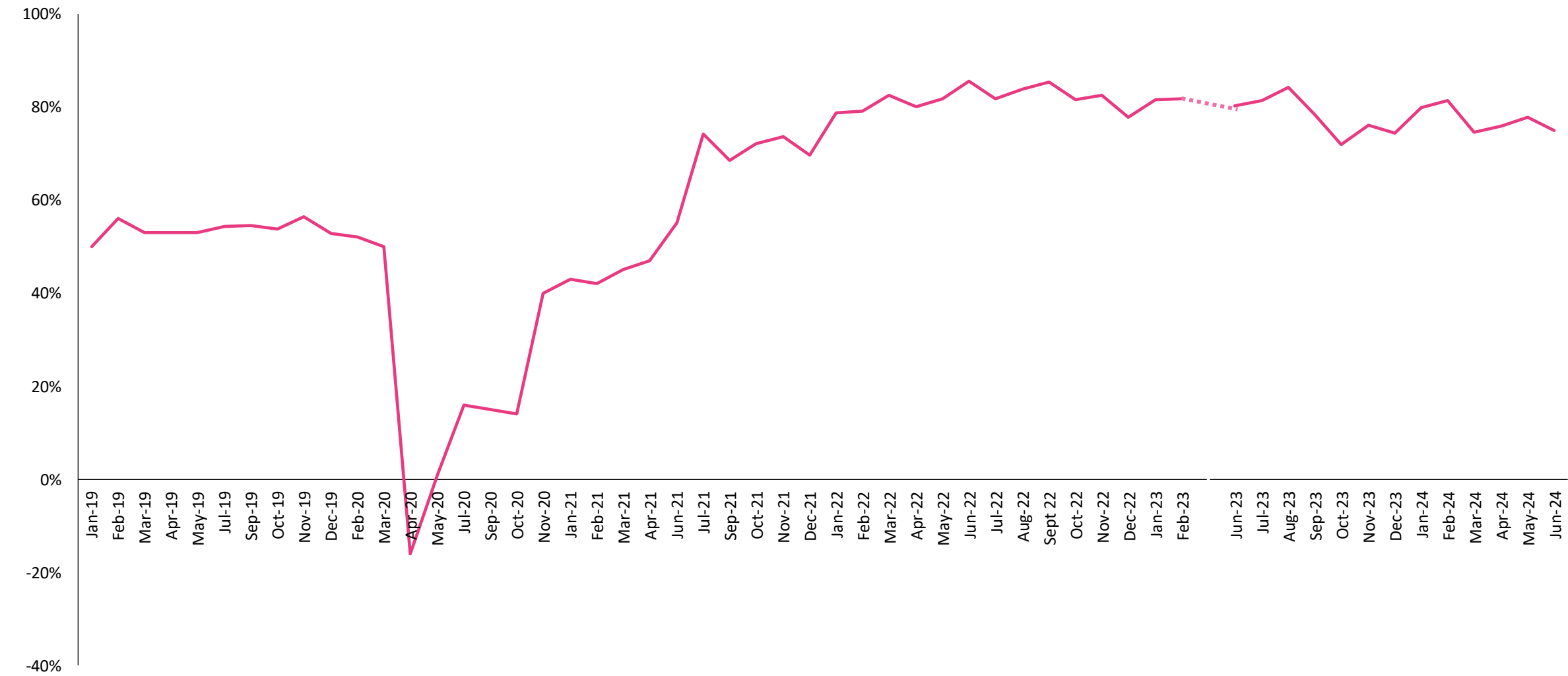


..... = question not asked



Cost expectations continue to hold steady

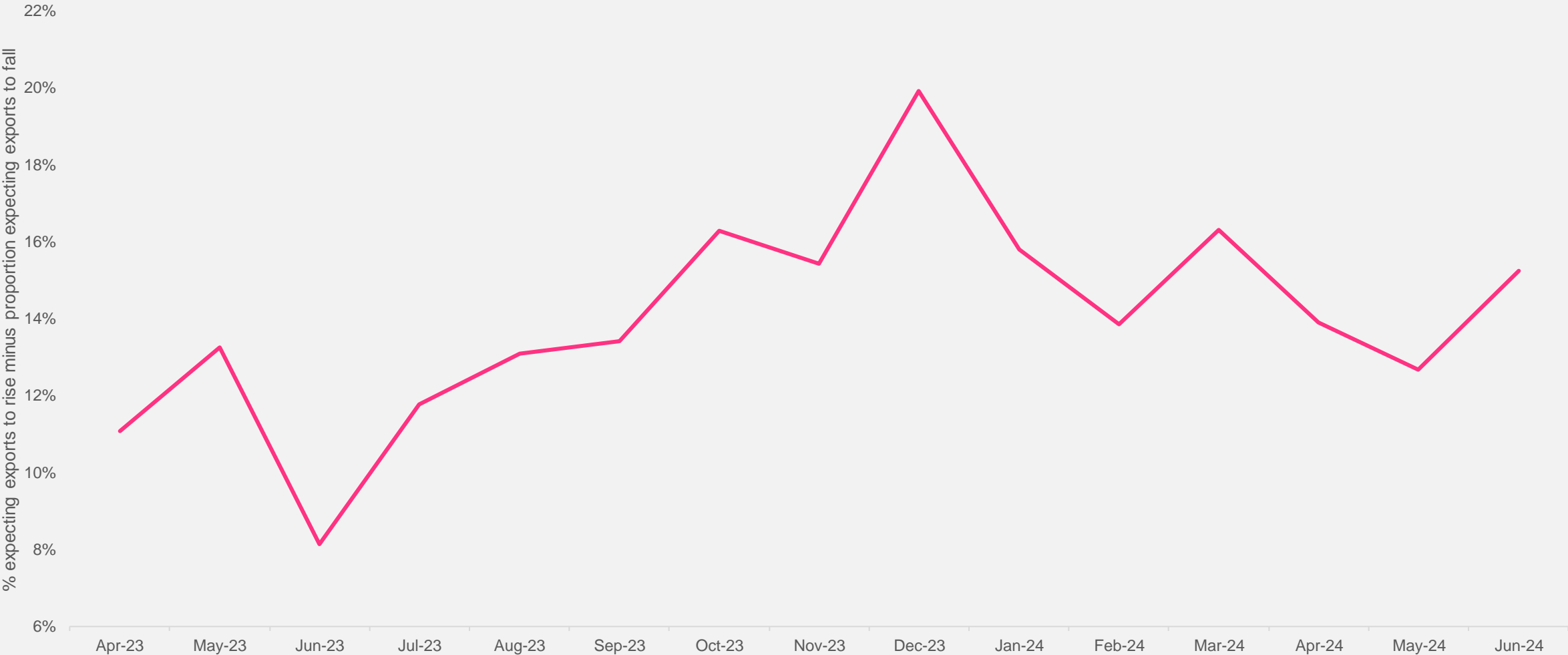
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Export expectations pick-up in June

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.