



# Policy Voice full survey results September 2025

- The Autumn Budget 2025
- Import and export markets
- Economic Confidence

Number of respondents: 588

Survey Dates: 12 - 29 September 2025



# The Autumn Budget 2025

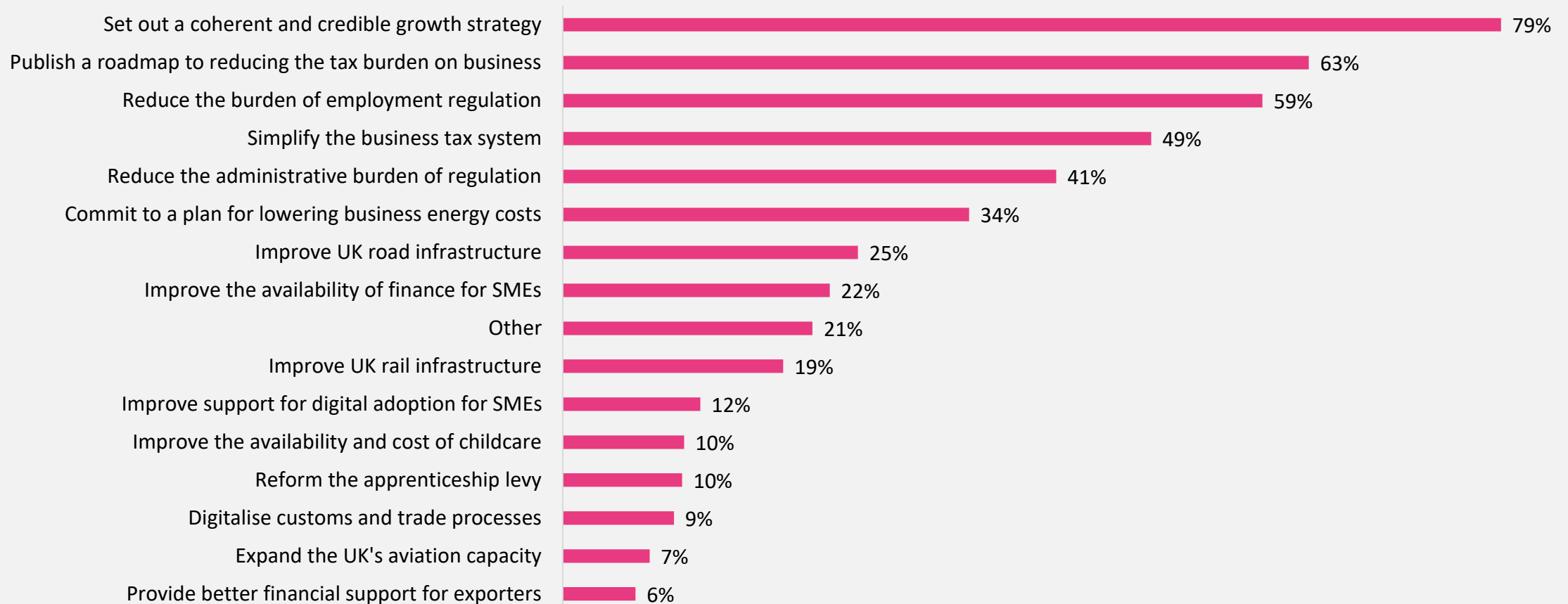
The Government has set the Autumn Budget for 26 November. We want to gauge member priorities to inform key areas of influence in our submission to the Budget.



## Over three quarters IoD members want a clear government growth strategy

### Which of the following, if any, would you most want to see government do to address business challenges?

Please select up to five priorities





The further comments reflect the headline results, that members want to see a coherent and credible growth strategy, that they want a reduction in the tax burden on business, that they want to see an easing of the employment regulation burden.

Businesses tell us they are in survival mode as they grapple with high business taxes. They also express concern at the level of impact that high taxes have on the UK economy as a whole. In particular, corporation tax, Employer's National Insurance and inheritance tax are mentioned:

*"High taxes on both employers and employees will crash the economic growth as it has archived in the last 12 months. When the government raises taxes, businesses will pass on the increased costs through higher prices, which will add to inflationary pressures. This, in turn, will reduce productivity and employment, creating conditions that risk prolonged economic stagnation."* (London, 10-49 employees, Construction)

*"Be clear and consistent on pension taxation - especially for those about to retire needing/wanting to make choices as to when to leave employment and start their pension. Key employees & their expertise are considering bringing forward retirement decisions meaning their capabilities and expertise could easily be lost to the workforce - all because of punitive pension taxation policies."* (Scotland, 2-9 employees, Real Estate)

*"Corporation taxes need reducing as the Uk is very uncompetitive inn comparison to the EU. The government need to drive growth by giving certainty to the corporate investment markets to release capital for projects to move forward."* (South East England, 2-9 employees, Construction)

*"Simplify business taxes and ensure large companies pay more than SMEs who can't afford high cost tax advisors to manage their tax structures and mitigate their tax payments and contributions to the UK economy."* (South East England)

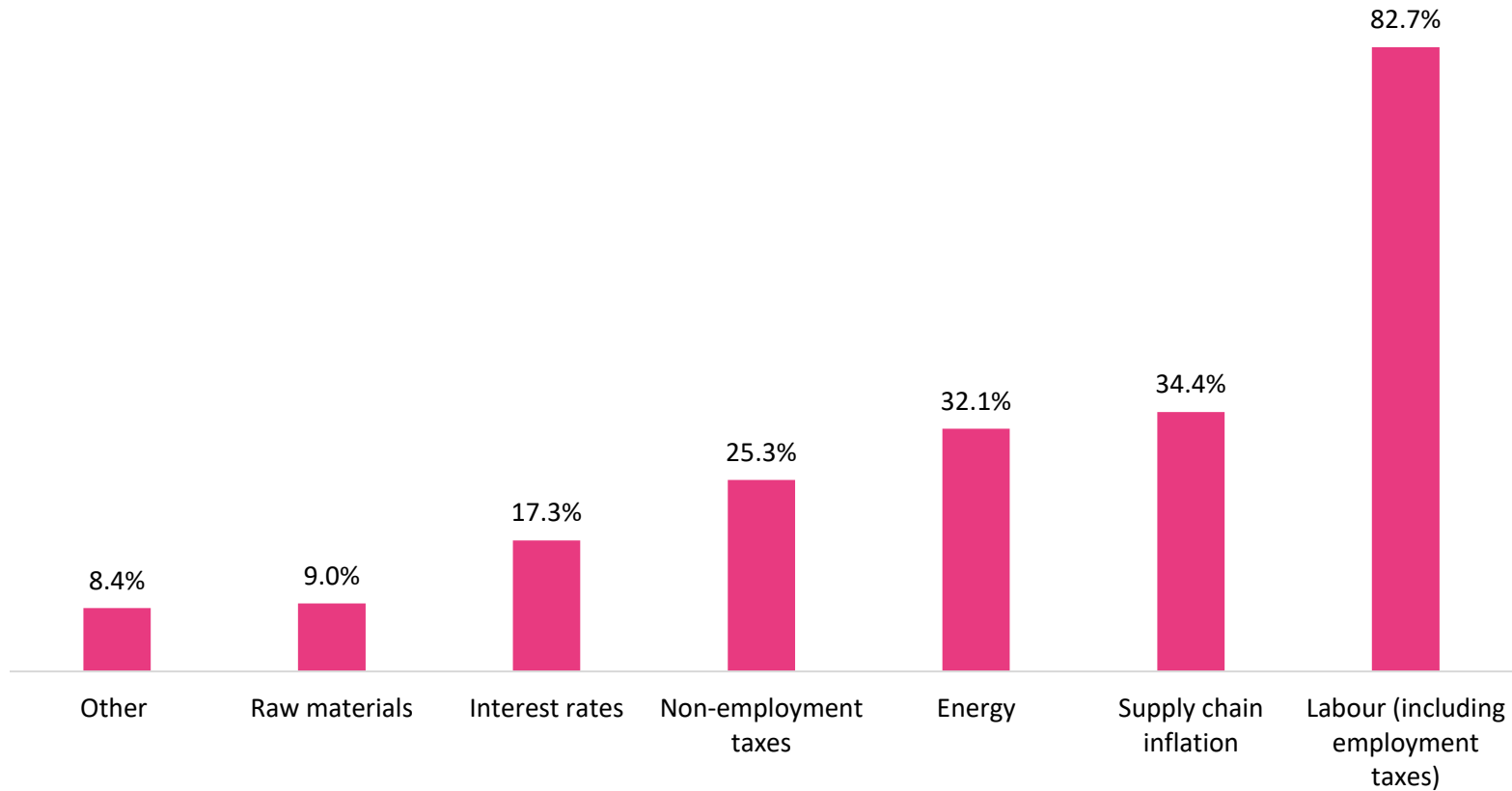
*"Supporting business should be the key message, we can't keep taking the brunt of the costs. Increasing minimum wage and national insurance is not a viable continued policy. To drive growth we need to re think the business and agricultural business property changes on inheritance tax as this will undoubtedly reduce investment in business and should a death occur mean business cease to exist!"* (North West England, 50-99 employees, Professional, scientific and technical activities)





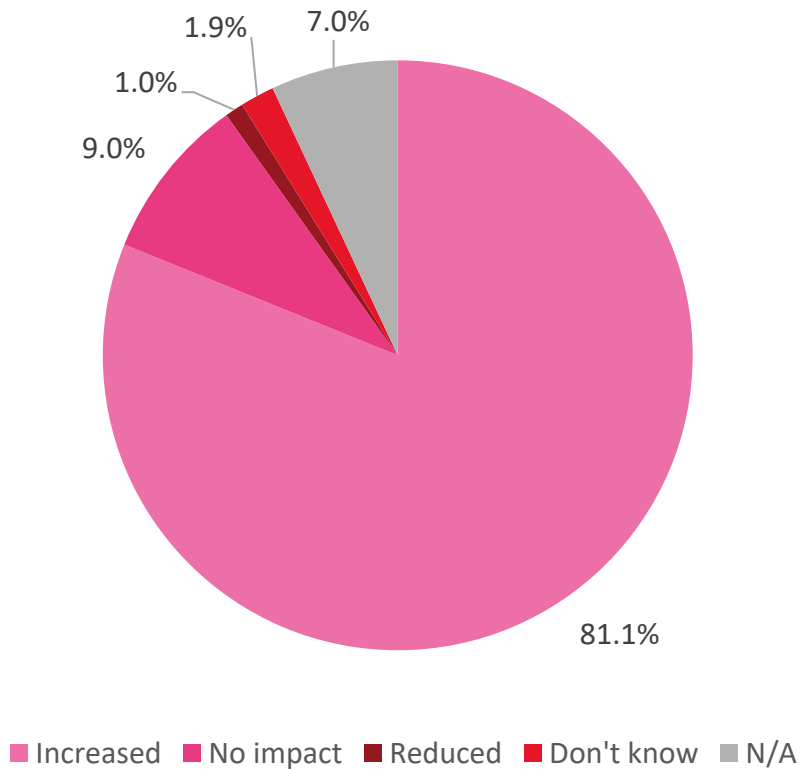
## Labour, including employment taxes, are top drivers of IoD members' business costs

What are the biggest factors driving your outlook for costs over the year ahead?



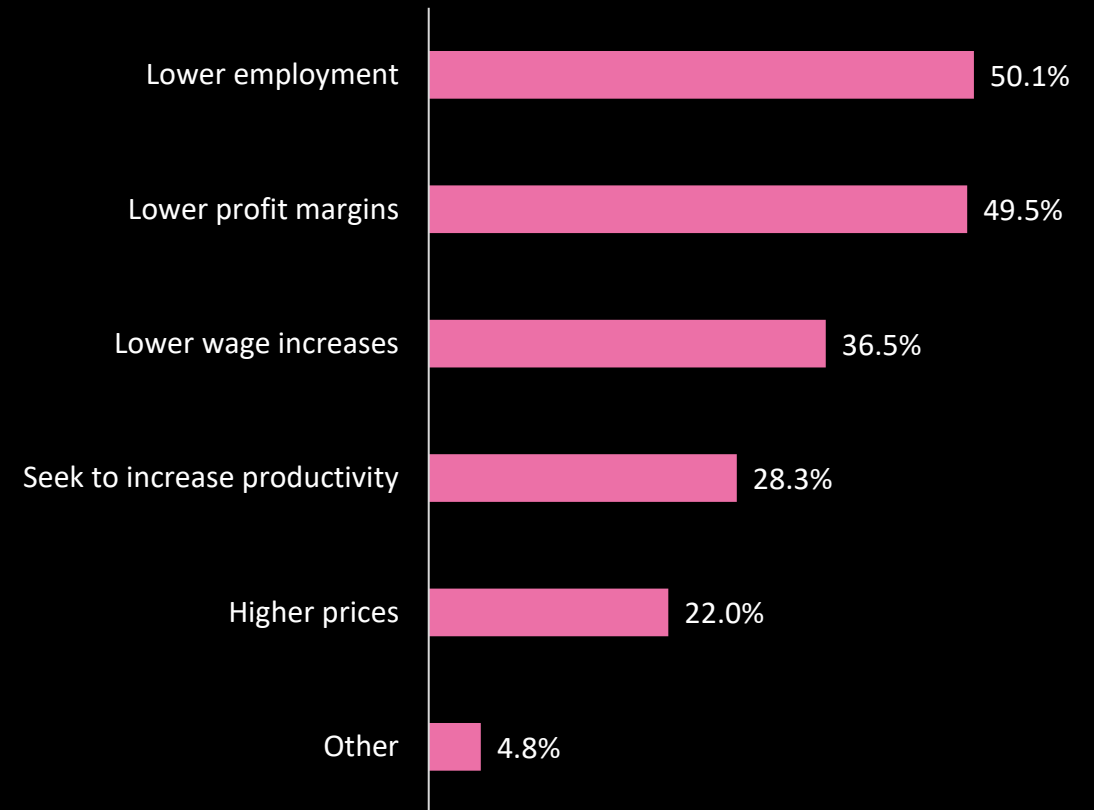
## IoD members confirm higher NI bills after the 2024 Budget

Have the changes to employer National Insurance in last year's Budget increased or reduced your employer National Insurance bill?



## Higher NI bills pushed IoD members to cut jobs and profits

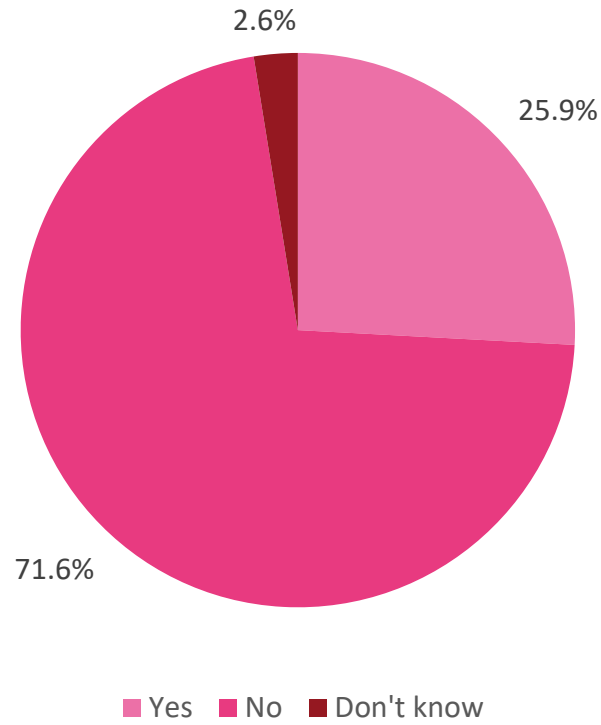
You said the changes have increased your employer National Insurance bill. How have you responded?





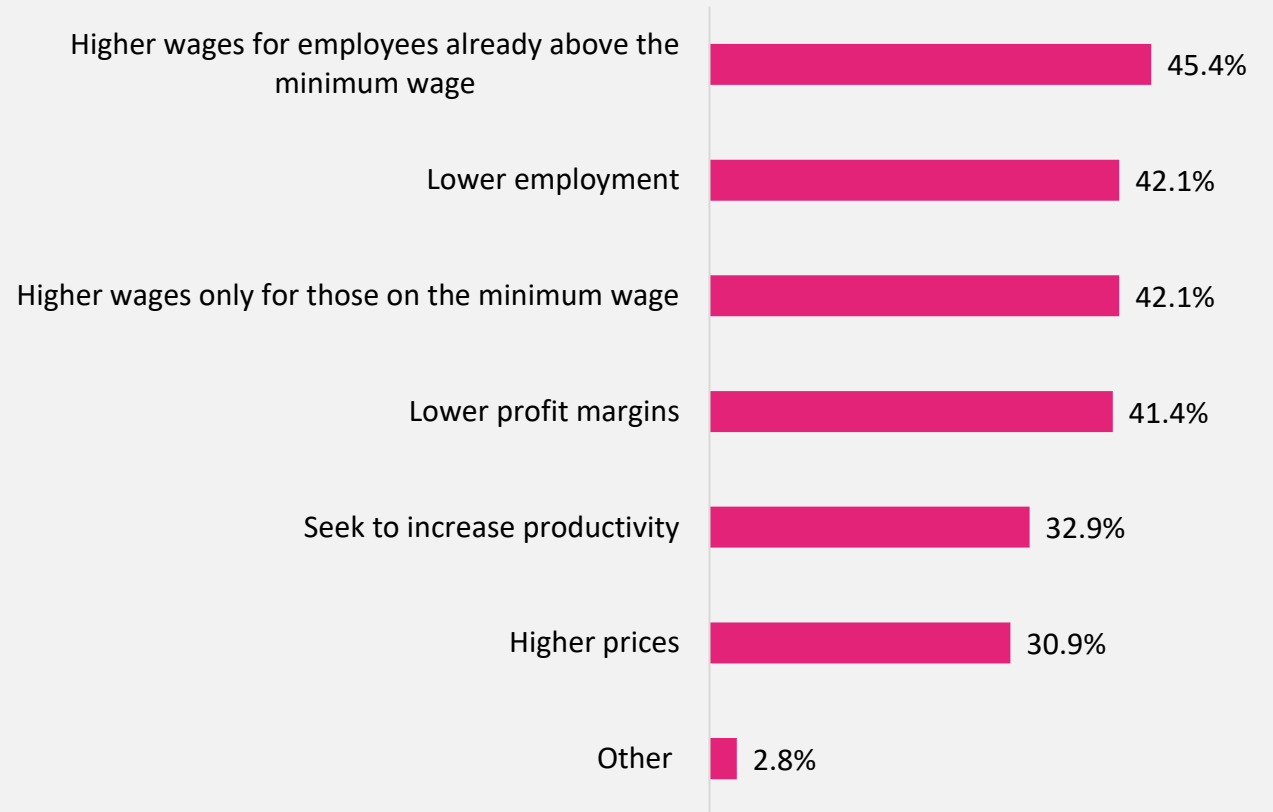
## Most IoD members don't employ minimum-wage staff

Do you - or have you in the past year - employed those on the National Minimum Wage?



## Minimum wage rise prompted IoD members to raise pay, reduce staff and lower profits

How have you responded to this year's increase in National Minimum Wage rates?





**Many comments mentioned the importance of skills and the challenge of recruiting as a result of employment regulation and the cost of hiring staff:**

*“Everything the Government do regarding employment makes employing staff more challenging and a last resort. Not all employers wish to take advantage of their employees, most understand they are our biggest asset, however there also needs to be an awareness employees can take advantage of employers, and use the system to do so.”* (East Midlands, 100-249 employees, Wholesale and retail trade)

*“I am mandated to pay my staff at least the Real Living Wage, and we are an accredited employer. I strongly support the option to pay staff at a realistic level. however the hike in employers NI has really hit us and it will only get worse if the RLW rises by the level that I'm expecting it to. The elevated levels of employers contributions now means that we are financially penalised for doing the right thing by our staff.”* (Scotland, 10-49 employees, Professional, scientific and technical activities)

*“This government is no friend to SMEs and sadly, those that have the money and ability to do so are moving out of the UK or at the very least moving their money. Those of us who are "in the middle" are stuck with the prospect of watching this government chip away at everything we have worked for.”* (North East England, 10-49 employees, Education)

**There was a recurring theme that these issues will most impact SMEs where larger businesses might be able to shoulder the burden better, and so small firms should be taken into account more in any Budget plans:**

*“The current system is stifling growth of SMES and reducing investment from larger organisations which has a flow down impact on smaller supply partners.”* (London, 100-249 employees, Transportation and storage)

*“Enhance access to government contracts for SMEs. The Procurement Act 2023 was intended to facilitate this but in effect very little has changed. We recently bid for a consultancy contract which was allegedly ear-marked for SMEs but was won by a very large global consultancy with a score of 99% - usually unheard of in public sector procurement processes.”* (Northern Ireland, 2-9 employees, Professional, scientific and technical activities)

**Meanwhile, businesses are calling for certainty so that they can plan effectively for the future:**

*“Create certainty, by having one budget a year, with a relatively fixed date - months of uncertainty and speculation are killing small (and probably larger) businesses as we are stuck with indecision about what might happen. We could cope with many things, but need clarity so we know what to deal with and how to plan our businesses.”* (Yorkshire and the Humber, 2-9 employees, Financial services)

*“Businesses need certainty, and a long lead time. At the moment the government doesn't inspire confidence in terms of how they are going to fill the budget blackhole.”* (London, 10-49 employees, Financial Services)

*“We need reliability and certainty and have neither, even though it was promised, higher taxes even if on wealth or property will have a knock on effect of people being worse off and looking for higher pay, with new employment legislation coming alongside already increased NIC, jobs are going to be lost. Please can we be that frank with government. We are not in an environment to thrive.”* (North West England, 100-249 employees, Information and Communication)

*“Create certainty, by having one budget a year, with a relatively fixed date - months of uncertainty and speculation are killing small (and probably larger) businesses as we are stuck with indecision about what might happen.”* (Yorkshire and the Humber, 2-9 employees, Financial Services)

**Several key sectors were highlighted as being vital for the government to account for in the Autumn Budget, such as manufacturing, AI and technology and creative industries:**

*“Stimulating business growth, especially in sectors like tech, manufacturing, and the creative industries, should be prioritised. As should investment in skills training, apprenticeships, and further education all of which is critical for a modern economy.”* (South East England, 10-49 employees, Wholesale and Retail Trade)

*“Prioritise support for both manufacturing and service sector business which either export, or have the potential to export, over those which do not contribute to addressing the balance of trade deficit. The rebalance to be partially accomplished by higher taxes on businesses distributing and retailing imported products, and also both commercial and residential landlords.”* (South West England, 2-9 employees, Information and Communication)

*“Government’s priority in the Autumn Budget should be to demonstrate that the UK is serious about becoming a global leader in advanced manufacturing and clean energy... Strengthening skills pathways into high-value advanced manufacturing must also be a priority. A coherent and stable framework of this kind would ensure that businesses can invest with confidence, secure UK capability, and deliver lasting economic and environmental value.”* (North East England, 2-9 employees, Professional, Scientific and Technical Activities)

**Finally, there is a recognition that there is a need to consolidate the UK’s international activities, particularly by strengthening the UK’s relationship with the EU, to remove barriers to exporting:**

*“Rejoining the EU needs to become part of the political discussion.”* (West Midlands, 0-1 employees, Construction)

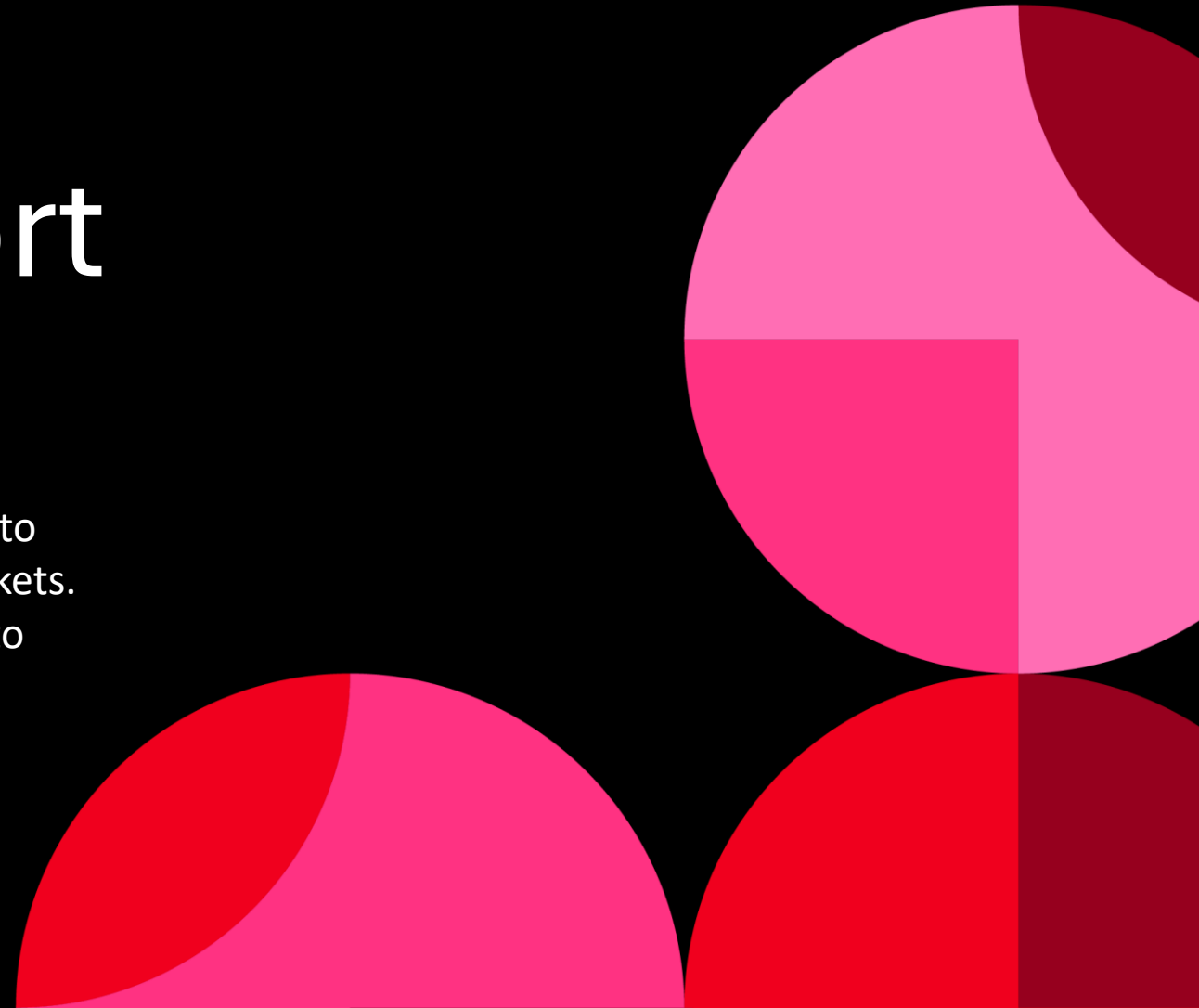
*“Priority must be to target economic growth which can be done by easing tax burden on both businesses and individuals, doing what it can to ensure inflation remains under control, and focusing on improving international trade position.”* (North West England, 100-249 employees, Manufacturing)

*“Speed up agreements with the EU. Youth Mobility Scheme, SPS agreement etc.”* (London, 100-249 employees, Accommodation and Food Services)



# Import and export markets

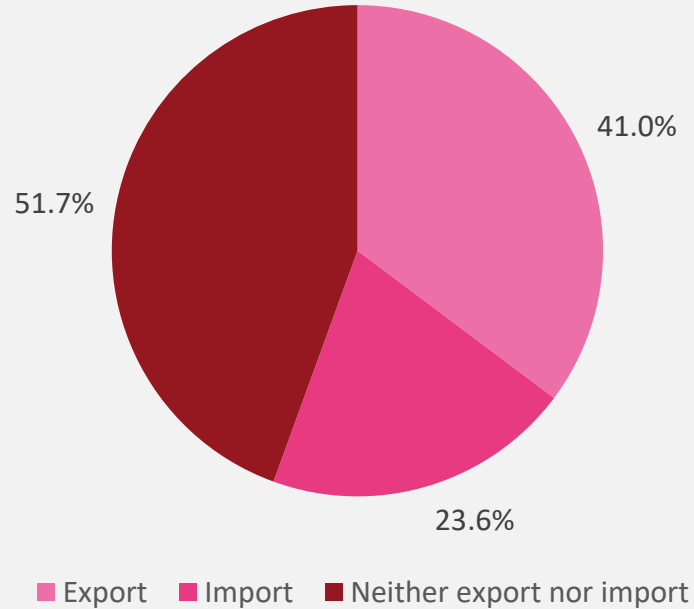
The Government frequently turns to the IoD for input into workstreams regarding different import and export markets. To inform our target research, we would like to be able to map the international markets with which you engage.





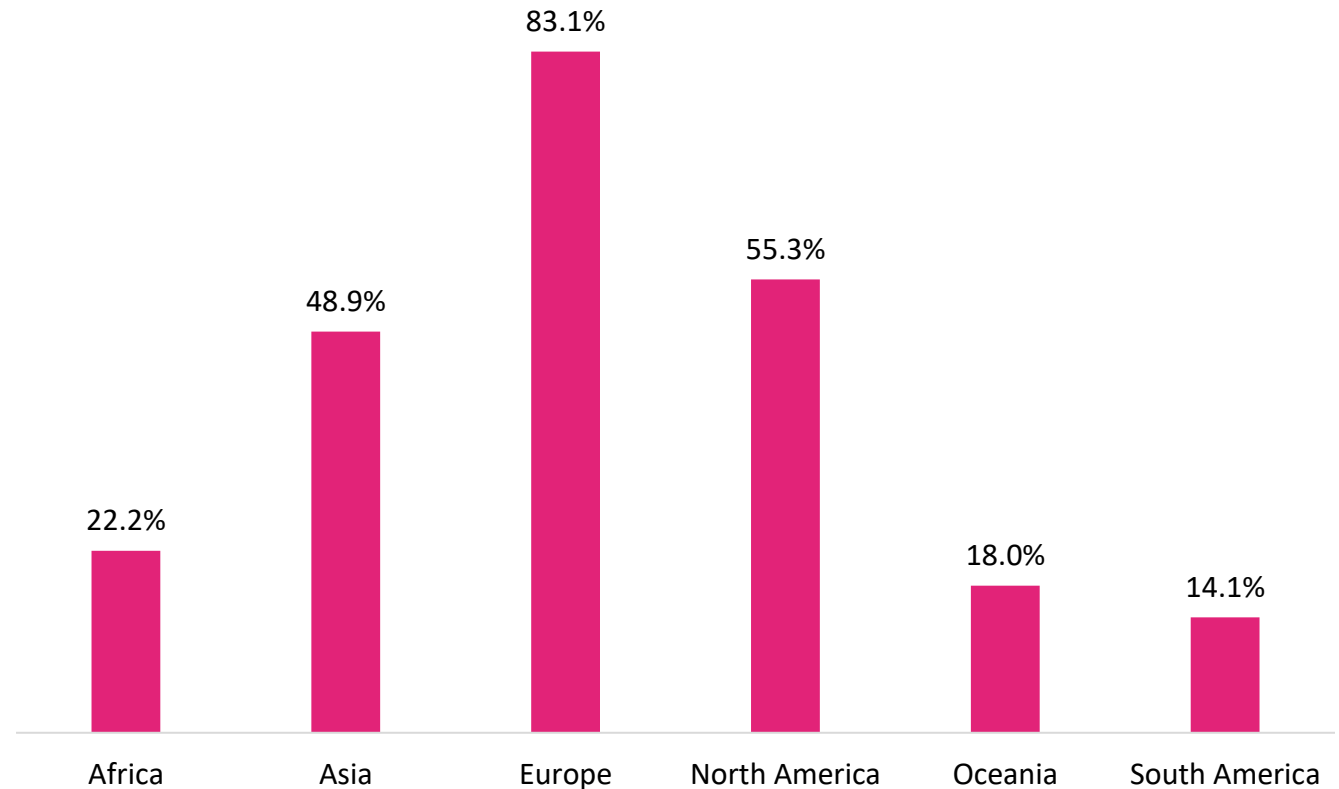
## Over half of IoD members either export or import

Do you export and/or import either goods and/or services internationally?



## IoD members who trade, do so mostly in Europe

Which continents does your organisation export and/or import goods and/or services to?



# Economic Monitoring: Data

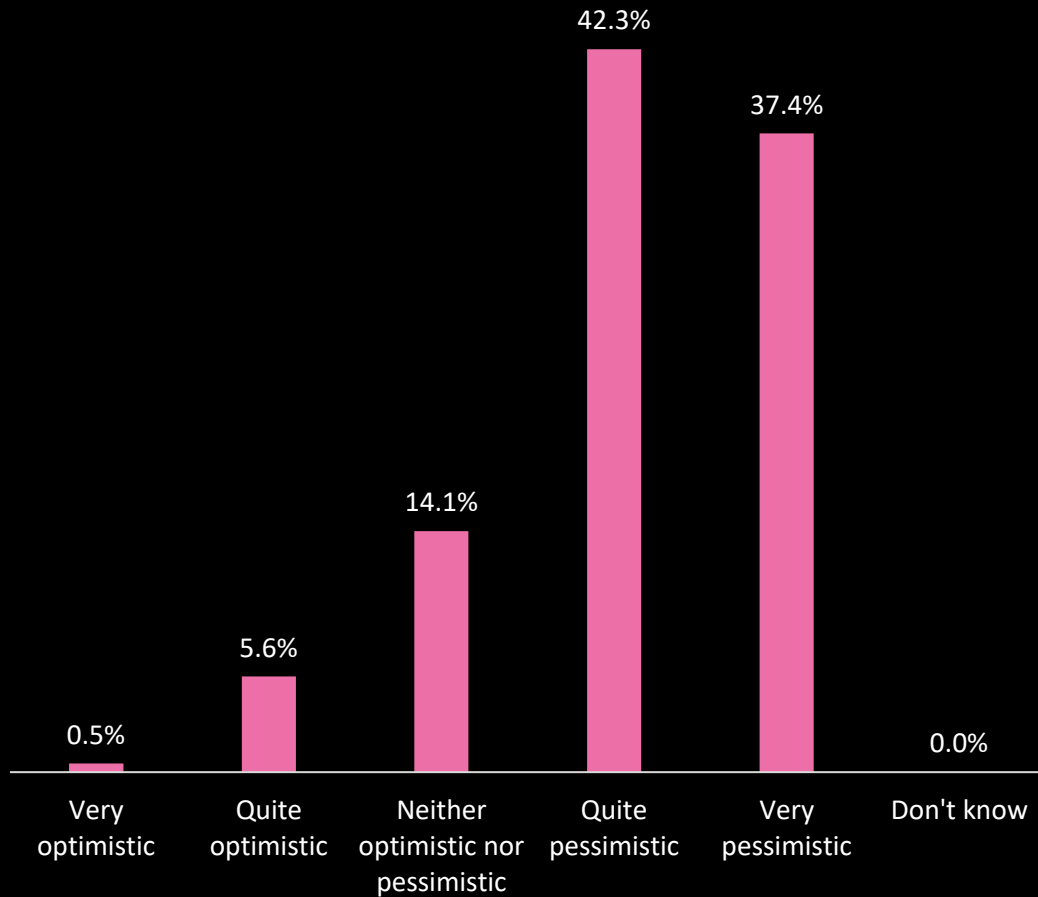
The following data contributed to our [Director's Economic Confidence Index](#), which we send directly into the heart of government each month.

This data is widely reported in the national media.

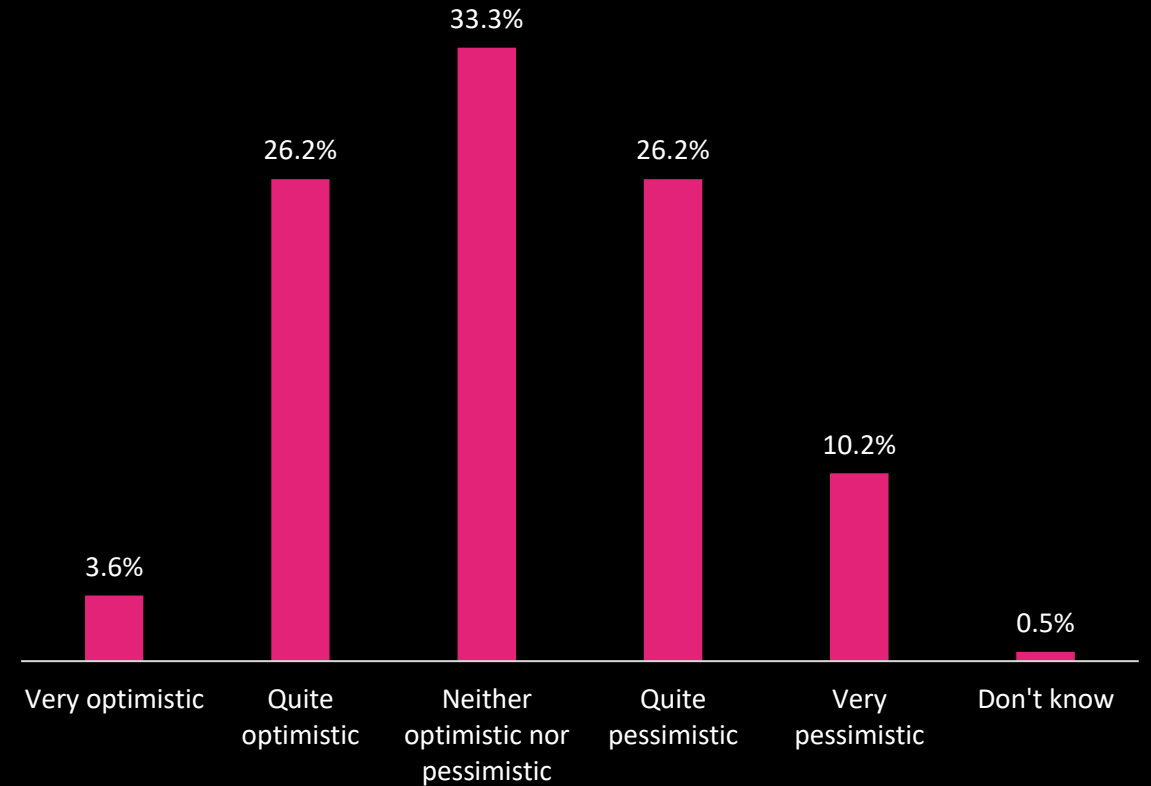


## How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

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:**

	Much higher	Somewhat higher	Don't know	Somewhat lower	Much lower	No change	N/A
Business investment	2.4%	21.1%	31.8%	21.8%	21.6%	0.2%	1.2%
Costs	22.1%	69.4%	4.9%	1.9%	0.9%	0.3%	0.5%
Exports	2.4%	14.8%	23.8%	8.2%	3.2%	1.7%	45.9%
Headcount	1.7%	17.2%	46.4%	23.8%	8.0%	0.9%	2.0%
Revenue	4.3%	33.3%	23.3%	27.0%	10.4%	0.9%	0.9%
Wages	13.8%	56.6%	19.4%	4.1%	2.7%	0.9%	2.6%



**According to the further comments, growth has flat-lined due to restrictive legislation and government policies that have destabilised the economy. These decisions show a worrying lack of understanding of their wider consequences on the business community.**

**On the whole, the further comments showed 5 groupings:**

### **1. Policy instability and uncertainty**

**Frequent and unpredictable changes to tax rules, planning regulations, and industrial policy are making it hard for businesses to plan for the long term. Many firms report projects being delayed or investments being postponed due to government indecision.**

*"The hardest time in 10 years, worse than Covid as we have no confidence in the government and its policies."* (London, Professional, scientific and technical activities, 2-9 employees)

*"Local authorities are hamstrung by continuing real terms budget cuts... this removes the possibility for any kind of longer-term, proactive outlook."* (East of England, Health and social work, 100-249 employees)

*"Planning is impossibly slow and onerous with poorly resourced local authorities. Infrastructure is creaking and road congestion is now killing productivity."* (South East England, Construction, 10-49 employees)

*"We had the worst year since the financial crash! The impact of the disastrous budget has affected our clients."* (Scotland, Professional, scientific and technical activities, 2-9 employees)

### **2. High tax and cost burden**

**Rising income tax, National Insurance contributions, business rates, and sector-specific levies are widely cited as squeezing margins, limiting investment and forcing cost-cutting measures. Many businesses report freezing wages or reducing headcount to stay afloat.**

*"I work from home and keep costs to a minimum. I have taken a part time role to supplement my main business."* (North West England, Professional, scientific and technical activities, 0-1 employees)

*"With the increase in minimum wage, extra employers NI and reduction in Rates relief are all causing prices to rise and therefore reduced customers."* (South East England, Other services, 2-9 employees)

### **3. Labour, skills and workforce pressures**

**A shortage of skilled workers, combined with rising wage costs, is affecting productivity and limiting growth. Businesses are struggling to recruit for both technical and lower-skilled roles, and some are offshoring work to manage costs.**

*"We are being governed by people with no experience of private sector business, its hardly surprising we now see the effects of poor policy."* (West Midlands, Professional, scientific and technical activities, 2-9 employees)

*"Struggling to find skilled labour and having to self-teach. Funding new machinery to make us more competitive is very costly and prohibitive for SMEs."* (London, Arts, entertainment and recreation, 10-49 employees)

*"We are focusing more and more outside the UK as the UK environment is just too difficult."* (South East England, Other services, 250+ employees)



#### 4. Weak investment and growth prospects

**Many companies have reduced or stopped investment in staff, infrastructure, and innovation due to economic uncertainty. Some report being trapped in difficult positions with little hope of growth, with investment delayed or diverted overseas.**

*"We are in a CVA as our investment in growth went in the opposite direction... I want to sell my business and get out."* (South West England, Professional, scientific and technical activities, 100-249 employees )

*"We are seeking to establish UK-based manufacturing... progress is more difficult than it should be. The policy and funding environment is not aligned."* (West Midlands, Professional, scientific and technical activities, 0-1 employees )

*"We have sold off two of our businesses... less business for us, drop in revenues and increase costs."* (London, Financial services, 250+ employees)

*"Worst period in 30 years trading... reduced headcount dramatically and stopped investment."* (East of England, Construction, 2-9 employees)

#### 5. Resilience

**Some firms, particularly in niche sectors or with strong export markets, report resilience despite domestic pressures. These businesses highlight that growth is possible but is often limited by domestic policy and uncertainty.**

*"We sell mostly to the US, so have been relatively unaffected by UK economic headwinds (so far)."* (London, Information and communication, 10-49 employees)

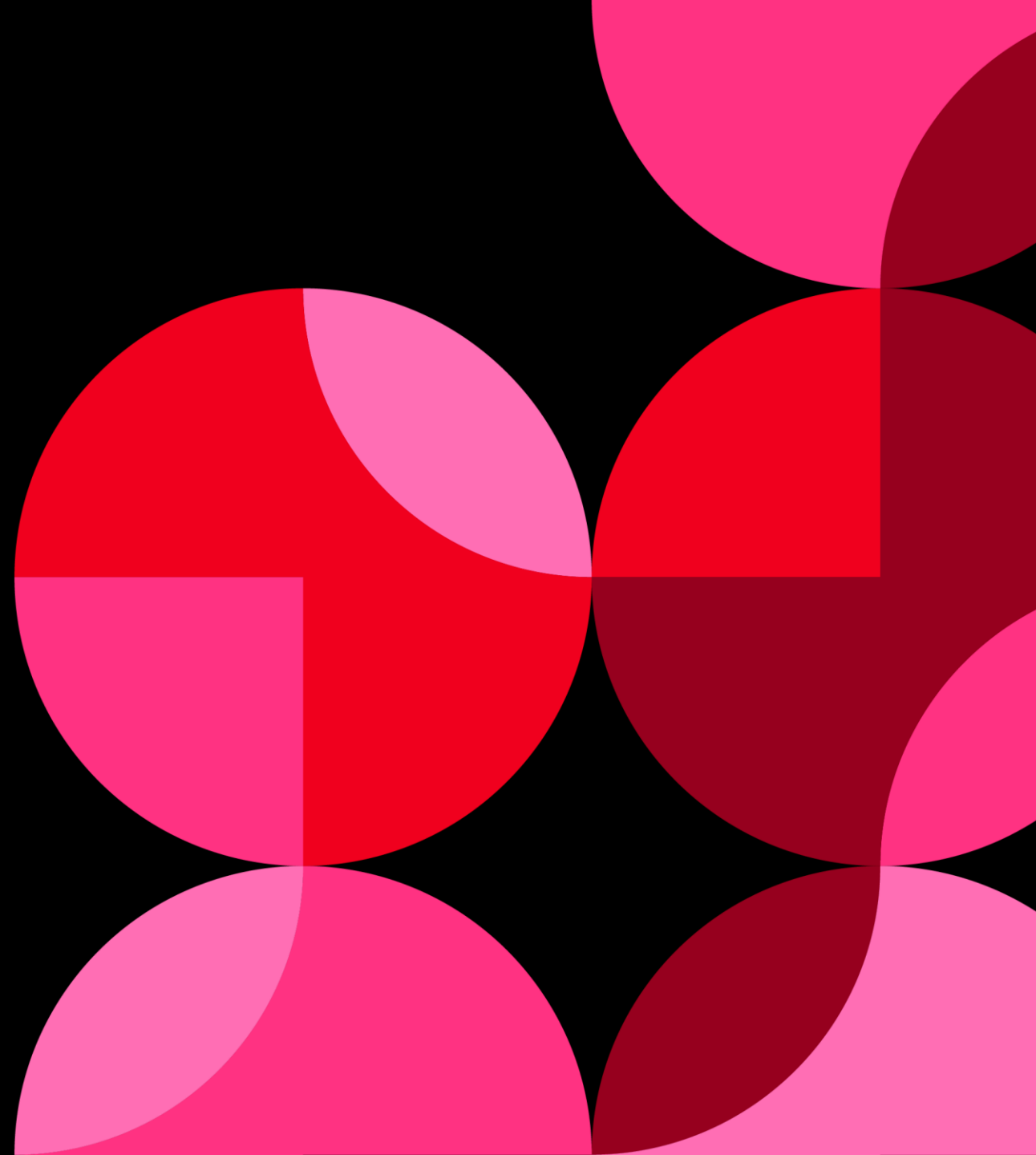
*"We have global clients who want to use our services. We can only grow at the rate we generate margin from the P&L into growth capital."* (Scotland, Professional, scientific and technical activities, 50-99 employees)

*"We are faring quite well as we operate in the nuclear sector... recent UK Government announcements and policy have helped us recently."* (South East England, Manufacturing, 10-49 employees)

**The picture painted by UK businesses is of widespread concern and cautiousness. Firms are struggling with rising costs, regulatory burdens, planning delays, and policy uncertainty. Many are cutting costs, reducing headcount, or delaying investment, while a small number are maintaining growth through niche markets or exports. Overall, sentiment reflects deep unease about the government's handling of economic, regulatory, and tax policies and a belief that long-term growth is being constrained.**

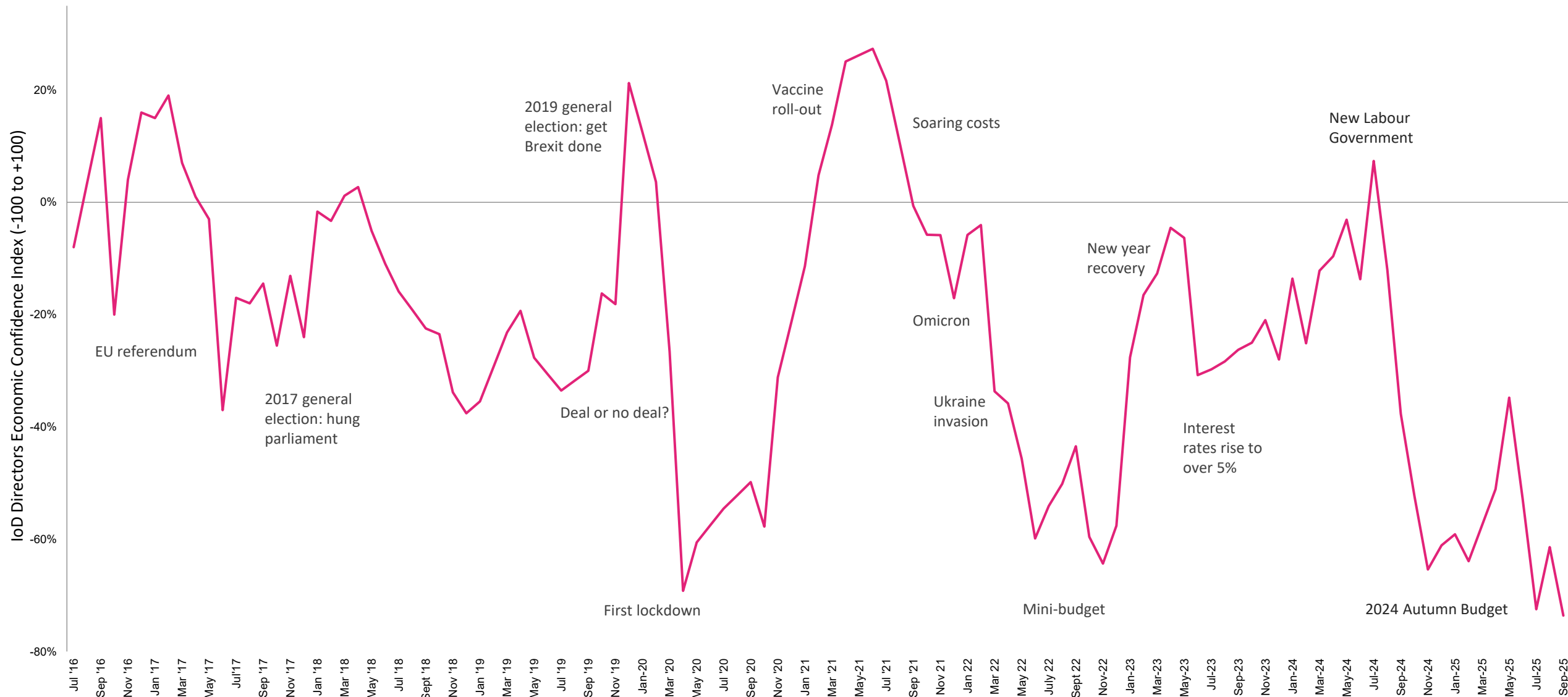


# Economic Monitoring: Trends





# Business confidence falls to new record low in September

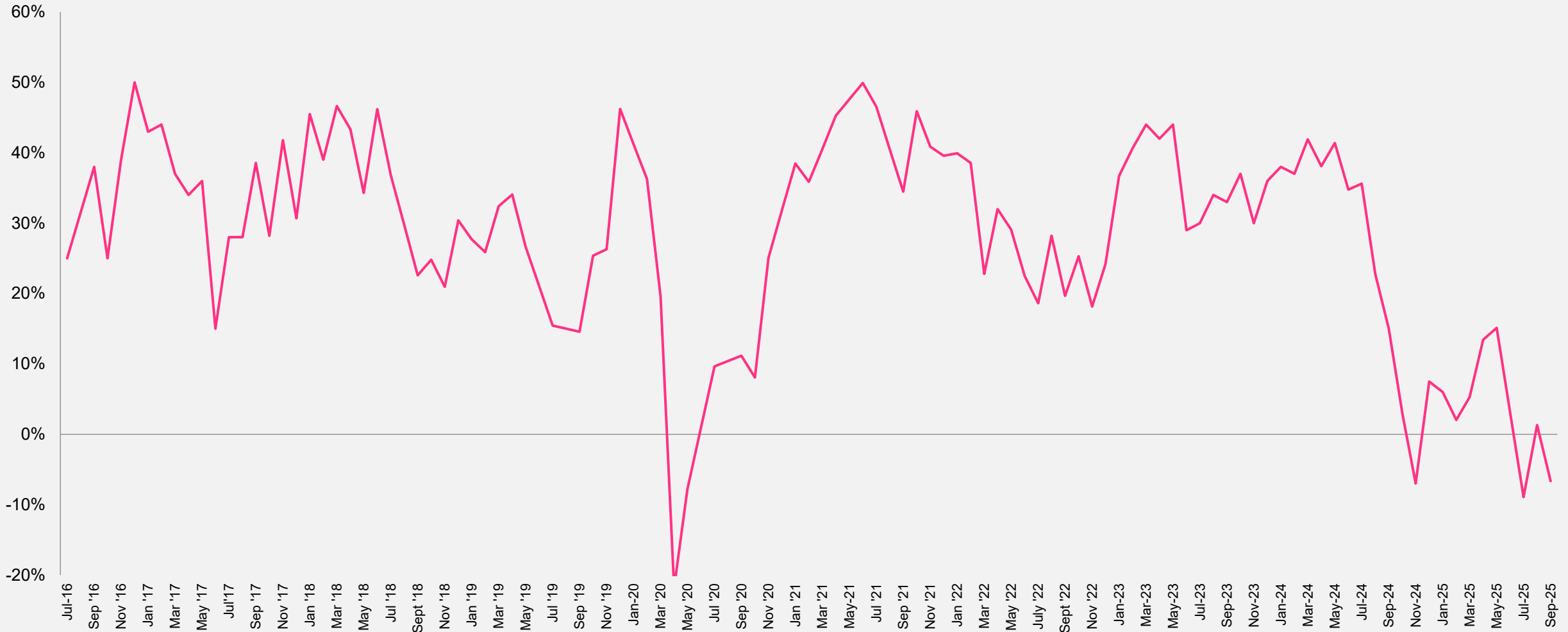




# Business leader confidence in their own organisations matches level recorded in November 2024

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

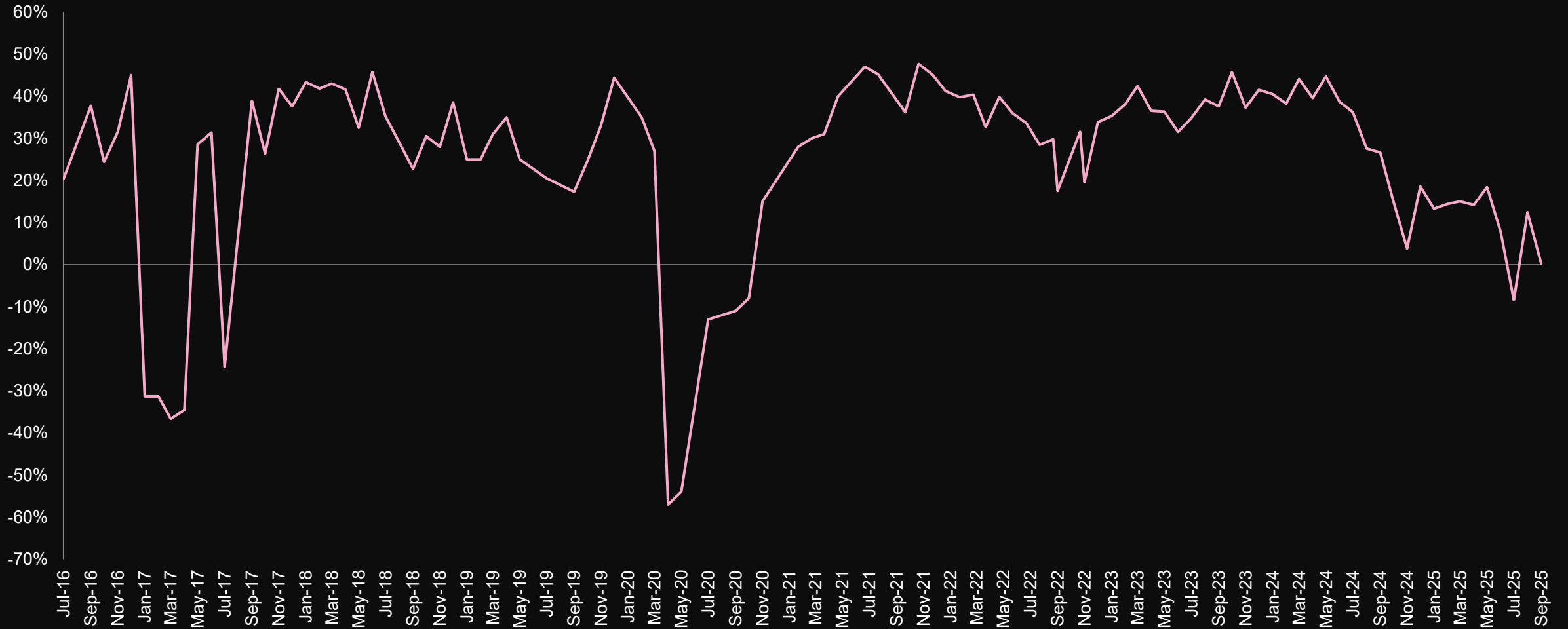
*5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys*





## Revenue expectations fell 12 points to 0 in September 2025

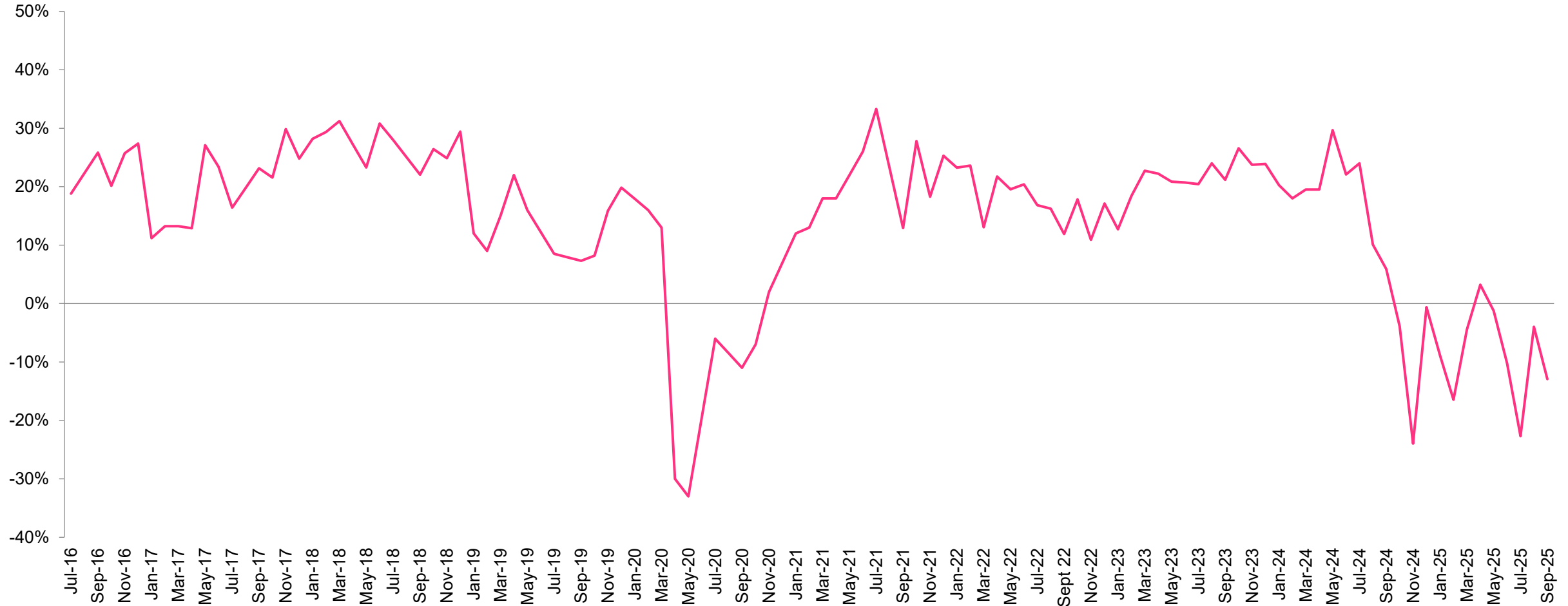
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Headcount expectations fell from -4 to -13 in September

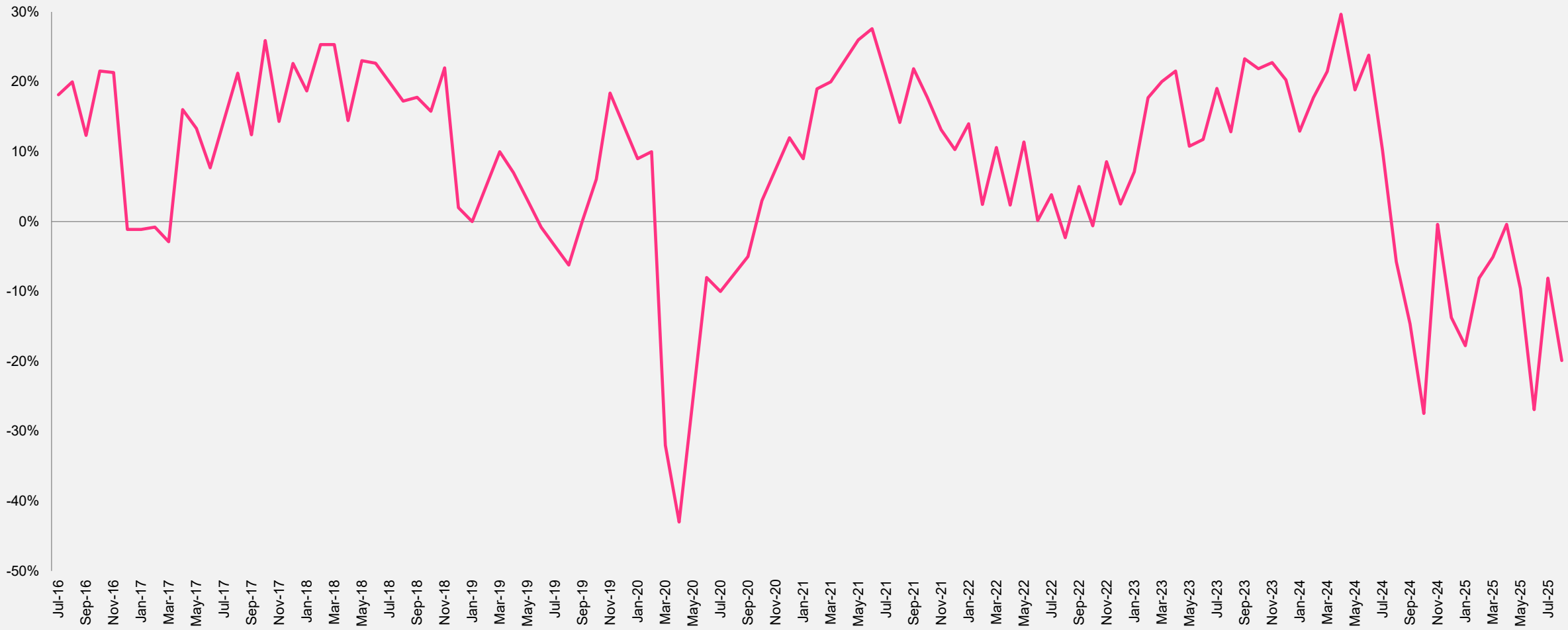
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: **HEADCOUNT**.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Investment intentions also dropped to -20 in September, following rise in August

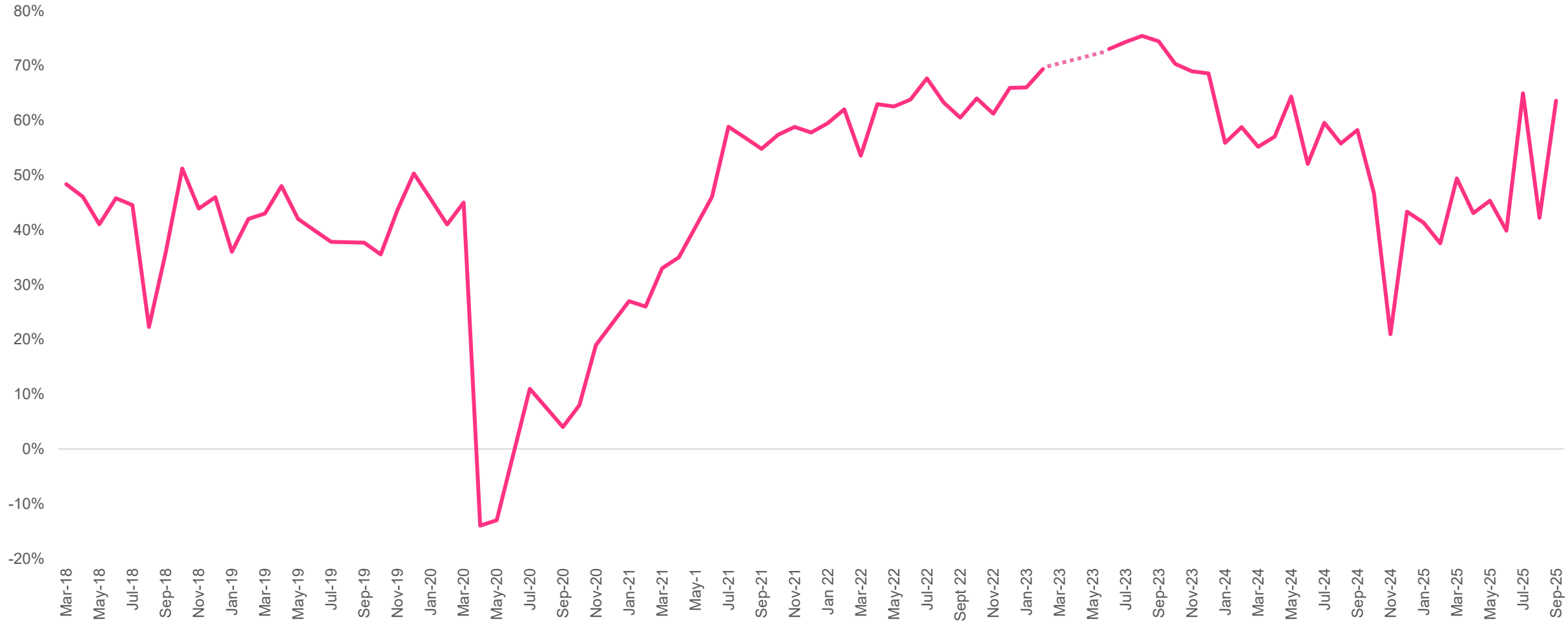
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Wage expectations jumped 22 points to +64 in September

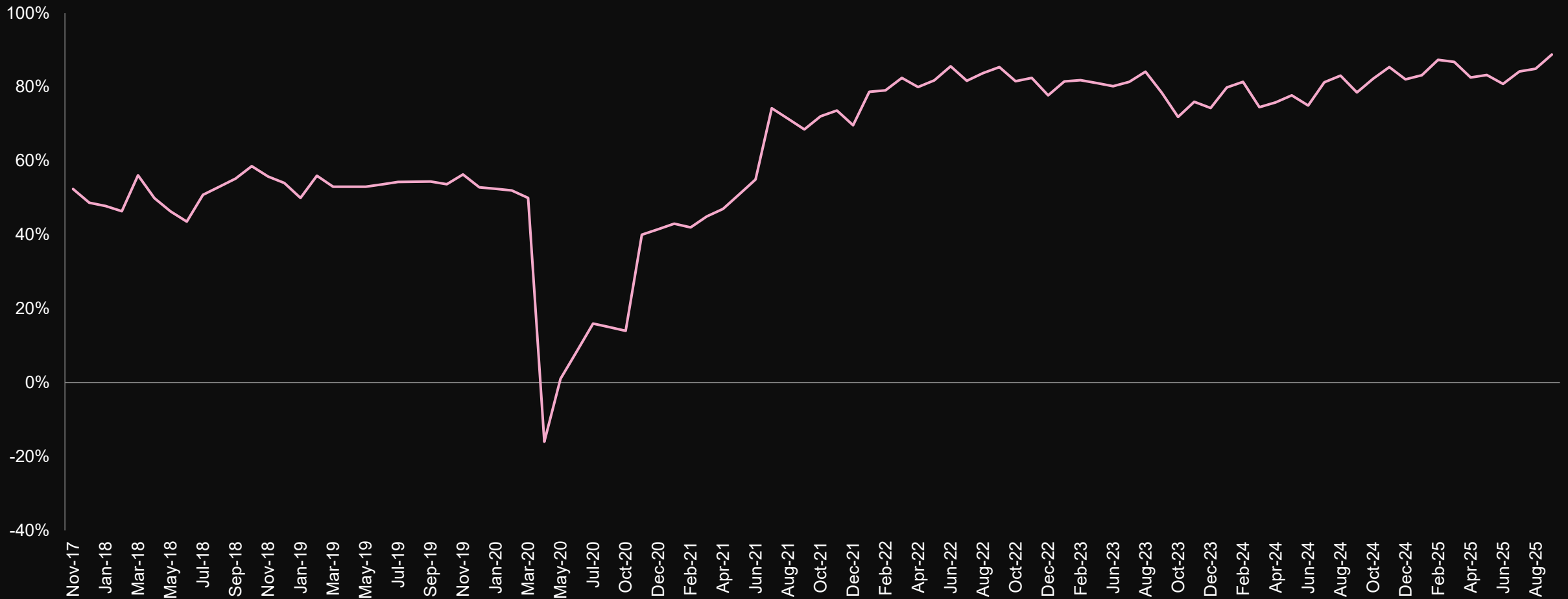
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Cost expectations hit their highest level (+89) since the indicator's introduction

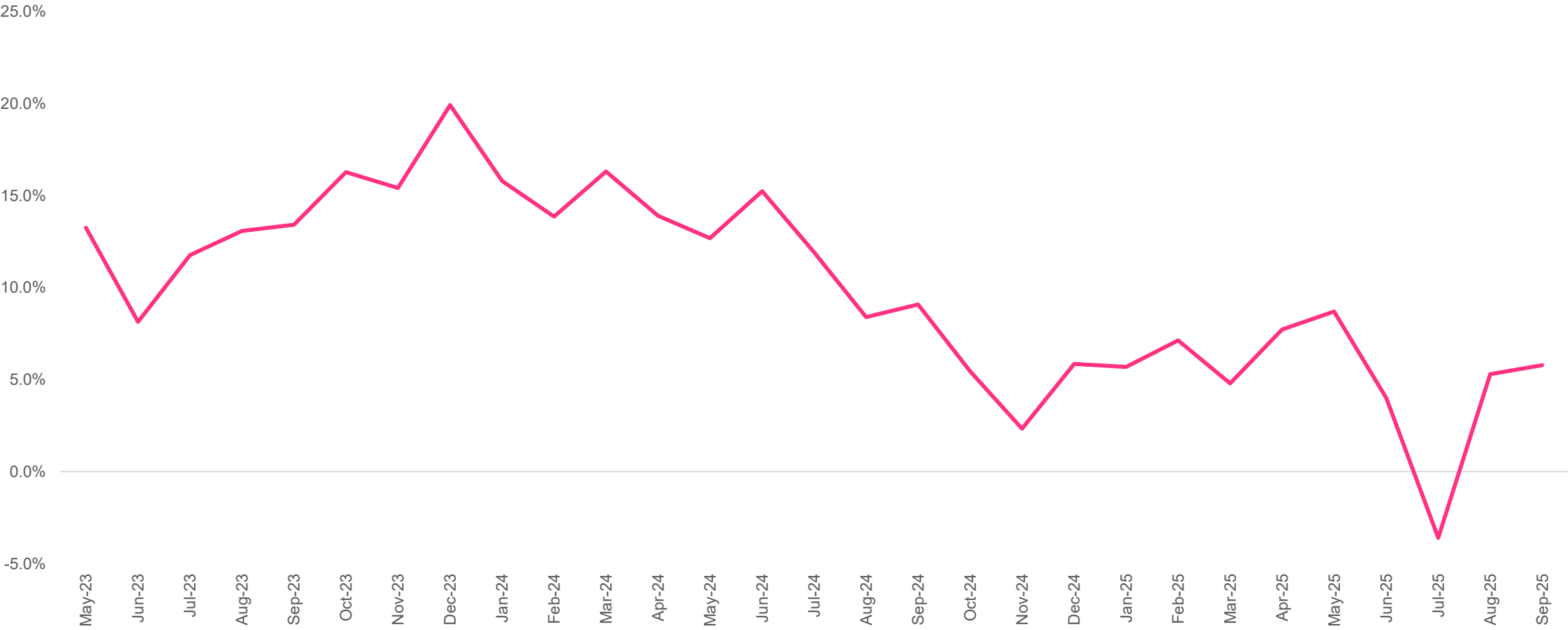
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Export expectations rose one point to +6 in September

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.