IoD

Policy Voice full survey results August 2026

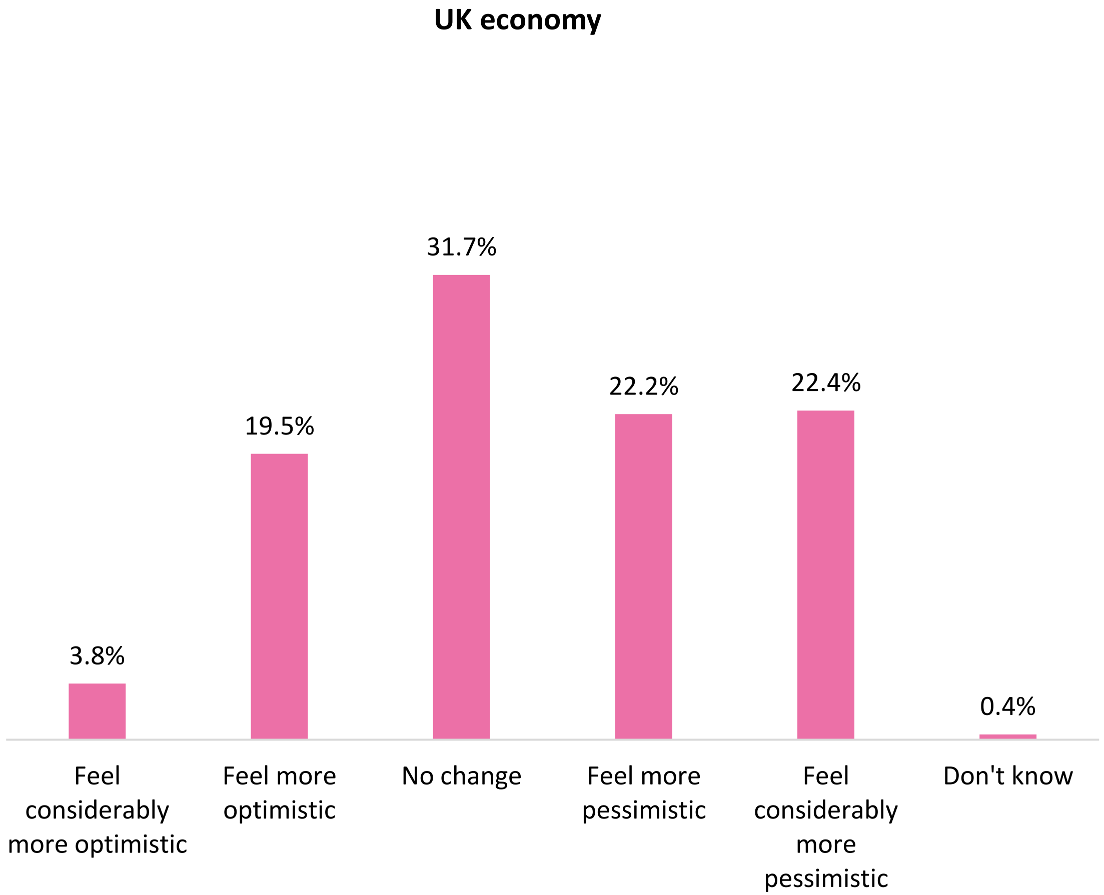
- Andy Burnham and the new Cabinet
- Workplace monitoring technologies
- Quarterly negative impact tracking

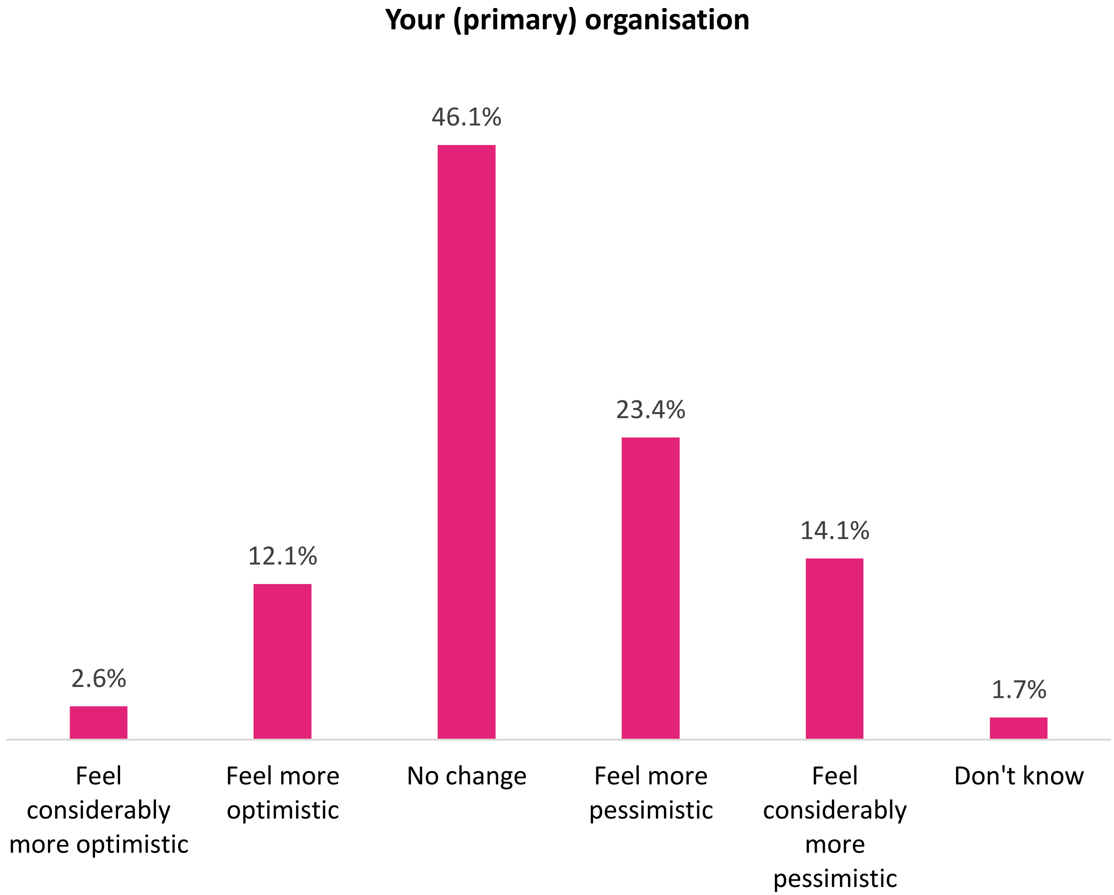
Number of respondents: 811
Survey Dates: 14-27 August 2026

Andy Burnham and the new Cabinet

Andy Burnham and the new Cabinet have had a limited impact on rising business confidence

To what extent has Andy Burnham and the new Cabinet affected your level of optimism regarding the UK economy and your primary organisation?





Despite improving levels of confidence in recent months, the impact of Andy Burnham and the new Cabinet on business leader optimism remained in negative territory, at -21 for the UK economy and -23 for their own organisations.

Many members expressed concerns about the government's approach to growth, taxation and business policy, arguing that uncertainty and the prospect of further costs could undermine confidence and investment.

"There is no economic plan for the UK, Andy Burnham is moving pebbles when we need to smash rocks. Lower the cost of doing business in the UK, reduce the strangling regulations..." (South East England, Telecommunication, computer programming, consulting, computing infrastructure and other information service activities, 100-249 employees)

"There is still no sign of any plan for growth - rather the opposite, with talk of increasing the tax burden on SMEs and entrepreneurs." (South East England, Professional, scientific and technical activities, 250+ employees)

"The expectation of further taxes is discouraging clients from investing." (South East England, Construction, 2-9 employees)

Other members felt it was too early to assess the impact of the new Prime Minister, with many reserving judgement until more substantive policy announcements are made, particularly in the Autumn Budget.

"It's impossible to make a call on this at this point... there has been zero substance as yet." (London, Professional, scientific and technical activities, 2-9 employees)

"Lots of carefully calibrated feel-good messages for the 'ordinary' person and much rhetoric on devolution but the meat comes when we see the detail, a budget and a commitment to an industrial strategy. So - too early to tell." (South West England, Professional, scientific and technical activities, 0-1 employees/sole trader)

Some members were more positive, welcoming what they saw as a more energetic leadership style, stronger communication and a greater focus on regional growth.

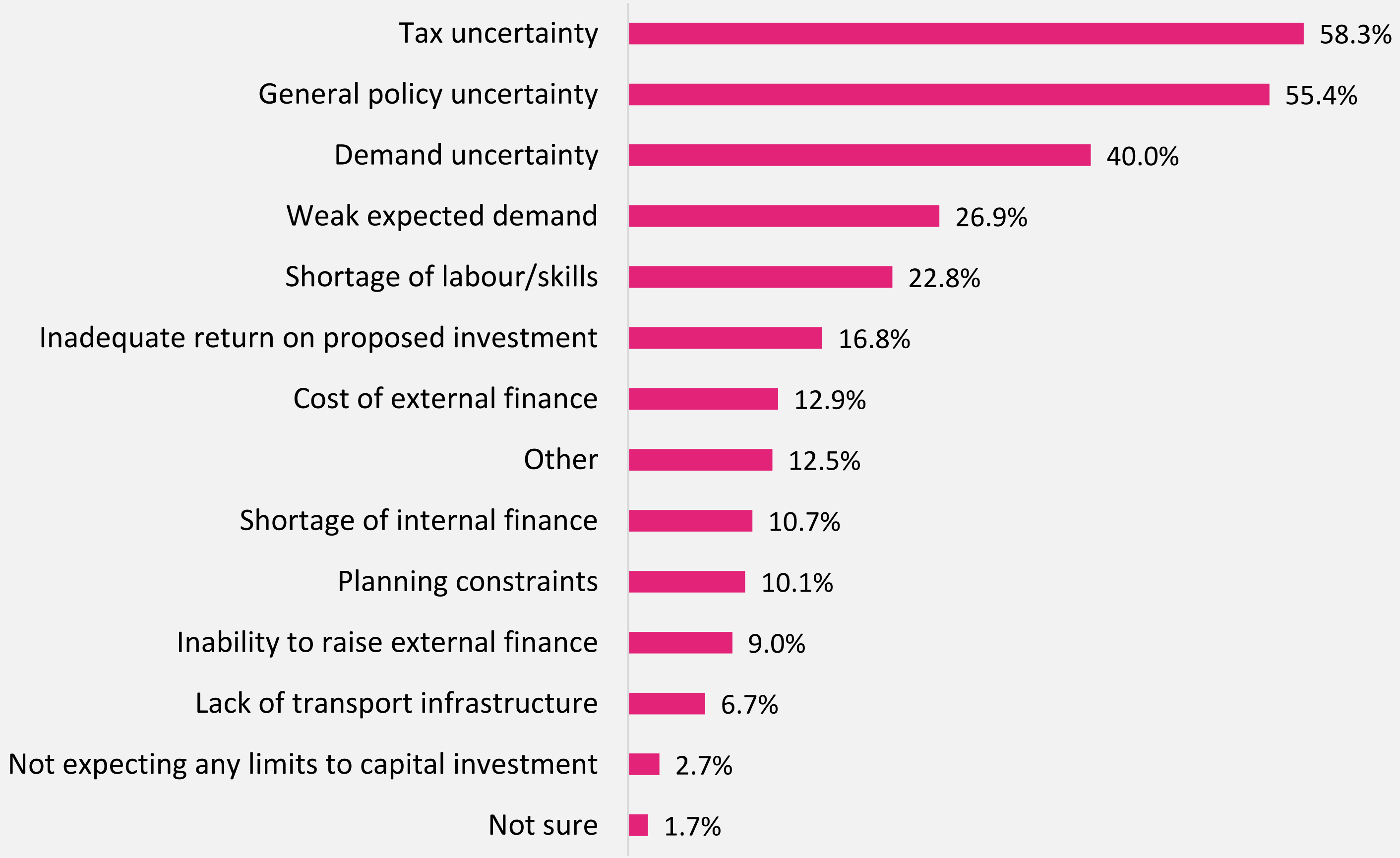
"Genuinely refreshing to see a government moving with visible energy." (South East England, Construction, 2-9 employees)

"Fresh approach to improving things north of London, job creation, vocational learning and re-industrialisation on the agenda can only be good things." (West Midlands, Professional, scientific and technical activities, 50-99 employees)

IoD members cite uncertainty as the biggest barriers to growth and investment

Of the following, which are stopping you from growing/investing in your business?

Please select all that apply.

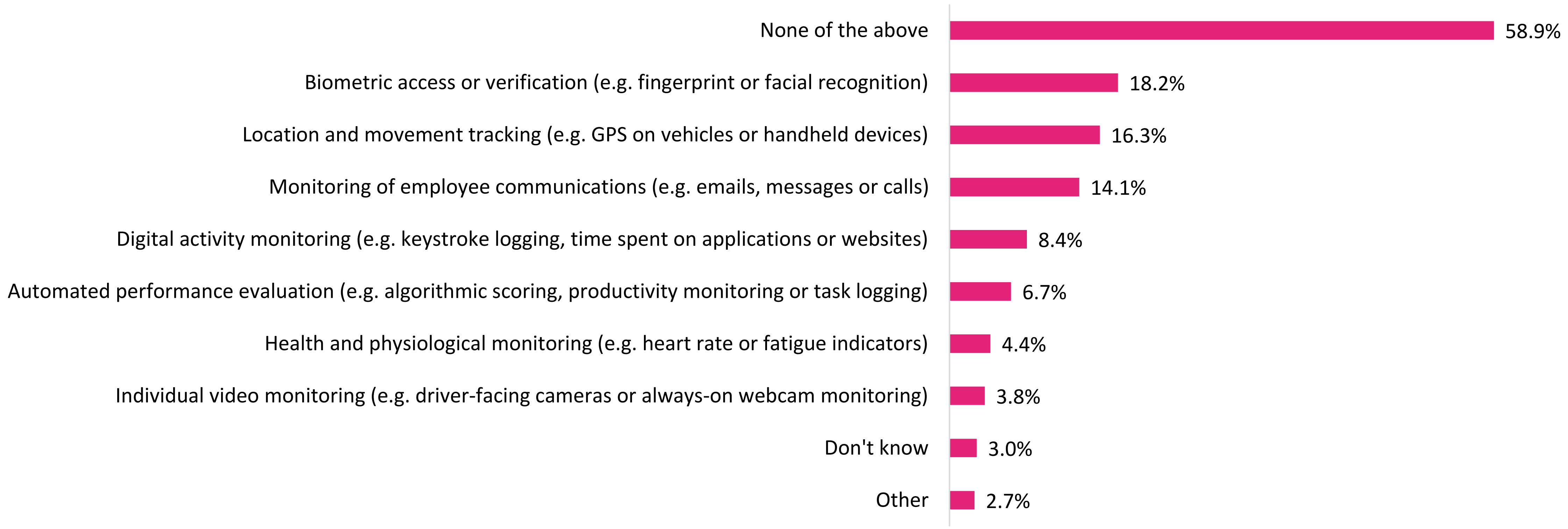


Workplace monitoring technologies

Most firms have no plans to adopt workplace monitoring technologies

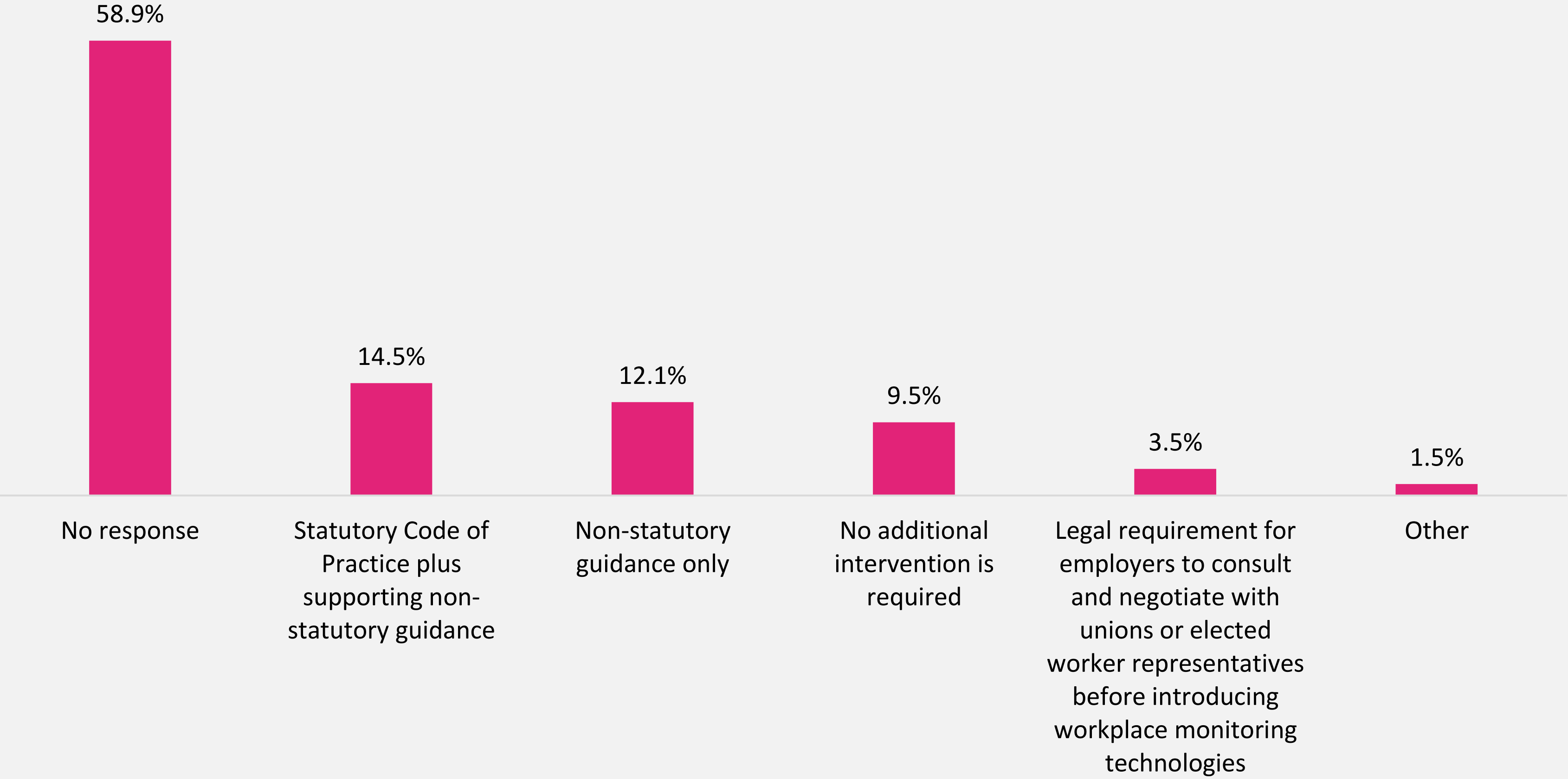
Which of the following workplace monitoring technologies does your organisation currently use or have firm plans to adopt within the next three years?

Please select all that apply.



Firms favour guidance-based approaches to workplace monitoring technologies

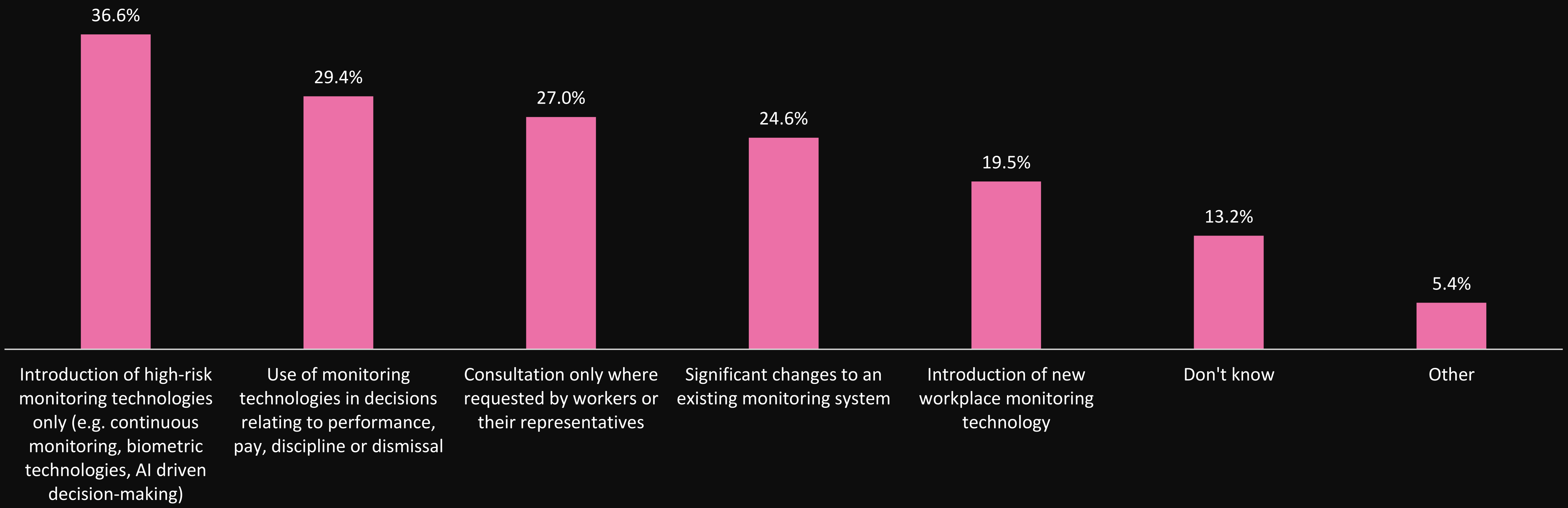
Which of the following approaches do you think would best support the responsible use of workplace monitoring technologies in UK workplaces?



Business leaders favour a risk-based approach to workplace monitoring consultation

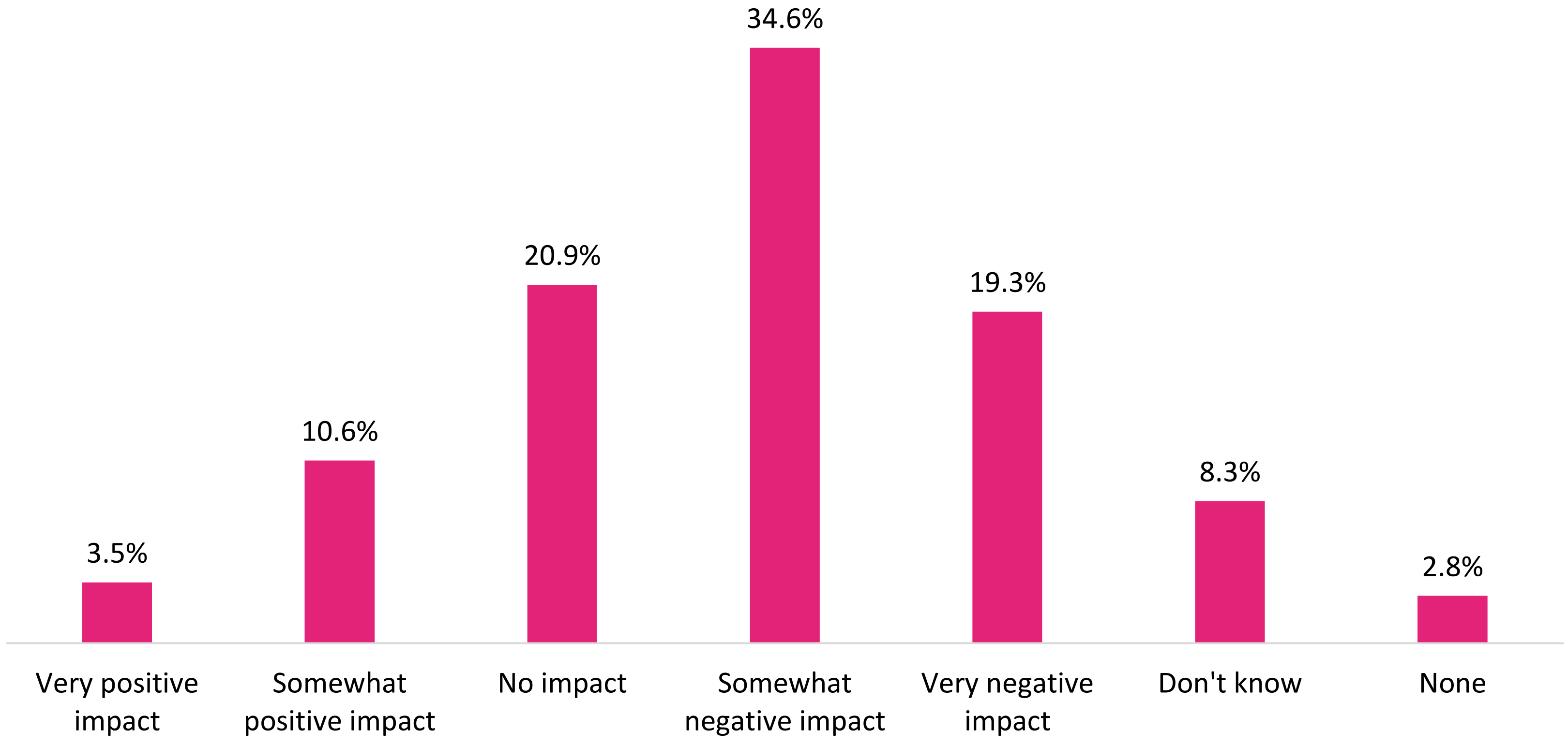
If the Government introduces a legal requirement for employers to consult with unions or worker representatives prior to introducing these types of technologies, which of the following to you think should be the trigger?

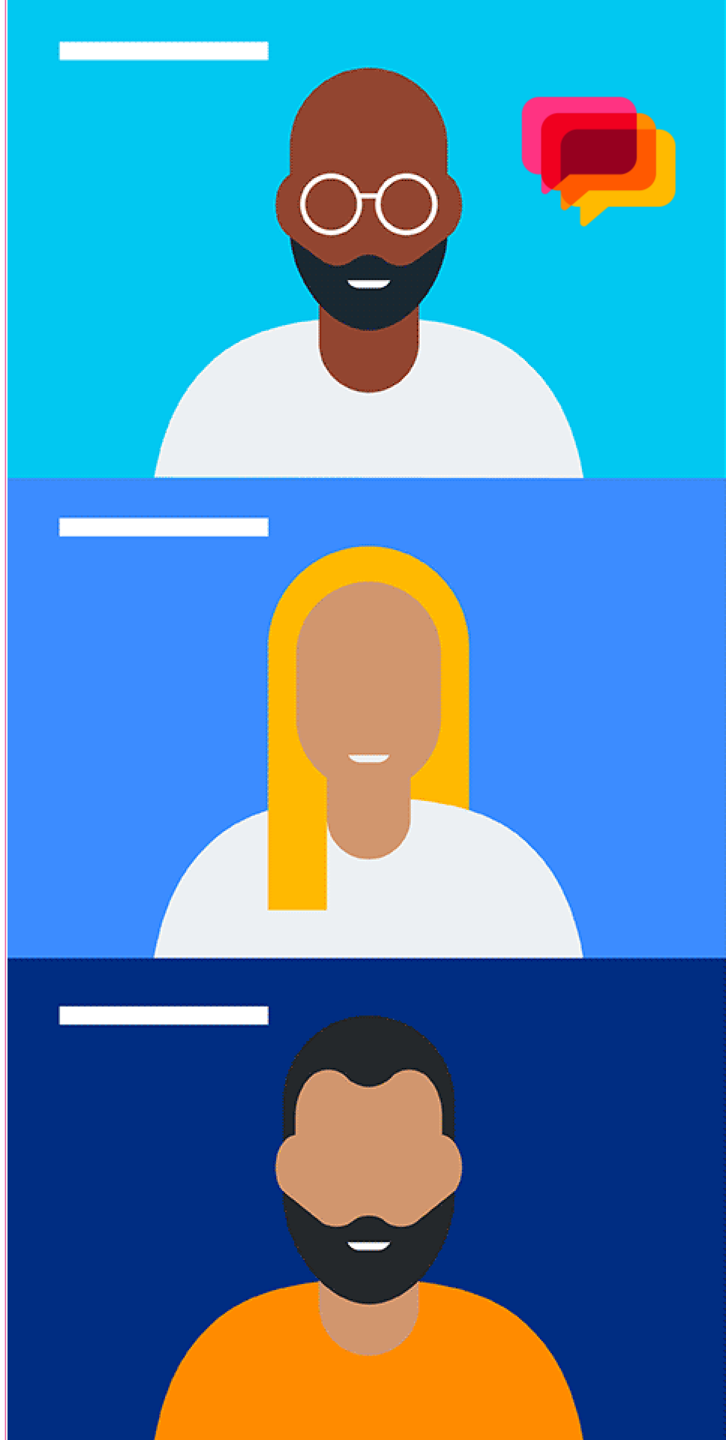
Please select all that apply.



Consultation and negotiation requirements are seen as a barrier to adopting new technologies

What impact would a legal requirement to consult and negotiate before introducing workplace monitoring technologies have on your organisation's ability to adopt new technologies?





While less than half of members reported using any forms of workplace monitoring technologies, a majority reported that a legal requirement to consult and negotiate before introducing such technologies would have a negative impact on their organisation's ability to innovate.

A common theme in qualitative responses was a belief that regulation in this area would undermine organisations' ability to monitor and increase productivity, the latter of which has been flatlining in the UK for some time:

"There is no reason not to have as much monitoring as desired - it is only replacing a higher number of managers who might otherwise have "monitored" in times past - the reaction against it is simply another part of the UK malaise against being productive." (2-9 employees, Financial and insurance activities, Yorkshire and the Humber)

"More consultation and negotiation based on a preconceived bias - this is why the UK productivity is so low and why UK businesses are valued so much less than US equivalents" (250+ employees, Financial and insurance activities, London)

Several respondents also highlighted the critical role which workplace monitoring technologies in giving them the confidence to give employees remote working flexibilities:

"Team members need to have their work / productivity monitored either by being the office and visible or by use of monitoring software. If this was introduced, we would not allow any home working at all." (10-49 employees, Construction, South East England)

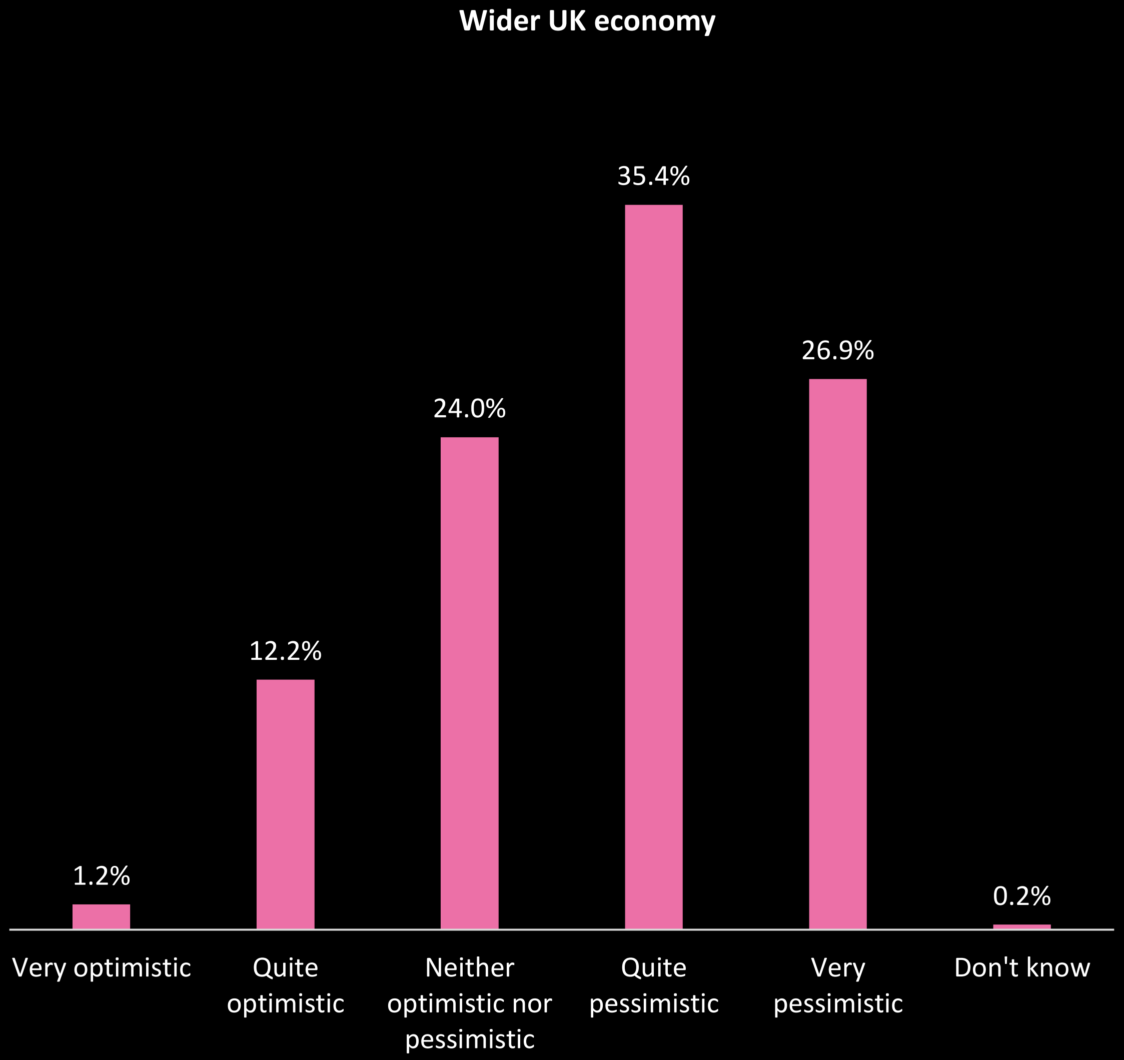
"Where staff have significant amount of time working from home/remotely it is incredibly important to be able to independently and accurately determine the relative contribution of individuals." (2-9 employees, Financial and insurance activities, London)

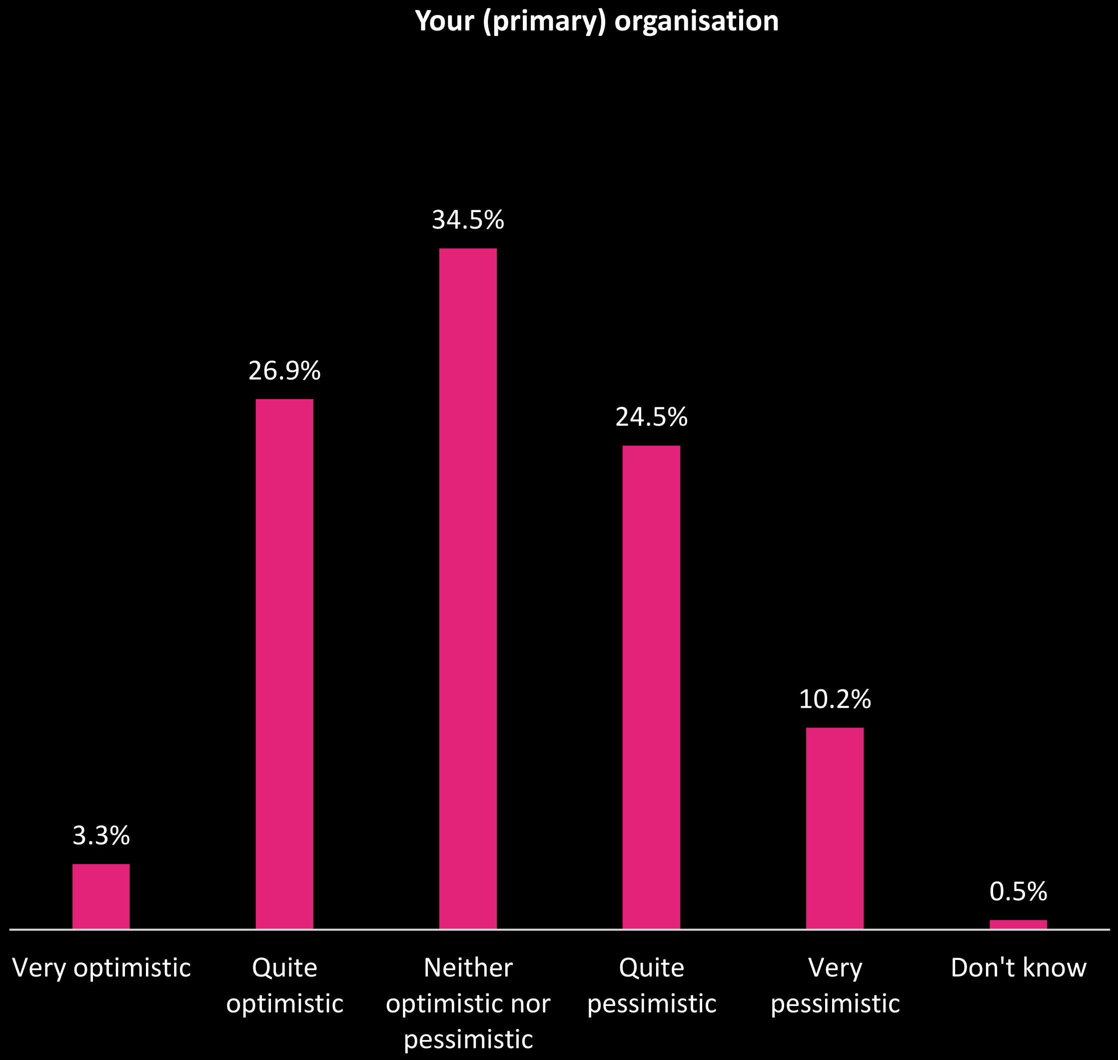
Economic Monitoring: data

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

This 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?



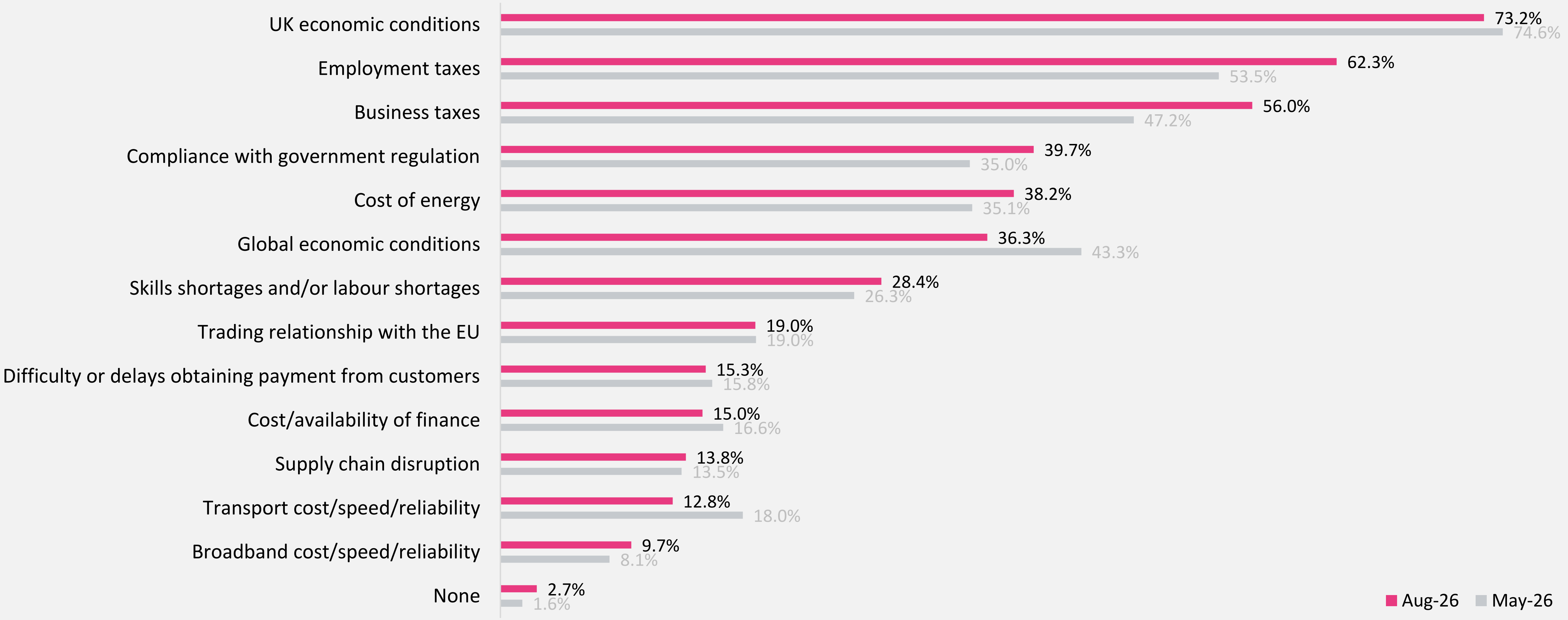


Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

	Much higher	Somewhat higher	No change	Somewhat lower	Much lower	N/A	Don’t know
Business investment	3.0%	20.1%	43.2%	18.1%	13.8%	1.1%	0.7%
Costs	18.6%	67.2%	9.1%	2.3%	0.9%	1.4%	0.5%
Exports	1.2%	13.3%	30.7%	7.5%	2.7%	43.0%	1.5%
Headcount	1.7%	19.1%	49.6%	20.7%	6.3%	1.8%	0.7%
Revenue	3.6%	37.5%	27.5%	22.3%	7.0%	1.1%	1.0%
Wages	5.2%	46.1%	36.5%	7.6%	2.1%	1.7%	0.7%

Concerns about taxation have increased sharply for IoD members

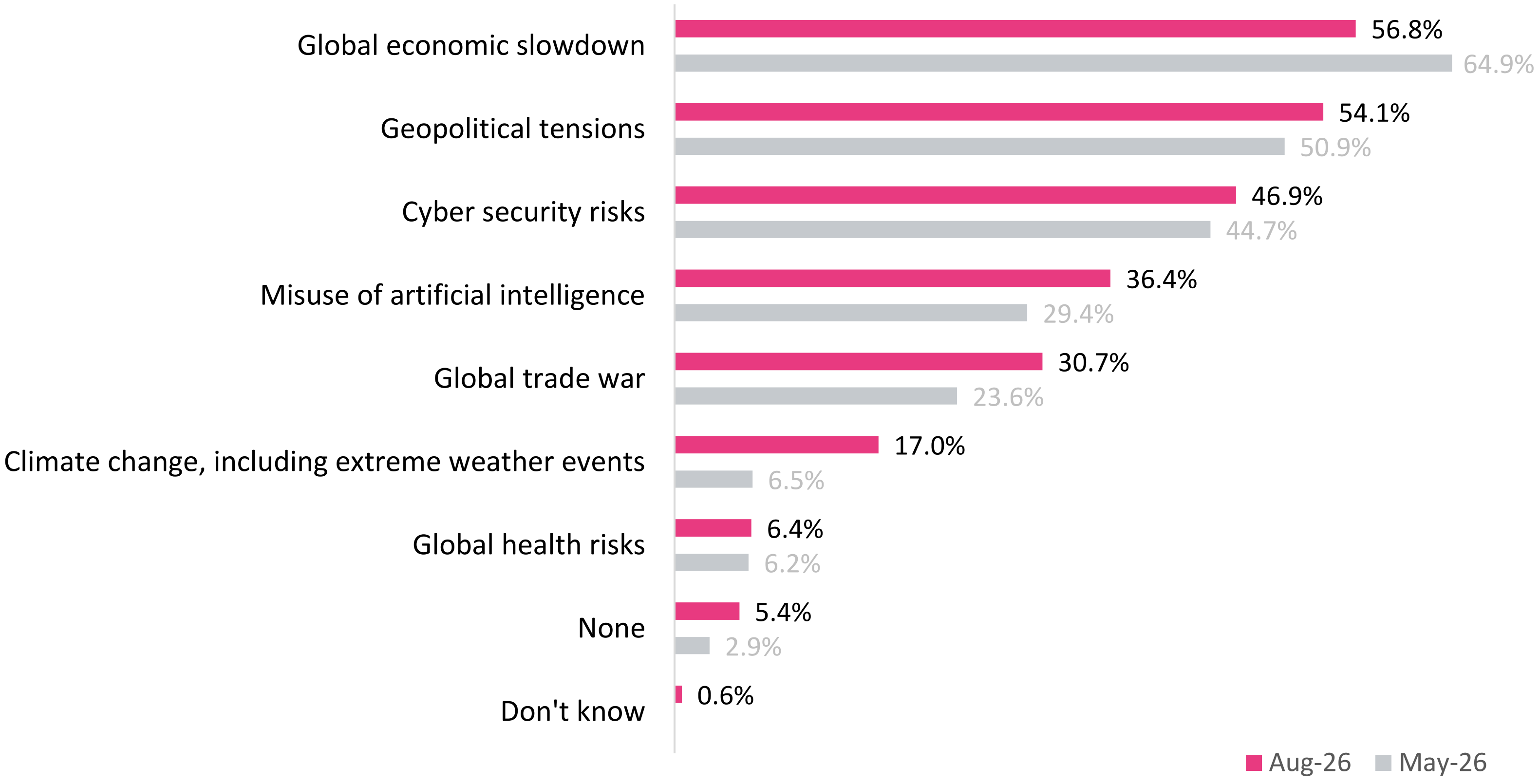
Which of the following, if any, are having a negative impact on your organisation?



Ranking of leading global risks facing businesses unchanged from May

Which of the following global risks are the most concerning for your business in 2026?

Please choose up to three.



Business leaders remained more pessimistic than optimistic about both the wider UK economy and their own organisations over the coming year. While many respondents expected revenues to increase, most also anticipated higher costs, with UK economic conditions, employment taxes and business taxes remaining the most frequently cited negative factors affecting their organisations.

Many members pointed to rising employment costs, taxation and regulation as key constraints on growth and investment. Several respondents reported delaying recruitment, scaling back investment plans or focusing on cost reduction in response to higher operating costs and ongoing policy uncertainty.

"Cost of employing staff is the critical issue preventing us from recruiting." (North West England, Administrative and support services, 50-99 employees)

"As the cost of employment increases our investment in people is moving to other jurisdictions as is all our business investments." (London, Wholesale and retail trade (including motor repair), 2-9 employees)

"Greater policy stability and a more predictable tax and regulatory environment would improve our confidence to invest further and expand the business." (North West England, Financial and insurance activities, 0-1 employees/sole trader)

Many members also highlighted subdued demand and weak business confidence, noting that customers and clients were increasingly cautious about spending and investment decisions.

"A return to higher consumer confidence and resultant spending on goods and services would unlock the 2 or 3% extra growth that makes a huge difference to high fixed cost businesses like ours." (West Midlands, Other services, 10-49 employees)

"It is quite clear at the moment that there is a lack of investment and people are holding back and waiting for things to improve." (London, Publishing, broadcasting, and content production and distribution activities, 0-1 employees/sole trader)

"Our organisation has experienced a significant reduction in workload, resulting in temporary lay-offs and considerable uncertainty around near-term staffing and investment." (Yorkshire and the Humber, Manufacturing, 50-99 employees)

Alongside domestic challenges, respondents pointed to global economic uncertainty, geopolitical tensions and technological change as factors shaping their outlook.

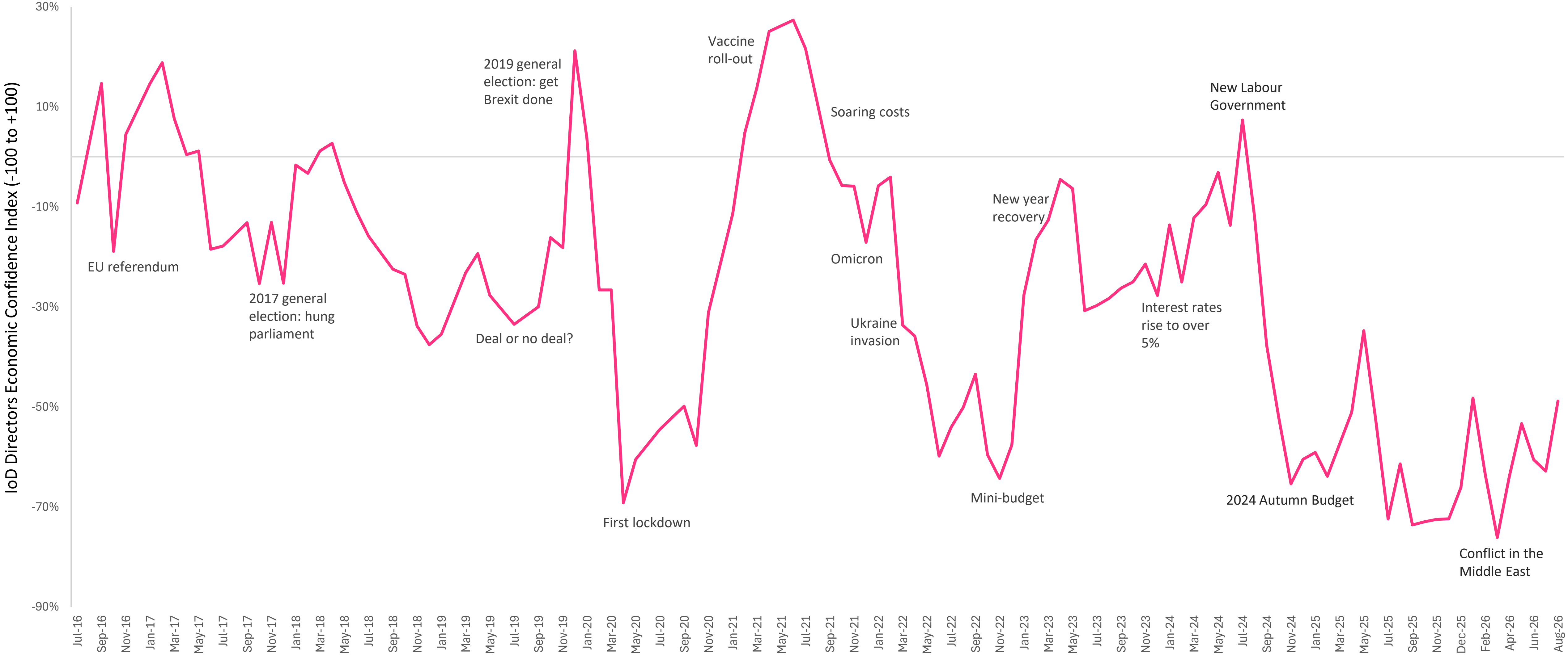
"Affected by the Global Economy in particular uncertainty emanating from US Government Policy." (South East England, Professional, scientific and technical activities, 10-49 employees)

"Geopolitical tension and uncertainty at present is the biggest issue." (West Midlands, Telecommunication, computer programming, consulting, computing infrastructure and other information service activities, 100-249 employees)

"As a SaaS developer and provider with associated professional services, AI is causing a major disruption to our industry." (South West England, Telecommunication, computer programming, consulting, computing infrastructure and other information service activities, 10-49 employees)

Economic Monitoring: trends

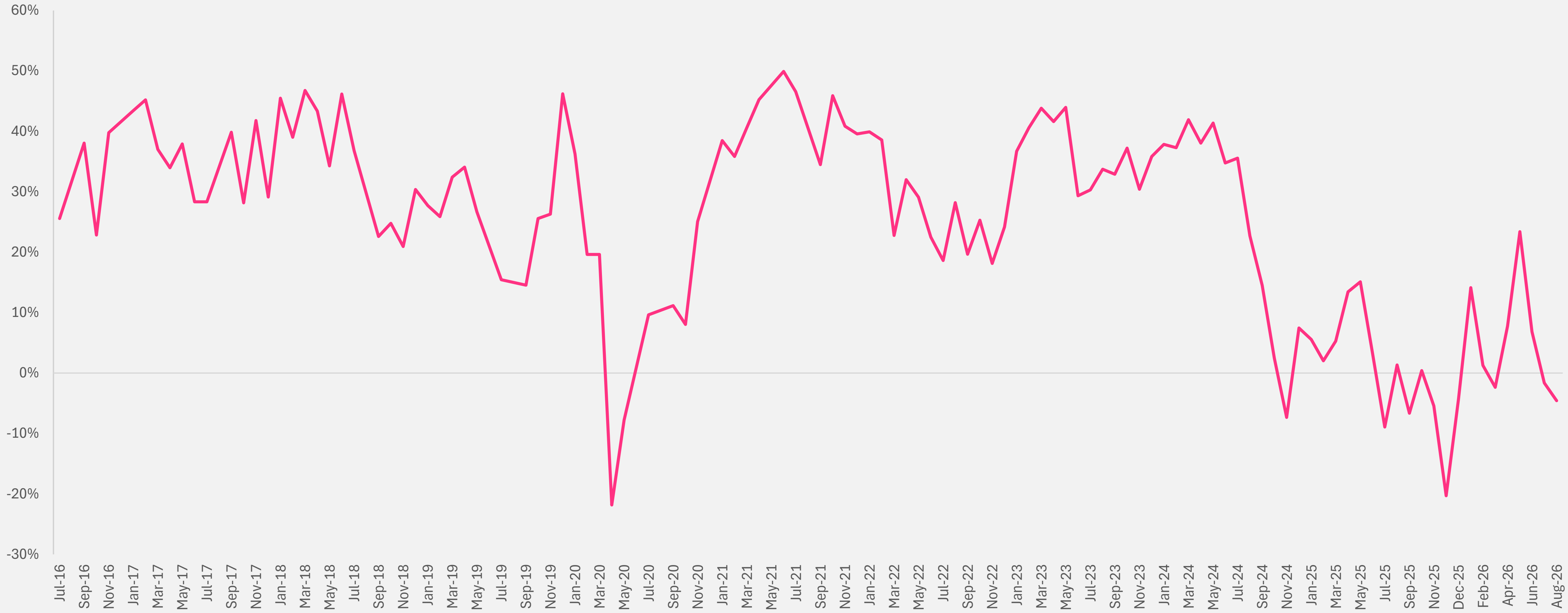
Business optimism rises, but not due to change in political leadership



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 reading: July 2026)

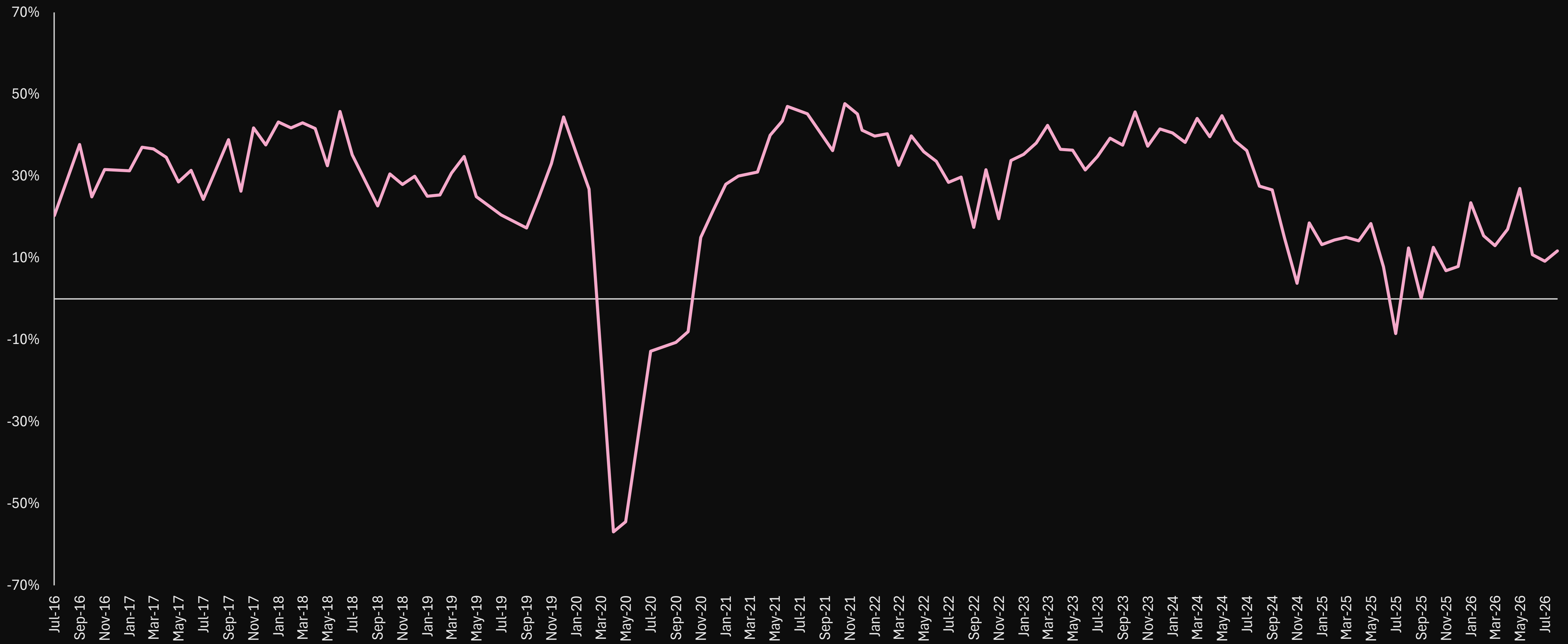
Conversely, business leaders became less optimistic about the prospects for their own organisations

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



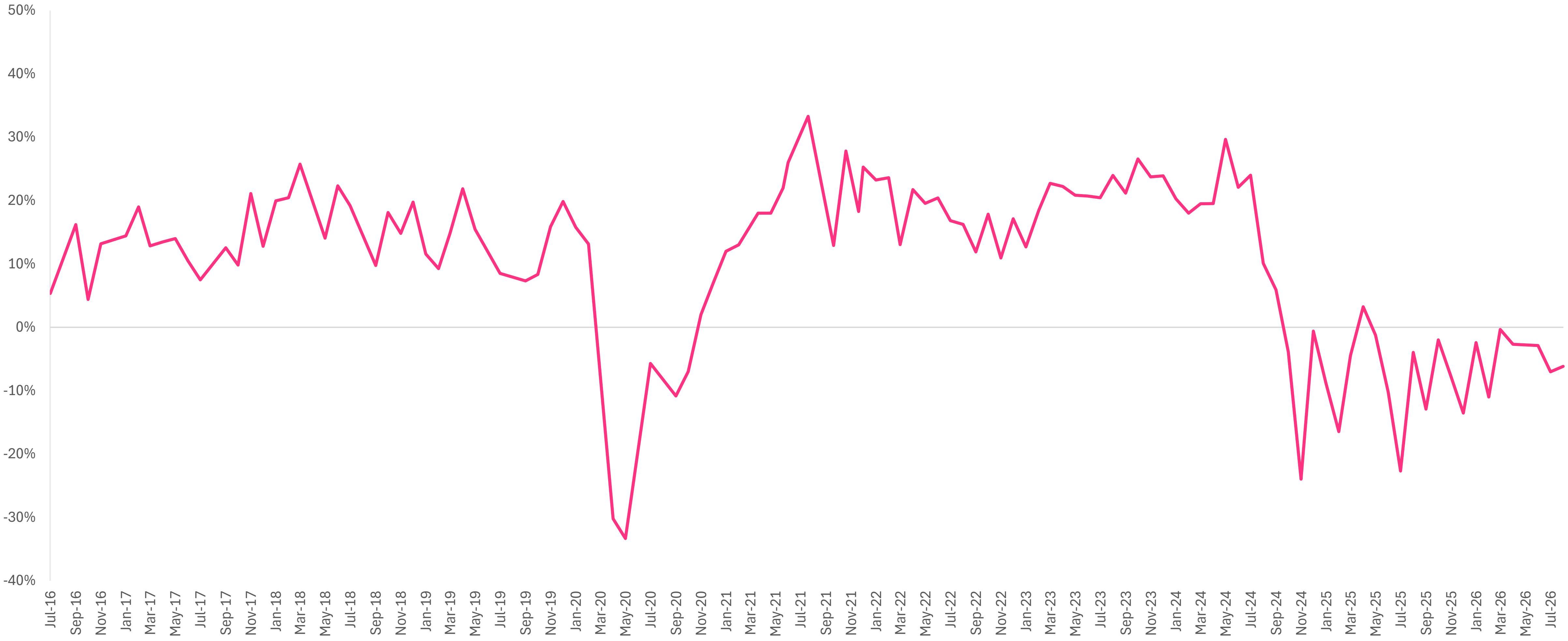
Revenue expectations increased to +12 in August, from +9 in July

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



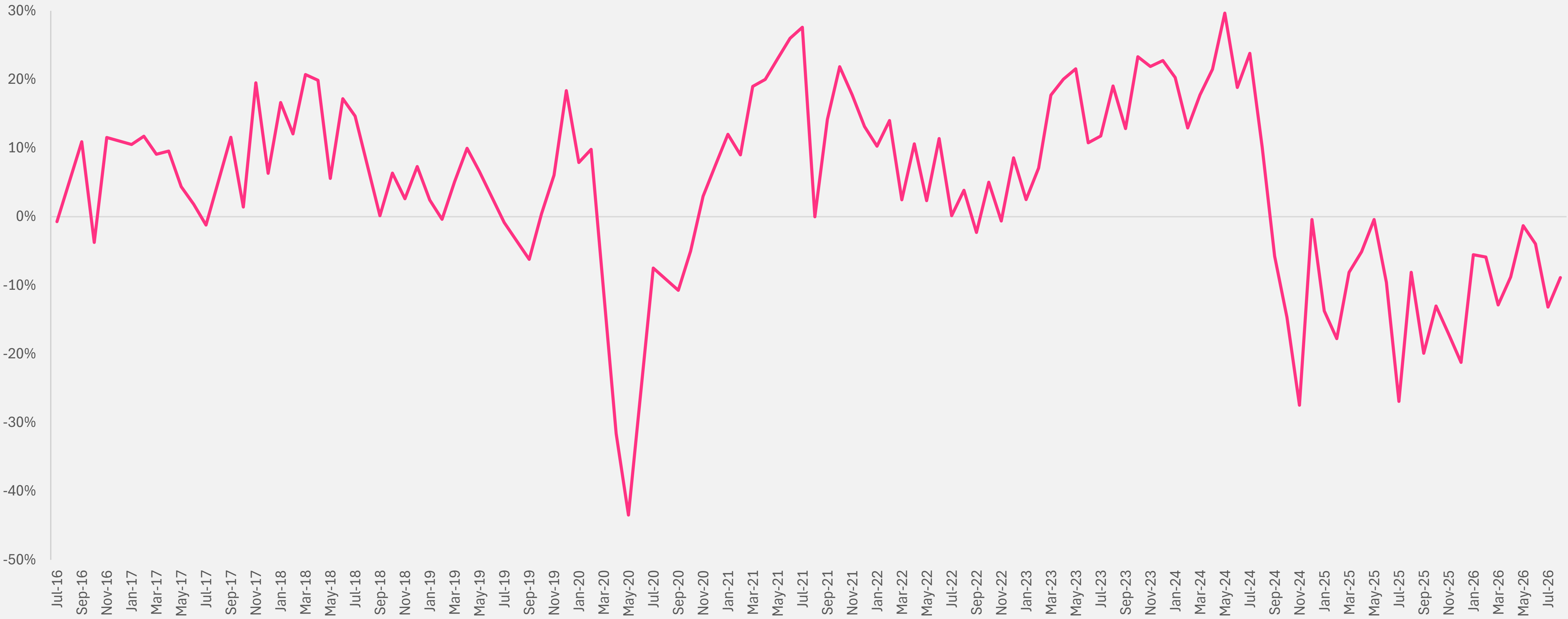
Headcount expectations were little changed at -6, from -7

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



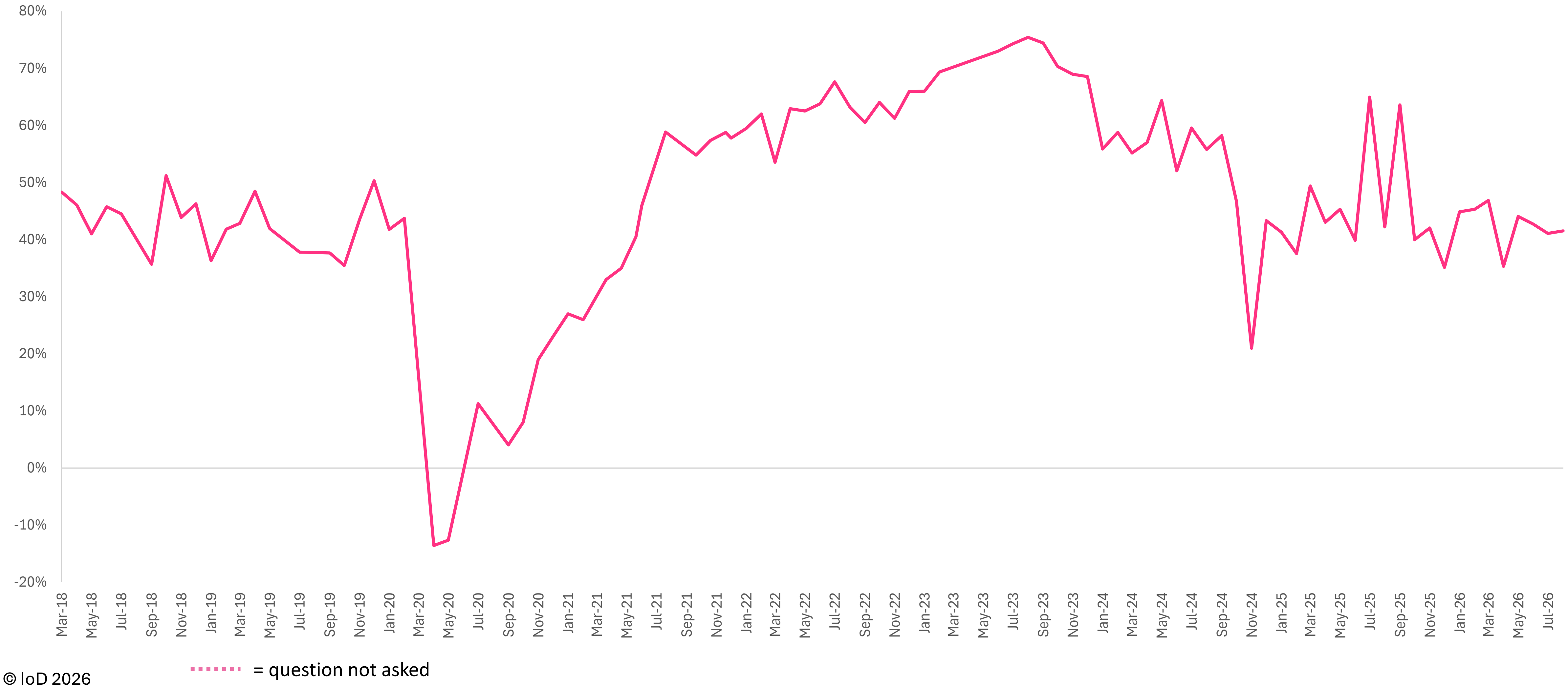
Investment intentions improved to -9, from -13

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



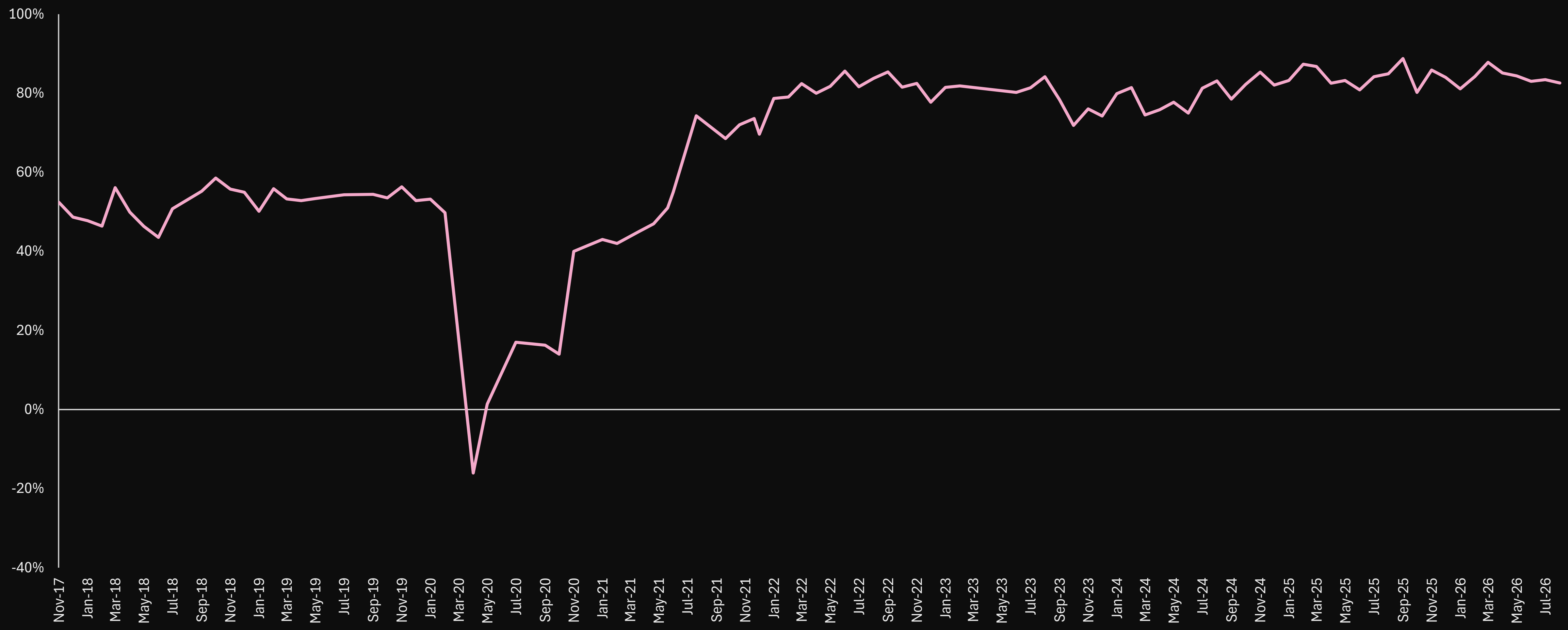
Wage rose slightly to +42 from +41

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



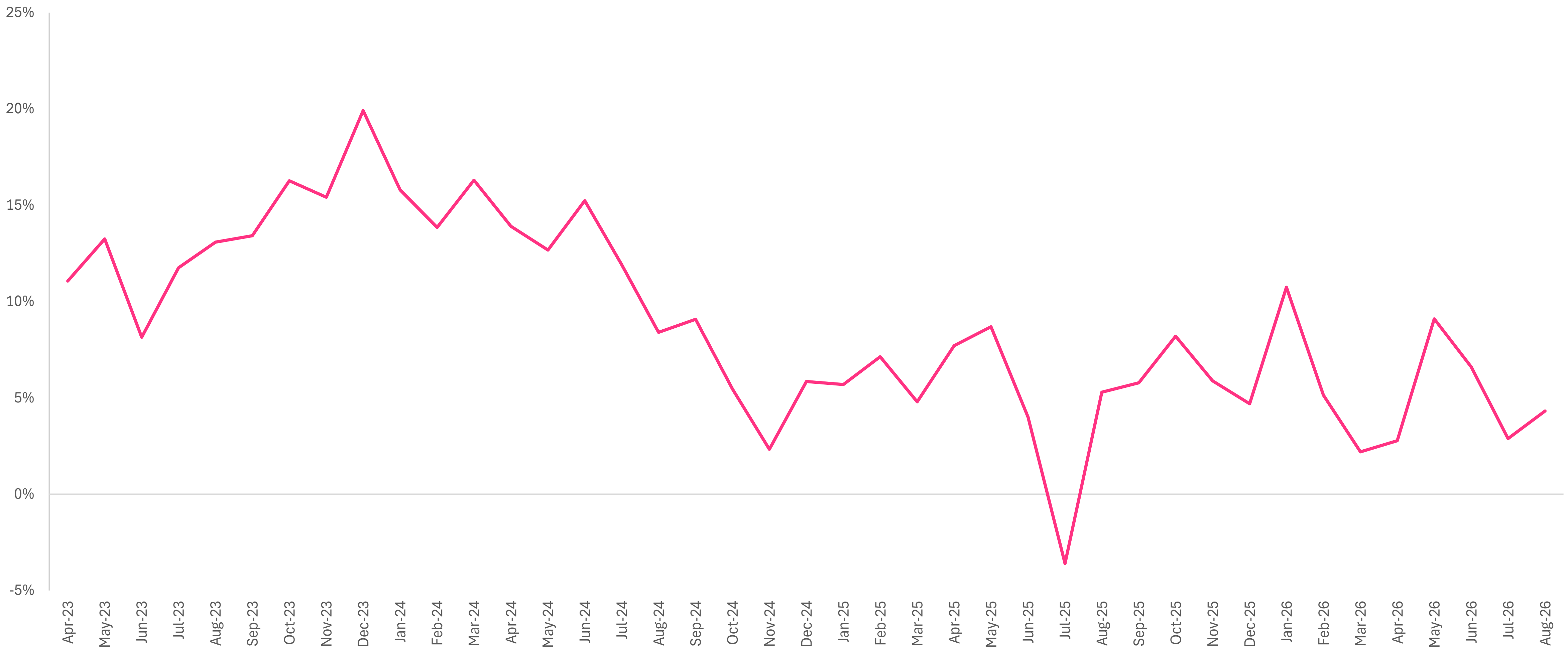
Cost expectations remained elevated and unchanged at +83

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 remained stable at +4, from +3

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.



Economic Monitoring: sectoral breakdown

Wider UK economy

	Accommodation and food services	Activities of extraterritorial organisations and bodies	Administrative and support services	Agriculture, Forestry and Fishing	Arts, sports and recreation	Construction	Education	Electricity and/or gas supply	Financial and insurance activities	Human health and social work activities	Manufacturing
Very optimistic	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%
Quite optimistic	13.6%	0.0%	5.0%	0.0%	21.4%	16.7%	23.8%	0.0%	14.9%	20.7%	6.7%
Neither optimistic nor pessimistic	13.6%	20.0%	5.0%	25.0%	21.4%	12.5%	21.4%	28.6%	22.4%	17.2%	30.0%
Quite pessimistic	54.5%	0.0%	55.0%	37.5%	28.6%	37.5%	31.0%	35.7%	35.8%	20.7%	34.4%
Very pessimistic	13.6%	80.0%	35.0%	37.5%	21.4%	33.3%	23.8%	35.7%	25.4%	41.4%	28.9%
Don't know	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total number of respondents	**22**	**5**	**20**	**8**	**14**	**48**	**42**	**14**	**67**	**29**	**90**

	Mining and quarrying	Other services	Professional, scientific and technical activities	Public administration and defence; compulsory social security	Publishing, broadcasting, and content production and distribution activities	Real estate	Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	Transportation and storage	Water supply, sewerage and waste management	Wholesale and retail trade (including motor repair)
Very optimistic	0.0%	3.3%	1.3%	0.0%	5.6%	2.3%	1.4%	0.0%	0.0%	0.0%
Quite optimistic	50.0%	4.4%	10.1%	42.9%	5.6%	11.4%	20.0%	17.4%	33.3%	5.9%
Neither optimistic nor pessimistic	0.0%	26.7%	25.9%	0.0%	44.4%	13.6%	28.6%	39.1%	16.7%	29.4%
Quite pessimistic	50.0%	50.0%	34.2%	42.9%	11.1%	38.6%	22.9%	30.4%	33.3%	38.2%
Very pessimistic	0.0%	15.6%	28.5%	14.3%	27.8%	34.1%	27.1%	13.0%	16.7%	26.5%
Don't know	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Total number of respondents	**2**	**90**	**158**	**7**	**18**	**44**	**70**	**23**	**6**	**34**

Your (primary) organisation

	Accommodation and food services	Activities of extraterritorial organisations and bodies	Administrative and support services	Agriculture, Forestry and Fishing	Arts, sports and recreation	Construction	Education	Electricity and/or gas supply	Financial and insurance activities	Human health and social work activities	Manufacturing
Very optimistic	4.5%	0.0%	5.0%	12.5%	0.0%	2.1%	4.8%	0.0%	9.0%	0.0%	3.3%
Quite optimistic	27.3%	20.0%	20.0%	12.5%	14.3%	25.0%	26.2%	7.1%	20.9%	24.1%	33.3%
Neither optimistic nor pessimistic	27.3%	0.0%	25.0%	37.5%	50.0%	29.2%	35.7%	35.7%	40.3%	24.1%	32.2%
Quite pessimistic	31.8%	60.0%	35.0%	37.5%	14.3%	31.3%	19.0%	35.7%	22.4%	31.0%	20.0%
Very pessimistic	9.1%	20.0%	5.0%	0.0%	14.3%	12.5%	14.3%	21.4%	7.5%	20.7%	11.1%
Don’t know	0.0%	0.0%	10.0%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total number of respondents	**22**	**5**	**20**	**8**	**14**	**48**	**42**	**14**	**67**	**29**	**90**

	Mining and quarrying	Other services	Professional, scientific and technical activities	Public administration and defence; compulsory social security	Publishing, broadcasting, and content production and distribution activities	Real estate	Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	Transportation and storage	Water supply, sewerage and waste management	Wholesale and retail trade (including motor repair)
Very optimistic	0.0%	2.2%	2.5%	0.0%	0.0%	2.3%	5.7%	4.3%	0.0%	0.0%
Quite optimistic	50.0%	27.8%	26.6%	57.1%	22.2%	29.5%	37.1%	34.8%	16.7%	14.7%
Neither optimistic nor pessimistic	50.0%	38.9%	36.1%	14.3%	66.7%	25.0%	25.7%	39.1%	33.3%	47.1%
Quite pessimistic	0.0%	24.4%	27.2%	14.3%	5.6%	22.7%	22.9%	8.7%	33.3%	29.4%
Very pessimistic	0.0%	6.7%	7.6%	14.3%	5.6%	20.5%	8.6%	13.0%	0.0%	8.8%
Don’t know	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%
Total number of respondents	**2**	**90**	**158**	**7**	**18**	**44**	**70**	**23**	**6**	**34**

Our purpose

Objects of the Institute of Directors' Royal Charter

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