



Forum of Private Business (FPB)

Comprehensive Spending Review Survey August 2007 The smaller business view

In July 2007 the FPB conducted an e-survey designed to capture smaller businesses' views and opinions in the run up to the major changes taking place in Government. The results were used to design this follow up survey which is intended to explore the top line issues in more detail. The results will also be used to inform the FPB's submission to the Comprehensive Spending Review (CSR).

The CSR survey was distributed to all FPB members with an email address and we received 327 responses in total.

To view the original New Chancellor survey visit our website: <http://www.fpb.org/page/385> for the results.

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“It would be good to see some real cost reductions on the administrative and tax burden of small companies rather than the lip service we have had for far too many years.”

Comprehensive spending review survey: results

Three key areas from the New Chancellor results were explored in further detail:

- the tax burden
- the administrative burden and
- unfair competition

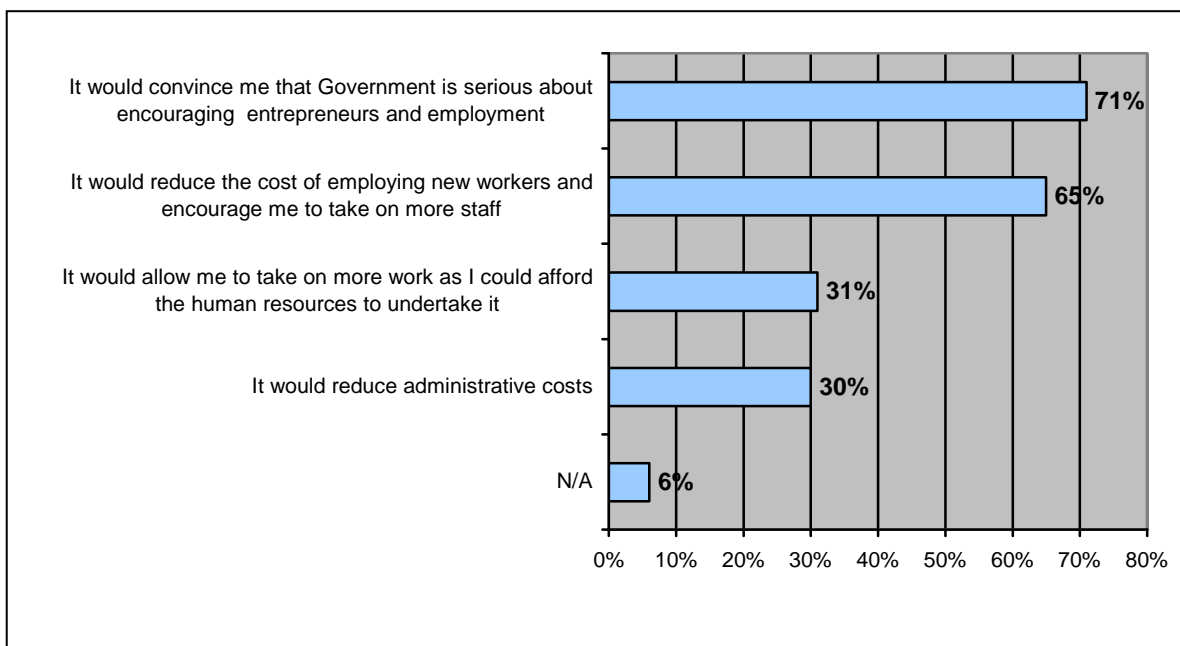
Below are the CSR survey results. Please note that totals are subject to rounding.

1. Reducing the tax burden

1.1 Reducing employers' National Insurance contributions (NICs)

Please tell us how this would help your business – select all that apply

By reducing employers' NICs this would send a clear message to smaller firms that the Government is committed to encouraging entrepreneurs and employment. This reaction indicates that respondents currently question the Government's level of commitment. Almost two thirds of respondents would be encouraged to expand their workforce and grow through this action.

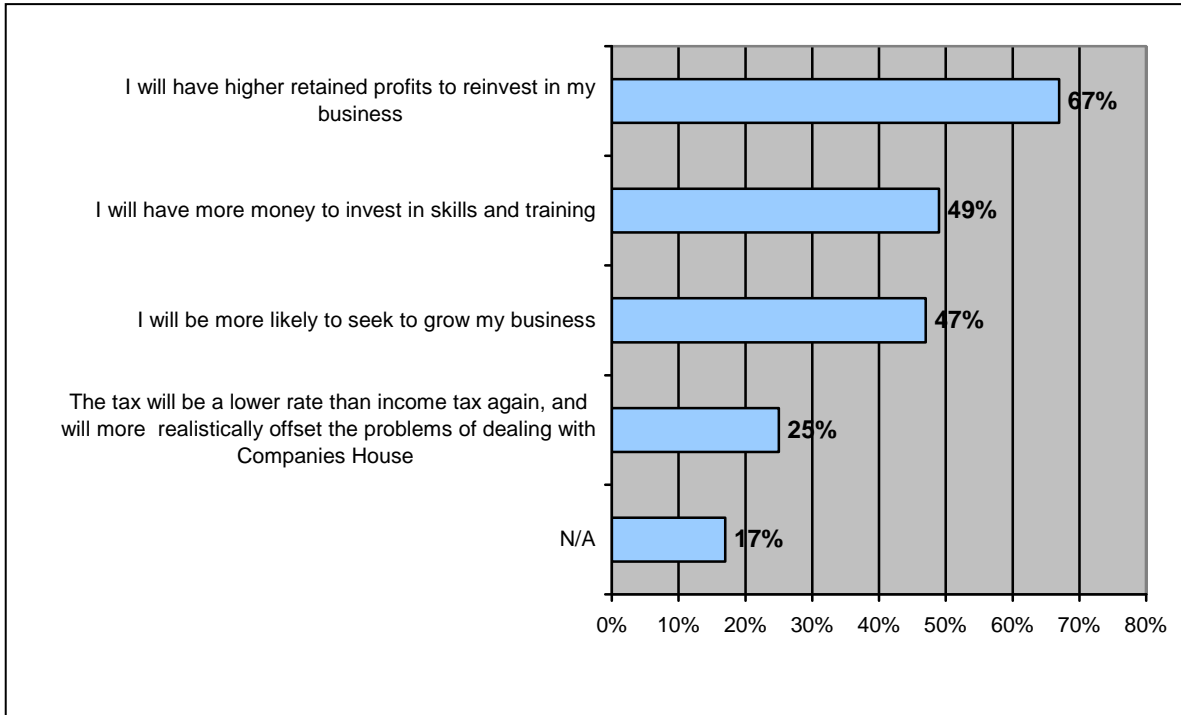


“There doesn't appear to be a middle way suitable for smaller companies with the regulatory system and taxation systems based on large businesses/corporations that can afford to employ staff to monitor and deal with such matters and thus gain significant advantage.”

1.2 Reversing the decision to increase Corporation Tax for small businesses from 19% to 22%

Please tell us how this would help your business – select all that apply

Results from this question indicate that the decision to increase Corporation Tax for small businesses in the last Budget has impacted on reinvestment impacting on business growth and training and development initiatives.



2. Reducing the administrative burden

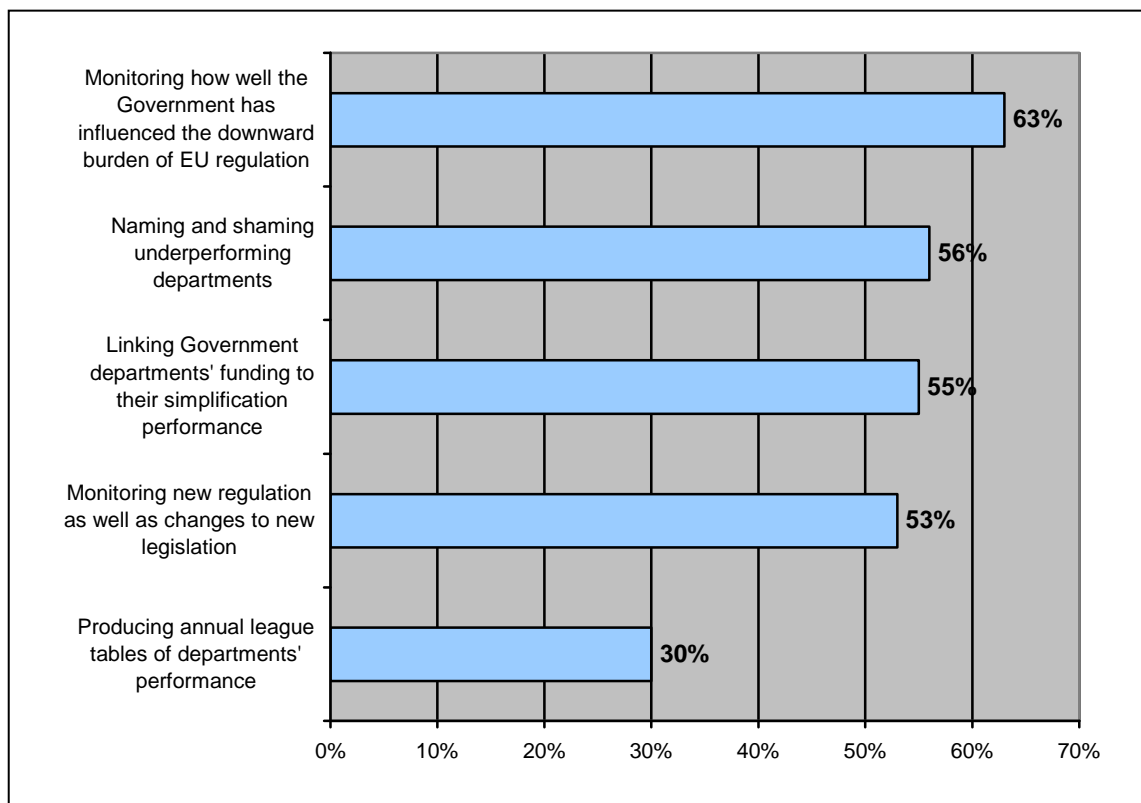
“Too much legislation is being introduced which takes no account of the extra administrative and cost burdens to small enterprises. Both the Government and EU need to take on board that this one-size-fits-all approach is crippling us and puts a large constraint on those enterprises who may wish to expand their businesses.”

2.1 Do you think that it is necessary to have International Financial Reporting Standards for smaller businesses?

Yes	No	Don't know
9%	55%	36%

2.2 Introducing a control mechanism to monitor and evaluate the Government's regulatory simplification agenda

Please select which of the following methods you think it might be helpful for the Better Regulation Executive (BRE) to use? Select all those with which you agree.



“Whilst greater accountability would appear to be the answer, that in itself creates an increased bureaucratic burden. Simplicity has to be the watchword in all areas, as it makes it transparent, cheaper to administer, easier to understand. If this means fewer bodies involved in the process to enable compatibility and uniformity then all the better.”

- 2.3 Please estimate how much working time you would save each month if the administration of National Insurance Contributions (NICs) and Pay As You Earn (PAYE) income tax payments were integrated.

Less than 3 hours	68%
3-6 hours	24%
7-9 hours	5%
10-12 hours	1%
More than 12 hours	2%

92% of respondents would save up to 6 hours a month if NICs and PAYE income tax payments were integrated.

- 2.4 Please estimate how much working time you would save each month if VAT and company tax inspections were combined.

Less than 3 hours	65%
3-6 hours	23%
7-9 hours	6%
10-12 hours	3%
More than 12 hours	3%

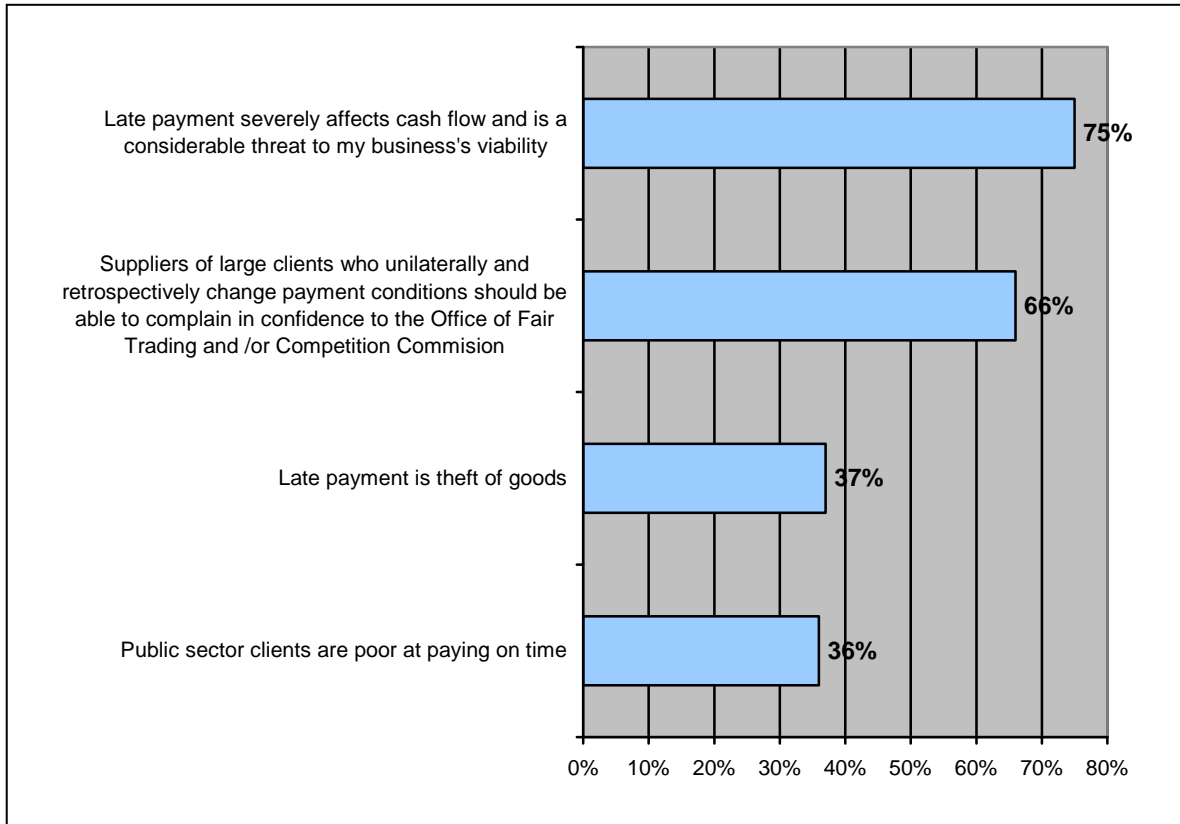
88% of respondents would save up to 6 hours a month if VAT and company tax inspections were combined. 6% would save over 10 hours a month.

“The loss of the tax-free element of company profit has made significant impact on retained profit. Its reintroduction would benefit many small businesses and allow better control of capital investment.”

3. Eliminating unfair competition

3.1 Please select each of the following statements relating to late payment with which you agree.

Late payment is an important concern for members, three quarters of respondents find that late payment severely affects their cash flow and is a serious threat to their business's viability.



“Late payment is still the biggest issue affecting my company; usually being the large companies no paying until they want to.”

“The larger the organisation the worse they are at paying. This has a severe effect on our businesses and our relationship with our suppliers as the knock-on effect is that we are sometimes late in paying them.”

The Forum of Private Business (FPB)

The FPB is a company limited by guarantee and is a formal representative of small and medium-sized enterprises (SMEs) in this country.

FPB research

The FPB is able to provide a wealth of detailed insight on small business concerns. This is achieved via a rigorous research programme involving our members and the wider small business audience.

Regular research

We have sources of regular research providing data, analysis and public opinion stretching back over a quarter of a century. These include:

Referendum	– the united voice of smaller businesses	www.fpb.org/referendum
Quarterly Report	– keeping abreast of trends relating to smaller firms	www.fpb.org/reports
Banking	– 20 years at the bank	www.fpb.org/reports

Extensive ad-hoc coverage

We proactively source feedback and comments from our members and, in addition to the regular research projects, the FPB employs a series of online and email surveys to canvass members' opinions.

To find out more about our research activity contact Rebecca Leavers our Research Project Manager at research@fpb.org.

To find out about current campaign activity contact Matt Hardman our Campaigns Manager at campaigns@fpb.org.