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The business people – an extension to your team

## Referendum 194 report

February 2010

The Forum of Private Business is a proactive, not-for-profit organisation, providing comprehensive support, protection and reassurance to small businesses. We add value to businesses through the collective voice for members in local, central and European government, and the provision of tailored solutions that promote business success

We conduct research throughout the year and our quarterly *Referendum* newsletter forms part of our regular consultation with a proportion of our members; in it we ask some key questions that help define our campaigning priorities. We use the results to facilitate dialogue between our members and their constituent MPs, MEPs, and Scottish and Welsh representatives.

For the latest quarter's *Referendum*, we surveyed 5,200 of our members during December 2010 to find out what members expected from 2011.

## Summary of the results

19% of businesses felt that it would be easier to plan for 2011 compared to 2010; 19% did not know if it would be. This is despite the lack of an election and the expectation of only one Budget.

35% of businesses expected that their focus for 2011 would be survival, 28% looked to consolidation and 34% at growth.

31% expected to see an increase in sales over the next 6 months, 16% expected to expand their business and 16% expected to recruit new staff. 29% however were looking at reducing staff hours and or costs in the same time period and 20% were looking to access further finance.

53% wanted a general reduction of regulations, 49% wanted an increase in business confidence and 46% wanted a restoration of consumer confidence. 47% wanted an improvement to business rates, which was slightly down on the corresponding figure for last year. There was also an 8% reduction in the number concerned about employment law, with redundancy less of an issue. In contrast, other regulations (including everything from environmental regulations to CPC driving requirements) had increased significantly, with pensions and equalities legislation the key concerns. Raw materials costs have also increased significantly. Overall confidence and finance had not changed since last year, but costs had increased.

33% of businesses want support in dealing with these cost issues and 49% wanted support with increasing sales and 30% wanted help with marketing so that they can take advantages of new opportunities.

Advice on accessing finance was the least likely support service to be easily available to our members. Cost was the major barrier to accessing support (especially marketing) and bank finance was also significant.

28% of members who expressed a preference indicated that a new business campaign should reduce red tape and increase the time spent on growing their business. 23% wanted simplified employment law and 19% wanted improvements to accessing finance. A similar proportion would like to see a fairer tax system as many members saw this as a back-up plan if financial institutions fail to provide sufficient levels of finance. 16% wanted a campaign promoting British products and services.

74% of our members feel that elected representatives should focus their work on small businesses in their constituency in order to Get Britain Trading, 36% want their representatives to invite business owners to meet up to discuss ideas on how to Get Britain Trading and 48% want representatives to make representations to the local council about putting schemes in place to encourage business growth.

Key issues suggested by members for elected representatives were to regulate the banks/financial institutions (24%), support reductions to general red tape (21%), make employment law fair for smaller employers (19%) and support tax reduction for employers so that they can invest in jobs and wealth creation.

## Policy recommendations

The research underlines the need for an overarching campaign to promote SMEs in the UK and assist them in creating jobs in the future. Between 1997 and 2007 65% of jobs were created amongst SMEs, highlighting their importance socially as well as economically. As a result of this research the Forum will announce a campaign to “Get Britain Trading” on 17 February to support our members and other SMEs in developing their business in difficult times.

### Finance and cash flow improvement

- Financial institutions and regulators should work together to ensure that there is greater transparency in finance and, if necessary, regulations should be relaxed to allow greater discretion at a local level
- More competition provided for the banks in terms of viable lending options to drive down the cost of finance
- In order that the mistakes of the past are not repeated, business owners should be incentivised to put in place and share information to establish and retain creditworthiness
- Promotion of prompt payment amongst larger firms and recommendations from the government or independent organisation such as ICM for the public sector not to use notoriously bad payers

### Creating a tax system for growth

- Government to crack down on tax avoidance e.g. Low Value Consignment Relief
- Making the taxation system easy to understand
- Incentivisation of businesses that employ and increased rewards those who take calculated risks
- Payroll taxes to be incorporated and reduced

### Creating employment and improving skills

- Move away from bureaucratic ‘tick box’ employment regulation and towards common sense employment practices
- Balance between the rights of the individual and the rights of the employer/other employees. The current tribunal system is felt to be weighted against the employer and fails to consider the rights of other employees.
- Procedural errors should be accepted as an inevitability under the current complex employment law system
- Help businesses to train and retain skilled labour once they are in work and link training with business support to provide broader business solutions to issues

### Creating opportunities for growth

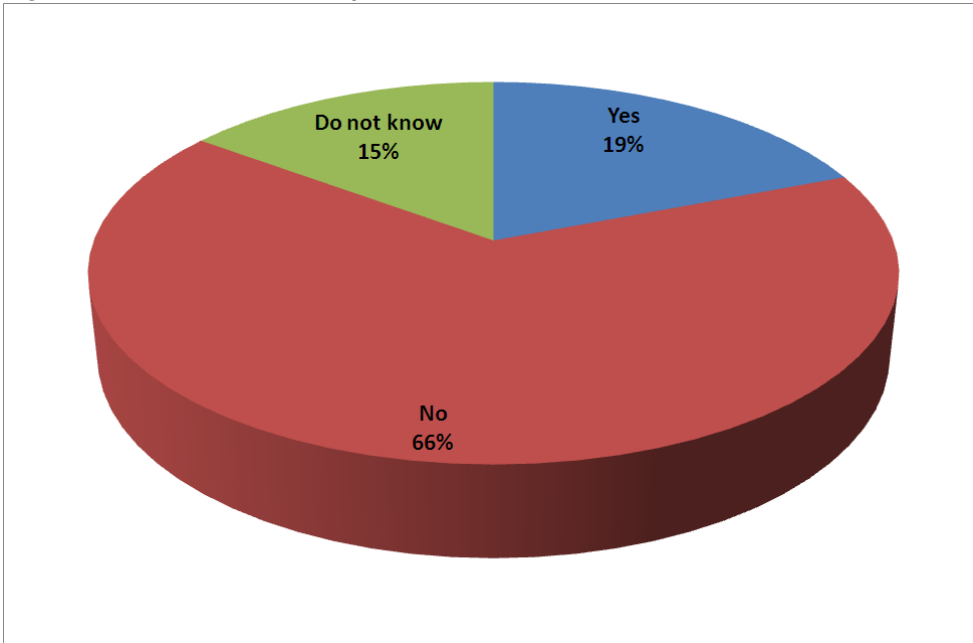
- Supporting the local business community is just one layer of the messages that our members want from business groups and elected representatives. Promotion of UK businesses at regional and national level (buying British) is also required
- Talking positively about the UK’s economic prospects and ensuring the public sector is focused on wastage rather than cutting services to restore consumer confidence
- Streamlining the procurement process to reduce wastage and allow small businesses to bring value to public services
- Ensure that Local Enterprise Partnerships support local business and do not duplicate cost effective support for the private sector
- Provide and promote assistance to exporters so that they have the skills to be ‘export ready’

More information can be found in the Get Britain Trading manifesto available at [www.getbritaintrading.co.uk](http://www.getbritaintrading.co.uk).

## Plans for 2011

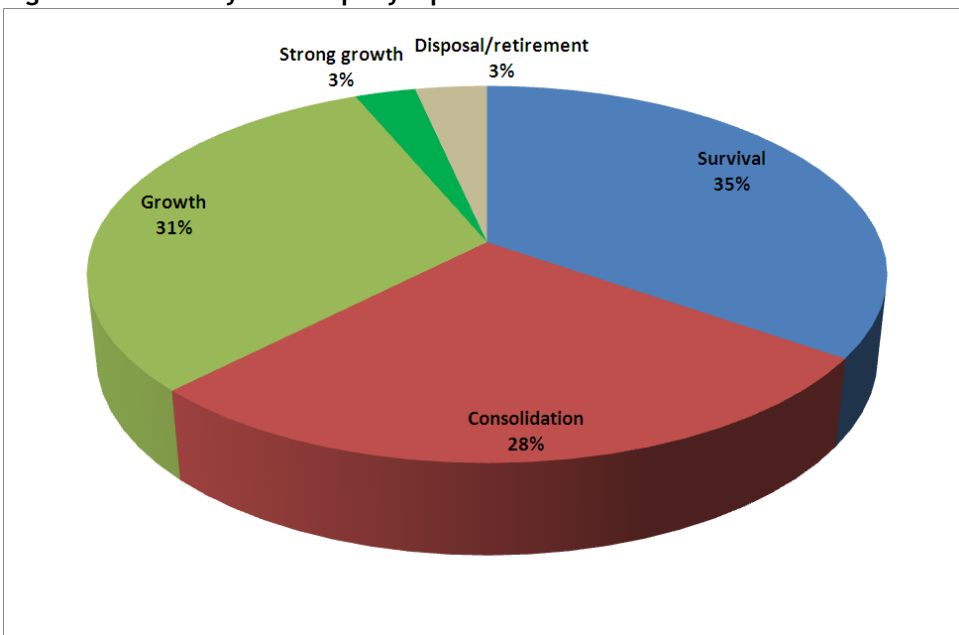
Despite the lack of an election and comprehensive spending review, just 19% of business owners feel that it will be easier to plan for 2011, highlighting the uncertainty amongst business owners about deficit cuts, access to funding and the lack of confidence amongst businesses and their customers. Almost as many businesses felt that they did not know yet as there was no idea what would happen to the economy. SMEs do have an advantage in this respect as they are more nimble and can respond more effectively to changes in the economic climate than larger businesses.

**Figure 1 Will it be easier to plan for 2011 than 2010**



The uncertainty is shown in terms of company plans for 2011 as a similar number of businesses are anticipating growth as are expecting just to survive. 28% were looking to consolidate and around 3% were looking at disposal or retirement.

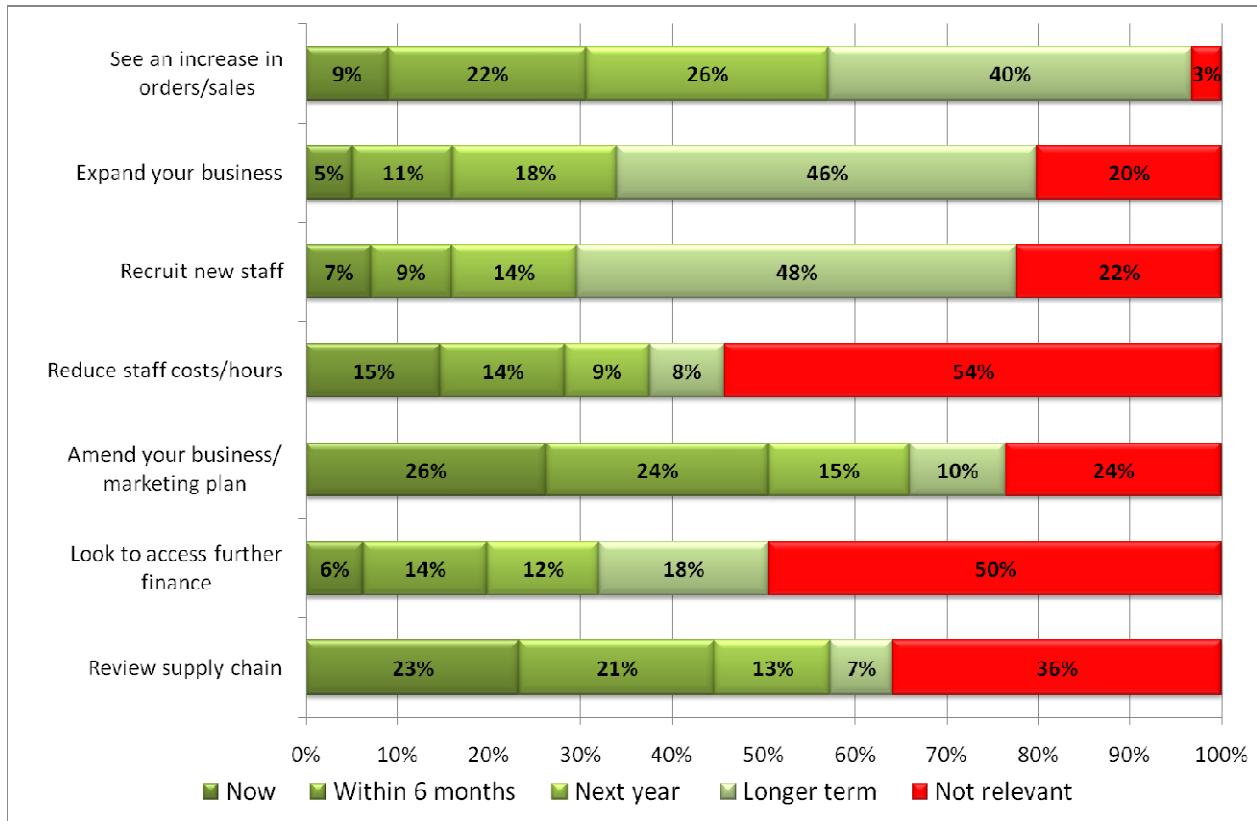
**Figure 2 Focus of your company's plans for 2011**



## Timescales for business development 2011

Just 31% of businesses expect to see an increase in sales over the next 6 months and 16% expect to expand their business in this time, with recruitment of staff lagging slightly behind business expansion. At the same time 28% of businesses expect to have to reduce staff costs.

**Figure 3: Expectation of business owners on key business development issues**

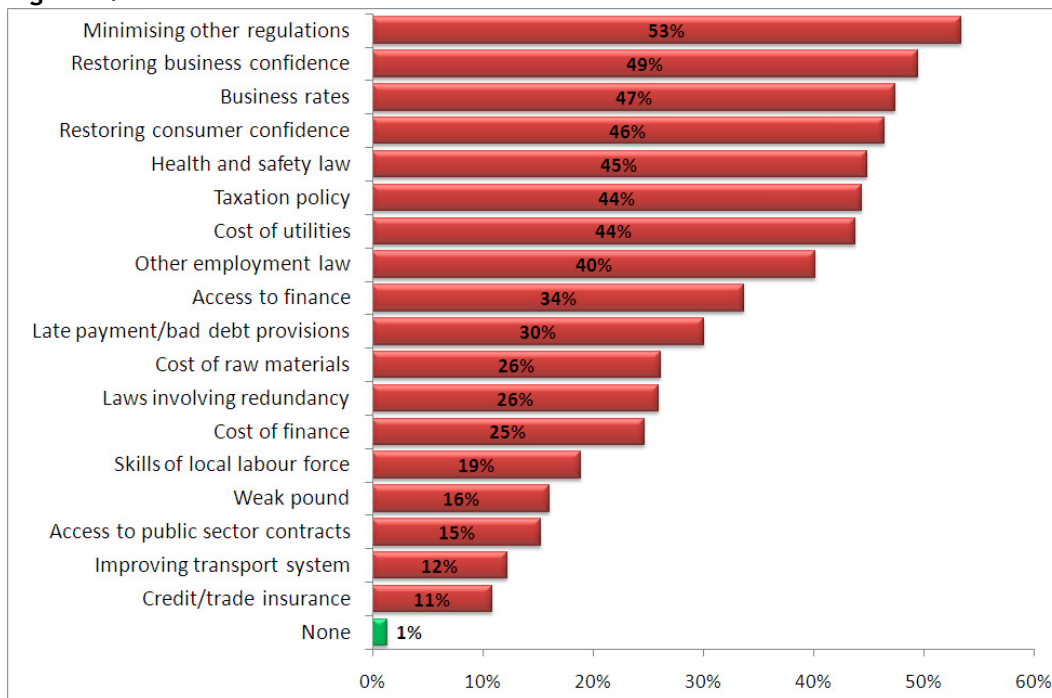


Plans for 2011 are very much a work in progress, underlining the importance of the Budget in March. 50% anticipate amending their business plan over this period, whilst 50% of businesses do not anticipate borrowing further to grow. Anecdotal evidence suggests that this is due to the attitude of the banks rather than lack of opportunity.

## Issues for business development

Members were asked what would help them in developing their business. In total 53% felt that minimising the burden of other regulations would help their business as generic 'red tape' was keeping senior staff away from business development.

**Figure 4: Business issues that still need to be addressed**



Broadly we have asked the same questions in the last three years about the issues businesses need to have addressed. Based on the sample size and change, around 3% is significant.

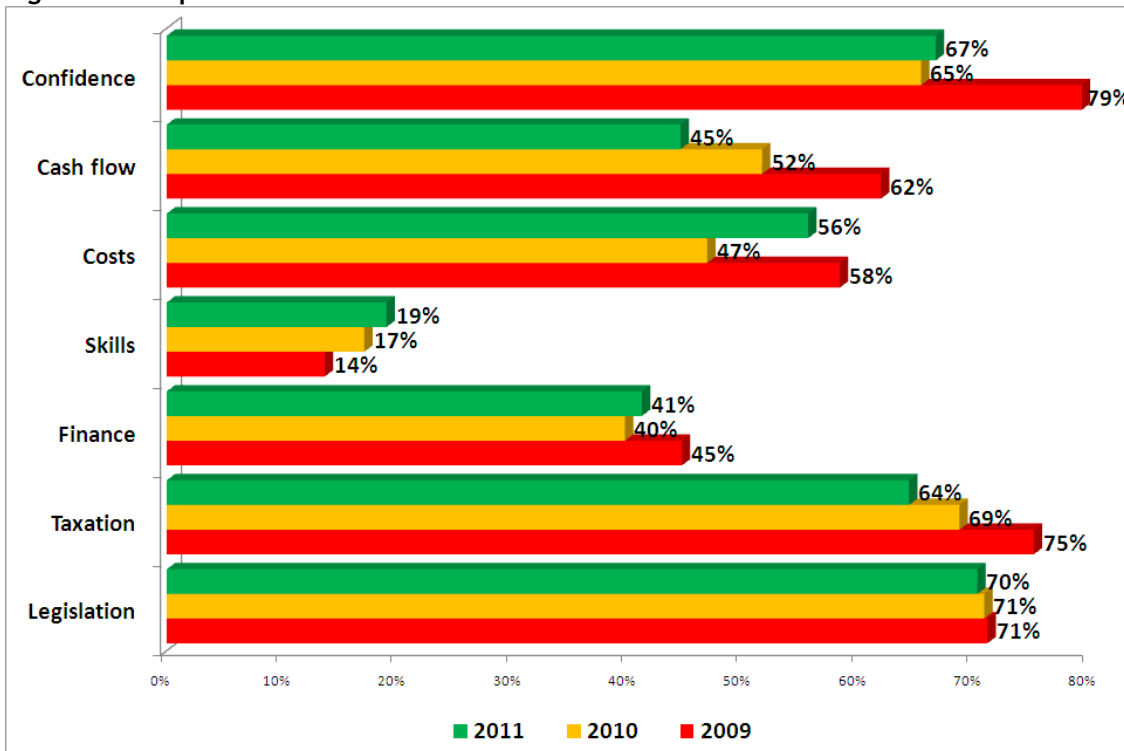
**Figure 5: Comparison of business issues between 2009 and 2011**

	2009	2010	2011	2010-2011
Restoring business confidence	66%	50%	49%	-1%
Restoring consumer confidence	64%	47%	46%	-1%
Business rates	60%	51%	47%	-4%
Employment law*	57%	54%	46%	-8%
Cost of utilities	52%	41%	44%	3%
Minimising other regulations*	50%	48%	53%	5%
Taxation policy	41%	43%	44%	1%
Health and safety law	37%	45%	45%	0%
Late payment / bad debt provision	36%	32%	30%	-2%
Access to finance	35%	31%	34%	3%
Weak pound	35%	19%	16%	-3%
Cost of raw materials	n/a	16%	26%	10%
Cost of finance	28%	25%	25%	0%
Credit/trade insurance	20%	14%	11%	-3%
Access to public sector contracts	17%	17%	15%	-2%
Improving transport system	17%	10%	12%	2%
Skills of the local labour force	14%	17%	19%	2%
None	1%	1%	1%	0%

The positive changes do however have a sting in the tail. Employment law is less prominent as an issue because a lower proportion of businesses reported concerns with redundancy issues. Business rates have also dropped as an issue as businesses last year had seen significant increases in the rateable value of their properties and were even less able to meet the cost of this tax due to a poor economic climate.

Other regulations have become more of an issue, with time spent on overall compliance (red tape) in particular being an issue. Costs of raw materials have increased, with businesses reporting that increases in the cost of fuel, metals and foodstuffs in particular are having an impact on business profitability.

**Figure 6: Comparison of main business issues between 2009 and 2011**



As can be seen from figure 6, there has been no real change in the burden of legislation, taxation has become less of an issue after considerable rises in business rates and confidence has also improved over the three years, although the level of confidence has not changed since last year.

Costs have increased considerably in 2011 although cash flow has improved. Finance has remained at consistent levels.

We also asked business owners how issues could be removed or reduced, the issues mentioned are an indicator of which business issues are most significant to the business rather than those that could be easily resolved.

**Figure 7: Analysis of comments provided by members**

	<b>Comments on issue</b>	<b>Proportion seeing as issue</b>
Access to finance	16%	34%
Restoring business confidence	8%	49%
Restoring consumer confidence	3%	46%
Cost of finance	6%	25%
Credit/trade insurance	1%	11%
Late payment/bad debt provisions	1%	30%
Taxation policy	14%	44%
Skills of local labour force	2%	19%
Laws involving redundancy	2%	26%
Other employment law	15%	40%
Health and safety law	10%	45%
Minimising other regulations	28%	53%
Weak pound	2%	16%
Cost of utilities	3%	44%
Cost of raw materials	1%	26%
Business rates	7%	47%
Improving transport system	2%	12%
Access to public sector contracts	6%	15%
Other	12%	n/a

## How firms wanted these drawbacks addressed

### Confidence

*“Consumer confidence leads to business confidence for us. Uncertainty is the main cause of this lack of confidence”.* **Member response**

The main way in which businesses wanted these addressed was through sustained economic growth and certainty in the direction of UKplc. Businesses felt that the Government could show more determination in supporting small businesses and a significant proportion felt that confidence would be improved if government did more to support small employers. Above all they wanted some sort of stability. Business owners felt that the Government did not understand them and that their experience was at best from large employers or non-employers.

Generally business owners were supportive of increasing the size of the public sector as a proportion of GDP, but felt that there was too much focus on cutting the public sector rather than helping the private sector to grow. A number of business owners would like the Government to look at promoting the benefits of buying British in terms of retaining employment and supporting a recovery in the manufacturing and services sectors.

More positive news stories would also be helpful, but business owners conceded that this would be difficult when other factors are hampering their abilities to develop the business.

### Cash flow

*“Robust laws regarding late payment plus championing by government of prompt payment ethos”*  
**Member response**

Businesses wanted the government to focus their message much more on prompt payment initiatives such as the Prompt Payment Code that is managed by the Institute of Credit Management. There was an overlap with procurement as businesses felt that government bodies should be more concerned with

supply chain justice and promoting supplier partnerships than on excessive insurance requirements or equality and diversities information.

## Skills

*“Skills locally are limited by location, which also means poor access to training for staff.” Member response*

The skills infrastructure is very varied by geography with a number of business owners feeling that cities, particularly London, have greater access to provision of skills, although access to local labour was felt to be harder in the capital due to the high cost of living. The loss of the RDAs and Business Link was also felt to make this area more uncertain.

Lack of profits has led to skills degradation in some industries, particularly as the current skills system is not conducive to supporting businesses who want to upskill current members of staff. One or two business owners felt that the tax system could be used to incentivise staff to take a more proactive view of personal development.

Accessing the right staff was also an issue for businesses, with a number of respondents feeling that they were not able to advertise for the skills that they needed in a candidate due to the legislative framework.

## Finance

*“Access to finance; restore the bank manager who knew you and your business” Member response*

Business owners still do not believe that banks are willing to lend to small businesses or those in businesses with an area of risk. Restaurant owners and construction companies believe it is due to the industry they are in rather than reflecting the quality of the business proposition put in front of them.

*“Business confidence is essential and banks need to be in a position to lend when there is a risk involved” Member response*

Worryingly, business owners do not feel that there is additional finance available for growth which will dampen economic growth in the short-term and lead to UK SMEs losing out to foreign competitors or large corporations who are able to access resources.

*“Banks clearly are not lending. The new rules make that even harder. Additionally banks always seem to get it wrong with SMEs”. Member response*

A significant number of business owners felt that more action was needed from the Government, indicating that their trust in the banking industry required mediation. Wanting the restoration of the old fashioned bank manager was an indication of this lack of trust and the inflexibility of banking systems in taking into account local variations.

There is very little information on alternative forms of finance to bank lending other than through the taxation system.

## Taxation

*“Allowing small businesses more scope to grow. Much of my time as an MD is spent in dealing with bureaucracy and red tape of taxation, employment regulation and not really understanding why the Government makes it so difficult for us.” Member response*

Members felt that taxation on smaller employers should be reduced to allow them to grow, particularly as the banks were unwilling to lend. Investment incentives were a key element of getting businesses to grow. More frequently mentioned were the complications of the tax system. Frequent changes to the taxation system have meant that it is very time consuming for businesses to fulfil their obligations. One business owner in particular resented being forced to act as a tax collector and then be heavily penalised if he made a mistake, in contrast to the current activities of HMRC.

*“Taxation kills business, short term tax gains simply make business less attractive. We need to compete. If we can compete we become more successful.” Member response*

Owners wanted stability in the tax system, although the majority wanted a reduction in overall levels of tax with VAT and fuel duty particularly problematic. Business owners also found employment taxation problematic and felt that computerisation of PAYE led to more unproductive time for their business than putting the form in the post and were very concerned about the system going down.

## Employment legislation

*Small business are floundering under a huge pile of employment legislation, and making a small mistake in procedure means it is almost impossible to discipline difficult staff. Member response*

Like the taxation system, members wanted the system streamlined and simplified so that they can understand it. Business owners complain the system is too legalistic and means that they have lost the ability to manage, in case there is a missing link in the paper trail. As with the taxation system there is a palpable fear that an honest mistake could close the business. Members found maternity and paternity laws particularly difficult to deal with where businesses have limited resources or require specialist staff. The question of whether they should train up a replacement was increased by the inability of the manager to ask the employee what their intentions were, even though the obvious solution would be to permit this. The Employer’s Charter specifically deals with this issue.

Cost of employment has become a big issue, with a number of respondents feeling that the resources needed and risk involved in employing new staff could not be justified as the regulatory system only looks to increase the cost for employers and the rights of employees. Giving employees access to a pension scheme which conforms to the Government’s requirements was an issue that a number of business owners (some of whom already offered pension schemes) were worried about which could be mitigated if the legislation was simpler and compliance was made easier through a more flexible, inclusive system. .

## Health and safety legislation

*“Put the owner back on the shop floor” Member response*

Health and safety legislation was a big issue for some members who felt that the employees should have a greater responsibility for their actions so that common sense could return to health and safety. Businesses working alongside non-employers were also concerned about their safety records and many owners would rather the administrative requirements could be reduced so that they could spend more time ensuring their employees undertake their work safely. One or two business owners complained that health and safety was often used to inhibit businesses unnecessarily, even though as owners they were ultimately responsible for their employees. A good example of this is that a small business owner could not get apprentices under 18 onto any construction site even though his company was prepared to guarantee his behaviour.

## Red tape and other legislation

*“Red tape removal would be the biggest benefit in moving from survival to profit.” Member response*

In a similar vein, business owners feel that they are better at managing their business than regulations are. Many felt that sensible, informal ways of doing simple tasks had been turned into administrative problems by regulations. There is a feeling that red tape creates jobs, but unproductive ones and leads to wastage in the public sector. No business owners saw red tape as a benefit in terms of improving their business processes, with the majority feeling that cutting red tape would improve the entrepreneurial spirit of the UK and, over time, create jobs.

## Procurement

Businesses wanted public sector procurement requirements significantly reduced as procurement professionals often favour larger businesses with multiple quality standards and greater resources to complete long, jargon-filled procurement questionnaires. SMEs feel that proof of technical accomplishment are more important than the plethora of accredited bodies and believe that councils prefer large contractors who are perceived as being less risky over local firms who could do the job more

cheaply. A shorter form and a more informal process would allow councils to save money as local businesses would not have to include the cost of tendering in the quote.

## Other costs

*“Ofgem to audit the utilities companies to stop them ripping off businesses that are out of contract.”*  
Member response

*“Cost of raw materials is affected by exchange rate coming back to stability.”* Member response

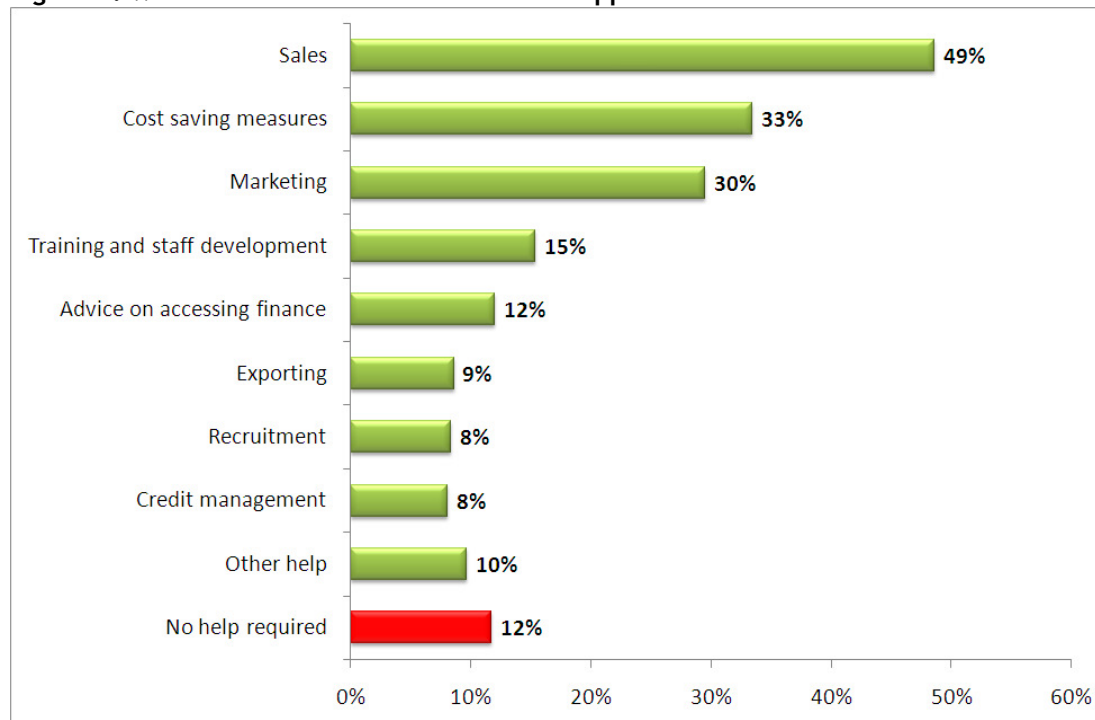
The most frequently mentioned costs - the cost of finance, fuel, procurement and employment - are dealt with elsewhere. Businesses highlighted the ease with which utilities companies can charge excessive rates for roll-over contracts. Exchange rates are part of the reason why raw materials have risen considerably for small businesses, who are less able to pass the cost onto their distributors.

## Support businesses require

Enhancing the profitability of the business is the main support wanted by business owners, with 49% wanting support in increasing sales, 33% wanting support in reducing costs and 30% interested in marketing support.

Other help included ICT, reduction in taxation and public sector interference (local councils and regulatory retirements) and improvements to the business climate (economy and crime reduction) were the main options indicated. Variations on the categories such as improving accounting/financial skills (particularly support to reduce late payments) and making the business ready to export were the also mentioned.

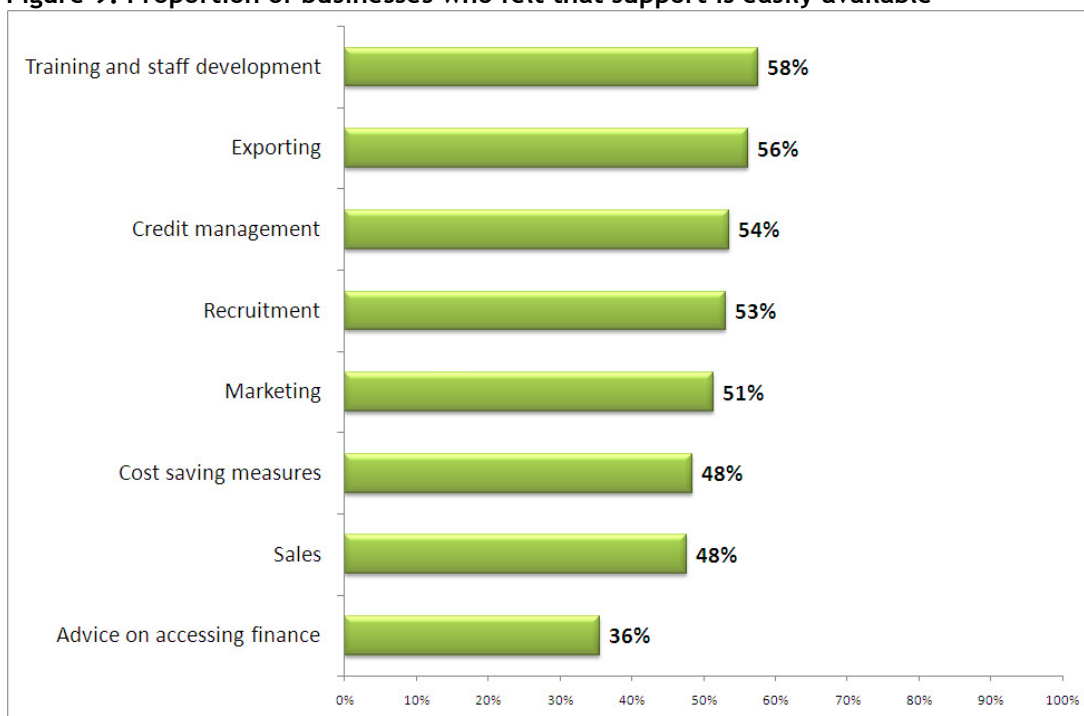
**Figure 8: Where business owners would like support**



Just 12% were looking for advice on accessing finance, however only 20% of respondents envisaged accessing finance over this period. Likewise 8% of the sample was interested in support for recruitment out of 16% who felt this was likely to happen.

Overall 48% of businesses felt that the support they required to develop over the next 6 months was easily available and 23% were uncertain as they had not investigated the options fully.

**Figure 9: Proportion of businesses who felt that support is easily available**



Business owners felt that support in training and staff development was easily available, with 58% reporting that support was readily available. This is partially due to the high proportion of businesses who develop staff through internal support. In contrast only 36% of business owners felt that they were able to access advice on accessing finance.

## Why support is not readily available

*“Big companies are favoured and they know how to access support. In our dealings getting support costs more in red tape than [the effect of] not bothering at all.” Member response*

Affordability of support is a key issue for businesses at the moment, with three out of the four most frequently cited reasons being to do with cost or the inability to increase profits due to economic uncertainty. Taxation also featured highly in the figures as businesses saw this as an increasing cost with fuel duty and VAT again heavily mentioned.

15% are put off by the ineffectiveness of the regulations and the administrative requirements of any support. 7% also felt that they were too small to be able to take advantage of such support or that larger companies were favoured in accessing support as they had resources to research what is available for staff.

**Figure 10: Reasons why support is not easily available**

	<b>Issue</b>
Cost	18%
Bank finance	16%
Red tape/legislation	11%
Economic situation	8%
Taxation policy	7%
Too small	7%
Lack of point of information/awareness of what is out there	6%
Time	5%
Quality	5%
Unable to find skills	4%
Local council offering poor support	4%
Not specific to our sector	4%
Loss of public sector support e.g. Business Link	3%
Support is not readily available in a convenient format	3%
Traditional methods are limited	2%

A proportion of businesses are concerned about the restructuring of business support, 4% felt that the local council, a key stakeholder in the new Local Enterprise Partnerships, had limited ability or interest in helping their business. 6% wanted a point of information to let them know what is out there and 3% specifically indicated that they felt there had been a reduction in support offered by the public sector (i.e. RDAs or Business Link).

Quality was a big issue as a number of businesses indicated that the support was not available for their sector (e.g. marketing for building trades) or available to them locally in a form that would improve the business or the skills of their staff. This was particularly true for practical training in the local area.

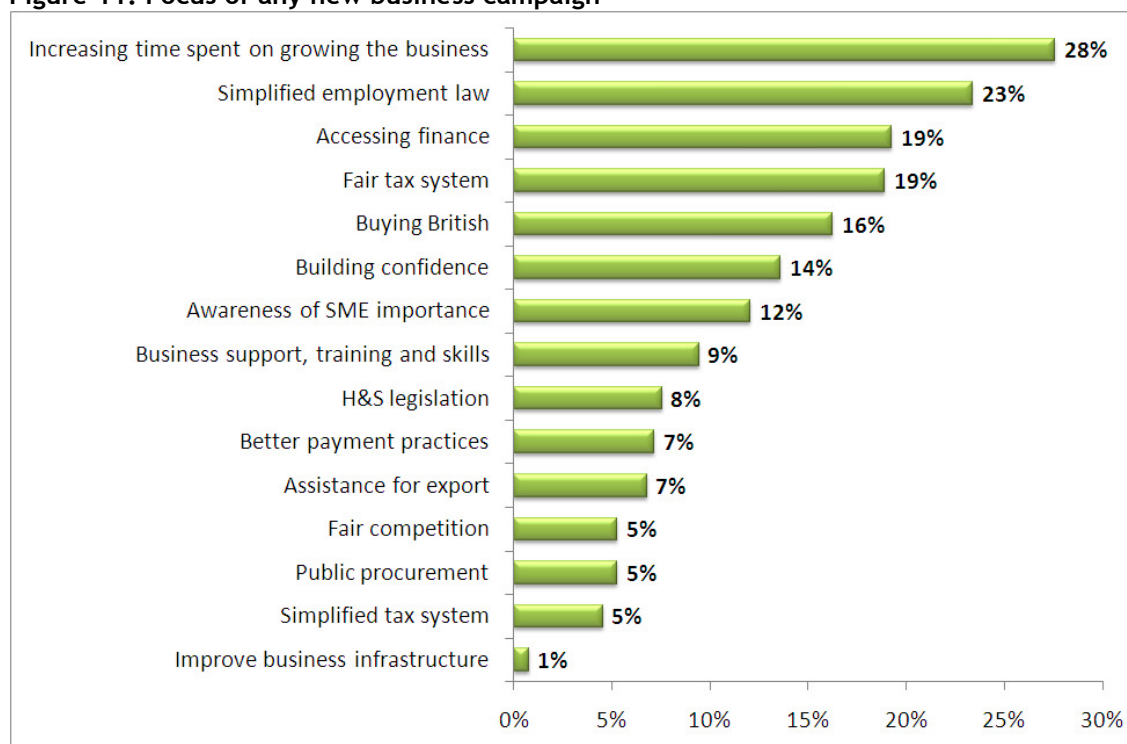
## Focus of Get Britain Trading

28% of businesses who responded felt that businesses should be allowed to spend more time developing the business and less time on regulatory administration. Many businesses felt that reducing red tape and regulatory interference was the key issue for their business to allow them to spend more time and resources on the business.

*“Not expecting them (SMEs) to meet same legislation as multinationals which have armies of support staff - we know our staff personally but it is impossible to do all the paperwork” Member response*

23% highlighted employment law as an issue, believing that the balance on tribunals was in favour of employees and to focused on larger businesses who need a more formalised system to cope with complex management structures and a disconnect between staff and senior management. Other issues raised were the difficulty in administering for maternity and paternity leave and providing a papertrail when it was more natural to talk to staff rather than send them letters/emails.

**Figure 11: Focus of any new business campaign**



Accessing finance was an issue as there is a belief that banks are not prepared to lend to some industries or for growth. Banks, utilities companies and supermarkets were highlighted as sectors where more focused regulation was needed. Around 19% also felt that a fairer tax system was needed and the two concepts were closely related as business owners are increasingly looking to internal profits to finance growth and provide a reserve that will allow them with capital to bridge the gap between orders and invoice payment. A fairer tax system also includes the assumption of lower taxes for small employers who take the risks but do not receive the rewards of job creation and business rates, the unfairness of which may be exacerbated by the greater powers given to councils under the Localism Bill.

*“Allowing SMEs to make some money not continuously concentrate on the bottom line figure is more on value for money. Should be best in class not how cheap can I get it.” Member response*

Owners wanted also a concerted campaign to buy British as research by Business Link North West<sup>(1)</sup> has shown that high growth companies have a strong UK market which allows them greater resources to export. Members felt that an overarching Buy British campaign would create UK jobs and support high end UK manufacturing and construction. Construction firms and retailers in particular also felt that there should be a focus on reinforcing local communities. Councils in particular were mentioned as undervaluing their local business community and preferring to deal with larger businesses even though this meant less revenue was retained locally. Sudden increases to the bottom line such as business rates or National

Minimum Wage were considered unfair as it puts owners in an awkward situation if they cannot raise their prices.

*"The campaign needs to try and restore confidence but I have no idea how." Member response*

*"Customer confidence, business picked up nicely over the year then the Conservative conference came and along with our stupid press we talked down the economy, people spend according to what the news is, October 4th my trade took a dive." Member response*

Building confidence is a similar theme to buying British, business and consumer confidence have been hit by uncertainty and hyperbole over the impact of public sector cuts. According to GFK NOP consumer confidence is at its lowest levels for a generation<sup>(2)</sup>. Television and newspaper coverage was the most frequently mentioned scapegoat. Banks - for their failure to support feel good indicators such as house prices, councils - for their reaction to the need to cut, and the Government were also blamed.

*"Making running a small business easier not by cutting standards but cutting down on paperwork, rules and regulations etc." Member response*

*"Doing not saying". Member response*

Many of our members feel that there is little awareness amongst elected representatives and local councils about the importance of SMEs to the economy. Although there are statements about the importance of SMEs driving the economy, most initiatives that have been introduced are not that business friendly or tend to favour larger organisations. An example of the latter is the change to procurement rules by councils.

*"Late payments, some public sector bodies have recently changed their procurement policies effectively excluding small business, lower rates and employment legislation." Member response*

5% of our members feel that PQQs and their demands in terms of excessive insurance cover, formal qualifications, information on social make up of the organisation and the lack of feedback given to failed applicants are barriers for occasional bidders for work such as local construction or catering firms.

9% of businesses were concerned about skills levels amongst current and potential staff and the ability to improve this. A similar proportion of respondents wanted H&S legislation looked at in a more rational manner - "it is either safe or it is not" and felt that the complexity of the regulations as well as having individuals walking around the factory or site who were unaware of working practices was also dangerous.

*"Helping to ease cash flow difficulties by eliminating requirement for retentions in the construction industry." Member response*

Better payment practices were wanted by our members because late payment paralyses a small business as it means an increase in unproductive time and increases the financial fluctuations inherent in their business.

Assistance for exporting was also wanted by 7% of our members, in particular support with finance and dealing with late payment. Support such as marketing and information were also mentioned.

5% wanted fairer competition for their business, many felt they were at a disadvantage compared to one man bands at one end of the scale and multi nationals on the other. The most frequent complaint was about competitors or indirect competitors (e.g. public houses complaining about the discounted alcohol sold by supermarkets).

5% also specified a simplified tax system as business owners felt that the system is time-consuming to administer and owners are concerned that they may have overlooked something. There was also a link to unfair competition as smaller employers felt that larger companies were able to access tax loopholes more effectively than large businesses.

## What should elected representatives do?

We asked our members what their elected representatives should do to support them in developing their business. 18% did not specify any particular support. A number of these businesses specifically indicated that they wanted far less political interference in their business or felt that the Government is not prepared to be “small business friendly”.

*“Please do not send anything to our MP etc. it is just a waste of time, the responses are so general you wonder if they read them or if they hold things against you in the future”* Member response

Most businesses felt that there was a dire need for MPs to take the plight of the small employer seriously, citing the fact that such businesses create a disproportionate number of employment vacancies in the public sector.

**Figure 12: Proportion of members wanting their elected representatives to support them**

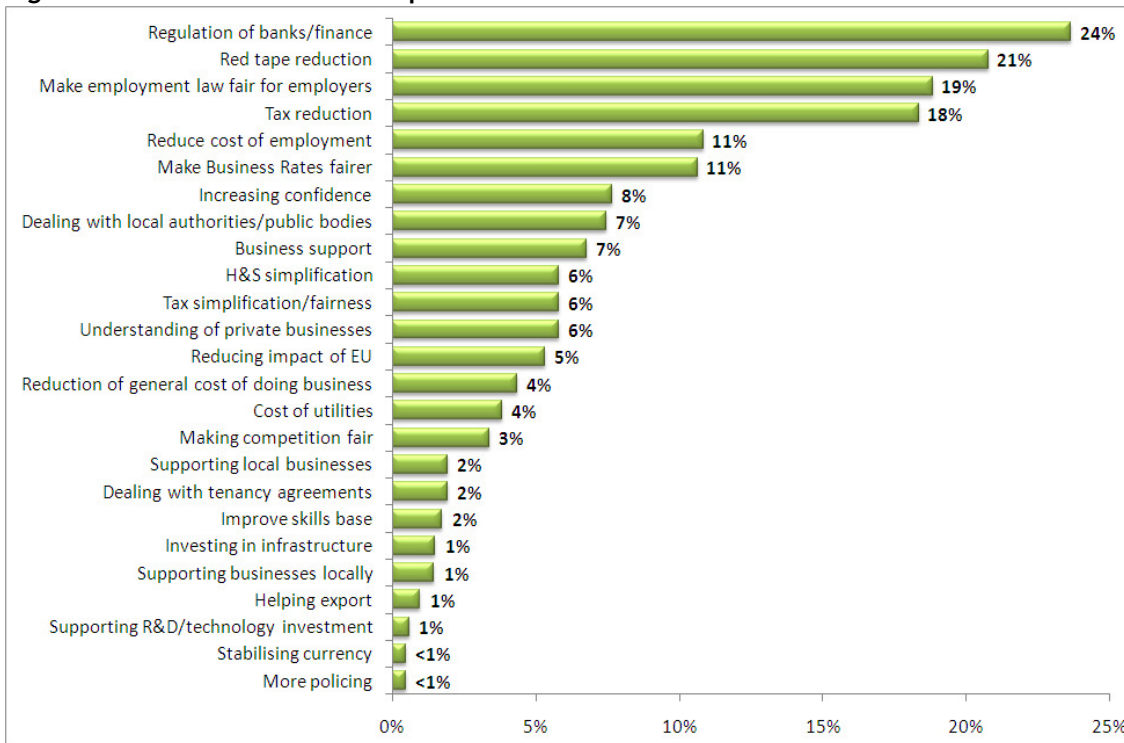


*Understanding the very difficult situations a large number of private businesses find themselves in and have to deal with whilst public businesses tend to have golden packages and a widening gap with private business. Why would anyone want to employ people now?* Member response

Our members’ requirements for elected representatives are based on the issues that their businesses currently face. Businesses want more regulation on financial institutions as they feel that these organisations are inhibiting their ability to survive and grow. Expectations have been increased as two of the main institutions are owned by the taxpayer.

General red tape reduction was the second most common issue cited, at 21%, although there were variations on the theme with employment law specified by 19% of businesses and 6% mentioning health and safety legislation. Around 5% feel that their elected representatives have no idea of the issues faced by smaller employers.

**Figure 13: Issues that elected representatives need to concentrate on**



***“As a haulage company the duty on fuel needs to be stabilised or an essential user rebate should be introduced to the haulage industry.” Member response***

Reducing generic business costs was mentioned by 4%, however 11% felt that elected representatives should push for reducing the cost of employment, 11% wanting business rates to be made fairer and 18% wanting taxation reduced so that businesses can plough any profits into developing their business.

7% want the dealings of local authorities and public bodies to be more accountable and monitored for wastage. Few businesses understand why the procurement process is so complicated and yet so lacking in transparency. A number of respondents also feel that the cuts imposed by councils are being used as an excuse to reduce services rather than dealing with wastage. 8% want an increase in confidence with all parties talking down the UK and creating a climate of fear amongst consumers.

- (1) Business Link North West presentation “Entrepreneur Mapping: Tracking Business along the journey from Pre Start up to high growth” Liverpool June 2010
- (2) GFK NOP, Consumer confidence barometer January 2011, <http://www.gfnop.com/pressinfo/releases/singlearticles/007214/index.en.html>

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