

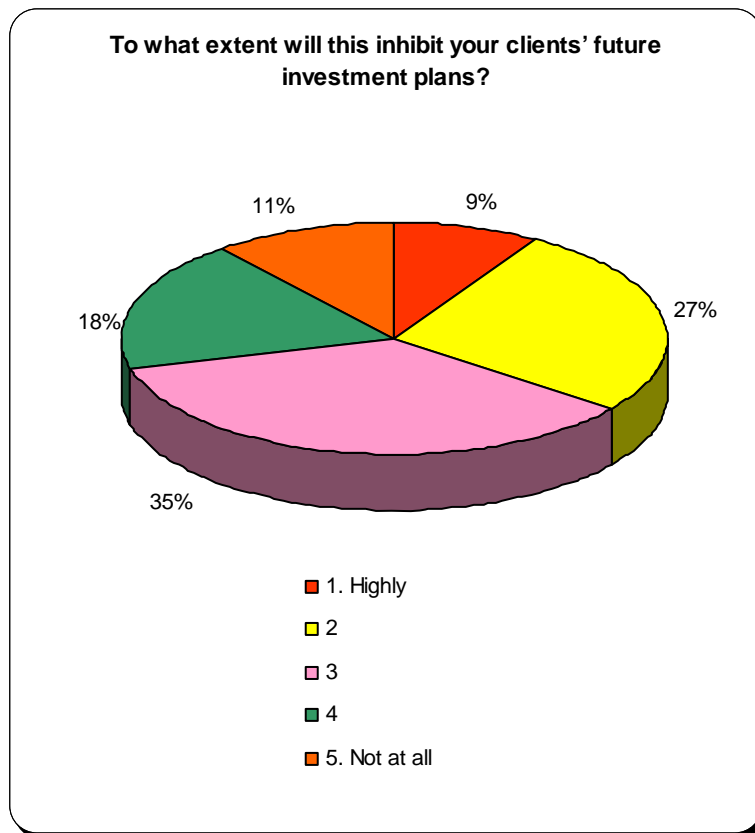
## UKBAB 51 November 2006 Analysis

The themes for the November survey were pension reforms and investment, road pricing schemes, 'Family friendly' policies, changing banks, cash flow, business websites, running/managing a business and the 3rd annual UK-wide Enterprise Week.

In total 185 Business Advisers responded to this Survey.

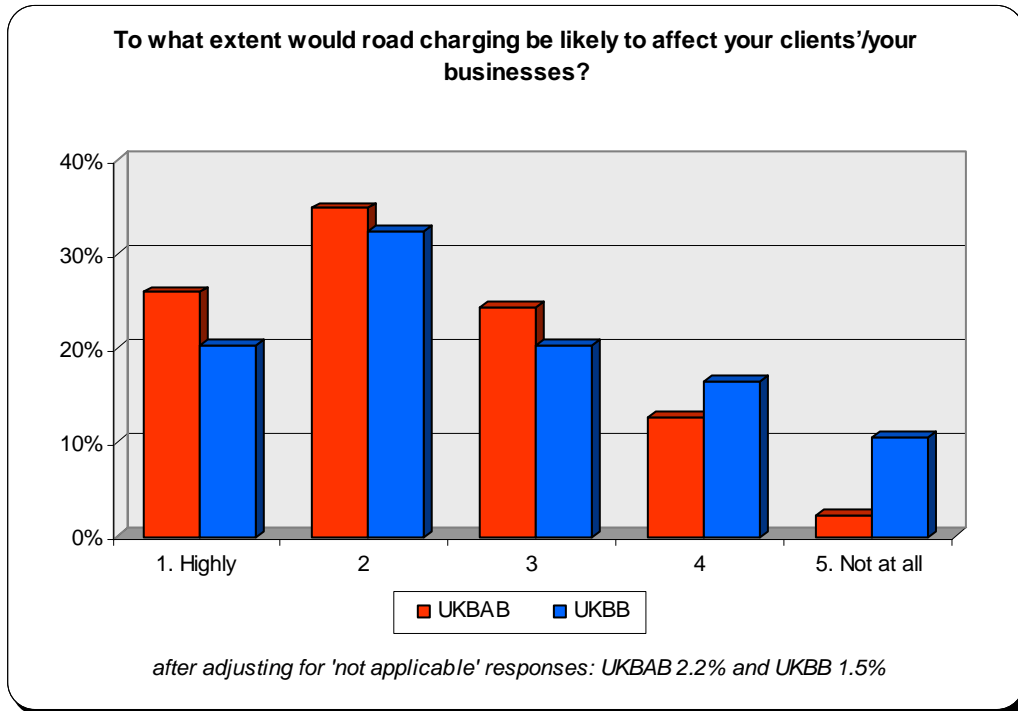
### Survey Findings

The proposed pension reforms outlined in the recent Queen's speech included a requirement upon employers to contribute 3% of salary by 2014 towards employee's pensions. 36% of respondents to the November UK business adviser barometer survey think that their clients' future investment plans will be highly or relatively inhibited by this new requirement. 29% consider that clients' investment plans will be relatively or not at all inhibited.



Government recently announced that road pricing and congestion charge pilots are to be extended to areas outside London. 98% of UKBAB respondents think there would be some effect on their clients' businesses, and 61% to a high or relatively high extent.

In the parallel survey of smaller businesses, 90% of respondents expect road charging to have some effect on their businesses, 53% to a high or relatively high extent.

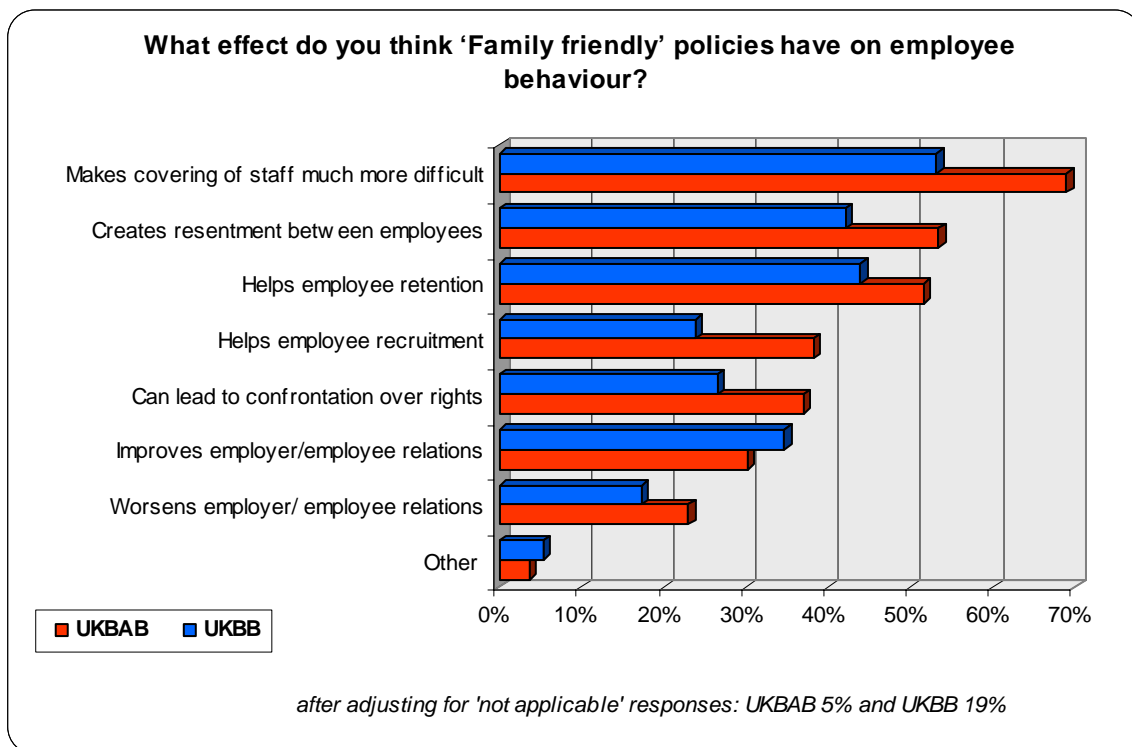


All major political parties have recently advocated increasing Family-friendly policies for the workplace, but cautionary views have been expressed by some organisations representing smaller businesses. Many respondents to the November survey do not see it as entirely bad news – although 69% of respondents said that staff cover is made much more difficult, 52% said that employee retention is helped and 38% think it helps recruitment. On the other hand, 54% think it increases resentment between employees and 37% say it can lead to confrontation over rights while 30% say it improves employer/employee relationships. 30% say it improves employer/employee relationships.

Respondents were invited to select more than one choice of response, and, after adjusting for 'not applicable' responses, 58% selected either all or mostly negative responses, while 32% selected all or mostly positive responses. 11% were evenly balanced between positive and negative responses.

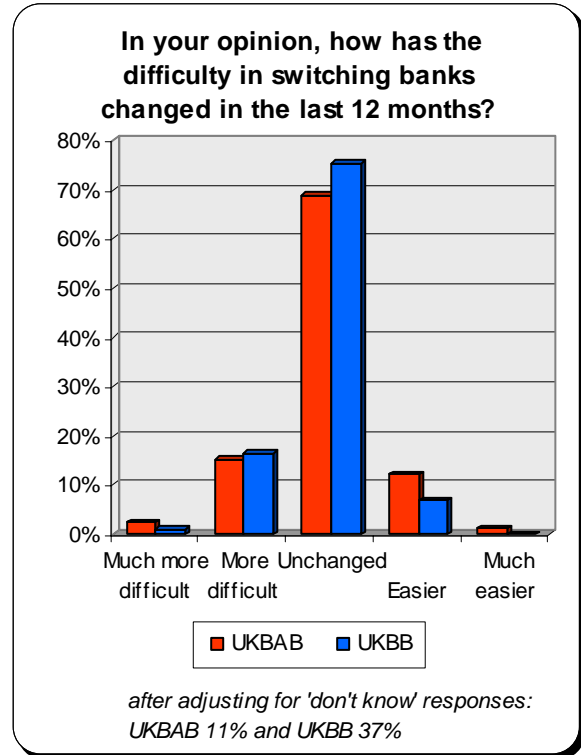
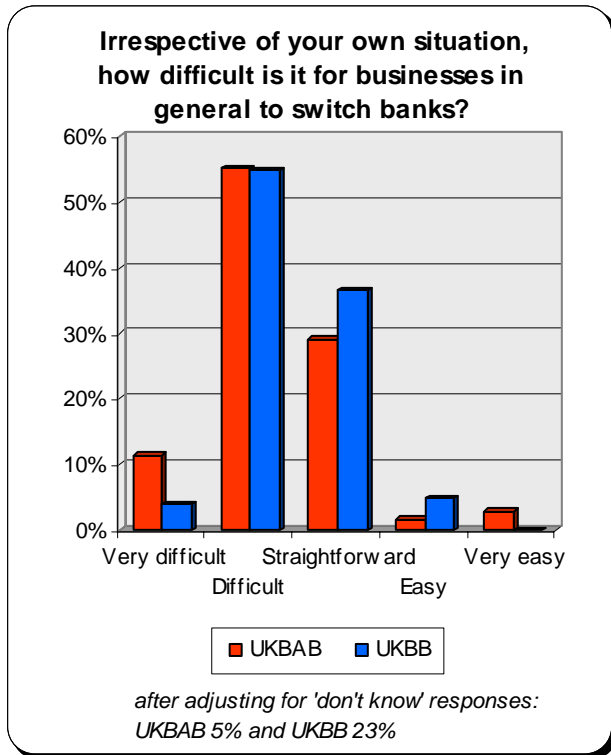
The same question was asked in the parallel survey of smaller businesses, the UKBB. The finding from that survey was less negative, with 47% selecting either all or mostly negative responses, while 37% selected all or mostly positive responses. 14% were evenly balanced between positive and negative responses.

The question attracted individual comments from both UKBAB and UKBB panellists. One comment was "...There is certainly a difference in attitude between employees who benefit as opposed to those who are not eligible." Several BB respondents mentioned increased costs and also difficulties caused by the blurring of the relationship between employer and employee in a small company. One UKBB commentator said "The jury is out on whether or not they (family friendly policies) represent value for money".

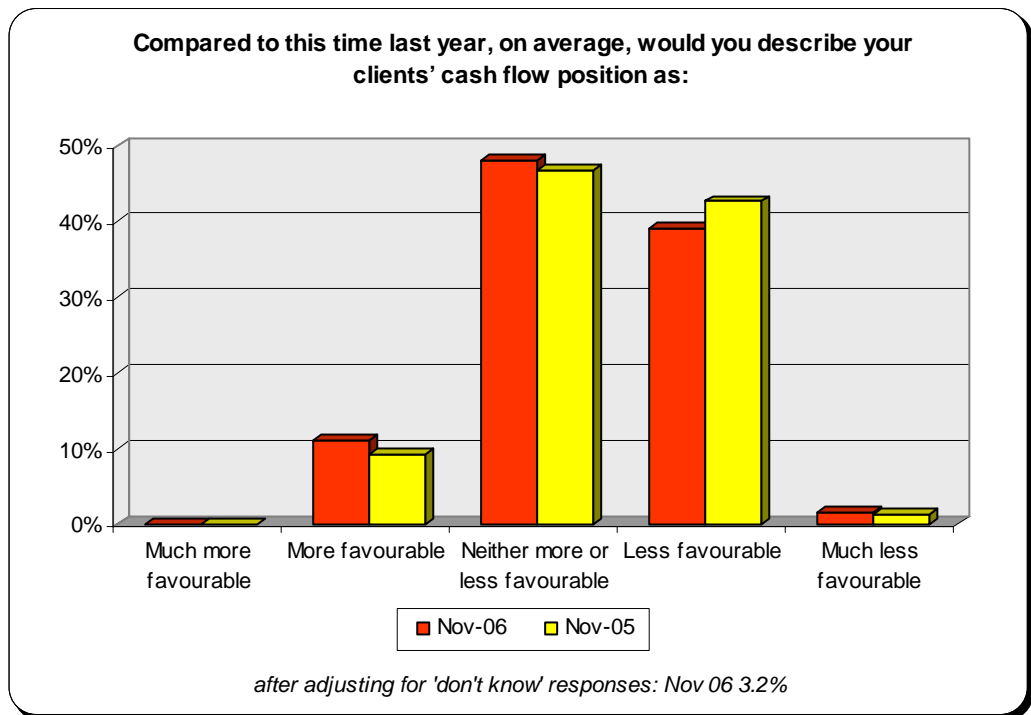


67% of respondents believe it is difficult or very difficult for businesses in general to switch banks, compared to 68% in November 2003. 69% think that the difficulty in switching banks has not changed over the last 12 months, compared to 70% in November 2003.

The same questions were asked in the parallel survey of smaller businesses, the UKBB. 59% of responding business advisers believe it is difficult or very difficult for businesses in general to switch banks, while 75% of them think that the difficulty in switching banks has not changed over the last 12 months.

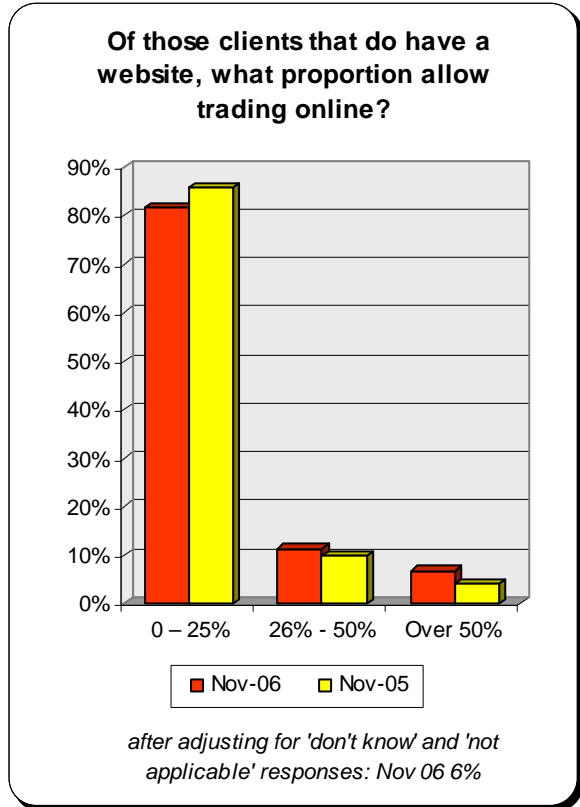
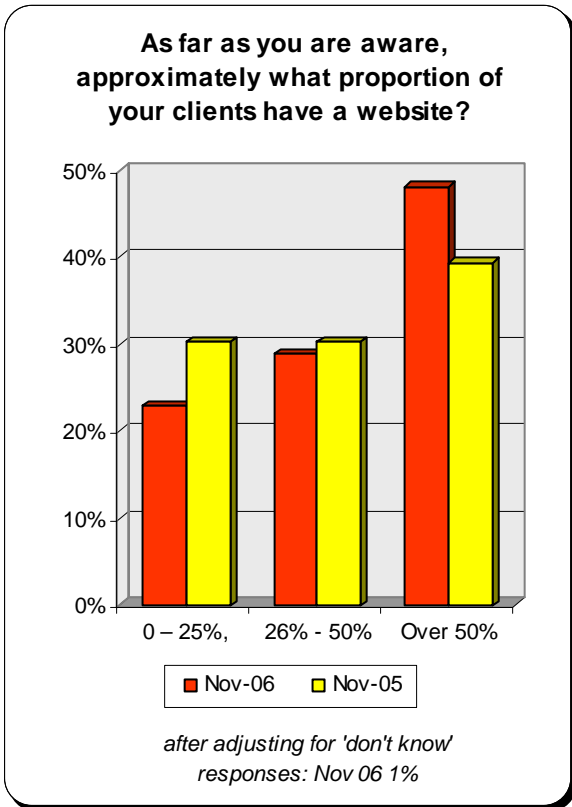


When asked if clients' cash flow is more or less favourable than a year ago, 11% of the respondents to the UKBAB said that it was more, or much more, favourable. This compares with 9% in the November 2005 survey. 41% said that it was less, or much less, favourable – compared to 44% in last year's survey. Respondents to the UKBB, the parallel survey of smaller businesses, were asked about their own cash flow positions. 41% thought it more favourable, while 33% believe it to be less favourable.



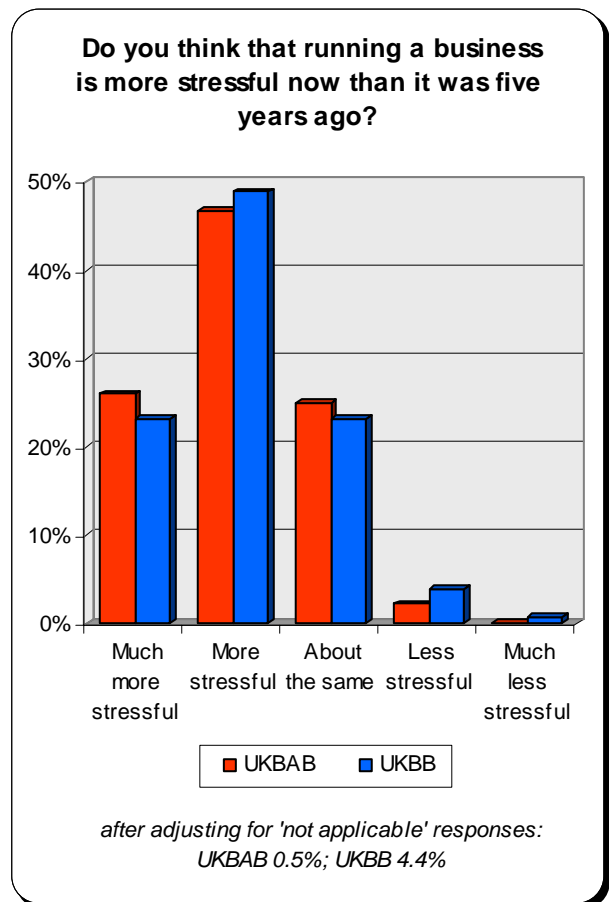
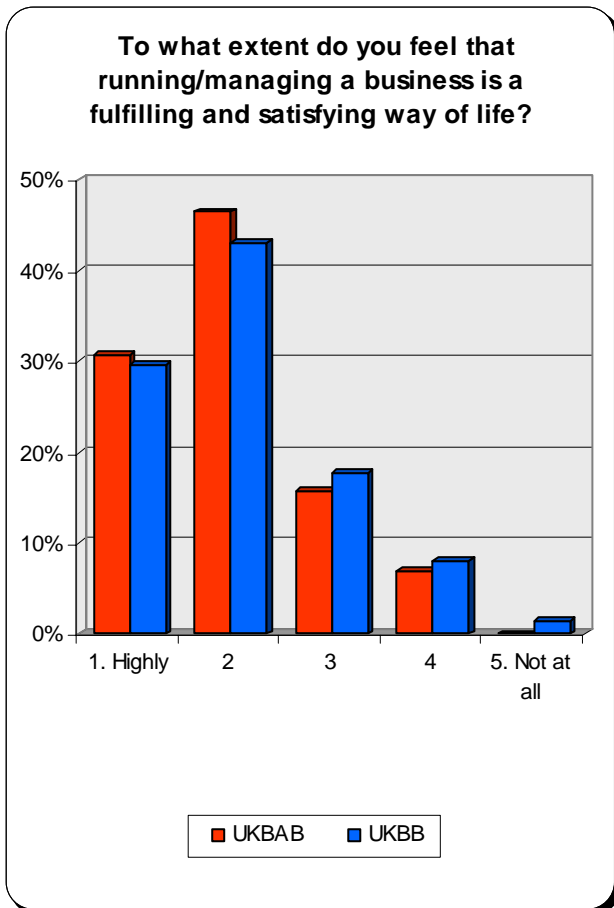
Advisers were asked what proportion of their clients currently has websites. 48% of respondents think that more than half of their clients have a website. This compares with 39% resulting from the same question asked in November 2005.

Where there is a website, UKBAB panellists were asked if there was online trading. 7% now say that more than 50% of clients offer online trading, compared to only 4% last year.

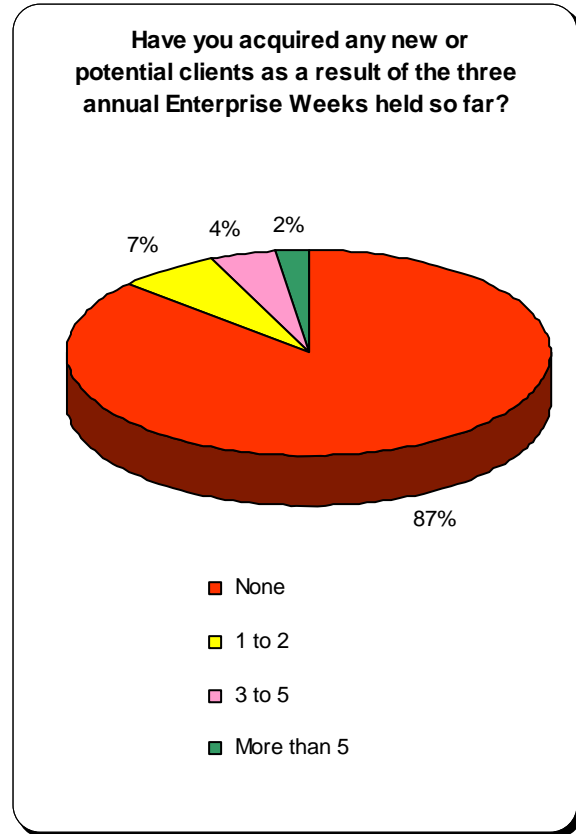
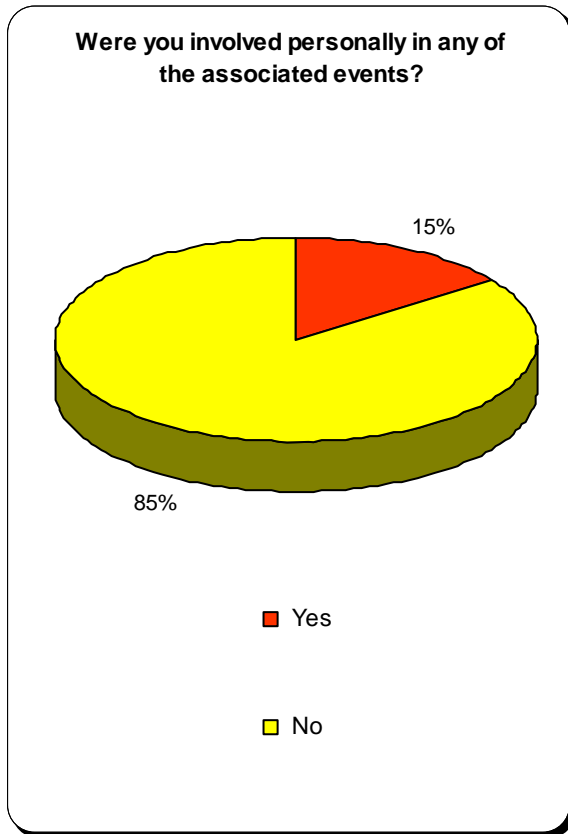


Asked if running a business is a fulfilling and satisfying way of life, 77% of panellists said it was highly or reasonably highly satisfying compared to two years ago, when in answer to the same question, the responses were at 83%. 73% of smaller businesses responding to the same question asked in the parallel UKBB survey said the same. However 7% of UKBAB respondents said it was not at all satisfying or only slightly satisfying, compared to 10% of UKBB respondents.

73% of UKBAB respondents now reckon that running a business is either more stressful or much more stressful than five years ago, compared with 65% in November 2004; and 72% of UKBB respondents agreed with them. 2% of UKBAB respondents thought that stress had decreased, compared with 3% in November 2004 and 5% of UKBB respondents.



The third annual UK-wide Enterprise Week took place in November. This offers opportunities to young people in their teens and twenties to explore and engage with entrepreneurial and other enterprise activities and is designed to encourage the growth of an enterprise culture. Although events are mainly concentrated among educational establishments, 15% of respondents to the UKBAB were personally involved in events during the week and 13% have gained new or potential clients as a result of the three Enterprise Weeks held so far.



Listed below are some of the personal views supplied in feedback received from respondents to Survey BAB51 November 2006

Views expressed are those of individual panellists and may not represent those of the University.

We have proven that Family Friendly businesses work for both employer and employee providing that strong FF Policies and Procedures are in place.

**Ref: Q1:** *The proposed pension reforms outlined in the recent Queen's speech included a requirement upon employers to contribute 3% of salary by 2014 towards employee's pensions. To what extent will this inhibit your clients' future investment plans?*

This would in effect be additional "Pension" tax with the advantage that HMG will not be able to spend it. Saving for a small pension has always been ill-advised with a means treated benefits system as it merely saves HMG money and leaves the pensioner no better off. Plus, please continuously hammer into the Treasury that the current "Black hole" is about the same as the accumulated effect of the Chancellor's taxing of pension funds which has left 100k's of people worse off in old age. In my modest case an expected £150k pot has shrunk to not much over £100k, yet this gets very little publicity.

Policy Family Friendly is often seen as 'BIG BROTHER'

The question on the effects of family friendly policies has a much more mixed range of answers than the tick box format allowed. There is certainly a difference in attitude between employees who benefit as opposed to those who are not eligible.

[Family friendly policies ] for some employees it's a good thing, for others not: depends on circumstances

Many of my clients are micro and small businesses with significant potential to grow. However, over the few years I have noticed a significant increase in business owners limiting employment opportunities in order not to get involved in the burden of legislation. Government may think that it is helping business, but it clearly is not. In fact quite the opposite - its killing that which exists and discouraging those that have good business ideas from starting.

Why does government always consider that loading small business with additional costs has little effect [on them]? Is it because they have such a small voice.

Clients that are small companies and have introduced family friendly working have found great benefits allowing greater flexibility to cover absences with staff more willing to adapt hours to suit not just their needs but also their employers. However it can be difficult with small numbers to be able to extend that flexibility to everyone since clients need a core of many full time /regular staff.