

UKBAB 50 October 2006 Analysis

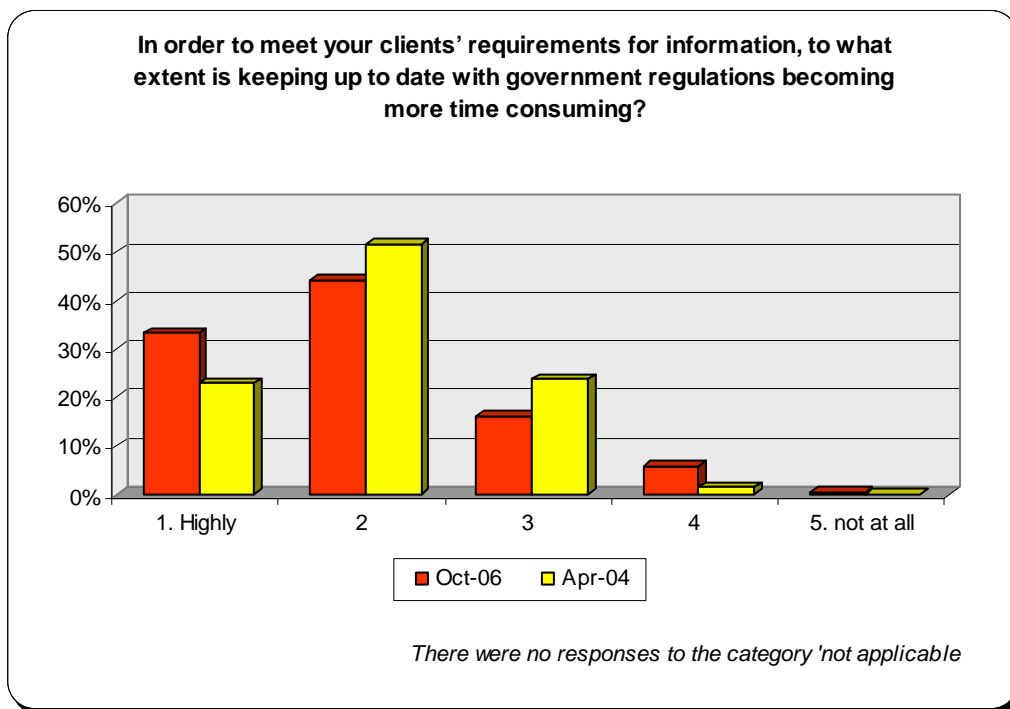
In the October 2006 survey we invited panellists to give their views on keeping up with government regulations, problems with literacy and numeracy amongst clients' employees, take-up of R&D tax relief, employment legislation, time management, clients' notion of CSR, skills course design, skills bartering and work experience placements.

In total 186 Business Advisers responded to this Survey.

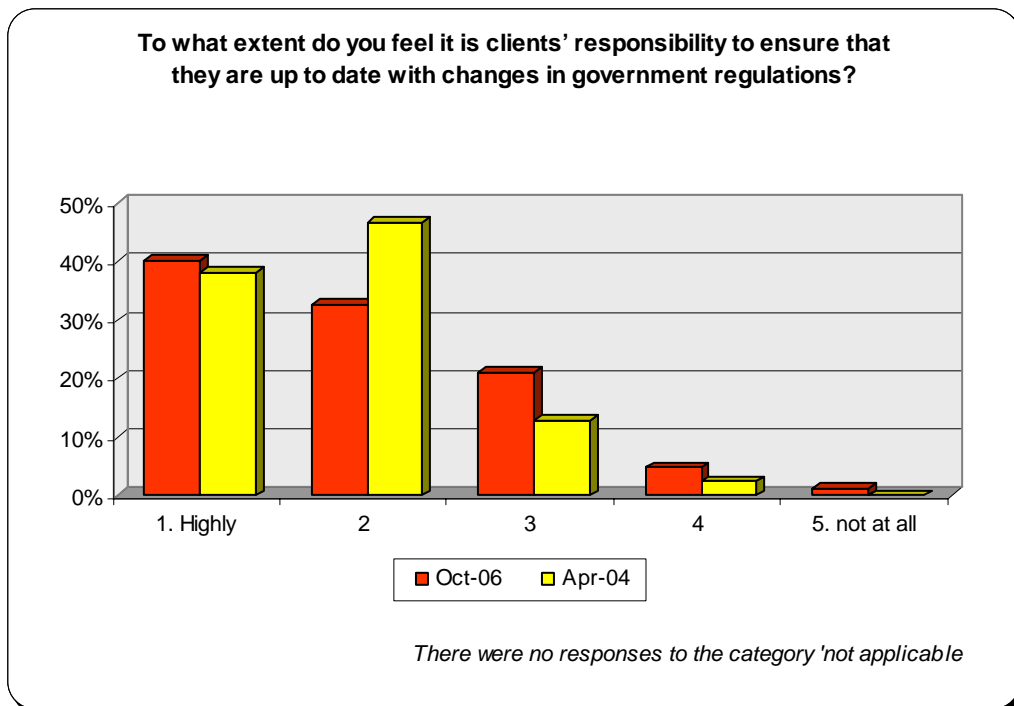
Survey Findings

Businesses find that managing any change is time consuming and therefore costly to cope with, and being aware of relevant changes in government regulations is an issue for them.

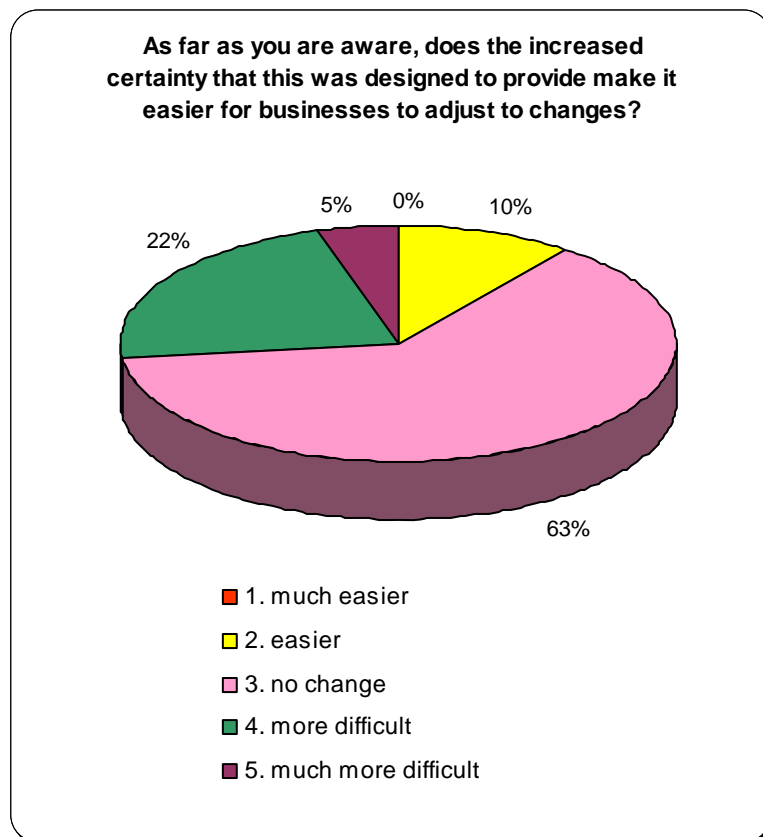
Business Advisers need to know how current legislation will affect their clients but 77% of respondents to the October UKBAB survey find keeping up to date with government regulations is becoming highly or moderately highly more time consuming. We asked the same question in April 2004, and results were similar: 75% said that it was highly or moderately highly more time consuming.



When it comes to whether businesses themselves are responsible for ensuring they are up to date, back in April 2004 85% of UKBAB respondents thought they were, to a high or moderately high extent but that percentage is now down to 73%.

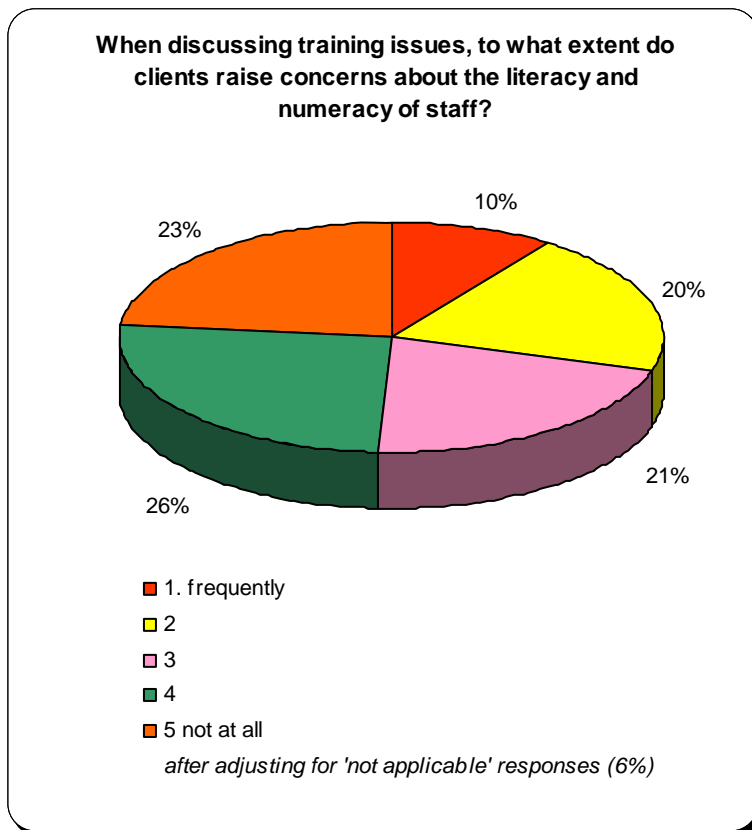


October has seen the announcement of the latest round of government regulation. Businesses have been assured that government will change business regulations only in certain months of the year, October being one of them. This is intended to provide increased certainty for businesses but 63% of respondents to the UKBAB October survey think that it has no impact in terms of certainty for businesses, while only 10% think there is a positive resulting change.



The national Skills for Life strategy was set up in 2001 in response to the Moser report 'A Fresh Start'. The aim was to help improve the literacy and numeracy achievement of 1.5 million adults by 2007.

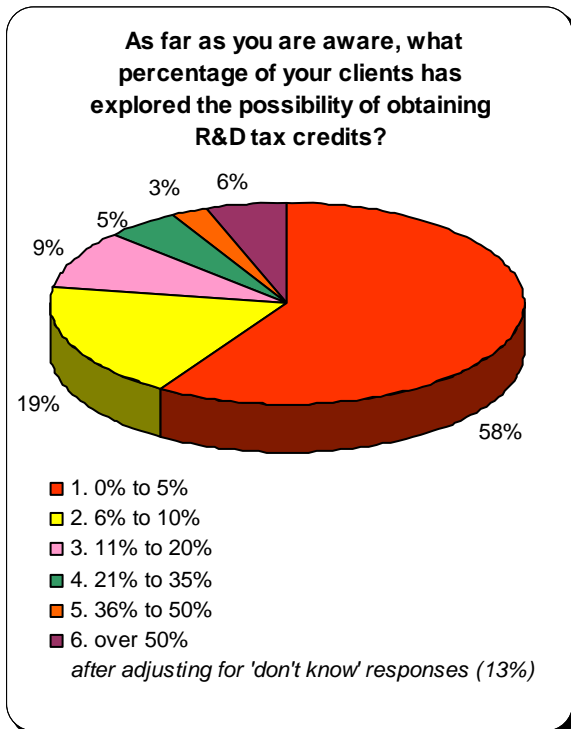
The UKBAB October survey asked panellists to what extent they have encountered concerns amongst their clients about the literacy and numeracy of staff, when discussing training issues. After adjusting for 'not applicable' responses, 30% of respondents have found these topics raised frequently or relatively frequently. At the other end of the scale, 49% have encountered few or no literacy or numeracy training concerns amongst their clients.



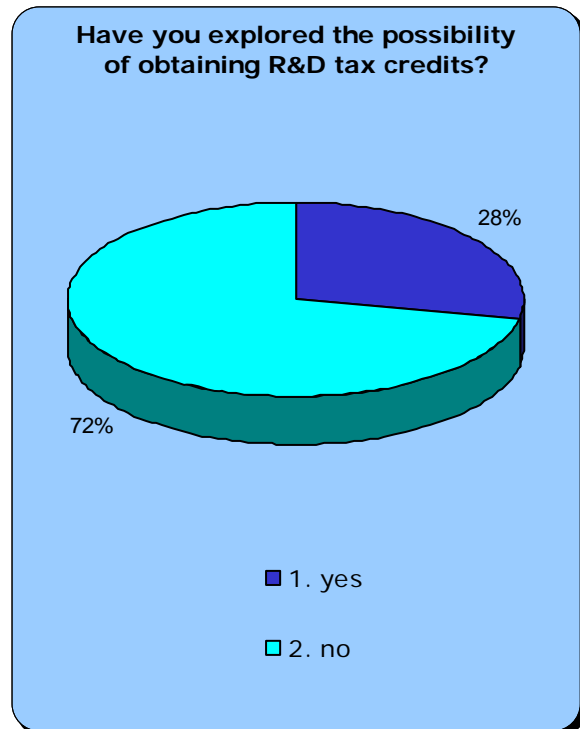
Recent research has shown that small businesses are missing out on millions of pounds of Government tax breaks by not taking full advantage of research and development (R&D) tax relief designed to encourage innovation in the UK. The UKBAB panellists were asked what percentage of their clients has explored the possibility of obtaining R&D tax credits. After adjusting for 'don't know' responses, 59% of respondents said between 0% and 5% and a further 19% said between 6% and 10%.

In the parallel survey of Businesses, the UKBB, it was found that only 28% of respondents to the October survey have explored the possibility of obtaining R&D tax credits.

UKBAB50 Survey Question 4

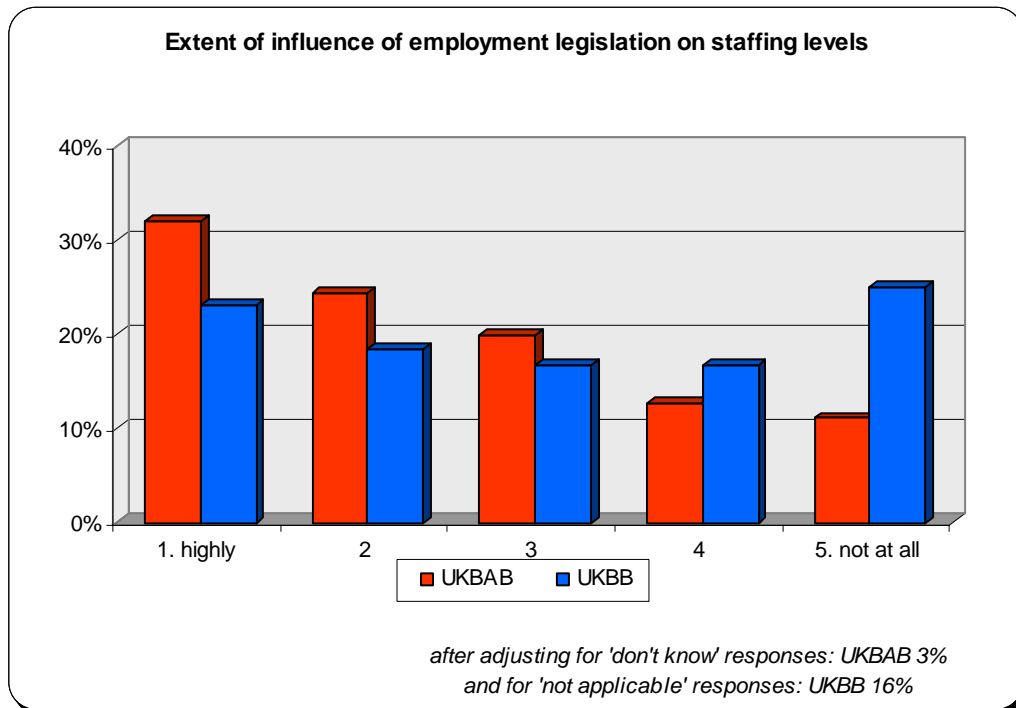


UKBB101 Survey Question 8



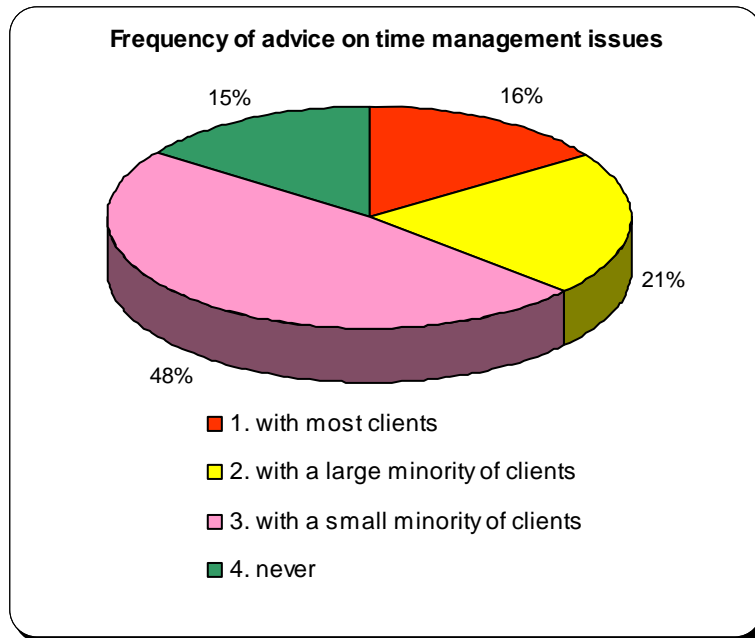
In previous UKBAB surveys, employment came out as the type of legislation giving respondents most cause for concern. After adjusting for 'don't know' responses, 56% of respondents to the October UKBAB said that they believe that the present employment legislation influences their clients' staffing levels to a high or reasonably high extent.

In answer to a similar question put in the parallel survey of Businesses, the UKBB, 43% of respondents said that the present employment legislation influences their staffing levels to a high or reasonably high extent.



In this month's UK Business Barometer survey, we asked the following question of businesses: "To what extent do you feel the need for multiple suppliers despite the time commitment that this involves?" This is one example of a time management issue. The question put to Business Advisers was "How frequently do you feel the need to provide advice on time management issues such as this?"

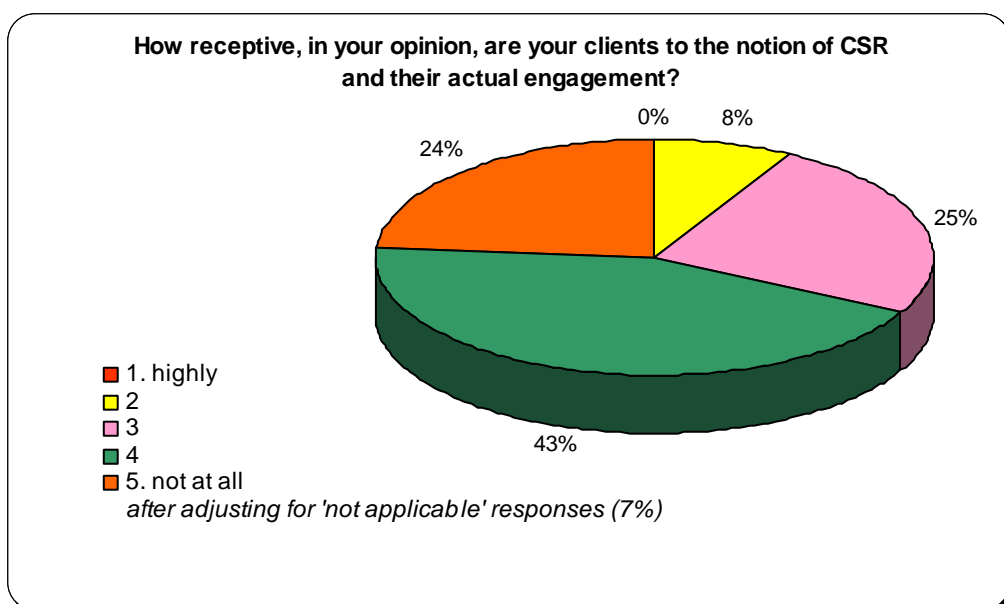
16% of respondents find that most clients need this sort of advice, although 21% say that it is only a small minority who require it.



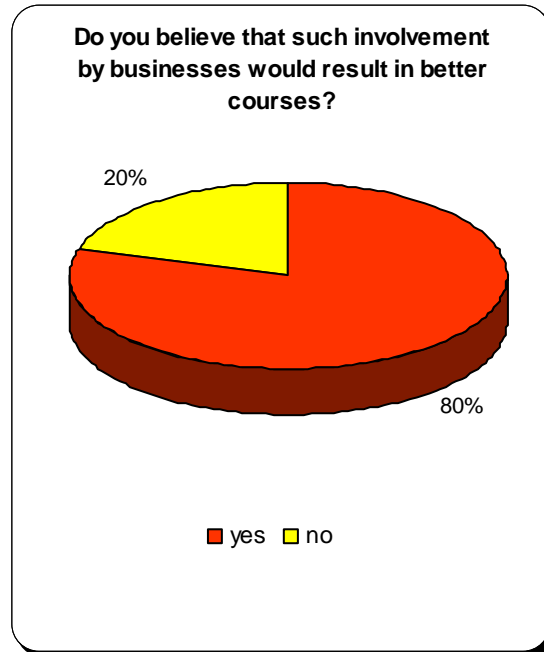
In August 2006 the UKBAB survey asked to what extent respondents advise on the practicalities of Corporate Social Responsibility. This month the survey question was on how receptive clients are to CSR, and their actual engagement in it.

In spite of the increasing evidence that engagement with CSR is advantageous for many companies, even for smaller businesses, this result shows that relatively few clients of responding business advisers are receptive to the notion. 67% of respondents say clients are either not at all receptive or only slightly receptive to the notion of CSR.

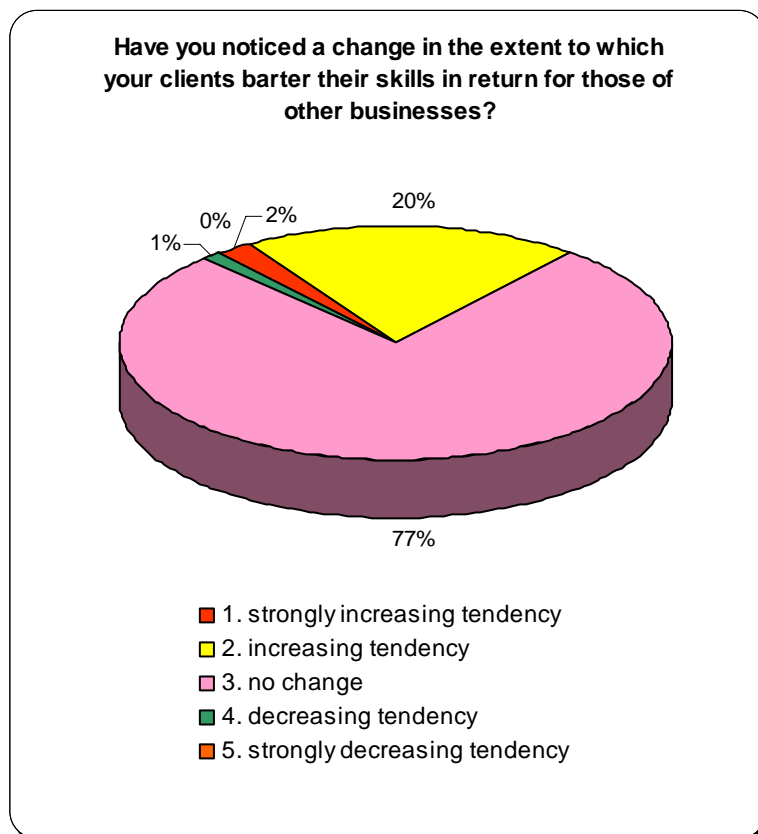
The finding corresponds with the August survey result, which was that 70% of respondents to that survey are rarely or never asked for advice on CSR.



Shadow Chancellor George Osborne unveiled four measures as part of plans to help small businesses. One of these would be to increase the contribution of the business community when designing professional skills courses and qualifications. 80% of respondents believe that such involvement by businesses would result in better courses.

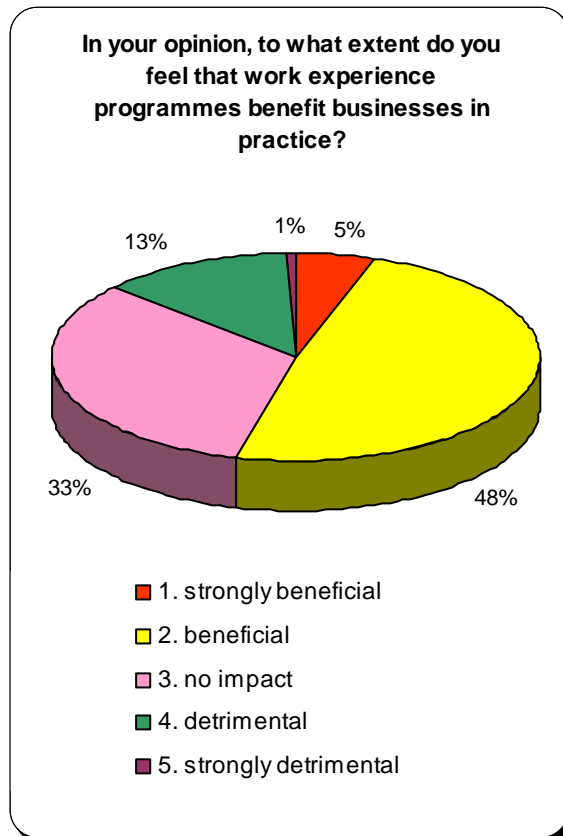
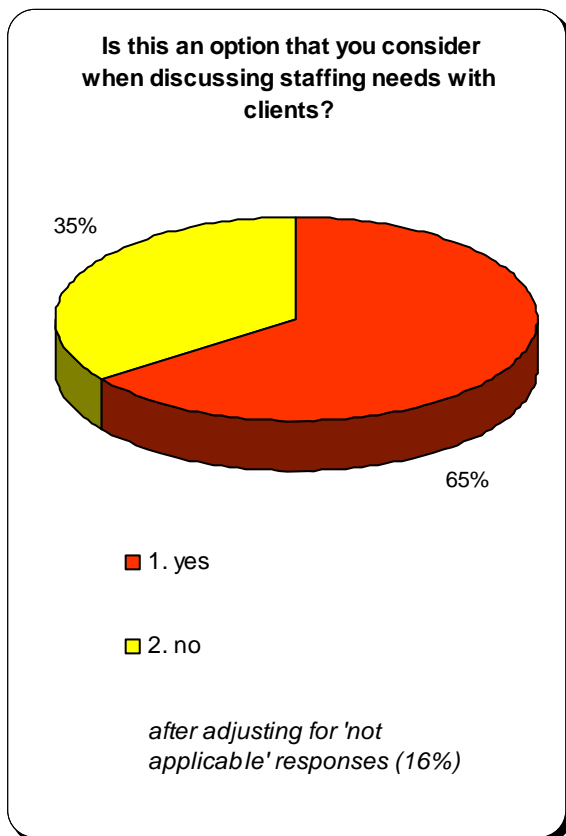


There have been reports that B2B bartering of skills, services and goods is becoming increasingly popular, although the focus for this has been more centered in high inflation countries, where the advantages of contracting in a medium other than money are more obvious. However, 20% of UKBAB respondents have noticed an increasing tendency amongst their clients to barter their skills in return for those of other businesses.



Recent research extolled the virtues and value to firms of well structured student work experience placements. The October survey included two questions related to this topic. Most respondents are in favour of work experience placements and feel that they are beneficial to businesses that host them.

65% of respondents consider the option of student work experience placements when discussing staffing needs with clients and 53% of respondents feel that work experience programmes are strongly beneficial or beneficial to businesses.



Listed below are some of the personal views supplied in feedback received from respondents to Survey BAB50October 2006

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

Interesting selection of questions this month. However, if one is to believe the statisticians (often conflicting, judging by the myriad publications, bulletins and e-newsletters one receives and must peruse for CPD each week), one could argue CSR has very little meaning for most of the UKBAB contributing advisors clientele, if in fact 73% of all SME's are indeed one-person operations. I'd also go so far as to comment that if such surveys - excellent it is too - are to have value in a lobbying context, then I'd advocate a greater number/frequency of questions be compiled with specific regard to the self-employed (i.e. not those engaged in true business ownership). Although increasingly noticeable in recent years, there nevertheless appears to be an emphatic shift now by the IDB's/RDA's away from the micro/lifestyle venture sector, towards supporting the more established - and prosperous when it comes to fee-charging - business. ME's maybe more likely to stimulate/grow the economy, but that policy is alienating a high percentage of clients we see on a daily basis. Sorry for the soapbox moment there, but you did ask...!

R&D tax credits are complicated - they only apply to larger businesses or those with substantial R&D spend. Understanding the guideline eligibility is not easy. Went down the route with 2 clients who both said not worth the effort and no application made.

In respect of R and D it is difficult for the company to convince the tax inspector so much is never claimed as being a waste of time and starts to raise many other issues as the revenue start to check every entry!!!

Quetsion11 **"In your opinion, to what extent do you feel that work experience programmes benefit businesses in practice?"** refers to benefit to businesses. I believe there is virtually none. However, I believe it provides immeasurable benefit to the students and must therefore be carried on. The question should be reworded to incorporate this benefit

Government policy, regional development Authorities are developing policies for political ends and ignoring the real needs of business. The impact of the move offshore in terms of reducing the skills and manufacturing base is being ignored

I think the survey quoted in Q4 is missing the point. My experience of R+D grants is that they are very narrowly focused and few SMEs meet the requirements. They also involve an admin overhead and my advice to my clients is not to distort a business project just to get a grant.

Small businesses need actual help with increased legislation, tax breaks etc. not just offers of training.

Questions are too long-winded. More clarity next time

RETROSPECTIVE LEGISLATION IS NOT CLEARER FOR ANYONE. THE LOONIES ARE IN CHARGE OF THE ASYLUM. UNLESS THE OBJECTIVE IS THE DESTRUCTION OF SMALL BUSINESS IN THE UK CURRENT POLICY WOULD SEEM TO BE A BIT SKEW WHIFF, WHAT

Very simple and easy to complete and isn't time consuming.

It was straightforward, short and to the point. Easy to take part in.