



IFF Research

Report
Business Perceptions Survey 2012

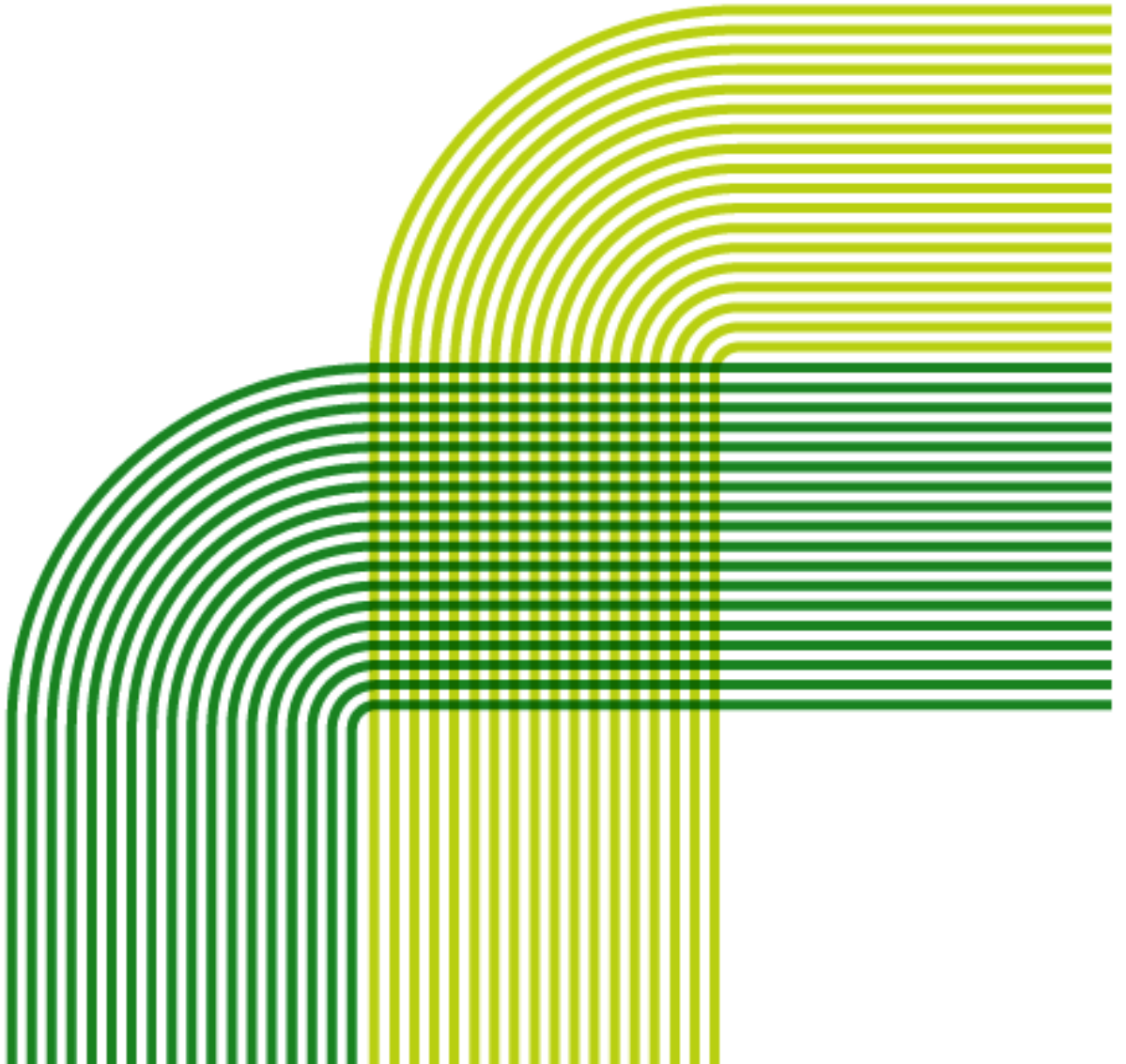
Prepared for NAO/LBRO/BRE
By IFF Research



IFF Research

Contact details

Rob Warren and Mark Samuel
IFF Research Ltd
Chart House
16 Chart Street
London N1 6DD
Tel +44(0)20 7250 3035
Fax +44(0)20 7490 2490
rob.warren@iffresearch.com
mark.samuel@iffresearch.com



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1 Executive summary

Introduction

- 1.1 The National Audit Office (NAO), in collaboration with the Local Better Regulation Office (LBRO) and the Better Regulation Executive (BRE) commissioned a survey to determine businesses' views on the extent of the burden of regulation, both in general and in specific regulatory areas, and how that burden might be reduced.
- 1.2 The survey, conducted by IFF Research in January and February 2012, comprised 2,294 15-minute telephone interviews with senior business decision-makers. The survey is the latest in a series conducted since 2007 (and again in 2008, 2009 and 2010). Where applicable the 2012 findings have been compared back to earlier surveys. The survey comprised separate elements for NAO and LBRO but was administered using a single questionnaire.
- 1.3 For NAO the survey covered four areas of regulation: Company Law; Employment Law; Health & Safety Law; and Planning Law¹. For LBRO the survey covered five areas of regulation which are locally enforced: Food Safety; Fire Safety; Health & Safety; Consumer Protection; and Licensing.
- 1.4 Businesses were asked to answer most questions in relation to a specific area of regulation of which they had knowledge.

Headline messages

- 1.5 The survey found that fewer businesses felt that the overall level of regulation in the UK was an obstacle to their business success when compared to three years ago.
- 1.6 Whilst there was no difference between responses in 2010 and 2012 in respect of the proportion of businesses stating that there is "too much" regulation, half of all businesses still reported that there is too much regulation, which is significantly higher than when this question was first introduced to the survey in 2009.
- 1.7 Compliance matters to businesses as it gives a positive message to customers, and over the life of this survey, there is a downward trend in the number of businesses finding aspects of compliance burdensome. The survey finds that regulators are considered to have an important role to play in preventing non-compliance and providing clarity, through advice and guidance as well as enforcement.
- 1.8 Most businesses do not employ anyone specifically to deal with their compliance issues. Businesses are generally positive, however, that the time they need to put in to ensure they are compliant will either stay the same or decrease in the next 12 months.
- 1.9 Local councils enforce a range of regulations and the majority of businesses find it straightforward to contact their local council. The perceived consistency of advice provided by local councils is showing some signs of improvement since 2008, with fewer businesses dealing with more than one local council considering advice to be inconsistent. For businesses that have been contacted by local council regulators, the survey continues to demonstrate high levels of satisfaction with the service provided, although knowledge of officers about the situation of the business remains the area of lowest satisfaction.

¹ Previous waves of the survey have included tax law. Compliance with tax requirements was excluded from the 2012 survey because tax itself is not a form of regulation.



- 1.10 While there is little change from previous years in the proportion of businesses that feel informed about regulation, a greater number this year than in 2010 are engaging external agents to provide information and independent advice. There are, nevertheless, a number of differences in the extent to which businesses feel informed about specific areas of law and the extent to which they use external agents. In general businesses are less likely to use external agents in relation to locally enforced areas of law.
- 1.11 The survey found that this year businesses are less positive than in all previous years of the survey – other than 2007, when the survey was launched – about aspects of the government’s approach to regulation. As in 2010, businesses felt least positive about the government’s understanding of, or consultation with, business. In addition very few businesses have engaged in suggesting improvements to the system, or feel able to complain about the way regulation is enforced.
- 1.12 The requirement for providing information remains the most burdensome aspect of complying with regulation, particularly where information is requested more than once. Keeping up to date with regulatory change and finding out which regulations apply are also challenging.

Overall attitudes to regulation and compliance

- 1.13 The perceived burden of regulation was placed into context relative to the other challenges that businesses may face. Attracting and retaining customers continued to be most often considered as the greatest challenge; the proportion citing this increased from 41% in 2010 to 45% in 2012. Only 14% of respondents felt that complying with regulation was the greatest challenge to their business, which is consistent with 2010 (although it has decreased since 2009). The proportion of businesses stating that the level of regulation is “about right” remained unchanged from 2010 (39%) to 2012 (41%).
- 1.14 There is evidence that the regulatory burden is decreasing with the proportion of businesses agreeing that the level of regulation in the UK is an obstacle to their businesses’ success falling from 62% in 2009 to 55% in 2012. Within these figures, the proportion that strongly agreed regulation is an obstacle decreased from 35% to 24%. However, small businesses were more likely on average to strongly agree that the overall level of regulation is an obstacle (31%).
- 1.15 Businesses regard compliance with regulation as very important to their brand image: 80% agreed that “If my business was found to be non-compliant, I would be concerned that it would affect our relationships with customers” and 69% agreed that “It matters to our business that our customers know that we invest in compliance.”

Perceptions of the role of regulators and government

- 1.16 Two fifths of businesses felt that the assistance provided by regulators helped their business - 40% agreed that “Regulators help my business to address regulatory risks and prevent non-compliance from happening” and “Regulators provide clarity about what regulatory requirements apply to my business.”
- 1.17 Most businesses expect regulators to provide some help and guidance rather than simply enforcing rules and regulations only. Four-fifths of businesses (84%) thought that the role of regulators was to enforce regulations and to provide advice rather than to enforce rules and regulations only, which is in line with the findings from the 2010 survey (82%).
- 1.18 Business perception of the government’s approach to regulation, as measured by agreement levels in response to a series of statements, is less positive in 2012 compared to 2010.



- 1.19 Looking at some of the individual statements, over half (53%) agreed that “Generally it is clear what the purpose of regulation is”, while over two-fifths (41%) agreed that “Most regulation is fair and proportionate.” A much lower proportion (20%) agreed that “The government/ local government understands business well enough to regulate” and only 16% agreed that “The government consults well with business before any new regulation, or change to an existing regulation, is introduced”. As in 2010, these two statements generated the lowest levels of agreement.

Aspects of regulation and enforcement that businesses find burdensome

- 1.20 “Having to provide the same information more than once” (66%), “Finding information about which regulations apply to your business” (65%) and “Having to keep up to date with the introduction of new regulations” (65%), were the aspects of regulation that businesses felt were most burdensome. This trend is broadly in line with the findings from 2010.
- 1.21 However, the trend over time (from 2007 to 2012) is that the proportion agreeing that each aspect of regulation is burdensome, has fallen.

Resources devoted to compliance

- 1.22 The majority of businesses do not employ staff members specifically to deal with compliance, with one-quarter of businesses (25%) reporting that they employed somebody in this capacity. This is consistent with the 2010 survey. In most cases where businesses employed staff specifically to deal with regulatory compliance, a single staff member was employed for this purpose.
- 1.23 However, the survey demonstrated that compliance may frequently be dealt with by staff for whom this is not their specific job role, with the majority of businesses (58%) stating that staff spent some of their time on compliance each month. Typically the time spent is two days or less per month.
- 1.24 One-third (33%) of businesses felt that overall, complying with regulation had become more time consuming over the last 12 months. Small (50%) and medium-sized (44%) businesses were more likely to report an increasing burden than were large businesses. However, looking forward to the coming 12 months, a reduction in burden is expected, with the proportion answering that they expect the burden of complying with regulation to increase having fallen to 38% (from 46% in 2010), with a corresponding increase in the proportions expecting the burden to decrease or remain the same. This is a continuation of the trend seen across previous years and in 2012, for the first time, the proportion expecting an increased burden is outweighed by the proportion expecting no change.

Use of information and advice in complying with regulation

- 1.25 Three-fifths (62%) of business feel “very informed” or “fairly informed” about specific regulations affecting them, which is in line with the 2010 survey. Businesses are more informed than the overall level about Food Safety (77%), Fire Safety (71%) and Health & Safety (69% for both Health & Safety Law and local council enforced Health & Safety) but less well informed than the overall level about Planning Law (42%) and Consumer Protection (54%).
- 1.26 The sources of information and advice used by businesses in complying with regulation are varied. Around half of businesses have used trade associations, government department websites, insurance companies and accountants to help them comply with regulation. Four in ten mentioned the Businesslink website in relation to advice on regulatory requirements, whilst one in three mentioned their local council and around a quarter mentioned direct contact with a government department.
- 1.27 Many businesses (70%) use external agents as a source of information and advice in complying with regulation. This is up from 64% in the 2010 survey. Businesses are more likely to use external agents



as a source of information in cases of Employment Law (86%) and Company Law (81%), and less likely to use agents for Food Safety (44%) and Fire Safety (55%).

- 1.28 Of those businesses using external agents, two-thirds (69%) report that they use the agent for between one and four hours per month with a further 9% using the agent for between five and eight hours. Three-quarters of these businesses using external agents (74%) make use of the agents to obtain independent advice with similar proportions citing the need for assurance (73%) and not enough time or lack of internal resource (71%). Two-thirds mentioned that they were worried about the penalties for non-compliance, whilst six in ten said that it was a lack of clarity in legal requirements that led them to use external agents. Half of businesses said that insufficient advice from regulators was a reason leading them to use external agents.

Local council enforcement

- 1.29 Three-quarters of businesses thought it straightforward making contact with their local council about regulation. Businesses making contact regarding Licensing were more likely overall to regard it as straightforward (89%) as were businesses in the Transport sector (93%), Hotels and Catering sector (85%) and Retail sector (83%). In contrast those in Construction (62%) and Finance (46%) were less likely to find making contact straightforward.
- 1.30 Around two-thirds (63%) of businesses dealing with more than one local council feel that the advice they receive from the various councils is consistent; the proportion of businesses that considered the advice to be inconsistent has decreased from 33% in 2008 to 19% in 2012.
- 1.31 Overall 40% of businesses in England and Wales had been in contact with their local council or fire service about a regulatory matter in the last two years, lower than that recorded in the 2010 survey (50%). Note that this only includes contacts with the local council or fire service in relation to Food Safety, Health & Safety, Licensing, Consumer Protection and Fire Safety.
- 1.32 Those that had contacted their local council or fire service in the last two years were asked a series of satisfaction assessment questions about their most recent contact.
- 1.33 Looking at trends in each individual service area:
- Levels of satisfaction with each aspect of the service are broadly in line with those seen in 2010. The courteousness and professionalism of the officer again received the most positive assessment (90-96% were “very” or “fairly” satisfied with this aspect of the service in 2012, compared with 85-95% in 2010), while the officer’s knowledge of the respondent’s business situation once more received the least positive assessment (72-89% in 2012; 61-87% in 2010)².
 - Satisfaction with the overall level of service from the local council is high for all areas of regulation (77-86%) albeit generally lower than that measured in 2010. Businesses are more satisfied overall with dealings about Consumer Protection (up from 66% to 82%) but less satisfied with dealings regarding Food Safety (down from 90% to 79%).
 - Although satisfaction with “how easy to understand the information given by their local council”, remains relatively high (72-90%), there have been two falls from 2010: Food Safety where overall satisfaction has fallen from 95% to 83% and Licensing where it has fallen from 89% to 72%.

² Ease of contacting the right person received a lower overall satisfaction rating (74%) but this aspect of the service was not included in the 2010 survey.



- Satisfaction with local councils regarding the knowledge of their officers about the situation of the business has risen in Fire Safety (up from 80% in 2010 to 89% in 2012) and Health & Safety (up from 61% in 2010 to 72% in 2012) but satisfaction has declined in Food Safety (down from 87% in 2010 to 80% in 2012).
- Businesses have high levels of satisfaction with the speed and timeliness of the service they received the last time they made contact (75-88%). There are no significant increases in satisfaction across the five areas of regulation.
- There is a high level of satisfaction with the officer's explanation of what businesses need to do to comply with the legal requirement; there have been no significant changes in the level of satisfaction in this area compared with 2010.
- Levels of satisfaction with the ease of contacting the right person are consistent (77%) across four of the five areas of regulation with Health & Safety having the lowest satisfaction (70%).
- Most businesses are satisfied with the final outcome of their contact with the local council across all five areas of regulation (79-87%). However, satisfaction has fallen for enquiries about Fire Safety (down from 93% to 87%).

Influencing the regulatory agenda

- 1.34 Eleven per cent of businesses have made contact with a body or organisation to make a suggestion on how the regulatory regime could be improved, which is consistent with the 2010 survey (10%). Of those who had done so, government departments (40%), regulators (25%) and trade associations (22%) were most likely to have been contacted; in addition, 7% of businesses reported having contacted a Member of Parliament and 6% their local council.
- 1.35 Only a quarter of businesses felt that there is an appropriate channel to complain about the way regulation is enforced.

Conclusion

- 1.36 There are encouraging signs in the 2012 survey, which has found some improvement in the perceived burden of regulation and in particular that the proportion of businesses agreeing that the overall level of regulation in the UK is an obstacle to their business success has decreased significantly when compared to 2010.
- 1.37 There is evidence to suggest that year on year fewer businesses are finding some aspects of regulation and compliance burdensome. Nevertheless there is still work to be done in demonstrating to businesses that government understands their needs and is able to consult meaningfully with business on regulation and enforcement more widely.



2 Introduction

Background

- 2.1 The UK government has set out an ambitious programme to change regulation by cutting red tape and to deliver greater accountability, and better focused, better targeted and more effective protections. The government's better regulation strategy is to:
- remove or simplify existing regulations that unnecessarily impede growth;
 - reduce the overall volume of new regulation by introducing regulation only as a last resort;
 - improve the quality of any remaining new regulation; and
 - improve businesses experience of regulation on the ground.
- 2.2 A better regulation Framework is being put in place, which includes the Regulatory Policy Committee, One-in One-Out provisions, sunseting clauses for new regulations, a micro-business moratorium, the "Red Tape Challenge"³ and Focus on Enforcement⁴.
- 2.3 The National Audit Office (NAO) is the independent, statutory auditor of central government reporting to Parliament. The NAO has carried out a business perceptions survey of regulation since 2007 (and again in 2008, 2009 and 2010) which informed value-for-money reports. The surveys sought to identify business perceptions of regulation and the administrative burdens imposed on them; the type of measures that would result in beneficial change; and their awareness of, and confidence in, government's ability to deliver reductions. The survey is intended to track if, and how, businesses experience of regulation changes as a result of government initiatives.
- 2.4 The Better Regulation Executive (BRE) is part of the Department for Business, Innovation and Skills (BIS) and leads the regulatory reform agenda across government. At the time of commissioning this survey the Local Better Regulation Office (LBRO) was a non-departmental public body, funded by BIS and sponsored by the BRE. It was created in order to progress the better regulation agenda with local authorities, to implement the Primary Authority scheme and to drive a more streamlined regulatory system through working with local authorities and national regulators. From the 1st April 2012 LBRO became the Better Regulation Delivery Office (BRDO) and also part of BIS.
- 2.5 The NAO and LBRO worked together to produce the 2010 survey, as they had a common interest in sourcing robust business perceptions data. This NAO/ LBRO collaboration has continued for the 2012 survey and they have been joined by the BRE who also have a need for this evidence base as one of the ways to measure whether the regulatory Framework is starting to have an impact. In addition the Welsh Assembly Government sponsored a boost sample of Welsh businesses to ensure a robust base size for sub-group analysis.
- 2.6 Unlike the 2010 survey where separate reports for NAO and LBRO were produced, this single report summarises all of the key findings from the 2012 survey.
- 2.7 The survey was conducted by IFF Research in January and February 2012.

³ <http://www.redtapechallenge.cabinetoffice.gov.uk/home/index/>

⁴ <http://discuss.bis.gov.uk/focusonenforcement/>



Aims and objectives

- 2.8 The overall objective of the business perceptions survey is to determine businesses' views on the extent of the burden of regulation, both in general and in specific regulatory areas, and how that burden might be reduced.
- 2.9 More specifically the aims of the survey are to:
- provide a robust evidence base to help determine NAO/LBRO/BRE respective future work programmes;
 - track trends and key questions, providing continuity from previous surveys;
 - determine whether the changed approach to regulatory reform has had an impact on, and changed, business perceptions;
 - determine which specific aspects of the changed approach to regulatory reform are perceived as working best (and worst); and
 - determine whether perceptions of regulation, and reform efforts, are specific to certain sectors; size; type of business.

Methodology

- 2.10 To address the research objectives a total of 2,294 interviews were conducted over the telephone using Computer Assisted Telephone Interviewing (CATI). Interviews were conducted with senior business decision-makers and lasted on average 15 minutes.
- 2.11 The survey was comprised of three elements:
- A survey for NAO⁵ of 1,000 businesses across the UK which was weighted to be representative of all UK businesses;
 - A survey for LBRO of 1,294 businesses in England and Wales which was weighted to be representative of all businesses in England and Wales.
 - The LBRO survey included a boost sample of 294 businesses in Wales in order to achieve a robust base size for sub-group analysis.
- 2.12 A single questionnaire was developed in collaboration with NAO/ LBRO/ BRE and used for all three elements with respondents routed so that only the relevant questions for each were asked.
- 2.13 Sample was drawn from the Dun & Bradstreet commercial business database and each sample record was allocated to either the NAO survey, LBRO main stage survey or LBRO Welsh boost survey. Each sample record was also allocated a first choice and a second choice area of law. The areas of law allocated were different for the NAO (a group of laws) and LBRO surveys (a group of locally enforced regulations).

⁵ For the purposes of this report, reference to 'the NAO survey' means the joint NAO/BRE survey



2.14 For NAO the survey covered the following areas of regulation⁶:

- Company Law
- Employment Law
- Health & Safety Law
- Planning Law

2.15 For LBRO the survey covered the following areas of regulation:

- Consumer Protection
- Fire Safety
- Food Safety
- Health & Safety (local council enforced)
- Licensing

2.16 As with previous waves of the survey, businesses were asked to answer most questions in relation to a specific area of law. This process was managed as follows. At the beginning of the interview respondents were offered the 'first choice' area of law that had been allocated to their business and were asked whether they had sufficient knowledge to answer questions about this area of law. If they felt they did not know enough about this area they were offered the 'second choice' area of law that had been allocated. Once again a check was made to assess whether they knew enough about this second area and if not they were asked to select one of the two remaining (if part of the NAO survey) or three remaining (if LBRO survey) areas of law about which they had the most knowledge. This area of law was then used throughout the interview.

2.17 Throughout this report where questions were NAO- or LBRO-specific they were based on either the 1,000 businesses selected for the NAO survey or the 1,294 businesses in the LBRO survey. However, where questions were asked of both NAO and LBRO surveys the data have been combined and results are presented on the basis of all 2,294 businesses, making it possible to perform more statistically robust analysis on the sub-groups of interest. The combined data have been weighted to match the UK profile of businesses.

2.18 In addition, for the LBRO tracking questions regarding satisfaction with recent dealings with the local council or fire service, a raised base of 2,184 (drawing on 890 English and Welsh businesses interviewed as part of the NAO survey but excluding businesses in Scotland and Northern Ireland) was used.

2.19 Further details of the sampling and weighting strategies used can be found in the annexes to this report.

2.20 The questionnaire used for the 2012 survey can also be found in an annexe to this report.

Notes on this report

2.21 Where meaningful differences between sub-groups emerge, they are highlighted in the commentary. Throughout this report, all differences indicated are significant at the 95% confidence level unless

⁶ Previous waves of the survey have included tax law. However, tax and tax administration is a matter for the Chancellor, and the Office of Tax Simplification (OTS) was launched by the Chancellor and Exchequer Secretary in 2010. Given this dedicated resource to tax matters, the decision was taken to remove tax law from the survey for 2012.



otherwise stated. This applies to differences by sub-group within the 2012 data and to comparisons between the 2012 data and data from earlier waves of the survey.

- 2.22 Data in some tables and charts may not add to 100% due to rounding. Also where data elements have been combined, for example adding “very” and “fairly” satisfied together to generate a net “satisfied” figure, the individual elements may not sum to the combined figure due to rounding.
- 2.23 Data from the two separate surveys conducted in 2010 for NAO and LBRO have been combined to produce the figures needed for comparisons with the 2012 survey data⁷.

⁷ The ‘combined’ figures from the 2010 NAO and LBRO surveys are not necessarily the mean of the figures from the individual 2010 NAO and LBRO surveys, as the data have been re-weighted to be representative of the UK population of businesses. Once weighting is applied, the figures become ‘distorted’, so it would no longer be appropriate to calculate a mean.



3 Sample profile

- 3.1 Quotas were set by area of law, industry sector and size of business to ensure sufficiently robust sample sizes for sub-group analysis and comparison.

	Total	NAO survey	LBRO survey
Total	2,294	1,000	1,294
Area of law			
Company Law	270	270	-
Employment Law	268	268	-
Health & Safety Law	277	277	-
Planning Law	185	185	-
Consumer Protection	270	-	270
Fire Safety	280	-	280
Food Safety	224	-	224
Health & Safety (local council enforced)*	295	-	295
Licensing	225	-	225
Sector			
Agriculture	189	76	113
Construction	182	94	88
Finance	129	65	64
Hotels and Catering	206	58	148
Manufacturing	180	86	94
Property, Management and Business Services	498	231	267
Public Administration and Other Sectors	278	125	153
Retail	495	219	276
Transport	137	46	91
Business size			
Micro (1-9 employees)	965	404	561
Small (10-49 employees)	908	411	497
Medium (50-249 employees)	246	101	145
Large (250+ employees)	175	84	91
Country			
England	1642	790	852
Wales	542	100	442
Scotland	84	84	-
Northern Ireland	26	26	-

*Respondents were asked whether they were inspected by the Health & Safety Executive (HSE) or their local council. If HSE, they were not interviewed for Health & Safety in the LBRO survey.



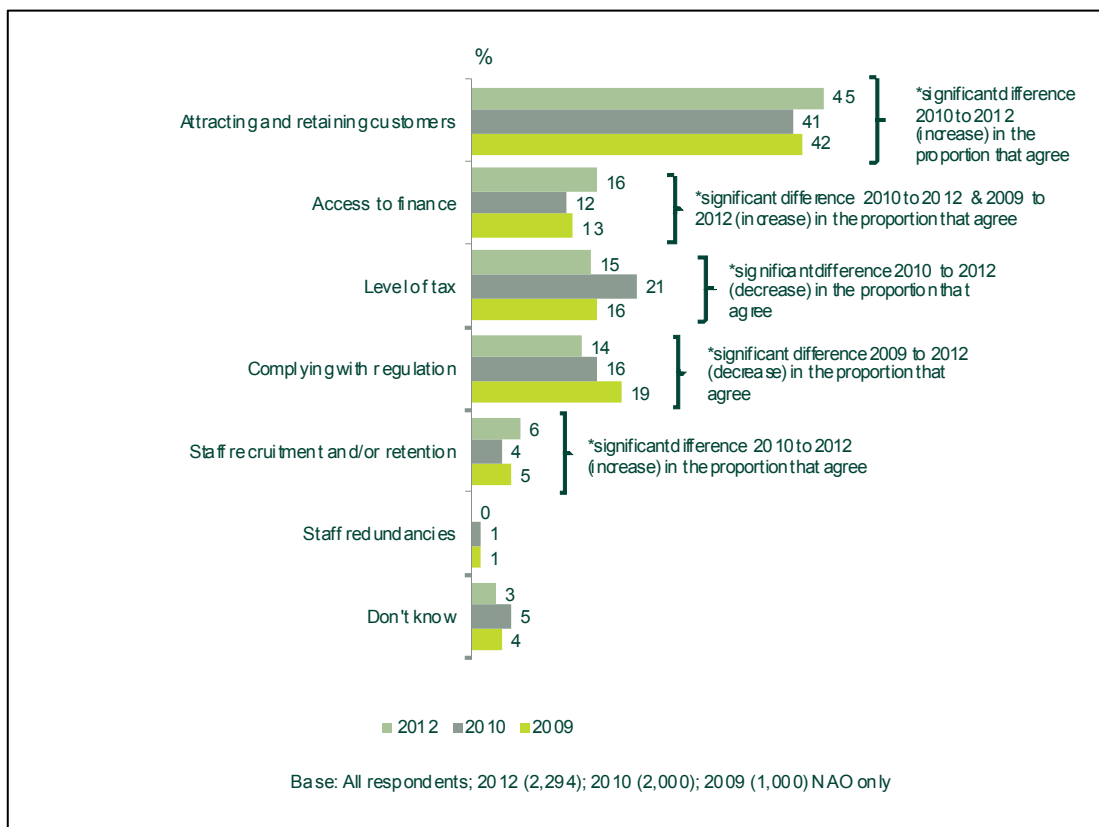
4 Overall attitudes to regulation and compliance

4.1 This chapter examines the perceived burden to businesses of complying with regulation. It first seeks to establish how the burden of compliance compares to other business burdens, by exploring what business decision-makers consider to be the most challenging aspects of running a business. The chapter then goes on to look at whether the overall level of UK regulation is an obstacle to business success and whether businesses feel there is too much or too little regulation or whether the government has got the balance about right.

The most challenging aspects of running a business

4.2 Respondents were presented with a list of six challenges which might affect their business and asked to nominate the one that currently presents the greatest challenge (Figure 4.1). As in 2009 and 2010, attracting and retaining customers was perceived to be the greatest challenge; indeed the proportion citing this as the main challenge increased from 2010 to 2012. The proportion citing access to finance as the greatest challenge also increased, while the proportion nominating level of tax fell. Whilst there was no significant difference between 2012 and 2010 in the proportion citing complying with regulation as the greatest challenge, the proportion was lower than in 2009.

Figure 4.1: Greatest challenge to running a business



4.3 Attracting and retaining customers was perceived to be the greatest challenge across all business sizes and in all sectors apart from Finance, where complying with regulation was considered to be the greatest challenge (54% stated this).



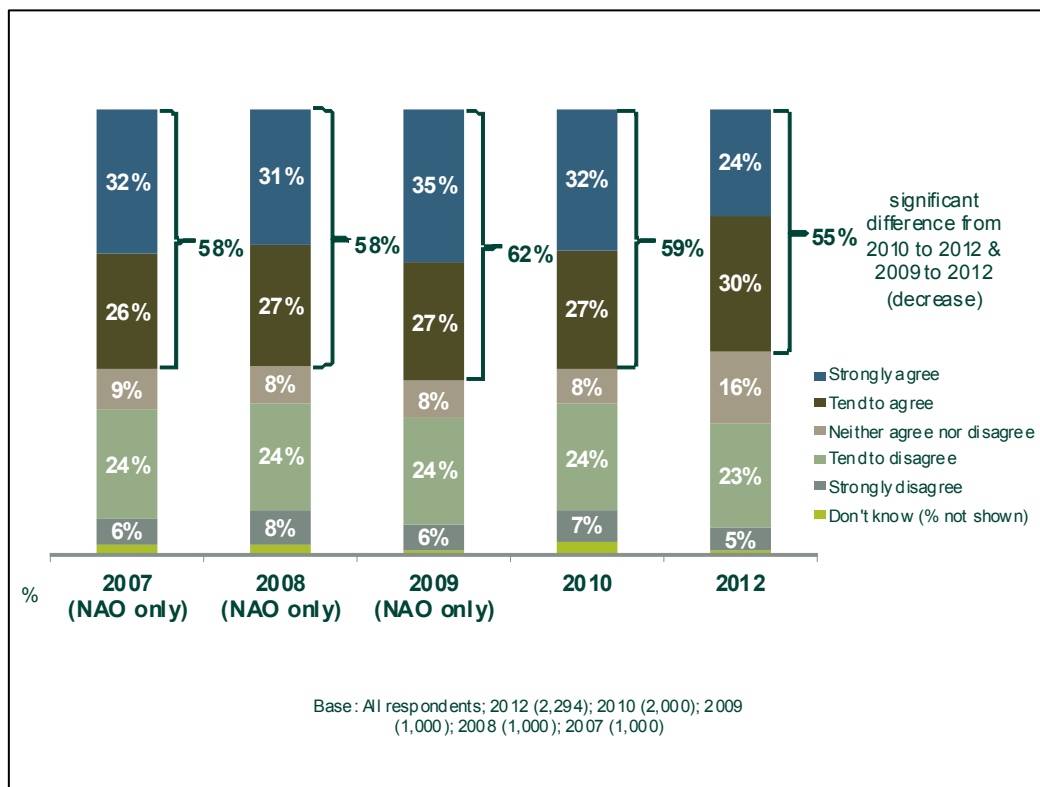
4.4 Small businesses and businesses in the Construction sector were more likely than average to cite access to finance as the greatest challenge (both 24%), while businesses in the Hotels and Catering sector and those in Wales were more likely to nominate the level of tax (31%; 20%).

Whether the overall level of UK regulation is an obstacle

4.5 The proportion of businesses agreeing that the overall level of regulation in the UK is an obstacle to their businesses' success has decreased from 62% in 2009 to 55% in 2012. In particular, the proportion strongly agreeing has decreased from 35% to 24%.

4.6 This figure of 55% represents the lowest level of agreement with this statement since the survey was launched in 2007 (although it is worth noting that this year's figure of 55% is not significantly lower than in 2007 or 2008, where it stood at 58%). Figure 4.2 shows the findings for all waves of the study conducted to date.

Figure 4.2: Whether the overall level of regulation in the UK is an obstacle



4.7 Small businesses were more likely than average to agree (“strongly agree” and “tend to agree” combined: 60%) – and to “strongly agree” (31%) – that the overall level of regulation is an obstacle. Businesses in the Construction, Finance and Hotels and Catering sectors were all more likely to “strongly agree” with this statement (33%, 34% and 35% respectively) than average.

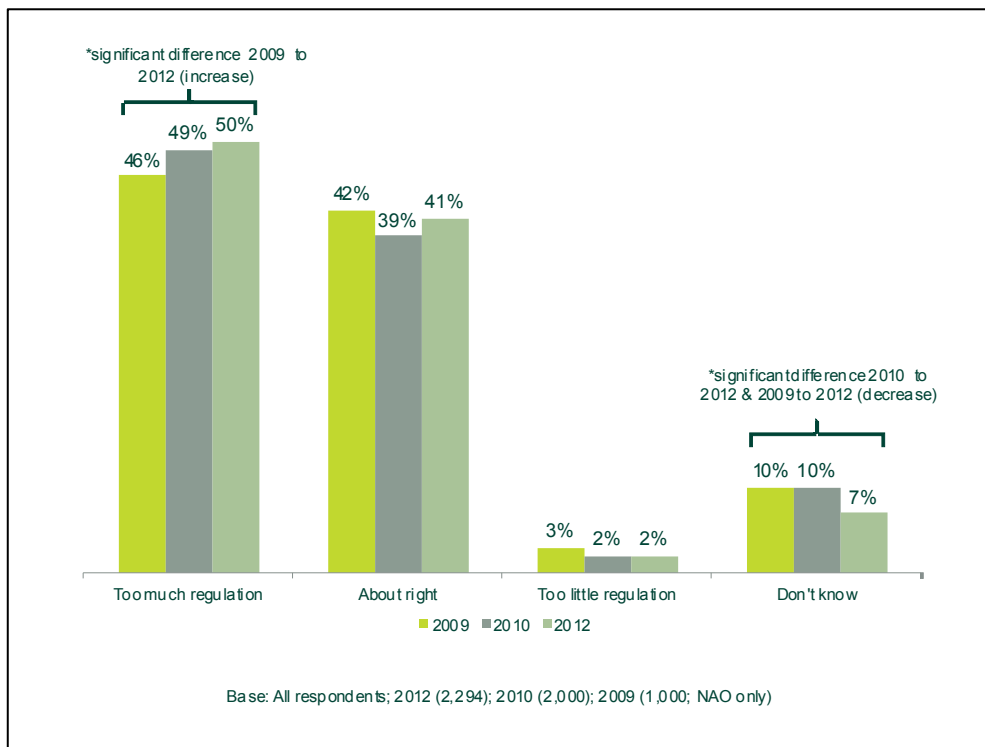
4.8 The likelihood of agreeing that the overall level of regulation in the UK was an obstacle to their business’s success increased in line with business age: businesses more than 20 years old were most likely to agree with the statement (62%, compared with 47% among those trading for less than a year),



while those businesses which disagreed that it was easy to comply with regulation were more likely to agree with this statement (69%) than those who agreed that it was easy to comply (47%)⁸.

- 4.9 Whilst there was no significant difference between 2010 and 2012 in the proportion of businesses stating that there is “too much” regulation, half of all businesses reported that there is too much regulation, significantly higher than in 2009, when this question was first asked (Figure 4.3).

Figure 4.3: Perceptions of whether the government has balanced the cost to business of complying with rules and regulations against protecting people and the environment from harm



- 4.10 Businesses in the Finance (58%) and Property, Management and Business Services sectors (55%) were more likely than average to report that there was “too much regulation”, while those which described themselves as “not informed” about regulation were more likely to state that there was “too much regulation” than those which described themselves as “informed” (59% vs. 46%)⁹.
- 4.11 Large businesses and businesses in Wales were less likely than average to state that there was “too much regulation”. Businesses with one or more staff dedicated to compliance were less likely to state this (47%) than those with no staff dedicated to compliance (52%).

⁸ Whether or not businesses found it easy to comply with regulation was determined by their response to the question: “Do you agree or disagree with the following statement? ‘It is easy to comply with regulations’”. Please refer to the section “Perceptions of the government’s approach to regulation”, beginning at paragraph 5.11, for further detail.

⁹ Whether or not businesses described themselves as informed about regulation was determined by their response to the question: “How informed do you feel about regulations which affect your business?” Those answering “very” or “fairly” informed are “informed about regulation”, while those answering “not very” or “not at all” informed are “not informed about regulation”. Please refer to the section “How informed do businesses feel?” beginning at paragraph 8.2, for further detail.



5 Perceptions of the role of regulators and government

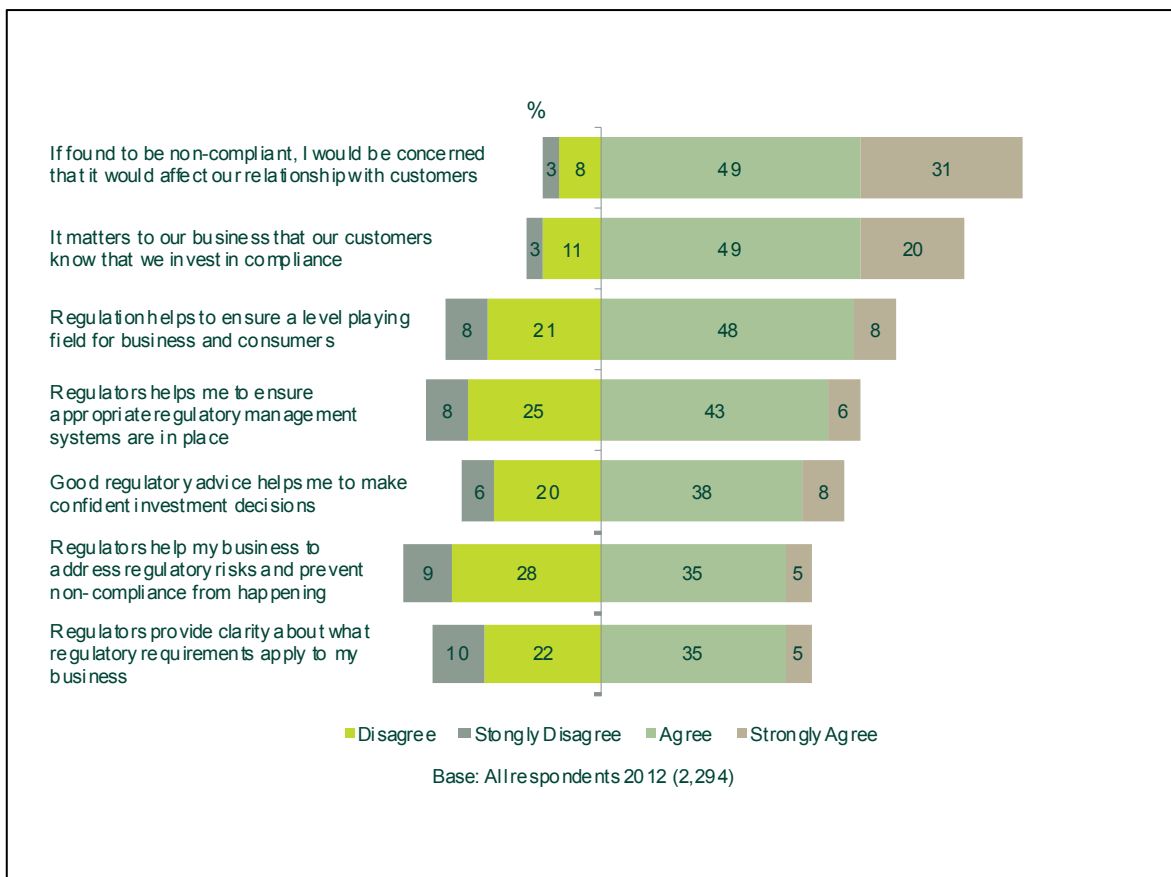
5.1 This chapter begins by profiling businesses’ attitudes to regulation, including their perceptions of what a regulator’s role should involve. It then goes on to discuss businesses’ perceptions of the regulatory environment within which they operate, focusing on their views of the government’s approach to regulation.

Attitudes to regulation

5.2 Respondents were read a list of statements about business regulation and asked to state the extent to which they agreed or disagreed with each. A large proportion of businesses agreed that being perceived by customers to be compliant with regulations mattered to them: 80% agreed that “If my business was found to be non-compliant, I would be concerned that it would affect our relationships with customers” and 69% agreed that “It matters to our business that our customers know that we invest in compliance. On the role of regulators in supporting businesses, 40% agreed that “Regulators help my business to address regulatory risks and prevent non-compliance from happening” and “Regulators provide clarity about what regulatory requirements apply to my business”.

5.3 Responses are summarised in Figure 5.4 below.

Figure 5.4: Level of agreement with statements about business regulation



5.4 There were some notable differences by business size and industry sector:

- Large businesses were more likely than average to agree with each of the statements.
- Businesses in the Finance sector were more likely than average to disagree that “Regulators provide clarity about what regulatory requirements apply to my business.”
- Businesses in the Property, Management and Business Services sector were more likely than average to disagree that “Regulators help my business to address regulatory risks and prevent non-compliance happening”, “Regulators help me to ensure appropriate regulatory management systems and controls are in place,” “It matters to my business that our customer know that we invest in compliance” and “Good regulatory advice helps me to make confident investment decisions.”
- Agricultural businesses were more likely to disagree that “If my business was found to be non-compliant, I would be concerned that it would affect our relationships with customers.”
- Businesses in the Retail sector were more likely to disagree that “It matters to my business that our customers know that we invest in compliance.”
- Manufacturing businesses were more likely to disagree that “Good regulatory advice helps me to make confident investment decisions.”

5.5 Businesses with one or more members of staff dedicated to compliance were more likely than businesses with no dedicated compliance staff to agree with each of the statements, apart from “Regulation helps to ensure a level playing field for business and consumers.” This was also true of businesses in Wales.

Role of regulators

- 5.6 As part of the LBRO survey only, respondents were asked whether they thought the role of regulators in relation to their specific area of law was to enforce rules and regulations only or to enforce rules and regulations and provide advice. This question was also asked in the 2010 survey, albeit with a slight wording change, so this should be borne in mind when comparing findings.¹⁰
- 5.7 Four-fifths of businesses (84%) thought that the role of regulators was to enforce regulations and to provide advice, which is in line with the findings from the 2010 survey (82%), as shown in Figure 5.5.

¹⁰ The comparable question in the 2010 survey asked businesses about “local councils” rather than “regulators”.



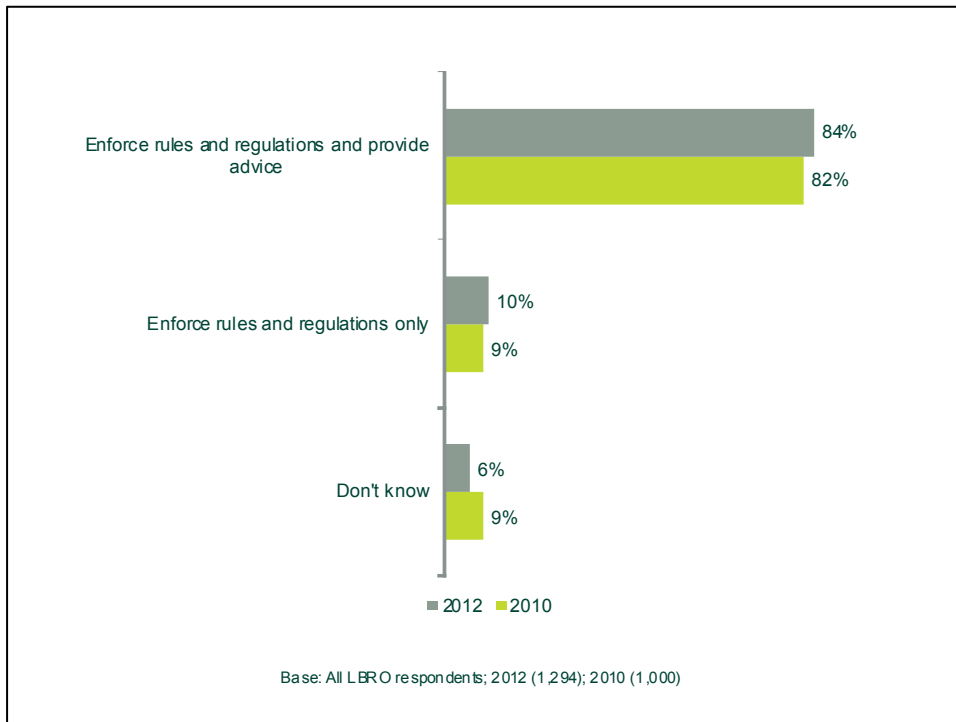


Figure 5.5: Perceived role of regulators

5.8 Businesses answering in relation to Health & Safety Law were most likely to believe that the role of regulators included providing advice (92%), while those answering about Licensing were least likely to take this view (70%). Propensity to believe that the role of regulators included providing advice also increased in line with business size.

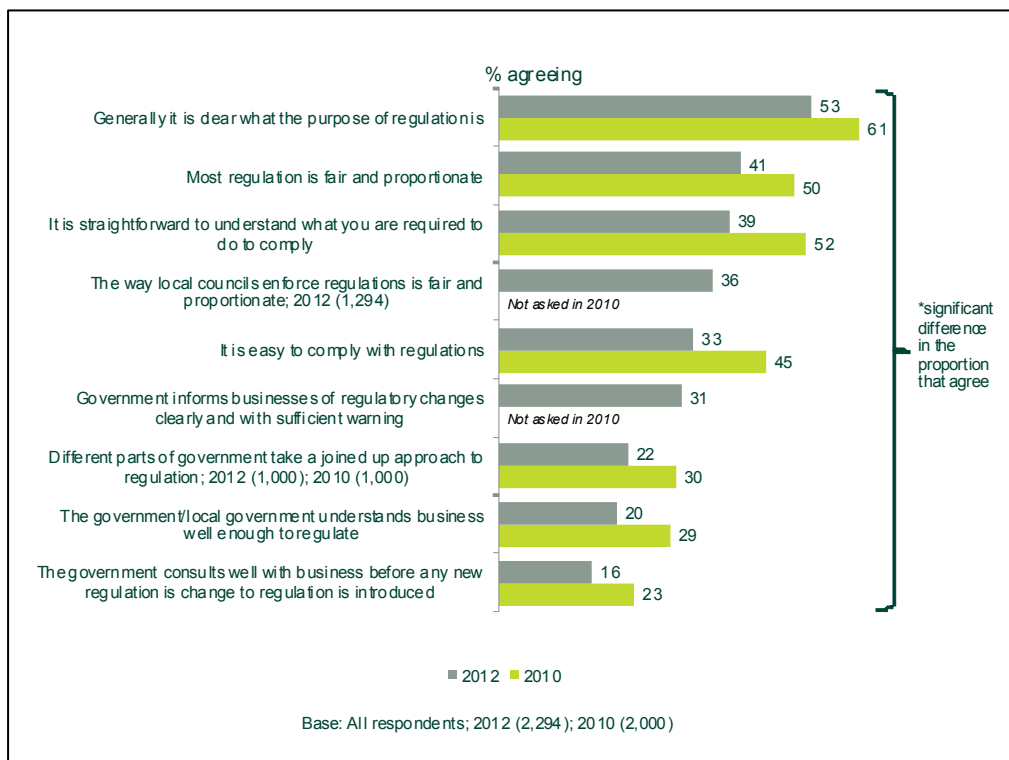


- 5.9 Businesses in the Transport sector were most likely to believe that the role of regulators was to enforce rules and regulations only (23%).
- 5.10 Those businesses which described themselves as “informed” about regulation were more likely to believe that the role of regulators included providing advice (87%) than those which described themselves as “not informed” (81%).

Perceptions of the government’s approach to regulation

- 5.11 Respondents were asked to state the extent to which they agreed or disagreed with nine statements about the government’s approach to regulating their specific area of law. In one instance in the LBRO survey, businesses were asked to think about local government’s approach.
- 5.12 Over half (53%) agreed that “Generally it is clear what the purpose of regulation is”, while over two-fifths (41%) agreed that “Most regulation is fair and proportionate”. A much lower proportion (20%) agreed that “The government/ local government understands business well enough to regulate” and only 16% agreed that “The government consults well with business before any new regulation, or change to an existing regulation, is introduced”.
- 5.13 For all statements asked in both 2010 and 2012 there was a reduction in the proportion agreeing (as shown in Figure 5.6): at least seven percentage points in each case. Of particular note, the proportion agreeing that “It is straightforward to understand what you are required to do to comply” fell from 52% to 39%, while the proportion agreeing that “It is easy to comply with regulations” fell from 45% to 33%.

Figure 5.6: Perceptions of government approach to regulation



- 5.14 This question has been asked in every wave of the survey since 2007. For clarity we have only shown data for 2012 and 2010 in the chart above. The figures for all waves of the survey conducted to date are shown in Table 5.1.



- 5.15 After an increase in the proportion of businesses agreeing with each individual statement over the first four waves of the survey, the proportion of businesses agreeing with each statement now stands at around the same level as in 2007, when the survey was launched.



Table 5.1: Perceptions of government's approach to regulation 2007-2012 (% agreeing)

	2012 (2,294)	2010 (2,000)	2009 (1,000) NAO only	2008 (1,000) NAO only	2007 (1,000) NAO only
Generally it is clear what the purpose of regulation is	53	61	54	57	55
Most regulation is fair and proportionate	41	50	45	46	39
It is straightforward to understand what you are required to do to comply with regulations	39	52	44	45	37
The way local councils enforce regulations is fair and proportionate (LBRO only: 1,294)	36	-	-	-	-
It is easy to comply with regulations	33	45	38	38	33
Government informs businesses of regulatory changes clearly and with sufficient warning	31	-	-	-	-
Different parts of government take a joined up approach to regulation (NAO only: 1,000)	22	30	28	29	25
The government (NAO)/ local government (LBRO) understands business well enough to regulate	20	29	26	27	21
The government consults well with business before any new regulation, or change to an existing regulation, is introduced	16	23	20	21	16

5.16 In 2012 there were a number of differences by business size and industry sector:

- Large businesses were more likely than average to agree with each of the statements, apart from "Different parts of government take a joined-up approach to regulation."
- Finance businesses were less likely than average to agree that "It is straightforward to understand what you are required to do to comply with regulations", while both Finance businesses and those in the Transport sector were less likely than average to agree that "The way local councils enforce regulations is fair and proportionate."
- Businesses in the Property, Management and Business Services sector were less likely than average to agree that "It is easy to comply with regulations," "The government consults well with business before any new regulation, or change to an existing regulation, is introduced" and "Government informs business of regulatory change clearly and with sufficient warning."



- Manufacturing businesses were less likely than average to agree that “Most regulation is fair and proportionate,” “The government/ local government understands business well enough to regulate” and “The government consults well with business before any new regulation, or change to an existing regulation, is introduced”
- 5.17 Businesses in Wales were more likely than the UK average to agree that “Generally it is clear what the purpose of regulation is,” “It is straightforward to understand what you are required to do to comply with regulations,” “It is easy to comply with regulations” and “Most regulation is fair and proportionate.”
- 5.18 Businesses with one or more members of staff dedicated to compliance were more likely to agree with each of the statements than those with no staff dedicated to compliance.
- 5.19 Looking now at businesses’ opinions of regulations broken down by the specific areas of law surveyed, businesses were typically more positive about government/ local government’s approach to Food Safety law (and to a lesser extent, Fire Safety) and less positive about the approach to Health & Safety, particularly local council enforced Health & Safety (Table 5.2).
- 5.20 Businesses’ more positive assessment of the approach to Food Safety law was evidenced by the fact that businesses responding with regard to Food Safety were more likely than the overall to agree that:
- “Generally it is clear what the purpose of regulation is”;
 - “Most regulation is fair and proportionate”;
 - “It is straightforward to understand what you are required to do to comply with regulations”;
 - “The way local councils enforce regulations is fair and proportionate”;
 - “Government informs businesses of regulatory changes clearly and with sufficient warning” and;
 - “The government consults well with business before any new regulation, or change to an existing regulation, is introduced.”



Table 5.2: Perceptions of government/ local government approach to regulation (% agreeing¹¹)

	Total (2,294)	Company Law (270)	Employment Law (268)	Health & Safety Law (277)	Planning Law (185)	Consumer Protection (270)	Fire Safety (280)	Food Safety (224)	Health & Safety (295) ¹²	Licensing (225)
Generally it is clear what the purpose of regulation is	53	58	49	51	48	51	56	72*	53	52
Most regulation is fair and proportionate	41	43	39	31*	42	40	43	55*	46*	41
It is straightforward to understand what you are required to do to comply with regulations	39	38	30*	37	34	41	55*	52*	33*	37
The way local councils enforce regulations is fair and proportionate (LBRO only: 1,294)	36	-	-	-	-	33	39	45*	32	34
It is easy to comply with regulations	33	31	32	22*	35	33	51*	38	26*	38
Government informs businesses of regulatory changes clearly and with sufficient warning	31	35	31	32	33	30	27	40*	26*	37
Different parts of government take a joined up approach to regulation (NAO only: 1,000)	22	25	15*	22	27	-	-	-	-	-
The government (NAO)/ local government (LBRO) understands business well enough to regulate	20	25*	17	16	21	15*	28*	22	17	21
The government consults well with business before any new regulation, or change to an existing regulation, is introduced	16	15	14	17	23*	12	16	24*	10*	21*

* Results in bold are significantly higher than the overall across all regulations / * Results in italics are significantly lower than the overall across all regulations

¹¹ Comprises those “agreeing” and “strongly agreeing” with each statement.

¹² Local council enforced



6 Aspects of regulation and enforcement that businesses find burdensome

6.1 Having looked at businesses' attitudes to and perceptions of regulation and the regulatory environment, the report now moves on to examine the extent to which businesses find certain aspects of regulation burdensome and monitors perceived changes in the level of regulatory burden in the last 12 months.

Aspects of regulation that businesses find burdensome

6.2 Respondents were asked – with regard to their specific area of law – to state the extent to which they agreed or disagreed that a range of activities were a burden when complying with regulation.

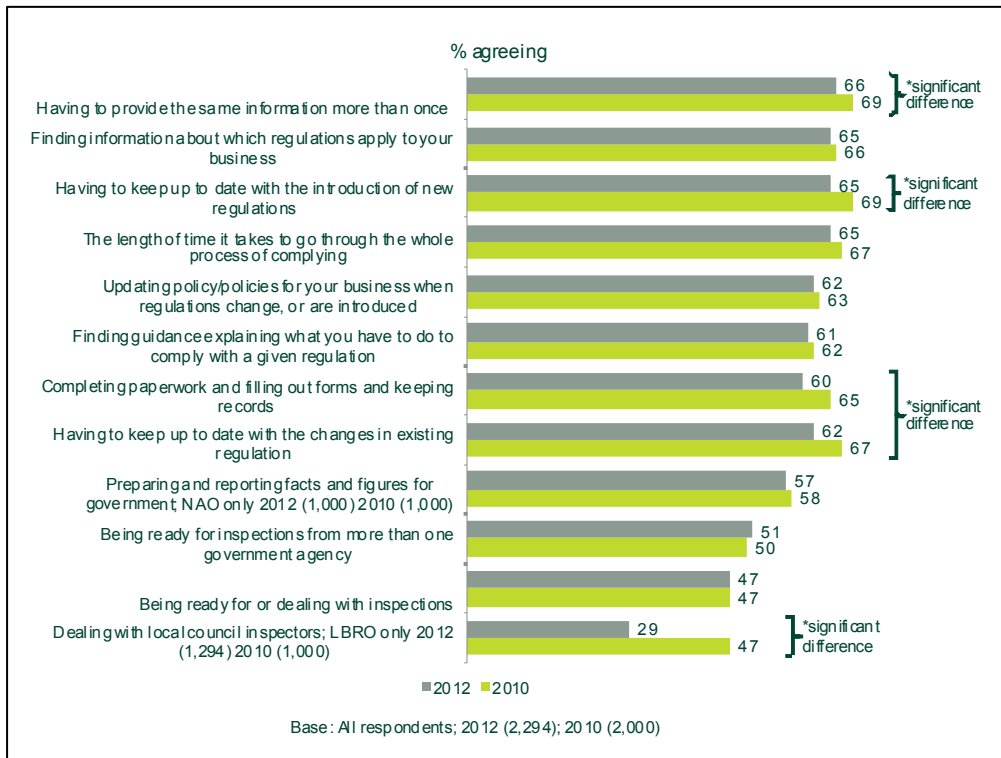
6.3 Over half of respondents agreed that each aspect of regulation – with the exception of “Being ready for or dealing with inspections” and “Dealing with local council inspectors” – was a burden (Figure 6.7).

6.4 There were a number of aspects of regulation that respondents found less burdensome in 2012 than in 2010. These related primarily to keeping up to date with regulatory change and collecting and providing relevant information. There was also a considerable drop in the proportion of businesses agreeing that “Dealing with local council inspectors” was burdensome, although this may be attributable to the change in wording (from “local council” in 2010 to “local council inspectors” in 2012).



6.5

Figure 6.7: Aspects of complying with regulations that businesses find burdensome



6.6 This question has been asked in every wave of the survey since 2007 (although some of the statements were first included in subsequent waves). For clarity we have only shown data for 2012 and 2010 in the chart above. The figures for all waves of the survey conducted to date are shown in Table 6.3.

6.7 The overarching trend over the five waves of the research conducted to date is that the proportion agreeing that complying with each aspect of regulation is burdensome has fallen year on year. Indeed for each aspect (other than “Being ready for inspections from more than one government agency”), the proportion agreeing that complying with this aspect is a burden has decreased since 2007 (or the year in which the particular statement was introduced).



Table 6.3: Aspects of complying with regulations that businesses find burdensome 2007-2012 (% agreeing)¹³

	2012 (2,294)	2010 (2,000)	2009 (1,000) NAO only	2008 (1,000) NAO only	2007 (1,000) NAO only
Having to provide the same information more than once (to government)	66	69	64	65	71
Finding information about which regulations apply to your business	65	66	66	68	74
Having to keep up to date with the introduction of new regulations	65	69	72	-	-
The length of time it takes to go through the whole process of complying	65	67	69	72	78
Updating policy/policies for your business when regulations change, or are introduced	62	64	73	-	-
Finding guidance and advice explaining what you have to do to comply with a given regulation	61	62	64	66	71
Completing paperwork and filling out forms and keeping records	60	66	65	70	74
Having to keep up to date with changes in existing regulation	62	67	69	76	80
Preparing and reporting facts and figures for government (NAO only: 1,000)	57	58	57	61	67
Being ready for inspections from more than one government agency	51	49	-	-	-
Being ready for or dealing with inspections ¹⁴	47	47	49	57	61
Dealing with local council inspectors (LBRO only: 1,294)	29	47	-	-	-

¹³ Comprises those “agreeing” and “strongly agreeing” with each statement.

¹⁴ In 2010 and previous years this was “Being ready for and complying with inspections”.



- 6.8 In the 2012 survey there were some differences by business size and industry sector, as set out below:
- Large businesses were less likely than average to agree that each activity was a burden, apart from “Being ready for inspections from more than one government agency.” Micro-businesses were more likely than average to agree that “Finding information about which regulations apply to your business” was burdensome.
 - Finance businesses were more likely than average to agree that “The length of time it takes to go through the whole process of complying” was a burden.
 - Businesses in the Agriculture sector were more likely than average to agree that “Dealing with local council inspectors,” “Completing paperwork, including filling in forms and keeping records” and “Being ready for inspections from more than one government agency” were burdensome.
 - Construction businesses were more likely than average to agree that “Being ready or dealing with inspections” and “Being ready for inspections from more than one government agency” were burdensome.
 - Businesses in the Retail sector were more likely to agree that “Having to keep up to date with the introduction of new legislations” was burdensome and businesses in this sector – as well as Transport businesses – were more likely than average to agree that “Dealing with local council inspectors” was a burden.
 - Businesses in the Transport sector were more likely than average to agree that “Completing paperwork, including filling in forms and keeping records” and “Having to provide the same information more than once” were burdensome.
- 6.9 Businesses in Wales were less likely than average to agree that “Finding information about which regulations apply to your business” was a burden. They were more likely to agree, however, that “Dealing with local council inspectors” and “Being ready for inspections from more than one government agency” were burdensome.
- 6.10 Businesses with no staff dedicated to compliance were more likely than those with one or more staff dedicated to compliance to agree that “Finding information about which regulations apply to your business,” “Finding guidance and advice explaining what you have to do comply with a given regulation” and “Completing paperwork, including filling in forms and keeping records” were a burden. They were less likely to agree, however, that “Having to provide the same information more than once” and “Being ready for inspections from more than one government agency” were burdensome.
- 6.11 Businesses which had been trading for over 20 years were more likely to agree that “Completing paperwork, including filling in forms and keeping records” were burdensome than those which had been trading less than a year.
- 6.12 Looking now at the aspects of regulation businesses found burdensome broken down by the specific areas of law surveyed, businesses responding about Health & Safety Law and Company Law tended to find compliance more burdensome than the overall, while those answering about Fire Safety and Consumer Protection tended regarded compliance as less burdensome than the overall (Table 6.4).



Table 6.4: Aspects of complying with regulations that businesses find burdensome by specific area of law (% agreeing)

	Total (2,294)	Company Law (270)	Employment Law (268)	Health & Safety Law (277)	Planning Law (185)	Consumer Protection (270)	Fire Safety (280)	Food Safety (224)	Health & Safety (295) ¹⁵	Licensing (225)
Having to provide the same information more than once (to government)	66	69	65	71*	64	59*	58*	67	75*	66
Finding information about which regulations apply to your business	65	75	65	77*	68	59*	53*	61	59*	60
Having to keep up to date with the introduction of new regulations	65	71*	71*	67	64	58*	58*	59	67	63
The length of time it takes to go through the whole process of complying	65	65	70	74*	71	57*	52*	56*	68	66
Updating policy/policies for your business when regulations change, or are introduced	62	61	65	64	70*	57	61	57	59	56
Finding guidance and advice explaining what you have to do to comply with a given regulation	61	67*	62	70*	68*	56*	49*	51*	57*	60
Completing paperwork and filling out forms and keeping records	60	73*	63	70*	49*	47*	50*	61	68*	56
Having to keep up to date with changes in existing regulation	62	67	66	67*	60	52*	58	57	68*	59
Preparing and reporting facts and figures for government (NAO only: 1,000)	57	59	52	62*	50*	-	-	-	-	-
Being ready for inspections from more than one government agency	51	55	52	56*	56	41*	45*	54	54	39*
Being ready for or dealing with inspections	47	56*	53*	50	49	36*	39*	45	46	39*
Dealing with local council inspectors (LBRO only: 1,294)	29	-	-	-	-	29	23*	36*	29	42*

* Results in bold are significantly higher than the overall across all regulations / *Results in italics are significantly lower than the overall across all regulations

¹⁵ Local council enforced



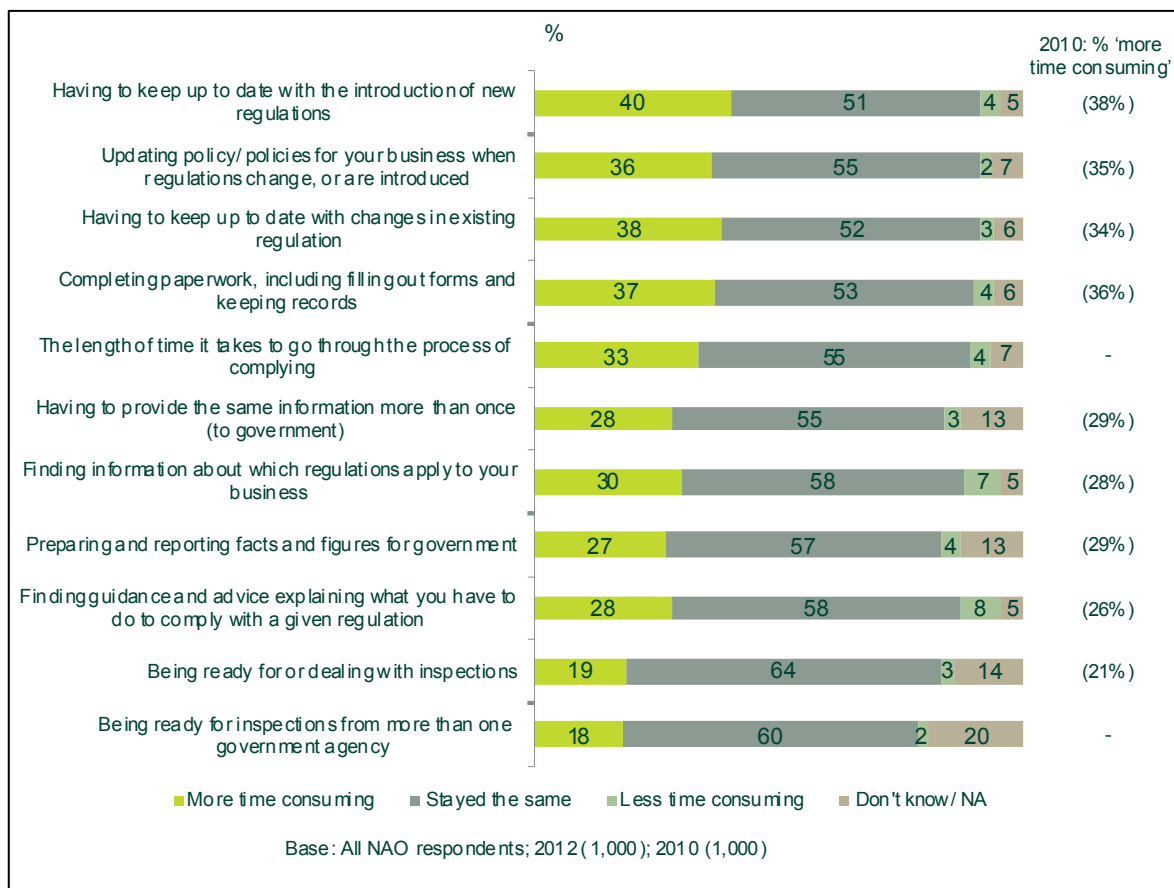
Changes in the level of regulatory burden in the last 12 months

- 6.13 Respondents were asked whether certain aspects of complying with regulation had become more time-consuming or less time-consuming over the last 12 months, or whether the burden was unchanged.
- 6.14 The aspect of regulation most commonly perceived to have become more time-consuming was “Having to keep up to date with the introduction of new regulations”, with two-fifths of businesses claiming that this was more time-consuming than two years ago. Three other aspects of compliance were deemed to have become more time-consuming by over one-third of respondents surveyed, specifically:
- “Updating policy/ policies for your business when regulations change, or are introduced”;
 - “Having to keep up to date with changes in existing regulation” and;
 - “Completing paperwork, including filling out forms and keeping records.”



6.15 The findings are broadly in line with those of 2010, with the proportions stating that each aspect of regulation has become more time-consuming remaining at a similar level (as shown in Figure 6.8).

Figure 6.8: Perceived changes in the time spent complying with aspects of regulation in the last 12 months



6.16 There is an apparent contradiction in that fewer businesses – or a similar proportion of businesses – agreed that particular aspects of complying with regulation were burdensome in 2012 compared with 2010 (see Figure 6.7), yet the proportions reporting that complying with regulation had become *more time-consuming* in the last 12 months remained largely the same as the previous wave of the survey. This is perhaps because, while fewer or the same number of businesses consider certain aspects of regulation to be burdensome, it may still be the case that those who do find them burdensome consider the relative burden of compliance to be increasing (i.e. becoming more time-consuming)

6.17 Businesses in Wales were more likely than average to perceive that “the length of time it takes to go through the whole process of complying”, “preparing and reporting facts and figures for government”, “having to provide the same information more than once to government” and “having to keep up to date with changes in existing regulation” had become more time-consuming.¹⁶

¹⁶ . As this question is asked only of respondents to the NAO survey, the findings are not based on the boost sample of Welsh businesses.



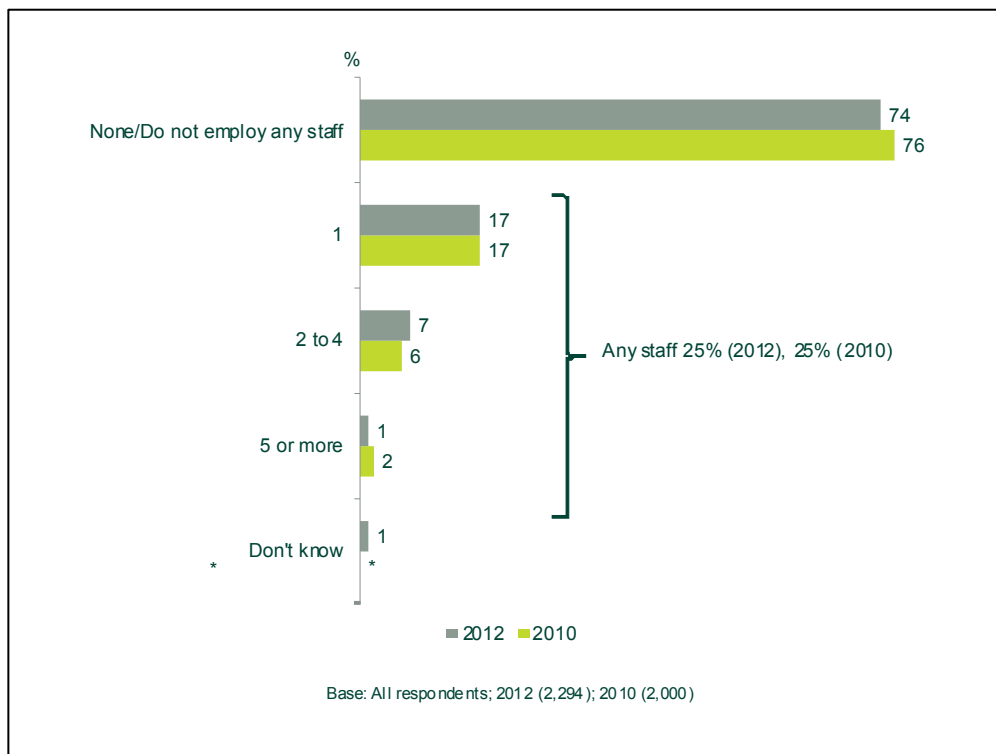
7 Resources devoted to compliance

7.1 Having considered the specific aspects of compliance that businesses find burdensome, we now turn to businesses' perceptions of the overall burden in terms of staff time required. This section discusses the human resources that businesses use to help them comply with regulation, including staff employed specifically to deal with compliance, as well as general staff time spent on compliance. It also examines businesses' perceptions of how the burden of complying with regulation has changed over the last 12 months, and their expectations for how this might change over the coming 12 months.

Staff employed to deal with compliance

7.2 The majority of businesses do not employ staff members specifically to deal with compliance, with one-quarter of businesses (25%) reporting that they employed somebody in this capacity (Figure 7.9). This is consistent with the 2010 survey. In most cases where businesses employed staff specifically to deal with regulatory compliance, a single staff member was employed for this purpose.

Figure 7.9: Staff employed specifically to deal with compliance



7.3 The likelihood of employing a specific member of staff for compliance increases with business size. Over three-quarters (77%) of large businesses employ such a staff member, compared with 62% of medium businesses, half (48%) of small businesses, and only 22% of micro businesses. Where staff were employed, large businesses were also more likely to employ more than one such staff member.

7.4 Businesses in the Property, Management and Business Services sector were least likely to employ staff specifically for dealing with compliance (only 19%), while those in the Hotels and Catering sector were most likely to do this.



Staff time spent on compliance

- 7.5 Compliance may frequently be dealt with by staff for whom this is not their specific job role, and as such, a new question was added in this wave of the research to determine the average time per month spent by staff on compliance with each area of law. Six in ten (58%) businesses reported that their staff spent any time at all complying with the law in question in an average month, with the majority of these businesses spending two days or less on average.
- 7.6 Unsurprisingly, businesses that employed a specific member of staff to deal with compliance were more likely to report spending regular time on compliance (87% compared with 51% among those without such a staff member). Businesses with a specific staff member were also likely to spend more time on compliance, with a quarter spending more than five days a month.
- 7.7 Businesses that answered about local council enforced Health & Safety, Food Safety and Health & Safety Law were most likely to report spending time on compliance in these areas. 75%, 72% and 71% respectively reported spending time on compliance in an average month. By contrast, only 44% of those answering about Planning Law reported spending time on compliance in this area. There was little variation across other areas of law as to whether any time was spent, although Fire Safety was likely to require a smaller investment of time, with 41% spending less than a day a month (compared with 29% overall) and only 6% spending three days or more (compared with 13%). This contrasts with Licensing, for which 20% reported spending less than a day, and 20% reported spending three days or more.



Table 7.5: Proportion of businesses spending time dealing with each area of law

(Base: All respondents)

	Total (1,993) %	Company Law (270) %	Employment Law (268) %	Health & Safety Law (277) %	Planning Law (185) %	Consumer Protection (270) %	Fire Safety (280) %	Food Safety (224) %	Health & Safety (295) ¹⁷ %	Licensing (225) %
Any time at all	58	55	59	71*	44*	57	58	72*	75*	56
No time at all	36	42*	36	17*	56*	41	40	26*	25*	36
Less than half a day	17	14	20	20	9*	22*	22*	15	15	14
Half a day to a day	12	13	12	17*	7*	4*	19*	16	17*	6*
1-2 days	16	18	17	13	16	15	11*	18	26*	16
3-10 days	8	9	8	18*	6	10	2*	7	5	11
More than 10 days	6	1*	2*	12*	6	6	4	16*	4	9*
Don't know	4	4	4	7*	*	3	2	3	5	8

* Results in bold are significantly higher than the overall across all regulations / *Results in italics are significantly lower than the overall across all regulations

¹⁷ Local council enforced

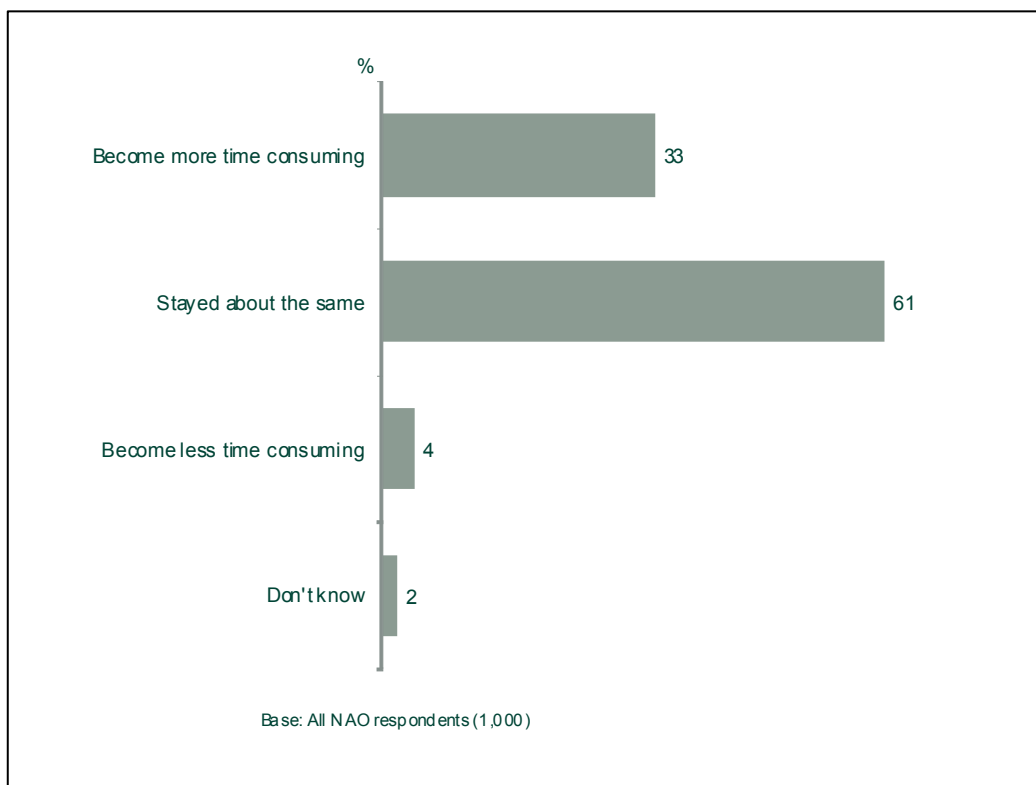


- 7.8 As might be expected, staff time spent on compliance increases in line with business size. Only 57% of micro-businesses reported that their staff spent time on compliance in an average month, compared with three-quarters (76%) of small businesses, and over four-fifths of medium and large businesses.
- 7.9 Hotels and Catering businesses were more likely to spend time on compliance than other sectors (68% compared with 58% overall), as were businesses in the Finance sector (68%). Those in Retail were the least likely to do so, with only 54% stating that their staff spent any time on compliance in an average month.

Time spent complying with regulation

- 7.10 One-third (33%) of businesses felt that complying with regulation had become more time consuming over the last 12 months, while 61% reported no change in the amount of time required (Figure 7.10). Those employing a specific member of staff were more likely to report an increasing burden over the last 12 months (46% compared with 31% of businesses without such a staff member).

Figure 7.10: Change in time spent complying with regulation over the last 12 months

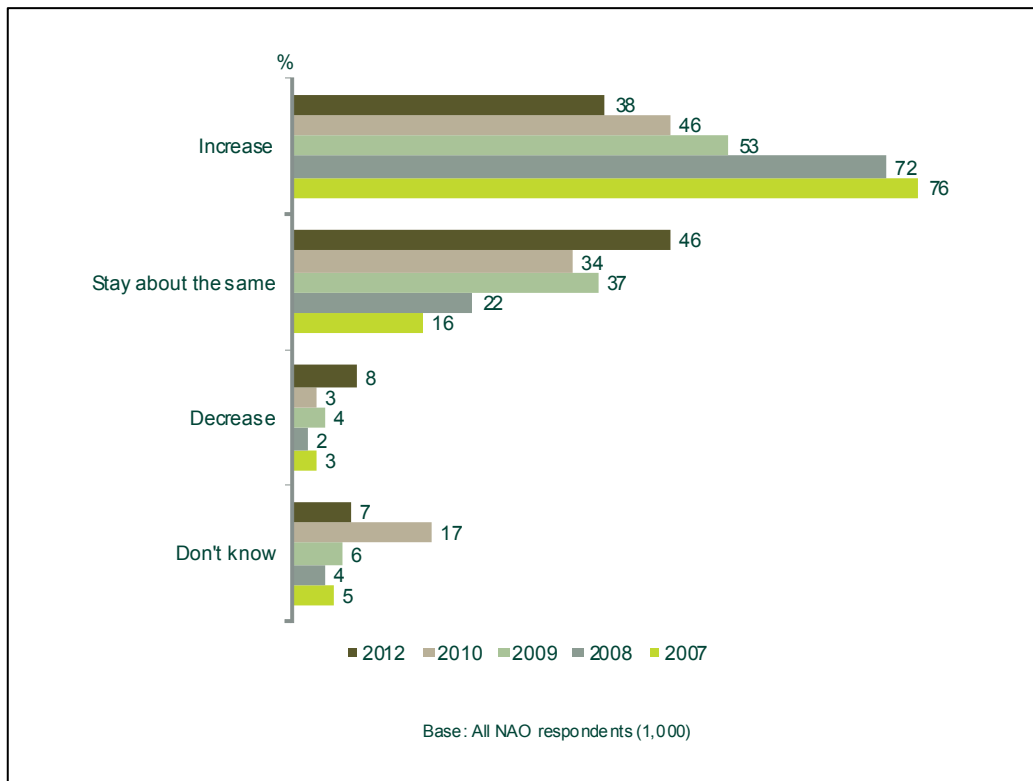


- 7.11 Small (50%) and medium-sized (44%) businesses were more likely to report an increasing burden from compliance than were large businesses (31%). The majority of large businesses felt that the burden had remained the same over the last 12 months. Businesses operating in the Finance and Construction sectors were most likely to see an increasing burden from regulation, with 53% and 45% respectively reporting that compliance had become more time consuming, compared with 35% overall.
- 7.12 Looking forward to the coming 12 months, the proportion expecting the burden of complying with regulation to increase has fallen to 38% (from 46% in 2010), with a corresponding increase in the proportions expecting the burden to decrease or remain the same. This is a continuation of the trend seen across previous years: the proportion expecting an increased burden has fallen incrementally



each year since 2007. In 2012, for the first time, the proportion expecting an increased burden is outweighed by the proportion expecting no change (Figure 7.11).

Figure 7.11: Expected change in the burden of compliance over the next 12 months



- 7.13 Businesses with a specific member of staff dedicated to compliance were more likely to anticipate an increased burden over the coming 12 months (48% compared with 33% of businesses without such a staff member).
- 7.14 There were very few differences in expectations by size and sector, except that businesses in the Agriculture and Property, Management and Business Services sectors were more likely to expect a decreasing burden than businesses in other industry sectors.



8 Use of information and advice in complying with regulation

8.1 This chapter examines the sources of information and advice businesses use in helping them to comply with regulation, looking first at how informed businesses feel about regulation. It then goes on to focus on businesses' use of external agents and their contact with local councils, including the ease of making contact and, where a business deals with more than one local council, the consistency of advice received.

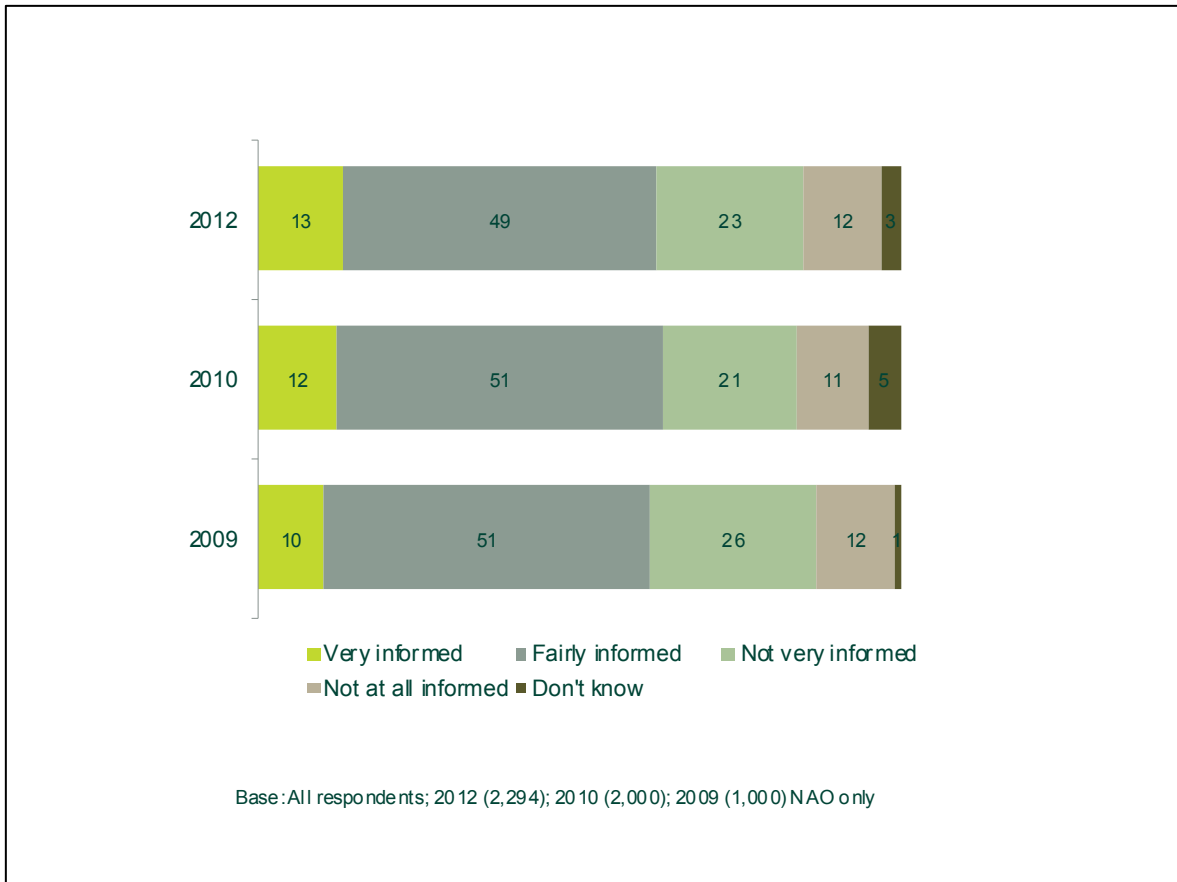
How informed do businesses feel?

8.2 When asked how informed they felt about the area of regulation they chose to talk about, around one in eight (13%) felt "very informed" and half (49%) felt "fairly informed" (Figure 8.12). Therefore the overall net informed figure ("very informed" plus "fairly informed") was 62%. The overall not informed figure ("not very informed" plus "not at all informed") was 35%.

8.3 There was little change from previous years in the proportion of businesses that feel informed about regulation (Figure 8.12).



Figure 8.12: How informed businesses are about the regulations that affect them



- 8.4 The degree to which businesses are informed about the regulations that affect them varied across the eight areas of regulation. The highest proportion of businesses saying they were very informed occurred in Food Safety (28%) and Licensing (23%). In contrast the highest proportion of businesses saying they were not at all informed was seen in Planning Law (20%) and Consumer Protection (14%), which is consistent with the 2010 survey findings.
- 8.5 Looking at the net informed and net not informed figures, businesses responding in relation to Food Safety (77%), Fire Safety (71%) and Health & Safety (69% for both Health & Safety Law and local council enforced Health & Safety) were more informed, while those answering about Planning Law (42%) and Consumer Protection (54%) were less well informed (Table 8.6).



Table 8.6: How informed do business feel about the regulations which affect them

	Total (2294) %	Company Law (270) %	Employment Law (268) %	Health & Safety Law (277) %	Planning Law (185) %	Consumer Protection (270) %	Fire Safety (280) %	Food Safety (224) %	Health & Safety (295) ¹⁸ %	Licensing (225) %
Very informed	13	14	7*	20*	8*	4*	17*	28*	15	23*
Fairly informed	49	53	54	50	34*	50	53	49	53	38*
Not very informed	23	20	23	19	32*	29*	18*	10*	24	23
Not at all informed	12	10	13	11	20*	14	9	6*	5*	12
Don't know	3	2	2	- *	5*	3	3	8*	3	5
NET: Informed	62	67	61	69*	42*	54*	71*	77*	69*	60
NET: Not informed	35	31	37	31	53*	43*	27*	15*	29*	35

** Results in bold are significantly higher than overall/ *Results in italics are significantly lower than overall*

¹⁸ Local council enforced



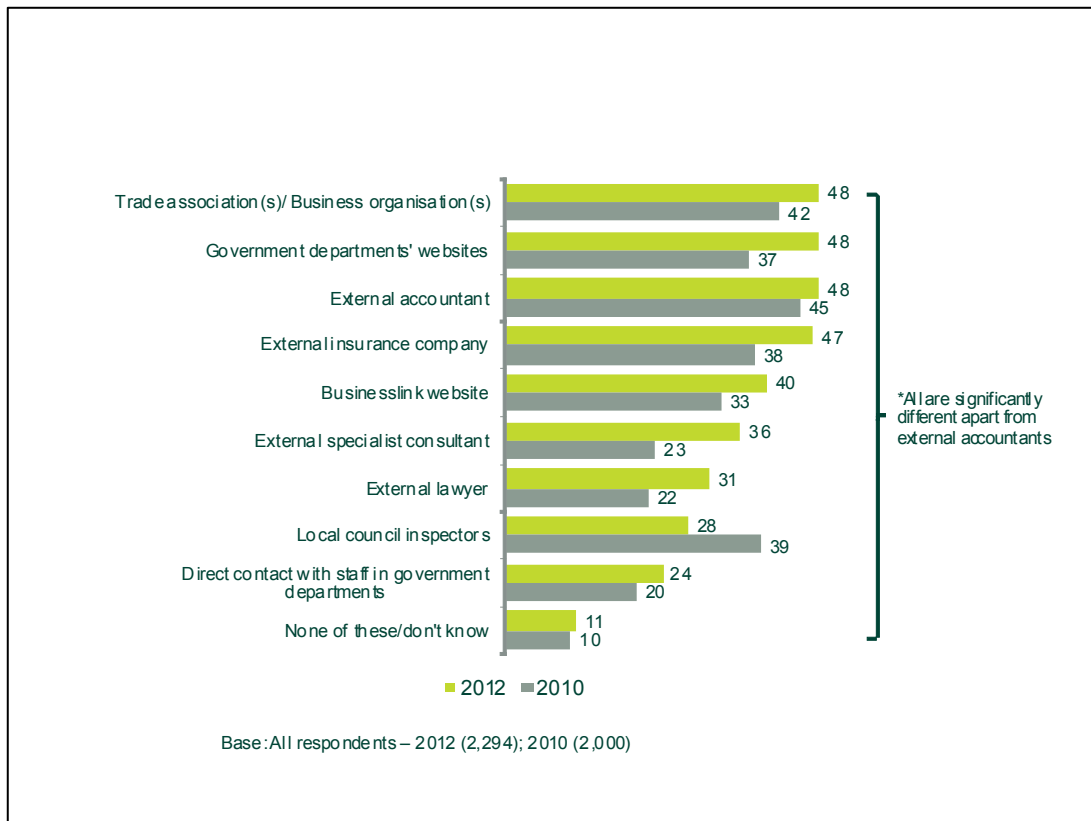
- 8.6 Businesses in Agriculture (72%), Hotels and Catering (76%) and Transport (70%) all had higher levels of net informed. Businesses in the Property, Management and Business Services sector had the highest level of net not informed (40%).
- 8.7 The level of net informed increased in line with business size, from micro businesses (61%) to large businesses (89%).
- 8.8 Businesses in Wales were also more informed than average (68% net informed).
- 8.9 Businesses with dedicated compliance staff had a higher level of net informed (77%), as did those businesses which found it easy to comply with regulation (73%).

Use of sources of information and advice

- 8.10 Respondents were asked what sources of information they used to help them comply with the area of law under discussion (Figure 8.13). Around half mentioned trade associations, government department websites, insurance companies and accountants. Four in ten mentioned the Businesslink website. One in three mentioned local council inspectors and around a quarter mentioned direct contact with a government department.
- 8.11 The proportion using each of the sources of information has increased since 2010, with the exception of external accountants, where there was no significant difference, and local council inspectors, where the proportion using this source of information has decreased considerably, although this may be attributable to the change in wording (from “local council” in 2010 to “local council inspectors” in 2012).



Figure 8.13: Sources of information and advice used to help with compliance



8.12 Trade associations were more likely to be used as a source of information in the case of Company Law and Health & Safety Law, while local council inspectors were more likely to be used as a source of information in the case of Planning Law, Food Safety and Licensing. Government department websites were more likely to be consulted for Company Law, Employment Law and Consumer Protection issues (Table 8.7).

8.13 Seventy per cent of businesses said they used external agents as a source of information; this is up from 64% in the 2010 survey. Businesses were more likely to use external agents as a source of information in relation to Employment Law (86%) and Company Law (81%), and less likely to use them for Food Safety (44%) and Fire Safety (55%).



Table 8.7: Sources of information and advice used to help with compliance by area of regulation

	Total (2294) %	Company Law (270) %	Employment Law (268) %	Health & Safety Law (277) %	Planning Law (185) %	Consumer Protection (270) %	Fire Safety (280) %	Food Safety (224) %	Health & Safety (295) ¹⁹ %	Licensing (225) %
Trade Associations	48	55*	48	56*	<i>41*</i>	53	<i>36*</i>	44	48	47
Government department websites	48	59*	55*	48	43	54*	<i>31*</i>	<i>39*</i>	44	45
External accountant	48	72*	64*	<i>39*</i>	<i>40*</i>	62*	<i>17*</i>	<i>25*</i>	<i>32*</i>	52
External insurance company	47	61*	53*	45	<i>40*</i>	51	<i>32*</i>	<i>23*</i>	46	51
Businesslink website	40	49*	44	38	39	40	<i>33*</i>	<i>24*</i>	37	43
External specialist consultant	36	37	39	44*	40	<i>24*</i>	40	30	44*	<i>21*</i>
External lawyer	31	44*	45*	<i>23*</i>	36	31	<i>16*</i>	<i>12*</i>	<i>19*</i>	35
Local council	28	<i>23*</i>	29	<i>23*</i>	43*	26	29	53*	<i>21*</i>	34*
Direct contact with government departments	24	31*	24	21	27	22	<i>19*</i>	28	<i>14*</i>	29
None of these/ Don't know	11	<i>7*</i>	<i>6*</i>	10	19*	9	22*	17*	7	13
NET: External	70	81*	86*	<i>63*</i>	65	73	<i>55*</i>	<i>44*</i>	73	70

** Results in bold are significantly higher than overall/ *Results in italics are significantly lower than overall*

¹⁹ Local council enforced



- 8.14 Construction businesses were more likely to use external specialist consultants (51%), whereas Manufacturing businesses were more likely to use trade associations (56%). Businesses in the Transport sector were more likely to use the Businesslink website (49%) and external agents in general (79%). Businesses in the Hotels and Catering sector were more likely to contact local council inspectors (64%). Businesses in the Property, Management and Business Services sector (54%) and the Public Administration sector (56%) were more likely to use government department websites for information and advice.
- 8.15 Businesses in Wales were more likely to contact local council inspectors for information and advice (35%) and less likely to use external agents (65%).
- 8.16 Looking at the size of business, large businesses were more likely to contact a trade association (61%) or go direct to a government department (38%) and less likely to contact an external accountant (28%). Usage of external specialist consultants, external lawyers and local council inspectors all increased in line with the size of the business.
- 8.17 Businesses with dedicated compliance staff were more likely to contact all of the sources of information apart from external accountants and direct to a government department. Those businesses who considered it easy to comply with regulation were more likely to use government websites (56%), local council inspectors (36%) or to go direct to government departments (29%). Those who considered regulation to be an obstacle to success were more likely to contact external specialist consultants (41%).

Use of agents

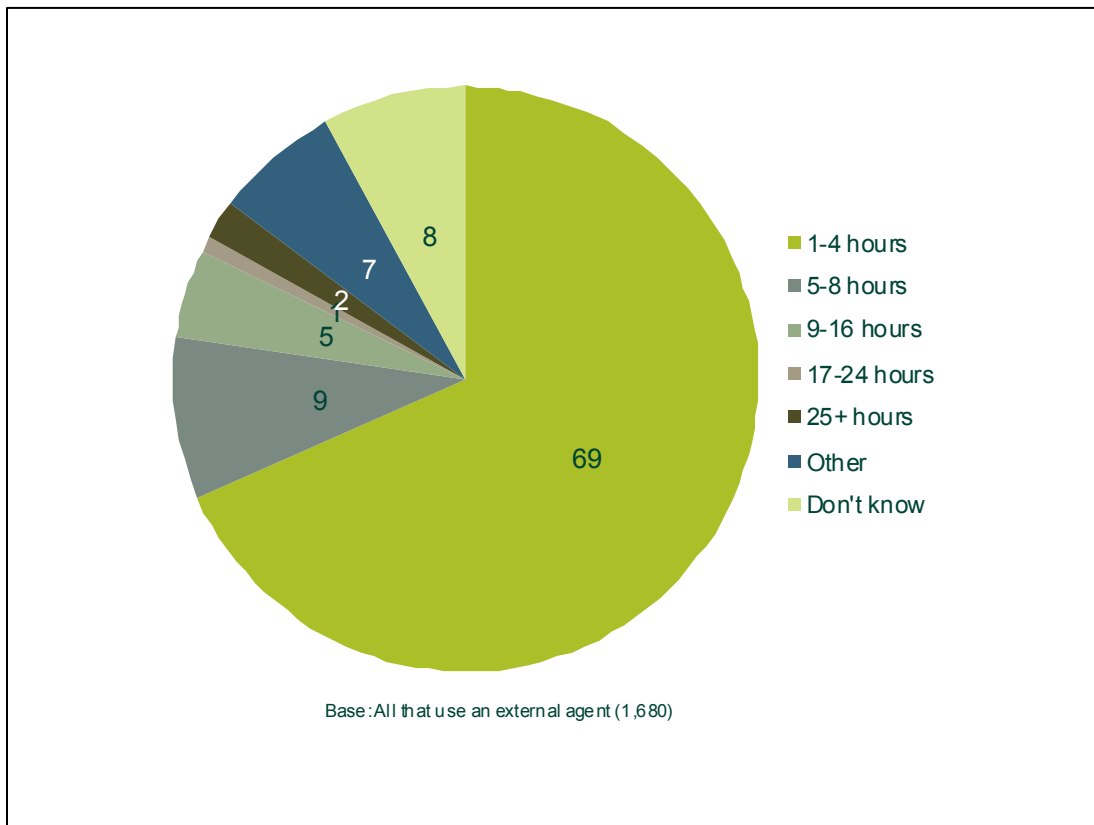
- 8.18 Businesses that mentioned using an external agent to help them comply with regulations were asked two follow-up questions regarding a) the number of hours per month that these agents are used and b) the reasons behind their use of agents.



Time

8.19 Just over two-thirds (69%) of businesses using external agents for compliance help reported that they used the agent for between one and four hours per month with a further 9% using the agent for between five and eight hours (Figure 8.14).

Figure 8.14: Number of hours per month use external agent for help with complying with regulation



8.20 Businesses answering on Company Law (15%) were more likely to use the agent for between five and eight hours per month. Those answering on Food Safety were more likely to use the agent for more than 25 hours per month (14%).

8.21 Construction businesses were more likely to use the agent for between nine and 16 hours (8%) and between 17 and 24 hours per month (5%). Micro businesses were more likely to use the agent for between one and four hours (70%) whereas medium and large businesses were more likely to use between five and eight hours (19% and 18% respectively) and small businesses more likely to use for between nine and 16 hours (8%).

8.22 Those businesses with no dedicated compliance staff were more likely to use the agent for between one and four hours per month (72%) whilst those with dedicated compliance staff were more likely to use the agent for more than nine hours per month.

8.23 Businesses who disagreed that regulation was easy to comply with were more likely to use the agent for between five and eight hours (10%) and between nine and 16 hours (7%) per month. Those who

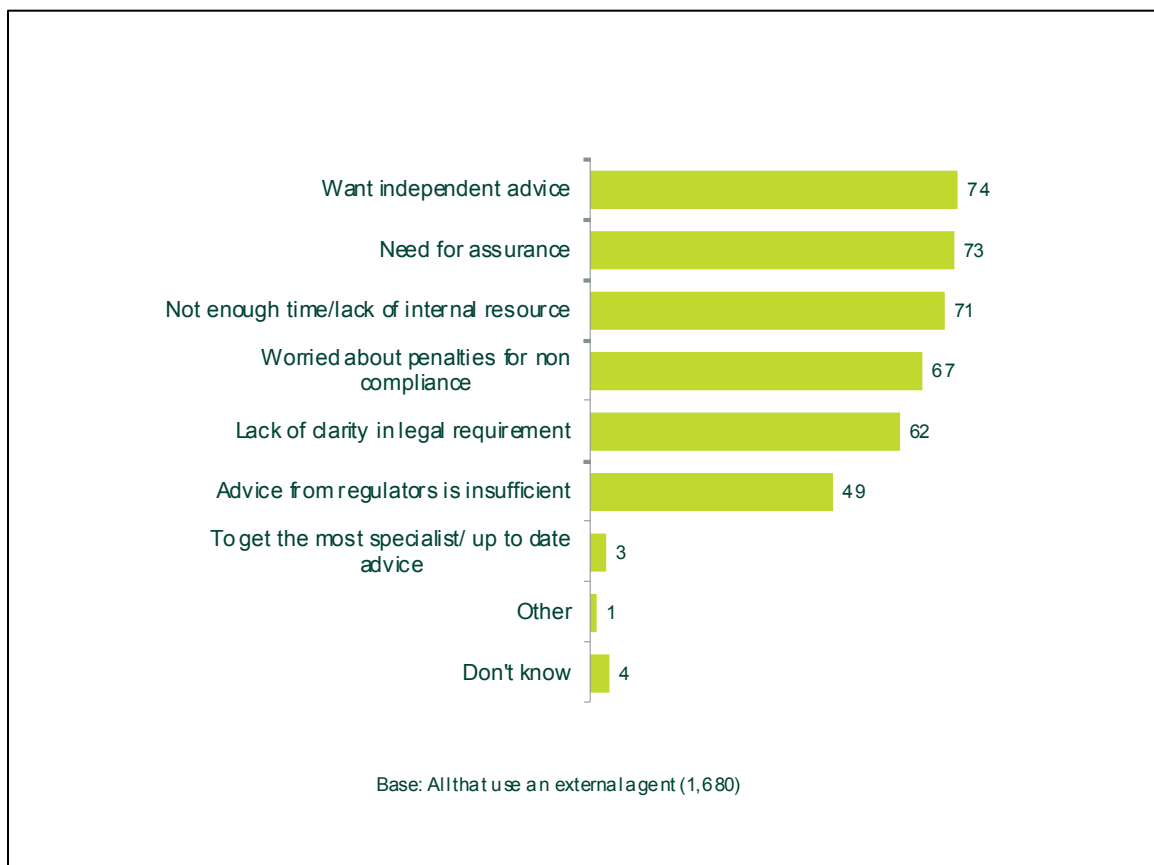


considered regulation to be an obstacle to success were more likely to use the agent between nine and 16 hours per month (6%).

Reasons

- 8.24 In this survey the question regarding the reason for use of external agents was asked on a prompted basis, i.e. a list of potential reasons were read out to respondents who then selected those that applied to their business. This method results in a higher level of response against these reasons and ensures that all reasons for use are captured but is different from the unprompted basis used for this question on previous surveys which only captures the top-of-mind reasons. As a result we are unable to compare 2012 data to previous surveys.
- 8.25 As Figure 8.15 shows, three-quarters of businesses (74%) made use of external agents to obtain independent advice with a similar proportion (73%) citing the need for assurance and not enough time or lack of internal resource (71%). Two-thirds mentioned that they were worried about the penalties for non-compliance, whilst six in ten said that it was a lack of clarity in legal requirements that led them to use external agents. Half of businesses said that the advice available from regulators was insufficient, which led them to use external agents.

Figure 8.15: Reason for businesses using external agent to help with compliance



- 8.26 The need for reassurance was mentioned more frequently for Company Law (84%) and Fire Safety (80%), which was also reflected in the fact that they were also more likely to say that a lack of clarity in legal requirements was a reason for using external agents – Company Law (69%), Fire Safety (72%). A lack of time or internal resource was mentioned more often in relation to Company Law and Health &



Safety Law (both 77%). Insufficient advice from regulators was mentioned more often in relation to Company Law (57%) and Consumer Protection (55%). The full set of findings is detailed in Table 8.8.



Table 8.8: Reason for businesses using external agent to help with compliance

	Total (1680) %	Company Law (234) %	Employment Law (235) %	Health & Safety Law (277) %	Planning Law (129) %	Consumer Protection (197) %	Fire Safety (194) %	Food Safety (112) %	Health & Safety (295) ²⁰ %	Licensing (158) %
Want independent advice	74	77	78	71	68	77	75	72	71	76
Need for assurance	73	84*	76	70	<i>56*</i>	68	80*	72	<i>67*</i>	73
Not enough time/ lack of internal resource	71	77*	71	77*	70	75	66	65	<i>52*</i>	71
Worried about penalties for non compliance	67	73*	69	77*	<i>56*</i>	62	74*	<i>55*</i>	<i>53*</i>	67
Lack of clarity in legal requirement	62	69*	63	60	<i>54*</i>	65	72*	<i>41*</i>	<i>49*</i>	61
Advice from regulators is insufficient	49	57*	44	49	45	55*	50	<i>22*</i>	<i>38*</i>	53
To get the most specialist/ up to date advice	3	2	3	5	6	2	7*	-	3	-
Other	1	3*	-	1	-	-	3*	3	1	2
Don't know	4	-	6	<i>1*</i>	11*	6	2	1	8*	7

** Results in bold are significantly higher than overall/ Results in italics are significantly lower than overall*

²⁰ Local council enforced



- 8.27 Small businesses were more likely to mention not enough time or lack of internal resource as a reason for using external agents (79%).
- 8.28 Businesses who did not consider regulation to be easy to comply with were more likely to mention all of the reasons for using an external agent except to get the most specialist up-to-date advice. Those businesses who considered regulation to be an obstacle to success were more likely to mention a need for assurance, a lack of clarity in legal requirements and insufficient advice from regulators as reasons for using external agents.

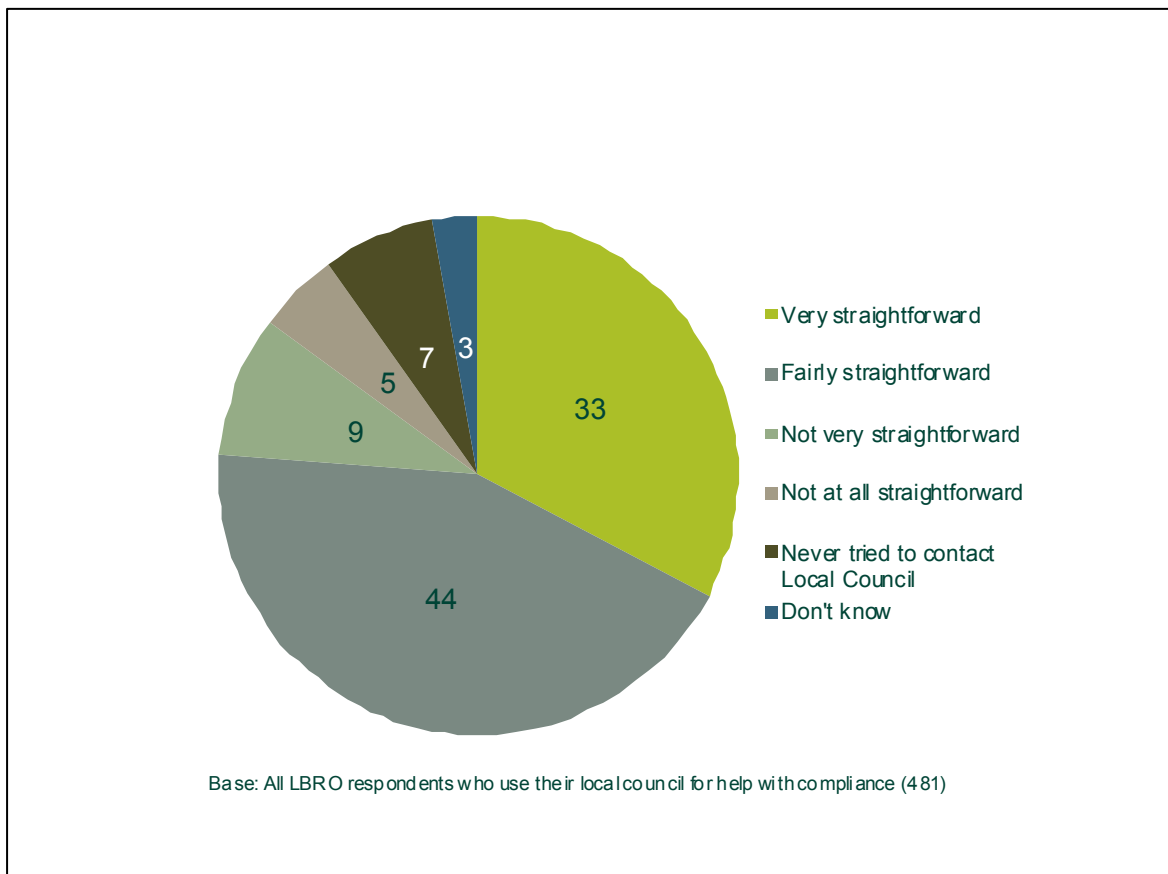


Ease of making contact with local council

8.29 Three-quarters of businesses thought it straightforward making contact with their local council, with a third saying it was very straightforward (Figure 8.16). Businesses making contact regarding Licensing were more likely than average to regard it as straightforward (89%) as were businesses in the Transport sector (93%), Hotels and Catering sector (85%) and the Retail sector (83%). In contrast those in Construction (62%) and Finance (46%) were less likely to find making contact straightforward.

8.30 Small businesses were the least likely to report that making contact was straightforward.

Figure 8.16: Ease of making contact with local council about regulation



8.31 Businesses with dedicated compliance staff were more likely to report that making contact with the local council was straightforward (81%) as were businesses that considered regulation easy to comply with (86%) and those who were informed about the regulations affecting their business (83%).

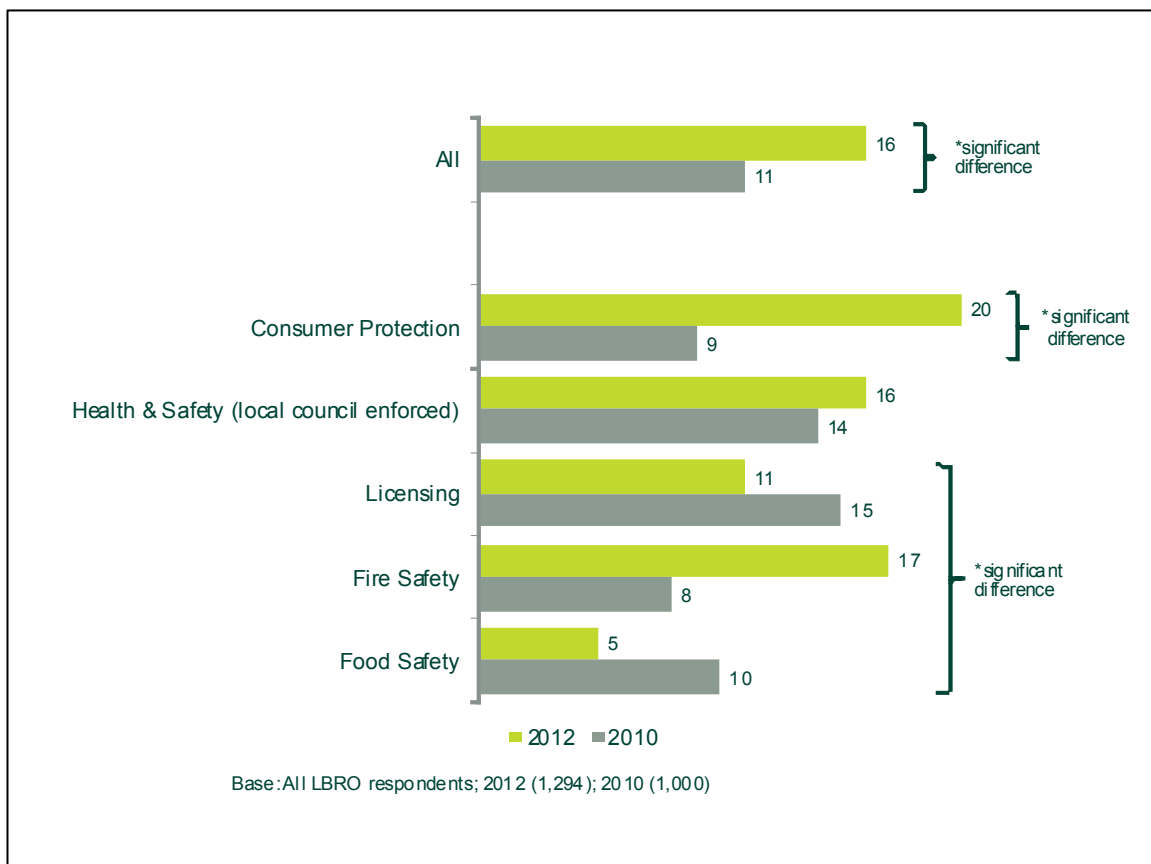


Consistency of advice

8.32 One in seven businesses (16%) reported that they dealt with more than one local council in relation to the specific area of regulation (Figure 8.17). Among businesses answering about Consumer Protection and Fire Safety, the proportion dealing with more than one local council has increased since 2010, whilst among those responding in relation to Food Safety and Licensing, the proportion dealing with more than one local council has decreased.

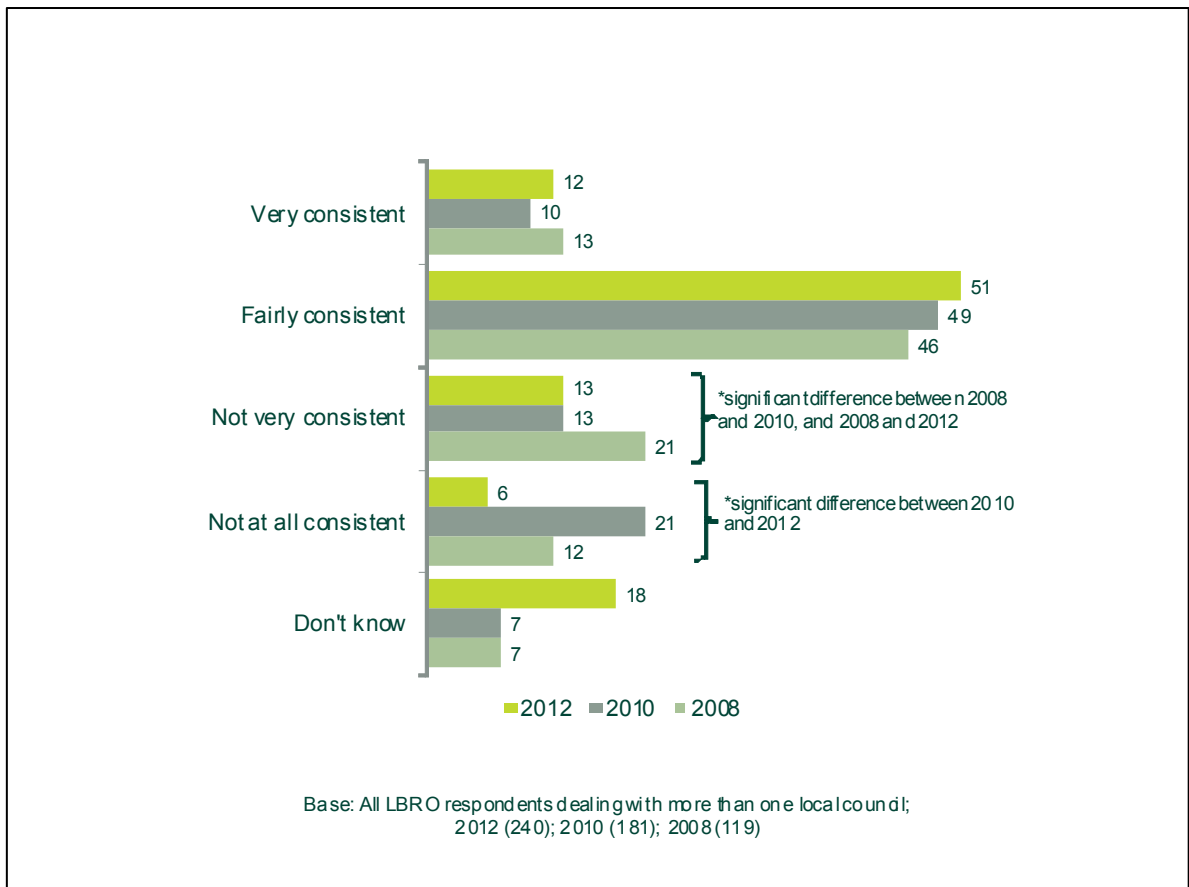
8.33 Businesses in the Property, Management and Business Services sector were more likely to deal with more than one local council.

Figure 8.17: Whether deal with more than one local council in relation to specific regulation by area of law



- 8.34 Around two-thirds (63%) of those dealing with more than one local council felt that the advice they received from the various councils was “very” or “fairly” consistent (Figure 8.18). Combining those who responded “not very consistent” and “not at all consistent”, the proportion of businesses that considered the advice to be inconsistent decreased from 33% in 2008 to 19% in 2012. Of particular note, the proportion of businesses that considered the advice to be “not at all consistent” fell from 21% in 2010 to 6% in 2012. There were no significant differences by area of law chosen but advice was more likely to be considered inconsistent by businesses in the Manufacturing (52%) and Transport (81%) sectors.
- 8.35 Micro businesses were more likely to consider the advice received from the various councils they deal with to be consistent (70%) as were those businesses that regarded regulation as easy to comply with (83%).
- 8.36 Businesses in Wales dealing with more than one local council were more likely to consider the advice to be inconsistent (36%).

Figure 8.18: Consistency of advice received about specific regulation from the various councils contacted



9 Local council enforcement

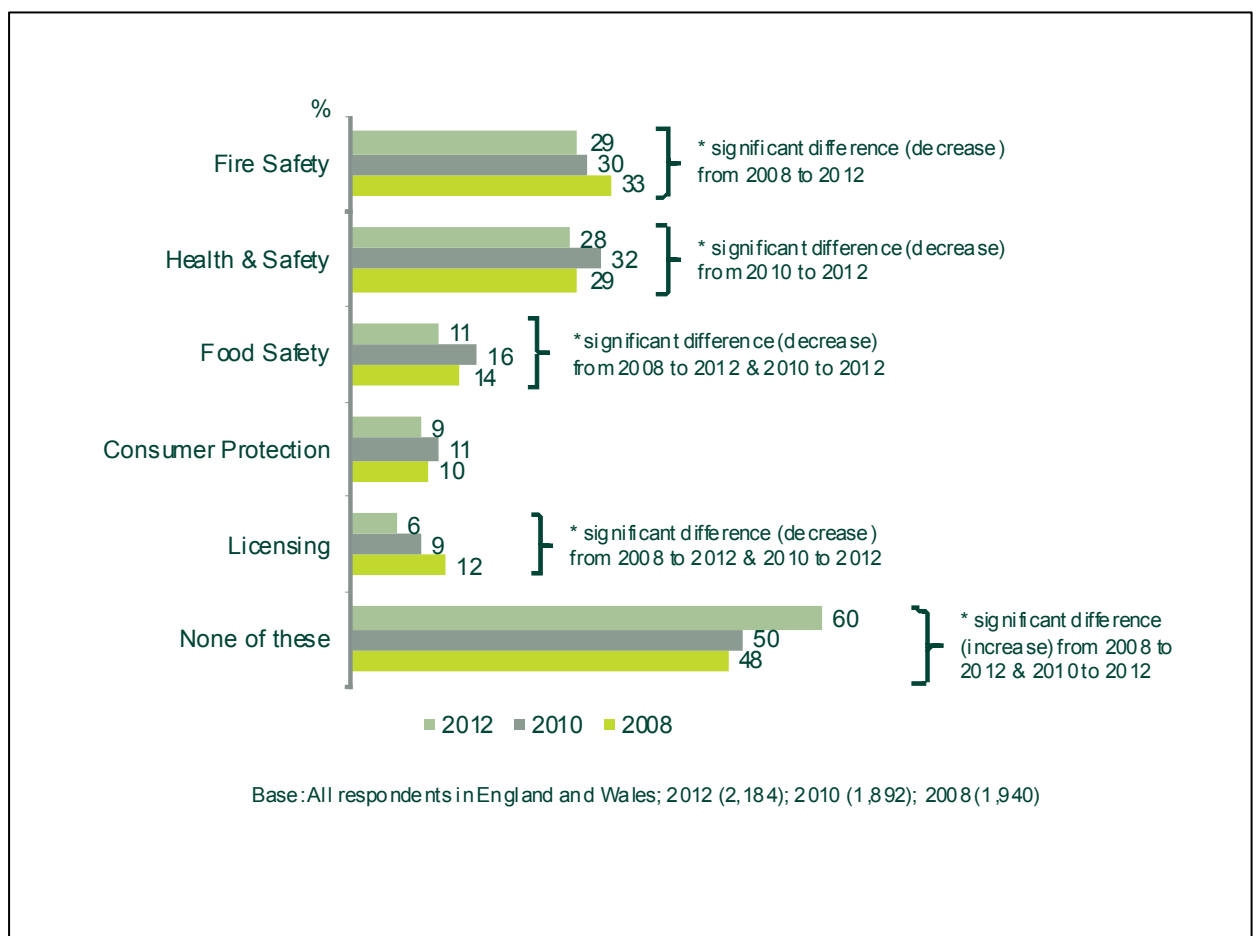
9.1 This chapter reviews businesses' experience of contacting their local council and measures their satisfaction with various aspects of the service received.

Areas of law about which contact is made

9.2 Businesses in England and Wales were asked whether they had been in contact with their local council or fire service about a regulatory matter in the last two years (Figure 9.19). Overall 40% of businesses in England and Wales had been in contact with their local council or fire service regulatory department. This is lower than that recorded in 2010 (50%).

9.3 Businesses were then asked what areas of regulation they had been in contact with their council or fire service about (they could choose more than one). The proportion of businesses making contact with their local council about Health & Safety, Food Safety or Licensing had decreased since 2010, while there was no significant difference in the proportion contacting the fire service about Fire Safety or the local council about Consumer Protection.

Figure 9.19: Regulatory areas which businesses had been in contact with their local council about in the last two years (businesses could choose more than one area)



9.4 Businesses in the Hotels and Catering sector and Retailers were more likely to have made contact with their local councils (Table 9.9), which is consistent with the findings of the 2010 survey. The majority (82%) of Hotels and Catering businesses had made contact with local regulators in the last two years, with two-thirds contacting about Food Safety (68%) and around half contacting about Fire Safety (53%) and Health & Safety (56%). There was a reduction from the 2010 survey in Hotels and Catering businesses' level of contact regarding Fire Safety (53% compared to 65% in 2010). Around half of all Retailers (49%) and Transport businesses (51%) had made contact with local regulators in the last two years. Retailers had a higher proportion than overall making contact about Food Safety (20%) whilst Transport businesses had a higher proportion contacting about Consumer Protection (23%), Licensing (17%) and Food Safety (16%),

Table 9.9: Areas of law about which have had contact with local council/ fire service in the last two years²¹

	Total (2,184) %	Hotels and Catering (197) %	Retail (467) %	Transport (129) %
Fire Safety	29	53*	33*	30
Health & Safety	28	56*	34*	34
Food Safety	11	68*	20*	16*
Consumer Protection	9	11	12*	23*
Licensing	6	44*	8	17*
None of these	60	18*	49*	51*

* Significantly different to the average across all sectors

- 9.5 Businesses in Wales were more likely to have made contact with their local councils in the last two years (49%) with a higher proportion than overall making contact about Food Safety (19%), Consumer Protection (14%) and Licensing (12%).
- 9.6 Contact with the local councils typically becomes more prevalent as the size of the business increases. Contact with the local councils was also more prevalent amongst businesses with dedicated compliance staff (55%) than those with no dedicated staff (35%).

²¹ Only sectors where there are significant differences between that sector and the total are shown.



Satisfaction with aspects of service

- 9.7 Those that had contacted their local council or fire service in the last two years regarding one of the locally enforced areas of regulation were asked a series of satisfaction assessment questions about their most recent contact. If they had made contact about more than one area of regulation we prioritised contacts about Consumer Protection and Food Safety in order to achieve robust base sizes for analysis.
- 9.8 Table 9.10 summarises the responses across all eight of the assessments of satisfaction. Those who had contacted their local councils regarding Health & Safety had lower than average satisfaction in two of the eight assessments whilst those who had contacted regarding Fire Safety had higher than average satisfaction in four of the eight assessments.

Table 9.10: Summary across all eight assessments

% satisfied with aspect of service	Recent contact with local council or fire service was about...					
	Total (1,206) %	Health & Safety (390) %	Food Safety (322) %	Consumer Protection (263) %	Fire Safety (171) %	Licensing (60) %
The overall level of service	81	80	79	82	86	77
That the information given was easy to understand	83	80	83	83	90*	72*
That the officer was knowledgeable about your business' situation	77	72*	80	72*	89*	83
The courteousness and professionalism of the officer	91	90	90	90	96*	90
The speed and timeliness of the service	82	80	82	84	88*	75
That the officer explained what you needed to do to comply and what was a legal requirement as opposed to guidance or best practice	84	84	86	82	86	86
Ease of contacting the right person	74	70*	77	77	77	77
The final outcome	83	83	86	79	87	80

* Results in bold are significantly higher than overall

* Results in italics are significantly lower than overall

Summary of movements between 2010 and 2012

- 9.9 Levels of satisfaction with each aspect of the service are broadly in line with those seen in 2010. The courteousness and professionalism of the officer again received the most positive assessment (91% were "very" or "fairly" satisfied with this aspect of the service in 2012, compared with 90% in 2010), while the officer's knowledge of the respondent's business situation once more received the least positive assessment (77% in 2012; 75% in 2010)²².

²² Ease of contacting the right person received a lower overall satisfaction rating (74%) but this aspect of the service was not included in the 2010 survey.



- 9.10 Three areas of regulation – Fire Safety, Food Safety and Health & Safety – stood out in terms of significant movements in the level of satisfaction between 2010 and 2012 (Table 9.11).
- 9.11 Overall satisfaction levels with Fire Safety remained very high across all the measures but as the table below shows, the level of satisfaction decreased on one measure, whilst the level of dissatisfaction increased across six of the measures.
- 9.12 Satisfaction with Food Safety decreased on three of the measures whilst dissatisfaction also increased on one measure.
- 9.13 Health & Safety had improved satisfaction levels on one measure and reduced dissatisfaction on three measures.

Table 9.11: Summary of movements in satisfaction between 2010 and 2012

	Satisfaction levels (very satisfied + fairly satisfied)		Dissatisfaction levels (very dissatisfied + fairly dissatisfied)	
	Number of measures that have increased	Number of measures that have decreased	Number of measures that have increased	Number of measures that have decreased
Food Safety	0	3	1	0
Fire Safety	0	1	6	0
Health & Safety	1	0	0	3
Consumer Protection	1	0	1	0
Licensing	0	1	0	0

Summary of movements between 2012 and 2008

- 9.14 Comparing the 2012 data back to the 2008 survey findings we see that satisfaction with Food Safety decreased on three of the measures whilst dissatisfaction increased on all seven measures (Table 9.12).
- 9.15 Satisfaction levels increased on three measures for Fire Safety and Consumer Protection but dissatisfaction also increased on five measures for Fire Safety and six measures for Consumer Protection.
- 9.16 Satisfaction with Licensing increased on two measures since 2008.

Table 9.12: Summary of movements in satisfaction between 2012 and 2008

	Satisfaction levels (very satisfied + fairly satisfied)		Dissatisfaction levels (very dissatisfied + fairly dissatisfied)	
	Number of measures that have increased	Number of measures that have decreased	Number of measures that have increased	Number of measures that have decreased
Food Safety	0	3	7	0
Fire Safety	3	0	5	0
Health & Safety	1	1	1	0
Consumer Protection	3	0	6	0
Licensing	2	0	0	0

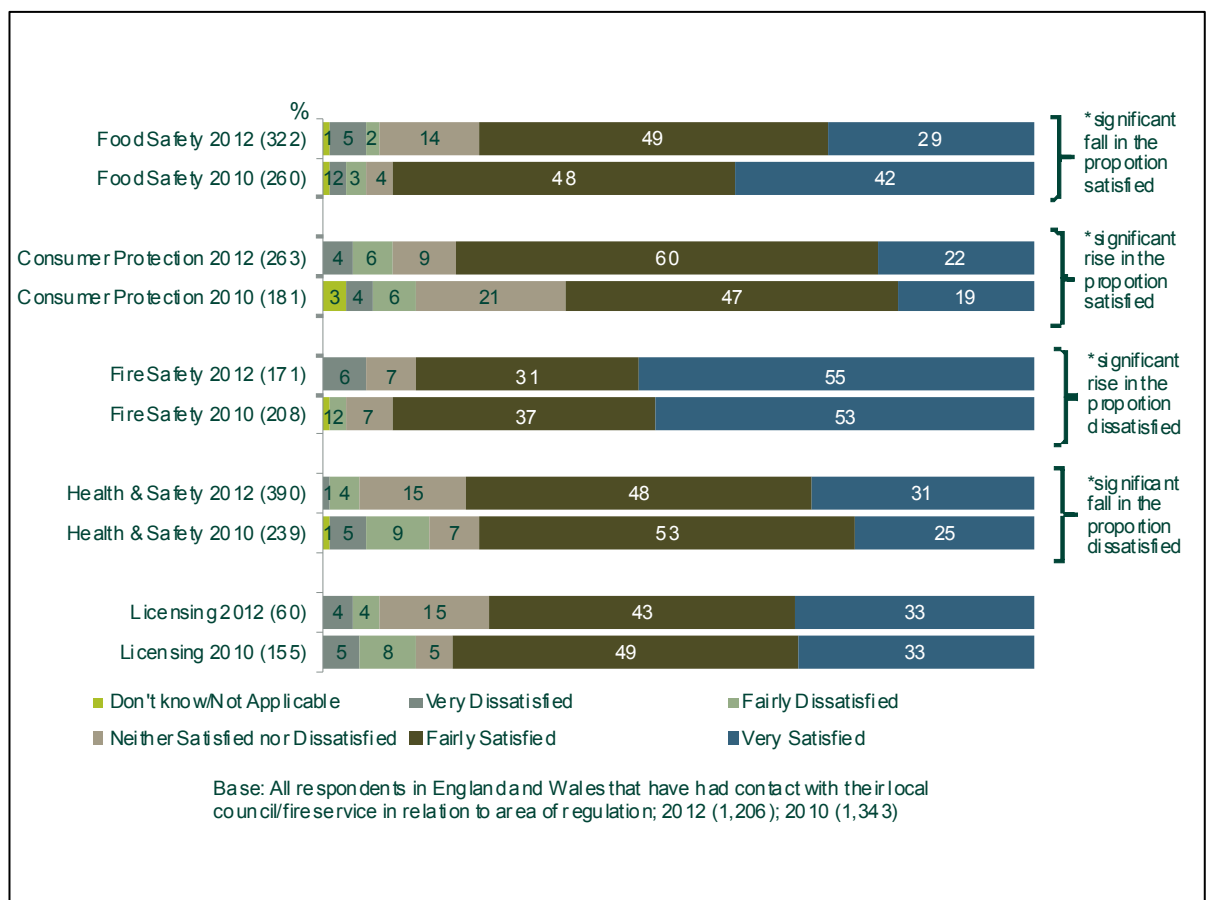


9.17 We now look at results for each of the eight satisfaction measures in more detail. To aid clarity the following charts compare the 2012 survey data with the 2010 survey only.

The overall level of service

9.18 Satisfaction with the overall level of service from the local council was high for all areas of regulation albeit generally lower than that measured in 2010 (Figure 9.20). Businesses were more satisfied overall with dealings about Consumer Protection (up from 66% to 82%) but less satisfied with dealings regarding Food Safety (down from 90% to 79%).

Figure 9.20: Satisfaction with the overall level of service when thinking about last contact with local council/ fire service



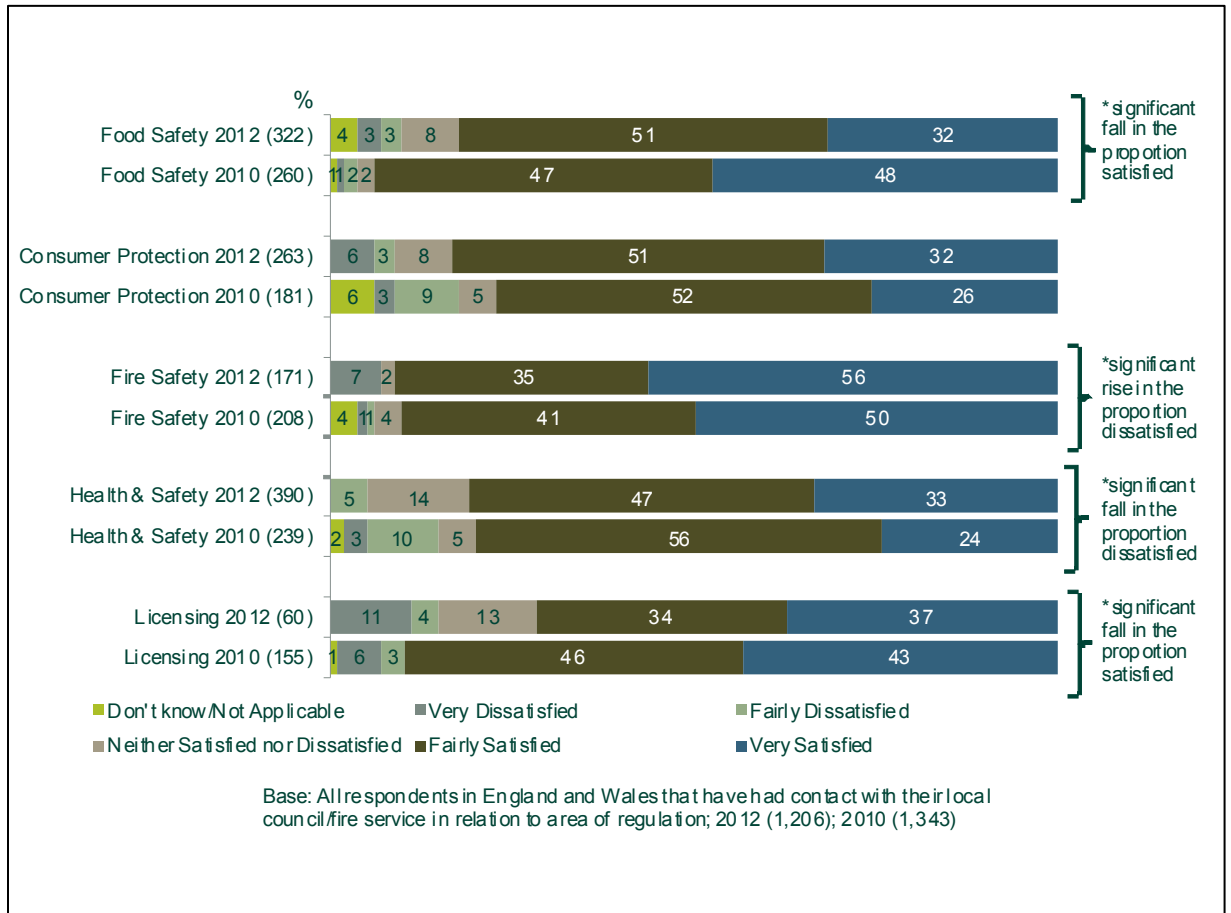
9.19 Businesses in the Public Administration sector (90%) were most likely to be satisfied with this aspect than businesses in general (81%). Those in the Finance sector (66%) and the Property, Management and Business Services sector (77%) were less likely to be satisfied. Those who regarded regulation as an obstacle to success were also less likely to be satisfied (79%).



That the information given was easy to understand

9.20 Although satisfaction with the ease of understanding the information given by their local council remained relatively high across the five areas of regulation, there were two falls from 2010: Food Safety, where overall satisfaction fell from 95% to 83% and Licensing, where it fell from 89% to 72%. Fire Safety (7%) and Health & Safety (6%) were more likely to be dissatisfied (Figure 9.21).

Figure 9.21: Satisfaction that the information given was easy to understand when thinking about last contact with local council/ fire service



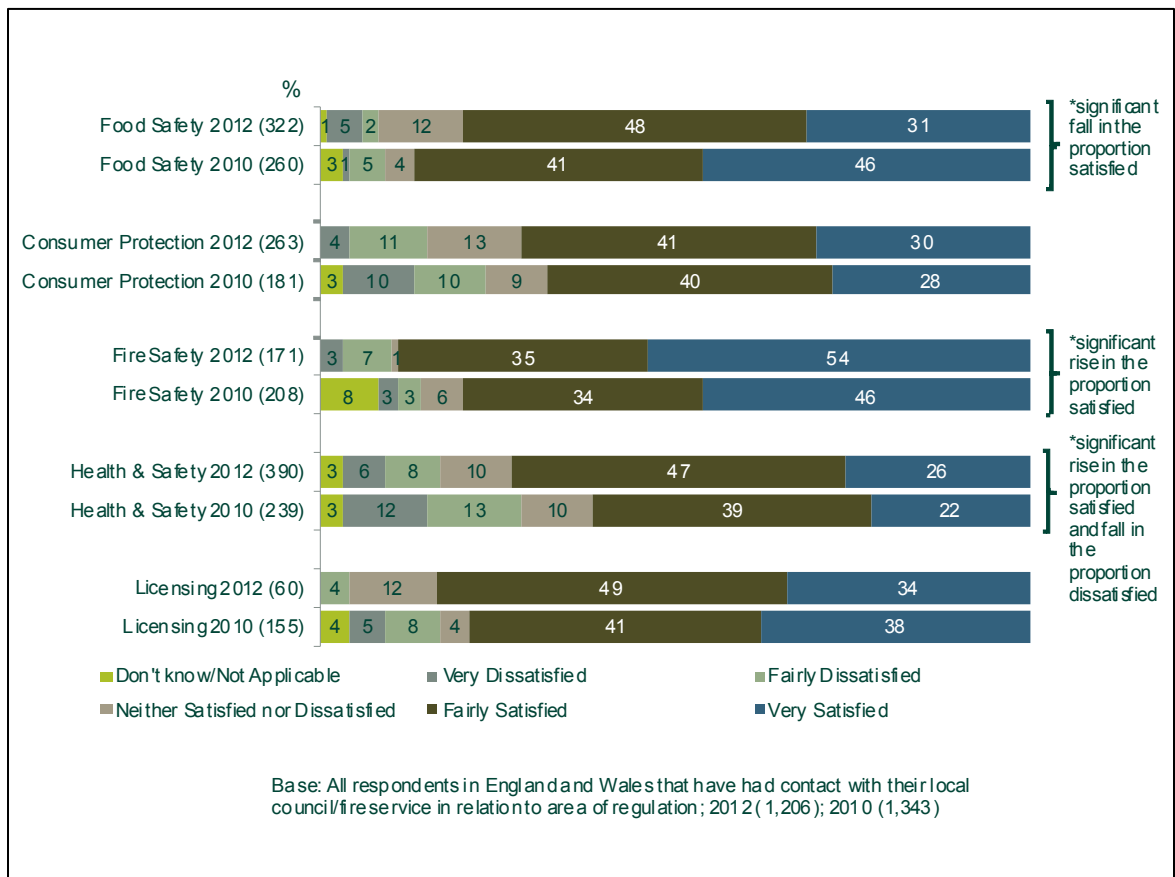
9.21 There were no significant differences by industry sector or size of business, but those who agree that regulation was easy to comply with were more satisfied (87%) on this aspect than businesses in general (83%).



That the officer was knowledgeable about your business situation

9.22 As Figure 9.22 shows, satisfaction with local councils regarding the knowledge of their officers about the situation of the business rose in Fire Safety (up from 80% to 89%) and Health & Safety (up from 61% to 72%). In contrast satisfaction declined in Food Safety (down from 87% to 80%).

Figure 9.22: Satisfaction that the officer was knowledgeable about the business situation when thinking about last contact with local council/ fire service



9.23 Dissatisfaction with the knowledge of the local council officers regarding the situation of the business was higher amongst businesses in the Manufacturing sector (24%) and Transport sector (22%).

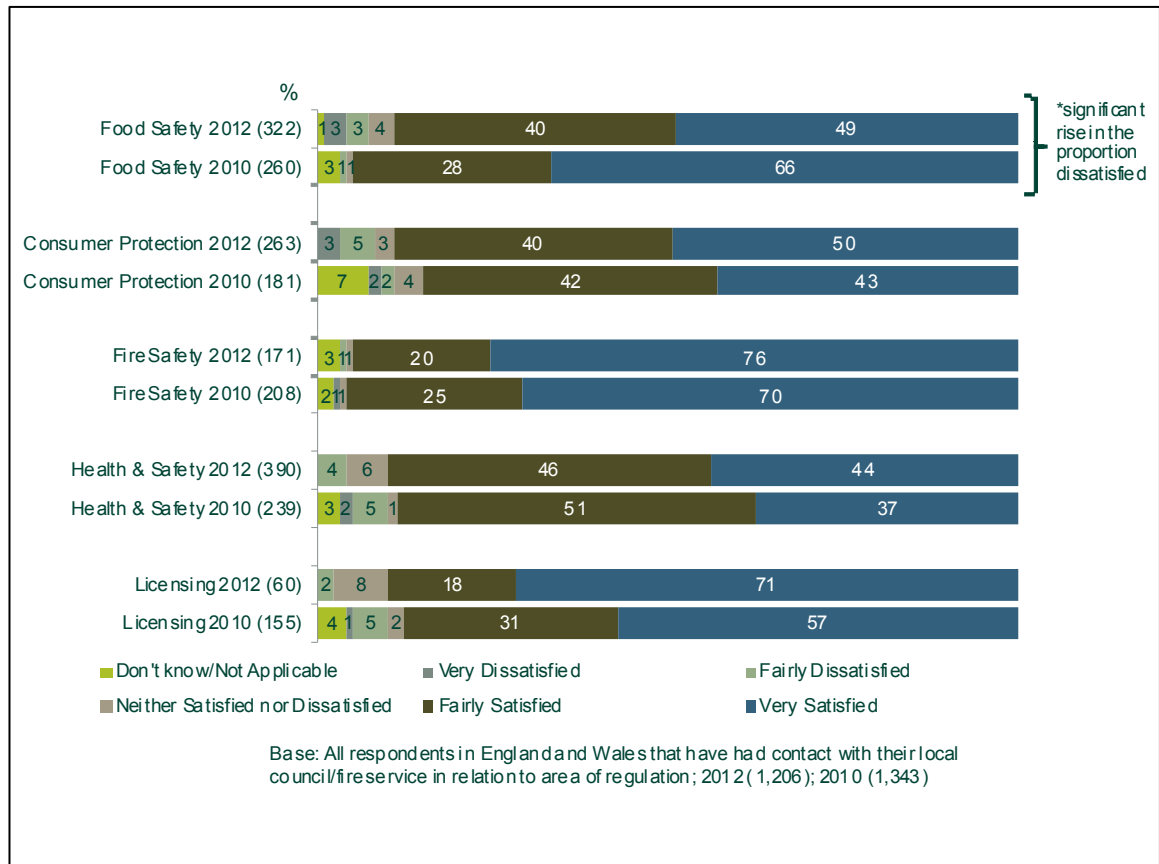
9.24 Businesses with dedicated compliance staff were less likely to be satisfied (73%) whilst those with no dedicated staff were more likely to be satisfied (79%).



The courteousness and professionalism of the officer

9.25 Local councils were rated highly across all areas of regulation on the courteousness and professionalism of their officers dealing with the contact. Between 90% and 96% of businesses were satisfied with this aspect (Figure 9.23).

Figure 9.23: Satisfaction with the courteousness and professionalism of the officer when thinking about last contact with local council/ fire service



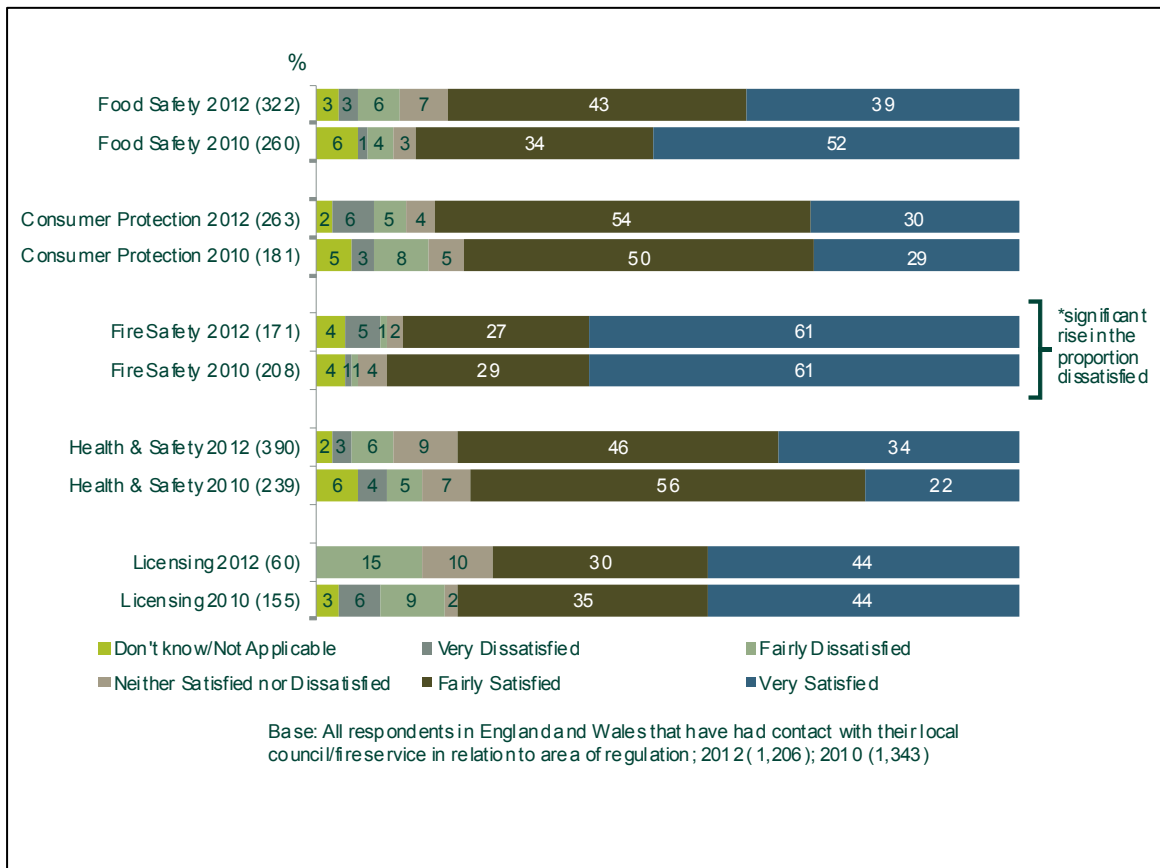
9.26 Businesses in the Public Administration sector (99%) were more likely to be satisfied whilst those in Manufacturing (83%), Transport (82%) and Finance (75%) were less satisfied. Medium-sized businesses were also less satisfied (81%).



The speed and timeliness of the service

9.27 Businesses had high levels of satisfaction with the speed and timeliness of the service they received the last time they made contact (Figure 9.24). There were no increases in satisfaction across the five areas of regulation but there was an increase in dissatisfaction with Fire Safety (up from 2% to 6%).

Figure 9.24: Satisfaction with the speed and timeliness of the service when thinking about last contact with local council/ fire service



9.28 There were no significant differences by industry sector but medium-sized businesses had a lower level of satisfaction (72%) on this aspect of service.

9.29 Those that agreed that regulation was easy to comply with had a higher level of satisfaction (86%).



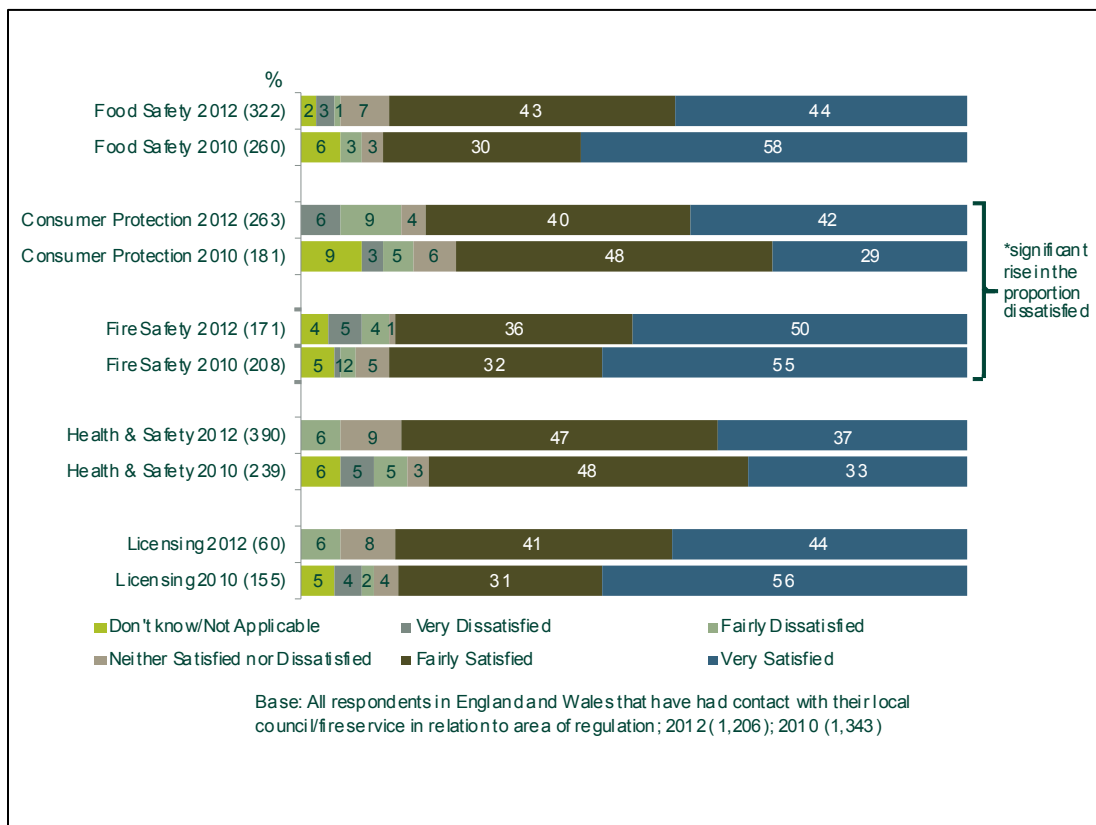
9.30

That the officer explained what you needed to do to comply and what was a legal requirement as opposed to guidance or best practice

9.31 Once again there was a high level of satisfaction across the five areas of regulation that the local council officer explained what businesses needed to do to comply in terms of the legal requirement and not just guidance and best practice (Figure 9.25).

9.32 There were no significant increases in satisfaction across the five areas of regulation but there was an increase in dissatisfaction with Fire Safety (up from 3% to 9%) and Consumer Protection (up from 8% to 14%).

Figure 9.25: Satisfaction that the officer explained what was need to comply, i.e. the legal requirement as opposed to guidance or best practice when thinking about last contact with local council/ fire service



9.33 Manufacturing businesses had a lower level of satisfaction (75%) with this aspect of service and a higher level of dissatisfaction (18%), whilst those in the Public Administration sector had a lower level of dissatisfaction (4%).

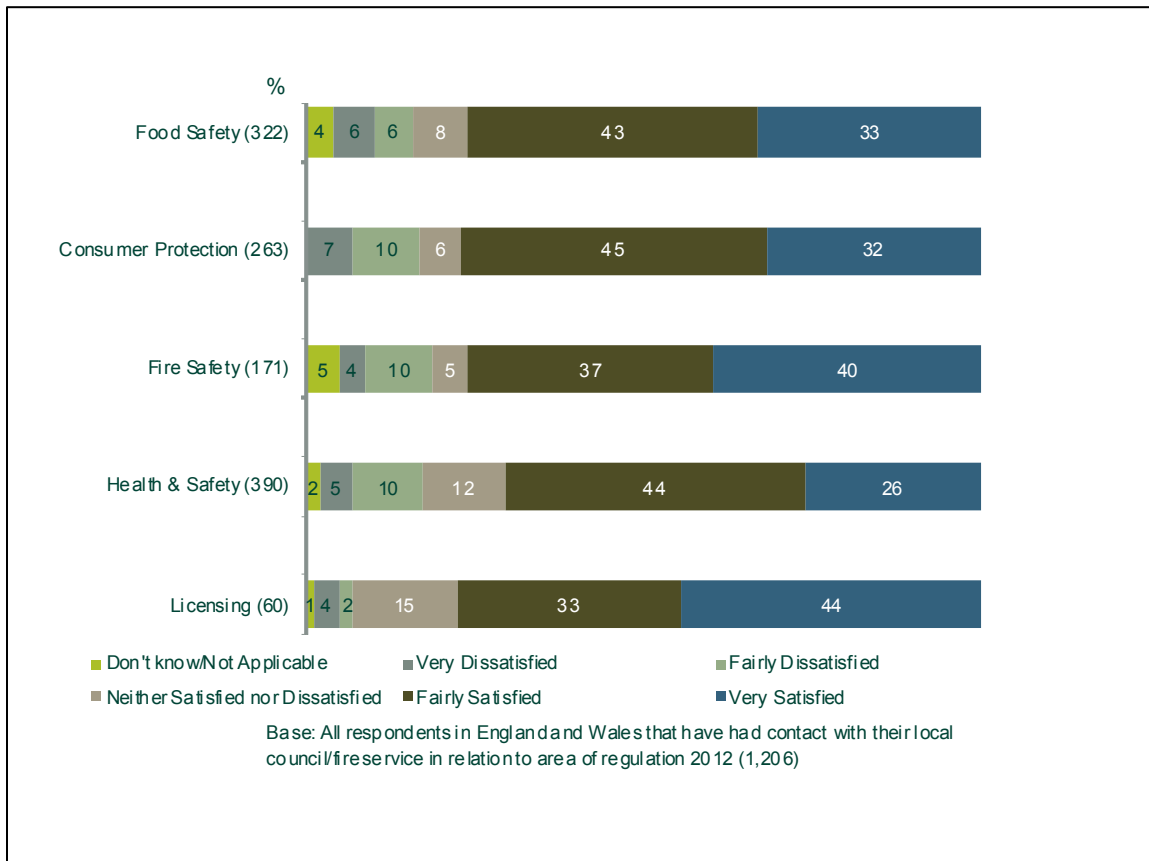
9.34 Medium-sized businesses and large businesses were less satisfied (both 76%), whilst those businesses with no dedicated compliance staff (86%) and who agreed that regulation was easy to comply with (89%) were more satisfied with this aspect of the service.



Ease of contacting the right person

9.35 This is a new satisfaction measure for the 2012 survey. Levels of satisfaction with the ease of contacting the right person were consistent (77%) across four of the five areas of regulation with Health & Safety having the lowest satisfaction rating (70%), as shown in Figure 9.26.

Figure 9.26: Satisfaction with the ease of contacting the right person when thinking about last contact with local council/ fire service



9.36 Businesses in Hotels and Catering (81%) and the Public Administration sector (81%) had a higher level of satisfaction than overall, whereas businesses in the Property, Management and Business Services sector had a lower level (65%).

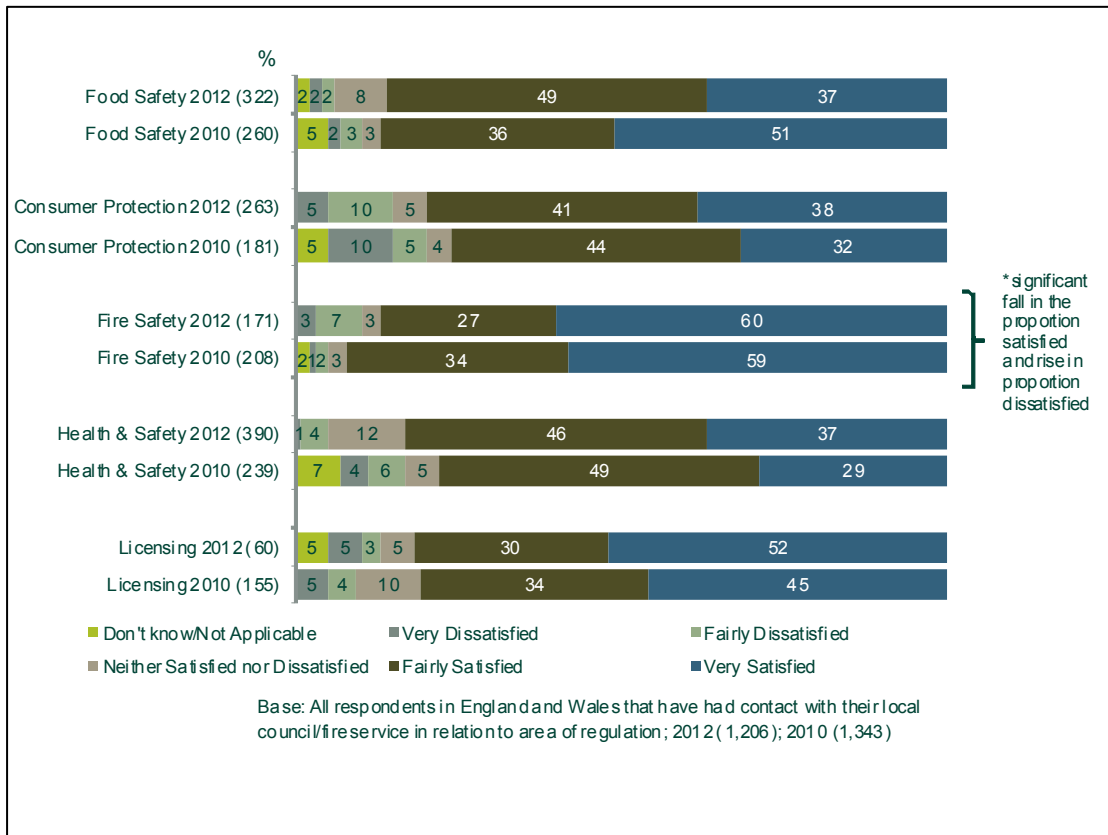
9.37 Medium-sized businesses also had a lower level of satisfaction (64%) with this aspect of service, as did businesses with no dedicated compliance staff (72%) and businesses that disagreed it was easy to comply with regulation (68%).



The final outcome

9.38 Most businesses were satisfied with the final outcome of their contact with the local council across all five areas of regulation (Figure 9.27). However, satisfaction fell for enquiries about Fire Safety (down from 93% to 87%). Dissatisfaction also rose for Fire Safety enquiries (up from 3% to 10%).

Figure 9.27: Satisfaction with the final outcome when thinking about last contact with local council/ fire service



9.39 Businesses in the Public Administration sector (93%) had higher levels of satisfaction, whereas businesses in the Property, Management and Business Services sector (79%) and businesses in Manufacturing (74%) had a lower level. Businesses in Manufacturing also had a higher level of dissatisfaction (20%) along with Hotels and Catering businesses (15%).

9.40 Those who regarded regulation as an obstacle to success had a lower level of satisfaction (81%) whereas those who were informed about regulations affecting their business had a higher level of satisfaction with the final outcome (85%).



10 Influencing the regulatory agenda

10.1 This chapter reviews the extent to which businesses have made contact with a body or organisation to make a suggestion on how the regulatory regime could be improved and examines whether businesses feel that there is an appropriate channel for complaining about how regulation is enforced.

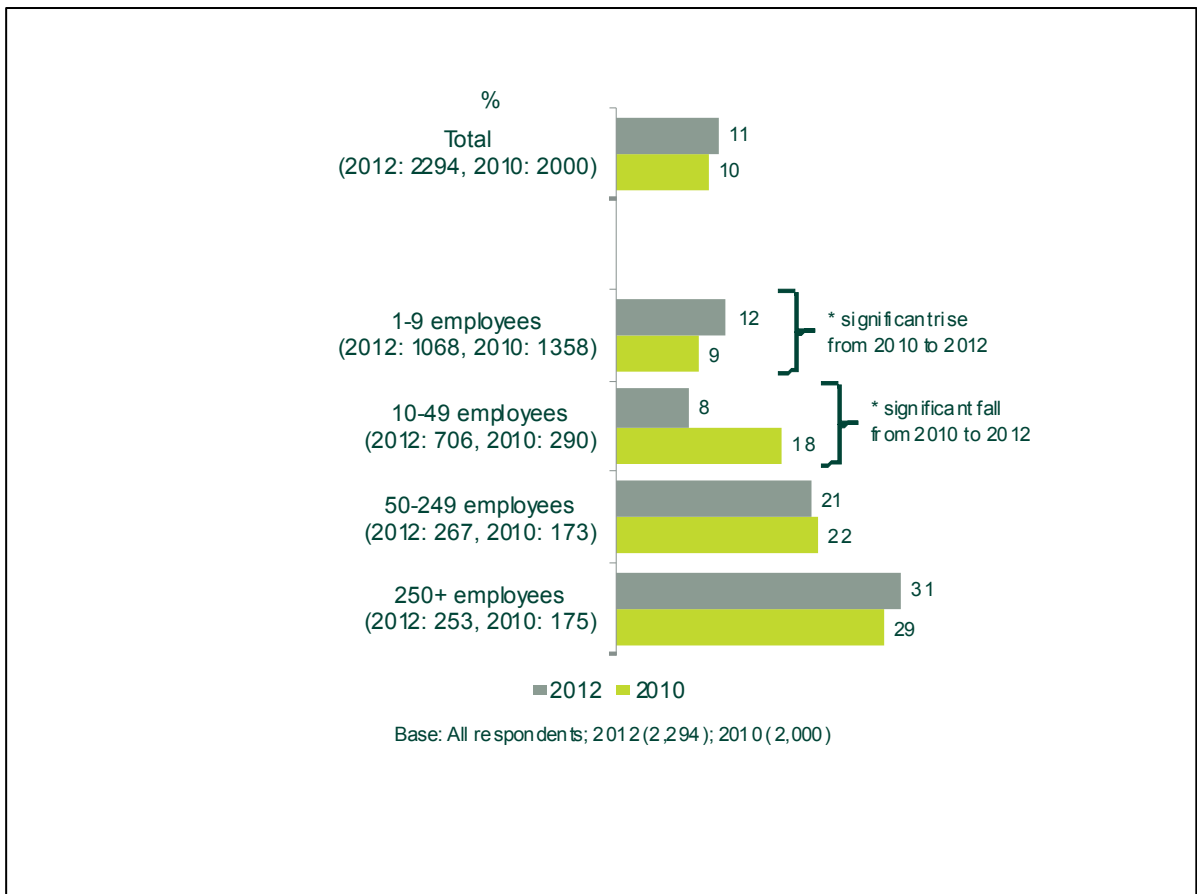
Contact with organisations with suggestions for improvement of regulatory regime

10.2 Around one in nine businesses (11%) had made contact with a body or organisation to make a suggestion on how the regulatory regime could be improved (Figure 10.28).

10.3 Compared to 2010 small businesses were less likely to have made a suggestion whereas micro businesses were more likely.

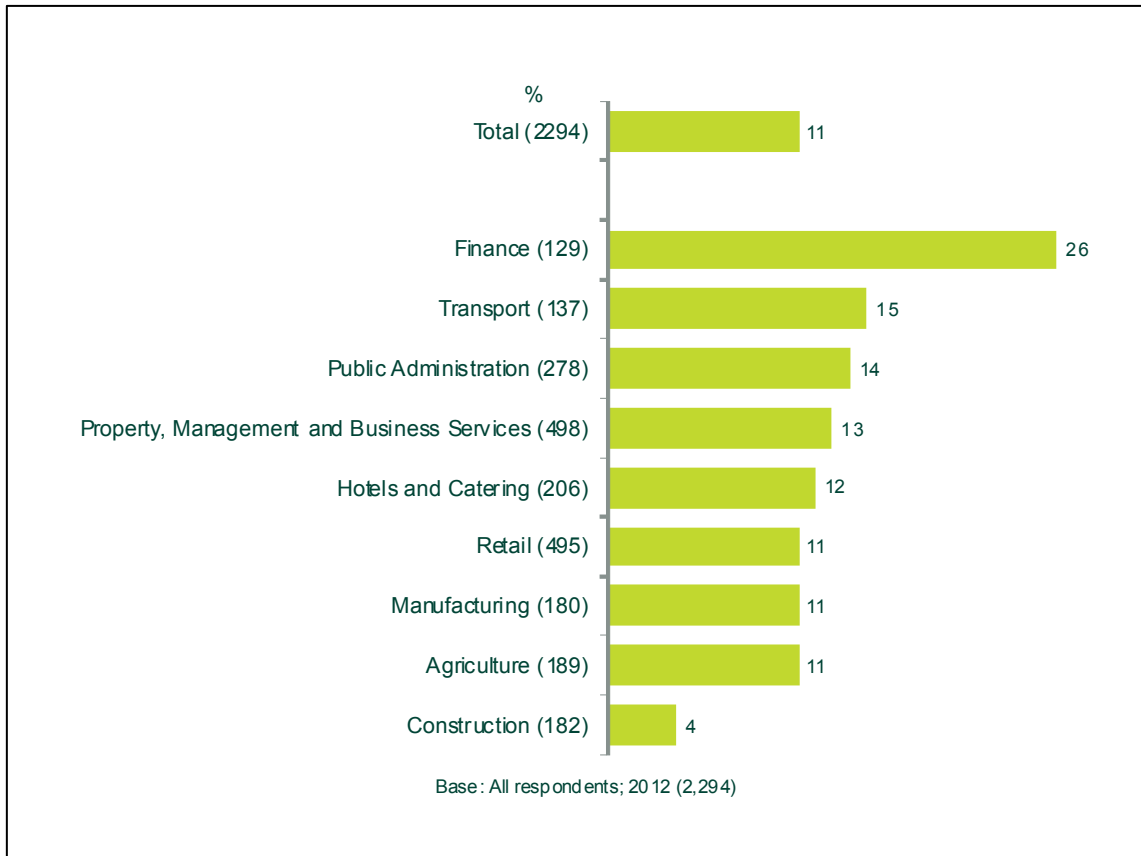
10.4 Businesses in Wales were more likely to have made a suggestion (16%).

Figure 10.28: Ever made contact with anybody or organisation to make a suggestion on how the regulatory regime could be improved by business size



10.5 Businesses in the Finance sector were more likely to have made a suggestion. Businesses in the Construction sector were less likely to have made a suggestion (Figure 10.29). There are no significant differences from the 2010 survey findings by industry sector.

Figure 10.29: Ever made contact with anybody or organisation to make a suggestion on how the regulatory regime could be improved by sector

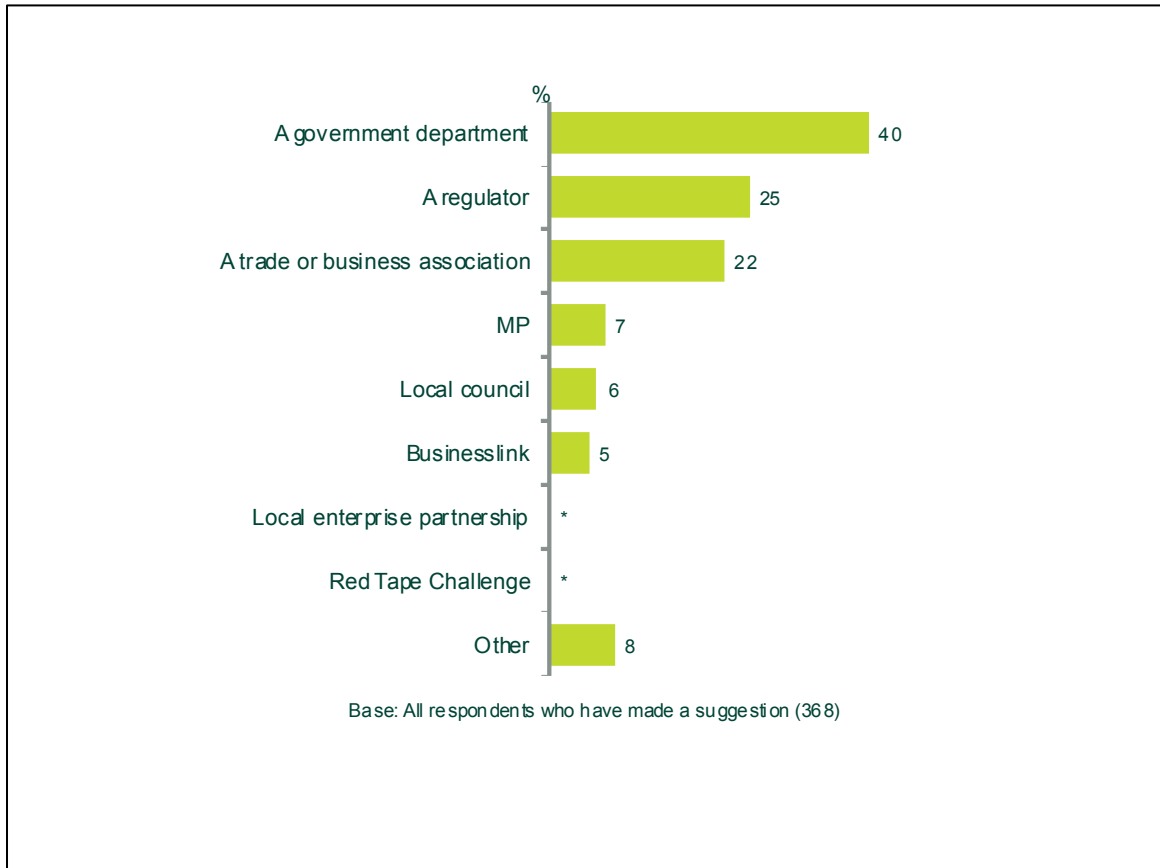


10.6 Businesses were more likely to have made a suggestion if they agreed that regulation was an obstacle to success (15%) or disagreed that it was easy to comply with regulation (13%). Those that considered themselves to be informed regarding the regulation affecting their business were also more likely to have made a suggestion (13%).



10.7 Government departments (40%), regulators (25%) and trade associations (22%) were the most often contacted with suggestions about improvements to the regulatory regime (Figure 10.30). Overall 7% of those making a suggestion went to a Member of Parliament and 6% to their local council.

Figure 10.30: Organisation contacted to make a suggestion on how the regulatory regime could be improved



10.8 Businesses in the Property, Management and Business Services sector were more likely to contact a government department (53%). Those in Agriculture (43%) and Public Administration (42%) were more likely to contact a trade association. Businesses in Finance (51%) and Public Administration (50%) were more likely to contact a regulator with their suggestion. Businesses in the Property, Management and Business Services sector were more likely to contact an MP (12%), whilst Transport (37%), Agriculture (16%) and Finance (15%) businesses were more likely to contact the local council.

10.9 Businesses in Wales were more likely to contact their local council (11%) to make a suggestion for improvements to the regulatory regime.

10.10 Businesses with dedicated compliance staff were more likely to contact a trade association (29%) but less likely to contact a government department (26%). Those businesses which agreed that regulation was easy to comply with were more likely to contact a regulator (34%).

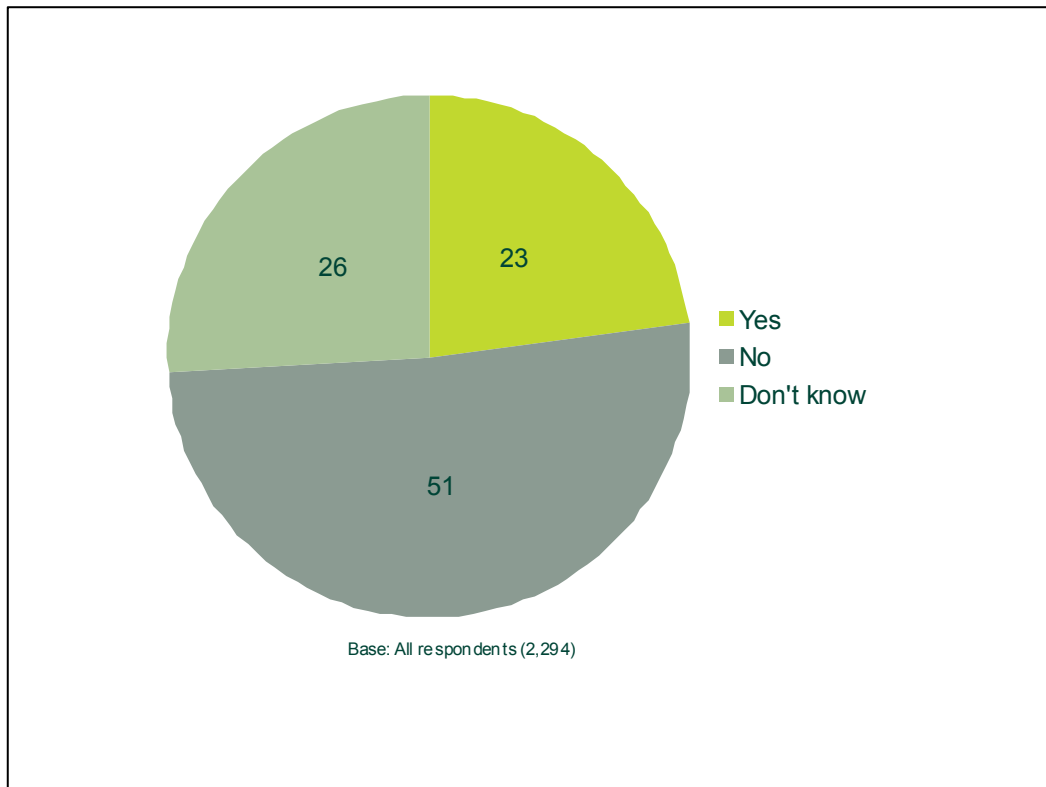


Whether there is an appropriate channel for complaint

10.11 Only a quarter (23%) of businesses felt that there was an appropriate channel to complain about the way regulation is enforced (Figure 10.31). This figure was higher amongst businesses in the Property, Management and Business Services sector (28%) but lower amongst those in the Public Administration sector (16%).

10.12 Large businesses were more likely to say there was an appropriate channel for complaints.

Figure 10.31: Whether there is an appropriate channel for complaints about the way regulation is enforced



10.13 Businesses which agree that regulation was easy to comply with were more likely to say there was an appropriate channel for complaints (33%) whilst those who regarded regulation as an obstacle to success were less likely (18%).