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Business, Energy
& Industrial Strategy

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Business Perceptions Survey 2016
Technical Report

AUGUST 2016

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1 Methodology and sample profile

Background

The Business Perception Survey (BPS) has for nearly 10 years acted as a source of information to illustrate businesses' views on the extent of regulation in the UK. As the government seeks to reduce the burden of regulation further, its ability to track trends over time provides a useful portal into the perceived impact, while also identifying possible further areas of regulation that might be reviewed. IFF Research was commissioned to conduct the 2016 survey, with specific objectives to:

- Examine businesses' perceptions of regulation and views on regulation, and how these have changed since previous years
- Explore what aspects of regulation and the regulatory delivery are most burdensome to businesses
- Explore where businesses get their advice on complying with regulation.

The Business Perceptions Survey 2016 was commissioned as part of the research series by the Department of Business, Innovation and Skills. The subsequent research and report was completed previous to the formation of the new Department for Business, Energy and Industrial Strategy and therefore this report may make reference to the Department of Business Innovation and Skills.

Methodology

A key concern of the methodology for any tracking survey is to ensure comparability of findings is possible. Thus the sampling, questionnaire design, fieldwork and weighting processes followed similar approaches to previous surveys.

Businesses were sampled using a stratified random sampling approach that was based on industry sector, size of business and UK nation. To ensure we achieved representative base sizes that were suitable for robust subgroup analysis, we over-sampled larger businesses and distributed sample by sector relatively evenly. This stratification followed the same approach taken in 2014, although businesses with no employees, such as sole traders, were excluded from the survey in 2016.

In terms of questionnaire development it was important to be able to continue to track changes in the perception of regulation over time. Thus questions used for this purpose were not changed. In 2016 however there was a stronger focus on businesses' view of specific regulators as opposed to individual areas of law. Hence a number of questions were reframed such that businesses were asked to consider their view of regulation more broadly, across all types of law, while a new section was introduced that captured businesses' contact with, and experience of working with, specific regulators.

Specifically the new section (entitled 'Dealings with specific regulators') captured information on:

- The three regulators with whom businesses had had most contact over the last 12 months;
- Which one of these regulators they had had most contact with;
- Focussing on that one regulator, what particular area of regulation had been most burdensome for their business; and
- The extent to which they agreed or disagreed with the following statements regarding their 'main' regulator:
 - 1 MAIN REGULATOR provides consistent advice and guidance to help my business to address regulatory risks and prevent non-compliance happening;
 - 2 Guidance published by MAIN REGULATOR is easy to locate and accessible;
 - 3 I am aware that MAIN REGULATOR should adhere to a set of regulatory standards;
 - 4 The process to appeal against a decision made by MAIN REGULATOR is easy and transparent;
 - 5 MAIN REGULATOR took account of the impact on my business (e.g. growth /sales) when providing advice;
 - 6 MAIN REGULATOR takes account of my previous compliance when scheduling visits and inspections.

The 2016 questionnaire forms Chapter 3 of this report.

A set of 12 cognitive interviews helped refine questionnaire development, while the survey was also piloted prior to launch. The questionnaire was structured as follows:

- Classification – establishing business size, sector and other firmographics, as well as questions around business performance and challenges;
- Business perceptions of compliance and burden within regulation;
- The Government's approach to regulation;
- Dealings with specific regulators;
- Communications; and
- The future burden of regulation.

Fieldwork

A total of 15,933 business contacts were drawn from the Dun and Bradstreet commercial business database in order to achieve the 2,000 interviews, a conversion rate of nearly 8:1.

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

In order to address the research objectives a total of 2,000 interviews were conducted over the telephone using Computer Assisted Telephone Interviewing (CATI). Interviews were conducted with a senior member of staff with responsibility for legal or compliance issues. Among smaller businesses this was commonly the owner or managing director. The interviews lasted on average 20 minutes. The interviews were conducted between 27th January and 4th March 2016.

Table 1.1 presents the targets by our key criteria and what was actually achieved, alongside the sampling errors that this results in. Sampling errors have been based on a survey result of 50 per cent (the 'worst' case in terms of statistical reliability), and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of ± 2.19 per cent, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 47.81 per cent to 52.19 per cent'.

Table 1.1: Sample Profile

	Target	Achieved	Sampling error
TOTAL	2,000	2,000	$\pm 2.19\%$
Sector			
Agriculture /Mining /Energy	200	166	$\pm 7.61\%$
Construction	200	179	$\pm 7.32\%$
Finance	200	169	$\pm 7.54\%$
Hotel/Catering	200	183	$\pm 7.24\%$
Manufacturing	200	216	$\pm 6.67\%$
Property /Management /Business Services	300	348	$\pm 5.25\%$
Public administration /Other	200	201	$\pm 6.91\%$
Retail /Distribution	300	335	$\pm 5.35\%$
Transport and Storage	200	203	$\pm 6.88\%$
Business size			
Micro (1-4 employees)	450	478	$\pm 7.61\%$
Micro (5-9 employees)	450	430	$\pm 7.32\%$
Small (10-49 employees)	650	674	$\pm 7.54\%$
Medium (50-249 employees)	225	231	$\pm 7.24\%$
Large (250+ employees)	225	187	$\pm 6.67\%$
Country			
England	1,700	1,712	$\pm 2.37\%$
Wales	100	95	$\pm 10.05\%$
Scotland	150	141	$\pm 8.25\%$
Northern Ireland	50	52	$\pm 13.59\%$

Sample weighting

The total sample was weighted to reflect the profile of UK companies by sector, size and country. The data was weighted in accordance with the most recent figures available through the BIS Business Population Estimates¹, as shown in Table 1.2. Weighting grids were set up that interlocked sector by business size with a RIM weight applied by country.

Table 1.2: Sample Weighting

	Un-weighted	Weighted
TOTAL	2,000	2,000
Sector		
Agriculture /Mining /Energy	166	93
Construction	179	235
Finance	169	31
Hotel/Catering	183	196
Manufacturing	216	134
Property /Management /Business Services	348	450
Public administration /Other	201	433
Retail /Distribution	335	371
Transport and Storage	203	58
Business size		
Micro (1-4 employees)	478	1,245
Micro (5-9 employees)	430	384
Small (10-49 employees)	674	310
Medium (50-249 employees)	231	50
Large (250+ employees)	187	11
Country		
England	1,712	1,720
Wales	95	83
Scotland	141	145
Northern Ireland	52	51

¹ Available at: <https://www.gov.uk/government/statistics/business-population-estimates-2015>

Significance testing

Where comparisons by subgroup are made within the report, these differences are always statistically significant, at the 95 per cent confidence level, i.e. we can be 95 per cent confident that the differences are real and did not occur by chance or sampling error.

Response rate

Table 1.3 shows the breakdown of response rates for the telephone fieldwork.

Table 1.3: Outcomes for all sample provided

Outcomes	Total
Completed interviews	2,000
	13%
Refused	3,055
	19%
Number unobtainable	1,386
	9%
Not available during interviewing period	626
	4%
Active records at close	8,262
	52%
Ineligible	604
	4%
Total	15,933

2 Survey results

A Classification

A1: **How many people, excluding the owner, are employed by your organisation? Please include anyone who works for the organisation, even if they work in a different location or plant to you.**

	2016 (%)	2014 (%)	2012 (%)	2010(%)	2009 (%) NAO only	2008 (%) NAO only
<i>Base</i>	2,000	2,203	2,294	2,000	1,000	1,000
None	n/a	n/a	25	30	31	n/a
1-4	62	63	39	44	36	51
5-9	19	19	22	15	12	22
10-19	9	9	7	6	9	11
20-49	7	7	6	3	7	11
50-99	1	1	*	1	2	1
100-249	1	1	*	*	1	2
250-499	*	*	*	*	*	1
500-999	*	*	*	*	*	*
1,000+	*	*	*	*	*	*
Don't know	N/A	-	1	*	*	*

A3: **What is the main business activity of your company?**

	2016 (%)	2014 (%)	2012 (%)	2010 (%)	2009 (%) NAO only	2008 (%) NAO only
<i>Base</i>	2,000	2,203	2,294	2,000	1,000	1,000
Agriculture /Mining /Energy	5	4	3	6	6	4
Construction	12	12	19	12	10	9
Finance	2	2	2	1	2	2
Hotel/Catering	10	10	3	11	7	6
Manufacturing	7	7	6	12	6	7
Property /Management /Business Services	23	29	34	13	29	21
Public administration /Other	22	14	18	29	17	30
Retail /Distribution	19	19	11	13	19	17
Transport and Storage	3	3	5	4	4	40

A4: **Roughly how long has your company been in existence?**

	2016 (%)	2014 (%)	2012 (%)	2010 (%)	2009 (%) NAO only	2008 (%) NAO only
<i>Base</i>	2,000	2,203	2,294	2,000	1,000	1,000
Less than a year	*	1	2	4	2	3
1 – 3 years	10	8	10	10	14	6
4 – 5 years	8	6	9	10	10	4
6 – 20 years	46	44	47	41	41	37
More than 20 years	34	42	32	34	32	50
Don't know	1	*	*	*	*	*

A5: **In which of the following countries do you sell or provide your products or services, even if you are not based in those countries?**

	2016 (%)	2014 (%)
<i>Base</i>	2,000	2,203
England	94	94
Scotland	47	36
Wales	44	38
Northern Ireland	32	26
Countries in the European Union	30	N/A
Countries outside of the European Union	23	N/A

A6: **I am going to read out some statements and I would like you to tell me for each statement, compared with this time last year, whether it applies to your business. So just answer yes or no to each one (yes figures shown only)**

	2016 (%)	2014 (%)
<i>Base</i>	2,000	2,203
_1 You have increased staff headcount	30	23
_2 You have increased the amount you export to other countries	9	8
_3 You have started offering new products or services	39	34
_4 You have started working in new business markets	25	19
_5 Your sales turnover has increased	50	45
_6 You have increased your capital investment	42	34
_7 You have reduced staff headcount	17	18
_8 Your sales turnover has decreased	29	27

A7: I am going to read out six challenges which may affect your business, which ONE would you say presents the greatest challenge?

	2016 (%)	2014 (%)	2012 (%)	2010 (%)	2009 (%) NAO only
<i>Base</i>	2,000	2,203	2,294	2,000	1,000
Access to finance	10	11	16	12	13
Complying with regulation	17	14	14	16	19
Level of tax	17	16	15	21	16
Staff recruitment and/or retention	16	9	6	4	5
Staff redundancies	1	3	*	1	1
Attracting and retaining customers	36	44	45	41	42
Other	1	2	*	*	*
None of these	3	-	-	-	-
Don't know	*	*	3	5	4

A9: **When we talk about complying with regulation we mean complying with all other types of regulation but not tax administration. With that in mind, if I read out the six challenges again which may affect your business, which ONE would you say presents the greatest challenge excluding tax administration?**

	2016 (%)	2014 (%)
<i>Base</i>	2,000	2,203
Access to finance	10	12
Complying with regulation	15	11
Level of tax	18	17
Staff recruitment and/or retention	16	9
Staff redundancies	1	3
Attracting and retaining customers	36	45
Other	1	2
None of these	3	-
Don't know	*	*

B Business Perceptions of compliance and burden with regulation

B1: How important are the following factors in encouraging your business to comply with regulation? I am going to read out 8, and I want you to tell me how important each one is.

	Base 2016: 2,000 2014: 2,303	Essential (%)	Very important (%)	Fairly important (%)	Not very important (%)	Not at all important (%)	Don't know (%)	N/A (%)
_1 Maintaining my reputation with customers	2016	61	34	3	1	*	*	*
	2014	36	50	9	1	2	1	1
_2 Giving my business a competitive advantage.	2016	32	38	19	6	3	1	1
	2014	22	39	22	9	6	1	2
_3 Protecting staff, customers and the environment	2016	43	39	13	2	1	*	1
	2014	25	46	21	4	3	*	1
_4 Avoiding sanctions due to non-compliance	2016	44	32	13	4	3	2	3
	2014	29	39	21	4	3	2	3
_5 Saving my business money	2016	33	42	18	3	3	1	1
	2014	23	43	17	6	8	1	2
_6 It's simply important to do the right thing / comply with the law	2016	55	36	8	1	*	*	*
	2014	33	45	20	1	1	1	*
_7 Meeting insurance requirements	2016	51	32	10	4	1	*	1
	2014	36	44	14	2	1	1	1
_8 Meeting supply chain requirements	2016	26	29	20	7	5	2	10
	2014	20	27	25	10	6	2	9

B2: **On average, how many days in total does your staff spend per month dealing with, or learning to comply with, all regulation? This does not include any time spent by external contractors.**
QUESTION ADAPTED FOR 2016 SURVEY

	2016 (%)
<i>Base</i>	<i>2,000</i>
No time at all	9
Less than half a day	9
Half a day to a day	14
1-2 days	33
3-4 days	10
5-10 days	9
10-20 days	4
21-50 days	5
More than 50 days	1
Don't know	5
Refused	*

B3: **We'd now like you to think about the total cost to your business of complying with regulation. On top of the staff time costs you just described, this would also include direct spend on compliance such as the use of external contractors, purchasing new equipment or IT systems for example.**

Thinking about the last 12 months, would you say the total cost of complying with regulation has...?

NEW QUESTION FOR 2016

	2016 (%)
<i>Base</i>	<i>2,000</i>
Decreased a lot	1
Decreased a little	2
Stayed the same	42
Increased a little	32
Increased a lot	21
Don't know	3

B4: I will now read out a series of activities your company might undertake and I would like you tell me to what extent you agree or disagree that they are a burden when complying with regulation. By agreeing with a statement, you are indicating that the activity is a burden.

QUESTION ADAPTED FOR 2016 SURVEY

<i>Base: 2,000</i>	Strongly Disagree that it is a burden (%)	Disagree that it is a burden (%)	Neither Agree nor Disagree (%)	Agree it is a burden (%)	Strongly Agree it is a burden (%)	Don't Know (%)	N/A (%)
_1 The length of time it takes to go through the whole process of complying	3	15	20	36	24	1	2
_2 Keeping up to date with information about which regulations your business has to comply with	3	16	16	37	27	*	1
_3 Completing paperwork, filling out forms and keeping records on facts and figures	3	18	13	37	28	*	1
_4 Having to provide the same information more than once	3	16	15	33	30	*	3
_5 Being ready for or dealing with inspections	3	21	20	30	18	1	6
_6 Obtaining licenses or permits	4	21	24	25	15	1	9
_7 Understanding the differences in regulation between England, Scotland, Wales and Northern	6	21	24	16	8	3	22

C Government's approach to regulation

C1: To what extent do you agree or disagree with the following statements about the Government's approach to regulating?

Base: 2,000	Strongly Disagree (%)	Disagree (%)	Neither Agree nor Disagree (%)	Agree (%)	Strongly Agree (%)	Don't Know (%)	N/A (%)
_1 Generally it is clear what the purpose of regulation is	9	25	15	44	6	1	1
_2 It is easy to comply with regulations	13	37	17	29	3	1	*
_3 Most regulation is fair and proportionate	11	31	22	32	3	1	1
_4 The Government understands business well enough to regulate	22	35	19	19	2	2	*
_5 The Government consults well with business before any new regulation, or change to an existing regulation, is introduced	23	33	18	17	2	6	1
_6 Government informs businesses of regulatory changes clearly and with sufficient warning	13	31	16	34	4	2	1

C2: To what extent do you agree or disagree that the overall level of regulation in the UK is an obstacle to your business's success?

	2016 (%)	2014 (%)	2012 (%)	2010 (%)	2009 (%) NAO only	2008 (%) NAO only
<i>Base</i>	2,000	2,203	2,294	2,000	1,000	1,000
Strongly agree	21	15	24	32	35	31
Tend to agree	29	35	30	27	27	27
Neither agree nor disagree	25	10	16	8	8	8
Tend to disagree	19	33	23	24	24	24
Strongly disagree	6	5	5	7	6	8
Don't know	1	1	1	2	1	2

C3: Which, if any, of the following areas of law do you find burdensome?

	2016 (%)
<i>Base</i>	2,000
Company Law	30
Employment Law	56
Health and Safety Law	56
Planning Law	32
Environment Regulations	38
Food Safety	12
Consumer Protection (for example in relation to fair trading, consumer credit and product safety)	24
Licensing of alcohol, taxis, gambling, entertainment or security personnel	9
Other	11
No areas of law burdensome	17
Don't know	*

D Regulators

D1: Could you tell me the three regulators with which your company have had the most contact in the last 12 months?

D2: And which of these regulators have you had the most contact with over the last 12 months?

	2016 (%)	2016 (%)
<i>Base</i>	<i>2,000</i>	<i>2,000</i>
<i>Top 10 regulators shown</i>	D1	D2
Her Majesty's Revenue and Customs (HMRC)	18	13
Health and Safety Executive (National)	9	4
Environmental Health (Local)	7	3
Local Council (unspecified)	6	3
The Pensions Regulator (TPR)	6	3
Health and Safety Officers from my Local Council (Local)	6	2
Local Council (Planning)	5	3
Environment Agency (National)	5	2
Financial Conduct Authority (FCA)	3	2
Local Council (Licensing)	3	2
Don't know	11	12
None	25	25

D4: **Thinking about [D2DUM MAIN REGULATOR], I'd like you to tell me to what extent you agree or disagree with each of the following statements.**

<i>Base: 1,306</i>	Strongly Disagree (%)	Disagree (%)	Neither Agree nor Disagree (%)	Agree (%)	Strongly Agree (%)	Don't Know (%)	N/A (%)
_1 [MAIN REGULATOR] provides consistent advice and guidance to help my business to address regulatory risks and prevent non-compliance happening	12	21	10	42	12	1	2
_2 Guidance published by [MAIN REGULATOR] is easy to locate and accessible	9	21	8	47	13	1	1
_3 I am aware that [MAIN REGULATOR] should adhere to a set of regulatory standards	2	4	5	64	23	1	*
_4 The process to appeal against a decision made by [MAIN REGULATOR] is easy and transparent	10	17	19	23	4	15	13
_5 [MAIN REGULATOR] took account of the impact on my business (e.g. growth /sales) when providing advice	16	28	17	24	4	3	7
_6 [MAIN REGULATOR] takes account of my previous compliance when scheduling visits and inspections	5	12	18	35	10	6	15

E Communications

E1: Which, if any, of the following do you use to help the business in complying with regulation?

	2016 (%)
<i>Base</i>	<i>2,000</i>
Inspectors from Local Council or Regulators	31
Any official Government websites	65
Any external business advisers / agents, e.g. accountants, consultants, etc.	71
Any Trade Association(s) / Businesses Organisation(s)	53
Friends, family and other personal contacts (including business peers)	54
Websites (unspecified)	1
Other	1
None of these	5
Don't know	*

E2: And which, if any, of the following Central Government or European Union websites do you use to help the business in complying with regulation?

	2016 (%)
<i>Base</i>	<i>1,361</i>
GOV.UK website	94
European Union websites	15
Regulator websites	47
Local Council websites	58
Search Engine / Browsing	1
Other	2
Don't know	2

E3: **And which, if any, of the following external business agents do you use to help the business in complying with regulation?**

	2016 (%)
<i>Base</i>	<i>1,530</i>
External accountant	92
External insurance company	87
External lawyer	63
External Fire consultant	45
External Health and Safety consultant	46
A Primary Authority partnership	4
Other external specialist consultants	30
Trade body / membership organisation / advisory service	2
Other	1
Don't know	1

E4: **And approximately how much per year do you spend using external business agents to help with complying with regulations?**

	2016 (%)
<i>Base</i>	<i>1,530</i>
Nothing	2
Under £500	8
£500 - £999	9
£1,000 - £4,999	36
£5,000 - £9,999	17
£10,000 - £19,999	11
£20,000 - £49,999	5
£50,000 or more	3
Don't know	9

E5: **Why does your business use an external agent to help with complying with regulations?**

	2016 (%)
<i>Base</i>	<i>1,530</i>
Not enough time/ lack of internal resource	76
Advice from regulators is insufficient	42
Lack of clarity in legal requirement	58
Need for assurance	80
Want independent advice	82
Worried about penalties for non-compliance	76
They have more knowledge / are more specialist	92
Cost issues	1
It is a legal requirement to do so	2
Other	2
Don't know	2

F Future burden of regulation

F1: In the next 12 months, do you think that the burdens resulting from regulation will decrease, stay the same, or increase?

	2016 (%)	2014 (%)	2012 (%) NAO only	2010 (%) NAO only	2009 (%) NAO only	2008 (%) NAO only
<i>Base</i>	2,000	2,203	1,000	1,000	1,000	1,000
Decrease a lot	1	2	8	3	4	2
Decrease a little	2	5				
Stay the same	39	44	47	34	37	22
Increase a little	31	26	38	46	53	72
Increase a lot	21	16				
Don't know	6	7	7	17	6	4

F2: Why do you think the regulatory burden on your business will increase?

	2016 (%)
<i>Base</i>	<i>1,074</i>
Burden always increases	38
Introduction of new regulations / altering of existing regulations	12
Based on perception of Government policy / attitude towards regulation	12
Pension changes / Auto-enrolment	11
Because of the EU bringing in new directives	7
Regulation always changes	7
Increasing Health & Safety / Environmental Regulation	5
The more we grow, the more regulations we have to comply with	3
Living Wage	3
Other	11
Don't know	3

3 The Questionnaire

Business Perception Survey 2016

S Screener

ASK TELEPHONIST

S1 **Good morning / afternoon. My name is NAME and I'm calling from IFF Research on behalf of the Department for Business, Innovation & Skills (BIS).**

May I speak to the person in your company who is responsible for legal and compliance issues?

IF MORE THAN 50 EMPLOYEES (IF SIZE=4-5): **This might be a senior member of the Legal or Compliance department.**

IF LESS THAN 50 EMPLOYEES (IF SIZE=1-3): **This might be the owner, managing director or company secretary.**

ADD IF NECESSARY: **We are looking to speak to the person who is able to speak knowledgeably on behalf of the company about the rules and regulations that affect all UK businesses.**

Transferred	1	CONTINUE
Hard appointment	2	MAKE APPOINTMENT
Soft Appointment	3	
Head Office deals with these issues TELEPHONE_____	18	COLLECT NUMBER AND TRANSFER TO HEAD OFFICE
Refusal	4	CLOSE
Refusal – company policy	5	
Refusal – Taken part in recent survey	6	
Nobody at site able to answer questions	7	
Not available in deadline	8	
Engaged	9	
Fax Line	10	

Transferred	1	CONTINUE
No reply / Answer phone	11	
Residential Number	12	
Dead line	13	
Company closed	14	
Needs reassurances	15	SHOW REASSURANCES ON SCREEN
Email introductory letter	16	TAKE NAME AND EMAIL ADDRESS

ASK ALL

- S2 **Good morning / afternoon, my name is NAME and I'm calling from IFF Research, an independent market research company on behalf of the Department for Business, Innovation & Skills (BIS).**

BIS is carrying out an independent evaluation of the Government's efforts to reduce the cost to business of complying with regulation. Participating in this survey gives you the opportunity to provide feedback on your experience of complying with regulation and to share your ideas for improvement. Your feedback will contribute to the Government's ongoing drive to reduce the impact of regulation for businesses.

The interview should take no more than 20 minutes.

Are you willing to take part in the survey, now, over the phone?

Continue	1	CONTINUE
Referred to someone else at establishment NAME_____	2	TRANSFER AND RE- INTRODUCE
JOB TITLE_____		
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Head Office deals with these issues TELEPHONE_____	11	COLLECT NUMBER AND TRANSFER TO HEAD OFFICE
Refusal	5	THANK AND CLOSE

Continue	1	CONTINUE
Refusal – company policy	6	
Refusal – taken part in recent survey	7	
Not available in deadline	8	
Needs reassurances	9	SHOW REASSURANCES ON SCREEN
Email introductory letter	10	TAKE NAME AND EMAIL ADDRESS

S4 **This call may be recorded for quality and training purposes only.**

ASK ALL

S3 **Would you classify your company as one...?**
READ OUT. SINGLE CODE.

MAINLY seeking to make a profit (i.e. private sector)	1	CONTINUE
A charity or voluntary sector organisation or a social enterprise	2	THANK AND CLOSE
A local-government financed body	3	
A central government financed body	4	
DO NOT READ OUT: None of the above	5	

In terms of regulation and compliance we are concerned with how your business responds to changes in rules and regulations set by Government. For the purposes of this survey we are not talking about HMRC rules and regulations concerning tax and national insurance.

*INTERVIEWER NOTE: IF AT ANY TIME DURING THE INTERVIEW THE RESPONDENT WISHES TO MAKE FURTHER POINTS, WHICH THEY FEEL HAVE NOT BEEN COVERED IN THE SURVEY, PLEASE TELL THEM THEY CAN EMAIL THEIR COMMENTS AT THE END OF THE SURVEY TO:
Sam.Selner@IFFResearch.com*

REASSURANCES TO USE IF NECESSARY

The interview will take around 20 minutes to complete.

Please note that all data will be reported in aggregate form and your answers will not be reported to our client in any way that would allow you to be identified.

If respondent wishes to confirm validity of survey or get more information about aims and objectives, they can call:

- **MRS: Market Research Society on 0500396999**
- **IFF: SAM SELNER or ANDREW SKONE JAMES: 0207 250 3035**
- **BIS: LYNSEY POOLER: 0114 207 5221 or CHARLOTTE PATCH: 0207 215 2949**

A Classification

Before we begin, I want to confirm a few details about you and your organisation. This information will be used for analysis purposes only – neither you nor your organisation will be identified in the results.

ASK ALL

- A1 **How many people, excluding the owner, are employed by your organisation? Please include anyone who works for the organisation, even if they work in a different location or plant to you. PROMPT WITH BANDS IF NECESSARY. SINGLE CODE.**

None	1	THANK AND CLOSE
1-4	2	CONTINUE
5-9	3	
10-19	4	
20-49	5	
50-99	6	
100-249	7	
250-499	8	
500-999	9	
1,000+	10	

ASK ALL

- A2 **I have [READ OUT SECTOR DESCRIPTION FROM SAMPLE] as a general description of your company's principal activity. Bearing in mind this is a general description only, does this sound correct?**

Yes	1
No	2
Don't know	3

IF DISAGREE WITH SAMPLE SECTOR (A2=2/3)

A3 What is the main business activity of your company?

INTERVIEWER PROBE FOR THE FOLLOWING - START WITH FIRST PROBE AND ONLY USE THE OTHERS IF NECESSARY TO GET CLEAR INFORMATION

What is the main product or service of this establishment?

What exactly is made or done at this establishment?

WRITE IN. TO BE CODED TO 4 DIGIT SIC 2007.

ASK ALL

A4 Roughly how long has your company been in existence?

PROMPT WITH BAND IF NECESSARY. SINGLE CODE.

Less than a year	1
1-3 years	2
4-5 years	3
6-20 years	4
More than 20 years	5
DO NOT READ OUT: Don't know	6

ASK ALL

A5 In which of the following countries do you sell or provide your products or services, even if you are not based in those countries?

READ OUT. MULTICODE.

England	1
Scotland	2
Wales	3
Northern Ireland	4
Countries in the European Union	5
Countries outside of the European Union	6

ASK ALL

- A6 I am going to read out some statements and I would like you to tell me for each statement, compared with this time last year, whether it applies to your business. So just answer yes or no to each one.

READ OUT. SINGLE CODE PER STATEMENT.

	YES	NO	DK
_1 You have increased staff headcount	1	2	3
_2 You have increased the amount you export to other countries	1	2	3
_3 You have started offering new products or services	1	2	3
_4 You have started working in new business markets	1	2	3
_5 Your sales turnover has increased	1	2	3
_6 You have increased your capital investment	1	2	3
_7 (IF A6_1≠1): You have reduced staff headcount	1	2	3
_8 (IF A6_5≠1): Your sales turnover has decreased	1	2	3

ASK ALL

- A7 I am going to read out six challenges which may affect your business, which ONE would you say presents the greatest challenge?

READ OUT. SINGLE CODE.

DS – ROTATE STATEMENTS

Access to finance	1
Complying with regulation	2
Level of tax	3
Staff recruitment and/or retention	4
Staff redundancies	5
Attracting and retaining customers	6
DO NOT READ OUT: Something else (PLEASE SPECIFY)	7

ASK IF COMPLYING REGULATION GREATEST CHALLENGE (A7=2)

- A8 **You said that ‘complying with regulation’ presents the greatest challenge to your business. Do you associate complying with regulation primarily with:**

READ OUT. SINGLE CODE.

Administration around tax	1
Complying with other types of regulation excluding Tax administration	2
Both equally	3

IF A8=1 OR 3

- A9 **When we talk about complying with regulation we mean complying with all other types of regulation but not tax administration. With that in mind, if I read out the six challenges again which may affect your business, which ONE would you say presents the greatest challenge excluding tax administration?**

READ OUT. SINGLE CODE.

DS – ROTATE STATEMENTS

Access to finance	1
Complying with regulation	2
Level of tax	3
Staff recruitment and/or retention	4
Staff redundancies	5
Attracting and retaining customers	6
DO NOT READ OUT: Something else (PLEASE SPECIFY)	7

B Business Perceptions of compliance and burden with regulation

ASK ALL

I am now going to focus on your company's approach to regulation.

ask all **How important are the following factors in encouraging your business to comply with regulation? I am going to read out 8, and I want you to tell me how important each one is.**

READ OUT. SINGLE CODE.

DS – RANDOMISE STATEMENTS

	Essential	Very important	Fairly important	Not very important	Not at all important	DO NOT READ OUT: Don't know	DO NOT READ OUT: N/A
_1 Maintaining my reputation with customers	1	2	3	4	5	6	7
_2 Giving my business a competitive advantage.	1	2	3	4	5	6	7
_3 Protecting staff, customers and the environment	1	2	3	4	5	6	7
_4 Avoiding sanctions due to non-compliance	1	2	3	4	5	6	7
_5 Saving my business money	1	2	3	4	5	6	7
_6 It's simply important to do the right thing / comply with the law	1	2	3	4	5	6	7
_7 Meeting insurance requirements	1	2	3	4	5	6	7
_8 Meeting supply chain requirements	1	2	3	4	5	6	7

ASK ALL

When answering the following questions, I would like you to respond with specific reference to complying with regulation, excluding tax administration.

- B2 On average, how many days in total does your staff spend per month dealing with, or learning to comply with, all regulation? This does not include any time spent by external contractors.**
PROMPT IF NECESSARY. SINGLE CODE.

No time at all	1
Less than half a day	2
Half a day to a day	3
1-2 days	4
3-4 days	5
5-10 days	6
10-20 days	7
21-50 days	8
More than 50 days	9
Don't know	10
Refused	11

ASK ALL

We'd now like you to think about the total cost to your business of complying with regulation. On top of the staff time costs you just described, this would also include direct spend on compliance such as the use of external contractors, purchasing new equipment or IT systems for example.

- B3 Thinking about the last 12 months, would you say the total cost of complying with regulation has...?**
READ OUT. SINGLE CODE.

Decreased a lot	1
Decreased a little	2
Stayed the same	3
Increased a little	4
Increased a lot	5
DO NOT READ OUT: Don't know	6

ASK ALL

- B4 I will now read out a series of activities your company might undertake and I would like you tell me to what extent you agree or disagree that they are a burden when complying with regulation. By agreeing with a statement, you are indicating that the activity is a burden.
 READ OUT. SINGLE CODE.

INTERVIEWER NOTE: REMIND RESPONDENTS THAT AGREE MEANS THE ACTIVITY IS A BURDEN. BY DISAGREEING RESPONDENTS ARE SAYING THE ACTIVITY IS NOT A BURDEN.

INTERVIEWER NOTE: FOR STATEMENTS _3 – IF RESPONDENT DOESN'T THINK THIS IS SOMETHING THEY HAVE TO DO THEN ENCOURAGE TO SAY 'DISAGREE' RATHER THAN N/A

DS – RANDOMISE STATEMENTS

	Strongly Disagree that it is a burden	Disagree that it is a burden	Neither Agree nor Disagree	Agree it is a burden	Strongly Agree it is a burden	DO NOT READ OUT: Don't know	DO NOT READ OUT: N/A
_1 The length of time it takes to go through the whole process of complying	1	2	3	4	5	6	7
_2 Keeping up to date with information about which regulations your business has to comply with	1	2	3	4	5	6	7
_3 Completing paperwork, filling out forms and keeping records on facts and figures	1	2	3	4	5	6	7
_4 Having to provide the same information more than once	1	2	3	4	5	6	7
_5 Being ready for or dealing with inspections	1	2	3	4	5	6	7
_6 Obtaining licenses or permits	1	2	3	4	5	6	7
_7 Understanding the differences in regulation between England, Scotland, Wales and Northern	1	2	3	4	5	6	7

C Government's approach to regulation

ASK ALL

I'm now going to ask you some questions about the government's overall policy approach to regulation. To what extent do you agree or disagree with the following statements about the Government's approach to regulating?

READ OUT. SINGLE CODE.

DS – RANDOMISE STATEMENTS

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	DO NOT READ OUT: Don't know	DO NOT READ OUT: N/A
_1 Generally it is clear what the purpose of regulation is	1	2	3	4	5	6	7
_2 It is easy to comply with	1	2	3	4	5	6	7
_3 Most regulation is fair and proportionate	1	2	3	4	5	6	7
_4 The Government understands business well enough to regulate.	1	2	3	4	5	6	7
_5 The Government consults well with business before any new regulation, or change to an existing regulation, is introduced.	1	2	3	4	5	6	7
_6 Government informs businesses of regulatory changes clearly and with sufficient warning	1	2	3	4	5	6	7

ASK ALL

- C2 **To what extent do you agree or disagree that the overall level of regulation in the UK is an obstacle to your business's success? Do you....? READ OUT...**

PROMPT IF NECESSARY: Is that strongly (dis)agree or tend to (dis)agree?

Strongly agree	1
Tend to agree	2
Neither agree nor disagree	3
Tend to disagree	4
Strongly disagree	5
Don't know	6

ASK ALL

- C3 **Which, if any, of the following areas of law do you find burdensome?**

READ OUT. MULTICODE.

Company Law	1
Employment Law	2
Health and Safety Law	3
Planning Law	4
Environment Regulations	5
Food Safety	6
Consumer Protection (for example in relation to fair trading, consumer credit and product safety)	7
Licensing of alcohol, taxis, gambling, entertainment or security personnel	8
Any other area of law (Please specify)	9
No areas of law burdensome	10
DO NOT READ OUT: Don't know	11

D Regulators

ASK ALL

Moving on from discussing the burden of regulation more generally, I'm now going to ask you some questions about specific regulators. We want you to think about both local and national regulators when answering these questions. Could you tell me the three regulators with which your company have had the most contact in the last 12 months?

DO NOT READ OUT. MULTICODE.

INTERVIEWER NOTE: PLEASE ONLY CODE A MAXIMUM OF THREE REGULATORS. EACH 'OTHER' CODE SHOULD ONLY SPECIFY A SINGLE ORGANISATION. IT IS FINE FOR RESPONDENTS TO MENTION FEWER THAN THREE REGULATORS.

IF SELECTED ENVIRONMENT, FIRE, FOOD OR HEALTH AND SAFETY, CONFIRM WHETHER THIS IS RUN BY OFFICERS FROM THE LOCAL COUNCIL, OR AT A NATIONAL LEVEL. SELECT THE CORRECT CODE ACCORDINGLY.

IF MORE THAN ONE REGULATOR SELECTED (D1=1-19)

D2 And which of these regulators have you had the most contact with over the last 12 months?

DS – ONLY SHOW CODES SELECTED AT D1

DS – IF ONE ANSWER AT D1, FORCE THEIR D2 ANSWER ACCORDINGLY.

PROMPT IF NECESSARY. SINGLE CODE

	D1	D2
Commission for Equality and Human Rights (EHRC)	1	1
Driver and Vehicle Standards Agency	2	2
Environmental Health (Local)	3	3
Environment Agency (National)	4	4
Fire Safety (Local)	5	5
Fire and Rescue Authorities in England (National)	6	6
Food Safety Officers from my Local Council (Local)	7	7
Food Standards Agency (National)	8	8
Health and Safety Officers from my Local Council (Local)	9	9
Health and Safety Executive (National)	10	10
Her Majesty's Revenue and Customs (HMRC)	11	11
Information Commissioner	12	12
Police	13	13
The Pensions Regulator (TPR)	14	14
Trading Standards	15	15
Vehicle Certification Agency	16	16

	D1	D2
Other 1 (Please specify)	17	17
Other 2 (Please specify)	18	18
Other 3 (Please specify)	19	19
Don't know	20	20
None	21	-

IF D2=HMRC AND THREE OPTIONS CHOSEN AT D1

D2a **You mentioned you have had most contact with HMRC. We are interested in exploring your experience of regulation outside of tax administration. So, excluding HMRC, which regulator have you had the most contact with in the last 12 months?**

DS: SHOW D1 RESPONSES.

PROMPT IF NECESSARY. SINGLE CODE.

DUMMY VARIABLE, DO NOT ASK: MAIN REGULATOR FOR TEXT SUB

IF D2a ANSWERED; USE D2a OPTION	1	
IF D2=HMRC AND TWO OPTIONS ONLY CHOSEN AT D1, USE OTHER D1 OPTION	2	
IF D2 ANSWERED BUT HMRC NOT SELECTED, USE D2 OPTION	3	
IF ONLY ONE OPTION SELECTED AT D1 AND NOT HMRC, USE D1 OPTION	4	

IF REGULATORS SELECTED (D1=1-19)

IF HMRC ONLY SELECTED AT D1, SKIP TO E1.

- D3 IF D2=HMRC AND TWO OPTIONS CHOSEN AT D1 (D2DUM=2): You mentioned you have had most contact with HMRC. We are interested in exploring your experience of regulation outside of tax administration. So we shall now focus on the other regulator you mentioned before: [D2DUM MAIN REGULATOR]

ALL: What particular area of regulation with [D2DUM MAIN REGULATOR] has been the most burdensome for your business?

INTERVIEWER NOTE: PLEASE RECORD ONE AREA OF REGULATION ONLY

IF RESPONDENT MENTIONS 'HEALTH AND SAFETY', PROBE WHICH ASPECT OF HEALTH AND SAFETY THEY ARE REFERRING TO. IF THEN MENTION 'FIRE SAFETY' OR 'FOOD SAFETY' PLEASE RECORD THIS DETAIL INSTEAD.

WRITE IN

Don't know

1

IF REGULATORS SELECTED (D2=X)

- D4 **Thinking about [D2DUM MAIN REGULATOR], I'd like you to tell me to what extent you agree or disagree with each of the following statements.**

READ OUT. SINGLE CODE.

DS – RANDOMISE STATEMENTS

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	DO NOT READ OUT: Don't know	DO NOT READ OUT: N/A
_1 [D2DUM MAIN REGULATOR] provides consistent advice and guidance to help my business to address regulatory risks and prevent non-compliance happening	1	2	3	4	5	6	7
_2 Guidance published by [D2DUM MAIN REGULATOR] is easy to locate and accessible	1	2	3	4	5	6	7
_3 I am aware that [D2DUM MAIN REGULATOR] should adhere to a set of regulatory standards	1	2	3	4	5	6	7
_4 The process to appeal against a decision made by [D2DUM MAIN REGULATOR] is easy and transparent	1	2	3	4	5	6	7
_5 [D2DUM MAIN REGULATOR] took account of the impact on my business (e.g. growth /sales) when providing advice	1	2	3	4	5	6	7
_6 [D2DUM MAIN REGULATOR] takes account of my previous compliance when scheduling visits and inspections	1	2	3	4	5	6	7

E Communications

ASK ALL

E1 Which, if any, of the following do you use to help the business in complying with regulation?

READ OUT. MULTICODE.

Inspectors from Local Council or Regulators	1
Any official Government websites	2
Any external business advisers / agents, e.g. accountants, consultants, etc.	3
Any Trade Association(s) / Businesses Organisation(s)	4
Friends, family and other personal contacts (including business peers)	5
Other (PLEASE SPECIFY)	6
None of these	7
DO NOT READ OUT: Don't know	8

IF USE GOVERNMENT WEBSITES (E1=2)

E2 And which, if any, of the following Central Government or European Union websites do you use to help the business in complying with regulation?

READ OUT. MULTICODE.

GOV.UK website	1
European Union websites	2
Regulator websites	3
Local Council websites	4
Other (Please specify)	5
Don't know	6

IF USE EXTERNAL BUSINESS AGENTS (E1=3)

- E3 **And which, if any, of the following external business agents do you use to help the business in complying with regulation?**

READ OUT. MULTICODE.

External accountant	1
External insurance company	2
External lawyer	3
External Fire consultant	4
External Health and Safety consultant	5
A Primary Authority partnership	6
Other external specialist consultants	7
Other (Please specify)	8
Don't know	9

IF USE EXTERNAL BUSINESS AGENTS (E1=3)

- E4 **And approximately how much per year do you spend using external business agents to help with complying with regulations?**

PROMPT IF NECESSARY. SINGLE CODE.

Nothing	1
Under £500	2
£500 - £999	3
£1,000 - £4,999	4
£5,000 - £9,999	5
£10,000 - £19,999	6
£20,000 - £49,999	7
£50,000 or more	8
Don't know	9

IF USE EXTERNAL BUSINESS AGENTS (E1=3)

- E5 **Why does your business use an external agent to help with complying with regulations?**
READ OUT. MULTICODE.

Not enough time/ lack of internal resource	1
Advice from regulators is insufficient	2
Lack of clarity in legal requirement	3
Need for assurance	4
Want independent advice	5
Worried about penalties for non-compliance	6
They have more knowledge / are more specialist	7
Other (Please specify)	8
Don't know	9

F Future burden of regulation

ASK ALL

- F1 **In the next 12 months, do you think that the burdens resulting from regulation will decrease, stay the same, or increase?**

SINGLE CODE.

Decrease a lot	1
Decrease a little	2
Stay the same	3
Increase a little	4
Increase a lot	5
Don't know	6

IF EXPECT AN INCREASE (F1=4-5)

- F2 **Why do you think the regulatory burden on your business will increase?**

WRITE IN		
Don't know	1	

G Closing questions

ASK ALL

- G1 **Thank you very much for taking the time to speak to us today. Would you be willing for us to call you back regarding:**
READ OUT. MULTICODE.

This particular study – if we need to clarify any of the information	1
Other research studies which may be relevant to you	2
Neither of these	3

IF CONSENT TO RECONTACT (G1=1-2)

- G2 **And could I just check, is [NUMBER] the best number to call you on?**

Yes	1
No - write in number	2

Name: RECORD DETAILS OF RESPONDENT WHO COMPLETED INTERVIEW	
Job title:	
Email address:	
Company postcode:	

ASK ALL

THANK RESPONDENT AND CLOSE INTERVIEW

Finally I would just like to confirm that this survey has been carried out under IFF instructions and



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