



Department for
Business, Energy
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BUSINESS PERCEPTIONS SURVEY 2018

Technical Report

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1. Methodology and sample profile

Background

The Government is committed to reducing regulatory burden and creating an environment that supports business growth. The Small Business, Enterprise and Employment Act 2015 requires Government to publish a target for the impact of regulation on business. The 2017-2022 'Business Impact Target' was announced on 20 June. The Better Regulation Executive, a unit within the Department for Business, Energy and Industrial Strategy, is responsible for developing a framework to coordinate efforts towards this target and is required to publish an annual report of progress.

Since 2007, the Business Perception Survey (BPS) has provided evidence of 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.

Prior to 2016, the BPS focussed to some extent on individual areas of law. In 2016 the objectives shifted to cover businesses' experiences of regulation more generally. The 2018 survey replicated the 2016 approach.

Specifically, the 2018 survey aimed to collect views on:

- Business challenges and the extent to which regulation is considered an obstacle to success
- The Government's approach to regulation
- Businesses' experience with regulators
- Overall time spent on complying with regulations
- Sources of support – including reliance and expenditure on external business agents to ensure compliance
- Expectations of future regulatory burdens and reasons behind these

Methodology

A total of 2,001 telephone interviews were conducted using Computer Assisted Telephone Interviewing (CATI) between 20th February and 26th April 2018. Interviews were conducted with the person responsible for legal and compliance issues and lasted an average of 20 minutes.

Sample was sourced from the Dun & Bradstreet commercial business database. A stratified random sampling approach was used, with businesses selected based on industry sector¹, size, and UK nation.

A set of 10 cognitive interviews were undertaken to fully test questionnaire changes made since the previous wave. The survey was then put through a live CATI piloting phase with all interviews listened to by an OMB executive, and data analysis undertaken to check understanding (e.g. any questions with large numbers of 'don't know' or counterintuitive responses).

The questionnaire used for the 2018 survey is included at the end of this report. It was structured as follows:

- Business classification
- Business perceptions of compliance with and burden of regulation
- Government's approach to regulation
- Dealings with and perceptions of specific regulators
- Communications (sources of help, use/cost of external business agent)
- Anticipated changes to the burden of regulation in the next year

In order to ensure that results can be tracked over time, the sampling, questionnaire design, fieldwork and weighting processes followed a similar approach to previous surveys. The questionnaire for the 2018 and 2016 survey waves focused on the company's experience of regulation in general rather than a specific law as per earlier survey waves. This reduces the ability to compare across surveys waves although several core tracking questions were retained to allow for longer time series comparisons.

Fieldwork

A total of 14,404 business contacts were drawn from the Dun and Bradstreet commercial business database in order to achieve the 2,001 interviews, a conversion rate of 7:1. If requested, respondents were sent an email providing information about the research along with contact details for members of the OMB Research and BEIS project teams.

As in 2016, quotas were set by industry sector, size of business and country to ensure sufficiently robust sample sizes for sub-group analysis and comparison.

Table 1 shows the original interview targets and what was achieved, alongside the resulting sampling errors. To illustrate, the statistical confidence interval at the total level is +/- 2.2%, meaning that if 50% of the total interviewed sample reported a particular action, we could be 95% confident that this was the case for between 47.8% and 52.2% of respondents. These sampling errors are based on a 'worst case scenario' of 50% of the

¹ The sample covered all industries, apart from some public administration and defence sector exclusions (SIC O, T, U).

1. Methodology and sample profile

sample answering in the same way and on a 95% confidence level; the greater the polarisation of responses, the narrower this error becomes.

Table 1: Sample profile

	Target	Achieved	Sampling error
TOTAL	2,000	2,001	±2.19%
Sector			
Agriculture/ Mining/ Energy	200	198	±6.96%
Manufacturing	200	229	±6.48%
Construction	200	181	±7.28%
Retail/ Distribution	300	309	±5.57%
Transport & Storage	200	202	±6.90%
Hotel/ Catering	200	205	±6.84%
Finance	200	186	±7.19%
Property/ Management/ Business Services	300	295	±5.71%
Administration/ Other Services	200	196	±7.00%
Size			
Micro (1-9 employees)	900	875	±3.31%
<i>Micro (1-4 employees)</i>	500	507	±4.35%
<i>Micro (5-9 employees)</i>	400	368	±5.11%
Small (10-49 employees)	650	653	±3.83%
Medium (50-249 employees)	225	234	±6.41%
Large (250+ employees)	225	239	±6.34%
Country			
England	1700	1696	±2.38%
Wales	100	95	±10.05%
Scotland	150	155	±7.87%
Northern Ireland	50	55	±13.21%

Weighting

To maximise longitudinal comparability and address any distortions caused by the sampling approach, interviews were weighted to the true profile of UK private sector businesses with at least one employee². A weighting matrix was developed that interlocked business sector and size, with a RIM weight applied by country.

Table 2: Weighting

	Unweighted	Weighted
TOTAL	2,001	2,001
Sector		
Agriculture/ Mining/ Energy	198	89
Manufacturing	229	129
Construction	181	240
Retail/ Distribution	309	355
Transport & Storage	202	66
Hotel/ Catering	205	192
Finance	186	32
Property/ Management/ Business Services	295	464
Administration/ Other Services	196	436
Size		
Micro (1-9 employees)	875	1636
Small (10-49 employees)	653	304
Medium (50-249 employees)	234	50
Large (250+ employees)	239	11
Country		
England	1696	1731
Wales	95	80
Scotland	155	139
Northern Ireland	55	52

² In accordance with the 2017 BEIS Business Population Estimates, available at <https://www.gov.uk/government/statistics/business-population-estimates-2017>

Call outcomes

Table 3 shows the breakdown of call outcomes for the telephone fieldwork.

Table 3: Call outcomes

	Total
Completed interviews	2,001
	14%
Refused	3,162
	22%
Number unobtainable	2,016
	14%
Not available during interviewing period	662
	5%
Active records at close	5,181
	36%
Ineligible	1,382
	10%
Total	14,404

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.

	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000	1,000
None	-	-	-	25%	30%	31%	-
1-4	63%	62%	63%	39%	44%	36%	51%
5-9	18%	19%	19%	22%	15%	12%	22%
10-19	9%	9%	9%	7%	6%	9%	11%
20-49	6%	7%	7%	6%	3%	7%	11%
50-99	1%	1%	1%	0%	1%	2%	1%
100-249	1%	1%	1%	0%	0%	1%	2%
250-499	0%	0%	0%	0%	0%	0%	1%
500-999	0%	0%	0%	0%	0%	0%	0%
1,000+	0%	0%	0%	0%	0%	0%	0%
Don't know	-	-	-	1%	0%	0%	0%

2. Survey Results

A2/A3: What is the main business activity of your company?

	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Agriculture/ Mining/ Energy	4%	5%	4%	3%	6%	6%	4%
Construction	12%	12%	12%	19%	12%	10%	9%
Finance	2%	2%	2%	2%	1%	2%	2%
Hotel/ Catering	10%	10%	10%	3%	11%	7%	6%
Manufacturing	6%	7%	7%	6%	12%	6%	7%
Property/ Management/ Business Services	23%	23%	29%	34%	13%	29%	21%
Administration/ Other services	22%	22%	14%	18%	29%	17%	30%
Retail/ Distribution	18%	19%	19%	11%	13%	19%	17%
Transport and Storage	3%	3%	3%	5%	4%	4%	40%

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

	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Less than a year	2%	0%	1%	2%	4%	2%	3%
1-3 years	6%	10%	8%	10%	10%	14%	6%
4-5 years	9%	8%	6%	9%	10%	10%	4%
6-20 years	45%	46%	44%	47%	41%	41%	37%
More than 20 years	38%	34%	42%	32%	34%	32%	50%
Don't know	0%	1%	0%	0%	0%	0%	0%

A5: In the past 12 months did your business export any products or services outside of the UK?

	2018	2016
<i>Base: All respondents</i>	2,001	2,000
Yes – to countries in the EU	16%	30%
Yes – to countries outside of the EU	13%	23%
No (only sell within the UK)	80%	-
Don't know	0%	-

2. Survey Results

A6: I am going to read out some statements and I would like you to tell me for each statement whether it applies to your business. So, compared to this time last year have you...?

	2018	2016	2014
<i>Base: All respondents</i>	2,001	2,000	2,203
_1 Increased your staff headcount	25%	30%	23%
_2 Increased the amount you export to other countries	6%	9%	8%
_3 Started offering new products or services	27%	39%	34%
_4 Started working in new business markets	20%	25%	19%
_5 Increased your sales turnover	50%	50%	45%
_6 Increased your capital investment	32%	42%	34%
_7 Reduced your staff headcount	13%	17%	18%
_8 Seen a decrease in your sales turnover	18%	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?

	2018	2016	2014	2012	2010	2009 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000
Access to finance	8%	10%	11%	16%	12%	13%
Complying with regulation	18%	17%	14%	14%	16%	19%
Level of tax	16%	17%	16%	15%	21%	16%
Staff recruitment and/or retention	17%	16%	9%	6%	4%	5%
Staff redundancies	2%	1%	3%	0%	1%	1%
Attracting and retaining customers	31%	36%	44%	45%	41%	42%
Something else	2%	1%	2%	0%	0%	0%
Don't know	1%	0%	0%	3%	5%	4%
None of these	5%	3%	-	-	-	-

2. Survey Results

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?

	2018	2016	2014
<i>Base: All respondents</i>	2,001	2,000	2,203
Access to finance	8%	10%	12%
Complying with regulation	17%	15%	11%
Level of tax	17%	18%	17%
Staff recruitment and/or retention	17%	16%	9%
Staff redundancies	2%	1%	3%
Attracting and retaining customers	32%	36%	45%
Something else	2%	1%	2%
Don't know	1%	0%	0%
None of these	5%	3%	-

B Business perceptions of compliance with and burden of regulation

B1: How important are the following factors in encouraging your business to comply with regulation?

Base: All respondents 2018: 2,001 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	2018	49%	42%	5%	1%	1%	0%	0%
	2016	61%	34%	3%	1%	0%	0%	0%
	2014	36%	50%	9%	1%	2%	1%	1%
_2 Giving my business a competitive advantage	2018	25%	40%	21%	7%	4%	1%	2%
	2016	32%	38%	19%	6%	3%	1%	1%
	2014	22%	39%	22%	9%	6%	1%	2%
_3 Delivering social benefits by protecting staff, customers and the environment	2018	23%	37%	25%	9%	3%	2%	2%
	2016	43%	39%	13%	2%	1%	0%	1%
	2014	25%	46%	21%	4%	3%	0%	1%
_4 Avoiding sanctions due to non-compliance	2018	37%	38%	10%	5%	5%	2%	3%
	2016	44%	32%	13%	4%	3%	2%	3%
	2014	29%	39%	21%	4%	3%	2%	3%
_5 Saving my business money	2018	31%	44%	15%	5%	3%	1%	0%
	2016	33%	42%	18%	3%	3%	1%	1%
	2014	23%	43%	17%	6%	8%	1%	2%
_6 Complying with the law	2018	57%	36%	5%	1%	0%	0%	0%
	2016	55%	36%	8%	1%	0%	0%	0%
	2014	33%	45%	20%	1%	1%	1%	0%
_7 Meeting insurance requirements	2018	42%	41%	12%	3%	2%	0%	1%
	2016	51%	32%	10%	4%	1%	0%	1%
	2014	36%	44%	14%	2%	1%	1%	1%
_8 Meeting supply chain requirements	2018	23%	33%	19%	9%	6%	2%	8%
	2016	26%	29%	20%	7%	5%	2%	10%
	2014	20%	27%	25%	10%	6%	2%	9%

2. Survey Results

B2: On average, how many days in total do you or other staff spend per month dealing with, or learning to comply with, all regulation? This does not include any time spent by external contractors.

	2018	2016
<i>Base: All respondents</i>	2,001	2,000
No time at all	6%	9%
Less than half a day	13%	9%
Half a day to a day	16%	14%
1 - 2 days	29%	33%
3 - 4 days	11%	10%
5 - 10 days	8%	9%
11 - 20 days	3%	4%
21 - 50 days	5%	5%
More than 50 days	2%	1%
Don't know	7%	5%
Refused	0%	0%

B3: We'd now like you to think about whether the cost to your business of complying with regulation has changed. In addition to the staff time you have just described, please also consider any other direct costs such as external contractors, purchasing new equipment or IT systems etc. So, thinking about the last 12 months, would you say the total cost of complying with regulation has...?

	2018	2016
<i>Base: All respondents</i>	2,001	2,000
Decreased a lot	1%	1%
Decreased a little	0%	2%
Stayed the same	42%	42%
Increased a little	30%	32%
Increased a lot	23%	21%
Don't know	4%	3%

2. Survey Results

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.

<i>Base: All respondents</i>		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know	N/A
<i>2018: 2,001</i>								
<i>2016: 2,000</i>								
_1 The length of time it takes to go through the whole process of complying	2018	4%	18%	16%	40%	19%	2%	1%
	2016	3%	15%	20%	36%	24%	1%	2%
_2 Keeping up to date with information about which regulations your business has to comply with	2018	5%	19%	14%	38%	22%	2%	1%
	2016	3%	16%	16%	37%	27%	0%	1%
_3 Completing paperwork, filling out forms and keeping records on facts & figures	2018	4%	21%	11%	38%	24%	1%	1%
	2016	3%	18%	13%	37%	28%	0%	1%
_4 Having to provide the same information more than once	2018	4%	17%	12%	37%	26%	1%	3%
	2016	3%	16%	15%	33%	30%	0%	3%
_5 Being ready for or dealing with inspections	2018	6%	24%	16%	32%	14%	1%	6%
	2016	3%	21%	20%	30%	18%	1%	6%
_6 Obtaining licenses or permits	2018	7%	24%	18%	27%	13%	2%	10%
	2016	4%	21%	24%	25%	15%	1%	9%
_7 Understanding the differences in regulation between England, Scotland, Wales and Northern Ireland	2018	10%	23%	17%	15%	8%	5%	23%
	2016	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?

<i>Base: All respondents</i>								
<i>2018: 2,001</i>		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know	N/A
<i>2016: 2,000</i>								
_1 Generally it is clear what the purpose of regulation is	2018	7%	20%	12%	53%	4%	3%	1%
	2016	9%	25%	15%	44%	6%	1%	1%
_2 It is easy to comply with regulations	2018	10%	32%	15%	37%	3%	2%	1%
	2016	13%	37%	17%	29%	3%	1%	0%
_3 Most regulation is fair and proportionate	2018	9%	25%	17%	41%	3%	4%	1%
	2016	11%	31%	22%	32%	3%	1%	1%
_4 The Government understands business well enough to regulate	2018	17%	35%	16%	25%	2%	5%	1%
	2016	22%	35%	19%	19%	2%	2%	0%
_5 The Government consults well with business before any new regulation, or change to an existing regulation, is introduced	2018	16%	34%	17%	22%	1%	8%	2%
	2016	23%	33%	18%	17%	2%	6%	1%
_6 Government informs businesses of regulatory changes clearly and with sufficient warning	2018	11%	29%	12%	40%	3%	5%	1%
	2016	13%	31%	16%	34%	4%	2%	1%
_7 Regulators have sufficient resources to adequately enforce non-compliance	2018	8%	20%	17%	34%	3%	16%	2%
_8 The Government's approach to regulation facilitates innovative products and services being efficiently brought to market	2018	7%	24%	23%	28%	2%	10%	7%
_9 The Government's approach to regulation facilitates efficient access to international trade opportunities	2018	5%	13%	21%	18%	1%	11%	30%

2. Survey Results

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...?

	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Strongly agree	15%	21%	15%	24%	32%	35%	31%
Tend to agree	25%	29%	35%	30%	27%	27%	27%
Neither agree nor disagree	32%	25%	10%	16%	8%	8%	8%
Tend to disagree	20%	19%	33%	23%	24%	24%	24%
Strongly disagree	7%	6%	5%	5%	7%	6%	8%
Don't know	2%	1%	1%	1%	2%	1%	2%

E7: Do you feel that the way a regulator behaves can affect...?

	2018			
<i>Base: All respondents (2,001)</i>	Yes	No	Don't know	N/A
_1 How easy it is for your business to comply	73%	20%	4%	2%
_2 How much it costs your business to comply	74%	16%	7%	3%
_3 How confident your business is that it is complying	78%	15%	5%	2%
_4 How willing your business is to invest in new products or areas	63%	25%	6%	7%
_5 How efficiently you can bring innovative products and services to the market	60%	23%	6%	11%
_6 How you access international trade opportunities	33%	16%	6%	44%

2. Survey Results

D2/D2a: Could you tell me the regulator with which your company has had the most contact in the last 12 months?

	2018
<i>Base: All respondents</i>	2,001
The Pensions Regulator (TPR)	8%
Health and Safety Officers from my Local Council (Local)	4%
Local Council (Planning)	4%
Information Commissioner	4%
The Financial Conduct Authority (FCA)	4%
Health and Safety Executive (HSE) (National)	4%
Environmental Health (Local)	3%
Local Council (Other)	2%
Local Council (Licensing)	2%
Fire Safety (Local)	2%
Environment Agency (National)	2%
Driver and Vehicle Standards Agency (DVSA)	1%
Food Standards Agency (National)	1%
Food Safety Officers from my Local Council (Local)	1%
Care Quality Commission	1%
Trading Standards	1%
Ofcom	1%
Other	16%
Don't know	23%
None	18%

2. Survey Results

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.

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know	N/A
<i>Base: All who had contact with regulator other than HMRC in last 12 months</i>								
<i>2018: 1,301</i>								
<i>2016: 1,306</i>								
_1 [D2DUM MAIN REGULATOR] provides advice and guidance that helps my business to comply	2018	5%	14%	7%	56%	16%	1%	1%
	2016	12%	21%	10%	42%	12%	1%	2%
_2 Guidance published by [D2DUM MAIN REGULATOR] is easy to locate	2018	9%	16%	6%	54%	13%	2%	0%
	2016	9%	21%	8%	47%	13%	1%	1%
_3 The process to appeal against a decision made by [D2DUM MAIN REGULATOR] is easy and transparent	2018	10%	14%	15%	28%	5%	18%	11%
	2016	10%	17%	19%	23%	4%	15%	13%
_6 I have confidence that I can rely on the advice and guidance [D2DUM MAIN REGULATOR] provides	2018	7%	15%	11%	49%	17%	1%	0%
_7 [D2DUM MAIN REGULATOR] understands my business well enough to provide advice that is tailored to my circumstances	2018	11%	24%	12%	39%	11%	2%	1%

E Communications

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

	2018	2016
<i>Base: All respondents</i>	<i>2,001</i>	<i>2,000</i>
Inspectors or Regulatory Officers	29%	31%
Any official Government or Regulator websites	53%	65%
Any external business advisers or consultants (e.g. accountants, lawyers, specialist consultants, etc.)	64%	71%
Any Trade Associations / Business Organisations	46%	53%
Friends, family and other personal contacts (including business peers)	41%	54%
Websites (unspecified)	0%	1%
Other	1%	1%
None of these	7%	5%
Don't know	3%	0%

2. Survey Results

E3: And which of the following external business advisers or consultants do you use to help the business in complying with regulation?

	2018	2016
<i>Base: All using external business agents</i>	1,357	1,530
Accountant	93%	92%
Insurance company	82%	87%
Lawyer	52%	63%
Fire consultant	43%	45%
Health and Safety consultant	53%	46%
Other external specialist consultants	35%	30%
Don't know	0%	1%

E4: And, in the last year, approximately how much have you spent using external business advisers or consultants to help with complying with regulations?

	2018	2016
<i>Base: All using external business agents</i>	1,357	1,530
Nothing	3%	2%
Under £500	7%	8%
£500 - £999	9%	9%
£1,000 - £4,999	31%	36%
£5,000 - £9,999	13%	17%
£10,000 - £19,999	7%	11%
£20,000 - £49,999	5%	5%
£50,000 or more	2%	3%
Don't know	22%	9%

2. Survey Results

E5: Why does your business use external business advisers or consultants to help with complying with regulations? Is it because...?

	2018	2016
<i>Base: All using external business agents</i>	1,357	1,530
You lack time or internal resource	58%	76%
The advice from regulators is insufficient	30%	42%
There is a lack of clarity about the legal requirements	39%	58%
You want assurance (i.e. that you are compliant)	70%	80%
You want independent advice	62%	82%
You are worried about penalties for non-compliance	59%	76%
They have more knowledge or are more specialist	80%	92%
It is a legal requirement to do so	1%	2%
Cost issues	0%	1%
Any other reason	3%	2%
Don't know	2%	2%

E6: And which of these is the main reason you use external business advisers or consultants to help with complying with regulations?

	2018
<i>Base: All using external business agents</i>	1,357
You lack time or internal resource	18%
The advice from regulators is insufficient	0%
There is a lack of clarity about the legal requirements	3%
You want assurance (i.e. that you are compliant)	19%
You want independent advice	7%
You are worried about penalties for non-compliance	8%
They have more knowledge or are more specialist	39%
It is a legal requirement to do so	1%
Cost issues	0%
Any other reason	2%
Don't know	4%

2. Survey Results

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

	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
<i>Base: All respondents</i>	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Decrease a lot	1%	1%	2%	8%	3%	4%	2%
Decrease a little	2%	2%	5%				
Stay the same	35%	39%	44%	47%	34%	37%	22%
Increase a little	29%	31%	26%	38%	46%	53%	72%
Increase a lot	24%	21%	16%				
Don't know	9%	6%	7%	7%	17%	6%	4%

F2: Why do you think the regulatory burden on your business will increase over the next 12 months?

	2018
<i>Base: All expecting regulatory burden to increase</i>	1,120
Brexit	22%
Burden always increases	21%
Introduction of new regulations / altering of existing regulations	15%
GDPR / data protection regulation	15%
Regulation always changes	11%
Increased cost / financial implications	8%
Perception of Government policy / attitude / approach	7%
It is time consuming	3%
Lack of clarity / information / need to provide more guidance	3%
Impact on small businesses / regulations not designed for needs of small businesses	3%
Increased complexity / harder to comply	2%
Increasing Health & Safety / Environmental regulation	2%
Pension changes / Automatic enrolment	2%
The more we grow, the more regulations we have to comply with	2%
Other political / world issues / international relations (not Brexit specific)	2%
Other	13%
Don't know / No comment	2%

2. Survey Results

F3: Why do you think the regulatory burden on your business will decrease over the next 12 months?

	2018
<i>Base: All expecting regulatory burden to decrease</i>	63
Brexit	26%
We are employing better strategies / have a good approach in place / have done a lot of work on regulation	15%
Once everything is in place / all paperwork done	13%
Reduction in regulations	12%
Based on past experiences / it is the general trend	8%
Altering of existing regulations	6%
Have someone who has good knowledge of regulations / have a better understanding over time	5%
Closing down business / selling parts of business	4%
Government is making things easier for businesses	5%
Other	6%
Don't know / No comment	3%

F4: Why are you unsure about the level of regulatory burden on your business over the next 12 months?

	2018
<i>Base: All unsure of future regulatory change</i>	156
Brexit	24%
Lack of knowledge	13%
Regulation doesn't really affect our business / doesn't have a huge impact on us	7%
Relatively new business so unsure	4%
Government is constantly applying changes / regulations constantly changing	3%
Uncertain how new regulations are going to affect us	2%
No particular reason / my impression	2%
Regulation usually stays the same	1%
Other	6%
Don't know / No comment	39%

3. Questionnaire

Business Perception Survey 2018

S Screener

ASK TELEPHONIST

S1 Good morning / afternoon. My name is NAME and I'm calling from OMB Research, an independent market research company on behalf of the Department for Business, Energy & Industrial Strategy (BEIS).

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.

ONCE THROUGH TO THE CORRECT PERSON

BEIS 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?

3. Questionnaire

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 0800 975 9596**
- **OMB Research: MICHAEL FARRER or GEMMA BIRD: 01732 220582**
- **BEIS: SARIKA GUPTA - 0207 215 3438 or NICK SALWAY - 0207 215 0447**

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	
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

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

READ OUT

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.

3. Questionnaire

ASK ALL

S3 **Would you classify your company as MAINLY...?**

READ OUT. SINGLE CODE.

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

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.**

INTERVIEWER NOTE: THIS DOES NOT NEED TO BE RESTRICTED TO THE UK

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 [SECTOR 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.

3. Questionnaire

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 the past 12 months did your business export any products or services outside of the UK?

AS NECESSARY: **By this I mean any goods or services sold by you to an individual or organisations based outside of the UK?**

MULTICODE CODES 1&2

Yes – to countries in the European Union	1
Yes – to countries outside of the European Union	2
No (only sell within the UK)	3
Don't know	4

ASK ALL

A6 I am going to read out some statements and I would like you to tell me for each statement whether it applies to your business. So, compared to this time last year have you...?

Please just answer yes or no to each one.

READ OUT. SINGLE CODE PER STATEMENT.

	YES	NO	DK
_1 Increased your staff headcount	1	2	3
_2 (IF A5=1-2) Increased the amount you export to other countries	1	2	3
_3 Started offering new products or services	1	2	3
_4 Started working in new business markets	1	2	3
_5 Increased your sales turnover	1	2	3
_6 Increased your capital investment	1	2	3
_7 (IF A6_1≠1): Reduced your staff headcount	1	2	3
_8 (IF A6_5≠1): Seen a decrease in your sales turnover	1	2	3

3. Questionnaire

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.

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.

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 with and burden of regulation

READ OUT TO ALL

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

ASK ALL

B1 How important are the following factors in encouraging your business to comply with regulation?

AS NECESSARY: I am going to read out eight, and I want you to tell me how important each one is in encouraging your business to comply with regulation.

PROMPT AFTER EACH CODE IF NECESSARY: **How important is this in encouraging your business to comply with regulation?**

READ OUT. SINGLE CODE.

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 Delivering social benefits by 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 Complying 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

3. Questionnaire

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 do you or other 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
11-20 days	7
21-50 days	8
More than 50 days	9
Don't know	10
Refused	11

ASK ALL

- B3** We'd now like you to think about whether the cost to your business of complying with regulation has changed. In addition to the staff time you have just described, please also consider any other direct costs such as external contractors, purchasing new equipment or IT systems etc.

So, 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

3. Questionnaire

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.

READ OUT AFTER EACH CODE IF NECESSARY: **To what extent do you agree or disagree that this is a burden for you?**

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 Ireland	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.

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

READ OUT. SINGLE CODE.

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 regulations	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
_7 Regulators have sufficient resources to adequately enforce non-compliance	1	2	3	4	5	6	7
_8 The Government's approach to regulation facilitates innovative products and services being efficiently brought to market	1	2	3	4	5	6	7
_9 The Government's approach to regulation facilitates efficient access to international trade opportunities	1	2	3	4	5	6	7

3. Questionnaire

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

D Regulators

ASK ALL

Moving on from discussing the burden of regulation more generally, I'm now going to ask you some questions about the way regulators behave, for example the way they act towards you or the information they provide to you. We want you to think about both local and national regulators when answering these questions

ASK ALL

E7 Do you feel that the way a regulator behaves can affect...?

READ OUT. SINGLE CODE.

READ OUT AFTER EACH CODE IF NECESSARY: **Can this be affected by the way a regulator behaves?**

RANDOMISE STATEMENTS

	Yes	No	DO NOT READ OUT: Don't know	DO NOT READ OUT: N/A
_1 How easy it is for your business to comply	1	2	3	4
_2 How much it costs your business to comply	1	2	3	4
_3 How confident your business is that it is complying	1	2	3	4
_4 How willing your business is to invest in new products or areas	1	2	3	4
_5 How efficiently you can bring innovative products and services to the market	1	2	3	4
_6 How you access international trade opportunities	1	2	3	4

3. Questionnaire

ASK ALL

D2 Could you tell me the regulator with which your company has had the most contact in the last 12 months?

DO NOT READ OUT BUT PROMPT IF NECESSARY. SINGLE CODE.

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.

Commission for Equality and Human Rights (EHRC)	1
Driver and Vehicle Standards Agency (DVSA)	2
Environmental Health (Local)	3
Environment Agency (National)	4
Fire Safety (Local)	5
Fire and Rescue Authorities in England (National)	6
Food Safety Officers from my Local Council (Local)	7
Food Standards Agency (National)	8
Health and Safety Officers from my Local Council (Local)	9
Health and Safety Executive (HSE) (National)	10
Her Majesty's Revenue and Customs (HMRC)	11
Information Commissioner	12
Local Council (Licensing)	22
Local Council (Planning)	23
Local Council (Other PLEASE SPECIFY)	24
Police	13
The Pensions Regulator (TPR)	14
Trading Standards	15
Vehicle Certification Agency (VCA)	16
Other (PLEASE SPECIFY)	17
Don't know	20
None	21

3. Questionnaire

IF D2=HMRC

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: REPEAT D1 CODES (APART FROM HMRC).

PROMPT IF NECESSARY. SINGLE CODE.

D2Dum DUMMY VARIABLE (DO NOT ASK): MAIN REGULATOR FOR TEXT SUB	
IF D2a ANSWERED; USE D2a OPTION	1
IF D2 ANSWERED AND NOT HMRC, USE D2 OPTION	3

IF REGULATORS (NOT HMRC) SELECTED AT D2 OR D2A

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.

INTERVIEWER NOTE: IF RESPONDENT HAS NO EXPERIENCE OF THE MATTER, CODE AS N/A

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 advice and guidance that helps my business to comply	1	2	3	4	5	6	7
_2 Guidance published by [D2DUM MAIN REGULATOR] is easy to locate	1	2	3	4	5	6	7
_3 The process to appeal against a decision made by [D2DUM MAIN REGULATOR] is easy and transparent	1	2	3	4	5	6	7
_6 I have confidence that I can rely on the advice and guidance [D2DUM MAIN REGULATOR] provides	1	2	3	4	5	6	7
_7 [D2DUM MAIN REGULATOR] understands my business well enough to provide advice that is tailored to my circumstances	1	2	3	4	5	6	7

E Communications

READ OUT IF REGULATORS (NOT HMRC) SELECTED AT D2 OR D2A

I'm now going to move on to think about regulation more widely and not just the individual regulator we have been discussing.

ASK ALL

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

READ OUT. MULTICODE.

Inspectors or Regulatory Officers	1
Any official Government or Regulator websites	2
Any external business advisers or consultants (e.g. accountants, lawyers, specialist consultants, etc.)	3
Any Trade Associations / Business Organisations	4
Friends, family and other personal contacts (including business peers)	5
Other (PLEASE SPECIFY)	6
DO NOT READ OUT: None of these	7
DO NOT READ OUT: Don't know	8

IF USE EXTERNAL BUSINESS AGENTS (E1=3)

E3 And which of the following external business advisers or consultants do you use to help the business in complying with regulation?

READ OUT. MULTICODE.

Accountant	1
Insurance company	2
Lawyer	3
Fire consultant	4
Health and Safety consultant	5
Other external specialist consultants	6
DO NOT READ OUT: Don't know	7

3. Questionnaire

IF USE EXTERNAL BUSINESS AGENTS (E1=3)

E4 And, in the last year, approximately how much have you spent using external business advisers or consultants 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 external business advisers or consultants to help with complying with regulations? Is it because...?

READ OUT. MULTICODE.

You lack time or internal resource	1
The advice from regulators is insufficient	2
There is a lack of clarity about the legal requirements	3
You want assurance (i.e. that you are compliant)	4
You want independent advice	5
You are worried about penalties for non-compliance	6
They have more knowledge or are more specialist	7
Any other reason (PLEASE SPECIFY)	8
DO NOT READ OUT: Don't know	9

3. Questionnaire

IF MORE THAN ONE REASON AT E5 (CODES 1 – 8)

E6 And which of these is the main reason you use external business advisers or consultants to help with complying with regulations?

READ OUT. SINGLE CODE.

ONLY SHOW CODES SELECTED AT E5.

You lack time or internal resource	1
The advice from regulators is insufficient	2
There is a lack of clarity about the legal requirements	3
You want assurance (i.e. that you are compliant)	4
You want independent advice	5
You are worried about penalties for non-compliance	6
They have more knowledge or are more specialist	7
[TEXT FROM E5_8]	8
DO NOT READ OUT: 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 over the next 12 months?

WRITE IN		
Don't know	1	

IF EXPECT A DECREASE (F1=1-2)

- F3** Why do you think the regulatory burden on your business will decrease over the next 12 months?

WRITE IN		
Don't know	1	

IF DON'T KNOW AT F1 (F1=6)

- F4** Why are you unsure about the level of regulatory burden on your business over the next 12 months?

WRITE IN		
Don't know	1	

G Closing questions

ASK ALL

That's the end of the interview, thank you very much for your time. I just need to check a couple of things before you go.

ASK ALL

- G1** Would you be willing to be contacted regarding follow-up research that BEIS may undertake, to explore any of the issues raised in further detail?

Yes	1
No	2

IF CONSENT TO RECONTACT (G1=1)

- G2** And is <TELEPHONE NUMBER> the best number to call you on?

Yes	1
No (WRITE IN NUMBER)	2

ASK ALL

- G3** And finally, please could I take a note of your name?

Yes (WRITE IN)	1
Refused	2

READ OUT TO ALL

Finally, I would just like to confirm that this survey has been carried out by OMB Research and within the rules of the MRS Code of Conduct.



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