



Department for  
Business, Energy  
& Industrial Strategy

# Business Perceptions Survey 2020

Technical Report

BEIS Research Paper Number 2020/025

November 2020



**OGL**

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# Methodology and sample profile

## Background

The Government is committed to ensuring the UK maintains a world class regulatory system which enables better outcomes for the economy, society, and the environment, at least cost to business. Since 2007, the Business Perception Survey (BPS) has provided evidence of businesses' views on regulation in the UK. The survey gives valuable insight into the impact that regulation has on businesses and helps to guide Government policy on ways in which this impact could be reduced.

The Business Perceptions Survey (BPS) provides BEIS with one source of information to assess how far the measures to reduce the impact of regulation have been felt by businesses and where there is a need to focus effort.

In 2016 and 2018, there was additional focus on specific areas of law that businesses might find burdensome, as well as businesses' perceptions of the specific regulators that they dealt with.

For the 2020 survey, several additional elements were added to the survey detailed below.

In addition, a second, smaller survey was carried out to investigate the effect of alternative wording for some questions, using more neutral language.

The specific objectives were to:

- Examine businesses' perceptions of regulation and views on regulation and how these have changed since previous surveys;
- Explore what aspects of regulation and regulatory delivery are most burdensome to businesses;
- Explore businesses' views on regulators in general;
- Test whether alternative wording for some questions would have a significant impact on results.

## Methodology

For the main stage of the survey, a total of 2,014 telephone interviews, lasting an average of 25 minutes, were conducted using Computer Assisted Telephone Interviewing (CATI). A further 500 interviews were carried out using alternative wording for some questions with a similar average interview length. Interviews were carried out between 17<sup>th</sup> February and 1<sup>st</sup> May 2020. As in previous waves, all interviews were conducted with the person responsible for legal and compliance issues.

As there were several changes to the questionnaire for this wave, both the main survey and alternative wording survey were cognitively tested. A total of 15 respondents took part in the

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cognitive testing (10 respondents on the main survey, 5 respondents on the alternative wording survey). Testing showed that the questions were well understood by respondents, although the length of the interview was a concern for some. A small clarification of the types of regulation to consider was also added to the start of the questionnaire.

There was also pilot testing for both surveys (20 respondents on the main survey, 10 respondents on the alternative wording survey), with monitoring and evaluation of the questionnaire flow and respondent understanding carried out by the research team. Data was then sense-checked, and pilot findings collated. No further changes were made to the questionnaire.

The sample was sourced from the Market Location commercial business database. A stratified random sampling approach was used, with businesses selected based on industry sector<sup>1</sup>, size, and UK nation.

The questionnaire used for the 2020 survey is included at the end of this report. It was structured as follows:

- Business profile, performance and challenges;
- Business perceptions of compliance with and burden of regulation;
- Government's approach to regulation;
- Dealings with regulators in general;
- Use and cost of external compliance support;
- Changes to the burden of regulation in the next year.

## Fieldwork

A total of 20,000 business contacts to be used across the two surveys were drawn from the Market Location database.

In terms of determining how many attempts are made to contact an individual before a piece of sample is considered 'exhausted', our standard practice is to make a minimum of ten calls. For the main survey a total of 96,847 calls were made; 93% of the interviews were achieved within 10 calls with 7% of the interviews achieved by calling between 11 and 25 times.

In terms of the general management of the fieldwork process, a contact number for respondents to call the IFF research team was provided as were contact details for individuals at BEIS should respondents wish to confirm the bona fides of the research.

As in 2018, quotas were set by industry sector, size of business and country to ensure sufficiently robust sample sizes for sub-group analysis and comparison.

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

Table 1 shows the original interview targets and what was achieved, alongside the resulting sampling errors. Sampling errors shown are based on 50% of the group giving an answer, at the 95% confidence level.

While clearly some of the sample targets were not hit exactly, the comparability across waves was maintained, with minimal difference to the errors in comparison to previous waves.

**Table 1 Table of sample profile- by size, sector and country**

Sector	Target	Achieved	Sampling error
Total	2,000	2,014	±2.18%
Agriculture/Mining/Energy	200	195	±7.02%
Construction	200	197	±6.98%
Finance	200	161	±7.72%
Hotel/Catering	200	174	±7.43%
Manufacturing	200	267	±6.0%
Property/Management/Business Services	300	348	±5.25%
Public administration/Other	200	184	±7.22%
Retail/Distribution	300	291	±5.74%
Transport and Storage	200	197	±6.98%
<b>Size</b>			
Micro (1-9)	900	887	±3.29%
Micro (1-4)	500	543	±4.21%
Micro (5-9)	400	344	±5.28%
Small (10-49)	600	592	±4.03%
Medium (50-249)	225	272	±5.94%
Large (250+)	225	264	±6.03%
<b>Country</b>			
England	1,700	1,714	±2.37%
Wales	100	96	±10.0%
Scotland	150	147	±8.08%
Northern Ireland	50	57	±12.98%
<b>Total</b>		2,014	±2.18%

## 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 employee. A weighting matrix was developed that interlocked business sector and size, with a RIM weight applied by country.<sup>2</sup> Weighted and unweighted counts are shown in Table 2 below.

**Table 2 Weighted and Unweighted counts- by sector, size and country**

Sector	Unweighted	Weighted
Total	<b>2,014</b>	<b>2,014</b>
Agriculture/Mining/Energy	<b>195</b>	<b>87</b>
Construction	<b>197</b>	<b>252</b>
Finance	<b>161</b>	<b>33</b>
Hotel/Catering	<b>174</b>	<b>194</b>
Manufacturing	<b>267</b>	<b>126</b>
Property/Management/Business Services	<b>348</b>	<b>471</b>
Public administration/Other	<b>184</b>	<b>433</b>
Retail/Distribution	<b>291</b>	<b>346</b>
Transport and Storage	<b>197</b>	<b>72</b>
<b>Size</b>		
Micro (1-9)	<b>887</b>	<b>1,650</b>
Micro (1-4)	<b>543</b>	<b>1,277</b>
Micro (5-9)	<b>344</b>	<b>373</b>
Small (10-49)	<b>592</b>	<b>302</b>
Medium (50-249)	<b>272</b>	<b>51</b>
Large (250+)	<b>264</b>	<b>11</b>
<b>Country</b>		
England	<b>1,714</b>	<b>1,744</b>
Wales	<b>96</b>	<b>81</b>
Scotland	<b>147</b>	<b>138</b>
Northern Ireland	<b>57</b>	<b>50</b>

<sup>2</sup> Business Population Estimates 2019, BEIS

<b>Total</b>	<b>2,014</b>	
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Any weighting of survey data produces a design effect because of adjusting the dataset to be representative of the underlying population. For the main survey, this effect reduces the effective base size of the overall total from 2,014 to 864. Therefore, the sampling errors shown in Table 1 are approximations only.

## Call outcomes

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

**Table 3 Call outcomes during fieldwork**

	<b>Total</b>
Completed interviews	<b>2,014</b>
	<b>11%</b>
Refused	<b>2,497</b>
	<b>14%</b>
Number unobtainable	<b>2,166</b>
	<b>12%</b>
Not available during interviewing period	<b>751</b>
	<b>4%</b>
Active records at close	<b>8,906</b>
	<b>50%</b>
Ineligible	<b>1,382</b>
	<b>8%</b>
<b>Total</b>	<b>17,716</b>

## Changes to the questionnaire

As longitudinal comparison is critical to the aims of this survey, much of the methodology remains the same as in previous waves: sampling, questionnaire design, fieldwork and weighting process.

Where there were alterations to the questionnaire, for example regarding perceptions of regulators and with the additional open questions, time-series comparisons with previous



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surveys are not valid and are therefore not included in the report. Where there were only small wording changes (such as the definition of innovation) or a change to the way questions were asked (such as with business challenges), time series comparisons are still valid.

The key changes to the questionnaire were more extensive probing around questions related to innovation. A new phrasing for innovation was used in 2020, which was broader in scope but also more precise in language. Instead of “innovative products and services” the phrasing used was “new or significantly improved products, processes or business models.”

The following questions and statements were added or amended:

- After asking if businesses agreed that the level of regulation was an obstacle to business success, businesses were asked why they gave their response (C3).
- Businesses were asked why they said complying with regulation was the biggest challenge for their business (A10).
- Businesses were asked why they saw regulation hindering the implementation of new products, processes or business models as a challenge (A11).
- Businesses were asked whether establishing whether a new product, process or business model is compliant with regulation, is a burden (B4).
- Businesses were asked why they said that regulators could impact the implementation of new products, or not (D1A, D1B).
- Businesses were asked if they agreed that; Regulators work in a joined-up way and cooperate effectively with one another (C1).
- Businesses were asked whether the regulators that they had most contact with were; easily accessible; provide timely responses; and, cooperate effectively with one another (D2).
- The section on dealing with regulators also changed. Questions were asked about regulators in general rather than a specific regulator.
- There was also a set of questions specifically about the Office for Product Safety and Standards, which came into existence after the 2018 survey. Regulators were asked if they had dealings with OPSS and, if so, were asked the same series of statements as D2 about OPSS (D3, D4).

Furthermore, in 2020 the questions around the main challenge were asked slightly differently to previous waves. Firstly, businesses were read a list of eight challenges which they might face. There was one additional statement here compared to previous waves: “Regulation preventing or hindering implementation of a new or significantly improved product, process or business model”. This may have impacted the proportion selecting other challenges as there were more options than previous years.

Those that only identified tax administration as a challenge were not asked the follow up about their greatest challenge. A further 19% of businesses did not identify any of the seven standard answers as a challenge (not including tax administration) and were therefore also not asked their greatest challenge. Those asked about their main challenge could provide an answer

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beyond the seven listed. The 2020 figures are therefore based on all businesses that identified at least one of the eight challenges excluding tax administration. Comparisons to previous years should be treated with caution, due to the additional challenge statement and different way of asking the question.

## Key Driver Analysis

IFF Research conducted a key driver analysis to ascertain the factors which most impact businesses to perceive regulation as an obstacle to their success. The answers to this question, on a five-point agree to disagree scale, were used as the dependent variable in the model. A linear regression model was used; the general equation for this type of model is presented below.

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 \dots + e$$

Where **Y** represents the dependent variable (C2), **x1**, **x2** etc. represent the independent variables that were tested (A7, B1, B2 etc. in the questionnaire), **b1**, **b2** etc. represent the effect of a one unit increase in an independent variable on the dependent variable and **e** represents the error term, or the variance in the data that remains unexplained by the model.

Responses to a range of other potentially relevant questions were modelled using an iterative regression method to provide a ranking of which responses to these other questions had the strongest correlation to agreement with the dependent variable.

The model did not include all variables in the questionnaire, though most were included. Variables were selected for testing based on their perceived relevance to the dependent variable.

As the model requires that variables are not highly correlated to be effective, the correlation was checked within each attitudinal battery of statements (e.g. B1, C1, D2) and the items were not highly correlated. The Durbin Watson statistic is an indicator of whether correlation between variables is an issue for the model. The value for the current model was 1.916, with 2 being the ideal figure, showing that this was not an issue.

The variables below were tested for correlation. The model initially included all of these variables but iteratively removed those that were not found to be statistically significant. The final base size for the model was 1,815.

- Business characteristics (size, length of time established, region)
- Whether experienced any of the 8 challenges to the business (A7)
- Attitudes towards regulation (B1)
- Days spent dealing with regulation (B2)
- Total cost of regulation (B3)
- Aspects of regulation that might be a burden (B4)
- Attitudes towards Government approach to regulation (C1)

- Attitudes towards regulators (D2)
- Money spent on external advisors (E4). Note, this was tested separately due to the lower base size and found to be not statistically significant.

Different approaches were used to include respondents that gave “Don’t know” and “Not applicable” answers in the model:

- For all agree/disagree scales NA and DK (generally a small proportion) recoded as neither to keep people in the model.
- At A7, those who put “Don’t know” were coded as No.
- At B1: the “Don’t Know” and “Not Applicable” answers were removed, as there was not a middle point on the scale.

The R squared value of the model was 0.27, meaning it explained 27% of the variance in attitudes towards regulation. While this means that a lot of variance remains unexplained, statistical models are a simplified representation of a very complex world and consequently R-squared values tend to be quite moderate. In this context a value of 0.27 can be regarded as acceptable. The models are of value in helping to understand which of the factors observed are driving the dependent variable and of those that are which have a larger and which a smaller effect.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.528	0.233		10.836	0.000
Most regulation is fair and proportionate	-0.130	0.028	-0.114	-4.674	0.000
Maintaining my reputation with customers	0.105	0.027	0.107	3.861	0.000
Regulators have sufficient resources to adequately enforce non-compliance	0.105	0.023	0.098	4.595	0.000
Complying with regulation	0.209	0.053	0.092	3.912	0.000
I have confidence that I can rely on the advice and guidance regulators provide	-0.088	0.025	-0.079	-3.472	0.001
Giving my business a competitive advantage	0.074	0.024	0.079	3.080	0.002

It is easy to comply with regulations	-0.073	0.025	-0.071	-2.911	0.004
Generally it is clear what the purpose of regulation is	-0.080	0.026	-0.071	-3.121	0.002
Level of tax	0.152	0.050	0.065	3.070	0.002
Saving my business money:	-0.072	0.025	-0.062	-2.862	0.004
Any change to cost to business of complying with regulation	0.076	0.029	0.057	2.602	0.009
Regulation preventing or hindering implementation of a new or significantly improved product, process or business model	0.143	0.057	0.056	2.535	0.011
Maintaining my reputation with customers	0.092	0.039	0.055	2.394	0.017
Complying with the law	0.052	0.024	0.052	2.185	0.029
Meeting insurance requirements	0.061	0.028	0.048	2.135	0.033
The government understands business, technology and industry well enough to regulate	-0.047	0.025	-0.045	-1.899	0.058
Meeting insurance requirements	0.048	0.023	0.045	2.056	0.040
Avoiding sanctions due to non-compliance	0.042	0.023	0.043	1.821	0.069
Scotland	0.156	0.086	0.037	1.812	0.070
NWest	0.118	0.072	0.034	1.649	0.099

## Alternative testing

As mentioned above, several of the questions in the survey were tested with alternative wording on 500 businesses, to see if this had an impact on results. Table 4 shows a list of the questions and their alternative wording which was tested.

**Table 4 Alternative wording questions**

Main Survey Question Wording	Alternative question wording
<p>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. To what extent do you agree or disagree that this is a burden for you?</p>	<p>I will now read out a series of activities your company might undertake when complying with regulation. For each, please indicate whether or not you agree the impact on your business is appropriate. To what extent do you agree or disagree that the impact on your business is appropriate?</p>
<p>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...?</p>	<p>Overall, would you say that the level of regulation in the UK has a positive impact, negative impact or no impact on your business's success?</p>
<p>Why do you [INSERT RESPONSE OPTION FROM C2] that the overall level of regulation in the UK is an obstacle to your business's success?</p>	<p>Why do you say that the level of regulation in the UK has [INSERT RESPONSE OPTION FROM C2] on your business's success?</p>
<p>In the next 12 months, do you think that the burdens resulting from regulation will decrease, stay the same, or increase?</p>	<p>In the next 12 months, do you think that the amount of work required to comply with regulation will decrease, stay the same, or increase?</p>

# Survey Results

## Business profile, performance and challenges

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.

	2020	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
Base: All respon dents	2,014	2,001	2,000	2,203	2,294	2,000	1,000	1,000
None	-	-	-	-	25%	30%	31%	-
1-4	63%	63%	62%	63%	39%	44%	36%	51%
5-9	19%	18%	19%	19%	22%	15%	12%	22%
10-19	8%	9%	9%	9%	7%	6%	9%	11%
20-49	7%	6%	7%	7%	6%	3%	7%	11%
50-99	1%	1%	1%	1%	0%	1%	2%	1%
100- 249	1%	1%	1%	1%	0%	0%	1%	2%
250- 499	0%	0%	0%	0%	0%	0%	0%	1%
500- 999	0%	0%	0%	0%	0%	0%	0%	0%
1,000+	0%	0%	0%	0%	0%	0%	0%	0%
Don't know	-	-	-	-	1%	0%	0%	0%

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

	2020	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
Base: All respondents	2,014	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Agriculture/ Mining/ Energy	4%	4%	5%	4%	3%	6%	6%	4%
Construction	12%	12%	12%	12%	19%	12%	10%	9%
Finance	2%	2%	2%	2%	2%	1%	2%	2%
Hotel/ Catering	10%	10%	10%	10%	3%	11%	7%	6%
Manufacturing	6%	6%	7%	7%	6%	12%	6%	7%
Property/ Management/ Business Services	23%	23%	23%	29%	34%	13%	29%	21%
Administration/ Other services	22%	22%	22%	14%	18%	29%	17%	30%
Retail/ Distribution	17%	18%	19%	19%	11%	13%	19%	17%
Transport and Storage	4%	3%	3%	3%	5%	4%	4%	40%

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

	2020	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
Base: All respondents	2,014	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Less than a year	6%	2%	0%	1%	2%	4%	2%	3%
1-3 years	19%	6%	10%	8%	10%	10%	14%	6%
4-5 years	13%	9%	8%	6%	9%	10%	10%	4%
6-20 years	49%	45%	46%	44%	47%	41%	41%	37%
More than 20 years	13%	38%	34%	42%	32%	34%	32%	50%
Don't know	0%	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?

	2020	2018	2016
Base: All respondents	2,014	2,001	2,000
Yes – to countries in the EU	22%	16%	30%
Yes – to countries outside of the EU	16%	13%	23%
No (only sell within the UK)	75%	80%	-
Don't know	1%	0%	-

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...?

	2020	2018	2016	2014
Base: All respondents	2,014	2,001	2,000	2,203
_1 Increased your staff headcount	32%	25%	30%	23%
_2 Increased the amount you export to other countries	8%	6%	9%	8%
_3 Started offering new products or services	34%*	27%	39%	34%
_4 Started working in new business markets	24%	20%	25%	19%
_5 Increased your sales turnover	57%	50%	50%	45%
_6 Increased your capital investment	39%	32%	42%	34%
_7 Reduced your staff headcount	16%	13%	17%	18%
_8 Seen a decrease in your sales turnover	22%	18%	29%	27%

\*wording changed to “Implemented a new or significantly improved product, process or business model”



A7: I am going to read out eight challenges which may affect your business. Please indicate which of these, if any, present a challenge to your business:

	2020
Base: All respondents	2,014
Attracting and retaining customers	46%
Level of tax	36%
Complying with regulation (excluding tax administration)	33%
Staff recruitment and / or retention	31%
Access to finance	27%
Administration around tax	25%
Regulation preventing or hindering implementation of a new or significantly improved product	21%
Staff redundancies	9%

A9: Excluding tax administration, which ONE would you say presents the greatest challenge to your business?

	2020	2018	2016	2014
Base: All respondents	Base: All other than tax administration or none of the challenges (1,638)	2,001	2,000	2,203
Access to finance	12%	8%	10%	12%
Complying with regulation	11%	17%	15%	11%
Level of tax	14%	17%	18%	17%
Staff recruitment and/or retention	16%	17%	16%	9%
Staff redundancies	0%	2%	1%	3%
Attracting and retaining customers	31%	32%	36%	45%
Something else	7%	2%	1%	2%
Don't know	1%	1%	0%	0%

None of these	-	5%	3%	-
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A10: Can you explain why complying with regulation is the greatest challenge to your business?

2020	
Base: All businesses that said complying with regulation is their greatest challenge	196
Too much time spent on compliance	32%
Cost of compliance too high	20%
Regulations change too frequently	20%
Complexity of regulations	18%
Excessive volume of regulation in general	13%
Specific regulations are a challenge	9%
Rigidity of regulations / too restrictive	8%
Volume of new regulations	7%
Regulations not proportionate to size of business (inc. relevance)	6%
Lack of consistency across regulators	5%
Amount of paperwork / red tape	5%
Lack of advice / guidance around regulations	5%
Have to improve staff knowledge / increase training for staff	2%
Heavy handedness of regulators / fear of regulator	2%
Regulations open to interpretation / lack of clarity	2%
Other	3%
Don't know	1%

A11: Can you explain why regulation hindering the implementation of a new or improved product, process or business model is the greatest challenge to your business?

	2020
Base: All businesses that said regulation hindering innovation is their biggest challenge	126
Complexity of regulations	29%
Cost of compliance is too high	19%
Amount of paperwork / red tape	13%
Rigidity of regulations / too restrictive	12%
Too much time spent on compliance	11%
Excessive volume of regulation in general	10%
Compliance slows down the implementation of new processes / products	10%
Challenge of complying with GDPR	7%
Regulation changing as a result of Brexit	7%
Regulations change too frequently	6%
Have to improve staff knowledge / increase training for staff	6%
Regulations not proportionate to size of business (inc. relevance)	5%
Planning regulations hinder development	4%
Impact of complying with increased environmental regulation	3%
Lack of consistency across regulators	3%
Heavy handedness of regulators / fear of regulator	3%
Volume of new regulations	3%
Makes it difficult to hire new staff	3%
Regulations are unsuitable in sector	2%
Regulations open to interpretation / lack of clarity	2%
Not all companies comply with regulation	1%
Lack of advice / guidance around regulations	1%
Lack of notice for new regulations	*%
Regulation around developing specific product types is very tight	*%
Other	15%

Don't know	*%
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## 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 2020: 2,014 2018: 2,001 2016: 2,000		Essential	Very important	Fairly important	Not very important	Not at all important	Don't know	N/A
_1 Maintaining my reputation with customers	2020	57%	37%	4%	1%	1%	*%	*%
	2018	49%	42%	5%	1%	1%	0%	0%
	2016	61%	34%	3%	1%	0%	0%	0%
_2 Giving my business a competitive advantage	2020	29%	41%	19%	6%	3%	1%	1%
	2018	25%	40%	21%	7%	4%	1%	2%
	2016	32%	38%	19%	6%	3%	1%	1%
_3 Delivering social benefits by protecting staff, customers and the environment	2020	27%	38%	24%	7%	2%	1%	2%
	2018	23%	37%	25%	9%	3%	2%	2%
	2016	43%	39%	13%	2%	1%	0%	1%
_4 Avoiding sanctions due to non-compliance	2020	42%	33%	11%	7%	3%	1%	3%
	2018	37%	38%	10%	5%	5%	2%	3%
	2016	44%	32%	13%	4%	3%	2%	3%
_5 Saving my business money	2020	31%	38%	21%	6%	2%	1%	1%
	2018	31%	44%	15%	5%	3%	1%	0%

	2016	33%	42%	18%	3%	3%	1%	1%
_6 Complying with the law	2020	62%	32%	4%	1%	1%	1%	*%
	2018	57%	36%	5%	1%	0%	0%	0%
	2016	55%	36%	8%	1%	0%	0%	0%
_7 Meeting insurance requirements	2020	48%	33%	13%	4%	1%	*%	*%
	2018	42%	41%	12%	3%	2%	0%	1%
	2016	51%	32%	10%	4%	1%	0%	1%
_8 Meeting supply chain requirements	26%	29%	19%	10%	6%	2%	9%	26%
	2018	23%	33%	19%	9%	6%	2%	8%
	2016	26%	29%	20%	7%	5%	2%	10%

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.

	2020	2018	2016
Base: All respondents	2,014	2,001	2,000
No time at all	5%	6%	9%
Less than half a day	8%	13%	9%
Half a day to a day	8%	16%	14%
1 - 2 days	26%	29%	33%
3 - 4 days	16%	11%	10%
5 - 10 days	14%	8%	9%
11 - 20 days	6%	3%	4%
21 - 50 days	8%	5%	5%
More than 50 days	3%	2%	1%
Don't know	6%	7%	5%
Refused	0%	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...?

	2020	2018	2016
Base: All respondents		2,001	2,000
Decreased a lot	1%	1%	1%
Decreased a little	2%	0%	2%
Stayed the same	40%	42%	42%
Increased a little	34%	30%	32%
Increased a lot	20%	23%	21%
Don't know	4%	4%	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.

Base: All respondents 2020: 2,014 2018: 2,001								
		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know	N/A
_1 The length of time it takes to go through the whole process of complying	2020	5%	21%	18%	36%	17%	1%	2%
	2018	4%	18%	16%	40%	19%	2%	1%
_2 Keeping up to date with information about which regulations your business has to comply with	2020	5%	24%	14%	38%	17%	1%	1%
	2018	5%	19%	14%	38%	22%	2%	1%
_3 Completing paperwork, filling out forms and keeping records on facts & figures	2020	4%	24%	16%	38%	16%	1%	2%
	2018	4%	21%	11%	38%	24%	1%	1%
_4 Having to provide the same information more than once	2020	6%	21%	16%	35%	18%	1%	2%
	2018	4%	17%	12%	37%	26%	1%	3%
_5 Being ready for or dealing with inspections	2020	8%	30%	19%	26%	10%	1%	6%
	2018	6%	24%	16%	32%	14%	1%	6%
_6 Obtaining licenses or permits	2020	6%	29%	20%	24%	9%	1%	10%
	2018	7%	24%	18%	27%	13%	2%	10%
_7 Understanding the differences in regulation between England, Scotland, Wales and Northern Ireland	2020	10%	29%	21%	15%	6%	3%	15%
	2018	10%	23%	17%	15%	8%	5%	23%
_8 Establishing whether a new product, process or business model are compliant with regulation	2020	6%	28%	22%	24%	10%	1%	8%

## 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: All respondents 2018: 2,001 2016: 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	2020	5%	16%	14%	59%	5%	2%	*%
	2018	7%	20%	12%	53%	4%	3%	1%
_2 It is easy to comply with regulations	2020	7%	30%	16%	40%	4%	2%	1%
	2018	10%	32%	15%	37%	3%	2%	1%
_3 Most regulation is fair and proportionate	2020	5%	19%	21%	48%	3%	3%	1%
	2018	9%	25%	17%	41%	3%	4%	1%
_4 The Government understands business well enough to regulate	2020	12%	28%	23%	30%	2%	3%	2%
	2018	17%	35%	16%	25%	2%	5%	1%
_5 The Government consults well with business before any new regulation, or change to an existing regulation, is introduced	2020	14%	31%	22%	24%	1%	7%	2%
	2018	16%	34%	17%	22%	1%	8%	2%
_6 Government informs businesses of regulatory changes clearly and with sufficient warning	2020	10%	27%	16%	41%	3%	3%	1%
	2018	11%	29%	12%	40%	3%	5%	1%
_7 Regulators have sufficient resources to adequately enforce non-compliance	2020	7%	19%	23%	35%	4%	10%	2%
	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*	2020	6%	20%	35%	27%	2%	7%	4%
	2018	7%	24%	23%	28%	2%	10%	7%
_9 The Government's approach to regulation facilitates efficient access to international trade opportunities	2020	5%	13%	30%	20%	1%	8%	22%
	2018	5%	13%	21%	18%	1%	11%	30%



_10 Regulators work in a joined-up way and cooperate effectively with one another	2020	11%	31%	24%	22%	1%	8%	3%
	-	-	-	-	-	-	-	-

\*wording altered for 2020 “The Government's approach to regulation facilitates the implementation of new or significantly improved products, processes or business models”

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...?

	2020	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
Base: All respondents	2,014	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Strongly agree	10%	15%	21%	15%	24%	32%	35%	31%
Tend to agree	27%	25%	29%	35%	30%	27%	27%	27%
Neither agree nor disagree	30%	32%	25%	10%	16%	8%	8%	8%
Tend to disagree	24%	20%	19%	33%	23%	24%	24%	24%
Strongly disagree	8%	7%	6%	5%	5%	7%	6%	8%
Don't know	2%	2%	1%	1%	1%	2%	1%	2%

C3: Why do you [INSERT RESPONSE OPTION FROM C2] that the overall level of regulation in the UK is an obstacle to your business's success?

	2020
Base: All who selected agree or strongly agree	798
Too much time spent on compliance	35%
Costs of compliance are too high	21%
Excessive volume of regulation in general	16%
Volume of regulation disproportionate for small businesses	11%
Lack of communication from government / regulators	9%
Regulations lack clarity	7%
Regulations are too complex	6%
Lack of consistency across regulators	5%
Advice from regulators/ government is unclear	5%
Regulations don't always reflect industry best practice	5%
Regulations frequently change	5%
Lack of support for small businesses	5%
Regulations don't always apply / not relevant	4%
Regulations have slowed down business development / innovation	4%
Uncertainty surrounding Brexit (agree)	3%
Slows down processes	3%
Regulations are restrictive / too rigid	3%
Not all companies abide by legislation / not a level playing field	2%
Other (agree)	18%
Other	*%
Don't know	7%

2020	
Base: All who neither agreed nor disagreed	567
Does not impact business on a day-to-day basis	24%
Accepts as necessary in some circumstances	18%
Other (neutral)	17%
Regulations are there for a reason / there to protect us / clients	9%
Too much time spent on compliance	3%
We have processes in place to manage regulation	2%
Regulations are easy to implement / understand	2%
Regulations don't always apply / not relevant	2%
Compliance gives us an edge over competitors	2%
Lack of communication from government / regulators	2%
Regulations don't always reflect industry best practice	2%
Costs of compliance are too high	2%
Industry standard - retains professionalism	2%
Regulations frequently change	1%
Regulations are too complex	1%
Regulations have slowed down business development / innovation	1%
Slows down processes	1%
Not all companies abide by legislation / not a level playing field	1%
Excessive volume of regulation in general	1%
Uncertainty surrounding Brexit (agree)	1%
Lack of consistency across regulators	1%
Other (agree)	1%

2020	
Base: All who disagreed or strongly disagreed	624
Does not impact business on a day-to-day basis	38%
Regulations are there for a reason / there to protect us / clients	28%
We have processes in place to manage regulation	10%
Industry standard - retains professionalism	6%
Regulations are easy to implement / understand	5%
Information / support available to businesses	4%
Compliance gives us an edge over competitors	3%
Uncertainty surrounding Brexit (disagree)	1%
Other (disagree)	14%
Other	2%
Don't know	14%

## Regulators

D1: Do you feel that the way a regulator behaves can affect...?

	2020 (yes)	2018 (yes)
Base: All respondents	2,014	2,001
_1 How easy it is for your business to comply	72%	73%
_2 How much it costs your business to comply	69%	74%
_3 How confident your business is that it is complying	73%	78%
_4 How willing your business is to invest in new products or areas	61%	63%
_5 How efficiently you can bring innovative products and services to the market *	66%	60%
_6 How you access international trade opportunities	32%	33%

\*wording changed "How efficiently you can implement new or significantly improved products, processes or business models"

D1a: You mentioned that the way the way a regulator behaves can affect implementation of a new or significantly improved product, process or business model. Can you explain how?

	2020
Base: All who thought regulators could impact the implementation of new products	1371
Costs / financial considerations	14%
Guidance lacks clarity	10%
Lack of communication from regulator	9%
Time consuming	9%
Regulations hold back business development	8%
Regulations are too complex	6%
Regulators don't understand industry / business	6%
How restrictive/ rigid regulations are	6%
Regulation too open to interpretation	6%
Generic difficulty complying with regulations	5%
Volume of paperwork / red tape	5%
Excessive volume of regulations in general	4%
Specific regulation is a challenge (e.g. import/export)	4%
Regulations change frequently	4%
Processes take too long to implement	4%
Affect business processes / how business works	4%
Better to have a supportive / encouraging regulator	4%
No consistency between regulators	4%
Regulators are too heavy handed	4%
Lack of support for small businesses / SMEs	3%
Lack of general guidance	3%
Regulators need to provide clear information in good time	3%
Lack of notice for change	2%
Regulations not relevant to business	2%
Provide a named contact / personal support	1%
Have to hire external consultants	1%

Regulations help business operate more effectively	1%
Introduce excessive volume of new regulations	1%
Other	6%
Don't know	17%

D1b: Why do you say the way a regulator behaves does not affect implementation of a new or significantly improved product, process or business model?

2020	
Base: All who said regulator does not affect implementation of new products or processes	403
Regulators have a low impact / no impact on our business	44%
Compliance is obligatory	18%
We haven't expanded / introduced new services or products	13%
We have processes in place to deal with regulation	9%
Business would have high standards regardless of the regulator	5%
Other	7%
Don't know	11%

D2. To what extent do you agree or disagree with the following statements regarding regulators?

Base: All businesses (2,014)							
	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Don't know	N/A
Regulators provide advice and guidance that helps my business to comply	4%	14%	18%	49%	4%	4%	8%
Guidance published by regulators is easy to locate	5%	24%	15%	42%	6%	3%	6%
The process to appeal against a decision made by regulators is easy and transparent	6%	17%	28%	18%	2%	15%	14%
I have confidence that I can rely on the advice and guidance regulators provide	5%	14%	18%	48%	6%	3%	6%
Regulators are easily accessible	6%	22%	21%	37%	3%	5%	6%
Regulators provide timely responses	6%	21%	25%	30%	3%	7%	10%
Regulators understand my business well enough to provide advice that is tailored to my circumstances	10%	28%	19%	27%	4%	5%	7%
Regulators cooperate effectively with one another	5%	21%	29%	20%	1%	13%	11%

D3: Your business has a classification which may mean it is regulated by the Office for Product Safety and Standards (OPSS). In the last 12 months have you:

	2020
Base: All who may have had contact with OPSS	298
Received or obtained advice or guidance from OPSS	1%
Interacted with OPSS but not received advice or guidance	0%
Had no interaction with OPSS	80%
Have never heard of OPSS	12%
Don't know	6%

D4: Thinking about OPSS, I'd like you to tell me to what extent you agree or disagree with each of the following statements.

Base: All who interacted with OPSS in the last 12 months (6)	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Don't know	N/A
OPSS provides advice and guidance that helps my business to comply	0%	19%	0%	79%	0%	1%	0%
Guidance published by OPSS is easy to locate	1%	31%	4%	64%	0%	*%	0%
I have confidence that I can rely on the advice and guidance OPSS provides	1%	4%	16%	79%	0%	*%	0%
OPSS is easily accessible	1%	31%	0%	68%	0%	*%	0%
OPSS provides timely responses	19%	61%	3%	16%	0%	*%	0%
OPSS understands my business well enough to provide advice that is tailored to my circumstances	20%	44%	0%	35%	0%	*%	0%
OPSS cooperates effectively with other regulators	1%	64%	19%	0%	0%	16%	0%



## Communications

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

	2020	2018	2016
Base: All respondents	2,104	2,001	2,000
Inspectors or Regulatory Officers	41%	29%	31%
Any official Government or Regulator websites	71%	53%	65%
Any external business advisers or consultants (e.g. accountants, lawyers, specialist consultants, etc.)	76%	64%	71%
Any Trade Associations / Business Organisations	55%	46%	53%
Friends, family and other personal contacts (including business peers)	56%	41%	54%
Websites (unspecified)	2%	0%	1%
Other	2%	1%	1%
None of these	4%	7%	5%
Don't know	0%	3%	0%

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

	2020	2018	2016
Base: All using external business agents	1,614	1,357	1,530
Nothing	8%	3%	2%
Under £500	6%	7%	8%
£500 - £999	10%	9%	9%
£1,000 - £4,999	33%	31%	36%
£5,000 - £9,999	15%	13%	17%
£10,000 - £19,999	9%	7%	11%
£20,000 - £49,999	6%	5%	5%
£50,000 or more	3%	2%	3%
Don't know	10%	22%	9%

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

	2020	2018	2016
Base: All using external business agents	1,619	1,357	1,530
You lack time or internal resource	67%	58%	76%
The advice from regulators is insufficient	35%	30%	42%
There is a lack of clarity about the legal requirements	54%	39%	58%
You want assurance (i.e. that you are compliant)	88%	70%	80%
You want independent advice	80%	62%	82%
You are worried about penalties for non-compliance	73%	59%	76%
They have more knowledge or are more specialist	91%	80%	92%
It is a legal requirement to do so	2%	1%	2%
Cost issues	1%	0%	1%
Any other reason	2%	3%	2%
Don't know	1%	2%	2%

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

	2020	2018
Base: All using external business agents	1,619	1,357
You lack time or internal resource	15%	18%
The advice from regulators is insufficient	1%	0%
There is a lack of clarity about the legal requirements	5%	3%
You want assurance (i.e. that you are compliant)	22%	19%
You want independent advice	5%	7%
You are worried about penalties for non-compliance	6%	8%
They have more knowledge or are more specialist	41%	39%
It is a legal requirement to do so	1%	1%
Cost issues	0%	0%
Any other reason	1%	2%
Don't know	2%	4%

## 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?

	2020	2018	2016	2014	2012	2010	2009 (NAO)	2008 (NAO)
Base: All respondents	2,014	2,001	2,000	2,203	2,294	2,000	1,000	1,000
Decrease a lot	2%	1%	1%	2%	8%	3%	4%	2%
Decrease a little	5%	2%	2%	5%				
Stay the same	40%	35%	39%	44%	47%	34%	37%	22%
Increase a little	26%	29%	31%	26%	38%	46%	53%	72%
Increase a lot	19%	24%	21%	16%				
Don't know	8%	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?

2020	
Base: All expecting regulatory burden to increase	985
Brexit fears	38%
Burden always increases	24%
Introduction of New Regulations / Altering of Existing Regulations	18%
Impact of current events	13%
Based on perception of Government policy/attitude towards regulation	8%
The more we grow, the more regulations we have to comply with	6%
Increasing Health & Safety / Environmental Regulation	5%
Regulation always changes	4%
Other	8%
Don't know	3%

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

2020	
Base: All expecting regulatory burden to decrease	140
Leaving the EU	33%
Based on perception of government policy / attitude towards regulation	22%
Increase in inhouse knowledge / more confident in how regulations work	14%
Impact of current events on trade / business	13%
Not applying for / looking for new work	4%
We've hired external advisers / outsourced this work	4%
Business is now established / don't need advice	3%
Have recently set up new processes	2%
New regulations have just been brought in	1%
Other	10%
Don't know	6%

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

2020	
Base: All unsure of future regulatory change	132
Uncertainty of Brexit / lack of a deal	31%
Can't predict what will happen (in general)	14%
Don't know the impact of current events	14%
Can't predict what the government will do	13%
Don't deal with this	9%
Regulations change all the time	5%
Regulations have no impact on business	4%
Other	5%
Don't know	18%

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# Questionnaire

## S Screener

ASK TELEPHONIST

**S1 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, 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 effect of regulation on businesses such as yours. Participating in this survey gives you the opportunity to provide feedback on your experience of complying with regulation.**

**The interview should take no more than 25 minutes.**

**We recognise that due to Covid-19 your business may be under exceptional pressure at present, but are you willing to take part in the survey?**

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: [businessperceptionssurvey@iffresearch.co.uk](mailto:businessperceptionssurvey@iffresearch.co.uk)

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## REASSURANCES TO USE IF NECESSARY

The interview will take around 25 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 you would like further information on how IFF handles and processes personal data, as well as information on your rights under data protection regulations to access your personal data, withdraw consent, or object to the processing of your personal data you can visit: [www.iffresearch.com/GDPR](http://www.iffresearch.com/GDPR)

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
- IFF Research: XXXX on XXXX or via email XXXX
- BEIS: XXX

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



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ASK ALL

**S3 Before we begin, I need to read out a quick statement regarding GDPR legislation.**

**I want to reassure you that all information collected will be treated in the strictest confidence. You have the right to a copy of your data, change your data or withdraw from the research at any point. In order to guarantee this, and as part of our quality control procedures, all interviews are recorded. Is that OK?**

Yes – agree to continue	1	
Refuse to continue	2	THANK AND CLOSE

READ OUT

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

ASK ALL

**S4 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 AND CLOSE
A local-government financed body	3	
A central government financed body	4	
DO NOT READ OUT: None of the above	5	

READ TO ALL

**S5. Thank you. Throughout this survey we will ask a number of questions about regulation. In your answers, please consider all the regulations applicable to your business. These might include company, environmental and employment laws amongst others, as well as regulations specific to your sector, but would not include laws around taxes.**

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## A Business profile, performance and challenges

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.
--

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 Implemented a new or significantly improved product, process or business model	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=2): Reduced your staff headcount	1	2	3
_8 (IF A6_5=2): Seen a decrease in your sales turnover	1	2	3

ASK ALL

**A7 I am going to read out eight challenges which may affect your business. Please indicate which of these, if any, present a challenge to your business:**

read out. single code.

DS – ROTATE STATEMENTS

		Yes	No	DK
_1	Access to finance	1	2	3
_2	Complying with regulation (excluding tax administration)	1	2	3
_3	Administration around tax	1	2	3
_4	Level of tax	1	2	3
_5	Staff recruitment and/or retention	1	2	3
_6	Staff redundancies	1	2	3
_7	Attracting and retaining customers	1	2	3
_8	Regulation preventing or hindering implementation of a new or significantly improved product, process or business model	1	2	3

A8 DELETED

ask if have any challenge other than tax administration (A7\_1, A7\_2, A7\_4, A7\_5, A7\_6, A7\_7, A7\_8 = 1)

A9 ,[if a7\_3=1: Excluding tax administration,] **which ONE would you say presents the greatest challenge to your business?**

read out. single code.

DS – ONLY SHOW ROWS SELECTED YES AT A7. 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
Regulation preventing or hindering the implementation of a new or significantly improved product, process or business model	7
DO NOT READ OUT: Something else (PLEASE SPECIFY)	8

ASK IF COMPLYING WITH REGULATION IS BIGGEST CHALLENGE (A9 = 2)

A10 **Can you explain why complying with regulation is the greatest challenge to your business?**

WRITE IN		
Don't know	1	

ASK IF regulation hindering innovation is greatest challenge (A9 = 7)

A11 **Can you explain why regulation hindering the implementation of a new or improved product, process or business model is the greatest challenge to your business?**

WRITE IN		
Don't know	1	

## 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.

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 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

ASK ALL

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

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**B2 On average, how many days in total do you or other staff spend per month dealing 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

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?**

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 STATEMENT 3 – IF RESPONDENT DOESN'T THINK THIS IS SOMETHING THEY HAVE TO DO, ENCOURAGE TO SAY 'DISAGREE' RATHER THAN N/A

DS – RANDOMISE STATEMENTS

	Strongly Disagree that 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



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_7 Understanding the differences in regulation between England, Scotland, Wales and Northern Ireland	1	2	3	4	5	6	7
_8 Establishing whether a new product, process or business model are compliant with regulation.	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.

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 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, technology and industry 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 the implementation of new or significantly improved products, processes or business models	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
_10 Regulators work in a joined up way and cooperate effectively with one another.	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 except dk at c2 (c2=1-5)

**C3 Why do you [INSERT RESPONSE OPTION FROM C2] that the overall level of regulation in the UK is an obstacle to your business's success?**

WRITE IN		
Don't know	1	

---

## 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

**D1 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?**

DS – 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 implement new or significantly improved products, processes or business models	1	2	3	4
_6 How you access international trade opportunities	1	2	3	4

---

ASK ALL WHO THINK REGULATOR AFFECTS IMPLEMENTATION OF NEW PRODUCTS/PROCESSES (D1\_5 = 1)

**D1A You mentioned that the way the way a regulator behaves can affect implementation of a new or significantly improved product, process or business model. Can you explain how?**

WRITE IN		
Don't know	1	

ASK ALL WHO THINK REGULATOR DOES NOT AFFECT IMPLEMENTATION OF NEW PRODUCTS/PROCESSES (D1\_5 = 2)

**D1B Why do you say the way a regulator behaves does not affect implementation of a new or significantly improved product, process or business model?**

WRITE IN		
Don't know	1	

ask all

**D2 Thinking about the regulators you've dealt with in the past 12 months, 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

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 Regulators provide advice and guidance that helps my business to comply	1	2	3	4	5	6	7
_2 Guidance published by regulators is easy to locate	1	2	3	4	5	6	7
_3 The process to appeal against a decision made by regulators is easy and transparent	1	2	3	4	5	6	7
_6 I have confidence that I can rely on the advice and guidance regulators provide	1	2	3	4	5	6	7
_7 Regulators are easily accessible	1	2	3	4	5	6	7
_8 Regulators provide timely responses	1	2	3	4	5	6	7
_9 Regulators understand my business well enough to provide advice that is tailored to my circumstances	1	2	3	4	5	6	7
_10 Regulators cooperate effectively with one another	1	2	3	4	5	6	7

ASK IF OPSS RELEVANT SIC CODE FROM SAMPLE

**D3 Your business has a classification which may mean it is regulated by the Office for Product Safety and Standards (OPSS). In the last 12 months have you:**

READ OUT. SINGLE CODE

Received or obtained advice or guidance from OPSS	1
Interacted with OPSS but not received advice or guidance	2
Had no interaction with OPSS	3
DO NOT READ OUT: Have never heard of OPSS	4
DO NOT READ OUT: Don't know	5

ASK IF ANY INTERACTION WITH OPSS (D3=1,2)

**D4 Thinking about the dealings you have had with OPSS in the past 12 months, 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

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 OPSS provides advice and guidance that helps my business to comply	1	2	3	4	5	6	7
_2 Guidance published by OPSS is easy to locate	1	2	3	4	5	6	7
_3 The process to appeal against a decision made by regulators is easy and transparent	1	2	3	4	5	6	7
_6 I have confidence that I can rely on the advice and guidance OPSS provides	1	2	3	4	5	6	7
_7 OPSS is easily accessible	1	2	3	4	5	6	7
_8 OPSS provides timely responses	1	2	3	4	5	6	7
_9 OPSS understands my business well enough to provide advice that is tailored to my circumstances	1	2	3	4	5	6	7
_10 OPSS cooperates effectively with other regulators	1	2	3	4	5	6	7

---

## E Communications

READ OUT if OPSS RELEVANT SIC CODE FROM SAMPLE

**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

E2 DELETED

E3 DELETED



---

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

---

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.

DS: 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?**

READ OUT. 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

**Nearly done, thank you very much for your time. I just need to check a couple of things before you go.**

**G1 Occasionally it is necessary to call people back to clarify information; may we please call you back if required?**

**REASSURE IF NECESSARY: Your details will only be used by IFF to call you back regarding this particular study.**

Yes	1
No	2

ASK ALL

**G2 If BEIS and their partners in this survey wish to carry out follow-up research within the next 2 years on related issues or any would it be ok for them or their appointed contractors to contact you?**

Yes	1
No	2

IF CONSENT TO recontact (G2=1)

**G3 And is <TELEPHONE NUMBER> the best number to call you on?**

Yes	1
No - write in number	2

ASK ALL

**G4 And finally, please could I take a note of your name?**

Yes (WRITE IN)	1
Refused	2

THANK AND CLOSE

**I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.**

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