Business attitudes to investing

How to unlock a growth mindset in the UK

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BARCLAYS

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Executive summary

It is widely acknowledged that the UK faces an under-investment challenge – particularly regarding business investment – that is estimated to have cost the UK economy as much as £354.3 billion[1] in lost opportunity between 2006-2021, versus where it would have been if it had maintained pace with the G7 average. This is of concern to businesses and government alike.

Given Barclays' role supporting and financing business growth in both the UK and global economies, this is an area where we can offer unique insight based on customer and client interactions and our pan-economy vantage point. Barclays therefore conducted a review to better understand how businesses approach and take the decision to invest for growth, and what might be holding them back.

To consider this challenge, we used both quantitative and qualitative data inputs to consider the following question:

> ***What are the major drivers of business investment in the UK today, and how could public policy be used to amplify these to support increased levels of investment?***

Key inputs were as follows:

- **Quantitative inputs from the Barclays Business Prosperity survey** – a quarterly survey of 1000 UK businesses of all sizes, sectors and regions that explores business performance and sentiment in the UK. The survey is conducted in partnership with Opinium and is also used to create the quarterly Barclays Business Prosperity Index.
- **Qualitative conversations with small businesses** – Barclays conducts monthly qualitative research with businesses to understand their needs, perceptions and outlook. In the September 2024 wave, we specifically explored attitudes to investing for growth with six small businesses that have; have not; or are planning to invest for growth.

Overall, our report found that there is appetite among UK businesses to invest – but it could be higher. In Q3 2024, 29% of UK businesses were planning to decrease their investment. Additionally, there is low appetite among businesses to borrow to invest, with just 32% having done this in the past 12 months. Of those that had considered borrowing to invest but did not proceed, 27% cited a preference for using cash reserves as their reason for this. These findings suggest that two in five firms are not investing for growth regardless of the source of finance, which leaves potential for improvement that could benefit the economy.

Where businesses were motivated to invest in Q3 2024, this was typically driven by competitive pressure, the need for digital adoption and resilience, skills cultivation, and opportunism (opportunities that are 'too good to miss'). They were put off investing by the economic context and high interest rates, political uncertainty, business size (smaller businesses feel they have less capability/capacity to invest), and skills availability in the market.

[1] IPPR, Now is the time to confront the UK's investment-phobia, June 2023. Based on analysis of OECD (2023) data.

However, we wanted to move beyond observing 'point in time' pressures, to better understand the thematic drivers of business decisions in this space. By standing back from the results, we were able to develop a 'typology' of business investment drivers that help to explain how businesses weigh up this decision in general.

Ultimately, we identify the following key drivers of business appetite to invest:

- **Foundational drivers:** Perceptions of risk in the external operating environment
- **Necessary drivers:** Immediate pressures businesses feel the need to respond to
- **'Big bet' drivers:** Opportunities to materially grow or evolve their business.

Having identified our three 'types' of investment driver, we considered what the consequences of these learnings might be for the UK government and policymakers. Overall, we identify the following key findings, and put forward five policy recommendations in response to them:

Low appetite and demand for investment is one of the biggest inhibitors of business investment – and 'big bet' investment in particular – in the UK right now. To address this, the government needs to increase its focus on fostering business demand and confidence to invest, with the aim of unlocking an entrepreneurial spirit across the UK business population. This should include efforts to improve business awareness and education on how, why and where to invest, with the goal of igniting an appetite for growth even among businesses that weren't considering it.

Recommendation #1 **Narrative**	*Government should actively advance a narrative of confidence, aspiration and ambition, coupled with a rigorous approach to providing long-term policy certainty in order to boost business confidence.*
Recommendation #2 **Tools and education**	*Government should pursue more action-oriented positioning, and a single point of entry, for its own SME business support materials to inspire and mobilise smaller businesses to pursue growth ambitions – no matter how modest.*
Recommendation #3 **Opportunity spotting**	Local government and mayors should be leveraged to deliver more proactive signposting of SME opportunities within local communities. This should include the development of bespoke local action plans based on local economic data (see recommendation #5) combined with the use of real-world case studies to bring to life where and how businesses can invest to realise these opportunities.

It is apparent that businesses do not currently see environmental and sustainable investment as a 'necessary' investment driver. This has consequences for achieving UK Net Zero targets and risks limiting the potential economic benefit of transitioning. It is therefore something that the government may want to take action to address as a priority.

Recommendation #4
Environmental and sustainability urgency

The government should be aiming to make environmental and sustainability investment feel like a 'necessary' investment driver for all UK businesses.

Ensuring strong '*foundational drivers*' are in place is fundamental to unlocking business investment across businesses of all sizes. The government would benefit from actively tracking (at both a national and a local level) and targeting a base level of business confidence in the economy, to inform policy prioritisation and narrative-setting in relation to the UK business and economic landscape.

Recommendation #5
Setting a business confidence target

The government should seek to establish an official measure of foundational investment drivers in the UK – including the relative impact of different components – and hold itself publicly accountable to achieving an agreed target level for the UK economy. The underpinning data should be available at a regional level with local government actors expected to deeply understand their local strengths and weaknesses, and build bespoke local action plans in response (see recommendation #3).

Gap analysis and research question

It is widely acknowledged that the UK faces an underinvestment challenge. Analysis of OECD comparative data conducted by the Institute for Public Policy Research (IPPR) shows that the UK sees the lowest levels of total investment out of the G7 economies, and private sector investment is of particular concern. In 2023, private sector investment in the UK was around 10% of GDP, compared to the OECD average of around 13-14% for the rest of the G7 economies (public sector investment is also below the G7 average).[1]

The current UK position reflects worsening trends over time. According to the IPPR, "*the last time the UK was above the G7 median level of investment as a proportion of GDP was in 1990*". Regarding private sector investment specifically, the UK has seen a notable drop relative to other G7 nations – in 1995 it was ranked 3rd across the G7 (second only to Germany and Japan), whereas now it ranks last.[2]

But why is the UK position so poor relative to peers? Looking at UK performance in isolation, there are two key moments that can be seen in the data, which impacted business investment over the past two decades. First, the global financial crisis of 2008, and second, the UK's referendum and exit from the EU (2016 and 2020 respectively).[3] Both are realities that the UK has had to navigate and respond to. However, the data suggests that the UK may have been slower to bounce back from these moments – and the financial crisis in particular - compared to peers[4] , raising the question of what can be done moving forward to recover this lost ground.

Taking a more thematic view, it is recognised that the UK's R&D expenditure is about 2.9-3% of GDP,[5] which was above the OECD and EU average, but below leading nations such as the USA (3.5% of GDP), Japan (3.3%) and Germany (3.1%).[6] There has also been underinvestment in skills and vocational training, with "*UK public spending on education at 3.9% of GDP in 2018. This was 19th highest out of the 37 OECD members with data on this measure, and below the OECD average of 4.1%*".[7] This impacts the development of a highly skilled workforce necessary for modern industries, creating a skills shortfall being felt by many sectors across the UK at present.

Finally, UK infrastructure is a recognised area of particular difficulty. EY estimates that a shortfall of £700bn by 2040 exists for capital projects in the UK.[8] This is supported by the National Infrastructure Commission's latest five-year assessment, which has suggested that "*overall investment must increase from an average of around £55 billion per year over the last decade (around ten per cent of UK investment) to around £70 to 80 billion per year in the 2030s and £60 to £70 billion per year in the 2040s. Public sector investment will need to rise from £20 billion per year over the last decade to around £30 billion in the 2030s and 40s*".[9] This is required in order to meet future infrastructure demands across sectors, and to achieve net-zero emissions targets by 2050.

[1]IPPR, Now is the time to confront the UK's investment-phobia, June 2023. Based on analysis of OECD (2023) data.
[2]IPPR, Now is the time to confront the UK's investment-phobia, June 2023. Based on analysis of OECD (2023) data.
[3]Office for National Statistics (ONS) statistical bulletin, Business investment in the UK: April to June 2024 revised results, released 30 September 2024
[4]IPPR, Now is the time to confront the UK's investment-phobia, June 2023. Based on analysis of OECD (2023) data.
[5]ONS, UK gross domestic expenditure on research and development (2022 edition), August 2024
[6]House of Commons Library, Research and Development Spending, September 2023
[7]House of Commons Library, Education spending in the UK, November 2021
[8]EY, Mind the (Investment) Gap, updated September 2024
[9]National Infrastructure Commission, Second National Infrastructure Assessment, October 2023

Collectively, the IPPR estimates that the shortfall in business investment alone has contributed to a loss of £354.3 billion between 2006-2021, compared to where the UK would have been had it maintained pace with the G7 average. This figure rises to a total of £562.7 billion of lost investment if both private and public figures are included.[10] UK productivity has also been poor, growing at an average annual rate of just 0.3% between 2010 and 2020 – significantly below the pre-financial crisis trend of c. 2% per year.

In this context, the UK urgently needs to foster an economic environment that is conducive to sustainable and long-term business investment, innovation, and competitiveness in the global market. The UK's economic history cannot be changed. We now need to find new ways to unlock and accelerate investment – and business investment in particular – in response, which will be critical to delivering long-term economic growth and prosperity for the future.

The challenge is well recognised by the newly elected government. 'Kick-starting economic growth' was one of Labour's five 'national missions' that it campaigned and was elected on during the 2024 General Election. The party explicitly called out 'boosting investment' as key to this mission, with Rachel Reeves emphasising this point in her Autumn Budget speech (and throughout the lead up to it) saying that her priorities are "*invest, invest, invest*".[11] Overall, the Party has said it will use "*every available lever*"[12] to achieve this, including the use of public investment to support and de-risk additional private investment.

In support of this mission, the government is implementing a number of initiatives to unlock the necessary investment for growth, including:

The establishment of the **National Wealth Fund (NWF):** This represents £5.8bn of funding to be spent over the parliament to support the Party's growth and clean energy missions. The NWF is explicitly intended to help 'crowd in' private investment into strategic sectors.

Planning reform: Intended to unlock and rapidly deliver more homes, as well as other critical national infrastructure (e.g. green).

The Industrial Strategy: The government is consulting[13] on the proposed approach to its new Industrial Strategy that will "*ensure a pro-business environment... that supports innovation, investment and high-quality jobs*".[14]

Business tax reform: The government has published a roadmap for business taxation for the next parliament to allow businesses to plan investments with confidence.[15]

Devolution: Finally, the Labour government intends to pursue further devolution and empowerment of UK regions to create their own 'local growth plans'.

[10] IPPR, Now is the time to confront the UK's investment-phobia, June 2023. Based on analysis of OECD (2023) data.
[11] HM Treasury, UK Chancellor's Autumn Budget Speech, October 2024
[12] Labour Party, Labour Party Manifesto 2024, June 2024
[13] HM Treasury consultation paper, Invest 2035: the UK's modern industrial strategy, October 2024
[14] Labour Party, Labour Party Manifesto 2024, June 2024
[15] HM Treasury policy paper, Corporate Tax Roadmap 2024, October 2024

The manifesto also confirmed that "*Labour will also act to increase investment from pension funds in UK markets*", with the Chancellor using her first Mansion House speech to announce plans to encourage more consolidation of defined contribution pension schemes, and more efficient pooling of assets from existing Local Government Pension Schemes (LGPS). The measures are intended to unlock scale investment for businesses and infrastructure.

Similarly, at Barclays we know that when businesses grow and prosper, so does the wider economy. We provide the services and the funding to enable businesses to invest in their growth – from startup, to Initial Public Offering (IPO) and beyond. This includes not only direct lending and advice products, but a wealth of other holistic growth support, education, and acceleration tools such as the Barclays Eagle Labs (a growing network of 40+ physical locations across the UK that aim to incubate, inspire and educate UK founders, startups and scaleups and help them succeed and grow anywhere in the country) and our Demo Directory (a digital platform that helps scaling businesses to navigate the funding landscape and connect to potential investors and vice versa). Since its inception in 2015, Barclays Eagle Labs has supported over 17,050 SMEs, who have gone on to raise more than £4.65 billion in external lifetime funding to grow their business.

However, in line with the wider literature on this topic, we have also observed that business appetite and confidence to invest appear to have lessened over time. In July 2024, we partnered with Opinium to survey 1000 businesses to understand their appetite for future investment and growth in Q2 2024.[16] Despite just over half (55%) of businesses saying they are planning to invest more in their business over the next 12 months, over a third of UK businesses said they were planning to invest less. When the same questions were re-run in Q3 for the purposes of the following report, a similar finding was identified, indicating that this is not a 'point in time' issue.

These are concerning figures for government and the economy at large. To drive future prosperity and meet its economic ambitions, the UK government needs more businesses to be investing for growth. Indeed, in the October 2024 iteration of HM Treasury's 'Areas of Research Interest', the government highlights the drivers of investment as a key area for further exploration.[17] We therefore wanted to gain a better understanding of exactly what contributes to a business' decision to invest (or not), and whether there is anything that policy makers could do to increase business propensity to invest.

To understand this challenge in more detail, this report undertakes a data-driven approach to answering the question:

> ***What are the major drivers of business investment in the UK today, and how could public policy be used to amplify these to support increased levels of investment?***

[16]Q2 sample: 1000 UK business decision makers responsible for growth targets and companies' performance. 25% 10-49 employees; 25% 50-249 employees; 50% 250+ employees. Results are unweighted. Fieldwork dates: 28th June – 15th July 2024.
[17]HM Treasury, Areas of Research Interest, November 2024 (item 1.5)

Methodology

To consider this question, we undertook a two-part research approach combining both quantitative and qualitative data inputs:

1. Quantitative data inputs from the Barclays Business Prosperity Index:

The Prosperity Index is a quarterly survey – supplemented by proprietary Barclays data – that offers a regular view of business performance and sentiment in the UK. The survey component of the Index is conducted in partnership with Opinium using a sample of 1000 UK businesses of all sizes, sectors and regions.[18] It asks businesses for their views on 40 survey questions, covering a range of topics including business confidence, investment plans and perspectives on the economic, political and geopolitical environment in which they are operating. Key questions we used inform the findings of this report can be found in Appendix 1.

Note that the Q3 2024 survey was in the field from 11th-28th October 2024, just before the Autumn Budget. This may have impacted business sentiment both in terms of anticipated Budget measures, and general outlook. However, this report seeks to explore the underlying barriers and enablers to investment decisions, rather than reactions to or views on specific events. For that reason, we believe the data as gathered is sufficient for the purposes of the below analysis.

2. Qualitative inputs from small businesses:

In September 2024, Barclays conducted qualitative research to explore attitudes to investing for growth, and the role of public policy in facilitating this, with six businesses at various stages of their investment journey. Conversations were conducted with those businesses, with responses captured verbatim and quoted throughout the report:

Two businesses that have taken the decision not to invest to grow their business in the next 12 months.	Two businesses that are planning to invest to grow their business in the next 12 months, but haven't done so yet.	Two businesses that have invested to grow their business in the past 12 months.

[18]Q3 sample: 1000 UK business decision makers responsible for growth targets and companies' performance. 200 micro businesses (0-9 FTE); 200 small businesses (10-49 FTE); 200 medium businesses (50-249 FTE); 400 large businesses (250+). Results in this report are unweighted. Fieldwork dates: 11th-28th October 2024.

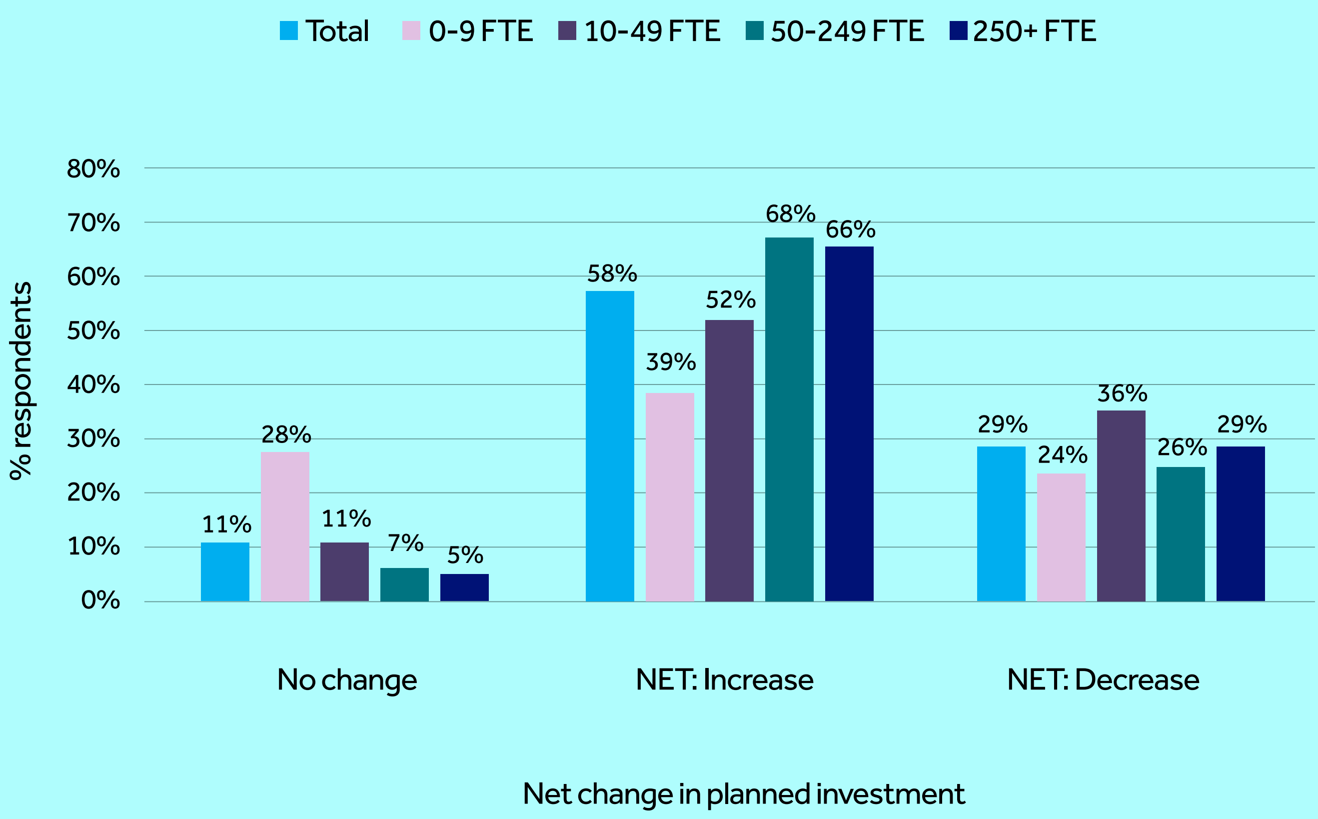
Results

Is there currently appetite among UK businesses to invest?

Latest data from the Barclays Business Prosperity Index survey shows in Q3 2024, the majority of UK businesses (58% - roughly three in five) were planning to increase investment in their business over the coming 12 months. Whilst this suggests a good appetite for investment, it nonetheless remains the case that almost three in 10 (29%) were planning to decrease their investment in their business – broadly consistent with comparable data gathered in Q2.

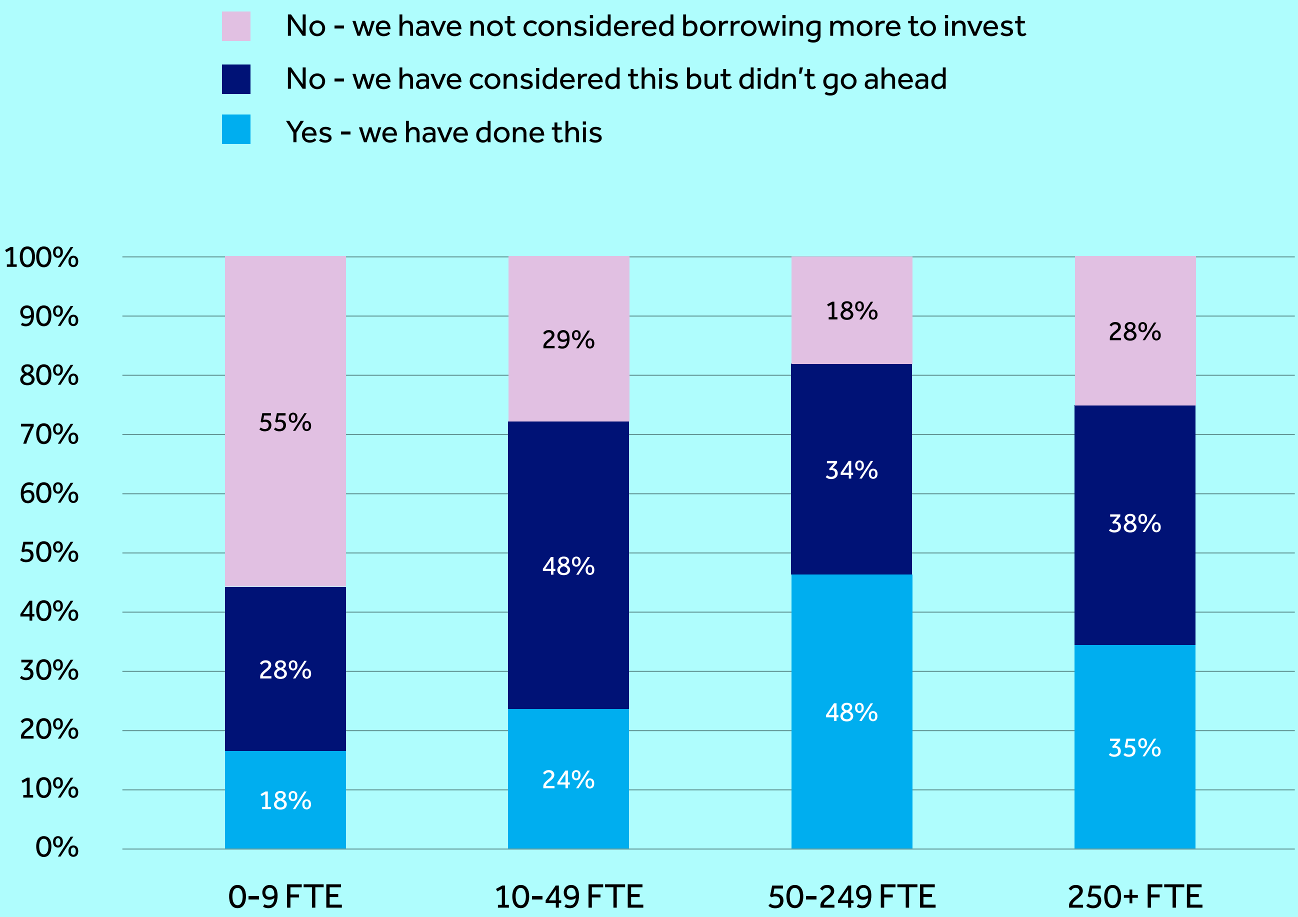
Micro and small businesses were the least likely to be planning to invest, with small businesses (10-49 FTE) the most likely group to be planning a decrease in investment (36%). By contrast, medium businesses (50-249 FTE) were the most likely to be planning to increase investment, with 68% (vs 58%) planning a net increase overall.

Table 1: Compared to the previous 12 months, what is the total planned level of investment in your business across these areas over the next 12 months?



In terms of how businesses are typically funding their investment, just one in three businesses (32%) said they had borrowed to invest in the last 12 months, while a further third (36%) considered this but did not move ahead. Again, smaller businesses were less likely to have borrowed, and larger businesses were more likely to have borrowed.

Table 2: Has your business borrowed to invest in the last 12 months?



Of those that had considered finance but did not move ahead, high interest rates (32%), uncertainty about the economic outlook (30%), and a preference to use cash reserves rather than borrowing (27%) were the biggest reasons they chose not to. This suggests that whilst there might be appetite to invest, there is much weaker appetite to seek external finance – and debt finance in particular – to do so. Instead, businesses are typically choosing to fund their investment plans by using cash reserves.

However, appetite and funding for investment alone does not tell us why businesses plan to make that investment, or how they are taking this decision. If we want to further accelerate or unlock business investment in the UK, we need to understand what the main thematic influences are that underpin this appetite, and drive business decision-making.

What motivates businesses to invest?

Throughout the course of our exploration of the Q3 survey data and our qualitative research conversations with businesses directly, we identified a series of thematic motives that underpin businesses' attitudes and decisions regarding investment:

Competitive pressure

One of the most significant themes we identified was competitive pressure. When asked what they felt were the biggest issues facing their business, 'competition in the market' was the most commonly selected response (31% of all businesses), with 19% of businesses (rising to 25% of micro businesses) saying that this was also the biggest barrier to their growth.

In terms of how this translates into their investment decisions, it was clear that businesses were keen to invest in areas that will help them to stand out. For example, the most common response when asked what businesses would do with additional funding equivalent to 10% of annual profit was to invest it in 'marketing and advertising' (20%), followed by 'improving existing products and services' (19%) in joint second. This indicates that firms in were thinking about how to strengthen their offering and widen their customer base in a time when competitive pressures are high.

This rang true in our qualitative conversations with businesses too, with firms commenting on the need to diversify their offering if they want to succeed:

"We were originally just a gin distillery... sales were constant but weren't going anywhere. So, we pivoted to blended whisky and gin and we started to grow again."

- Alcohol company, 10-49 FTE (small business)

Digital adoption and resilience

We also observed that firms were feeling a strong need to invest in areas of their business that will ensure their long-term resilience, or future relevance. In particular, digitisation, cyber-security and the adoption of new technologies were clearly on the minds of businesses.

This theme was clearly impacting investment decisions. When asked where they would be most likely to invest if they received additional funding equivalent to 10% of annual profit, one in five businesses (19%) selected 'cybersecurity and data protection' (the joint second most popular response). Similarly, 36% of businesses – over a third – said that they plan to invest in delivering new or improved digital products and subscriptions over the next 12 months.

Furthermore, when asked how government could best help businesses to grow, a further one in five (19% again) selected 'better support and resources for digitisation and adopting new technologies'. One observation of note is that IT and Telecoms firms were particularly likely to identify this as a way government could support their growth which suggests that policy action in this space could have dual benefits – both helping businesses to digitise and evolve their own operations, whilst also supporting demand for new innovations being developed by technology firms.

Businesses also spoke during our qualitative conversations of a need to invest to 'keep pace' and remain resilient in a rapidly changing world. A number of participants talked to us about the need to 'future-proof' their operations:

"The world is changing in how training is delivered and received. We need to stay at the forefront of that if we're going to be successful in growth"

- Manufacturing, 0-9 FTE, (micro business)

One business owner spoke about how a cyber-attack had made her more aware of her business' vulnerabilities, leading her to invest in ways to deliver certain capabilities 'in house' rather than rely on third parties.

Case study: Investing to future-proof

Earlier this year, Sarah's marketing service provided for her education business experienced a cyber-attack and was no longer able to support her. Without marketing, Sarah projected that in a year her income would begin to drop and decided she would upskill herself to create an internal marketing capability. She invested in online marketing courses to gain qualifications and knowledge that will ensure the business doesn't suffer long-term.

"After the cyberattack, we were stuck. I knew that the business would be fine until the end of the school year, but next year we'd start suffering...

I knew we had to act so we invested in training; educating ourselves on how to do it in this day and age...

We're a lifestyle business – we're not looking to make loads of money, but we realised that we had to do something to keep the doors open."

- Education business, 0-9 FTE (micro business)

Workforce training and development

Access to skilled labour came through as another clear motivator when businesses were probed on how they are thinking about future investment. 41% of businesses said they plan to invest in staff training (the most commonly selected response). When further asked how government could best help businesses to grow, 19% of businesses said 'improve access to skilled labour through education (e.g. apprenticeship schemes support, access courses, vocational education)' making this the joint second most popular response.

Interestingly, this driver appears to be particularly acute among small (10-49 FTE) and medium (50-249 FTE) businesses. The most popular area of investment among the former if they received additional funding equivalent to 10% of annual profit would be 'hiring additional staff, or upskilling staff' (22%). The latter was more likely than any other business cohort to say that 'access to skilled labour' is one of the biggest issues they are currently facing in the UK.

This potentially links to the finding that 79% of businesses said that difficulty hiring skilled labour was having at least somewhat of a negative impact on their business's ability to grow.

Opportunism

Throughout our research we observed that whilst motivations to invest could be either reactive or proactive, action in response to a specific event, opportunity or context (i.e. reactive) appeared to be the more common driver.

This came through particularly strongly in our qualitative exploration, with a number of businesses talking about how a specific event 'triggered' them to take a specific investment decision. What stood out in particular was the idea of a specific opportunity emerging that was 'too good to miss'.

Case study: Seizing opportunities as they emerge

Claire, the co-owner of five hair salons, noticed that two of her local competitors were going out of business. Spotting the opportunity, she contacted them with an offer to buy their salons as they were in prime locations. She didn't want to miss out on the chance to expand her business and attract a new clientele.

"In the current climate, a lot of hairdressers have gone out of business which creates an opportunity for us…

We've got the reputation and the client base, so it's the obvious next step for us to swoop in.

Also, their salons are in amazing locations and right in the middle of town. If we don't do it, someone else will."

– Hair and beauty, 50-249 FTE (medium business)

Overall, we heard very few examples of investment motivated by growth ambitions alone – often there was another trigger or consideration involved too.

What's not motivating businesses?

Finally, it is worth noting that the need to invest in energy efficiency and sustainability initiatives ranks relatively low as a motivator for businesses to invest. Just 15% of those surveyed said that they would invest in these areas if they received additional funding equivalent to 10% of annual profit. Given that this is an issue of relatively high profile in the current social and economic narrative, it is interesting to see this doesn't always translate into business priorities when considering areas for investment.

What stops businesses investing?

Having considered the major motivators, we then turned to the question of barriers. What underlying factors appear to be putting businesses off investing, or are actively preventing them from doing so?

Economic context and high interest rates

One of the biggest themes we identified was economic context. Businesses said that 'economic uncertainty' was the second biggest issue they were currently facing in the UK (selected by 30% of businesses), and 'inflation' was the most commonly selected 'barrier to growth' over the coming 12 months. Furthermore, 23% of businesses said that they believe the current economic environment will have a negative influence on the long-term growth potential of their business.

In terms of how this translates into investment decisions, economic context appears to be one of the biggest barriers to businesses taking the decision to invest at all, and also deciding how they will fund such investment. As noted above, when asked whether they had borrowed to invest over the past 12 months, only one in three businesses (32%) said they had done so. Of those that had considered it but did not move ahead, high interest rates were the main reason for holding back (32%). This was followed by uncertainty about the economic outlook (30%), preference to use cash reserves rather than borrowing (27%), and awaiting better conditions (25%). Note that our data did not enable us to differentiate between perceived barriers to businesses, versus actual.

The preference to use cash reserves rather than borrowing is a particularly interesting finding as this is low risk, but will likely limit investment spend potential. Cash reserves can typically be assumed to be less than businesses might be able to access through external finance options. If businesses are limiting their investment plans to what they can fund from balance sheets, then that is likely to have consequences for the ambition of such plans.

Of additional note, availability of suitable lending products (17%), difficulty meeting lenders' borrowing criteria (14%), and negative past experiences with borrowing (12%) were not commonly cited, sitting 8th, 9th and 11th out of 12 possible options in the final ranking. This suggests that the availability of finance is not the primary barrier to businesses borrowing to invest – instead, appetite for finance appears to be the bigger consideration, again driven by perceptions of the economic context.

Political uncertainty

It wasn't just economic uncertainty that was on businesses' minds. Political uncertainty was also a theme across both quantitative and qualitative findings. However, the picture here was less clear cut.

The Business Prosperity Index survey data (conducted before the 2024 Autumn Budget) showed that three-fifths of businesses (61%) believe that the UK political environment will have a positive impact on the long-term growth potential of their industry over the next three years, rising to 80% among medium-sized businesses (50-249 FTE). However, 18% of businesses believed that the UK political environment will have a negative influence on the long-term growth potential of their industry, suggesting that the impact here is not clear cut.

This more negative assessment – and how it impacts investment decisions – was brought clearly to life as part of our qualitative conversations. We heard that businesses view political uncertainty as a major barrier to investing given the impact that new policies can have on operational processes and costs. Lack of clarity around future government plans makes it hard for businesses to plan their growth, with businesses minded to refrain from making significant investment decisions until the future is clearer.

"For us, it was the change in the government [that stopped us investing for growth]. We just wanted everything to settle down and see where things were at... For example, whether they'll still allow us to have our CAS [VAT exemption] - 20% of our income comes back from that, so that's a big chunk.

- Hospitality & Leisure business, 10-49 FTE (small business)

Business size – linked to capacity and capability constraints

Another clear theme that ran throughout our inquiries was around business size, with larger businesses more likely to have a greater appetite – and potentially ability – to invest.

When asked about their investment plans, micro-businesses were the least likely to say they were planning to invest, with 25% (vs 7% of all businesses) saying 'we are unlikely to invest in any areas in the next 12 months'. When asked where they would invest if they received an additional 10% of annual profits, 15% of microbusinesses said 'I don't know' (compared to 5% of all businesses, and just 1% of large businesses (250+ FTE).

Our qualitative discussion with smaller businesses suggested why this might be, with capacity and expertise highlighted as key barriers to investing. We heard how – among smaller firms – investing for growth creates additional work to be absorbed into existing workloads. This can create tensions between short-term priorities and long-term growth ambitions.

> ***"I can't just drop everything else because then the business would really suffer... No point growing something that won't exist!"***
>
> \- Alcohol company, 10-49 FTE (small business)

Smaller businesses also feel they lack expertise in this space, and don't want to rush into anything blindly. However, the additional training or research required to fully understand their options also takes time and effort.

> ***"I haven't got a clue about the software or programming needed to digitalise our services. First, I need to get my head around that, then we can make a call as to whether it's the right thing for us"***
>
> \- Manufacturing, 0-9FTE (micro business)

Access to talent

Finally, reflecting the inverse of our finding that the need for skilled labour is a driver of investment, we also heard from businesses of all sizes that the difficulty / challenges to hire the talent they need is a barrier to investing. As noted earlier in this report, 79% of all businesses said that difficulty hiring skilled labour is currently having a negative impact on their ability to grow, with 51% saying that this impact is moderate to major.

Whilst the barrier is predominantly being felt among larger businesses (86% of firms with 10+ employees report some impact, vs just 50% of micro businesses), it is also being felt by some of the smaller firms we spoke to as part of our qualitative analysis. One firm told us that:

> ***"Our work can be feast or famine. So, when we're busy we need someone who can just drop in and manage themselves. Finding people with the right skills for us is hard."***
>
> - Manufacturing, 0-9FTE (micro business)

Where could government help?

When asked how government could help them to grow (and by extension – invest for that growth) businesses most commonly said that action to 'reduce business taxes (e.g. corporation tax; business rates)' (28%) would be the number one way that government could help them grow their businesses. 'Improve access to skilled labour through education' (19%) and 'provide better support and resources for digitisation / adopting new technologies' (19%) are also commonly selected by all businesses.

As always, applying a business size lens highlights some differences in the view, with microbusinesses most likely to select 'offer and expand grants and subsidies (i.e. small business grants)' (29% vs 18% of all businesses). Read alongside the finding that microbusinesses are the least likely to have sought lending in the past 12 months suggests that this business cohort has different needs and attitudes regarding sources of finance than other types of business.

Medium and large businesses would also support a reduction in taxes but are also more likely than average to select 'improve conditions for businesses to raise funds via public and private markets' (23% and 25% respectively, vs 18% of all businesses). Once more, this gives us food for thought in terms of the types of finance that might be more or less suited to different types of business.

When we explored the same question through our qualitative research conversations with businesses, participants typically saw four major 'buckets' of action that government could take to help:

Support needed	How government could support	What businesses are saying
Help businesses free up time to prioritise growth	• Improved access to skilled labour • Action to make employment easier / simpler for businesses	*"Finding the right [employees] with the right training and mindset can be tricky...and training people up is time-consuming and could delay our growth plan"*
Help to simplify and speed up the process of growth	• Better support for digitisation • Simplify regulation and bureaucracy • Offer long-term policy certainty	*"This would benefit everyone – not just businesses... making everything simple would mean less paperwork"*
Help reduce the cost of growth	• Create more favourable conditions for start ups • Make low interest loans more readily available • Create incentives for green practices	*"Tax breaks allow young companies to actually have a shot at thriving and get off the ground"*
Help reduce the cost of growth	• Create procurement opportunities for smaller businesses	*"This is really important and shows commitment to supporting small businesses"*

Understanding business decision-making: A typology for investment drivers

Having reviewed the insights gathered in the round, we started to see a pattern emerging that spoke to how businesses approach the question of whether or not to invest in general, and how the beliefs they hold about perceived risk underpins that decision-making process.

We saw three clear 'types' of investment driver emerging which we believe offer a framework through which to understand business investment decision-making, independent of specific 'point in time' pressures:

Thematic driver	Descriptor	How our Q3 motives / barriers map
Foundational drivers	Drivers of investment that stem from businesses' overall perception of background risk and/or stability in their operating environment. Generally, these derive from a relatively consistent set of external variables that are beyond businesses' control – such as political and policy uncertainty, macroeconomic outlook and geopolitical risk. E.g. choosing to delay an investment until after a national election.	Economic context and interest rates Political certainty
Necessary drivers	Drivers of investment that stem from pressures that businesses need to respond to, simply to remain relevant or 'keep pace' in a competitive market and a constantly changing world. These pressures might evolve and change over time as market dynamics also evolve. E.g. choosing to invest in training and development for existing staff at a time when the skills market is limited.	Skills and hiring Digital adoption and resilience Competitive pressure
'Big bet' drivers	Drivers of investment that stem from an ambition or a requirement to materially evolve or change the business. These could also be considered 'leap' investments – intended to drive a step change in the scale or nature of operations. E.g. choosing to invest in a significant merger or company takeover.	Opportunism

These drivers are by no means discrete – they can interact with each other to produce different investment trends and outcomes. For example, when foundational drivers are strong, businesses may be more willing to invest in general – and to take 'big bet' investments in particular. When the foundational drivers are weaker, the converse is true.

We saw evidence to suggest that the latter scenario was in play across the UK economy in Q3 2024. Both quantitative and qualitative data suggested that – despite some green shoots – a reasonable proportion of UK businesses still perceive a relatively high level of risk in the current environment:

- Whilst 52% of businesses believe that the current level of certainty over future policy will have a net positive impact on the long-term growth of their business, a significant minority – nearly 1 in 4 (23%) – anticipate a net negative impact.

- When asked the same question in relation to 'the level of certainty over future economic conditions', 50% of businesses believed this was having a positive impact, but 26% saw it as having a negative impact.

- Businesses clearly see persistently high costs – both in terms of interest rates and in terms of business operating costs – to be a further challenge in the current environment.

In this context, we saw evidence of businesses prioritising 'necessary' investment. For example, the clear trend towards investing in existing staff could be seen as a direct and necessary response to a weak skills market in the UK at present. Similarly, investment in digitisation is a time-critical response to a rapidly digitising society – with significant consequences for both customer satisfaction and business resilience if businesses get this wrong.

Conversely, the relative de-prioritisation of investment in – for example – improved sustainability practices could also support this hypothesis. Such investment is not yet seen by businesses to be sufficiently 'necessary', to be worth the perceived risk.

We also observed that businesses are only typically taking 'big bet' investment when an opportunity appears 'too good to miss'. For example, when the benefit feels so obvious and easy to realise that it again outweighs some of the perceived risks in the business environment.

Finally, this hypothesis tallies with the observations we made around business size. Smaller businesses told us that they feel lacking in terms of the capacity and the capability to undertake significant business investment. However, when probed through qualitative conversations this was less to do with practical barriers (e.g. availability of funds) and more to do with the time and skill sets needed to critically assess options. This speaks to an environment where businesses feel there are risks and challenges that they need to understand or weigh up before they feel confident to invest.

By contrast, we know that larger businesses were more confident in their investment outlook in Q3 2024. Large firms typically have expert teams with specialist skill sets focused on questions of strategy and financial planning. Often these are supplemented by external advisors that bring further capacity and capability to support with business development, opportunity-spotting and strategy-building. Together, these observations suggest that businesses' ability to easily identify opportunities for investment and growth, as well as weigh up the relative benefits and risks associated with them, becomes a considerable determinant of investment appetite. It is reasonable to assume that in higher risk environments, this creates as a higher 'barrier to entry' for smaller firms and their investment outlook.

Overall, these observed patterns suggest that weaker foundational investment drivers create a higher 'burden of proof' to support other investment opportunities for businesses in the UK. Businesses need to believe that the benefits will outweigh the risks, so when the underlying risk environment is perceived to be high, then the benefits need to be even greater to motivate businesses to invest.

Often this means businesses choose to focus on 'necessary' investment over 'big bet' investment leaps because the time-critical nature of such investment could be seen to outweigh some of the perceived risk. But it also influences businesses' expectations of government solutions, with a clear appetite in Q3 2024 for support that would help to increase the benefits of investing by protecting the bottom line (reduced taxes; provision of grants), help businesses pursue 'necessary' investment priorities (skills and digitisation support), and identify new opportunities.

Conclusions and policy recommendations

Having drawn out the above thematic findings regarding the major drivers and inhibitors of business investment in the UK, we now return to the research question to consider how public policy could be used to support increased levels of business investment in the UK?

At a macro level, our typology provides a helpful lens through which to understand businesses' approach to investment decisions. Ultimately, we observed that businesses' perceptions of the risk / reward exchange is what determines their appetite to move 'up' the investment curve, from necessary investment towards more material 'big bet' investment. Therefore, if the government wants to encourage more businesses to invest, it needs to look at ways to give them greater confidence in the risk / reward trade-offs they are making.

At its heart, the equation to solve is deceptively simple:

1. Reduce/mitigate perceptions of risk in their operating environment in order to strengthen foundational drivers.
2. Increase/bolster perceptions of investment benefits in order to strengthen 'necessary' and 'big bet' drivers (and the latter in particular).
3. Help businesses to confidently assess this risk/reward balance, and identify opportunities for themselves.

However, the above masks a myriad of complex and extensively examined questions of 'how'. In order to influence business behaviours within this framework, we need to understand not just why businesses take particular investment decisions, but also what the most powerful 'levers to pull' are within each category to shape, change or incentivise those decisions.

With this in mind, we looked back across our insights to draw out any factors that appear particularly salient or lacking within each category of driver in Q3. These can then be used to identify specific areas that are within the gift of government / public policy to influence, to encourage greater business investment aligned to policy priorities in the UK today.

Key findings from Q3 2024 that we would draw out for policymakers from our work are as follows:

1.

'Big bet' drivers: In Q3 2024 businesses appeared to show a relatively low appetite or demand for 'big bet' investment. This is evidenced by low appetite for borrowing to invest across all businesses (i.e. businesses were more comfortable limiting their investment spend to balance sheets, suggesting potentially more limited ambition), and a particular lack of investment demand and confidence among smaller businesses. Considering how to tackle these demand-side factors is well-covered policy ground but will nonetheless be critical if the government wants to unlock a step-change in terms of business investment in the UK.

2.

Necessary drivers: In Q3 2024 it was apparent that businesses saw investment in workforce skills, competitive offering, and digitisation as 'necessary' investment areas. However, the absence of environmental and sustainable investment from business priorities suggests that such investment is not currently seen by UK businesses as a 'necessary' investment driver. This has consequences for achieving UK Net Zero targets and realising the potential economic benefits of the transition – and is therefore something that the government may want to take action to address as a priority.

3.

Foundational drivers: Ensuring strong foundational drivers are in place is fundamental to unlocking business investment across businesses of all sizes. Whilst this depends on a multitude of different factors aligning – not all of which are within the gift of policymakers – what is clear is that having a firm understanding of business confidence levels, and the main factors that are underpinning or undermining these at any point in time, is critical to predicting (and potentially encouraging) business investment overall. This raises the question of whether policymakers currently have a consistent and transparent method for doing this as 'BAU'.

In light of these observations, we offer the following recommendations to government on how to encourage greater business investment in the current environment:

First key finding: Low appetite and demand for investment is one of the biggest inhibitors of business investment – and '*big bet*' investment in particular – in the UK right now. To address this, the government needs to increase its focus on fostering business demand and confidence to invest, with the aim of unlocking an 'entrepreneurial spirit' across the UK business population. This should include efforts to improve business awareness and education on 'how', 'why' and 'where' to invest, with the goal of igniting an appetite for growth even among businesses that weren't considering it.

Based on our insights, we see business demand and appetite for investment – as opposed to supply-side limitations such as availability of finance – as one of the most pressing challenges for policymakers to consider when it comes to encouraging business investment, and encouraging 'big bet' investments in particular. Our data suggests there are two key components to this challenge:

A. Appetite for finance

Our data suggested that 82% of businesses reported some kind of challenge when accessing finance in Q3 2024. However, looking specifically at those who considered borrowing to invest in the past year but ultimately did not proceed, reasons for this predominantly related to the attractiveness of borrowing – not the ability to access it. The most commonly cited reasons why businesses chose not to borrow were linked to cost and current economic conditions, with 32% selecting 'high interest rates', 30% selecting 'uncertainty about the economic outlook', and 27% selecting 'a preference for using cash reserves over borrowing'. Note that we were unable to identify from the data whether any barriers selected were perceived (i.e. based on belief) or actual (i.e. had proved prohibitive in practice).

By contrast, 'lack of suitable lending products' (17%), 'difficulty in meeting lenders' borrowing criteria' (14%) and 'negative past experiences with borrowing' (12%) were less commonly selected as reasons why businesses didn't borrow to invest. Furthermore, when asked about the 'main issues' they are facing in the UK, 'access to finance' was only selected by 18% of businesses, placing it 11th out of 17 options.

It is worth noting that business perceptions of high interest rates and the cost of borrowing need to be taken in context. With the UK base rate currently at 4.75% (5% at the time our survey was in the field) the cost of borrowing will feel high compared to the historically low rates that have been seen over the past decade. However, looking back over the past 50 years it could be argued that the current environment is not abnormally high. Furthermore, risk-based pricing will also impact the cost that different businesses face when considering borrowing. Businesses that do not have collateral to use for borrowing (especially smaller businesses) will typically rely on unsecured lending which is often more costly – potentially being deemed 'too' expensive compared to alternative types of external finance. Our data was not able to distinguish between the types of finance businesses were considering when they selected interest rates as a barrier, but recognising that not every business will have the same options available to them is important to keep in mind.

Overall, however, these findings suggest that weakened foundational investment drivers are predominantly impacting demand for borrowing for investment – rather than supply. This means that for the large population of businesses that would typically turn to debt finance as their preferred source of external or growth finance[19] they are more likely to choose to tailor their investment plans to actions that can be funded from balance sheets. This is likely to have the biggest negative impact on demand for 'big bet' investments which are typically riskier and costlier.

B. Appetite for growth and investment in general among smaller businesses

It was also clear from our data that lack of demand is particularly prevalent among micro (0-9 FTE) and small (10-49 FTE) businesses. These businesses typically had lower than average confidence in the external environment, lower than average confidence in their own future prosperity, and lower than average investment appetite. The latter was seen across all investment types, with 25% of micro businesses saying they are unlikely to invest in any areas of their business over the coming 12 months.

This suggests that this group may be particularly vulnerable to demand-side challenges, exacerbated by weaker foundational drivers. Ultimately, these businesses appear less likely to even think about growth and investment opportunities unless these are placed directly in their path.

Whilst considerable attention has been paid in recent years to scale up businesses[20], the question of how to encourage the wider small business population to increase their ambition – even by small increments – could deliver big benefits. However, if the government wants to encourage greater business investment in the UK, further action to help unblock demand among this currently under-leveraged group is an area of high potential benefit.
We see the following as key to addressing these demand-side challenges among the SME business population:

Recommendation #1 - Narrative: Government should actively advance a narrative of confidence, aspiration and ambition, coupled with a rigorous approach to providing long-term policy certainty in order to boost business confidence.

We see and hear first-hand through our client interactions how government narratives can impact business confidence and perceptions of risk – both domestically and internationally. As a minimum, the government should be advancing an active, evidence-based narrative with the business community that emphasises the benefits of ambition and seeks to directly counter known environmental factors that are undermining appetite for risk – including aversion to borrowing. Such an approach must be supported by clear and specific proof points, and a sharp articulation of the 'why' that is compelling and speaks to business leaders at both a rational and an emotional level.

This should be supported by transparent communication of planned policy changes and timelines; consistent delivery of new requirements in line with expectations; and a commitment to long-term stability once changes have been made.

[19]British Business Bank, Nations and Regions Tracker 2021, October 2021
[20]Defined by the ScaleUp Institute as businesses that are growing their employment numbers and/or turnover by more than 20% a year over a period of three years, with at least 10 employees at the start of the period.

Recommendation #2 – Tools and education: Government should pursue more action-oriented positioning, and a single point of entry, for its own SME business support materials to inspire and mobilise smaller businesses to pursue growth ambitions – no matter how modest.

The government already offers a range of tools and resources for small businesses looking to grow – including 'Help to Grow', and through the British Business Bank. However, there is no single point of entry across these different support tools, and the materials often lack an explicit call to action regarding business ambition. This means the materials can feel overwhelming, or only resonate with businesses that have already decided they want to grow, rather than inspiring businesses to consider their potential to grow at all.

As an example of how a different approach could work, 'Be the Business' is an organisation that is seeking to change business mindsets in this regard. Their current 'Inspiring Greater Productivity' campaign actively encourages and supports all businesses to aim for just a 1% improvement in productivity per year to deliver an estimated £94 billion to the UK economy over a five-year period. They also offer practical, easy to use tools for businesses to help them achieve this.

This approach not only supports businesses to aim higher, but it lays an active challenge at their door – and one that still feels relevant and achievable to the majority of organisations. We would encourage the Government to take the example of 'Be the Business', and review the provision and positioning of its own support materials to both streamline points of entry, and increase the call to action or sense of 'mission' that businesses – and small businesses in particular – take away when using them.

Recommendation #3 – Opportunity spotting: Local government should be leveraged to deliver more proactive signposting of SME opportunities within local communities. This should include the development of bespoke local action plans based on local economic data (specific needs and opportunities – see recommendation #5) combined with the use of real-world case studies to bring to life where and how businesses can invest to realise these opportunities.

Ensuring that business support materials are action-oriented is critical – but it still doesn't help with reaching the portions of the business population that aren't even considering growth. This group are unlikely to be looking for support in the first place, so alternative mechanisms need to be considered to put such materials and opportunities in their path and position them as 'too good to miss'.

We see local government and business networks as a key mechanism for achieving this. As framed in our 'Regional access to equity finance: What are the most powerful actions local government can take to help businesses secure equity finance in the UK's nations and regions?' report[21] , we see an opportunity for local and devolved governments – working in partnership with local business groups such as the Business Chambers of Commerce as relevant – to more proactively champion investment and growth opportunities in their locality through routine engagement with business.

This should also include proactive use of local data and insights (see recommendation #5) to develop proactive local economic action plans, supported by the use of local case studies to showcase the tangible benefits to businesses of seizing such opportunities. Overall, these interactions should seek to inspire businesses to be ambitious for their future growth, and signpost the support available to help them get there.

Second key finding: It is apparent that businesses do not currently see environmental and sustainable investment as a 'necessary' investment driver. This has consequences for achieving UK Net Zero targets and risks limiting the potential economic benefit of transitioning. It is therefore something that the government may want to take action to address as a priority.

It is clear from the data that investment in environmental and sustainability initiatives is not currently seen by UK businesses as a 'necessity'. Just 15% of those surveyed said that they would invest in energy efficiency and sustainability initiatives if they received additional funding equivalent to 10% of annual profit (placing it about halfway down the list of options offered). 21% consider 'environmental and sustainability pressures' to be one of the biggest issues facing their business right now (again, about halfway down the list of 'big issues' offered).

[21] See 'Recommendation #3', Regional access to equity finance report, Barclays, July 2024

Given the UK's commitment to achieving Net Zero targets by 2030 and 2050, this lack of perceived urgency is something the government can play a key role in tackling – not just in support of international commitments, but also to realise investment potential and domestic growth opportunities in this space. It is estimated that the transition to Net Zero could represent a global market opportunity of £1 trillion for British businesses by 2030 . The Skidmore Review suggested that investment in the green transition could deliver an additional 2% growth in GDP "through the benefits from new jobs, increased economic activity, reduced fossil fuel imports and cost savings (for example, cheaper household bills)[23].

There is no single way to achieve this – different types of behaviour change will need to be driven by different types of policy instrument. For example, the best way to incentivise business investment to improve the energy efficiency of their buildings will be different to the incentives needed to encourage businesses to transition to electric vehicle fleets. However, what is clear is that the government needs to rapidly and significantly alter businesses' perceptions of 'necessity'.

Recommendation #4 – Environmental and sustainability urgency: The government should aim to make environmental and sustainability investment feel like a 'necessary' investment driver for all UK businesses.

There is no single way to achieve this, however the government should think about significantly enhancing investment incentives and establishing firmer compliance timelines across all parts of the economy in order to drive as step change. This could include the establishment of much clearer, government-backed decarbonisation pathways, coupled with specific deadlines for the uptake of certain technologies and/or business activities. This would provide businesses with a much clearer and more certain framework under which to decarbonise. All such actions should be supported by a re-invigorated drumbeat narrative of urgency and necessity.

Third key finding: Ensuring strong 'foundational drivers' are in place is fundamental to unlocking business investment across businesses of all sizes. The government would benefit from actively tracking and targeting a base level of business confidence in the economy, to inform policy prioritisation and narrative-setting in relation to the UK business and economic landscape.

[22]McKinsey, Opportunities for UK businesses in the net zero transition (article), October 2021
[23]Rt Hon Chris Skidmore MP, Mission Zero. Independent Review of Net Zero, September 2022

The presence (or absence) of foundational drivers – i.e. business perceptions of risk in the external operating environment – is a major determinant of business attitudes to investing. Whilst the underlying factors that make up these drivers (e.g. perceptions of political and economic stability; geopolitical stability; interest rates environment) are already extensively measured, we are not aware of the government formally targeting a particular level of business confidence or holding itself accountable for achieving or maintaining this level.

Doing so could provide a powerful lens through which government could take decisions on policy prioritisation and narrative building to help understand and ensure that it is having a positive impact on the foundational drivers that are so critical to business investment decisions.

Recommendation #5 – Setting a business confidence target: The government should seek to establish an official measure of foundational investment drivers in the UK – including the relative impact of different components – and hold itself publicly accountable to achieving an agreed target level for the UK economy. The underpinning data should be available at a regional level, with local government actors expected to deeply understand their local strengths and weaknesses and build bespoke local action plans in response (see recommendation #3).

There are already many trackers, indexes and tools being used in the UK that could support such an approach – including both the Barclays Business Prosperity Index, and the Office for National Statistics' Business Insights and Conditions Survey as well as other private sector business confidence trackers using a variety of techniques. We see considerable value in working to define an official model or methodology for quantifying business confidence levels (at both a national and regional level), and setting a target level for the UK economy that the government actively and publicly tracks progress towards.

Such a model should include a view of how different factors (e.g. interest rates environment; geopolitical stability; perceptions of policy certainty) are impacting the overall confidence score in any given quarter or year so that the government can seek to tackle key sources of uncertainty head-on through policy narratives and interventions as appropriate.

The measure could then be used to support the delivery of recommendations #1 and #3 by:

a. *Framing and delivering an evidence-based narrative of confidence and ambition that emphasises the benefits of ambition and seeks to directly counter known factors that are undermining appetite for risk or creating demand-side risk.*
b. *Assessing whether policy decisions will actively support business confidence and certainty. This should help to incentivise long-term policy design, stability and transparency.*
c. *Enabling local government actors to define bespoke regional action plans for their locality.*

Appendix

Questions from the Opinium / Barclays Q3 Business Prosperity Index survey, used to inform the findings of this report:

1. Which, if any, are the main issues your organisation is currently facing in the UK? Please select all that apply. *[multiple choice]*

2. Considering the current UK political environment, how do you expect it to influence the long-term growth potential of your industry over the next three years? *[spectrum from extremely negative to extremely positive]*

3. To what extent is the current UK economic environment having a positive or negative impact on the long-term growth potential of your business? *[spectrum from extremely negative to extremely positive]*

4. What areas of your business are you planning to invest in over the next 12 months? *[multiple choice]*

5. Compared to the previous 12 months, what is the total planned level of investment in your business across these areas over the next 12 months? *[multiple choice of % bands]*

6. Has your business borrowed to invest in the last 12 months? *[Y, N, considered it]*

7. You mentioned your business has considered borrowing more to invest, but has not done so. Which of the following best describes why this was? *[multiple choice]*

8. If your business received additional funding equivalent to 10% of annual profit, in which areas would you choose to invest? Please select your top three options. *[multiple choice, max 3]*

9. How confident do you feel about the future prosperity of your business in the UK over the following time periods? *[matrix: years and confidence]*

10. What are the top three ways government could help you to grow your business? Please select a maximum 3 answer options. *[multiple choice]*

11. Thinking about the next 12 months, which, if any, of the following do you think will be the greatest barriers to growth for your business? Please select all that apply. *[multiple choice]*