

SME4Labour & Opinium



Key findings

24 September 2021

Project details

PROJECT	SME4Labour & Opinium
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SAMPLE 1	504 SME decision makers 26th August - 1st September 2021
SAMPLE 2	501 SME decision makers 10 th -15 th September 2021

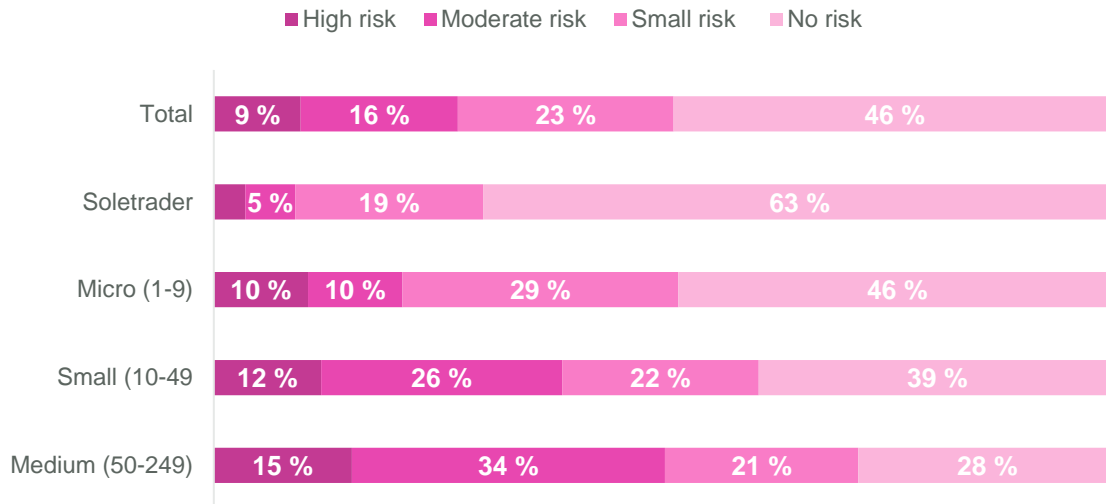
Is Labour the party of small business?

Businesses are generally feeling optimistic about the future, although there are some lingering concerns from the pandemic

Over half (54%) of businesses feel that current trading conditions are good, an increase of 10% from the start of March (44%). Younger business leaders (i.e. those aged 18-34) are considerably more optimistic with four in five (79%) reporting good trading conditions, double those aged 55+ (40%). Looking to the future and the prospects are even brighter with two thirds (65%) feeling positive about their business' prospects the next 12 months and again younger business leaders even more so at 83%.

Despite the optimism, there are still some lingering concerns from the pandemic. A quarter (26%) of businesses believe there is a high or moderate risk that their business will enter insolvency as a result of coronavirus-related disruption, although this is down from over a third (35%) in the start of March. What we do see is that the larger the business the greater the concern; while only 8% of soletraders feel there is a high to moderate risk around half (49%) of medium sized businesses (i.e. 50-249 employees) felt the same way.

Perceived risk of insolvency as a result of Covid disruption

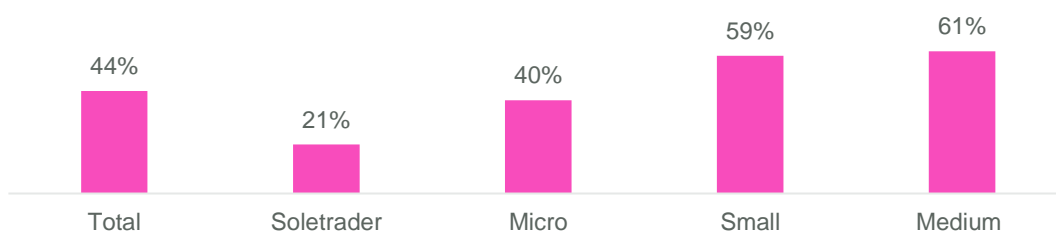


In fact, the ongoing effects of Coronavirus is the biggest challenge businesses expect to face over the next 12 months with two fifths (39%) citing this; double those who feel it will be the effects of Brexit (20%). We can also see the ramifications these two events are having on supply chains with this being the third option selected (14%).

Over two in five businesses are currently facing supply chain issues with many blaming Brexit

Over two fifths (44%) of businesses are currently facing supply chain issues, with 8% reporting significant problems and over a third (36%) saying they are facing only small problems. Larger businesses are struggling the most with supply chain issues, with three fifths (61%) of medium sized businesses currently facing issues compared to a fifth (21%) of sole traders and two fifths (40%) of micro businesses (i.e. 1 to 9 employees).

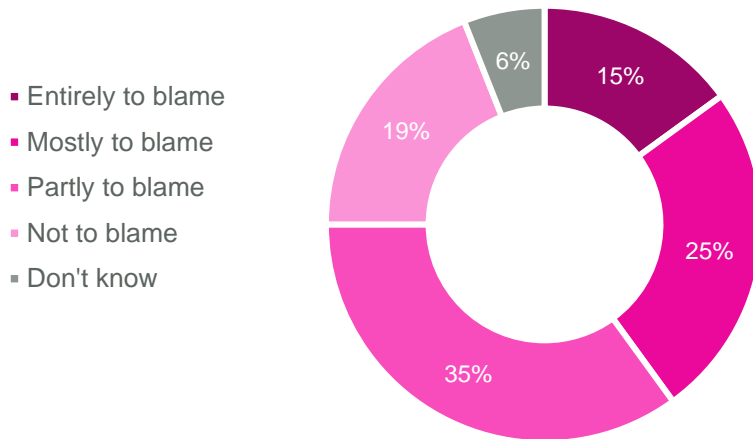
% of businesses who are currently struggling with supply chain issues by business size



Businesses place Brexit as a contributing factor to the current supply chain issues being faced by some businesses, with three in four (75%) blaming Brexit to varying degrees and this increasing to 83% of those businesses who are currently facing supply chain issues.

Two fifths (40%) blame Brexit entirely or mostly for these issues, with a further third (35%) saying Brexit is only partly to blame.

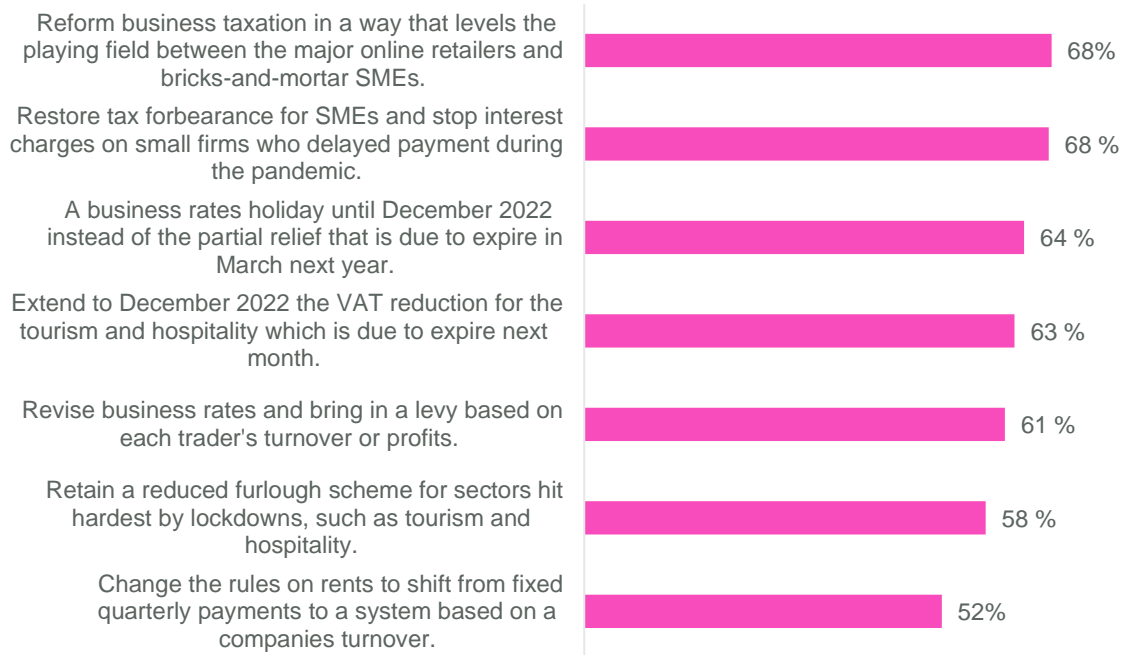
Extent that Brexit is to blame for the current supply chain issues being faced by some British businesses



A business rates holiday applied until December 2022 and reform of business taxation to level the playing field would be most helpful to businesses over the next 12 months

Despite some looming concerns, there is space for the government to support these businesses over the coming years. Over two thirds (68%) of businesses feel it would be helpful to restore tax forbearance for SMEs and stop interest charges on small firms who delayed payment during the pandemic and the same proportion (68%) want business taxation reformed in a way that levels the playing field between the major online retailers and bricks-and-mortar SMEs. In addition, businesses feel it would be helpful for the government to have a business rates holiday until December 2022 instead of the partial relief that is due to expire in March next year (64%).

How helpful government policies could be to businesses



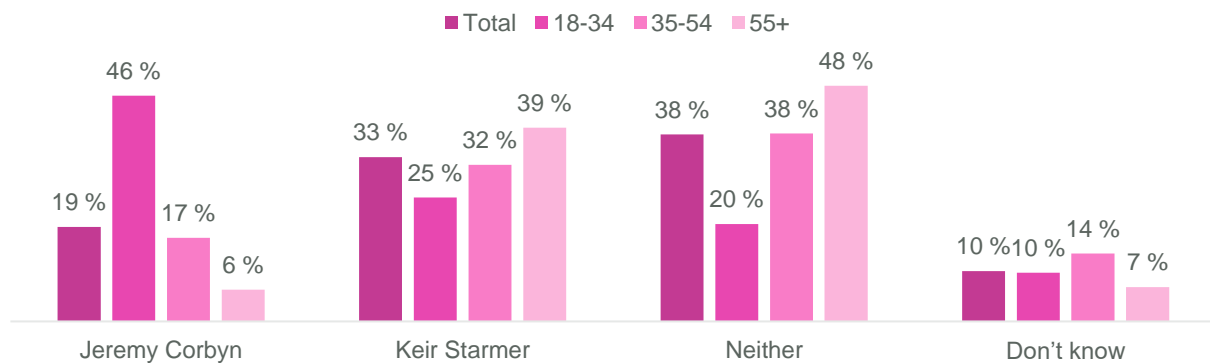
Asked more specifically about what would be most helpful for their business over the next 12 months, a fifth (20%) of businesses feel a business rates holiday applied until December 2022 instead of the partial relief that is due to expire in March next year would be of most help. The same proportion (20%) feel it would be most helpful if business taxation was reformed in a way that levels the playing field between the major online retailers and bricks-and-mortar SMEs.

Perceptions of Labour have improved under Starmer

For around half of businesses the perception of the Labour Party has improved under Keir Starmer, with 47% saying it has changed for the better compared to when Jeremy Corbyn was leader. However, a third (33%) feel there has not really been a change at all and a minority (15%) feel it has changed for the worse. Medium sized businesses are more likely to feel there has been an improvement in the party (56%) than soletraders (41%).

In addition, while two fifths (38%) feel the Labour Party would be better for small businesses without either Corbyn or Starmer as leader, a third (33%) feel that Starmer is the right person for the job, compared to only 19% who feel that way about Corbyn. Starmer gains more support among the older business leaders (25% of 18-34 year olds compared to 39% of those aged 55+).

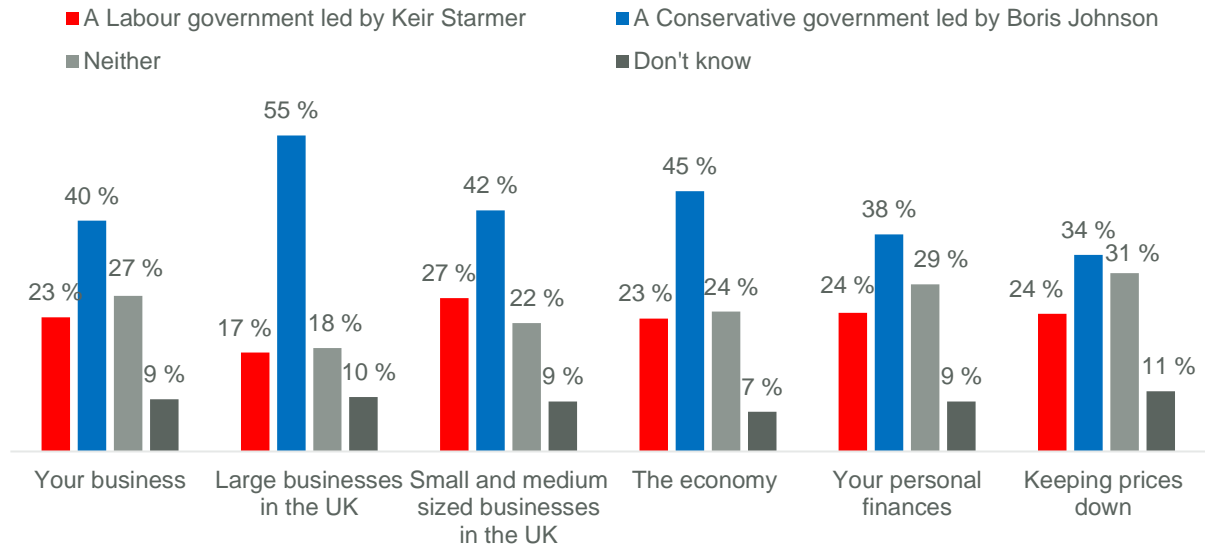
Which leader of the Labour Party would be best for small businesses, by age



But a Conservative government is still thought to be better for businesses

A Conservative government under Boris Johnson is still thought to be the better option by SME business leaders for their business (40% vs 23% for a Labour government under Keir Starmer), while even more feel this would be the case for large businesses in the UK (55%). Under a quarter (23%) of SME leaders feel that the economy would be better with a Labour government led by Keir Starmer, compared to 45% for a Conservative government under Boris Johnson.

Which government would be better for...



Despite the past year of record-breaking borrowing by the current Conservative government, the reason business leaders feel the economy would be better under Johnson and the Conservative party is because they believe that Labour would increase the debt and deficit by spending too much money (41%). Second to this is a belief that the Conservatives care more about the economy while Labour seem to care about other issues (30%), followed by Labour being too close to the Trade Unions (25%).

About Opinium

OPINIUM is an award winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people **think, feel** and **do**. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter. We work with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

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