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Conference Polling

Key findings

25 September 2026

Project details

PROJECT NUMBER	UK30922
PROJECT NAME	Conference Polling
CLIENT COMPANY NAME	Centre for Policy Studies
PROJECT MANAGER NAME	James Crouch / Lola Hylander
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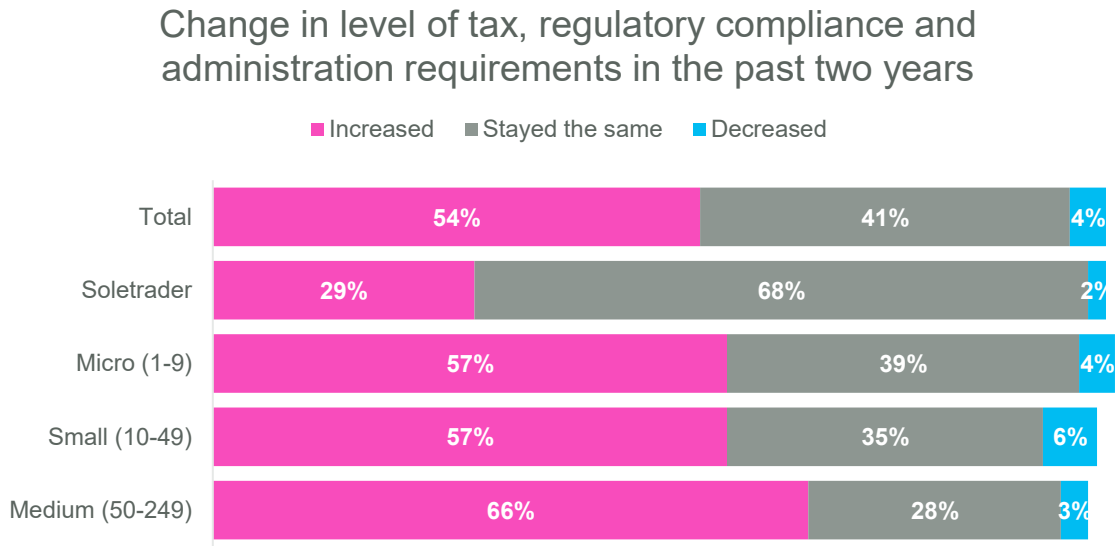
SAMPLE	500 Senior Decision Makers at UK SMEs
FIELDWORK DATES	18th- 22nd September 2026

This report uses data from a study conducted by Opinium on behalf of the Centre for Policy Studies, exploring key challenges amongst small and medium enterprises, attitudes towards the government and other political parties' support for businesses, and support for various policy changes. Opinium conducted a survey of 500 senior decision makers at SMEs between the 18th and 22nd September.

Current state of small businesses

Regulatory burdens on SMEs are increasing

Over the past two years, rising tax, regulatory compliance and administrative requirements have become a defining feature of the business environment for many SMEs. Just over half (54%) of senior decision-makers in SMEs say that the level of tax, regulatory compliance, and administration requirements faced by their company has increased over the past two years. Around four in ten (41%) say it has stayed the same. Just 4% say it has decreased.

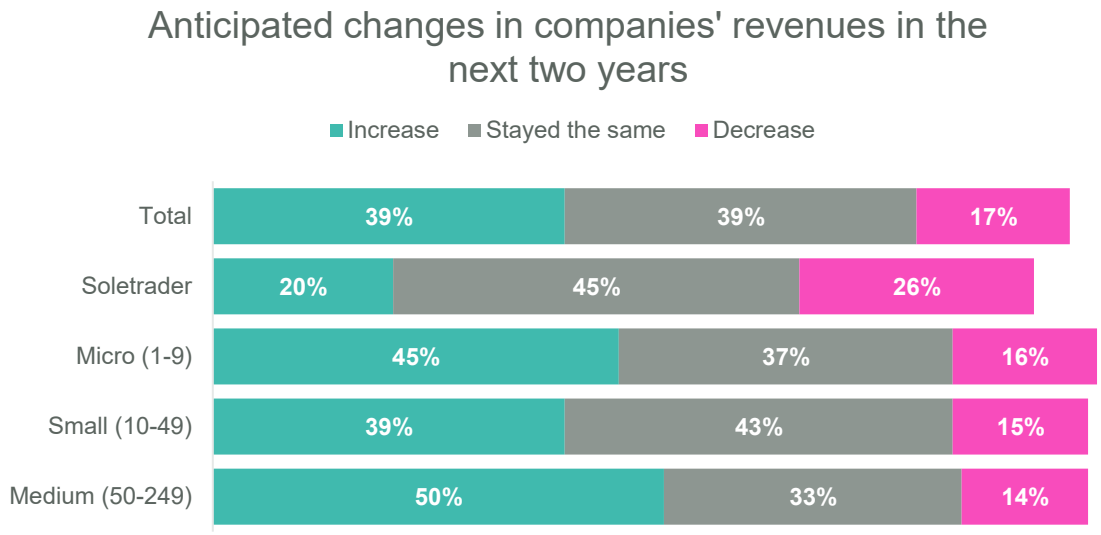


Perceptions of increasing admin burdens are closely linked to business size. Whilst only 28% of sole traders say tax and compliance demands have risen, this figure increases to 57% among both micro and small businesses and reaches two thirds (66%) among medium-sized firms. This suggests that, as organisations grow and become more complex, they are increasingly likely to feel the weight of regulatory and administrative requirements.

This difference is driven by more sole traders saying levels had remained the same, as opposed to a reduction in burden in the past two years.

Two in five (39%) SMEs still expect to grow

Despite these concerns, business decision-makers are not uniformly pessimistic about their prospects. Looking ahead to the next two years, decision-makers are evenly split between expecting revenues to increase (39%), and expecting them to remain stable (39%), whilst 17% anticipate a decline. Taken together, this suggests SMEs are broadly resilient despite reporting greater compliance pressures.



There is a similar divide based on business size, with larger organisations more likely to expect an increase in total revenues. Half of medium businesses (50%) expect an increase, compared to just 20% of sole traders. Simultaneously, over a quarter of sole traders anticipate a decrease (26%), compared to just 14% of medium businesses. This highlights a growing confidence gap between SMEs of different sizes.

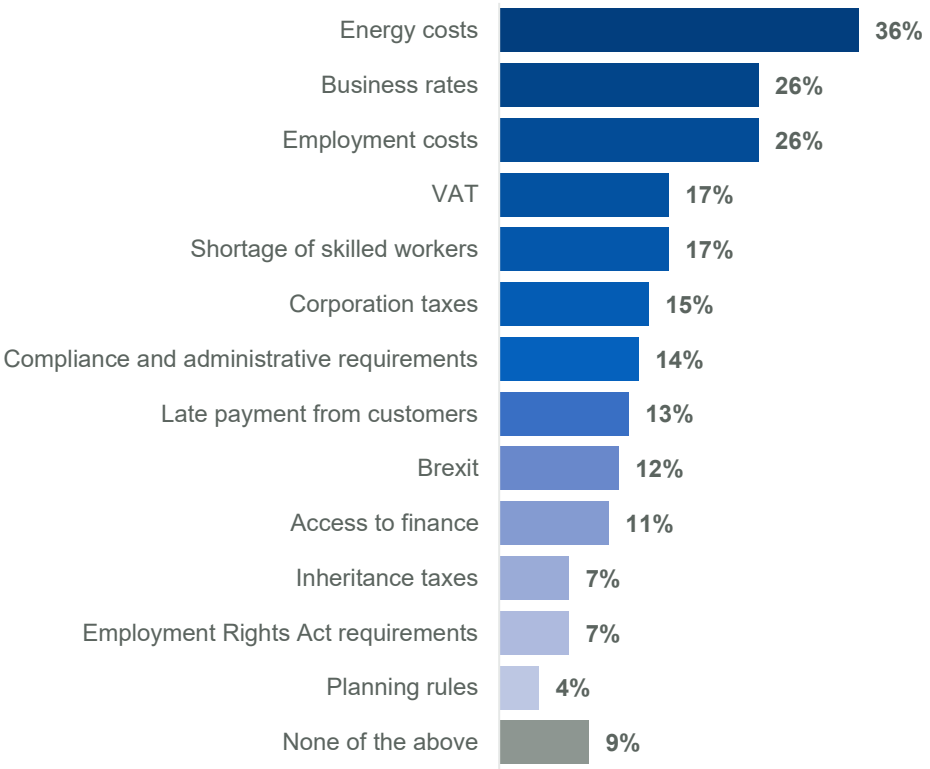
The costs of energy, taxes and employing people are the biggest challenges facing SMEs

Energy costs are the most commonly cited issue facing businesses today (36%), followed by business rates (26%) and employment costs (26%). Tax-related pressures also feature prominently, with 17% citing VAT and 15% citing corporation tax as major challenges.

By contrast, relatively few businesses identify inheritance taxes (7%), Employment Rights Act requirements (7%) or planning rules (4%) as among their most pressing concerns.

Overall, the findings suggest that business decision-makers are most focused on the day-to-day costs and administrative demands that directly affect the businesses' ability to grow.

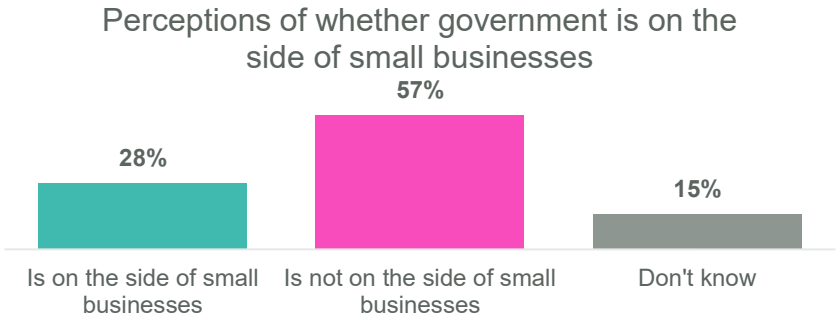
Current challenges facing businesses



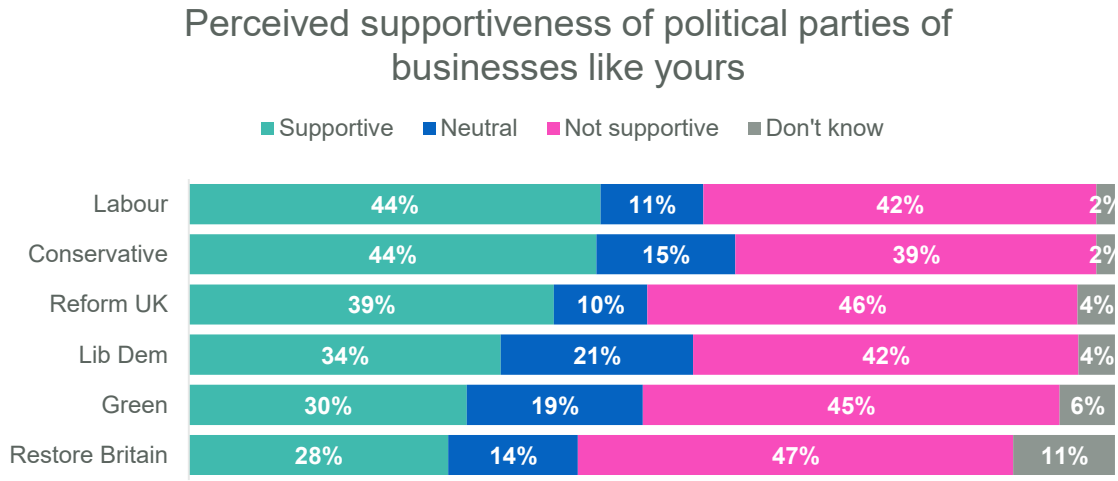
Government and political support

More than twice as many say the current government is not on the side of SMEs

Most business decision-makers do not feel that the current Government is acting in their interests. Almost three in five (57%) say the government is not on the side of small businesses, more than twice the proportion (28%) who believe who believe it is, whilst 15% are unsure. This suggests a significant disconnect between government and businesses.



The findings also indicate that this scepticism is not simply directed at the current Government. When asked how supportive different political parties are of businesses like their own, no party emerges as an overwhelmingly trusted advocate for SMEs. Whilst both Labour and the Conservatives are viewed more positively than other parties, perceptions remain highly divided. The Conservative Party only narrowly has the most positive net score.



This reflects a business community that is unconvinced that any political party fully understands or represents its concerns. Whilst Labour and the Conservatives remain the strongest performers, neither has fully established itself as the party of SMEs.

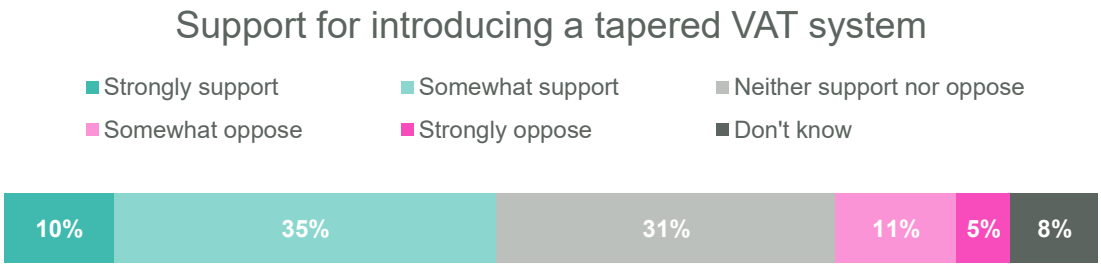
Policy changes

SMEs favour practical tax reforms that reduce barriers to growth

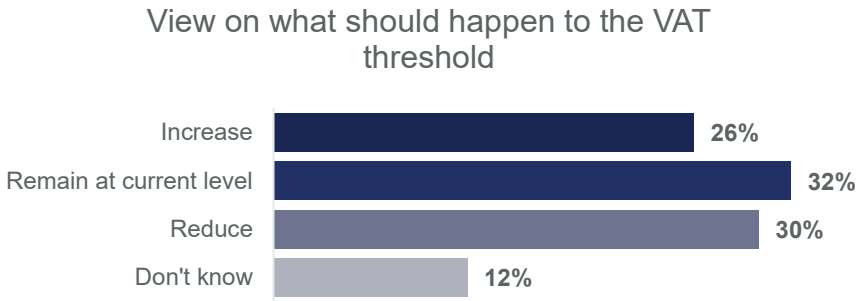
The findings reveal support for tax reforms amongst business decision-makers that simplify administration and provide greater flexibility for SMEs. Whilst proposals such as a tapered VAT system and alternative tax arrangements attract interest, views are more divided where reforms would directly affect businesses' own tax liabilities.

Tapered VAT: This is particularly evident in attitudes toward VAT. Business decision-makers were asked whether they would support or oppose introducing a tapered VAT system, whereby VAT obligations would be introduced gradually as a business grows, rather than just increasing the threshold for payment.

Just under half (45%) of decision-makers supported this policy, whilst 17% opposed it. A substantial third (31%) said they neither supported nor opposed this policy, whilst 8% did not know. There was little variation between businesses of different sizes, suggesting recognition of the challenges created by threshold effects within the current system, even if many businesses have not yet formed a strong opinion on the solution.



VAT threshold: However, business decision-makers are far less clear on what should happen to the VAT threshold itself: a third believe it should remain unchanged (32%), and views are otherwise split between increasing the threshold (26%) and reducing it (30%).



These differences largely reflect businesses' own circumstances. Smaller firms and those with lower turnover are more likely to favour an increase, whilst larger businesses and those with higher turnover

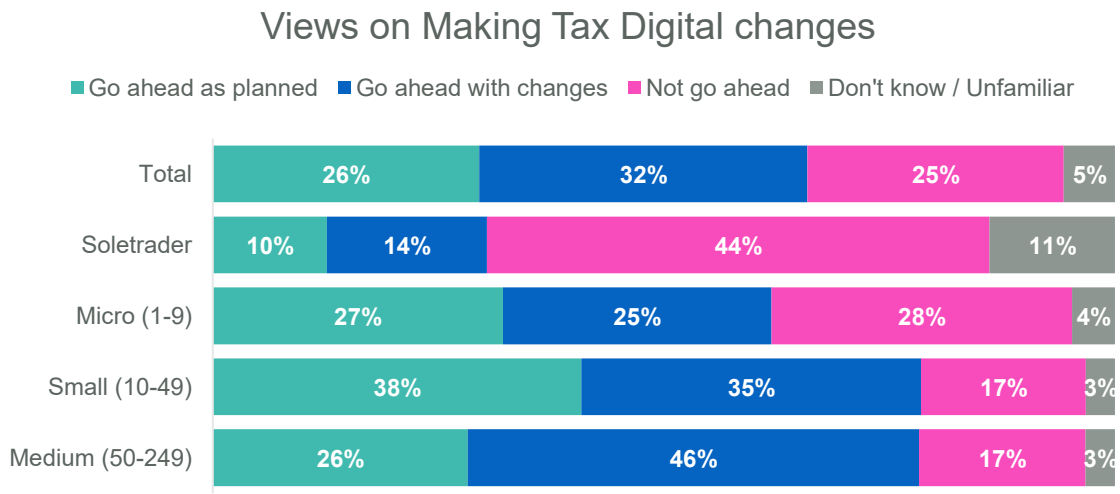
are more likely to favour a reduction. This suggests that, unlike the tapered VAT proposal, views on the threshold are closely tied to the direct impact any changes may have on individual businesses.

Whilst business decision-makers across industries largely provided similar answers, those working in Professional & Business Services were an outlier, and more likely to say the VAT threshold should remain the same (40%), than decision-makers in other industries. They were also less likely to say it should be reduced (20%).

WHAT DO YOU THINK SHOULD HAPPEN TO THE VAT THRESHOLD?	INCREASED	REMAIN CURRENT LEVEL	REDUCED	DON'T KNOW
Technology & Digital	32%	32%	28%	9%
Consumer-Facing Sectors	27%	33%	32%	8%
Professional & Business Services	26%	40%	20%	14%
Construction, Real Estate & Industry	25%	33%	35%	7%
People-Focused & Public Services	21%	23%	38%	18%

Making Tax Digital: Attitudes towards Making Tax Digital reinforce the broader theme on tax reform. Most business decision-makers are not outright opposed, but many would like to see changes before implementation. Whilst 26% believe the programme should proceed as planned, a larger proportion (32%) say it should go ahead with modifications.

By comparison, a quarter (25%) believe it should not go ahead, whilst 18% are either unfamiliar with the changes or unsure of their view. Larger SMEs are generally more supportive of implementation, whereas smaller SMEs are more sceptical, perhaps reflecting the different capacity SMEs have to absorb new reporting requirements and administrative processes.



One change in their own words

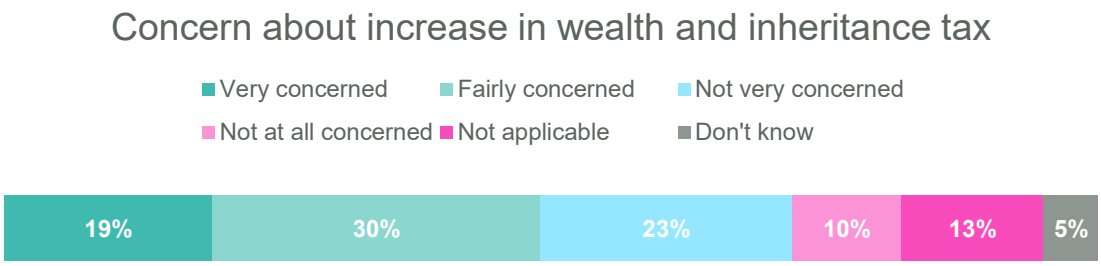
Indeed, when business decision-makers were asked directly what they would change about the tax, compliance and administration regime for small businesses, the most recurring themes in verbatim responses were:

1) Simplifying the system and reducing admin / compliance burden – decision-makers called for simpler rules, less paperwork, clearer guidance and reduced reporting requirements
2) Lowering taxes and business costs – decision-makers felt the overall tax burden was too high and wanted reductions to taxes, National Insurance, VAT, business rates or other business costs
3) Reform Making Tax Digital and digital reporting requirements – a small minority of respondents criticised the changes and requested a return to annual reporting

Collectively, these responses point to a clear preference for reducing complexity and administrative burden, regardless of businesses' views on individual policies.

Nearly half are concerned that increases in taxes on wealth could affect their business

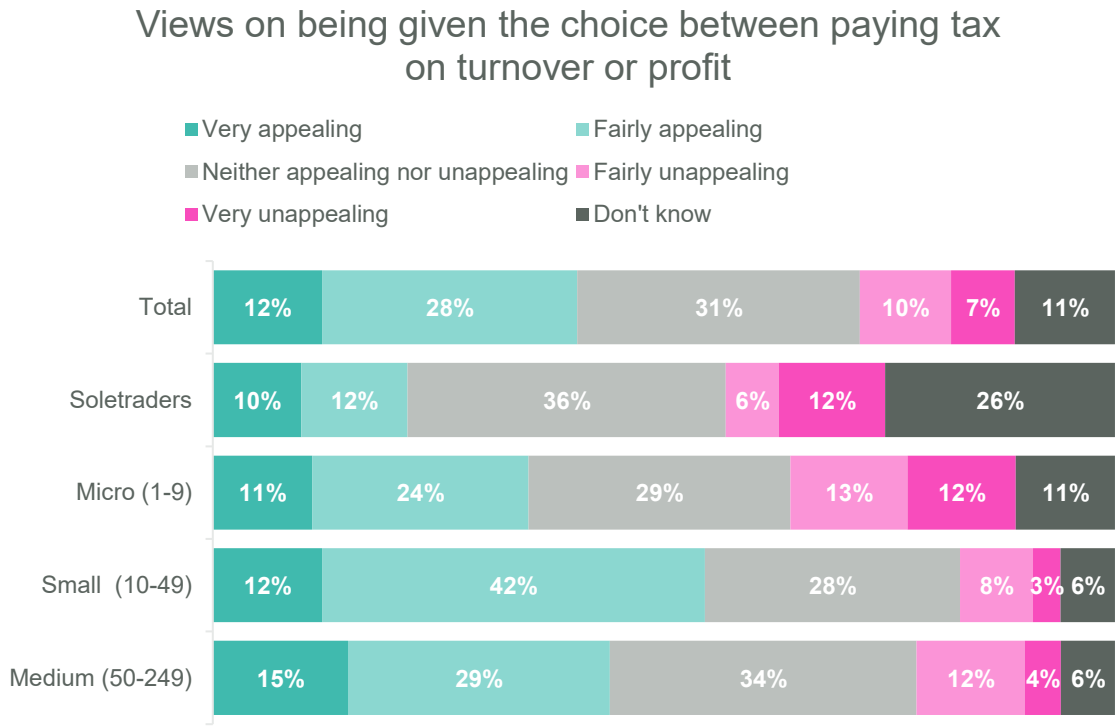
Concerns about taxation extend beyond day-to-day compliance requirements. Almost half (49%) of business decision-makers say they would be concerned about increases in wealth and inheritance taxes affecting their business, compared with a third (33%) who are not concerned.



Concern rises steadily with business size, from just 26% of sole traders to around six in ten small (58%) and medium-sized businesses (59%). This likely reflects the greater complexity, value and succession planning considerations associated with larger firms.

The option to choose between tax on turnover and tax on profits is more appealing to many

At the same time, decision-makers show a willingness to consider alternatives where they offer greater flexibility. Four in ten (40%) would find it appealing to be able to choose whether to pay tax on turnover or profits, whilst only 17% find it unappealing. A further 31% neither support nor oppose the idea.



Although many businesses remain undecided, the balance of opinion suggests there is interest in tax arrangements that provide greater choice and allow firms to select an approach that better reflects their circumstances.