

# ForrestBrown®

## Innovation incentives

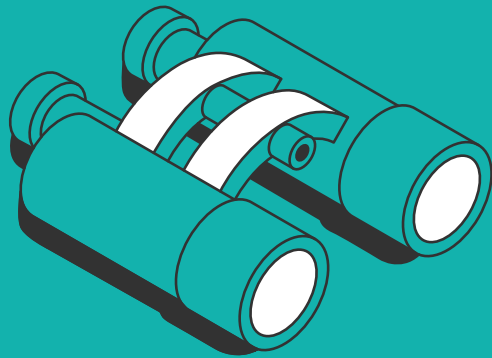
### BUSINESS INNOVATION OUTLOOK / OCTOBER 2024

ForrestBrown commissioned a survey of 500 business leaders to find out more about their policy priorities.

We wanted to find out what business-focused commitments and areas of tax policy were most important to them and gauge their appetite for investing in innovation.

The results make interesting reading, painting a picture of UK businesses desperate for stability and a policy environment which enables them to play their part in the government's growth agenda.

Here are the headline results from our survey.



#### Methodology

Censuswide surveyed 502 UK business leaders (director+) of businesses with 10+ employees across Architecture, Engineering & Building, Arts & Culture, Education, Finance, Healthcare, HR, IT & Telecoms, Legal, Manufacturing & Utilities, Retail, Catering & Leisure, Sales, Media & Marketing, and Travel & Transport sectors on behalf of ForrestBrown. Research took place between 26th – 27th July 2024.

## LOOKING TO EUROPE

**Q:** Which one of the following Labour government policy commitments is the most important for your business?

**22%**

Making the UK's relationship with the EU work better for business



**16%**

Stability and certainty in taxation



**16%**

Reforming business rates with a new system of business property taxation



**13%**

Workforce development e.g. working conditions, youth unemployment

**9%**

Addressing the skills shortage by reforming the immigration points system

**13%**

Increasing investment in clean energy



**7%**

Addressing the UK's ageing infrastructure

**3%**

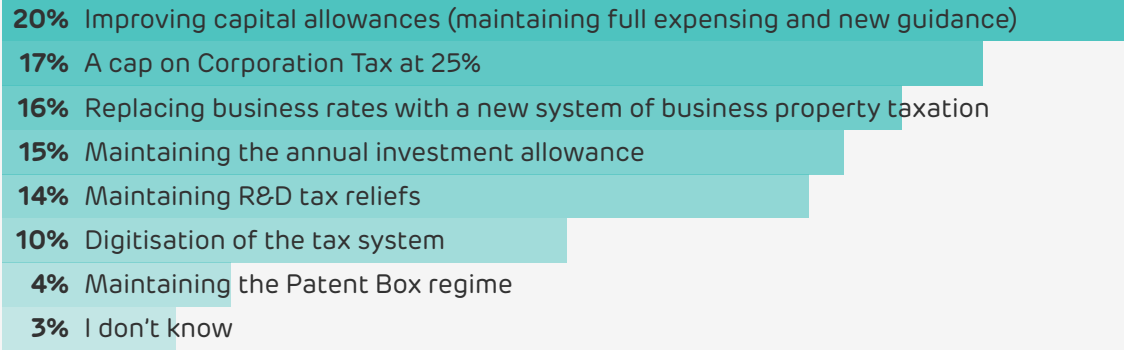
None of the above

**2%**

I don't know

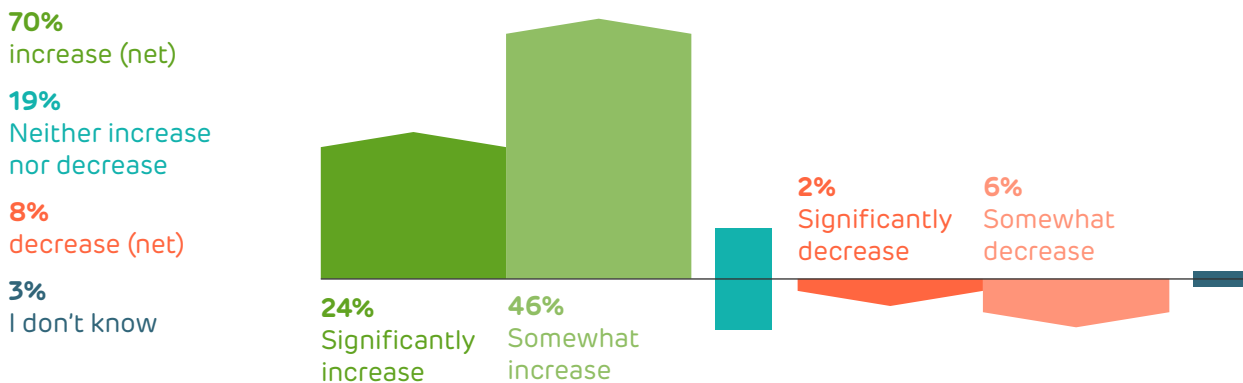
## CAPITAL IS KING

Q: Which one of the following tax policies that have been put forward is the most important to your business?



## ROLE FOR GOVERNMENT IN R&D

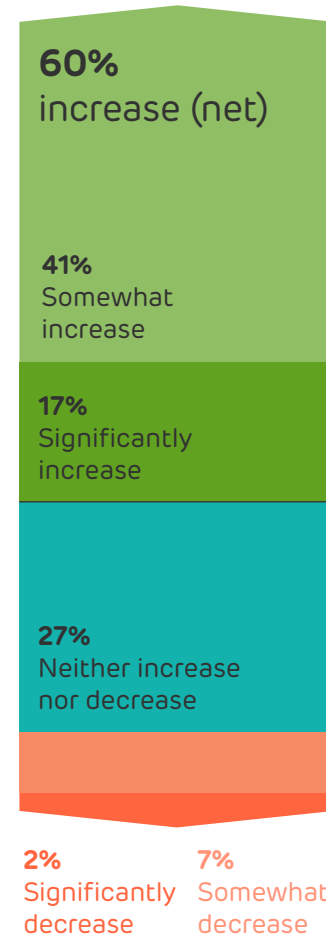
Q: Innovation can be funded by private and public sector investment. To what extent do you think the government should increase or decrease public spending on R&D?



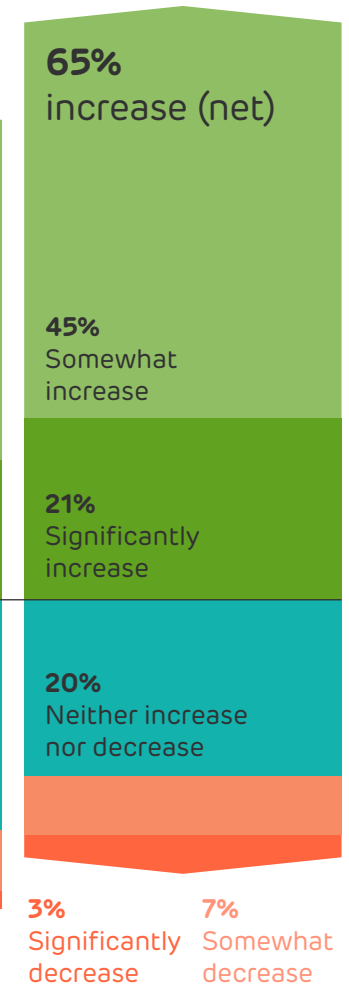
## BACKING INNOVATION

Q: Thinking about your own business and the new Labour government, how much will you increase or decrease your company's planned investment in R&D?

Over the next 12 months:

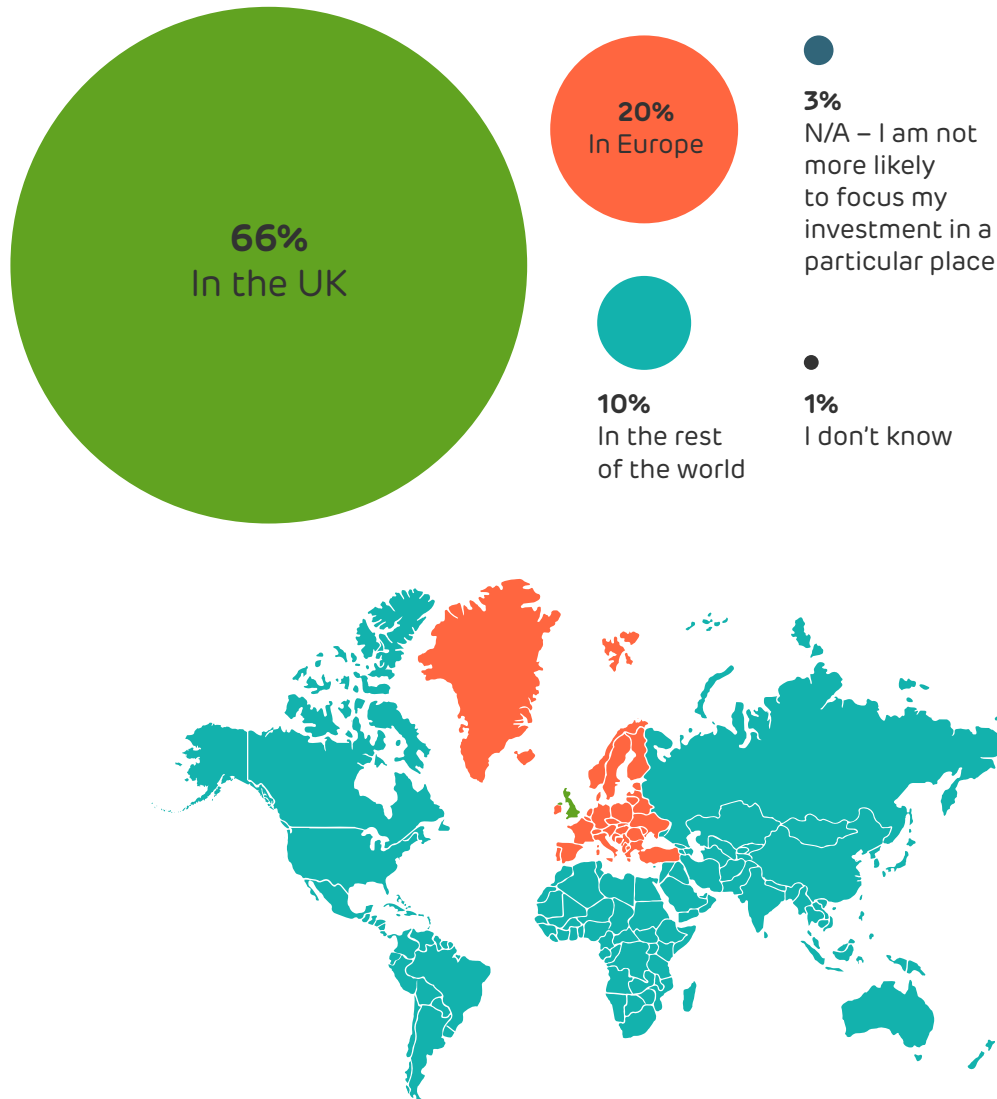


Over the next 13-36 months:



# UK FOCUS FOR FUTURE INVESTMENT

Q: Thinking about your future investment in R&D, where, if anywhere, are you more likely to focus this?



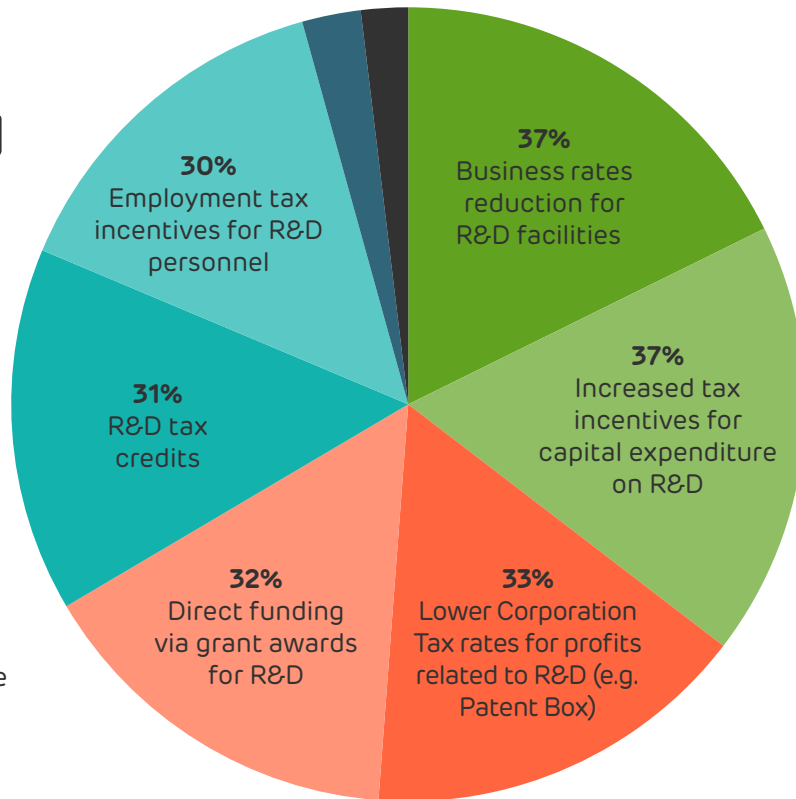
# FACING UNCERTAINTY

Q: What, if any, are the main barriers to your business investing in R&D in the UK?



# BOOSTING BUSINESS INNOVATION

Q: What, if any, incentives should the government prioritise to boost private sector innovation?

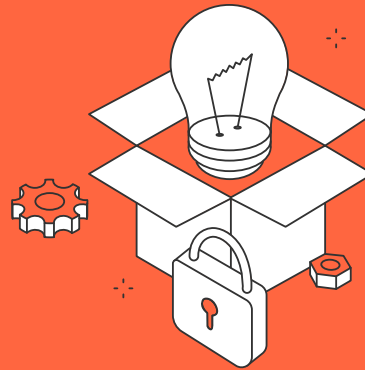


5%  
I don't know

4%  
N/A – I do not think the government should prioritise any incentives to boost private sector innovation

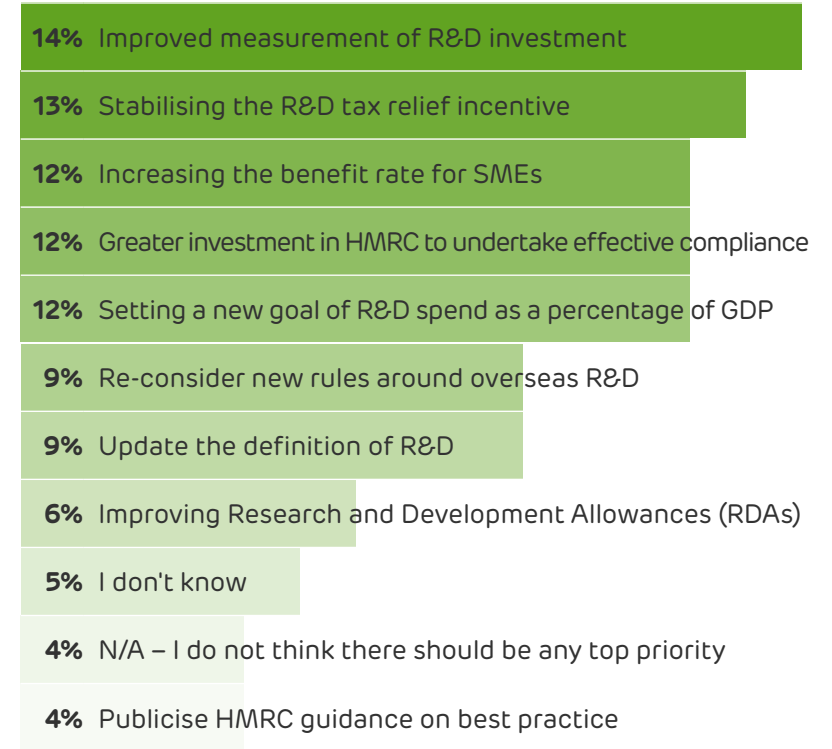
## PATENT BOX PUZZLE?

The high importance placed on lower Corporation Tax rates for profits related to R&D here is in stark contrast to the response to an earlier question which saw fewer than **4% of business leaders identify maintaining the Patent Box incentive as their top tax policy priority**. This suggests a lack of awareness of what Patent Box provides – a generous reduction in tax on profits related to IP.



# PRIORITIES FOR R&D TAX RELIEF

Q: R&D tax relief underwent significant reform under the last Conservative government. What, if anything, should the top priority be for this new government?



## FOR MORE INFORMATION, PLEASE GET IN TOUCH:

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