PublicFirst

techUK Polling Headline Findings

February
2024

Methodology

Public First conducted an online survey from 9th - 24th February of 253 senior business decision makers working in the tech sector in the UK ("tech leaders").

Public First is a member of the British Polling Council and adheres to its rules. For more information, contact the Public First Polling Team: polling@publicfirst.co.uk.
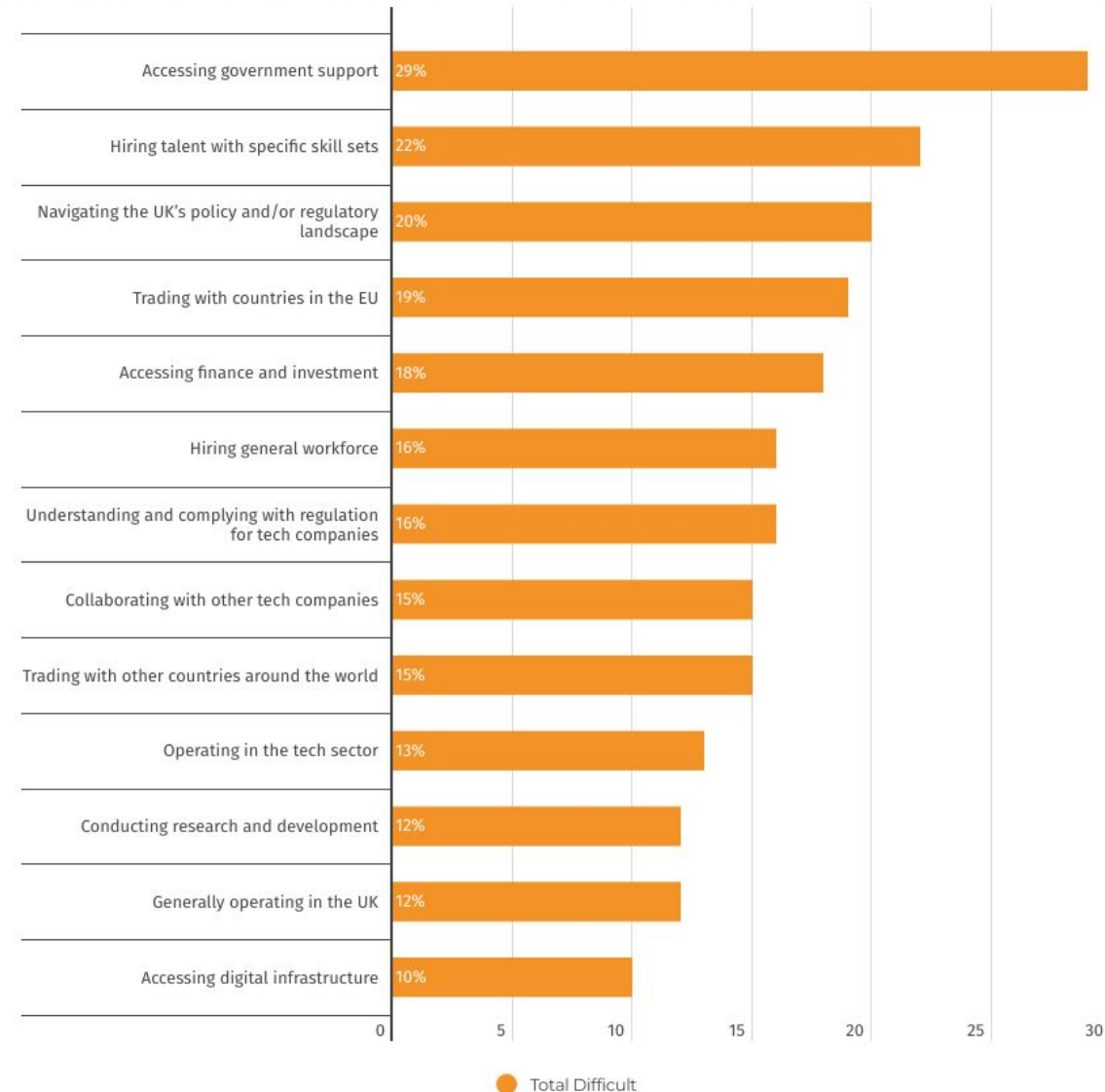
Key Themes:

- **Tech Adoption:** 54% of tech leaders agreed that adopting new technologies would improve their productivity. When asked about emerging technologies, 38% said AI offered the greatest opportunity (the most popular choice).

- **Energy Costs:** 41% of tech leaders identified energy costs as one of the greatest weaknesses to operating in the UK, with 34% citing energy costs as a barrier to adopting new tech opportunities.

- **People & Skills:** 33% said that having access to a skilled workforce was a benefit of operating in the UK; however, 21% cited a lack of skilled workforce as a significant weakness.

- **Tax Environment:** 30% of tech leaders agreed that the current level of tax on business was one of the greatest weaknesses of operating in the UK, with "cutting business taxes" as the most popular ask of a new Government.

- **Access to Finance:** 25% of tech leaders want support from the new government in increasing access to finance and investment, and 18% want improved access to R&D funds.

- **Policy & Regulation:** 1 in 5 tech leaders said they find it difficult to navigate the UK's policy and regulatory landscape. Almost a third (29%) of tech leaders find it difficult to access government support.

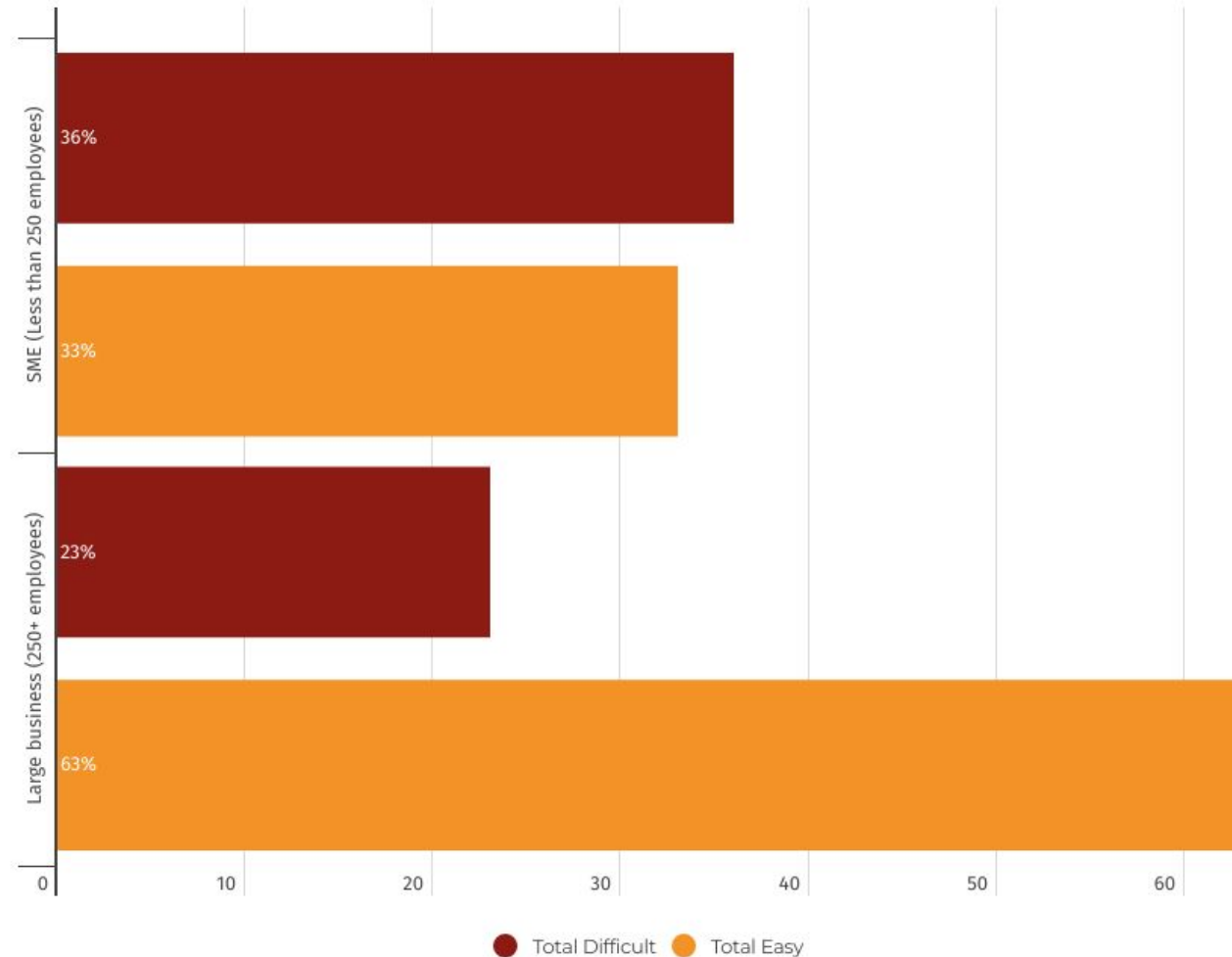How do tech leaders feel about the UK tech sector?

We wanted to understand what tech leaders find easy or hard about operating in the UK.

Thinking about conducting business in the UK, how easy or difficult is it to carry out these aspects of your business?

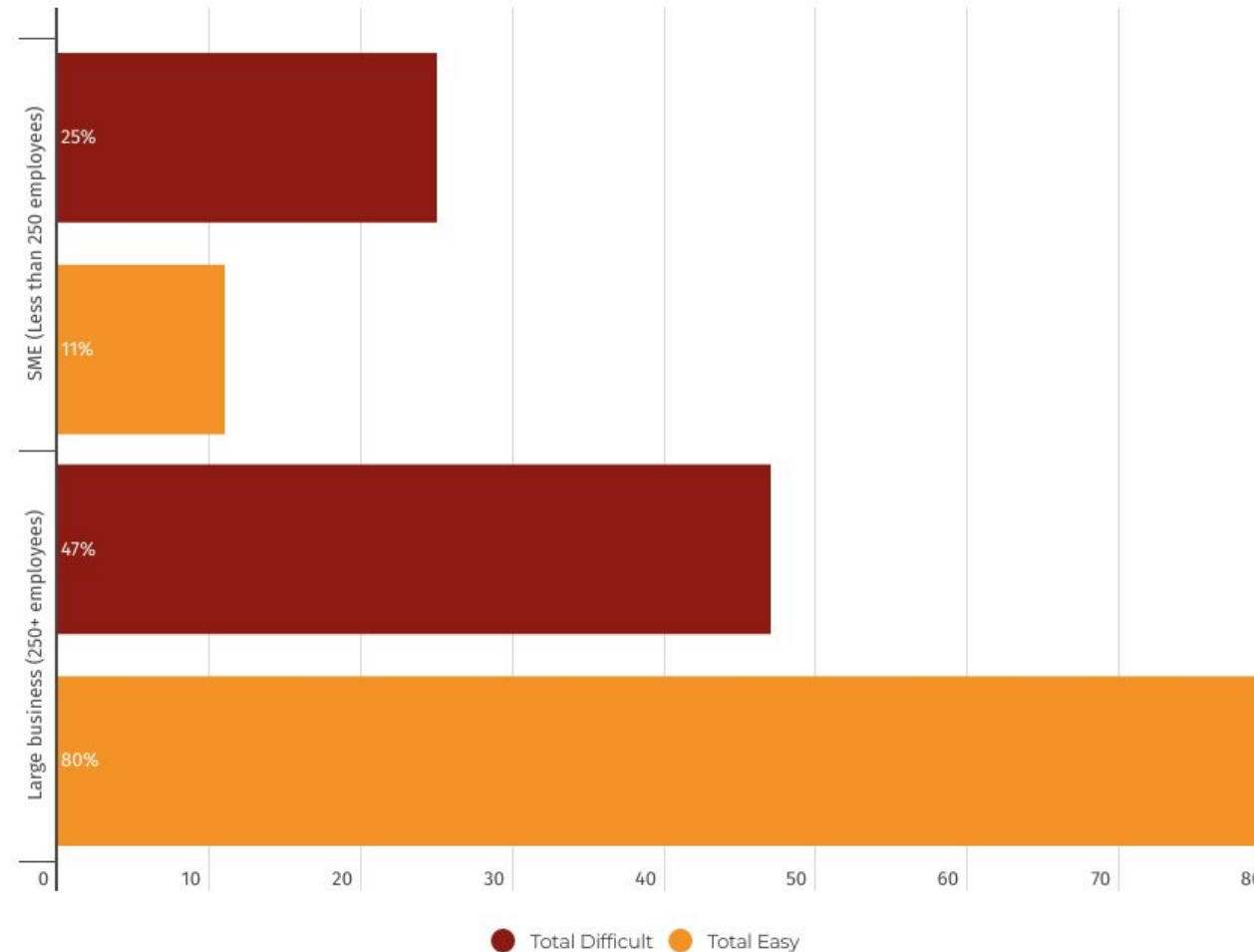| Aspect	Total Difficult
Accessing government support	29%
Hiring talent with specific skill sets	22%
Navigating the UK's policy and/or regulatory landscape	20%
Trading with countries in the EU	19%
Accessing finance and investment	18%
Hiring general workforce	16%
Understanding and complying with regulation for tech companies	16%
Collaborating with other tech companies	15%
Trading with other countries around the world	15%
Operating in the tech sector	13%
Conducting research and development	12%
Generally operating in the UK	12%
Accessing digital infrastructure	10%

● Total Difficult

36% of SMEs find it difficult to access government support.

Thinking about conducting business in the UK, how easy or difficult is it to carry out this aspect of your business? "Accessing government support"

SME (Less than 250 employees)
- 36%
- 33%

Large business (250+ employees)
- 23%
- 63%

● Total Difficult ● Total Easy

PUBLICFIRST
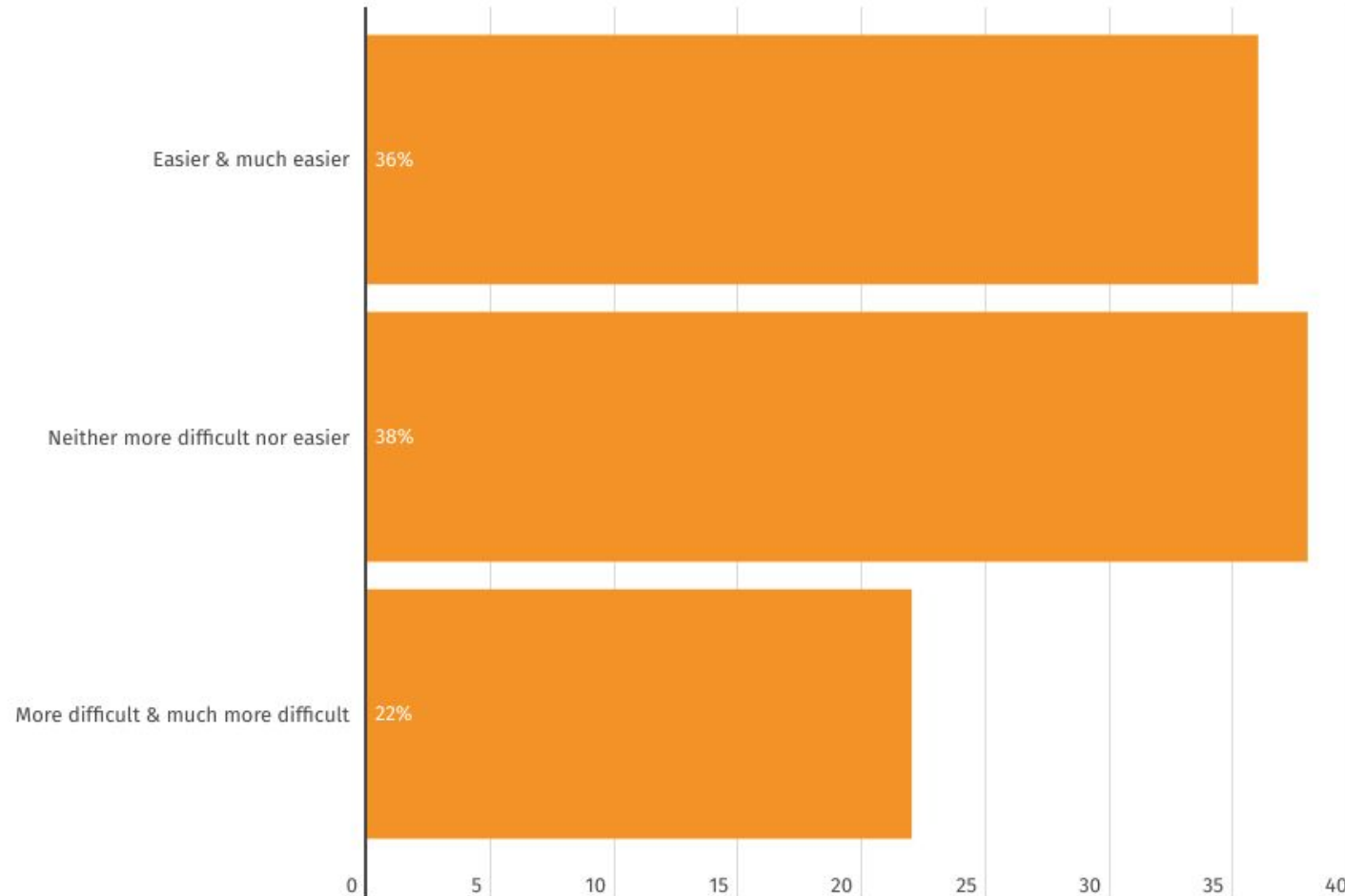
25% of SMEs told us it is difficult to access finance and investment in the UK

Thinking about conducting business in the UK, how easy or difficult is it to carry out this aspect of your business? "Accessing finance and investment"

SME (Less than 250 employees)
- 25%
- 11%

Large business (250+ employees)
- 47%
- 80%

● Total Difficult   ● Total Easy

PUBLICFIRST

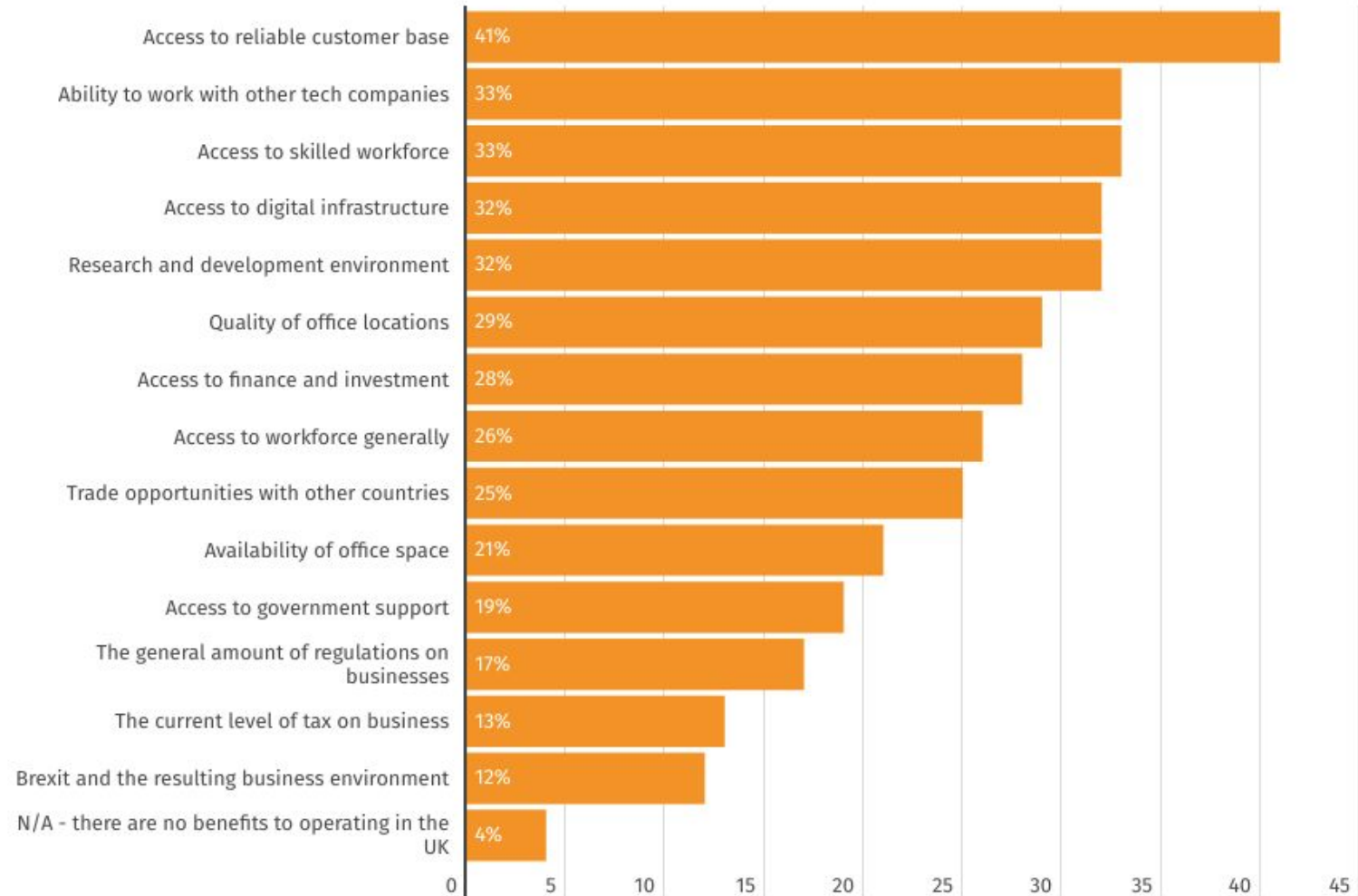# Tech leaders had mixed views regarding the UK's competitiveness relative to other countries.

Compared to operating in other countries in Europe or North America, how easy or difficult do you think it is to do business in the UK?

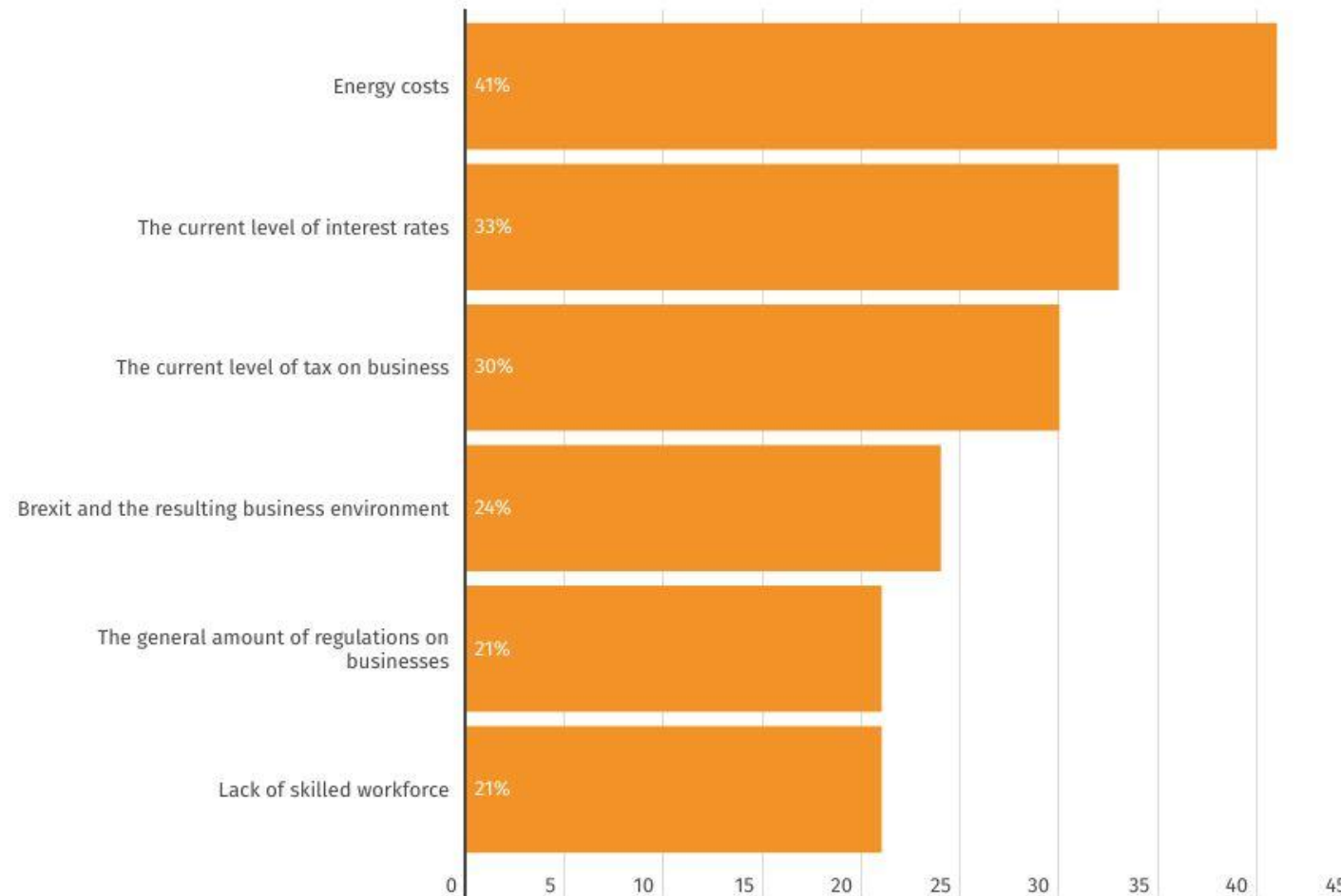| Category	Value
Easier & much easier	36%
Neither more difficult nor easier	38%
More difficult & much more difficult	22%

Tech leaders were particularly positive about having access to a reliable customer base.

What are the benefits of operating in the UK? Select any which apply

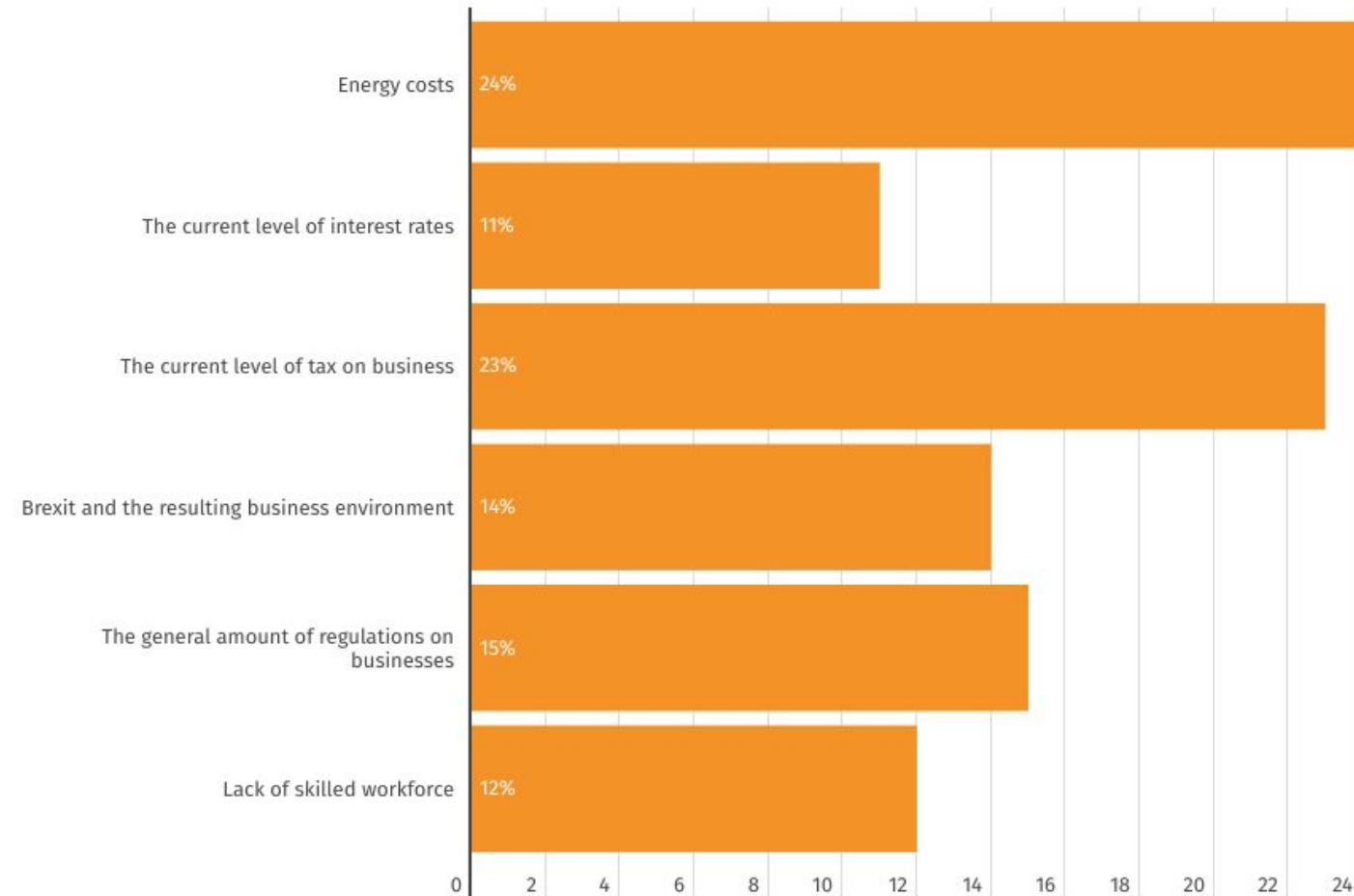| Benefit	%
Access to reliable customer base	41%
Ability to work with other tech companies	33%
Access to skilled workforce	33%
Access to digital infrastructure	32%
Research and development environment	32%
Quality of office locations	29%
Access to finance and investment	28%
Access to workforce generally	26%
Trade opportunities with other countries	25%
Availability of office space	21%
Access to government support	19%
The general amount of regulations on businesses	17%
The current level of tax on business	13%
Brexit and the resulting business environment	12%
N/A - there are no benefits to operating in the UK	4%

PUBLICFIRST

However, energy costs are considered a significant weaknesses of operating in the UK.

What are the greatest weaknesses of operating in the UK? Select any which apply

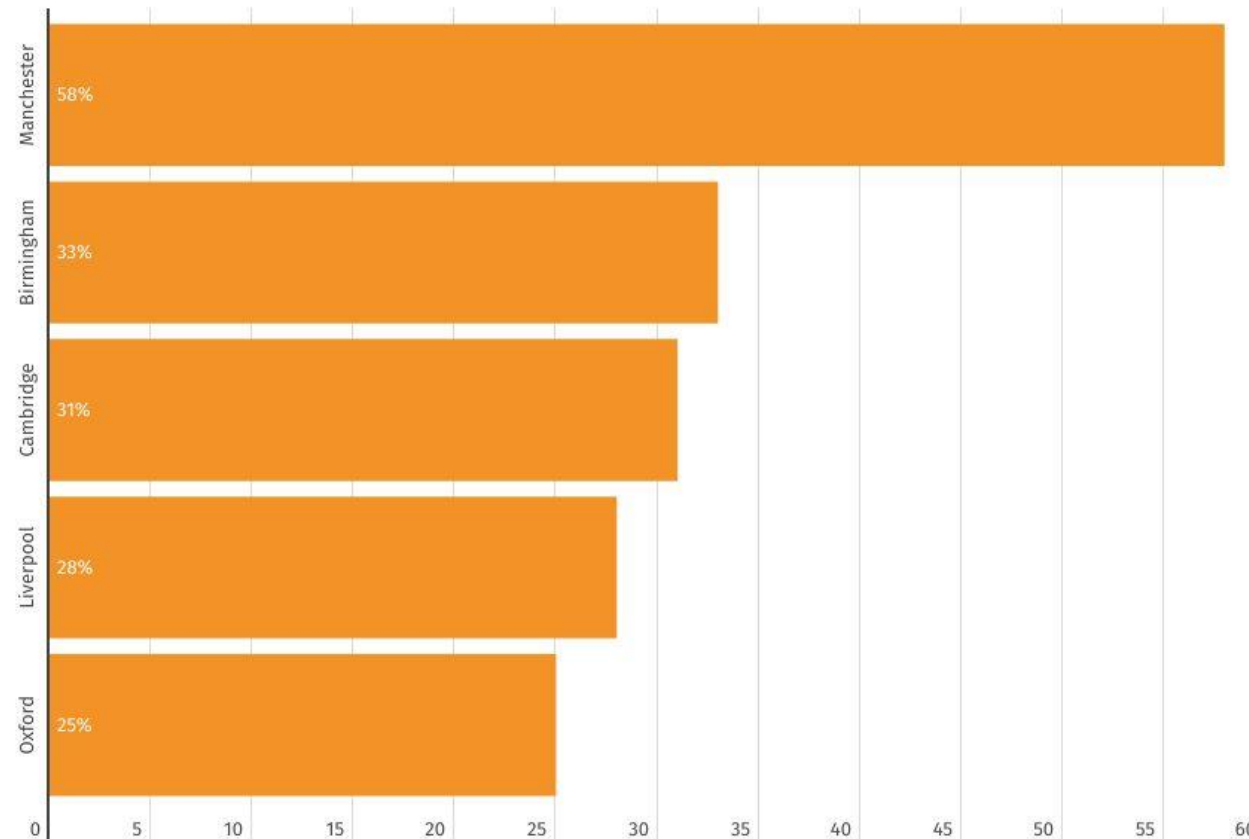| Weakness	Percentage
Energy costs	41%
The current level of interest rates	33%
The current level of tax on business	30%
Brexit and the resulting business environment	24%
The general amount of regulations on businesses	21%
Lack of skilled workforce	21%

When pushed, the UK's tax regime also emerges as a real concern.

Of those, which are the most important weaknesses of operating in the UK? Select up to two

Category	Percentage
Energy costs	24%
The current level of interest rates	11%
The current level of tax on business	23%
Brexit and the resulting business environment	14%
The general amount of regulations on businesses	15%
Lack of skilled workforce	12%

Beyond London, tech leaders were most likely to identify Manchester as a tech sector hub.
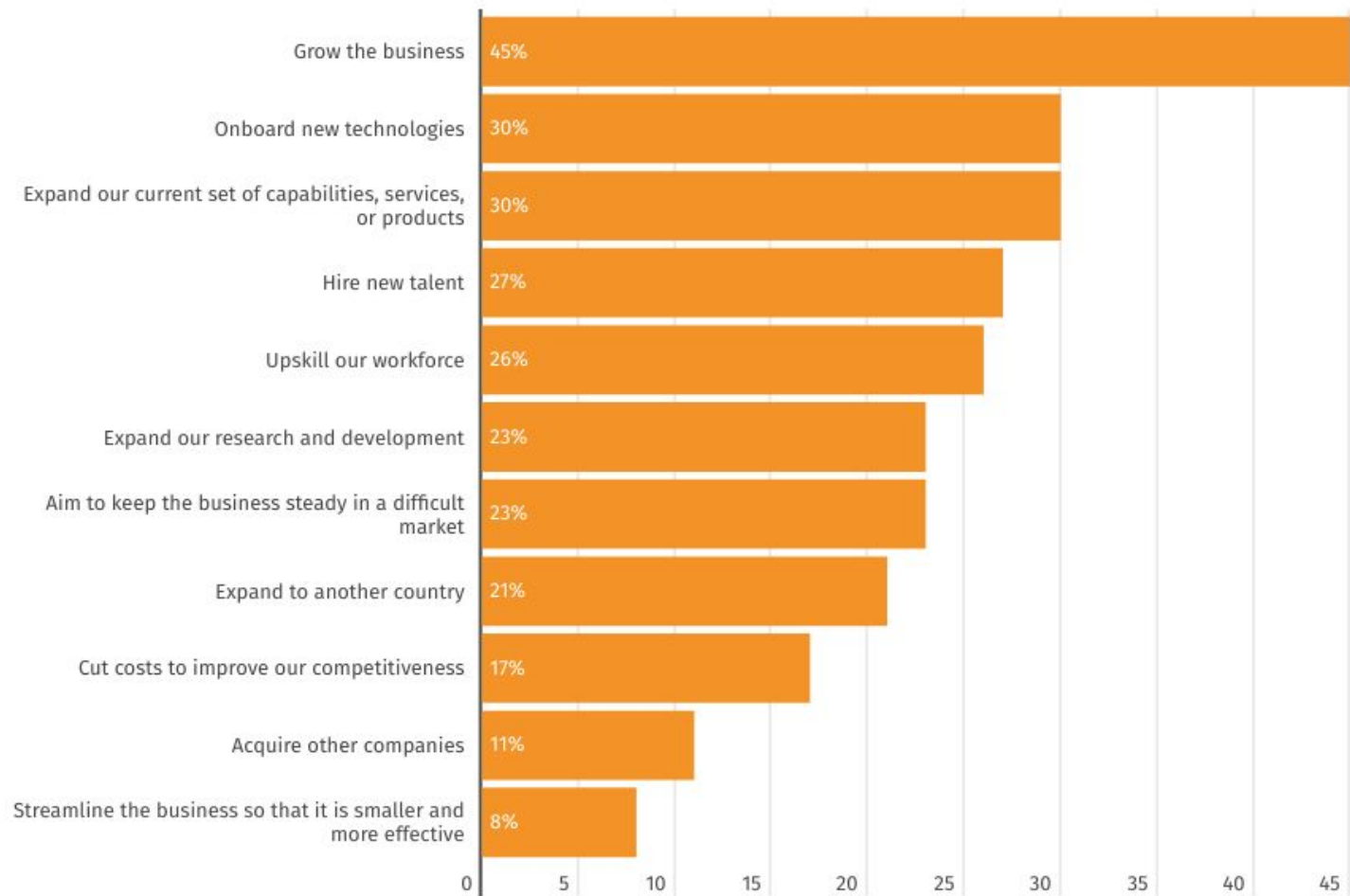
Outside of London, which UK cities do you think support and facilitate doing business in the tech sector? This can draw on your own personal experiences or your knowledge of the business environment in different places. Select all that apply.

City	Percentage
Manchester	58%
Birmingham	33%
Cambridge	31%
Liverpool	28%
Oxford	25%

PUBLICFIRST

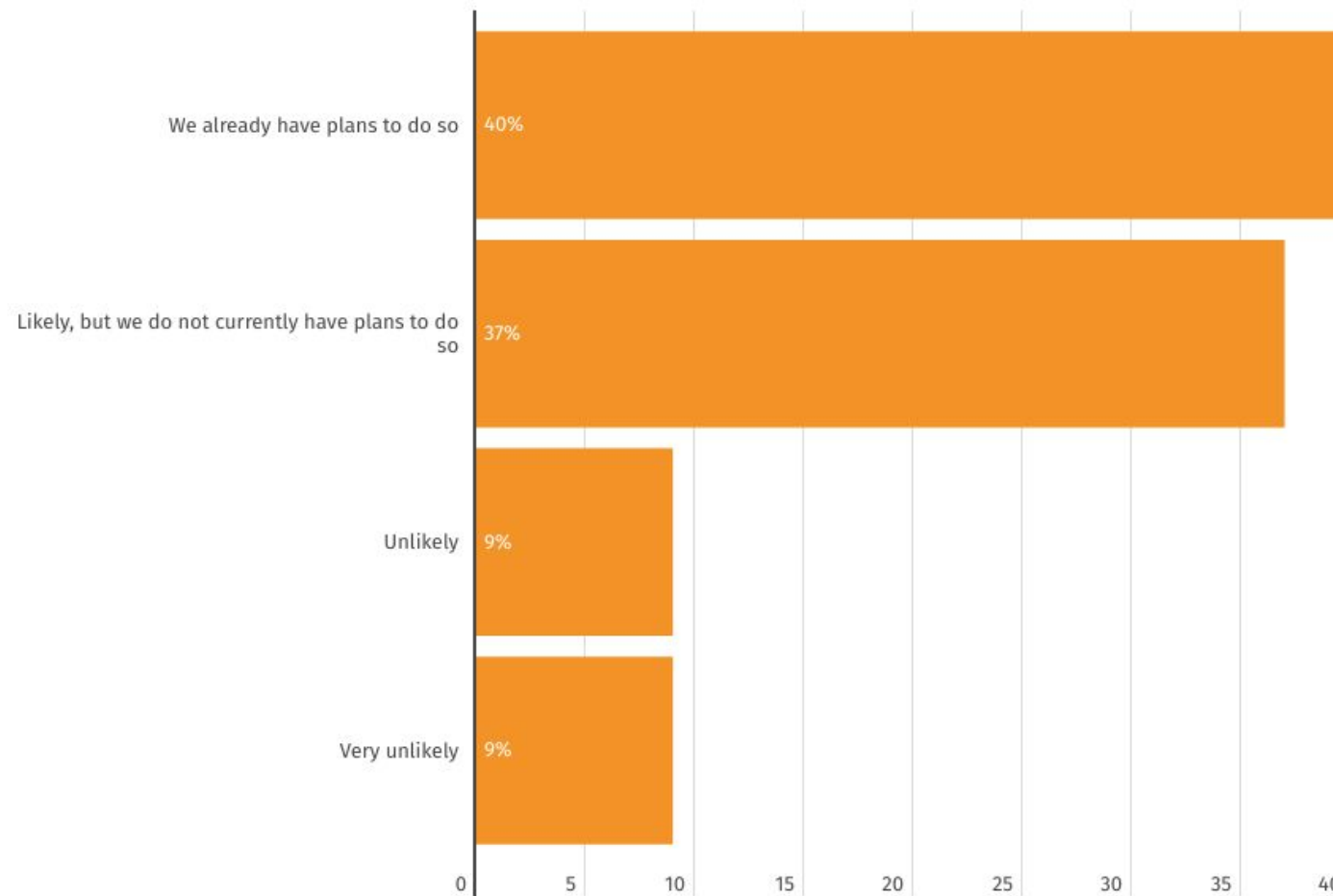How are tech leaders planning for the future?

Tech leaders have clear ambitions to grow over the next 5 years.

Thinking about the ambitions you have for your business, which of these do you aim to do in the next 5 years? Select up to three.

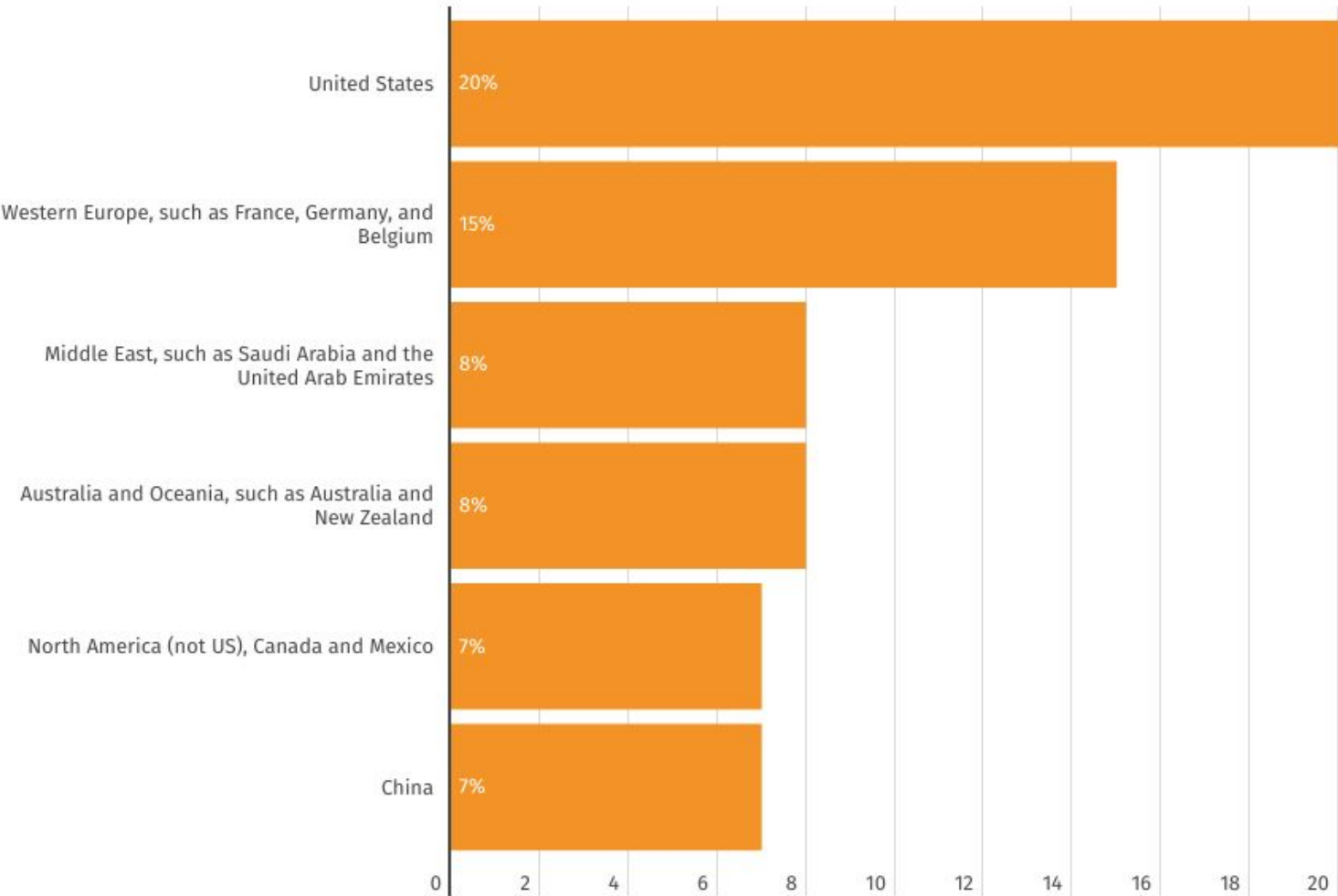| Ambition	Percentage
Grow the business	45%
Onboard new technologies	30%
Expand our current set of capabilities, services, or products	30%
Hire new talent	27%
Upskill our workforce	26%
Expand our research and development	23%
Aim to keep the business steady in a difficult market	23%
Expand to another country	21%
Cut costs to improve our competitiveness	17%
Acquire other companies	11%
Streamline the business so that it is smaller and more effective	8%

PUBLICFIRST

A majority of tech leaders are considering market expansion over the next 5 years.

How likely or unlikely is your business to expand into another market in the next 5 years?

We already have plans to do so	40%
Likely, but we do not currently have plans to do so	37%
Unlikely	9%
Very unlikely	9%

PublicFirst

When asked, tech leaders were most interested in expanding to the U.S.

If you were to expand your business into another market which of these regions would be your top choice?
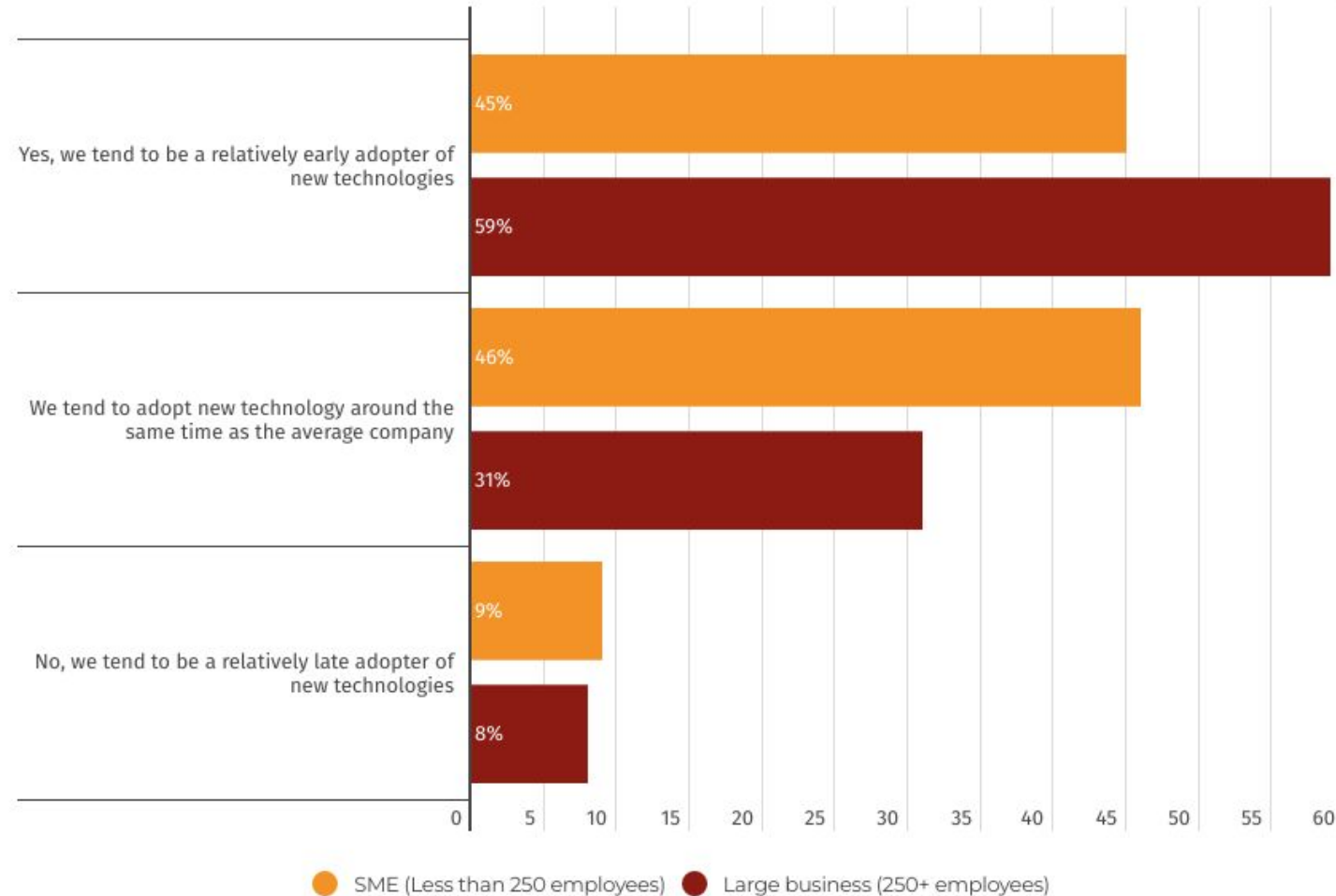
Region	Percentage
United States	20%
Western Europe, such as France, Germany, and Belgium	15%
Middle East, such as Saudi Arabia and the United Arab Emirates	8%
Australia and Oceania, such as Australia and New Zealand	8%
North America (not US), Canada and Mexico	7%
China	7%

PUBLICFIRST
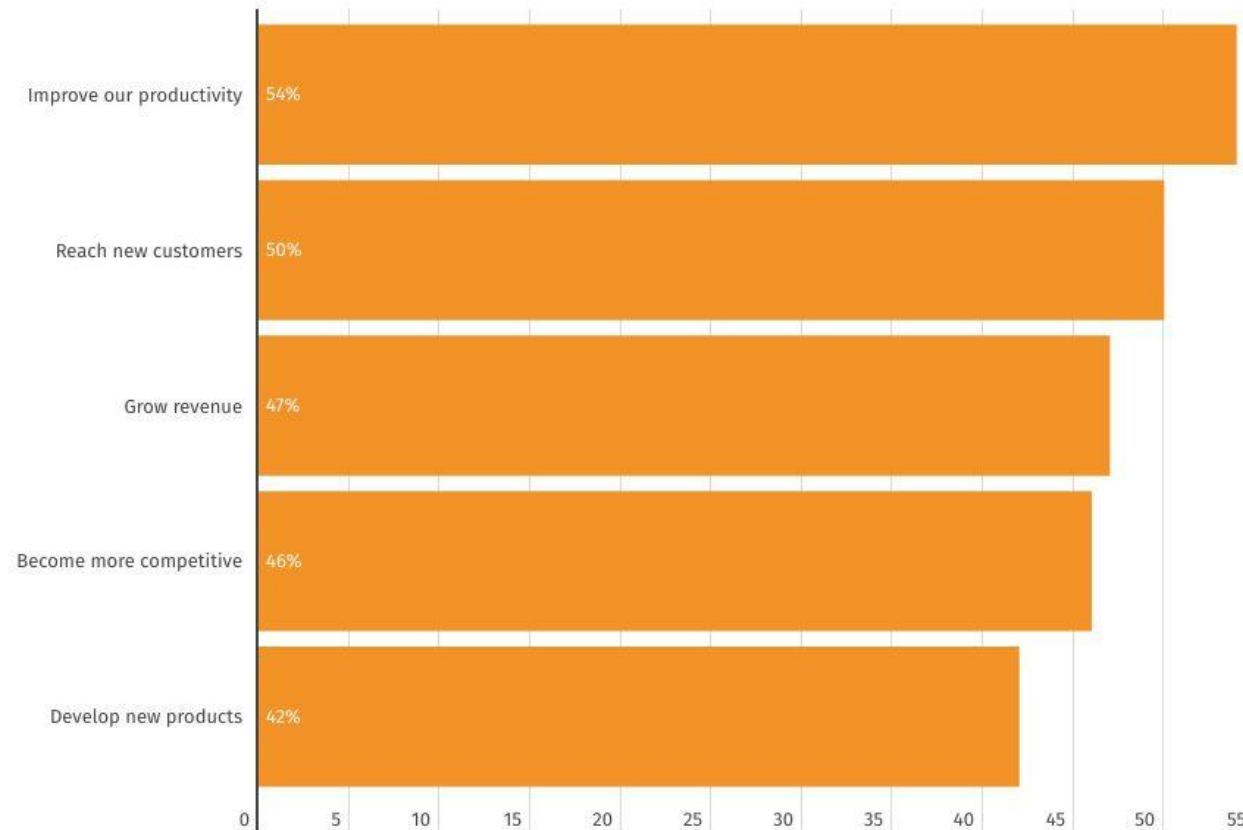
What opportunities are there for further tech adoption?

Over half (52%) of tech leaders identify as early adopters of new technologies.

Compared to the average business in your industry, would you say that your company is an early adopter of new technology?

Yes, we tend to be a relatively early adopter of new technologies
- 45%
- 59%

We tend to adopt new technology around the same time as the average company
- 46%
- 31%

No, we tend to be a relatively late adopter of new technologies
- 9%
- 8%

● SME (Less than 250 employees) ● Large business (250+ employees)
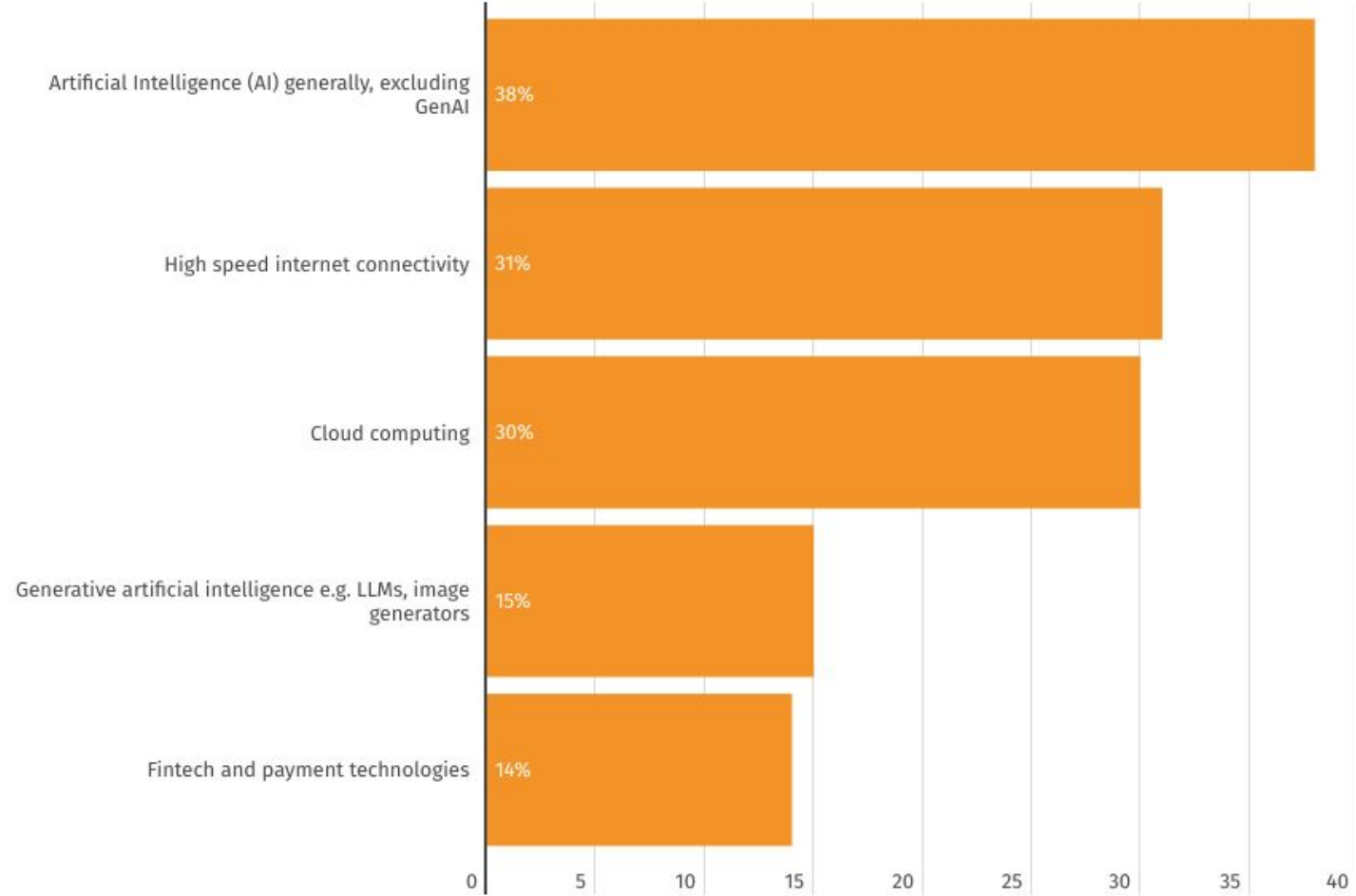
PublicFirst

More than half (54%) of tech leaders agree that adopting new tech would improve productivity.

What would adopting new technologies enable your business to do, if anything? Select all that apply

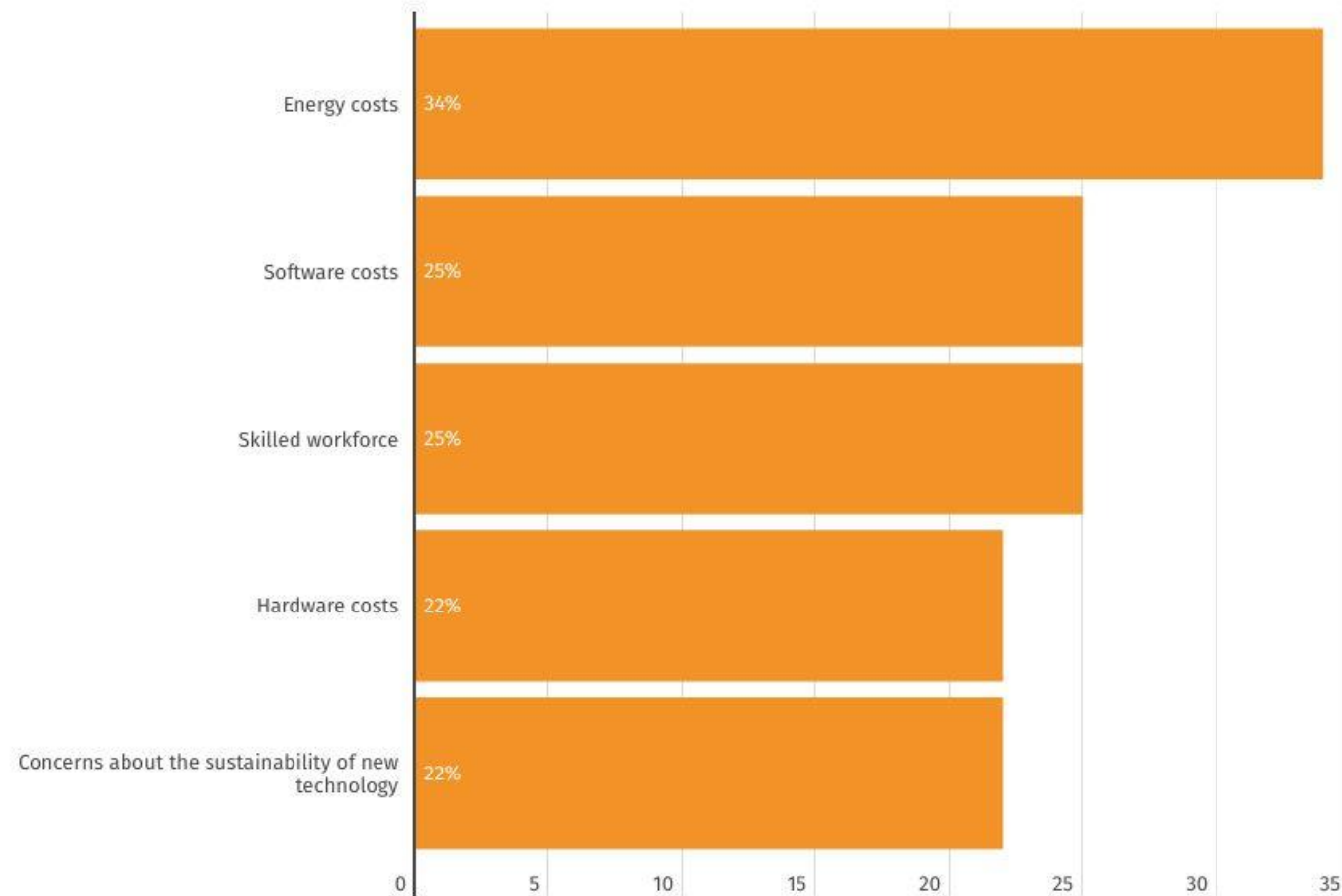| Category	Percentage
Improve our productivity	54%
Reach new customers	50%
Grow revenue	47%
Become more competitive	46%
Develop new products	42%

PUBLICFIRST

38% of tech leaders think that AI provides the greatest opportunity for their business.

Which of these emerging technologies provide the greatest opportunity for your business? Select your top two.

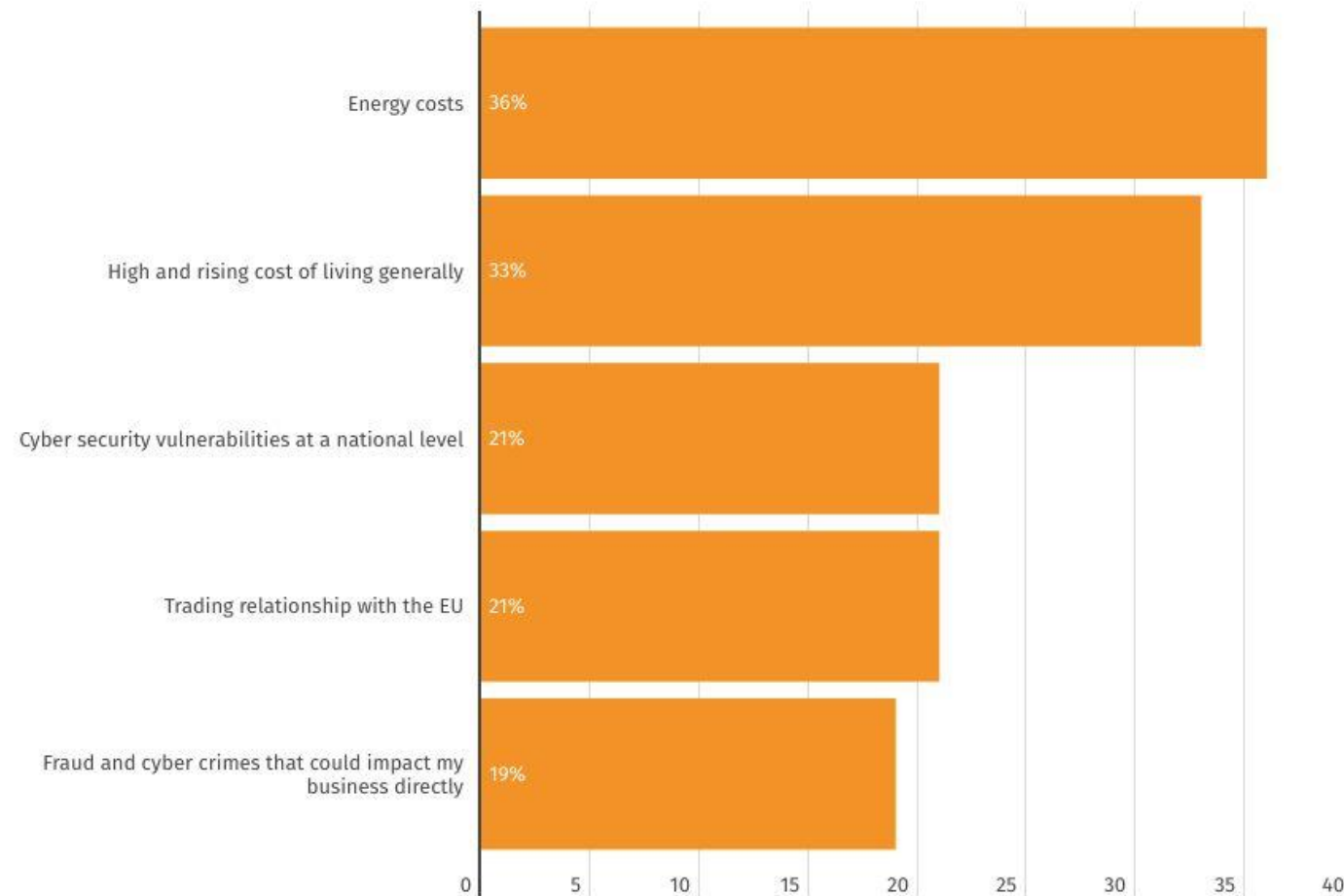| Technology	Percentage
Artificial Intelligence (AI) generally, excluding GenAI	38%
High speed internet connectivity	31%
Cloud computing	30%
Generative artificial intelligence e.g. LLMs, image generators	15%
Fintech and payment technologies	14%

PublicFirst

A myriad of costs, along with access to skilled workers, are the biggest barriers to tech adoption.

What barriers do you face as a business to adopting new technological opportunities, if any? Select any which apply

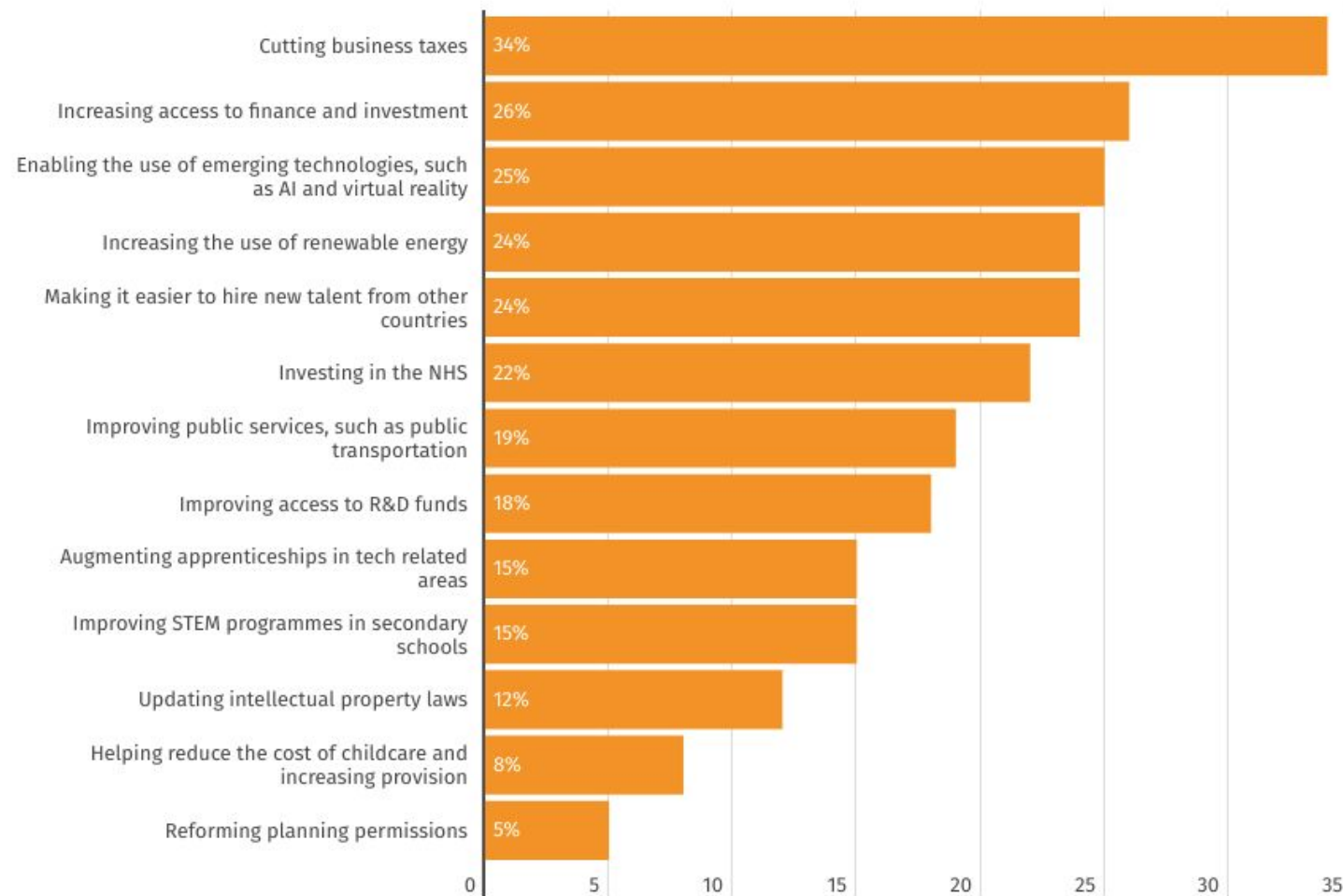| Barrier	Percentage
Energy costs	34%
Software costs	25%
Skilled workforce	25%
Hardware costs	22%
Concerns about the sustainability of new technology	22%

Perhaps unsurprisingly, tech leaders therefore want the next Government to address these costs.

Thinking about the threat these pose to your business, which of the following would you most like to see the next Government address? Select up to three

Category	Percentage
Energy costs	36%
High and rising cost of living generally	33%
Cyber security vulnerabilities at a national level	21%
Trading relationship with the EU	21%
Fraud and cyber crimes that could impact my business directly	19%

And a third of tech leaders (34%) would want the new government to cut business taxes.

Thinking about the ambitions you have for your business, which of the following opportunities would you most like the next Government to help you take advantage of? Select up to three

Opportunity	Percentage
Cutting business taxes	34%
Increasing access to finance and investment	26%
Enabling the use of emerging technologies, such as AI and virtual reality	25%
Increasing the use of renewable energy	24%
Making it easier to hire new talent from other countries	24%
Investing in the NHS	22%
Improving public services, such as public transportation	19%
Improving access to R&D funds	18%
Augmenting apprenticeships in tech related areas	15%
Improving STEM programmes in secondary schools	15%
Updating intellectual property laws	12%
Helping reduce the cost of childcare and increasing provision	8%
Reforming planning permissions	5%

PUBLICFIRST

In their own words, tech leaders said the single most important thing Government could do is...

"Invest in research and development."
Founder, Microenterprise

"Make it easier to employ people from overseas."
Senior Manager, SME

"Bring down the price of electricity and gas."
Founder, Microenterprise

"Simplify regulatory processes to reduce compliance costs and administrative burdens, enabling businesses to focus more on innovation and growth."
C-Level Executive, Global Multinational

"Lower business tax for small businesses."
Owner, Microenterprise

"Stabilise the economy overall."
Director, Global Multinational

"Lower the cost of living to help us retain talent."
Senior Developer, SME

"Invest in digital infrastructure, and foster a supportive ecosystem for innovation and entrepreneurship."
Director, Global Multinational

"Remove barriers to high speed internet nationwide."
C-Level Executive, Global Multinational

"Address skills shortages."
Senior Manager, Large Business

PUBLICFIRST

www.publicfirst.co.uk | contact@publicfirst.co.uk | +44 (0)20 36872 76