

Press Release

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Red Tape still giving business the hump

Red tape is still tying down UK business according to a major new survey by the Institute of Directors (IoD) released today. Petty rules and regulations, incompetence and misplaced 'assistance' continue to hinder business expansion and job creation, members of the IoD reveal in a series of candid case studies.

For the first time 45 businesses reveal just how difficult life can be on the bureaucratic front line. Cases of unnecessary and costly red tape and burdensome bureaucracy emerge across all facets of business activity from employment law, to planning, to health and safety rules. Examples include:

* A Herts building firm ordered to install a speed hump within a much-needed housing development by the local Council, and then charged £12,000 for the Council to 'supervise'. Actual cost of constructing speed hump - £3,000!

* A Lincolnshire manufacturer forced to replace equipment to comply with latest EU standards, but told by supplier that replacement equipment not as good as that which has been replaced!

* A West Midlands exporter now has to liaise with its local Business Link when negotiating overseas contracts. Previously done directly through British Embassy in the country concerned. Business Link of course charges for this service. Extra layer of bureaucracy slows down whole process.

James Walsh, Head of Regulatory Affairs at the IoD, said:

"These case studies speak volumes about the difficulties of doing business in Britain today. For many companies, red tape makes the difference between expanding the business and standing still.

"The Government has made some encouraging noises about getting to grips with red tape, but we need practical action. These case studies show where some of the key problems lie. We look forward to working with the Government to set business free."

The case studies contained in the report cover regulations issued from central government departments and agencies, the European Commission and local government. A number of case studies highlight the difficulties that employers face in adjusting to new 'family-friendly' employment laws.

James Walsh, said:

"Employment regulations crop up time and again in this red tape dossier. The Government should consider giving business a time-out

until at least 2010 before it presses ahead with further extensions of employee rights on issues such as flexible working, maternity pay and parental leave."

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Notes to editors

1. Copies of the Red Tape Case Studies report are available from the IoD's Press Office, tel.020 7451 3264 or email. Press@iod.com

2. The IoD (Institute of Directors) was founded in 1903 and obtained a Royal Charter in 1906. The IoD is a non-party political organisation with upwards of 54,000 members in the United Kingdom. Membership includes directors from right across the business spectrum - from media to manufacturing, e-business to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.

3. The IoD offers a wide range of business services which include business centre facilities (including six regional centres), conferences, networking events, issues-led guides and literature as well as information services and free access to a comprehensive business library and enquiry service. The IoD places great emphasis on director development and has established a certified qualification for directors - Chartered Director - as well as running specific board-level and director-level training and individual career mentoring programmes.

4. In addition, the IoD provides an effective voice to represent the interests of its members to government and key opinion-formers at the highest levels. These include ministers, constituency MPs, Select Committee members and senior civil servants. IoD policies and views are actively promoted to the national, regional and trade media.

5. For further information, visit our website: www.iod.com