

It's Your Business; Your Opinion Counts – The Results



Company Secretarial Services Alert

The end of the beginning or the beginning of the end?

The General Election ended with a Coalition Government which delivered its first Queen's Speech recently, and has been very busy delivering its new recovery initiatives ever since.

We asked for your views on these initiatives, and here are your responses:

How are David and Nick doing so far?

It would appear that the majority of company secretaries are cautiously optimistic, with comments ranging from 'Excellent' to 'OK'. Some feel its still 'early days', but that they are working well together to make the necessary difficult decisions. However, one or two respondents were less impressed; in their opinion, neither David nor Nick was capable of the task ahead.

Best decision – and why?

Various specific examples were cited, including the halting of the Vetting and Barring Scheme, the withdrawal of ID cards, the acceptance of Lord Savills' report on the 1972 riot, electoral reform and the review of civil service pay. The introduction of the Office of Budget Responsibility and the return of banking regulation authority to the Bank of England were also considered to be good moves. Overall, the focus on tackling national debt from all sides in order to move the country forward was welcomed.

Worst decision – and why?

The treatment of David Laws was mentioned by a few, and public sector cuts by some. Most comments centred on the reform of capital gains tax - both in terms of its effect on middle-income earners, and its impact on transactional activity after the changes come into play. However, several felt it was still too early to say.

Financial Reform Bill; good or bad idea – why?

A good idea as far as most are concerned; regulation needs to keep pace with developments in the industries they are regulating, and there is an obvious imperative to ensure that a process exists requiring banks to grow reserves alongside profits.

Sovereign debt crisis; is it going to get better or worse?

The jury is still out on this one; some feel that there's more to come out of the woodwork - others think that the future will depend on where you are, with the UK faring better than others in Europe but not as well as regions beyond the EC. The point was made that the emerging markets have suffered less than the developed economies because they are structured differently – being dependent more on liquidity than the possibility of default – and are therefore, likely to lead the world out of this crisis.

Will any Member States leave the Euro?

There was a consensus that this is unlikely, because of the close inter-dependency of the European states. But several commented that some of the states represented a greater risk than others; have they learned their lesson?

Will the new 'ConDem' team survive the deep spending cuts?

Of those who thought it would, it was largely because the majority recognise that the cuts have to be made, and there is no viable alternative in the short term. The longer term success of this 'marriage of convenience' will depend on the extent to which the parties can maintain the current consensual style of politics.

If it fails, it will be because it will be impossible to maintain balance between winners and losers, and differences will become increasingly polarised.

Should the coalition be wary of stock market reaction to their plans?

Aware rather than wary; with the confidence not to allow 'the tail to wag the dog of fiscal policy'

When might we be going to the polls again?

Some suggested this could happen as early as this autumn, but most suggested around three years' time. Few thought the ConDem coalition will survive to 2015.

And – finally – who will be leading the Labour party to those polls?

A Millibrand - with opinion split on David or Ed. Failing that, it'd be the other Ed.

On a rather more cynical note, one simply suggested 'a man with an Oxbridge degree' - but that's another discussion for another day...

Thank you to all who contributed.