



A BUSINESS PLAN FOR BRITAIN

BUSINESS MANIFESTO 2014/15





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A BRITAIN BUILT FOR GROWTH

The UK stands at a fork in the road

Over the next five years, we can become a more confident, more enterprising, more skilled trading nation – or retreat into slow but very real decline.

The decisions taken during the term of the next Parliament will have a profound impact on our ability to grow businesses here at home and trade across the world.

For the life of the Parliament and beyond, we need a Business Plan for Britain – with governments across the UK focusing their attention on creating the best possible environment for growth, aspiration and enterprise.

A Britain built for growth is a Britain where government decisions are relentlessly pro-growth; business policies are fit for the long term; local business communities are empowered; the machinery of national and local government works with and for business; and those held democratically accountable for outcomes are free to appoint those in charge of delivery.

To achieve growth that delivers prosperity, seven actions must be at the heart of any plan for government:

- **Develop the talents of the next generation** – because preparing young people for the world of work, investing in the skills of those already at work, and nurturing the business leaders of tomorrow are essential to the UK's competitiveness;
- **Support long-term business investment** – because promoting access to finance, and backing investors in dynamic businesses will support the rebalancing the UK economy so badly needs and help drive up productivity;
- **Grow Britain's global trade potential** – because building international networks, investing in our export skills base and removing barriers to trade will support UK businesses to take on the world;
- **Place business at the heart of local growth** – because ensuring business growth takes centre stage in local decision-making and procurement will boost the economies of our cities, towns, and counties;
- **Rebuild Britain's business infrastructure** – because a world-class economy needs world-class infrastructure, and businesses need certainty that crucial improvements are actually delivered;
- **Drive down business costs and taxes** – because simplifying the UK tax system, and reducing the taxes firms pay even before they generate a profit, will boost businesses competitiveness, investment and jobs;
- **Deliver a new settlement for Britain in Europe** – because making the economic opportunities of the European trading bloc work for business, and ensuring clear safeguards for Britain against unwanted further integration, will be critical for our future success.

The goals of our Business Plan for Britain are shared by companies in every region and nation of the UK. In some cases, action is required from Westminster – in others, solutions will be in the hands of the devolved administrations in Scotland, Wales, Northern Ireland and local areas in England.

Our Business Plan for Britain is practical, pragmatic and achievable. We call on the next UK government, the devolved administrations, and local authorities – regardless of location or political colour – to work together and with us to make it a reality.



ASPIRATIONS FOR BRITAIN'S NEXT GOVERNMENT:

We believe that Britain's next government should be assessed against stretching economic aspirations so that businesses and voters can judge our political class by what they help us to achieve, not what they say in the media.

By implementing our Business Plan for Britain, and by maintaining a relentless focus on policies that deliver prosperity, the next government can help to achieve the following aspirations:

GDP	The fastest GDP growth rate in the G7 over the life of the next Parliament
Business Investment	The highest level of business investment as a % of GDP in the G7 by 2020
Employment	The lowest rate of youth unemployment in Europe by 2020
Trade	Double the value of exports to £1 trillion by 2020
Budget	Elimination of the UK's budget deficit and a return to surplus by 2018/19
Taxation	Maintain the lowest rate of corporation tax in the G20 and achieve the lowest business input taxes and charges by 2020
Infrastructure	Rise from 27th to top 15 in the World Economic Forum's Quality of Overall Infrastructure rankings by 2020
Housing	Support private-sector construction rates of at least 200,000 new homes per annum over the life of the next Parliament
Education and Skills	A workforce with literacy, numeracy and problem-solving skills that rank in the top ten in the OECD Adult Skills Survey by 2020
Competitiveness	Ranked first amongst European countries for overall competitiveness by the World Economic Forum by 2020 (currently ninth overall and fifth amongst European countries)

DEVELOP THE TALENTS OF OUR NEXT GENERATION

Businesses can only perform as well as the people that start, run and work in them. To thrive, they need access to the right skills, in the right place, at the right time. A quality 'pipeline' of young people entering the labour market for the first time is essential, as are the tools to improve the skills of existing employees.

But each business is different, and as they look to grow and evolve, they also need a supportive environment for investing in staff.

Businesses often report that young people are inadequately equipped with the soft skills and knowledge needed to make a smooth transition from education to the workplace. They remain hampered by mismatches between the skills they need and those available in their local area. Businesses across the UK need a system that works better for their needs. They need schools, colleges and universities that prepare young people for employment; that work with businesses to address skill shortages; and that equip the next generation to start the enterprises of tomorrow. And when businesses invest in the skills of their current employees they need the support to retain them as they start families.



TO DEVELOP THE TALENTS OF THE NEXT GENERATION, THE UK AND DEVOLVED GOVERNMENTS MUST:

- **Ensure secondary schools are assessed on employment outcomes to better prepare young people for work** – focusing schools not just on ‘teaching to the test’, but also on developing the employability and life skills needed to get into, and get on in the workplace.
- **Guarantee a business governor in every school to increase business engagement in education** – making schools more aware of local business needs and supporting schools to develop healthy relationships with their local business community.
- **Guarantee universal ‘experience of work’ in all schools UK-wide to improve employment prospects** – ensuring all pupils leave school with high-quality exposure to business and the core skills needed for work.
- **Promote enterprise modules for all higher and further education students** – ensuring students have the opportunity to build up their knowledge of business during academic and vocational studies, better preparing them for work or to set up their own firms.
- **Put in place a Childcare Contribution Scheme that helps talented people stay in work** – financial support of up to £10,000 for working parents to access childcare, with repayment through PAYE, that allows more businesses to retain and develop staff while they start families.

IF OUR PROPOSALS ARE DELIVERED:

- We will have an education system that adequately prepares young people with the attitude, skills and knowledge to successfully make the transition to work.
- Businesses will benefit from retaining more staff while they have families.
- The UK will significantly improve its employment and skills infrastructure by 2020, contributing to our aspiration to achieve the lowest rate of youth unemployment in Europe, and a workforce with skills that rank in the top ten of the Organisation for Economic Co-operation & Development (OECD).

SUPPORT LONG-TERM BUSINESS INVESTMENT

If Britain is to be the home of a new generation of world-leading companies – the place that spawns the next Apple or Google – then its finance and business investment infrastructure must be radically overhauled to support companies through each stage of growth.

In the UK, too many smaller, younger, and higher-growth businesses find it hard to access the finance they need to grow. This is compounded by a highly-concentrated business banking sector in which new and non-traditional entrants find it hard to gain a foothold. Businesses remain overly reliant on banks: compared to their international competitors, British firms under-utilise both equity and bond finance.

To build a bigger and more competitive private sector, the next UK government must address these long-standing weaknesses – promoting access to and take-up of more diverse sources of finance. But to realise the long-term benefits of increased investment, it must also commit to close scrutiny of takeover cases where substantial value to the UK economy is at stake.



TO SUPPORT LONG-TERM INVESTMENT, THE NEXT UK GOVERNMENT MUST:

- **Build a bigger, better British Business Bank that makes a real difference to business growth** – creating an institution with the capital base and direct relationship with business to address the scale of the gap in growth finance for young, high-growth firms.
- **Implement the findings of the Competition and Markets Authority (CMA) market investigation into SME banking** – identifying the actions needed to promote competition in the sector and restore trust, transparency and relationships between lenders and businesses.
- **Commit to a full review of market restrictions for new non-bank SME finance providers** – including looking at the viability of easing capital limits for building societies and helping to reducing barriers for new crowd funders and providers of asset finance.
- **Facilitate a functional retail bond market that is accessible to businesses of different sizes** – kick-starting the market by setting up an entity to securitise SME loans and establishing regional and sectoral platforms for small-scale bond issuance.
- **Equalise corporation tax treatment between debt and equity for equity investments of no more than 25% that are held for a minimum of three years** – addressing Britain’s excess reliance on corporate debt through broadening the use of equity finance.
- **Introduce a long-term Annual Investment Allowance level that enables companies to invest in plant, machinery, and crucially, premises improvements** – helping firms to invest with confidence as businesses need long-term certainty, rather than short-term incentives to take forward investment decisions.
- **Legislate to enable government to secure enforceable undertakings in takeover cases where there is concern of a substantial lessening of economic value to the UK economy** – facilitating greater scrutiny of takeover cases to ensure that they are in the long-term national economic interest.

IF OUR PROPOSALS ARE DELIVERED:

- The UK will start to close the hundred-year-old ‘McMillan gap’, ensuring that the UK is home to a new generation of world-leading companies – the place that delivers the next Apple or Google.
- The UK will have the highest level of business investment as a percentage of GDP in the G7 by 2020, reducing our current reliance on consumer spending and safeguarding our economic future.
- The UK will usher in a new era in business banking where businesses enjoy better terms and conditions, a higher level of service and better standards of conduct.

GROW BRITAIN'S GLOBAL TRADE POTENTIAL

Focusing the UK's economy on more sustainable sources of growth is essential for Britain's long-term economic health. Given the drag on growth from Britain's persistent trade deficit, developing the UK's export base, both through more intensive and more first-time exporting, must be a top priority for any future government. Companies that export grow faster than those that do not.

Additionally, they are more innovative, and more adept at developing new products and services. Breaking into new overseas markets allows companies to expand and create more jobs.

To link UK businesses to the vast opportunities of the world market Britain needs to overcome some long-standing weaknesses. Access to trade finance, export-related skills, bureaucratic obstacles to export and patchy international business networks must all be addressed. The BCC is doing its bit, working in partnership with government to develop and accredit overseas Chambers of Commerce and business groups in 41 countries across the globe, where businesses can receive practical advice and support. However if we are not to fall further behind, we must match the efforts of countries like Germany, which have historically made far larger investments in developing export capacity and global business networks - with results that are clear to see.



TO GROW BRITAIN'S GLOBAL TRADE POTENTIAL, THE UK AND DEVOLVED GOVERNMENTS MUST:

- **Put long-term support in place, commensurate with our major competitors to develop a world-class, global business-to-business network to support all UK businesses** – linking British firms to customers and opportunities for growth in the fastest-growing overseas markets.
- **Continue work to bring UK Export Finance (UKEF) up to par with the world's best export finance agencies** – ensuring UK businesses can access the same products and scale of support offered by the publicly-backed Export Credit Agencies of our global competitors.
- **Make foreign language learning compulsory from age seven to 16** – supporting more young people to 'think global' and acquire knowledge, skills and problem-solving abilities that are highly valued by Britain's exporters.
- **Introduce a 'fast-track' passport issuance scheme for British exporters and global traders overseas** – enforcing a maximum turnaround of four weeks so Britain's exporters don't have their wings clipped.
- **Reform the points-based visa system for foreign students and skilled workers so that it directly addresses economic need** – to ensure businesses can attract, and crucially, retain the international talent they need to stay ahead.
- **Simplify visa access for foreign business people seeking to conduct trade with the UK** – easing the way for British firms to link with customers, investors and business partners
- **Facilitate an International Business Placement scheme that develops the next generation of exporters** – launching a high-profile, competitive programme for young people that puts building international business connections back on the career map.
- **Reduce and reform Air Passenger Duty, a trade tax on Britain's global traders** – Ensuring British businesses are not put at a cost disadvantage when conducting business and market research abroad.

IF OUR PROPOSALS ARE DELIVERED:

- More businesses will have the means, motivation and support to break into new overseas markets, moving the UK closer to producing exports worth £1 trillion per annum by 2020.
- More businesses will invest in new products and processes to serve overseas markets, contributing to our aspiration for Britain to achieve the highest rate of growth and level of business investment as a percentage of GDP in the G7.

PLACE BUSINESS AT THE HEART OF LOCAL GROWTH

For many firms, their local area is their business environment. That's where many of the barriers to their growth can be found – the quality and cost of local transport connections, access to skilled labour, permission to expand their premises, or opportunities to supply the public sector. As we move towards more devolved government across the UK, local decisions on housing and even taxation have the potential to radically enhance the business environment – but also to create new barriers to enterprise and growth.

Local business must be at the heart of local decision-making on economic development if areas across the UK are to see growth and jobs. And local government and other public-sector agencies must re-double their efforts to make procurement work in the interests of local growth.



TO PLACE BUSINESS AT THE HEART OF LOCAL GROWTH, THE UK AND DEVOLVED GOVERNMENTS MUST:

- **Guarantee a Business Ratepayers' Vote on local economic strategy and how it is funded** – including a vote on any proposed changes to local business taxation – ensuring that plans for an area's future have the support and input of the whole of the business community, which are key to their success.
- **Create a truly integrated and single market in public sector procurement** – building on the new national Contracts Finder portal by mandating all public-sector organisations to follow a single set of principles when buying goods and services and eliminating duplication in information requirements on bidders.
- **Increase SME participation in procurement by making it easier for consortia to compete for large public sector contracts** – removing the substantial hurdles small businesses face when coming together to compete with larger providers.
- **Compel a shift in local public sector procurement toward adding economic value to the area, and away from a narrow focus on the lowest spreadsheet cost** – making government procurement play a larger role in promoting business and employment at a local level.
- **Enforce mandatory engagement standards for local government and agencies on public procurement** – ensuring procurement bodies frequently and meaningfully engage local business communities on upcoming opportunities.

IF OUR PROPOSALS ARE DELIVERED:

- Local Authorities would be held democratically accountable to businesses for increasing their costs, ensuring, as with residential Council Tax, that business input taxes fall in real terms over time. This will contribute to achieving the lowest business input taxes and charges in the G20 by 2020.
- Local business communities would have more confidence in, and feel greater ownership of, plans for local development; supporting long-term business investment and jobs.
- Public sector procurement would make a greater contribution to economic growth and regeneration by supporting investment in small and growing companies and local jobs. Focusing on the value generated rather than costs alone will support the UK in achieving world-beating rates of business investment and GDP growth.

DRIVE DOWN BUSINESS COSTS AND TAXES

For UK businesses to compete globally, they need a cost-competitive environment at home. When taxes and other costs like energy increase as a result of government policy decisions, it is business growth, investment and jobs that suffer.

The UK has the highest business rates in Europe, loading costs on to firms before a single sale has been made. Unilateral policy measures that increase the cost of energy are undermining the international competitiveness of our exporters, while the excessive complexity of our tax system adds further costs and affects business decisions to invest and create new jobs.

To address these barriers to growth, governments across the UK must take bold action – not succumb to the usual argument that reform is too difficult.



TO DRIVE DOWN BUSINESS COSTS AND TAXES, THE UK AND DEVOLVED GOVERNMENTS MUST:

- **Freeze business rates for all companies until 2017 and deliver full revaluation of premises in 2017** – removing the spectre of relentless rises in business rates, now the highest in Europe and a drag anchor on investment and growth.
- **Commit to completing a thorough review of the broken Business Rates system by 2017 that is centred on delivering an internationally competitive local tax system by 2022** – fixing a uniquely iniquitous approach to taxing business which impedes hundreds of thousands of firms before a single sale has been made.
- **Remove the income tax distortion that leads to those earning between £100k and £120k to face 60p tax rates** – a move that would enable SMEs to recruit vital senior-level staff without having to pay a premium to offset the impact of the 60p rate.
- **Merge income tax and employee National Insurance Contributions for full tax transparency** – reducing the cost burden of tax administration for businesses generated by two different taxes on earnings.
- **Abolish the ineffective Office for Tax Simplification, transfer its remit to the Office for Budget Responsibility and increase parliamentary oversight of tax simplification** – halting the growing complexity of our tax system through increased transparency and accountability.
- **Pledge to take no unilateral measures over the life of the next Parliament that increase energy costs for UK businesses** – ensuring that the international competitiveness of businesses, particularly in energy intensive sectors, is not undermined by government policy.

IF OUR PROPOSALS ARE DELIVERED:

- We will have a business property tax system that is fair to all firms and no longer a drag anchor on investment and growth. This will contribute to the UK achieving the lowest business property taxes in the G20.
- Businesses will benefit from a tax system that is transparent, supports business growth and allows businesses to invest and create jobs. This will help the UK create the most competitive and business friendly operating environment in the G20, supporting greater investment and job creation.
- Businesses will have more certainty about their future energy costs and be reassured that moves to create a low carbon economy will not undermine competitiveness. This will support higher business investment and GDP growth.

REBUILD BRITAIN'S BUSINESS INFRASTRUCTURE

A world-class economy needs world-class infrastructure. Businesses rely on transport networks to move goods and people; on energy infrastructure to keep production lines and technology running; on telecoms to deliver services, and to connect with customers and suppliers. Failure to invest in capacity and maintenance is hampering business growth and costing jobs.

The scale of the challenge facing the UK is vast – the UK's National Infrastructure Plan identifies around 650 projects required by 2030, costing £375bn. Without significant efforts from future governments to accelerate the pace of infrastructure delivery, the UK's ability to compete internationally will be further undermined. To avoid this fate, decisions on key projects must be taken, not avoided. Long-term clarity must replace short-term expediency, and we must aim not just to 'make-do and mend' but to be competitive with the world's best.



TO REBUILD BRITAIN'S BUSINESS INFRASTRUCTURE, THE UK AND DEVOLVED GOVERNMENTS MUST:

- **Take immediate action to deliver new aviation capacity following publication of the Airports Commission's report** – so UK businesses have the international connectivity for passengers and goods to compete effectively on the world stage.
- **Complete the legal framework for HS2 and proceed to deliver as rapidly as possible a fully national high speed network** – ensuring businesses are not handicapped by an increasingly congested rail system, which would affect both labour markets and rail freight.
- **Deliver promised investments in road and rail schemes of national importance** – giving business the confidence to invest, when for decades they have seen countless plans and strategies but too little delivery.
- **Develop and implement a 50-year UK Energy Security Strategy** – addressing one of the greatest long-term challenges facing the country, ensuring businesses have access to reliable sources of power.
- **Ensure UK businesses have access to world-class digital infrastructure by leading the world in the development of 5G technology** – putting economic ambition and aspiration at the heart of UK plans for digital infrastructure.
- **Reform the planning system, including the green belt, to free up more land for housing** – increasing the amount of available land for construction to support the delivery of much-needed new homes.
- **Create a new independent body to set the UK's infrastructure requirements** – so that decisions on infrastructure are based on expert analysis and the long-term strategic interests of the UK, rather than short-term politics.
- **Take infrastructure investment that boosts economic growth out of the national debt target** – enabling government to maintain a credible commitment to sound public finances while increasing public investment in infrastructure.

IF OUR PROPOSALS ARE DELIVERED:

- The UK would progress towards a top 15 place in the World Economic Forum's Quality of Overall Infrastructure rankings by 2020.
- The private sector would construct at least 200,000 new homes per annum over the life of the next Parliament.
- The UK would have in place an energy strategy that reduces energy dependency by maximising all sources available (including shale) and ensures that energy is used more efficiently.

DELIVER A NEW SETTLEMENT FOR BRITAIN IN EUROPE

The EU contains the most popular markets for current and potential UK exporters. But for British businesses to truly regard the EU as home turf, and reap the full benefits, the European Single Market must be completed and enforced. Services and e-commerce are pillars of the UK economy today – and it is for these areas that the barriers to trade across the EU remain greatest.

Businesses are pragmatic about Britain's future place in the EU, not ideological. They are keen to take advantage of the opportunities, but are also vocal about the costs and burdens created by policies that hamper their competitiveness and that of the UK as a whole. The apparatus of EU decision-making is evolving fast as efforts continue to shore up the Euro and respond to the changing needs of the Eurozone. However this pans out, businesses expect future governments to ensure the UK is not disadvantaged – by securing a new settlement for Britain in Europe.



TO DELIVER A NEW SETTLEMENT FOR BRITAIN IN EUROPE, THE NEXT UK GOVERNMENT MUST:

- **Secure binding safeguards for the UK and other non-Eurozone countries in future EU decision-making** – to ensure that non-Eurozone states are not subjected to inappropriate rules and regulations, and to ensure that non-Eurozone states retain a key role in the Single Market.
- **Drive the completion and enforcement of the EU Single Market in goods, services and e-commerce** – so that the UK can reap the full benefits of the world’s biggest trading bloc.
- **Focus the EU on securing global free trade for its member states** – reducing barriers to trade and investment for UK businesses around the world, by focusing resources on trade liberalisation rather than burdensome internal regulation.

IF OUR PROPOSALS ARE DELIVERED:

- The UK’s future relationship with the EU will reflect what Chamber members tell us they want to see achieved: a reformed, more competitive, outward-looking EU where certain policies, such as social legislation, are decided at a national level to allow them to better reflect local circumstances and national preferences.
- We will have a future EU that ensures that Member States which have no intention of joining the Euro, such as the UK, will retain their economic independence and their influence over the Single Market.
- A future EU will see liberalisation of international trade as a top priority for the Commission and Member States.

THE BCC ACCREDITED CHAMBER OF COMMERCE NETWORK

Aberdeen & Grampian Chamber of Commerce

Ayrshire Chamber of Commerce & Industry

Barnsley & Rotherham Chamber of Commerce

Bedfordshire Chamber of Commerce

Black Country Chamber of Commerce

Business West Chambers of Commerce

Cambridgeshire Chambers of Commerce

Cornwall Chamber of Commerce & Industry

Coventry & Warwickshire Chamber of Commerce

Cumbria Chamber of Commerce & Industry

Derbyshire, Nottinghamshire, Leicestershire Chambers of Commerce Group

Doncaster Chamber of Commerce

Dorset Chamber of Commerce & Industry

East Lancashire Chamber of Commerce

Edinburgh Chamber of Commerce

Essex Chambers of Commerce

Fife Chamber of Commerce

Glasgow Chamber of Commerce

Greater Birmingham Chambers of Commerce Group

Greater Manchester Chamber of Commerce

Hampshire Chamber of Commerce

Herefordshire & Worcestershire Chamber of Commerce

Hertfordshire Chamber of Commerce & Industry

Hull & Humber Chamber of Commerce

Inverness Chamber of Commerce

Isle of Wight Chamber of Commerce, Tourism & Industry

Kent Channel Chamber of Commerce

Kent Invicta Chamber of Commerce

Lincolnshire Chamber of Commerce

Liverpool & Sefton Chambers of Commerce

London Chamber of Commerce & Industry

Mid Yorkshire Chamber of Commerce

Norfolk Chamber of Commerce

North & Western Lancashire Chamber of Commerce

North East Chamber of Commerce

Northamptonshire Chamber of Commerce

Northern Ireland Chamber of Commerce & Industry

Plymouth Chamber of Commerce

Renfrewshire Chamber of Commerce

Sheffield Chamber of Commerce & Industry

Shropshire Chamber of Commerce & Enterprise

Somerset Chamber of Commerce & Industry Ltd

South Cheshire Chamber of Commerce

South Wales Chamber of Commerce

St Helens Chamber

Staffordshire Chambers of Commerce

Suffolk Chamber of Commerce

Surrey Chambers of Commerce

Sussex Chamber of Commerce & Enterprise

Thames Valley Chamber of Commerce

West & North Yorkshire Chamber of Commerce

West Cheshire & North Wales Chamber of Commerce

The British Chambers of Commerce is the national body for a powerful and influential Network of Accredited Chambers of Commerce across the UK, a network that directly serves not only its member businesses, but the wider business community. Representing thousands of companies of all sizes and within all sectors, the British Chambers of Commerce is the real voice of business.

Every Chamber sits at the very heart of its local community working with businesses to grow and develop by sharing opportunities, knowledge and know-how. No other organisation makes such a difference to business as the British Chambers of Commerce.

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