

BCC reacts to Chancellor's Spring Statement

Commenting on the Spring Statement, delivered today (Tuesday) by the Chancellor of the Exchequer, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Businesses will be encouraged by the Chancellor's report on the UK's fiscal health, with lower projections for the deficit and falling national debt, as well as his full-throated defence of the market economy and the role of the private sector in delivering prosperity.

"Yet as deficit and debt levels improve, the Chancellor must resist calls to pour money into politically-attractive, short-term spending priorities. Any headroom the Chancellor has must be used to leave a lasting mark on the UK's infrastructure and to attract investment – particularly with the challenges and changes of Brexit ahead.

"A far stronger push is needed to fund and fix the fundamentals here in the UK over the coming months, and business wants the Chancellor to use his Autumn Budget to double down and spend to improve digital connectivity, deliver further road and rail improvements, strengthen the UK's energy security and build more houses. Existing plans alone are not enough.

"Given that businesses across the UK have long complained about constant tinkering with tax rates, the Statement's lack of tax and spending changes is welcome – and not before time. A clear annual cycle will mean fewer rushed policies and give firms the time they need to plan for any changes that come their way."

On business rates:

"We are pleased that the government has listened to our calls to make revaluations more frequent. Switching to a three-year-cycle will go some way to reducing the huge changes in rates bills that clobber firms across the UK, and enable them to plan their growth strategies with greater confidence.

"However, a system that responds more frequently to changing economic conditions must also be simpler for firms to navigate. The current system already generates a huge number of appeals, and if it is not made easier for companies, more frequent valuations would simply make this backlog mushroom."

On late payment:

"Previous attempts to tackle late payment have not had the desired effect, because affected firms are often unwilling to jeopardise customer relationships by calling out bad practice. The government must use its convening power to tackle this issue in sectors where it is clear that problems exist.

“Changing payment terms mid-contract, and burying payment terms in the small print when suppliers register for business, are issues that deserve ministers’ attention. However, ultimately improving relationships between businesses is a key part in addressing the problem of late payment.”

On apprenticeships and the apprenticeship levy:

“While more funding to support small businesses seeking to employ apprentices is welcome, urgent action is needed to reform and improve the apprenticeship levy – which is currently failing both businesses and the people they want to train. The levy’s lack of flexibility and its complexity are stifling the training aspirations of businesses of all sizes.”

On the latest forecast by the Office for Budget Responsibility, Suren Thiru, Head of Economics, added:

“Taken together, the OBR’s latest forecasts suggest that the UK will remain locked onto a low growth trajectory for the foreseeable future. While GDP growth for this year was upgraded slightly, their projections for 2021 and 2022 have been downgraded.

“It is encouraging that government borrowing is now projected to be lower over the next few years than in their previous forecast, and suggests that that chancellor will have some welcome fiscal headroom at the Autumn Budget later this year.

“The OBR’s latest outlook also highlights significant challenges facing the UK economy over the near term. Their projections implies that UK economic growth will remain unbalanced throughout the forecast period with business investment and trade expected to add little to overall UK growth.

“UK productivity is still expected to remain subdued over the next few years, and could weigh more on overall economic activity than the OBR’s GDP growth forecast currently suggests. Productivity continues to be hampered by the deep-rooted problems in our economy, from the skills gap to chronic underinvestment in the UK’s infrastructure.

“The OBR is right to highlight the risk of a disorderly Brexit, as a sudden departure from the EU would be likely to trigger a marked weakening in economic conditions.”

“Against this backdrop, the focus of the Autumn budget must be on delivering a fiscal consolidation plan that achieves a more sustainable balance between deficit reduction and boosting productivity and growth, including using its greater fiscal headroom to deliver urgently needed infrastructure investment.”

Ends

Notes to editors:

The BCC is campaigning for action to fix the fundamentals of the UK economy, ensuring the basics are right for business investment and growth. Adam

Marshall touched on this theme extensively at the BCC Annual Conference on 8th March, as well as on the need to fight back against proposals for nationalization, and his detailed comments can be found [here](#).

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BCC: Improve domestic business environment to help exporters to grow

Commenting on the trade statistics for January 2018, released today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“The weakness in the UK’s trade position in January is a concern, and means that the UK’s trade deficit remains significantly higher than the historical average. This deterioration reflects a marked rise in goods imported in the month.

“While stronger global economic growth will continue to support demand for UK goods and services, the relative weakness of sterling remains more of a hinderance than a benefit. Many exporters are also importers, and remain under significant pressure from the high cost of imported goods and raw materials.

“Firms also report that issues in the domestic business environment – from chronic skills shortages to the high cost of doing business in the UK – continue to hamper their export ambitions. Addressing these long-standing business concerns, and the lack of practical support for exporters, would enable more businesses to compete on the global stage.”

Ends

Notes to editors:

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Francis Martin opens the BCC Annual Conference 2018

(CHECK AGAINST DELIVERY)

Honoured Guests, Ladies and gentlemen, good morning.

It is with great pleasure that I, as President of the British Chambers of Commerce, welcome you to the QE2 Conference Centre here in Westminster, for the British Chambers of Commerce’s Annual Conference 2018.

We are delighted that our conference this year takes place on the same day as International Women’s Day. In the centenary year of women’s voting rights, it is humbling to join events across the UK and around the world today and to continue to Press for Progress.

Indeed today, it’s good to see that we have parity between men and women in our speaker line-up.

The British Chambers of Commerce sits at the apex of a Network of individual businesses, each with their own diverse membership bases, in every region and nation of the United Kingdom.

52 amazing business communities, bound by a shared mission to connect businesses through membership, champion places, promote trade, and to speak up for the businesses we represent.

Unlike any other business membership organisation, the Chamber of Commerce Network truly spans the breadth and depth of British industry. From sole employers to multi-national corporations, manufacturers to hoteliers, no organisation truly represents the spectrum of opinion from business quite like the Chamber of Commerce Network.

And it is that depth of knowledge that gives the BCC unrivalled knowledge of the local and national economic picture.

Today we are discussing diversity in business, the future of work, and the future of trade. Topics crucial to the future success of the UK economy.

Today we meet with our country at a crossroads.

There are major choices to be made over the UK's future relationship with the European Union.

There are major choices to be made about how we develop our economy for the future.

Through it all, Chamber businesses are getting on with the job in hand.

Yet they are also seeking clarity, and an end to the political uncertainty that holds growth back.

This is not a blind warning, filled with platitudes.

Our Quarterly Economic Survey – the biggest private sector survey of business sentiment in the UK – is showing a national economy that is treading water.

In my day job, I work in corporate finance in Northern Ireland, in London and indeed right across the UK. I can tell you that many of the firms I see are pausing for breath and biding their time, as they seek answers to the many practical questions arising from the UK's departure from the European Union.

Chamber firms may have different views on what the UK's future relationship with the EU will be – but they are united in their desire for political decision-makers to deliver clarity, coherence and certainty.

While eyes in Westminster have been focused on slogans and labels, Chamber of Commerce members, from Aberdeen to Accrington, from Cornwall to Cumbria, instead are focusing on the real-world, practical and pragmatic questions:

Who can I hire, and from where, and how much will it cost?

Will I need to pay import VAT or tariffs?

Will a supplier's consignment or a customer's order get stuck in customs?

What standards and rules do I need to comply with?

The Government of the United Kingdom and the European Commission absolutely owe it to business communities on both sides to provide practical answers to the questions businesses currently face.

And while businesses will have appreciated the Prime Minister's determination to secure a wide-ranging agreement in her speech last week, they are still awaiting the details they need to plan ahead with confidence.

Over the next fortnight, the government must deliver a swift agreement on transition that gives businesses short-term certainty – and they must strain every sinew to deliver a pragmatic long-term settlement that keeps trade and commerce flowing.

While the battle lines between the two sides are likely to harden over the coming weeks, businesses need to be braced for more noise from Westminster.

However, the time for political posturing on both sides is over. The time for getting stuck into the detail, and answering those real world business questions, has arrived.

Otherwise, there's the very real possibility that we will see businesses hiring less, investing less, or worst of all, looking elsewhere for future growth.

Yet times of change can also bring real opportunity.

As businesses reassess their priorities, and become more efficient and dynamic, they can become more competitive – and seize the opportunities arising from change.

But to do this, firms need to know what they are dealing with, they need support and, crucially, sufficient time to make the necessary changes to their business plans.

Our message is simple.

To Westminster, we say, stop the inward-facing squabbles, and provide clarity and coherence for the very businesses you rely on to drive growth and prosperity.

To Brussels, and to our many friends and colleagues across Europe, we say, be more flexible, be pragmatic, be open to new solutions that keep trade flowing across borders.

Neither side must let ideology be the enemy of our shared prosperity.

Ladies and gentlemen, we are delighted to be joined by top-calibre speakers today from across the worlds of business and politics, to discuss and debate the key issues of our time.

While I know our deliberations will touch on the challenges of Brexit, it is also my hope that they will focus firmly on the opportunities future – for they are many, and Chambers of Commerce will be there to support businesses across the UK and across the world in seizing them for many years to come.

Ladies and gentlemen, thank you very much, and I hope you have a wonderful conference.

Adam Marshall: Ambitious growth plan for UK more important to business than Brexit

Addressing the BCC Annual Conference 2018 today (Thursday), Dr Adam Marshall, Director General of the British Chambers of Commerce, will remind the government that the biggest challenges and opportunities facing the UK business community, and country, are not related to exiting the EU, but to the fundamentals in the domestic environment.

In his keynote speech to the Conference in the QEII centre Westminster, Marshall will call on the government not to let Brexit overshadow all the issues in the domestic environment that need urgent attention to boost confidence, improve productivity and create jobs.

To equip the country for future success, Marshall will say the fundamentals must be fixed first, including funding repairs on local roads, improving capacity of railways and airports, building more houses, ridding the UK of mobile phone 'not-spots', stabilising the training and apprenticeship systems, and delivering a clear and easy-to-use immigration system.

Marshall will also call for a bigger, more optimistic vision for the future of the UK, a national sense of mission to unite the efforts of business, government and the public at large with a real sense of purpose.

Marshall will also warn about the importance of a thriving private sector and defending private enterprise and wealth creation.

Dr Adam Marshall, will say:

"I want to talk about the choices that our leaders must make right here in the UK. The choices that are in our own hands. The issues that are currently being overlooked. The practical, pragmatic UK agenda that will unlock investment and a brighter, more prosperous future.

"Business know that success so often depends on getting the basics right first. The same holds true for the UK economy. It's time for Westminster to join us in focusing on the basics. By addressing the less flashy things that always seem to fall between the cracks. We must equip this country for future success – by fixing the fundamentals first.

"Successive governments have acknowledged that more could be done to get the basics right for business. Indeed, the current government's developing Industrial Strategy is up-front about many of these challenges. Yet the leadership and the infrastructure simply aren't there to make change happen."

On the need for a national mission, Marshall will say:

“There is a real hunger coming from businesses across the UK for real leadership and vision. Businesses want to see a radical, optimistic vision for the future of the UK. The reason is simple: they want something to get behind. A national sense of mission that unites the efforts of business, government and the public at large with a real sense of purpose.”

“There are those who would argue that Brexit is that mission, but they have entirely missed the point. Brexit is a process, not an outcome. It has been allowed, by government and opposition alike, to cloud over the rudderlessness of recent years; a convenient excuse to plough attention and resources into a process of disconnection, rather than to take the far harder step of re-imagining Britain for the future and then marshalling all available brainpower, management capacity and financial resources into making it happen.”

Marshall will also highlight the importance of a thriving private sector, saying:

“The wave of business investment we all want to see depends, intrinsically, on the level of business confidence in the stability and stance of governments.”

“Yet our business communities are worried about the rhetorical assault on capitalism and wealth generation emanating from some quarters of Westminster. Those who seek to divide our business communities by pitting the small against the large, or by demonising some sectors while championing others, must be challenged. Those who suggest that the solution to poor procurement and questionable outsourcing decisions by government is the wholesale nationalisation of entire swathes of the economy must also be challenged.”

“Facing down the superficially seductive argument for nationalisation won't be easy – but it's vital to the future success of communities and prosperity all across the UK.”

Ends

Notes to editors:

The BCC Annual Conference takes place on Thursday 8 March at the QEII Centre, London. The [full programme](#) can be found online, to register for a press pass please email the [press office](#).

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BCC: New planning strategy must deliver real change

Commenting on the new version of the National Planning Policy Framework, Jane Gratton, Head of Business Environment at the British Chambers of Commerce (BCC), said:

“Planning revolutions have often been promised, but usually turn out to be a false dawn, given that businesses report that it never seems to get easier, faster, or cheaper to secure planning permissions and crack on with development.

“The last time the government upended the planning system six years ago, the framework was slimmed down, but the bureaucracy, delays and cost were not. This time things must be different.

“Business will welcome measures to increase house building, which will provide much needed homes for the workforce, stimulate the construction sector and boost many other firms across supply chains.

“Building new garden towns and villages in areas of greatest need is sustainable and sensible, but this must not come at the expense of housing growth in other less vibrant parts of the country. To rebalance the economy, the new housing rules must not allow councils to scale back housing targets in areas with economic growth potential.

“Investors, councils – and indeed local communities – have all been guilty of finding reasons why developments should not take place. The policy changes need to speed up the process, remove blockages in the system and, above all, bring about a change of mindset to get more quality homes built faster.

“There’s often a gap between rhetoric and reality when it comes to planning decision-making. If well-resourced and experienced, councils can deliver quality and consistent decision-making, but they must also be willing to implement agreed policy, even if that causes local unpopularity.”

Ends

Notes to editors:

A BCC survey in June 2017 found that five years on from the introduction of the NPPF, 27% of businesses say there has been no change in making the planning system easier to engage with, 20% believe it is more difficult to deal with, and 15% believe it is now easier to engage with.

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