

## BCC comments on Chancellor's speech

Commenting on the Chancellor's speech at the Conservative Party conference, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Philip Hammond's defence of capitalism and markets will be welcomed by businesses. Yet the fight-back for a strong, competitive market economy has only just begun.

"Across the UK, there are hundreds of thousands of civic businesses who combine the search for profit with a rock-solid commitment to their workforces and their communities. The fight for a strong market economy will be won not by politicians alone, but by the passionate and dedicated businesses that make a real difference to the everyday lives of people all across this country.

"Defending competition, markets, and entrepreneurship also requires competence and coherence at the heart of government. Clarity on Brexit, and strong, practical policies to support economic growth here at home, remain the top priorities for our firms – and ministers must deliver.

"Philip Hammond is right that skills, infrastructure, and housing are some of the keys to boosting productivity. The government's challenge is to be much, much bolder, using the power of its balance sheet to invest and deliver – and signal to the world that the UK remains a great place to do business for many years to come."

**Commenting on Philip Hammond's announcement of £300m in new funding toward Northern Powerhouse rail, Christian Spence, Head of Research and Policy at Greater Manchester Chamber of Commerce, added:**

"The Chancellor's announcement over additional funding to make sure Crossrail North (Northern Powerhouse Rail/HS3) fully and efficiently connects with HS2 is an important step forward in ensuring that the longer-term infrastructure ambitions are joined-up. But this announcement is a necessary but insufficient step on its own.

"The benefits from HS2 and HS3 will be delivered only in the long-term, and business needs to see results more quickly. Enhancements within and between our Northern cities should be accelerated to bring a larger labour market and connect more companies to people seeking work. Longer term ambitions are important, but so are short-term wins, and government should balance its investment strategy between the two."

**Mark Goldstone, Head of Business Representation and Policy at West & North Yorkshire Chamber of Commerce, added:**

"Chamber members across West & North Yorkshire will welcome the confirmation from Philip Hammond about spending commitments to Crossrail North. This

Chamber has always maintained the view that high speed rail infrastructure has to be built as a network rather than individual parts if we are to capture the full economic benefit. East-West rail connectivity is very poor when compared to journey times to London from northern towns and cities and Crossrail North along with planned upgrades to TransPennine routes will help connect the north more efficiently.”

## **Ends**

### **Notes to editors:**

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### **Media contacts:**

Allan Williams – Head of Press and Communications

020 7654 5812 / 07920583381

Orla Hennessy – Press and Communications Officer

020 7654 5813 / 07825746812

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## **Business needs competence, not division, BCC warns Conservatives**

The British Chambers of Commerce calls on the Conservative party to demonstrate competence and coherence, as the governing party convenes in Manchester.

As the Conservative Party Conference continues today (Monday) in Manchester, the British Chambers of Commerce has called on the governing party to demonstrate competence and coherence – not division and disorganisation – in the interests of the UK’s economic well-being.

The leading business organisation – which represents tens of thousands of UK companies employing nearly six million people – has flagged on-going business concerns over the public disagreements within the Cabinet around the Brexit process, as well as an insufficient focus on supporting the domestic economy, as areas for immediate attention.

BCC Director General Adam Marshall has called on the Prime Minister and her party to shore up business confidence by ensuring that Brexit negotiations deliver a comprehensive transition period and pragmatic trade talks by the end of 2017, and by increasing attention to the many domestic issues that hold back business appetite for investment and risk.

**Speaking from Manchester, BCC Director General Adam Marshall said:**

“Businesspeople across Britain are growing impatient with division and disorganisation at the heart of the party of government, and have made it very clear that they expect competence and coherence from ministers as we move into a critical period for the economy.

“Public disagreements between Cabinet ministers in recent weeks have only served to undermine business confidence, not just on Brexit negotiations, but also on the many issues where firms need to see clear action from government closer to home. Action to cut the up-front cost of doing business, build key infrastructure, help firms plug increasing skills gaps, and to support investment and risk-taking must be front and centre on the government’s agenda.

“On Brexit, businesses are clear that they want a comprehensive transition period, lasting at least three years, and pragmatic discussions on the future trading relationship between the UK and the EU firmed up by the end of 2017. They will judge the government’s progress on Brexit by this yardstick – not by public speeches or pronouncements – and will take investment and hiring decisions accordingly.”

**Ends**

**Notes to editors:**

**The BCC, along with Enterprise Forum, are hosting a fringe event: Business Brexit Priorities – in conversation with Adam Marshall and Chancellor Philip Hammond. The event takes place in Exchange 11, Manchester Central, from 15:15-16:00, on Tuesday October 3rd.**

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## **BCC: New apprenticeship system is increasing costs and uncertainty for business**

Six months after its introduction, businesses remain in the dark about how best to utilise the Apprenticeship Levy, according to a survey released today (Friday) by the British Chambers of Commerce (BCC), in conjunction with Middlesex University London.

The annual workforce survey of over 1,400 businesses found that nearly a quarter (23%) of levy-paying firms have no understanding of the Apprenticeship Levy or don't know how their company will respond to it.

Businesses with a pay-bill of less than £3m fall under the levy threshold but can still apply for apprentice funding, yet the findings of the survey show 66% of these companies haven't taken any direct action to use the funds or don't know about it.

For over half of levy-paying businesses, it represents an added cost, with 56% not expecting to recover any or only a portion of their payment, compared to 36% who expect to recover all or more of their payment.

The findings reinforce the need for clearer guidance and support for businesses wanting to utilise the Apprenticeship Levy. Firms, both above and below the levy threshold, are uncertain about how to use the funds to find and train the skills they need, undermining the purpose of the system.

**Jane Gratton, Head of Business Environment and Skills at the BCC, said:**

"Apprenticeships are great way for businesses to develop the skills they need for the future, but they are not the only solution for developing people in the workplace. The current upheaval in the technical education and apprenticeship system will take time for firms to understand and adapt to.

"The government must ensure that changes in the system do not lead to a slowdown in the overall number of apprentices recruited, or less investment in other forms of workplace training. Low awareness and understanding of the Levy has not been helped by uncertainty faced by training providers tasked with delivering apprentices to business.

"For many businesses who pay the Apprenticeship Levy, it can feel like an additional employment tax, much of which they are unable to recover, and one that is deflecting training budgets away from other important training needs. Firms need greater flexibility on how they can use their levy monies and a system that is fully operational as quickly as possible, is simple and

efficient, and that enables them to access good quality training.

“Our survey shows that many firms are still unaware of the Apprenticeship Levy and how it will impact on their business. With many companies across the country facing critical skills shortages, more information and support is required to ensure businesses continue to invest in training.”

**David Williams, Director of Corporate Engagement at Middlesex University London, added:**

“It is clear that better information is needed to make sure the huge benefits of apprenticeship programmes are recognised by business, including how they can maximise the levy, the array of qualifications and levels that can be studied through apprenticeships, that the opportunity applies to existing staff as well as newcomers, and that innovative delivery methods mean that an employee could be out of the workplace for as little as 12 days a year.

“The opportunities that arise from the apprenticeships levy – together with robust workforce planning – could be transformative for businesses so it is essential that gaps in information and support around this initiative are addressed.”

**Ends**

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**[Labour Party Conference: BCC reacts to](#)**

# Jeremy Corbyn speech

Commenting on the Leader of the Opposition's keynote speech at the Labour Party Conference, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"There is a rising concern amongst businesses about the two largest parties in Westminster, with one flirting with fantasy economics while the other engages in an unedifying playground bust-up.

"Businesses of all sizes want to see pragmatism, realism and economic competence across the political spectrum at such a critical moment for the United Kingdom.

"Jeremy Corbyn's speech will have done little to reassure companies already worried about widespread state intervention, nationalisation, and the radical increases in taxes and costs they could face under a future Labour government. Investors, both here at home and across the world, are also taking note.

"While Jeremy Corbyn is right to say that government must play an active role in shaping the economy, and in encouraging long-term wealth creation in every nation and region of the UK, this needs to happen in partnership with business, not by demonising it.

"Business communities across Britain, like Labour, want to see rising living standards, better skills and higher productivity. An atmosphere of confidence and trust is needed to make this a reality."

**Ends**

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## **BCC comments on McDonnell, Starmer speeches at Labour Party Conference**

Commenting on Shadow Chancellor John McDonnell's speech at the Labour Party Conference, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Business communities around Britain will welcome Labour's recent efforts to deepen engagement on the big issues around economic growth, trade and Brexit.

"However, with the UK's departure from the EU on the horizon, businesses will be concerned by the Shadow Chancellor's proposals for widespread and deep intervention across the economy. Proposals to nationalise key industries would put business investment in the deep freeze at precisely the time that it is needed most.

"While we can agree that we want a productive and innovative economy, and better infrastructure, the role of government is to get the fundamentals of the business environment right – not to direct every aspect of economic life in the UK.

"The domestic business environment matters hugely, particularly with the economic change of Brexit still ahead of us. As we've said repeatedly across Westminster, the best Brexit deal in the world won't be worth the paper it's written on if we don't have the right policies in place here at home. Our message to the Shadow Chancellor is that a high-cost, high-tax, high-regulation UK is not a recipe for future economic success."

**Commenting on the speech by Sir Keir Starmer, Shadow Brexit Secretary, Marshall added:**

"Just as businesses want clarity from the government on their approach to Brexit, they want the same from the opposition. While Keir Starmer's call for a pragmatic negotiation, without arbitrary red lines, is welcome, most firms do not believe that either Labour or the Conservatives have a clear and agreed Brexit policy.

"Firms across the UK are looking for answers to their many practical questions about Brexit – but tell us that both Labour and the Conservatives are talking a lot, but saying very little.

"The priority message from business is that both major parties must strain every sinew to get a comprehensive transition deal agreed, and trade talks firmly underway, by the end of this year."

**Ends**

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