

[BCC comments on statement by Scottish First Minister](#)

Adam Marshall comments on the prospect of a second Scottish independence referendum.

13th March 2017

Commenting on the statement by Scottish First Minister Nicola Sturgeon that she will seek a second Scottish independence referendum, Dr Adam Marshall, Director General of the British Chambers of Commerce, said:

“Business communities all across the UK will be thinking, first and foremost, about the additional uncertainty that a second independence referendum would generate.

“Across Scotland – and throughout the UK – businesses want certainty, stability and confidence from governments. Firms understandably fear that another drawn-out constitutional debate would divert both Holyrood and Westminster away from delivering real-world practical support for business, investment, and growth.”

Liz Cameron, Chief Executive of Scottish Chambers of Commerce, added:

“It is welcome that the First Minister has indicated that the Scottish Government will continue to engage with the political process around the UK’s withdrawal from the EU. These are vital years ahead for the future of the UK and Scottish economy and it is crucial that Scotland has a voice at the centre of this process.

“Scotland has been through two referendums and two major elections over the past three years, and there is no doubt that this period of continual uncertainty has had a material impact upon businesses in Scotland. These are real and present business issues that are affecting business decisions and investment. A further referendum on Scotland’s independence would be no different, and the more that can be done to mitigate the duration of this uncertainty for business, the better. The Scottish Chambers of Commerce network will continue our process of engagement with businesses across Scotland to understand how this prospect could affect them and how their voices can be most effectively articulated during this process.

“In the current circumstances, businesses need as much certainty, stability and confidence as possible and it is the role of our Governments to provide it. The message from Scottish Chambers of Commerce members has been clear and consistent – our priority must be to create the conditions that will enable businesses to thrive. That means focus and resources must be directed towards greater strategic infrastructure investment, developing the skills we need to sustain growth, fair business taxation that does not limit entrepreneurship and investment and clear guidance on entering and trading in overseas markets

– all of which must have a clear evidential basis. These are the priorities for business and must be for our Governments too.”

Commentary from Chamber business communities in Scotland is available from our colleagues at Scottish Chambers of Commerce.

Ends

Notes to editors:

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[British Chambers of Commerce: Full reaction to Spring Budget 2017](#)

Giving his full reaction to the Budget, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Businesses had been advised to expect minimal change, rather than a blockbuster Budget, and Philip Hammond did not disappoint.

“Short-term support for firms hardest-hit by business rates rises will be welcomed, along with commitments to technical education, digital connectivity, easier R&D tax credits, and a one-year delay to digital tax reporting for the very smallest firms. Conversely, hikes to dividend taxes and national insurance for the self-employed will be viewed far less positively by entrepreneurs.

“While businesspeople appreciate a steady hand on the tiller, the government

is sending mixed signals by holding investment largely steady at precisely the time that it is exhorting British businesses to double down. More needs to be done in the coming months to improve infrastructure, promote international trade, and encourage lagging business investment to ensure the UK is Brexit-ready.”

On Business Rates, the top campaign priority for Chambers of Commerce at the Spring Budget, Marshall said:

“The business communities hardest-hit by this year’s business rates revaluation will breathe a little easier thanks to the Chancellor’s decision to offer a package of transitional reliefs.

“We now challenge councils across England to use every penny of the new funding announced by the Chancellor to offer relief to the hardest-hit businesses in their areas, without excuses and without delay.

“However welcome, measures that mitigate the short-term impact of business rate rises are little more than a sticking plaster. The radical changes needed to improve the broken business rates system will have to wait for another day. The campaign for radical reform – and an end to punishing levels of business property tax to ensure the Treasury raises enough to fund local services – continues.”

“The decision not to bring forward the switch in indexation from RPI to CPI will cost firms billions – bills they can ill-afford when taken together with other policy costs like the Apprenticeship Levy, pensions auto-enrolment and higher tax on insurance premiums.

“The government had an opportunity to re-visit the detail of reform to the appeals system but has not addressed the serious concerns ratepayers have. This will mean that more businesses seeking to correct an erroneous bill could go without redress.

“In the longer-term, fundamental change is needed, including stripping plant and machinery from rates assessments that does so much to discourage business investment.

On investment in technical skills, Adam Marshall, said:

“Business communities across the country tell us that improved technical education and stronger workplace experience are needed to help them fill the skills gaps they face.

“These announcements represent an important step in the right direction over the coming years. Ensuring that businesses of all sizes, and in all regions, have an input into the design of the new system will be crucial to its success.

“Business, educational institutions and government need to work together over the coming years to ensure that parity of esteem between academic and technical education is achieved. The cultural and funding bias towards academic routes that pushes young people toward A-levels and university still

needs to be addressed.”

On ‘returnships’, Adam Marshall, said:

“Encouraging people back to work is crucial for providing businesses with the skills and talent that they need. Companies across the UK are facing skills shortages, and will welcome efforts to help those who have taken career breaks get back into business.”

On international trade, Mike Spicer, Director of Research and Economics, said:

“There was a noticeable and disappointing absence of any new support for exporters, or measures to encourage international trade in this Budget. As we begin the Brexit process, it’s more important than ever to get UK businesses trading their goods and services with the world. The government must do more to incentivise and promote companies to be ambitious and trade to new markets.”

On research and development, Mike Spicer, said:

“Reducing the cost of accessing the tax credit will encourage investment in research & development which should boost the UK economy at a time when productivity growth remains weak. However, to ensure that UK firms remain competitive on the global stage it is vital that greater investment in research and development is supported by retention of our intellectual property.”

On digital infrastructure, Fiona Krasniqi, digital spokesperson at the BCC, said:

“We welcome the announcement on full-fibre broadband connection vouchers as businesses need faster and more reliable connections, that also offer impressive upload and download speeds. The governments focus must now be on rural areas and existing business parks that still do not have superfast connections. The private sector will invest where there is a demonstrable return on investment and we would urge that the scheme is communicated effectively to the business community and providers.”

On 5G strategy, Fiona Krasniqi, said:

“We have long-called for the UK to lead the world in developing 5G technology, so we are pleased to see the groundwork for this finally begin with the new National 5G Innovation Network. It is positive to hear that strategy will explore how to improve coverage on road and rail routes as businesspeople must be able to work successfully and without interruption whilst on the move.”

On the Making Tax Digital scheme, Suren Thiru, Head of Economics, said:

“The temporary deferral of making tax digital for firms below the VAT threshold is a welcome step. However, while this will help to ease some of the administrative burden for our smallest businesses, there continues to be

serious reservations about HMRC's ability to deliver such a major undertaking. HMRC must ensure that the move to digital tax accounts does not create new burdens for businesses, and must work closely with the business community, accountants and other stakeholders on their plans for implementation."

On changes to the tax system for the self-employed, Suren Thiru, said:

"Many entrepreneurs and sole traders will be disappointed to see significant rises to their National Insurance bills over the coming years. Ministers need to ensure that these business people, who make a significant contribution to the economy, also get the recognition and benefits that correspond to their contribution."

On the reduction of the dividend allowance, Suren Thiru said:

"Whilst the reduction is relatively small, this will come as a blow to many small business owners. Alongside changes to the tax system for the self-employed, the government risks undermining the UK's entrepreneurial spirit."

Ends

Notes to editors:

Spokespeople are available for interview, please call the press office.

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[British Chambers of Commerce: Initial reaction to Spring Budget 2017](#)

Giving his initial reaction to the Chancellor's Budget, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Businesses had been advised to expect minimal change, rather than a blockbuster Budget, and Philip Hammond did not disappoint.

“Short-term support for firms hardest-hit by business rates rises will be welcomed, along with commitments to technical education, digital connectivity, easier R&D tax credits, and a one-year delay to digital tax reporting for the very smallest firms. Conversely, hikes to dividend taxes and national insurance for the self-employed will be viewed far less positively by entrepreneurs.

“While businesspeople appreciate a steady hand on the tiller, the government is sending mixed signals by holding investment largely steady at precisely the time that it is exhorting British businesses to double down. More needs to be done in the coming months to improve infrastructure and encourage lagging business investment to ensure the UK is Brexit-ready.”

On Business Rates, the top campaign priority for Chambers of Commerce at the Spring Budget, Marshall said:

“The business communities hardest-hit by this year’s business rates revaluation will breathe a little easier thanks to the Chancellor’s decision to offer a package of transitional reliefs.

“We now challenge councils across England to use every penny of the new funding announced by the Chancellor to offer relief to the hardest-hit businesses in their areas, without excuses and without delay.

“However welcome, measures that mitigate the short-term impact of business rate rises are little more than a sticking plaster. The radical changes needed to improve the broken business rates system will have to wait for another day. The campaign for radical reform – and an end to punishing levels of business property tax to ensure the Treasury raises enough to fund local services – continues.”

Ends

Notes to editors:

The BCC will publish its detailed reaction to the Budget shortly. Spokespeople are available for interview, please call the press office.

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BCC: Chancellor must act on mounting concern on business rates

Responding to new statistics on business rate concern, the BCC renews its call for action by the Chancellor at the Budget.

6th March 2016

As the British Chambers of Commerce (BCC) publishes statistics that show two-in-five businesses are more concerned about business rates than three months ago, the business group renews its call for action in the Spring Budget this week to ease the burden of rates and bring about fundamental reform to the system.

New interim statistics from the BCC's Quarterly Economic Survey, based on the responses of over 900 companies, show that 39% of businesses are more concerned about business rates than three months ago, second only to those reporting higher concern around exchange rates (42%) than three months ago.

The results show that it is small businesses who are most worried about the burden of business rates, with one-in-two (50%) saying it's of greater concern, the highest of any factor.

The business group is calling for the Chancellor to use his Spring Budget to support long-term investment and growth by taking action on this upfront costs which hits businesses unfairly, and irrespective of their economic health or circumstances.

BCC seeks four key measures on business rates from the Spring Budget:

- **Abandon the fiscal neutrality principle in business rates reform** – an unacceptable barrier to fundamental reform of the business rates system that is unique to that tax. This would allow the government to help those firms most affected by the revaluation.
- **Drop proposals that would restrict the ability of the Valuation Tribunal for England to order changes to business rates liabilities** – ensuring businesses access to justice and fairness.
- **Bring forward the switch from RPI to CPI, currently planned for April 2020, to April 2017** – limiting annual increases starting more swiftly.
- **Longer term, remove all plant and machinery from the valuation of property for business rates purposes.**

Dr Adam Marshall, Director General of the British Chambers of Commerce, said:

“Rising business concerns demonstrate the urgent need for action on business rates in the Budget this week. The UK had the highest business property taxes in the developed world even before the recent revaluation – hammering firms with sky-high costs before they turn over a single pound. This undermines business investment, which in 2016, fell for the first time in seven years.

“As the new bills kick in from April 1st, many will see this situation get worse with some facing double, even triple-digit growth in the amount they must pay. Businesses face a tipping point: with rates rising for many and the combined costs of currency depreciation, the new National Living Wage, Pensions auto-enrolment and rising energy prices – urgent action is needed to reduce the upfront costs of doing business.

“In the short-term, the Government must provide additional relief to the firms hit hardest by rates and re-visit the detail of reform to the appeals system. It should bring forward the change from RPI to CPI this year.

“In the longer-term, fundamental change is needed, including stripping plant and machinery from rates assessments that does so much to discourage business investment.”

Ends

Notes to editors:

The interim data from this survey are drawn from responses from over 900 business people across England. Firms were questioned online between 20th February and 3rd March 2017. Please note that the fieldwork for this survey is still ongoing. Small businesses are defined as those with between 10 and 49 employees.

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Chambers: Industrial Strategy must have clear mission and unlock potential of places

BCC comments on the BEIS Committee's Industrial Strategy report

3rd March 2017

Commenting on the BEIS Committee's report on Industrial Strategy published today (Friday), Dr Adam Marshall, Director General of the British Chambers of Commerce, said:

"A clear, ambitious mission – and the untapped potential of our towns, cities and counties – need to sit at the heart of the Industrial Strategy.

"We need to decide our top economic and social goals as a nation, and develop a strategy that allows us to deliver these missions. At the same time, we must galvanise business communities all across the UK, so every area can leverage its competitive strengths and make a strong contribution to economic growth and prosperity.

"I applaud the BEIS Committee for recognising that mission and place are crucial to the success of Industrial Strategy. Business communities across the UK will now wish to see government adopt many of these recommendations as it works to bring the industrial strategy to life."

On the Committee's recommendation of a fundamental review of Business Rates, where the BCC has been campaigning for radical change, Marshall added:

"Business rates hammer firms with significant, volatile, up-front costs before they turn over a single pound. They are a barrier to achieving an ambitious Industrial Strategy, because they stop many firms from investing in their own productivity and growth. The Committee's recommendation of a fundamental review of the business rates system is one we have made for years – and it's time for action."

Ends

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