

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.

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit:

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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.

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"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

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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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[BCC comments on government's Digital Strategy](#)

Commenting on the publication of the government's Digital Strategy, Marcus Mason, Head of Business, Education and Skills at the British Chambers of Commerce (BCC), said:

“The UK is still some way behind delivering access to a world-class digital infrastructure to businesses in all parts of the country. The rollout of superfast broadband needs to focus on new and existing business parks as their lack of connectivity remains a huge concern, and rectifying this would go some way to boosting business confidence.

“This strategy needs to have a focus on urgently addressing poor mobile coverage, which is particularly important for the businesses in rural areas, as our members confirm they struggle to get access to a stable mobile service. Commitments should be taken to provide better access to information and increase coverage, and to ensure mobile operators offer a suitable service.

“Businesses will appreciate the commitment to developing digital skills, which can help boost productivity. A thriving digital economy however, needs to be underpinned by a pragmatic immigration system which allows firms to access the high and low skilled workers they need, where there are local labour shortages.

“We would welcome the opportunity to engage with the Business Connectivity Forum, and ensure the specific connectivity needs and interests of the UK's

business communities are represented.”

Ends

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