



THE POWER OF BRITISH BUSINESS: **A FRAMEWORK FOR THE FUTURE**



**WHERE
BUSINESS
— BELONGS**



British Chambers of Commerce

We represent and campaign for business.

Our foundations are local, our influence is national and our reach is global.

Our unique perspective gives us unparalleled insight into British business communities – every sector, every size, everywhere.

They trust us to be their advocates, and we're passionate about helping them trade and grow.

Working together with Chambers, we drive change from the ground up – and our bottom line is helping companies, places and people achieve their potential.

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INTRODUCTION



SHEVAUN HAVILAND
DIRECTOR GENERAL,
BRITISH CHAMBERS
OF COMMERCE

The economy thrives when business and politicians work in partnership. At the British Chambers of Commerce, we engage with all parties to ensure that every firm has exactly what they need to achieve their full growth potential.

We are the voice of business, uniquely in touch with local communities across the country. Our UK Network of 53 accredited Chambers represents 51,000 businesses, employing over six million people.

As politicians gather for their conferences in the coming weeks, we are proud to publish a framework for the future to fully unlock ‘The Power of British Business’.

Our vision is that policy and regulation must foster innovation, investment, and growth. The public realm needs to function properly in order for businesses and the government to work together to deliver services and drive prosperity.

At the same time, political intervention must be targeted to have the biggest impact.

New regulation and public investment should not crowd out private investment. There must always be a careful balance between the needs of society and business flexibility.

In these challenging times, British firms need certainty and clarity. Now, more than ever, politicians should send clear, long-term signals that provide confidence and clarity. By setting out a clear course, politicians can help unleash British businesses to realise their potential.

The British Chambers of Commerce has the convening power to unite firms and develop solutions. We look forward to working with politicians and policymakers to see our vision, outlined in this document, become a reality.



ECONOMIC GROWTH: BUILDING BRITISH BUSINESS

We want to create an environment in Britain that is unparalleled for building a successful business.

The UK has a booming entrepreneurial spirit, which has the potential to transform our country into a global economic powerhouse. However, following three years of economic shocks, our research shows that more than three quarters of businesses are not increasing investment.¹

Whilst we have seen an uptick in business confidence during the first half of 2023, we need to turn the tide against a growing wave of economic pessimism and create the optimal business environment for UK plc to grow and thrive.

¹ [BCC Quarterly Economic Survey Q2 2023](#)

ECONOMIC GROWTH: BUILDING BRITISH BUSINESS

ACTION PLAN

Accelerate Planning Reform

A faster, simpler planning system is essential to support the delivery of economic infrastructure, to give more certainty for businesses wanting to invest, to create the right balance of jobs and homes in local communities, and incentivise delivery of low carbon innovation.

- Thriving communities require good businesses and employment, but firms are being squeezed out of towns and cities as quality land with good infrastructure is increasingly given over to housing, at their expense. We need better planning for business use, so that they can flourish alongside residents, while at the same time welcoming more foreign direct inward investment.
- Spatial plans must support the ambitions of local economic strategies and the voice of business needs to be sought out and heard alongside those of other stakeholders. Local planning departments need better training and resources to reduce delay, improve decision making, and deliver a better-quality service.
- Any infrastructure levy system should provide consistency and certainty, minimise complexity and delay, and not risk the viability of schemes.

Adjust Business Rates to encourage growth now

The Business Rates system should be adjusted to include annual revaluations and amended to create a system that incentivises growth. We continue to call for fundamental reform of the Business Rates system, which imposes high costs, regardless of how well the business is doing.

Invest in infrastructure

The government must prioritise long-term growth by backing public projects such as HS2, as well as green and digital infrastructure such as the EV charging network and 5G connectivity. Putting money into these areas will allow businesses to adapt and thrive in changing times, while also creating jobs in local economies across the UK.

Speed up plans for regional devolution deals in England

The new 'Trailblazer' deals for Greater Manchester and the West Midlands are welcomed. To maximise growth and economic prosperity for all communities, such arrangements must be expanded to other local areas, so that they have the power to make decisions on economic development opportunities – with businesses at the heart of the decision-making process.

Make contracts and funding simpler

Public procurement contracts for SMEs must be simplified, and funding, such as the UK Shared Prosperity Fund, must continue to be funnelled into local areas.

Make full expensing permanent

To capitalise on the benefits that investment brings to the growth of the UK economy, the policy of full expensing should be made permanent.





SKILLS AND EMPLOYMENT: INVEST IN PEOPLE NOW FOR A MORE PROSPEROUS ECONOMY

The UK is facing the tightest labour market in years, with over a million unfilled jobs.

Skills and labour shortages mean that employers are struggling to fill job vacancies. Firms cannot fulfil their order books and are having to turn new work away. Our research shows that 79% of businesses² attempting to recruit are facing difficulties getting the right staff. Chambers of Commerce and their member businesses across our Network are making huge efforts to tackle the skills crisis and support the development of homegrown skills. Yet, in a rapidly changing world, and at a time of high employment, it is vital that firms can also access the skills and people power they need, including from outside of the UK where necessary.

While we have seen welcome policy changes from government in recent years on these issues, businesses and the government must work together for a more effective labour market, now and for the future.

² <https://www.britishchambers.org.uk/news/2023/08/quarterly-recruitment-outlook-people-problem-key-to-tackling-inflation>

SKILLS AND EMPLOYMENT: INVEST IN PEOPLE NOW FOR A MORE PROSPEROUS ECONOMY

ACTION PLAN

Extend investment in LSIPs

In England, the government must commit to long-term funding for the business-led, Local Skills Improvement Plans (LSIPs) past the current cut-off point of 2024, to ensure they become integral to the fabric of the skills system. Chamber-led LSIPs are transforming skills planning in local communities, helping more businesses than ever before to identify and plan for their skills needs. Convening employers, stakeholders and training providers, LSIPs are ensuring local economies have the skills for growth, and that people can develop the technical know-how to prosper in good jobs now and in the future.

To train the workforce of the future, Further Education (FE) providers must be able to attract and retain skilled teaching staff to deliver the technical and vocational training that employers need. The government should rebalance the revenue and capital elements of the Local Skills Investment Fund to reflect the greater need for investment in people.

Help the economically inactive back into work

Carefully tailored careers advice, job seeker support, and rapid re-training opportunities help employers harness the skills and experience of inactive workers. Businesses would also benefit from access to affordable occupational health services to retain skilled workers experiencing ill health problems.

Introduce flexibility in the Apprenticeship Levy

Help employers to train more people by reforming the rules around how they can access the funding. This will ensure employers can support everyone in the workplace to get the training they need.

Reform the Shortage Occupation List (SOL) and expand youth mobility schemes

Businesses should be able to fill urgent job vacancies when they cannot recruit locally. The SOL should include job roles below the current UK qualification limits for sectors where there is clear evidence of a national shortage and there must be more proportionate costs and criteria.



TRADE: RAISING EXPORT-LED GROWTH

International trade can make every business a better one.

Chambers of Commerce are built into the international trade process and interact with tens of thousands of UK exporters annually. Our research has shown organisations that are internationally active are more likely to be innovative than those that are not.³ However, UK exporters have had to deal with an unprecedented amount of disruption in recent years, from global supply chain crises to trade barriers with the European Union,⁴ with 56% of business reporting problems adapting to the new rules of the agreement with the EU.⁵ If Britain is to become the best place to build a successful business, the government must put trade, particularly exporting, at the centre of its growth agenda.

³ BCC Innovation Survey 2018

⁴ BCC International Trade Survey 2022

⁵ <https://www.britishchambers.org.uk/news/2022/12/brexit-trade-deal-not-delivering>

TRADE: RAISING EXPORT-LED GROWTH

ACTION PLAN

Revitalise trade promotion programmes

A new Exports Council should be created to fine-tune short-term and longer-term trade promotion strategy. The impact of Chamber trade promotion and facilitation services should also be enhanced, by developing closer links to government activities.

Strengthen relations and investment links with the EU

Now that the Windsor Framework legislation is in place and being implemented, we should be strengthening UK-EU co-operation on regulatory and common policy challenges, as well as raising bilateral investment levels. Priority should be given to:

- completing accession negotiations to Horizon Europe, providing first class investment and co-operation opportunities for our scientists and researchers;
- lowering VAT compliance burdens for SME traders;
- reducing red tape on food and plant exports;
- providing greater flexibilities on business travel; and
- mutual recognition of professional qualifications to boost trade in services.

Ensure businesses are obtaining fullest export potential from new trade agreements

Effective joint working between the government's new Preference Utilisation Unit and business is needed to ensure that the maximum potential for export growth is realised from the UK's newly implemented trade agreements.

Provide leadership to boost digital trade

Building upon UK digitalisation of trade documents legislation and new trade agreements, build a strong coalition for greater trade digitalisation internationally, on documents, border processes, delivery of services exports, and e-commerce.





NET ZERO: LEADERSHIP IN GREEN INNOVATION

Green innovation is about change now, for a better tomorrow.

The transition to Net Zero presents businesses with opportunities to grow, by meeting government requirements and by satisfying fast-growing global demand for environmental products and services.

Chambers of Commerce are leading the way. Our Network is developing green innovation accelerators and supply chains, providing training and support on Net Zero to drive our economy.

Our research shows that that the biggest barriers for SMEs are cost, confusion, and a lack of skills,⁶ while larger firms are looking for clear and consistent price signals to unlock investment and quicker permissions on new low-carbon infrastructure.

The government has a vital role to play as an investor, enabler, and advisor, to unlock business action as we move to a Net Zero future.

⁶ BCC Net Zero Survey 2022

NET ZERO: LEADERSHIP IN GREEN INNOVATION

ACTION PLAN

Transform the national grid

The government should ensure there is sufficient network capacity and flexibility to deliver energy needs fit for Net Zero. Grid transmission must be dramatically upgraded and increased as proposed by the Electricity Networks Commissioner,⁷ and the distribution network should be modernised to facilitate recharging for electric vehicle charging and distributed renewable generation. In particular:

- strategic planning of the networks must continue to be improved, with urgency placed on the establishment of the Future System Operator;
- work to reform the connections process should be sped up and have sufficient Ministerial oversight;
- upgrades to grid should be fast-tracked in the planning system with clear benefits provided to communities affected; and
- a cross-government, Minister-led network infrastructure group should be set up, bringing together relevant parties, to oversee the delivery of these reforms.

Outline plans for future energies

The government should set out a strategy for the role of hydrogen in the UK's energy future, and provide a clear, long-term plan that sets out how it will meet its ambitions for nuclear generation, and create an enabling environment to speed up the roll out of renewable energy from all sources. Priority actions include:

- delivering the policy goal of halving the time it takes to gain planning consent for offshore wind and ensuring price signals set by government are sufficient to incentivise investment; and
- faster action to place the policy framework required for Carbon Capture, Utilisation and Storage.

Set out additional policies to foster green innovation

The USA and the EU have both developed ambitious policy proposals to incentivise low-carbon industrial innovation. In response, the UK should ensure sufficient access to key components such as semiconductors and batteries; and take the steps on planning rules, skills policies, and fiscal incentives described in this document which will help to boost low-carbon technology developments. The government should also set out a plan to foster the UK supply chain to provide home-grown solutions for low-carbon solutions. Chambers have experience in setting up innovation hubs and can advise, support, and deliver this approach.



⁷ <https://www.gov.uk/government/publications/accelerating-electricity-transmission-network-deployment-electricity-network-commissioners-recommendations>

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