



BREXIT AND BEYOND

THE CHAMBER NETWORK MANIFESTO
GENERAL ELECTION 2017

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Adam Marshall
Director General

BREXIT AND BEYOND

Introduction – Adam Marshall, Director General British Chambers of Commerce

Across the United Kingdom, voters are preparing to go to the polls on 8th June to select the government that will negotiate the terms of the UK's departure from the European Union.

In business communities across all four nations of the UK, there is a desire for the next government to secure a Brexit deal that recognises the needs of business – as well as the best possible conditions for the future of UK-EU trade.

That government must be able to answer the pragmatic and practical questions that we hear from business communities each and every day. *Who can I hire? Where do I pay my VAT? Will my shipments be stopped and delayed? Are my import and export costs going to rise? What will replace EU funding in our area? What about standards and regulations?*

The list of questions is long – and it will be the duty of the next government to provide clear answers.

However, this election cannot and must not be just about Brexit.

Firms across the UK face a range of issues – some recent, others decades-old – whose solutions are to be found here at home, not across the negotiating table in Brussels.

The next government must deliver a bold and clear blueprint for UK economic policy that allows committed business communities to create success and prosperity locally, nationally, and through trade around the world.

Chambers of Commerce and their members want to see a bold Industrial Strategy that harnesses the competitive advantages of towns, cities and counties across the UK, as well as solutions to the practical constraints they face doing business every day.

The best Brexit deal imaginable would be of little use if business communities continue to face near-record skills shortages, gridlocked roads, poor digital and mobile connectivity, high up-front taxes and costs, and other constraints resulting from inaction or ignorance in Westminster and Whitehall. UK productivity will only improve by supporting businesses from the ground up.

Chambers of Commerce bring together over 75,000 businesses across the UK that employ over 5 million people – civic businesses that demonstrate a deep and abiding commitment to the places they call home. They want to see a clear strategy to support business beyond Brexit, as well as a clear pathway for greater local decision-making with local business communities at its heart.

Our Chamber Business Manifesto is entitled *Brexit and Beyond* because its single biggest demand is for the next government to demonstrate a strong, coherent and long-term economic and business policy agenda – to enable companies of all sizes, sectors, nations and regions to navigate Brexit, seize new opportunities, and drive our country's future prosperity.

A handwritten signature in black ink that reads "Adam Marshall." The signature is written in a cursive, flowing style.

A CONTRACT WITH BRITISH BUSINESS

Chamber business communities across the UK will judge the next government against five key criteria:

- **Business Environment:** Lower costs, higher skills
- **Local Growth:** Unlock business growth across all regions and nations
- **Infrastructure:** Revolutionise physical and digital connectivity
- **Trade:** Stronger practical support alongside trade deals
- **Brexit:** The best possible deal between the UK and the EU

BUSINESS ENVIRONMENT	Deliver a globally competitive business environment. Ensure the best business environment possible, with a relentless drive to improve the skill set of tomorrow's workforce, without clobbering firms with ever-higher upfront costs
LOCAL GROWTH	Unlock the potential of local business communities. Deliver clarity on future devolution deals – ensuring a strong local business community voice and maintaining the place-based focus of the Industrial Strategy to ensure growth across the whole of the UK
INFRASTRUCTURE	Revolutionise the UK's physical and digital infrastructure. Ensure that the whole of the UK has access to super-fast broadband, better mobile connectivity, and deliver investments in the strategic schemes that will unlock the economic potential of the regions and nations
TRADE	Support UK exporters to drive economic growth. Expand trade support programmes, enabling continued access to existing EU-FTAs, and leverage Chambers of Commerce, which are best placed to provide strong export support in all regions of the UK
BREXIT	Work with businesses to secure the best possible deal with the EU. Protect the status of EU nationals in the UK, develop future customs procedures in partnership with business, deliver day-one regulatory stability when the UK leaves the EU, and ensure that there is no hard border between Northern Ireland and the Republic of Ireland

DELIVER A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT

For UK businesses to compete globally, they need a competitive environment here at home. However, the UK has the highest property taxes in Europe and the myriad of upfront taxes and costs imposed in recent years - including increasing business rates, the introduction of the Apprenticeship Levy, and the hikes to insurance premium tax amongst others - are all increasing the burden on firms before they even turn over a single pound.

Businesses continue to report recruitment difficulties and without access to a sufficient talent pool, companies are restricted in their growth ambitions. A quality 'pipeline' of young people entering the labour market is essential, as are the tools to improve the skills of existing employees.



PRIORITIES FOR THE NEXT UK GOVERNMENT:

- **No new upfront taxes on businesses for the duration of the next Parliament** – a commitment to no new up-front business taxes or costs until the end of the next Parliament in 2022. Taxes on employment, premises, and overheads are sapping business investment and growth potential. Unchecked, they will act as a drag on their future productivity.
- **Radical, root and branch reform of the broken business rates system** – delivering a fairer, lighter touch system that is more responsive to both local economic conditions and the wider economic cycle. This must include more frequent revaluations, abolishing the annual uprating (bringing forward the switch in the uprating of the business rates multiplier from RPI to CPI as an interim measure) and excluding plant and machinery from valuations.
- **Improve the transition from education to the workplace** – guarantee universal ‘experience of work’ in all schools for under 16s and ensuring that secondary schools are assessed on employment outcomes to better prepare young people for work. More must also be done to reform apprenticeships, focusing on quality not just quantity and achieving greater engagement with business.
- **Support businesses to improve the skills of existing employees** – by allowing businesses the flexibility to use the Apprenticeship Levy funding to support other high-quality workplace and vocational training. The Levy should also allow companies to use their levy monies to support apprenticeships with their supply chains. Devolved Administrations must ensure that levy funding is additional to – not a replacement for – existing apprenticeship spending, and that businesses get a similar level of control to that in England.
- **A pragmatic future immigration regime based on economic need** – create a future UK immigration system that is responsive to economic needs and skills shortages at all levels, rather than setting an arbitrary migration target. An independent body, such as the Migration Advisory Committee, should undertake a comprehensive review of the UK’s skills needs and labour shortages to help inform any future immigration system.

UNLOCK THE POTENTIAL OF LOCAL BUSINESS COMMUNITIES

For many businesses, success is intricately tied to the fortunes of the area or region where they operate. More devolved government across the UK has the potential to significantly improve the business environment, but also to create new barriers to growth or 'crowd out' private-sector innovation. Devolved administrations, local authorities and all public-sector agencies – local, regional and national – must ensure that both policy and procurement decisions work in the interests of local growth.

The next government's first task in this area is to clarify the future direction for devolution – who has responsibility for what, who makes policy and who pays – both to the nations of the UK and to local areas in England. Each stands to be affected by Brexit as powers and regional development funding return to the UK.

Many businesses are pleased that harnessing the potential of our cities, towns and counties is an important part of the government's emerging Industrial Strategy. To succeed, the next government must ensure that the strategy has cross-party, cross-Whitehall buy-in – and the resources needed for successful implementation.



PRIORITIES FOR THE NEXT UK GOVERNMENT:

- **Ensure that 'place' remains at the heart of the Industrial Strategy** - so that it continues to build on existing competitive advantages in our cities, towns and counties. The Industrial Strategy must have both cross-government buy-in and the resources required to unlock the growth potential of local business communities across the UK, and not be an afterthought for the next government.
- **Develop a new UK regional funding system with maximum local autonomy, a strong voice for business and focus on economic growth** - businesses do not want to see 'cliff-edges' in funding, but nor do they want a copy-and-paste approach to replacing the current system of EU development finance. The new system must have greater flexibility for local areas to use funding for local priorities, greater transparency and simplicity in its operation. The next government must work closely with local and regional business communities on the design and implementation of any post-Brexit regional funding system - both in England and in the devolved nations.
- **Ensure meaningful business input to local economic strategy** - to ensure greater momentum, a strong local business community voice - such as a ratepayers' vote on local economic strategy - is needed across all devolution proposals, to ensure that increased local decision-making delivers greater efficiency, accountability and results.
- **Commit to a simplified, more transparent, broader and smarter public sector procurement process** - enable a wide range of businesses to compete for public-sector contracts by making it easier for SMEs to compete as consortia with larger providers, and mandating all public-sector organisations to follow a single set of principles when buying goods and services.
- **Prevent bodies such as local authorities, combined authorities, mayors, LEPs and quangos from using public sector funding to crowd-out private sector provision of business support** - the next government must put in place a requirement that all public-sector bodies do not replicate or compete with those in the private sector who are already providing business support services.

REVOLUTIONISE THE UK'S PHYSICAL AND DIGITAL INFRASTRUCTURE

Investment in infrastructure is critical to the success of businesses and local economies. An efficient transportation system has multiplier effects through the improvement of accessibility to investment, labour, markets and international trade. Successive governments to date have all too often under-invested in the UK's transport network and stalled on major decisions.

Businesses rely on fast, reliable and efficient transport networks to move goods and people around the globe, as well as a future-proof digital infrastructure to sell, buy and conduct their day to day business. The government must develop a planning system that provides strategic certainty and boosts business confidence.



PRIORITIES FOR THE NEXT UK GOVERNMENT:

- **Deliver promised investment in road and rail infrastructure** - including HS2, rail electrification projects, and other already-announced projects of local and national significance.
- **Deliver the third runway at Heathrow and support growth at other UK airports** - expand the UK's international connectivity by ensuring that construction begins on a third runway at Heathrow, and the economic potential of regional airports throughout the UK is maximised to compete effectively on the world stage, encouraging inward investment, attracting tourists and increasing employment.
- **Ensure businesses in all parts of the UK have access to world-class digital infrastructure** - focus on providing 100% of companies, especially those in rural areas and existing business parks, with super-fast broadband and mobile connectivity that are reliable. There must be strong backing for faster deployment of full fibre (fibre to the premises) solutions across the country, and the development and delivery of 5G technology to encourage firms to maximise opportunities for growth.
- **Speed up the planning process, whilst ensuring that new housing does not come at the expense of employment land** - reduce the complexity, duplication, layering and contradictory nature of plan-making which has led to delays, poor prioritisation and substandard decision making. Planning authorities must also be adequately resourced, and maintain a supply of employment land and office space to balance the requirement for new homes with business needs.
- **Develop a long-term energy security strategy** - by maximising the output from our domestic sources of UK oil and gas, nuclear and renewables providers. The next government should incentivise energy efficiency measures, whilst keeping environment taxes and costs to a minimum to ensure our energy-intensive industries remain internationally competitive.

SUPPORT UK EXPORTERS TO DRIVE ECONOMIC GROWTH

The UK faces a persistent current account deficit. The economy needs to be rebalanced towards exports to secure long term economic growth and reduce exposure to economic shocks. Exporters consistently tell us about the need for the UK government to provide the right conditions for exporters, including practical, face-to-face support; access to trade missions and trade fairs; and trade deals that deliver real, tangible benefits.

Chambers of Commerce across the UK have been supporting international trade for over a century, offering practical advice, export training, and documentation services to UK businesses. British Chambers of Commerce and business groups in countries around the world also offer a 'landing point' for exporters and importers.

Chambers of Commerce stand ready to work with the Government to help the UK meet its trade potential.



PRIORITIES FOR THE NEXT UK GOVERNMENT:

- **Link British firms to customers and opportunities worldwide** – put long-term, stable export support in place that leverages the global business-to-business network of accredited Chambers of Commerce. Commit to strong, stable face-to-face support in the regions and nations of the UK to help more businesses export or expand into new markets.
- **Revitalise trade support programmes and fund front-line, face-to-face support for exporters** - develop an expanded trade mission and trade fairs programme to build links with key trade partners and underpin deals. This needs to be aligned with, but not limited to, the countries with which the UK is looking to sign trade deals.
- **Deliver frictionless future trade arrangements with the European Union** – secure an EU trade deal on the best possible terms that minimises costs and trade barriers to firms already trading with European countries.
- **Ensure that businesses continue to benefit from existing Free Trade Agreements (FTAs)** – work with governments in third countries and the EU-27 to grandfather existing EU FTAs, so that businesses can continue to trade on the beneficial terms they already have access to. These agreements should include a commitment to revisit the terms of the FTA as required in the future.
- **Deepen existing trading relationships and broker new agreements with emerging markets** - work with Chambers and businesses to identify priorities for trade with large established markets and high growth markets. The next government should prioritise trade liberalisation and the reduction of non-tariff barriers in all partner countries regardless of the prospects of a future UK FTA.

WORK WITH BUSINESSES TO SECURE THE BEST POSSIBLE DEAL WITH THE EU

Since the historic referendum result in June 2016, Chambers of Commerce have been in deep consultation with local business communities across the UK to ensure that, together, we are addressing the key business priorities for the UK government's Brexit negotiations. Our 'Business Brexit Priorities' document sets out the requests of business communities across the UK and should be read alongside this manifesto.

It is imperative that the government negotiates the best deal it can with the EU for UK businesses, mindful of the fact that Europe will remain a key market for UK firms. It is businesses that trade, not governments, and it will be the ability of businesses to respond to forthcoming changes and identify new opportunities that will shape our future relationship with both the EU and the rest of the world.



PRIORITIES FOR THE NEXT UK GOVERNMENT:

- **Ensure UK firms have continued access to the talent they need** – protect the status of EU nationals in the UK, regardless of any other aspect of the UK's negotiations with the EU-27. The next government must also give businesses clarity on the regime for hiring workers throughout the entire Brexit process.
- **Work with businesses and Chambers of Commerce throughout the Brexit process, particularly to develop future customs procedures** – develop future customs and origin rules in partnership with business to guarantee the UK's position as a global distribution hub.
- **Avoid major disruption to business regulation** – maintain short-term stability of the regulatory framework and equivalence of standards with the EU through mutual recognition, while allowing for future changes to best reflect the needs of UK businesses and promote a gradual reduction in the size and complexity of regulation.
- **No hard border between the Republic of Ireland and Northern Ireland** – maintain free trade and people flows across the border and limit any new bureaucratic arrangements.

The British Chambers of Commerce 'Business Brexit Priorities' expands on the points listed here. This can be found on our website: <http://www.britishchambers.org.uk/policy-maker/policy-reports-and-publications/business-brexit-priorities.html>

THE BCC ACCREDITED CHAMBER OF COMMERCE NETWORK

Aberdeen & Grampian Chamber of Commerce

Ayrshire Chamber of Commerce

Barnsley & Rotherham Chamber of Commerce

Bedfordshire Chamber of Commerce

Black Country Chamber of Commerce

Business West

Cambridgeshire Chambers of Commerce

Cornwall Chamber of Commerce

Coventry & Warwickshire Chamber of Commerce

Cumbria Chamber of Commerce & Industry

Devon Chamber of Commerce

Doncaster Chamber of Commerce

Dorset Chamber of Commerce & Industry

East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)

East Lancashire Chamber of Commerce

Edinburgh Chamber of Commerce

Essex Chambers of Commerce

Fife Chamber of Commerce

Glasgow Chamber of Commerce

Greater Birmingham Chambers of Commerce

Greater Manchester Chamber of Commerce

Hampshire Chamber of Commerce

Herefordshire & Worcestershire Chamber of Commerce

Hertfordshire Chamber of Commerce

Hull & Humber Chamber of Commerce

Inverness Chamber of Commerce

Isle of Wight Chamber of Commerce

Kent Invicta Chamber of Commerce

Lincolnshire Chamber of Commerce

Liverpool & Sefton Chambers of Commerce

London Chamber of Commerce & Industry

Mid Yorkshire Chamber of Commerce

Norfolk Chamber of Commerce

North & Western Lancashire Chamber of Commerce

North East England Chamber of Commerce

Northamptonshire Chamber of Commerce

Northern Ireland Chamber of Commerce

Renfrewshire Chamber of Commerce

Sheffield Chamber of Commerce & Industry

Shropshire Chamber of Commerce

Somerset Chamber of Commerce

South Cheshire Chamber of Commerce

South Wales Chamber of Commerce

St Helens Chamber

Staffordshire Chambers of Commerce

Suffolk Chamber of Commerce

Surrey Chambers of Commerce

Sussex Chamber of Commerce

Thames Valley Chamber of Commerce

West & North Yorkshire Chamber of Commerce

West Cheshire & North Wales Chamber of Commerce

Wirral Chamber of Commerce

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, please contact Ashley Shackleton, Head of Public Affairs at the British Chambers of Commerce: a.shackleton@britishchambers.org.uk

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