

BCC Budget Submission: be bold, Chancellor, and ease business rates hardship

Ahead of the Chancellor's Autumn Budget on November 22, the British Chambers of Commerce (BCC) is urging the government to take immediate action to halt the expected 3.9% increase in business rates valuations next year, as part of a bold Budget that seeks to boost the UK's productivity.

The UK's leading business group, which represents almost 75,000 companies employing almost six million people in every region and nation of the UK, calls on the Chancellor to take action now to get the UK economy ready for when the country leaves the European Union.

The BCC proposes pausing the Corporation Tax roadmap, with the tax remaining at 19% until after Brexit – with the resulting revenue ring-fenced to help ease the burden of up-front taxes and costs that hit business cash flow and undermine investment.

The BCC calls on the government to take bold action across three key areas, to help businesses deal with the challenges and opportunities that Brexit provides, kickstart a productivity surge, and ensure that the domestic economy is in the best possible position on day one of leaving the EU:

- **Tackling the upfront cost of doing business** – pledging not to introduce any more input taxes and other significant costs, **abandoning the annual uprating of business rates for the next two years**, and removing plant and machinery from business rates valuations.
- **Incentivise business investment during the Brexit process** – through the introduction of a 'Brexit Special' Annual Investment Allowance, **temporarily increasing the limit to £1 million**.
- **Fixing the fundamentals** – committing to ensuring complete voice coverage on mobiles by 2020, and kickstarting infrastructure projects vital to our economic future, **from Northern Powerhouse rail and Crossrail 2, to bringing forward investment in the road network**.

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

"At a critical moment for the UK economy, the Chancellor must be bold – and deliver a big budget that prioritises economic confidence and investment.

"The best possible Brexit deal won't be worth the paper it's written on if conditions for growth aren't right here at home. The Chancellor has a unique chance to move the dial on growth and productivity now, leaving the UK in a position to succeed over the long term. Action to slash the up-front costs faced by business, to incentivise investment, and to improve mobile coverage

and infrastructure would lead to a real boost to productivity, wages and trade.

"A Budget that prioritises goodies and giveaways rather than future-proofing the economy would be a dereliction of duty by the government as a whole."

On business rates:

"It would be unconscionable for the government to use September's inflation figures to slam businesses with a huge rise in rates, particularly when they already face spiralling up-front costs. A failure to act would hit the high street, manufacturers and others hard – and undermine the sort of investment we need to boost productivity."

On investment:

"Too many companies are playing a wait-and-see game at the moment. We need a big, bold incentive to get more firms investing – particularly ahead of the Brexit transition."

On infrastructure:

"A sugar hit for voters would quickly fade, but the protein boost provided by increased investment in infrastructure and digital connectivity would be felt for decades. Ramping up infrastructure investment across all regions and nations of the UK, and getting long-planned projects off the drawing board, gives a huge boost to business confidence and creates both jobs and business opportunities."

Ends

Notes to editors:

The full Budget submission is available from 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: www.britishchambers.org.uk

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