

# A YEAR OF IMPACT

Influencing policy  
Winning for business

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"It's been an extraordinary year. But amidst the political turmoil, our members have helped the CBI have significant influence. We have changed the course of the Brexit debate with Government, although there is clearly still a long way to go. But importantly we have also focused hard on the UK prosperity agenda – providing evidence on the topics that matter most to business and the growth of the economy. The voice of business has led to many significant decisions - seeing the £14bn Heathrow expansion approved, £100m funding for the National Retraining Partnership, commitments to reform the Apprenticeship Levy and the biggest increase in government-sponsored R&D funding for 40 years.

2019 looks set to be no less challenging. The CBI will continue to drive the government towards a good deal on Brexit, but will also have a renewed focus on making the UK a truly competitive, open and fair economy. We look forward to working together on this - thank you for your ongoing support."

**Carolyn Fairbairn, Director-General, CBI**



# The CBI driving change for business

2018 has seen the CBI actively shaping the Brexit debate, but the world will not stand still and wait for the UK. There are many challenges requiring urgent progress to build a more prosperous future. The need to lift our productivity. To renew our infrastructure. To solve our skills challenge. To invest in new technology.

Bringing together 190,000 businesses from every sector, every region and size, only the CBI has the access to government to drive real change for business on the big issues that matter most. And that's exactly what we've done.

## PEOPLE AND SKILLS

### ✓ **Far-reaching reforms to the Apprenticeship Levy**

CBI secured much-needed reforms to the Apprenticeship Levy worth £700m, giving business the flexibility and access to funds that enable them to upskill their workforce and drive growth.

### ✓ **Access to much-needed EU talent**

With growing business concerns over access to much-needed skills and talent, the government confirmed the rights of EU nationals to live, work and move freely in the UK during the transition period, and

agreed a route to permanent settlement. This was thanks to clear evidence from the CBI on the importance of EU nationals to business and the wider economy.

### ✓ **£100m to tackle the growing skills gap**

Real progress has been made to address business' concerns over the skills gaps caused by digitisation, with a £100m boost in funding awarded to The National Retraining Partnership, enabling the launch of several pilots exploring retraining and lifelong learning.

## INFRASTRUCTURE AND ENERGY

### ✓ **£14bn Heathrow expansion**

A third runway at Heathrow will open doors for the UK's global trading relationships, boosting job creation and economic growth for the entire country.

### ✓ **Shared value for business and for government**

In the wake of Carillion's collapse, the CBI has collaborated with the Cabinet Office to develop a new social value framework, ensuring public contracts are awarded to the right partner, not the cheapest.

### ✓ **Collaborating for clean air**

With ambitious government targets for half of new cars to be ultra-low emission by 2030, the CBI has worked with government and industry to help drive progress and ensure business can play an important role in the government's Road to Zero Strategy.

## INNOVATION

### ✓ **Productivity-boosting measures announced in budget**

The government will provide more concrete support for businesses trying to improve productivity, with new funding announced for management practices, training, mentoring programmes and the expansion of the Knowledge Transfer Partnership.

### ✓ **New council to help business and society embrace the benefits of AI**

A new Artificial Intelligence (AI) Council will drive

the government's AI agenda to ensure business can embrace its many benefits – from productivity to improved working conditions.

### ✓ **£800m commitment to innovation**

Business, workers and wider society all stand to benefit from the government's renewed commitment to innovation; with funding secured through EU programmes guaranteed until the end of 2020, and £800m of new funding for UK Catapult centres over the next five years.

"2018 has seen a hard won change in the opportunity for business and government to work together to boost UK competitiveness. 2019 must see this pay off in action – policies that boost and share prosperity. The CBI will use the unparalleled evidence we get from our members to shape the big debates – from renationalisation to regional inequality – helping to ensure that evidence-based policy wins over ideology."

**Carolyn Fairbairn, Director-General, CBI**

## TAX AND REGULATION

### ✓ Kickstarting business investment

The 2018 autumn Budget saw real progress to unlock the business investment needed to counter Brexit uncertainty: a fivefold increase to the Annual Investment Allowance and the introduction of a structural building allowance.

### ✓ More time to review employment taxation changes

The government listened to the CBI and postponed the introduction of new employment taxation (IR35), giving business a chance to feed in their views and to prepare for the changes ahead.

### ✓ Leading the way on corporate governance

A new voluntary corporate governance code, shaped with input from CBI members, will ensure the UK can

lead the way on modern boardroom practice while avoiding the need for mandatory or prescriptive controls.

### ✓ Rethinking worker shares

With growing concern over Labour proposals for employee ownership schemes, Labour has committed to rethink their radical policy, following swift CBI intervention warning that investors would pack their bags.

### ✓ Financial services that deliver for business

Important CBI wins for financial services (FS) on tax and regulation are helping businesses across the UK to manage costs and focus on growth, with regulators adopting digital innovations, a freeze on Insurance Premium Tax and a Treasury Select Committee pledge to consult on FS regulation post-Brexit.

## TRADE AND ACCESS TO WORLD MARKETS

### ✓ Shaping the future of global trade

The government has recognised that business has an important role to play when it comes to securing market access and investment – creating a new China CEO Council, led by the CBI, to drive new and innovative approaches to exporting while Free Trade Agreements are being organised.

### ✓ A business-friendly export strategy

A new exports strategy, based squarely on CBI recommendations, will improve the UK's ability to

move quickly and act in the best interests of both business and citizens at a time of unique change.

### ✓ A voice on the future of UK trade

A Strategic Trade Advisory Group, made up of business leaders and other key stakeholders, will ensure that growing UK business is at the heart of a post-Brexit trading strategy.

## INDUSTRIAL STRATEGY AND REGIONAL GROWTH

### ✓ Business voice on the industrial strategy

Business leaders will join a new Industrial Strategy Council to ensure business plays an important role in driving how the UK responds to the challenges caused by major global trends.

### ✓ £200m regional investment secured

A £200m fund has been agreed to ensure that the important regional projects driving growth still have access to the investment they need post-Brexit.

### ✓ A change in the relationship that government has with business

Following calls from the CBI, five new Business Sector Councils have been established, with CBI Director-General, Carolyn Fairbairn, sitting on both the strategic steering council and the financial, professional and education services council. These councils enable the CBI to provide the Prime Minister and her ministerial team with regular advice and policy recommendations on the critical issues affecting business.

# Shaping a Brexit that works for business



## JANUARY

### **Call to remain in customs union**

The CBI set out the business vision for the UK's future economic relationship with the EU and called to remain in the customs union – a position adopted by Labour.

## MARCH

### **Transition period agreed**

Following the CBI's campaign to avoid a cliff edge scenario for business, a status quo transition period of 21 months was agreed.

## APRIL

### **CBI shares insight into needs of business**

'Smooth Operations', a CBI report based on thousands of conversations with UK businesses and trade associations, gave policy makers essential insight into the regulatory needs of 23 industry and service sectors post-Brexit.

## JULY

### **Brexit White Paper includes CBI policies**

The government's Brexit White Paper on the proposed future economic relationship, adopted key CBI policy recommendations shaped by business – including a free trade area for goods and a common rule book.

## AUGUST

### **Plans for no deal scenario published**

The government published no deal technical notices to support businesses across different sectors to plan for a no deal scenario following pressure from the CBI.

## SEPTEMBER

### **Utilising business feedback**

CBI members shared essential feedback with the Prime Minister's Business Envoy and Brexit Secretary ahead of the final stages of Brexit negotiations, via the CBI's President's Committee.

## OCTOBER

### **Placing evidence over ideology**

Important findings from the Brexit preparedness survey helped to put evidence over ideology, showing 8 out of 10 firms felt uncertainty was negatively impacting investment decisions.

## NOVEMBER

### **Withdrawal agreement represents hard-won progress**

While not perfect, the withdrawal agreement included some hard-won progress for business, with two main economic benefits: avoiding a cliff-edge exit and paving the way for a long-term trade deal.





## Together, we're stronger

Our members are our mandate, and the reason we're the most powerful voice in business. Representing 190,000 organisations across every sector, region, nation and size, the CBI drives real and positive change for business through the power of a collective voice.

## Join us

To find out more about CBI membership

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