

# BUILDING A MORE PROSPEROUS SOCIETY: CBI POLICY PLAN

JANUARY - JUNE 2020



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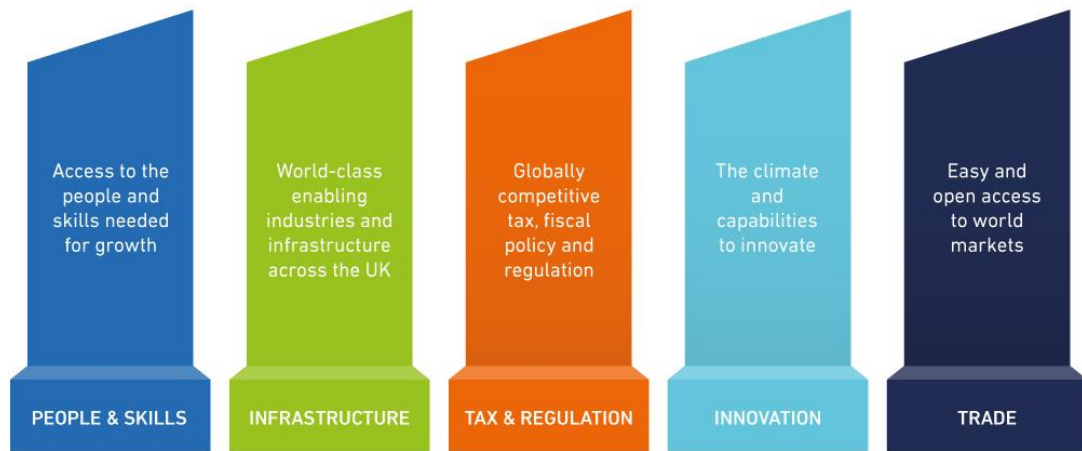
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# THE CBI'S PROSPERITY AGENDA

Informed by extensive consultation with almost 800 CBI members across the UK, **the CBI's Prosperity Agenda identifies the five areas for businesses and government to work together in partnership to drive prosperity across the UK.**

These five priorities will shape and inform the CBI's policy work in 2020 and beyond.



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# EQUIPPING THE UK TO WIN: THE CBI'S CAMPAIGN TO IMPROVE THE UK'S ATTRACTIVENESS IN 2020

For over three years, Brexit has dominated UK national life. Political uncertainty has taken its toll on the attractiveness of the UK's business environment, starving domestic policy priorities of the oxygen needed to make vital progress.

The election of a new parliament and a new government taking office offers the opportunity to change this and **make 2020 a year of action on the domestic agenda.**

In 2020, the CBI will launch a sustained campaign to put the emphasis back on the domestic agenda and improve the UK's international attractiveness as a great place to invest, grow and do business.

Across the CBI's Prosperity Agenda, this campaign will detail:

- how each pillar can **contribute** towards building a **more prosperous society**;
- the **key components** of that sector's success;
- how the UK **compares against international competitors**;
- the **policy recommendations** to **improve the UK's attractiveness** as a place to do business.



## People & Skills: Access to the people and skills needed for growth

Being able to hire the right person, in the right place, at the right time, is central to the UK's competitiveness. This is threatened by the need to increase investment in training to meet future skills needs, and by a rising cost of employment that is significantly outpacing business performance. At the same time, demonstrating the role of business in promoting opportunity for all and that work is fair are critical to increasing trust in business. Our top priorities:

- Shape a **world-class education system** that prepares young people for the modern world of work, with business stepping in to play its part.
- Ensure business can continue to **access the international labour** it needs to grow the economy.
- Win the argument that **labour markets** can be **both fair and flexible**.
- Build a high quality, flexible, and adaptable system for lifelong learning, including **apprenticeships, T-levels and Higher Education**.



## Headline projects for Q1 and Q2 2020

**A world-class education system** – Deliver an ‘Employer Toolkit’, an online portal designed to support business step up their engagement in the education system.

**Skills reform** – Deliver new research assessing what skills the UK will need in 2030, exploring how to deliver the necessary training and proposing how it could be paid for, including through significant reform of the Apprenticeship Levy

**Access to talent post-Brexit** – Continue to campaign for an open and controlled approach to immigration that meets economic needs with the public’s desire for greater levels of control.

**Productivity through people** - Deliver a campaign based on the CBI’s *Great Job* report, that inspires and informs business actions to boost productivity through good management practices.

**Champion innovative and diverse workplaces** – Deliver a third practical D&I toolkit to help firms think about closing their ethnicity pay gaps ahead of expected mandatory reporting legislation



## Infrastructure and energy: World-class connectivity and a greener economy

Great infrastructure keeps the lights on and the economy moving. Patchy connectivity creates an unbalanced economy. Failing to cut emissions will have catastrophic impacts on business and wider society. As technology transforms the way we live, work and travel, business has the solutions to deliver the potential of a connected, greener economy. Our top priorities:

- Develop policy frameworks to support the decarbonisation of heat and heavy industry to **reach net-zero emissions by 2050**.
- Support and influence the planning of the **UN COP 26 climate summit** (November).
- Shape a new government **vision for the future of UK infrastructure** including its financing, procurement, delivery and operation.
- Continue to make the case for **private sector involvement** in the delivery of infrastructure and public services.





## Headline projects for Q1 and Q2 2020

**Low-carbon future** – Deliver output from a new European Commission focused on decarbonising heat while setting out new pathways for decarbonisation of heavy industry to help meet net-zero emissions.

**Reaching Net Zero** – Plan a programme of events and campaign outputs aligned to COP 26 – including a major conference on the business approach to climate action – to position the UK as a global leader in tackling climate change and making the transition to Net Zero a source of competitive advantage

**Future of commuting** – Publish a paper on how better transport infrastructure can make commuting more productive.

**The role of the private sector** – Show how companies can invest to modernise and improve services in utilities and railways, promoting the adoption of a new social value framework for public contracts.





## Tax and Regulation: Globally competitive tax, fiscal policy & regulation

The pace of change of the UK economy is faster than ever, yet tax and regulation are often struggling to keep up. From high streets to the cloud, only the expertise of business can ensure the government develops an approach fit for a modern, inclusive and prosperous UK. Our top priorities:

- Ensure CBI tax policy is geared towards the **modernisation of the system** and stimulates much-needed business investment, while ensuring a **fair and sustainable revenue stream** to fund vital public services.
- Be the go to source for government when looking for ideas on tax and fiscal policy ahead of **Spending Review and Budget**.
- Develop capability and influence to contribute and shape the **UK's future regulatory framework**.



## Headline projects for Q1 and Q2 2020

**Fix the broken business rates regime** – Campaign to reform the outdated business rates system, setting out proposals to reduce the burden on individual businesses, stimulating investment and growth.

**Digitalisation of the economy** – Campaign for reform of the international taxation framework that recognises that the whole economy is increasingly digitalised, and that a future system must encourage investment in innovation and growth.

**Cumulative Burden** – Develop analysis of the rising cumulative cost of tax and regulation imposed by government.

**Budgets and spending reviews** – Champion businesses' priorities ahead of fiscal events, harnessing member insight to deliver a compelling vision for the future economy.

**Future of regulation** – Develop CBI policy on the future of regulation including the role of economic regulators, innovation and competition policy outside the EU, and its impact on future trade deals.



## Innovation: The climate and capabilities to innovate

Technology is solving key social challenges and enhancing peoples' lives. The UK is home to a tech sector outpacing the rest of the economy and developing cutting-edge innovations. But there is growing fragmentation of policy and initiatives in both technology and innovation. This means the UK risks losing its place as one of the best places in the world for innovative businesses to start and grow. Our top priorities:

- Create a **strategic vision** for how the UK digital economy will **compete globally** post-Brexit.
- Bring members together to **share innovation opportunities** and tackle shared challenges.
- Develop evidence on **technology trends** and the **policy needs of tomorrow's digital economy**.
- Shape the **government's R&D roadmap**.



## Headline projects for Q1 and Q2 2020

**Competitive digital economy** – Create a government-focused manifesto drawing together key pillars on how the UK can drive forward an internationally competitive digital economy.

**Business innovation** – Provide practical recommendations on how large and small companies can work together on innovation.

**Technology adoption** – Produce a Technology Tracker to take a ‘pulse check’ of businesses on the latest technology adoption trends.

**Investment in R&D** – Help the government move from target to action on R&D, ensuring policy supports modern R&D practices in businesses in all sectors and parts of the UK.



## **Trade:** Easy and open access to world markets

Trade powers prosperity, consumer choice and productivity growth. As the UK leaves the EU, a true partnership between government and business can help companies buy and sell their products and services around the world, ensure alignment between our EU and global trade policy, and forge a credible post Brexit global narrative for the UK. Our top priorities:

- Position the CBI as the **international voice of British business** and **the go to business organisation for UK government on trade policy**.
- Secure **frictionless trade** with non-EU markets by supporting **continuity of EU FTAs** with third countries after Brexit transition and ensure future UK import tariffs work for business.
- **Ensure new trade deals are business driven** and compatible with a close EU membership.
- Provide **education, insights and networks** to help members understand and influence trade policy in a **changing external environment**.





## Headline projects for Q1 and Q2 2020

**Post-Brexit trade strategy** – Secure a consultation architecture on trade that delivers for Members. Ensure that new global FTA's, particularly UK-US, are business-driven, and aligned with a close UK trading relationship with the EU.

**Continuity of trade** – Support roll over of UK's existing trade deals via its previous EU membership and ensure that business is consulted on the UK's new regime for future import tariffs.

**Support the Rules-based global trading system** – Active member engagement in B7 and B20, including in support of WTO, in the run-up to the CBI hosting B7 in UK in 2021.

**Equipping Members for global trade** – Deliver new commercial products, including the CBI's inaugural international trade conference. Timely insights and advocacy help for members to navigate trade disputes.

# THE CBI'S CROSS-CUTTING CAMPAIGNS

Alongside the five pillars of the Prosperity Agenda, the CBI also campaigns on three cross-cutting issues that are of fundamental importance to the UK business environment:

- Making the business voice heard throughout phase two of the Brexit negotiations to deliver a deal that works for jobs and growth, through **the EU negotiations campaign**.
- Ensuring Westminster policy works towards closing regional differences to deliver shared prosperity across the UK, through the **regional growth campaign**.
- Demonstrating the value of business to the UK, alongside helping firms change to deliver more equal benefits across society, through the ***Everyone's Business* campaign**.

## EU Negotiations



## Regional Growth



## Everyone's Business







## EU Negotiations

The way the UK leaves the EU will shape our economy for generations to come. On-the-ground insight from businesses has helped shape the parameters of the government's approach. Negotiations will continue into 2020 and beyond, and the business voice must help deliver a deal that works for jobs and growth. Our top priorities:

**UK-EU economic relationship** – Promote a future relationship with the EU that is based on frictionless trade, ambitious service access and a say for the UK over future rules that affect it. Launch a campaign on regulatory alignment, starting with education pieces for MPs and journalists. A re-oriented Customs Working Group will also deliver consultations on new customs procedures.

**Improved business architecture** – Businesses need to be able to feed into the Brexit negotiations effectively. The CBI will develop an improved government-business engagement architecture to help influence the decisions policymakers take in phase two of the Brexit negotiations.

**Cohesive business community position** – Conflicts within, between and with the business community on phase two of the negotiations are pre-empted and will be managed as far as possible. Forums with different sectors, unions and civil society will be established to manage such conflict.



## Regional Growth

The UK has struggled to close its productivity gap between and within regions, dampening people's wages and living standards. Closing these regional differences lies at the heart of delivering shared prosperity. A close business partnership with Westminster, devolved governments and locally elected leaders is needed as policies to 'level up' places are considered. Our top priorities:

**Regional business insight and intelligence** – Strengthen the CBI's position as a major regional policy influencer by creating CBI mayoral manifestos and hustling events in advance of May elections.

**Supporting productivity drivers** – Advance clearly defined, tailored regional policy campaigns and ensure government policies are working to close the regional productivity gap. Follow up the CBI's *Unlocking Regional Growth* report with an updated regional productivity assessment against key drivers.

**Ensure devolution is fit for purpose** – Follow up on the CBI's *Powering Up Places* report by setting out the next steps for English devolution.



## Everyone's Business

Business is a force for good – but only 56% of the public agree. Unless business has the support of society, there will be a constant battle to defend and justify its license to operate. And poor perceptions can lead to interventionist policies that position business a driver of inequality and unfairness and not prosperity for all. Winning the argument for a pro-enterprise economy is essential to show why business is a force for good and why the UK remains a great place to do business. Our top priorities:

**Research tracker** – Publish informative trackers to help business understand what drives public, business and investor attitudes towards the business community across the country.

**Value to society** – Support the launch of major national programmes that help members deliver value to society. Re-launch the Everyone's Business Working Group ensuring members to steer the CBI's Everyone's Business initiatives.

**Supporting and profiling good business practices** – Produce toolkits to help members embed and showcase their business as a force for good.

**For more information, or to find out how to  
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