CBI

Spring Budget 2024

Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

24 January 2024

Dear Chancellor,

We share your vision for a more prosperous, high growth economy and welcomed your Autumn Statement for growth last year. And we believe the decisive action you showed to deliver long-term change, like making full expensing permanent, in response to the CBI's campaign, will help to create the environment business needs to boost UK investment.

For growth to be sustainable we must avoid persistent high inflation and build resilience in the economy and society while enabling us to play our part in mitigating climate change. Above all else sustainable growth requires investment in our people's skills and capabilities, in our infrastructure and productive capacity, and in our openness to ideas and a willingness to embrace innovation.

This year will be critical for businesses as they continue to face difficult headwinds, with business investment set to fall by 5% and costs increasing for many businesses through higher Business Rates and the National Living Wage. At this Spring Budget, it will be important to maintain the momentum you have started, by working with business on delivering the right environment for sustainable growth, boosting productivity and raising long-term living standards. This includes delivering on the government's commitment to extend childcare provision and going further to remove barriers to investment through reform of the planning system and speeding up grid connectivity.

To help shape and inform the vision and programme of action this country needs to define a future decade of growth, we published our CBI Business Manifesto in December. Co-created with our members it draws on insights from firms in all sectors, and of all sizes from across the UK, and sets out a series of practical, innovative policy solutions. This fiscal submission focuses on key policy details drawn from this manifesto which we believe will enable your government to maintain the crucial momentum for businesses our members tell us they need.

We focus on three key themes:

1. Taking further steps to address labour shortages
2. Establishing a sound business environment
3. Investing in our high-growth industries

This Budget is an opportunity to firm up the foundations of growth and amplify the ambition to make the UK economy the most competitive and trusted destination for investment. Stability and clear detail building on previous announcements would be welcomed by our members. We are not the only country chasing this decade's prize of sustainable growth and we need our own long-term, sustainable vision of what the UK's economy could be in 2030 and a plan to realise it, delivered through collaboration between business and government.

Throughout 2024, the CBI will continue to argue that the business voice matters because only business, working with government, can generate the great ideas, good jobs and sustainable growth that improves people's lives and communities.

Below is a full set of Budget proposals for you and your team. Our headline asks, on behalf of UK business, are as follows:

1. **Take further steps to tackle labour shortages:** The key to the UK's economic prosperity lies in the health and productivity of its workforce. In many cases, shortages have become so

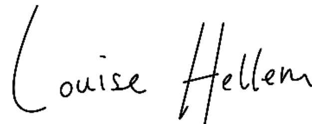
acute and sustained that it is holding back long-term investment and the pace of transformation. Easing shortages is an opportunity to accelerate investment, productivity, and economic growth. The government could further support workforce participation through occupational health by **expanding non-taxable health support for employees** and by **delivering the planned expansion of eligibility to 30 hours of funded childcare** alongside measures to ensure the availability of high-quality childcare places.

2. **Remove barriers to growth and establish a sound business environment:** As the UK economy faces strong headwinds, it is vital to finish the job on supporting investment by **extending full expensing to cover leased and rented assets**. To support businesses in an environment of rising costs, the **business rates multiplier should be capped for another year** while inflation remains significantly above target. Finally, to help drive investment and provide businesses with the infrastructure they need to grow, publish a long-term strategy to **deliver the National Infrastructure Commission recommendations.**

3. **Invest in our high-growth industries:** Innovation is the key to boosting productivity and living standards, and the UK's strength in innovative, high-growth industries such as green industries, digital, life sciences and advanced manufacturing are world-leading. But we cannot stand still. To maintain a world-beating system of support for our most innovative businesses **bring capital expenditure within the scope of R&D** and make the most of the opportunities for green growth by **establishing a Net Zero Investment Plan** that can target incentives where there are gaps in green investment. Finally, to ensure better access to funding for these industries increase **the total that can be raised from the Enterprise Investment Scheme (EIS)** for Knowledge Intensive Companies (KICs) from £20m to £30m.

We would welcome the opportunity to meet with you to discuss these ideas and look forward to continuing to work with you and your team to boost sustainable growth in the economy.

All best wishes,



Rain Newton-Smith
Chief Executive

Louise Hellem
Chief Economist

Summary of Top Recommendations

Deliver sustainable growth across the UK	Annual exchequer cost[1,2]
Taking further steps to address labour shortages	
Expand non-taxable health support for employees by making Employee Assistance Programmes (EAPs) a fully tax-free benefit and making tax relief for medical treatment more preventative.	**EAPs: £11m**
Deliver the planned expansion of eligibility to 30 hours of funded childcare to help parents increase the hours they work.	**£Unclear**
Establishing a sound business environment	
Extend full expensing to cover leased and rented assets.	**£170m-£290m[3]**
Cap the increase in the England business rate multiplier for another year while inflation is still significantly above target.	**2.8% increase: £1.3bn**
Publish a strategy to deliver the National Infrastructure Commission recommendations in the *Second National Infrastructure Assessment*, to spur economic growth and levelling up across English regions.	**£Nil**
Investing in our high-growth industries	
Introduce a globally competitive R&D tax credits scheme by bringing capital expenditure within scope, like in Ireland and France.	**£390m[4]**
Commit to establishing a Net Zero Investment Plan (with timelines for delivery), identifying green investment gaps and policy with the intention of crowding in private finance.	**£Nil**
Increase the total that can be raised from Enterprise Investment Scheme (EIS) investments for Knowledge Intensive Companies (KICs) from £20m to £30m.	**£Unclear**

[1] Static cost – does not take account of the positive economic impact; aggregate cost for each policy package.
[2] All information on the following costings can be found in subsequent chapters of the submission.
[3] Our initial estimates of the cost of this policy were between £170 million and £290 million. We have since revised it to £2.04 billion to £3.32 billion. This increase addresses an error in our modelling which has now been corrected. The revised figures have also been adjusted for inflation. The broad range represents data limitations, specifically one which reflects the fact that many leases are used for car finance, some of which are provided to private individuals. We understand these leases would be excluded under HMRC proposals to ensure that full expensing are not extended to arrangements that would not otherwise benefit from access to full expensing as they do not fall within the UK corporation tax system.
[4] Our initial estimate of the cost of this policy was £390 million. We have since revised it to £740 million to £800 million. The new figures reflect the change in methodology for collecting R&D data by the Office for National Statistics (ONS) in 2022, which now captures R&D spending by small and medium-sized enterprises (SMEs). As the new data release does not provide a breakdown by type of R&D spend, we have estimated this using an average of previously available data. The original figure was also calculated without taking into account the announcement made at Autumn Statement 2023 that loss-making companies would benefit from a higher rate of credit than profit-making companies from April 2024. The new upper limit assumes all companies are loss-making and are able to receive Research and Development Expenditure Credit (RDEC) at a higher effective rate of 16.2%, while the lower limit assumes that all companies are profit-making and could claim RDEC at the effective rate of 15% – we would expect the actual cost to be somewhere between the two.

1. Taking further steps to address labour shortages

The key to economic prosperity lies within the strength, health and productivity of the UK's workforce. But long-term investment in productivity is being hampered by short term pressures to find, attract and retain talent. This pressure created by labour shortages has for many firms tipped from being an incentive to invest in productivity, into a blocker. This is primarily a consequence of the UK's ageing population, a challenge that will accelerate. Action to ease acute shortages will allow businesses to concentrate on long term investment to boost productivity and accelerate the pace of transformation to sustainable growth. Now is the best time to act because these challenges will become more difficult to overcome the longer they are left unaddressed.

CBI research finds that more than two-thirds of businesses have been affected by labour shortages over the past year and nearly eight in ten believe that access to skills is a threat to labour market competitiveness.[5] Action to reduce barriers to work will help, but immigration policies are pushing in the opposite direction. Only a joined-up, sustained focus on easing shortages sufficiently to unlock business investment can get the UK economy onto a path of sustainable growth.

Last year's announcements by the government delivered promises to firms up and down the country. Notably the expansion of childcare provision and getting serious about the impact of ill health on working lives. We know that these policies are imperative to activating our potential workforce. But there is work yet to be done. The labour market is cooling slowly, but it is still very tight. Vacancy rates are falling but are still high and pay growth – without productivity growth to support it – remains significantly above the level compatible with bringing inflation down to 2%.

This spring, there are several levers at our fingertips to realise a labour market approach that addresses immediate workforce challenges and prepares us for the future of work. The government must continue making progress on occupational health and incentivise businesses to go further, with an ambitious expansion of non-taxable health support starting by making all Employee Assistance Programmes (EAP) tax-free. There are also concerns that the expanded eligibility for childcare will not be available to all of the parents it was intended to help work more hours. A properly funded childcare system is good for the economy and should be a priority.

In parallel with actions on the labour market, the government should seek to ameliorate businesses' concerns about labour shortages - and support growth and productivity improvements - through more effective technology adoption, both by the private and public sector. Research including by the CBI, and from Sage, indicates the potential productivity boost of better technology use – for example it's estimated SME tech adoption could add around £45bn to UK GVA, properly deployed. It also details the degree of challenge UK businesses face in deploying tech both at the frontier such as AI, but also more established technologies. As a first step towards greater investment in this area, the government should review and learn lessons from existing provisions, and better coordinate disparate tech adoption initiatives and programmes.

[5] CBI/Pertemps, Employment Trends Survey, November 2023.

Addressing labour shortages beyond the Spring Budget

To continue progressing positive reforms to the UK's labour market and drive inclusive, sustainable growth, the CBI's Business Manifesto sets out some of the work that we commit to beyond the Spring Budget.

We are calling for the creation of a cross-departmental long-term strategy, led by the Cabinet Secretary, to address labour market shortages, considering barriers to work and the role of skills, automation, and immigration in preventing long-running vacancies. As part of this, we are encouraging the government to create an Independent UK Skills Commission and to establish a centre for work and health. To unlock investment through incentives, we are calling for meaningful flexibility of the Apprenticeship Levy. This would incentivise employers to increase their investment in training that develops new skills, including apprenticeships and other accredited qualifications and modules.

Finally, change can be facilitated through system reform, starting with a cross-Whitehall review of the effectiveness of the UK's immigration system to support the transition to a high investment economy. The review should consider whether UK visa costs and service standards are competitive internationally, and the impact of disregarding students from the UK's net migration figures.

Policy solutions to address labour shortages	Annual exchequer cost[6]
Occupational Health	
Expand non-taxable health support for employees by making Employee Assistance Programmes (EAPs) a fully tax-free benefit and making tax relief for medical treatment more preventative. Businesses welcome the consultation on occupational health tax incentives and call for an ambitious expansion of non-taxable health support for employees, but there are quick wins that can be immediately implemented, starting by making all EAPs a fully tax-free benefit. Further immediate action would be to enable tax-free reimbursements of eye tests and vaccinations, and by removing the 'one per employee per tax year' tax-free limit for health screening and medical check-ups. Beyond this, tax relief for medical treatment recommended by a health professional should be made more preventative by removing the '28-day unfit for work' condition and scrapping the £500 cap.	**EAPs: £11m**[7]

[6] Static cost – does not take account of the positive economic impact; aggregate cost for each policy package.
[7] This figure captures the fiscal cost associated with extending tax reliefs and exemptions to all Employee Assistance Programmes. This cost is incurred through forgone Income Tax revenue on the employee side and reductions in Class 1A NICs on the employer side, which are marginally offset by increased Corporation Tax receipts (and Income Tax and Class 4 NICs for unincorporated businesses) due to smaller deductions of Class 1A NICs from taxable profits. This costing operates under the assumption that 18.43% of EAPs is currently treated as taxable benefits, and not already subject to exemptions. This figure is taken from data supplied by EAP providers around the proportion of their EAP services that constitute high-level legal or financial advice or cover family and dependents (taxable components of EAPs). Input data for this modelling, regarding EAP coverage, market size and revenue was sourced from the 2023 EAPA report, 'Holding it together'.

<table>
<tr><td>Deliver on commitments to provide a targeted SME subsidy for procuring occupational health services (both assessment and treatment), providing a suggested 80% relief on the cost.

We welcome the expansion of funding totalling £25m at Autumn Statement to deliver an SME occupational health (OH) subsidy. We now call on the government to deliver on its commitment to roll-out a pilot and potential permanent subsidy for SMEs who face financial barriers to access OH services. This subsidy must cover the cost of OH assessment and treatment to have maximum impact and ensure people are supported back into work.</td><td>£Nil[8]</td></tr>
<tr><td colspan="2">Delivering on childcare</td></tr>
<tr><td>Deliver the planned expansion of eligibility to 30 hours of funded childcare to help parents increase the hours they work.

The staged rollout of expanded eligibility should be closely monitored to ensure that it is equally available to parents in all parts of the country. If there is a real risk of an uneven territorial rollout, then the government should consider some of the recommendations made by the Education Committee in their Support for Childcare and the Early Years report. Specifically, with government set to purchase 80% of the hours providers offer, the long-term sustainability of the sector relies increasingly on government funding. The funding rates should be reviewed annually including in this Budget to reflect changes in the cost of delivering a quality service.[9]

And that the government should support attracting the expanded workforce needed by raising the perceived value of the profession through a comprehensive Early Years Strategy.</td><td>£Unclear</td></tr>
<tr><td colspan="2">Access to work</td></tr>
<tr><td>Publish annual data on the distribution of Apprenticeship Levy Funds.

The government should commit to reporting annually on income received via the Apprenticeship Levy, including where that levy is then allocated (e.g., Apprenticeship Budget in England, part of the Barnett Formula for Devolved Nations, etc) and figures on the levels of apprenticeship levy funding returned to HMT. In addition, the government should produce an annual report on where geographically and sectorally the levy is making an impact. Providing transparency of spending and distribution of Apprenticeship Levy funding will improve business confidence.</td><td>£Nil</td></tr>
<tr><td>Improve the Access to Work scheme through a range of simple measures to ensure more people with disabilities can enter employment.

Both employees and employers think that when it works well, Access to Work helps people with disabilities to enter employment. But they also think that it could be improved with some small changes:

• DWP should launch an awareness-raising campaign to educate employers on what Access to Work can do, its processes, timelines and showcase successes.
• Involve employers in the Access to Work process earlier (from the beginning when an individual makes an application) to improve the support candidates receive. Including having a three-way dialogue between employer, employee and assessor from the start.</td><td>£Negligible</td></tr>
</table>

[8] No further spending allocation required. Previous funding commitment of £25m has been made by government prior to the 2024 Spring Budget.
[9] Support for childcare and the early years: Government response to the Committee's Fifth Report. Other recommendations within the report that we support include: 4, 5, 8, 21, 22, 23 and 26.

• Increase the overall staffing levels in the Access to Work customer-facing team to reduce delays and improve the quality of support. • Continue the roll-out of the Access to Work Plus pilot and establish the scheme on a permanent basis to create an incentive for firms to actively invest in more inclusive work environments.	
Technology adoption	
Appoint a single Technology Adoption Champion to coordinate and review government programmes which would support SMEs to adopt AI and other productivity-enhancing technologies. Building on the welcome Autumn Statement 2023 announcement of the national roll-out of the manufacturing technology adoption programme Made Smarter, the Technology Adoption Champion would work closely with UK business to plan and drive a coherent suite of offers supporting firms to adopt technology to address labour shortages and drive productivity. The Technology Adoption champion role could be modelled on the successful recent AI Taskforce champion.	**£Nil**
Immigration	
Reform the Migration Advisory Committee (MAC) by turning it into a tripartite body to give social partners a greater voice on labour market policy. The government should ensure the MAC operates as an effective labour market institution by turning it into a tripartite body, made up of independent experts, businesses and workers from across the UK. This would ensure the advice the government receives on shortages better takes account of the evidence and experience faced by businesses across the economy. The government should finalise the restructure in time for the next review of the Immigration Salary List.	**£Nil**
Urgently scale-up capacity at the Home Office to unblock visa processing delays, reducing labour market pressures. Ensure work visas are issued within the three-week government service time, where businesses need to hire from overseas, by increasing Home Office capacity. At the moment, businesses are finding that processing times are taking up to four times as long, adding to the impact labour and skills shortages are having on business outputs and services, and making it harder for UK employers to attract overseas workers who have work offers in multiple countries.	**£Negligible**

2. Establishing a sound business environment

In the Autumn Statement, the government took significant and welcome steps to unlock business investment, notably by making full expensing a permanent feature of the tax system and focusing on other aspects of the business ecosystem, such as planning, tax, and regional policy. The government also committed to accepting the Harrington review's high-level recommendations and how crucial it is to improve the UK's international attractiveness for investment.

Despite these actions, business investment is expected to fall in 2024 as the UK faces strong headwinds to growth from higher interest rates and subdued demand. The work of the government must continue given these headwinds to establish a sound business environment and achieve sustainable growth.

Business has identified several areas where government can build on the progress to support sustainable growth. These include making the tax system more internationally competitive and limiting cost pressures through tax, increasing foreign direct investment (FDI), addressing blockers to investment through planning reform and infrastructure delivery, and empowering local growth.

Making the tax system more internationally competitive

One area where the UK has clearly failed to keep up with its competitors is on business property taxation. The UK consistently has one of the highest rates of property taxation in the OECD[10], as a share of GDP, at 3.99% in 2022. This is over double the OECD average and nearly four times as high as Germany or Ireland. A large part of this cost is faced by businesses through the business rates systems that apply across all the nations of the UK – and from April 2024, they face the biggest hike in bills since 1999 if the 6.7% inflationary increase goes ahead. So far, the UK government's solution has been piecemeal – extending or adding to reliefs, rather than addressing the issue for all businesses. In a cost-of-living crisis, it will be impossible for consumers not to feel the effects of this. In a survey undertaken by the CBI before the 2023 Autumn Statement, 36% of all businesses – rising to 46% among retailers – told us they would have no choice but to pass on the entire increase to customers in prices.

Drive investment through planning reform and infrastructure delivery

The latest National Infrastructure Commission report makes it clear that the current pace and scale of delivery are insufficient to meet the challenges the economy faces this decade, from our net zero targets to ambitions of enhancing digital and transport connectivity. The CBI welcomes the publication of the National Planning Policy Framework, but government must publish a national strategy to deliver the National Infrastructure Commission recommendations to spur economic growth and levelling up across English regions.

The UK planning system is a key lever to deliver investment and economic growth, but the current system is deemed to be slow, cumbersome, and inconsistent in its outcomes across the UK, adversely impacting the delivery of much-needed housing, infrastructure, and decarbonisation schemes.

[10] Tax - Tax on property - OECD Data.

The announcement of the Planning Skills Delivery Fund in 2023, whilst welcome will take time to deliver positive outcomes in ensuring that Local Planning Authorities (LPAs) have the resources and capabilities. In the meantime, businesses remain concerned that scarce resources will be directed away from applications which do not meet the criteria to ensure that timescales are met, in turn raising concerns that this could create a two-tier system. In the interim, as LPA resources are built up, allow for applicants to pay for independent consultants, employed by the council to deal with complex schemes.

Government should adopt a UK-wide Planning for Growth Strategy, ensuring the Spring Budget allocates sufficient resourcing to LPAs to deliver key decisions within national timescales, such as net-zero infrastructure.

Empowering local growth

Whilst English devolution is only just approaching its first decade, we are starting to see the impact that strong, accountable leadership through mayors can make as economic ambassadors and the voice for regions. But mayors could make more impact if they had certainty on the levels of funding they can access, which is why the tier 4 settlements announced in the 2023 Autumn Statement should be rolled out to all English devolved regions who want them. We acknowledge this requires strong accountability and governance which is exactly what elected mayors can bring but the prize is large and can help tackle the longstanding imbalance in UK productivity.

According to ONS data, the productivity gap between large regions has widened over the last 20 years. Regional disparities in the UK are now among the greatest in the OECD. It is not just about productivity however, regional inequality affects wage growth and living standards too, closing these gaps is not just a priority for local, regional and national government but also for the private sector. CBI Economics analysis shows that boosting productivity for under-performing regions to close the pre-pandemic productivity gap with the UK average, would add approximately £215 billion to the UK economy and bring over £6,000 to the average UK household. This would require a 12% uplift to productivity and would close the UK productivity gap with the G7 average.[11]

Using international trade and investment as an enabler for growth

At a time when sustainable growth is the guiding mission for the economy, international trade and investment will be crucial multipliers. The UK needs to attract more overseas investment, particularly to spur regional growth, and the Harrington review was the first step to improving the UK’s pitch to overseas investors. It is also important to support SMEs across the country to find new export opportunities. Firms that export tend to be more productive[12], and selling to multiple markets can be an important enabler of growth and diversified risk. The UK's export performance is expected to improve in 2024 but still lags behind international comparators.

Establishing a sound business environment beyond the Spring Budget

Looking beyond immediate asks, the CBI’s Business Manifesto outlines some of the work that we commit to throughout 2024 to signal ambition in making the UK economy the most competitive and trusted destination for investment.

To enable the UK to compete and win on the global stage, we are calling for the government to devise a new UK Trade and Investment Strategy, driven by Number 10, looking holistically at exports,

[11] CBI Economics (2021) Levelling up: the gains from empowering local economic clusters to play to their strengths.
[12] BIS (2011), International trade and investment: the economic rationale for government intervention.

imports, investment, and growth in markets. We are also urging the government to maximise the potential of the Trade and Cooperation Agreement with the EU, through an industry-informed review in 2026. Furthermore, building on our work across English regions, we are pushing for a new mayoral economic compact, to elevate the international standings of mayors and their role in attracting inward investment for their regions.

We also see an opportunity to unlock growth through system reform, by unveiling a new Planning for Growth Strategy to resource local planning authorities and drive the pace of project delivery. Moreover, the creation of new Combined Authority advisory boards could support pan-regional infrastructure delivery, both physical and digital.

It is also crucial that we have the right long-term tax frameworks and incentives to support the business environment. That's why our manifesto calls for no further sector-specific taxes, a review of the business-funding model of local government, the monitoring of corporation tax, and a new Business Tax Roadmap – using the CBI's Business Tax Roadmap as a framework.

Policy solutions to establish a sound business environment	**Annual exchequer cost**[13]
Making the tax system more internationally competitive	
Extend full expensing to cover leased and rented assets. Many smaller businesses and those in sectors like construction, logistics, and aviation find it is more cost effective, less risky and greener to lease or rent assets rather than buy them outright. By excluding these assets from permanent full expensing, the tax system can distort behaviour away from the commercially sensible thing to do. There is no principled reason for the exclusion – indeed, leased assets can be claimed under the Annual Investment Allowance. Government should simplify the system for every business by allowing permanent full expensing of assets which are leased or providing for rental.	**£170m-£290m**[14]
Cap the increase in the business rate multiplier in England for another year and work with devolved administrations to do the same across the whole of the UK while inflation is still significantly above target. Given the high levels of inflation in 2023, many businesses still face a 6.7% increase in uniform business rates from April 2024 – despite CPI inflation having fallen to 4% by December and being expected to fall further by April. Such a large increase would significantly add to the business tax burden and many businesses – including 46% of retailers – say they would have no choice but to pass this on in full to customers, adding to bills during a cost-of-living crisis.	**2.8% increase: £1.3bn**[15]

[13] Static cost – does not take account of the positive economic impact; aggregate cost for each policy package.
[14] The cost to the Exchequer is borne out from foregone corporation tax as a result of the relief. The analysis uses Finance and Leasing Association (FLA) data on the value of leasing and types of leasing in November 2023. The range provided is due to data limitations on type of assets that would not be included within the scope of the relief. The lower limit excludes all leasing of vehicles while the upper limit includes it – we would expect the actual cost to be somewhere between the two.
[15] This 2024/25 fiscal cost reflects forgone revenue from increasing them by 2.8%, as opposed to uprating them in line with September 2023 CPI inflation. The costing applies to England only as devolved institutions are responsible for non-domestic rates in Scotland, Wales and Northern Ireland. This costing also takes into account the one-year extension of retail, leisure and hospitality relief in 2024/25, and operates under the simplifying assumptions that all businesses are subject to the higher UBR.

A smaller increase that better reflects expected inflation rates from April 2024 – of 2.8% as per the CBI's December forecast for April – would be more manageable for most affected businesses. Business rates are devolved. To avoid complexity, uncertainty and unfairness for consumers in different UK nations, the Westminster government should work with devolved administrations to ensure an equivalent change across the whole of the UK.	
Commit to undertaking an independent review of the impact of tax-free shopping and provide evidence for reinstating the VAT refund for overseas visitors. Before the next financial year, the government should undertake an independent review, assessing the costs and benefits of reinstating the VAT refund for overseas visitors as a potential way to boost the UK's international competitiveness. VAT-free shopping incentivises tourism to the UK with significant gains to businesses from increased spending as well as wider spill-over spending benefiting HMT. Oxford Economics has shown that it would support 78,000 jobs through £2.8 billion of spending, sustaining £4.1 billion in GDP.[16]	**£Nil**
Review Approved Mileage Allowance Payments (AMAP) set by HMRC (approved by HMT) where employees use their own cars for business travel and update these annually from 6 April 2024. With the significant rise in fuel and vehicle maintenance costs since the last update 13 years ago, the current rates are no longer fit for purpose. This has resulted in employees being left out of pocket and in some cases, discouraging them from making business trips that are essential to commercial operations. Employers are refraining from paying higher rates due to the additional tax and extra administrative reporting requirements. HMRC should commit to annual reviews to give businesses assurance.	**£111m[17]**
Expand VAT relief for business donations of goods to charities. Currently, businesses can donate goods to charities for sale, hire or export without having to be charged VAT. However, goods used by charities or given to people in need are taxed. Businesses call on the government to rectify this inconsistency to create a fairer tax system.	**£28m[18]**

[16] Oxford Economics (2023) The Impact of Tax-Free Shopping in the UK.

[17] Inflating mileage rates in line with growth in motoring costs since they were last updated in 2011 would result in increased AMAP thresholds – at a rate of £0.60/mile for cars and vans, and £0.32/mile for motorcycles. The cost to the Exchequer is borne out from tax losses from the employee and employer side, namely Income Tax Corporation Tax, Class 1, and Class 4 NICs. This analysis has not included the self-employed due to poor data availability. This analysis draws on survey data and the Department for Transport's National Transport Survey. To mitigate the effects of COVID analysis has been conducted using 2019 data and nowcasted.

[18] This costing is derived from data collected for the BRC's UK Retail Charitable Giving Report (October 2023), capturing the monetary value of goods donations from a sample of large UK retail businesses, representing 54% of the sector by turnover. This has been scaled up to reflect the entire retail sector using turnover data from companies' accounts and the ONS Retail Sales Index, operating under the assumption that donations are distributed evenly between retailers. Due to the retail sector focus, this figure may marginally underestimate the total value of goods donated by companies throughout the economy. We have assumed that goods donations from other sectors of the economy are immaterial, i.e., it is very unlikely that goods donations are as prevalent in the services or agricultural sectors as they are in retail. This figure should therefore be a good proxy estimation of the total cost to the Exchequer from zero-rating donated goods which are used by or given to users free of charge by charities. This costing excludes food donations which are already largely zero-rated, and applies a standard 20% VAT rate across all donated goods - this is likely an overestimate as some donated goods are subject to reduced VAT rates.

Businesses are discouraged from donating unsold stock which incurs carrying costs, impacting profitability and preventing the growth of the civil society sector. If VAT relief was expanded, this would enable many essential household products to be donated for use by low-income families and benefit the environment through supporting a circular economy by reducing unsold goods going to waste.	
Drive investment through planning reform and infrastructure delivery	
Announce plans to develop an overarching strategy for planning, which will be consulted on and developed with industry. The planning system in the UK is confusing and inconsistent. Introducing an 'overarching strategy' for planning, working closely with the devolved nations, would provide cohesion and consistency across the planning system. The 'overarching strategy' would be informed by recommendations from agencies such as the National Infrastructure Commission and devolved nations. This would unlock trapped investment. For example, providing construction firms the confidence they need to invest in UK housing stock, helping to alleviate the UK's housing crisis and better planning for vital national infrastructure.	**£Nil**
Publish a strategy to deliver the National Infrastructure Commission recommendations in the *Second National Infrastructure Assessment*, to spur economic growth and levelling up across English regions. Following the scrapping of the 2022 Growth Plan and the accelerated infrastructure projects list, government must prioritise publishing a UK strategy for accelerating the delivery of key infrastructure projects. This should incorporate existing strategies adopted by devolved nations and consider blockers from current pressures (such as inflation, supply chain disruptions and labour shortages), future challenges (such as the skills gap) and opportunities for policy changes (the UK planning system or commercial pipelines). Support for vital projects could include legislative changes (e.g. procurement) and non-legislative (i.e. targeted support from HMT and the IPA). Emphasising the need for a clear pipeline of infrastructure projects would also be key for unlocking investment, regional growth and supporting labour market participation.	**£Nil**
Empowering local growth	
Rollout the 'Funding Simplification Doctrine' to streamline local growth funding to local authorities and include a requirement for an assessment of the impact of any proposed scheme on rural areas. Introducing a duty to assess the impact of funding bids on rural areas in line with DEFRA's rural proofing impact assessments guidance would allow schemes in rural areas to be funded when they might normally not be eligible due to factors such as lack of economies of scale, distance, sparsity and demography.	**£Nil**

Roll out Tier 4 devolution settlements to all Mayoral Combined Authorities that want them. The ability for devolved English regions to plan strategically and set out a long-term economic growth vision which has credibility and delivers the certainty and clarity businesses need to invest in places with confidence will be boosted with a less complicated and bureaucratic funding mechanism. West Midlands and Greater Manchester have led the way with their trail blazer devolution settlements which include 'single pot' funding, developed in close partnership and collaboration with Whitehall. This provides greater autonomy and more regionalised decision making to fund the opportunities and initiatives which will drive regional growth.	**£Nil**
Designate funding for the continuation of Regional Growth Hubs to support businesses across England. Funding should be used to secure the continued operation of the 38 regional growth hubs across England whilst their operations are transitioned from Local Enterprise Partnerships to local authority control. Government-commissioned independent analysis of the Growth Hubs showed that they were successful in increasing turnover, business R&D, access to finance, and job creation. Growth Hubs have engaged 8% of all businesses in England – higher than the 2.5% ambition set in BEIS reporting.	**£Negligible**[19]
Commit to working alongside Transport for London (TfL) to agree a five-year financial settlement. Like settlements given to Network Rail, National Highways and the City Regional Sustainable Settlements in place with eight city regions across England. This would provide London's transport authority with greater certainty over its finances, enabling it to better plan and invest for the future, while supporting jobs and businesses throughout its supply chain across the UK.	**£Unclear**[20]
International trade and investment as an enabler for growth	
Explore new levers to encourage exports, including setting up a new joint business working group - the Export Growth Group. The government should consider establishing an Export Growth Group Consisting of senior officials from across Whitehall including DBT and HMT, industry bodies, and businesses including SME exporters and professional services firms. A review in partnership with Devolved Nations should be launched to stimulate greater levels of exporting in businesses of all sizes and sectors. This should also focus on protecting existing export levels and increasing awareness of the support currently available. This would help create more awareness and increase the effectiveness of the support available for firms, contributing to the government target of reaching £1tn worth of exports per year by 2030.	**£Nil**

[19] There is no cost to the Exchequer from this policy as it is simply ringfencing the £11m that the Government currently provides LEPs for Growth Hubs. As with any transitional period in Government, there are likely to be some minor costs associated with the change and set up costs. These are expected to be negligible.
[20] Funding settlements to be agreed between government and the transport providers.

Deliver on recommendations from the Harrington Review to develop a clear Business Investment Strategy and go further to embed UK competitiveness across Whitehall policymaking. Set up the new Ministerial Investment Group at pace and ensure it has a clear remit to strengthen UK competitiveness across Whitehall policymaking - where any new policy or regulation is proposed, an impact assessment on the competitiveness of the UK business environment should be made. Within the commitment to develop the role of Mayoral Combined Authorities and the devolved nations in inward investment government should work with industry bodies on an M12 economic compact, aimed at designating the combined Mayoral markets as a domestic investment destination overseas, within this parliamentary term.	**£Negligible**
Commit to maintaining the scope and impact of the Help to Grow Management programme for the remainder of this parliamentary term. This would keep the UK in line with international peers for business scaling and growth. The CBI also welcomes previous commitments made to continue the programme beyond 2024-25 year.	**£Nil**

3. Investing in our high-growth industries

Innovation is the key to increasing productivity, driving long-term sustainable growth and increasing living standards. The UK's high-growth industries are some of our most innovative, from digital technology, green industries, life sciences and advanced manufacturing. These industries are harnessing new technologies, which are creating jobs and attracting investment at a rapid pace. The government rightly prioritised an ambition for the UK to be the best possible place for high-growth industries. Now, a year on, the government needs to build on the successes it has achieved in this space to continue delivering to meet this ambition.

To support high-growth industries, the UK needs to create the environment for them to flourish. This means ensuring startups, scaleups and large organisations have the access to finance they need to grow and meet demand. It also includes offering them the appropriate incentives to research, develop and commercialise their technologies in this country. Our regulation must also play its part and be pro-innovation rather than a blocker so that it enables new ideas and nascent technologies to scale and flourish.

Supporting the UK's innovation capabilities

It has been pleasing to hear the acknowledgement and strong signals from the government about the importance and benefits of technology and innovation to our economy. Over the last few months there have been bold and welcomed initiatives, from the conclusion of the Pro-Innovation Regulation of Technologies Review to the ambition to unlock investment through the Mansion House Reforms and hosting the inaugural AI Safety Summit.

At the same time, the decision to merge two of the UK's R&D tax credit schemes is a simplification and an improvement in available relief for many. It will create one of the most competitive schemes in the world even as some small businesses will lose out. But more could still be done in this space: bringing capital spending into the R&D tax credit system would anchor large capital investments like testing facilities and labs in the UK, creating more long-term innovative investments here and ensuring the UK's future as an R&D hub.

To become a science and technology superpower we also need action on all aspects of the Science and Technology (S&T) Framework to create the competitive, sustainable environment that enables innovation. This includes the government urgently resolving the funding challenges in UK Higher Education institutions, which currently subsidise Research and Innovation work through student funding, and recommitting to its ambitious targets for government R&D spend this year as well as its longer-term targets.

Pro-innovation regulation is also required, with immediate priorities being implementing and fully funding the recommendations of the Pro-Innovation Regulation of Technologies Review by Sir Patrick Vallance and Dame Angela Maclean, and vigorously responding with suitable resourcing actions following up on the AI regulation: a pro–innovation approach White Paper consultation process. This combined with properly funding the additional regulatory requirements, will enable the long-term investment in R&D that creates innovation and growth.

Green industries

With ever-growing international competition for green investment, businesses across all sectors of the economy have been urging the Government to increase efforts to attract investment in clean energy and decarbonisation technologies. The recent Autumn Statement was therefore seen as a business-

boosting moment with net zero accelerating potential; from the commitments to improving grid connectivity, the adoption of all Winser Review recommendations, reforms to the planning system and the new Green Industries Growth Accelerator investment. Taken together these announcements continue to move the UK from ambition to delivery, setting the foundations for capturing the economic opportunities that can be realised from green growth.

Business supports the government's market-led approach to green markets, welcoming uplifts in the strike prices for next year's Contracts for Difference (CfD) auction rounds (AR6) to better reflect higher project delivery costs, the increased grant level for the Boiler Upgrade Scheme and the announcement of the first eleven hydrogen production projects to receive government support. Meanwhile, the publication of the government's vision for the UK Carbon Capture Usage and Storage sector and the cluster sequencing announcements were positive steps in outlining the commitment from the government to building a pipeline of projects and allocation rounds from 2027. However, businesses and investors across the supply chain do not believe this constitutes a UK response to packages seen across the US and EU which continue to propel other countries forward in green markets. The UK still has the opportunity to outsmart rather than outspend and the development of a cross-sector UK Net Zero Investment Plan would help to achieve this.

Some markets require continued support, particularly road transport where driving consistent growth in sales of Electric Vehicles cars and vans to meet the 2030 phase-out date is coming into sharp focus with the introduction of the Zero Emission Vehicle mandate. In aviation, with a commitment to develop five Sustainable Aviation Fuel (SAF) plants by 2025 alongside the introduction of a SAF mandate, there needs to be crucial action to implement a price stability mechanism to bring down costs. Delivering these will not only support sectors in reaching decarbonisation targets but represent economic prizes that could be captured, as identified in the CBI's Going for Green analysis.

Ultimately this is about transitioning the economy- an effective way to achieve this is to use the tax system. Whilst recent announcements on full expensing, green industries funding and targeted tax reliefs should increase investment, the government should review the tax system to ensure the UK has the right tax framework to support the transition to net zero, with a timeline for implementation of any changes to the existing system starting as soon as possible. Further tax reform needs to be strategic and work hand in glove with wider government net zero policy. It will need to strike the right balance between supporting green investment and punishing polluting behaviour. Crucially, it should also provide business with certainty on how it will sustain tax receipts as the fossil fuel economy declines.

Supporting financial services and access to finance

Financial Services regulation is critical to supporting growth and competitiveness. The government should maximise regulation as a cost-free lever for growth by continuing to remove uncertainty, identify sectoral regulatory levers that can boost competitiveness, and shift the focus of regulation towards delivering better outcomes.

Government action should continue to support programmes and reforms that unlock investment flows to ensure businesses of all sizes and across all sectors of the economy can access the finance they need to innovate and grow. These reforms have been raised by Members as particularly important for the financing of growth companies and SMEs. The Mansion House reforms are critical to channelling pension fund investment into growth companies and infrastructure, helping to maintain the UK's position as a global business centre. The £320m commitment to existing funds and the newly announced British Business Bank Investment vehicle were well received by businesses. These efforts to deliver on the Mansion House Reforms should continue progressing, including through annual reporting on the investments made, and through regular engagement with pension funds to help them overcome barriers to investing in UK scaleups.

Growth companies could further benefit by increasing the total that can be raised from Enterprise Investment Scheme (EIS) investments for Knowledge Intensive Companies (KICs), while the availability of SME financing can be supported by extending the British Business Bank's Recovery Loan Scheme beyond June 2024.

Sustainable finance

The Green Finance Strategy published in March 2023 was widely welcomed and provided a positive signal to both the investment community and those businesses needing to decarbonise. However, with the net zero target date soon approaching, it is critical to both deliver on those commitments and provide a progress update that brings the various activities together into a coherent approach. This includes implementing internationally aligned sustainability and climate-related sustainability disclosures, taxonomies, and transition plans. These should be done in a way that improves regulatory alignment, reduces compliance burdens on business and supports the UK's objective to be a global centre for sustainable finance.

The UK has the opportunity to demonstrate international leadership on this and create a world leading sustainable financial centre, which prioritises and supports the low-carbon transition and sustainable growth across the economy. Beyond the regulatory measures outlined above, the government has a strategic role to play by crowding in investment into the transition.

Investing in green growth and showcasing leadership in high-growth technology and innovation beyond the Spring Budget

To support the government in honouring climate commitments, driving green growth and demonstrating leadership in high-growth technology and innovation, the CBI's Business Manifesto suggests a series of actions beyond this fiscal event.

Our transition to Net Zero is at the heart of sustainable growth, but the government can only do this by building confidence with a long-term strategy, and by continuing to demonstrate international leadership on decarbonisation targets. This could be achieved by establishing a new Office for Net Zero Delivery, implementing sustainable climate-related disclosures, taxonomies and transition plans. That's why our manifesto is calling for the publication of a White Paper that kick starts a consultation with the public and businesses to provide clarity for how government revenues will be sustained amid the decline of receipts from fossil fuels.

As well as a long-term strategy to ensure the UK is internationally competitive when it comes to the green industries of the future, we know that we need targeted incentives to unlock investment. For example, a targeted green super deduction would incentivise businesses to invest in capital assets that reduce their carbon emissions or improve energy efficiency. Moreover, we have called for carbon pricing mechanisms to be implemented in order to increase demand for industrial decarbonisation technologies, as well as evolving price mechanisms such as CfD to scale nascent technologies into competitive markets.

Investing in our high-growth industries of the future should also mean equipping firms to become more innovative and empowering them to adapt emerging technology. The CBI is calling for bold action with a target for the UK to lead the G7 in R&D intensity by 2030. To do this, we are pushing for an R&D budget covering a whole Parliamentary term, a new DSIT-led committee for ministerial oversight of innovation ambitions, and an expansion of UK R&D tax credits to include capital expenditure and social sciences in the next fiscal event. To enable firms to better embrace technologies such as AI, the CBI also wants to see businesses have access to a targeted, subsidised

programme helping them to adopt technologies, to improve productivity and mitigate labour shortages.

Policy solutions to invest in our high-growth industries	Annual exchequer cost[21]
Supporting the UK's innovation capabilities	
Introduce a globally competitive R&D tax credits scheme by bringing capital expenditure within scope, like in Ireland and France. The UK's new merged R&D tax credit scheme has the potential to create a world-beating system of support for our most innovative businesses. However, one area where it falls behind is the inability to claim for capital spending related to R&D, which affects businesses' decisions to base their long-term capital investments in the UK. While there is an R&D first-year capital allowance available, this has no immediate value to loss-making businesses – which includes most innovative businesses at the start of their lifecycle. That is why we are calling for the UK to move in line with competitors in Ireland and France where capital is already in scope of their R&D tax credits.	**£390m[22]**
Increase the total that can be raised from Enterprise Investment Scheme (EIS) investments for Knowledge Intensive Companies (KICs) from £20m to £30m to support R&D intensive scale-ups to grow. EIS has successfully helped scale-ups attract the investment they need to grow. However, R&D intensive later stage scale-ups often have high capital expenditure and need more investment to develop and commercialise their products. By increasing the allowance, more R&D intensive scale-ups will be able to grow and successfully commercialise.	**£Unclear[23]**
Recommit to spending £20bn on R&D in 2024/25 and the existing ambition to raise to £22bn by 2026/27. R&D investment is key to driving long-term growth, and whilst the government has prioritised stimulating R&D and innovation, it risks falling behind G7 competitors. Every £1 public R&D spend leverages around £1.40 of private investment and delivers around £7 net benefit to the UK.	**£Nil[24]**

[21] Static cost – does not take account of the positive economic impact; aggregate cost for each policy package.
[22] This analysis forecasts capital expenditure for R&D using UK Private Business Investment spend from Oxford Economics' Global Economic Model. The cost is borne out through losses in corporation tax from the associated business capital spend on R&D per year. This assumes that all capital-related R&D spend will be eligible and claimed from the RDEC scheme. However, the CBI expects this costing to be a significant overestimate of the net cost to government of bringing capital within RDEC as it does not take into account an expected reduction in claims for the current R&D first year capital allowance (RDAs). As the maximum cost to government of RDAs is 25% of the value of the investment made (being the corporation tax that is not paid by companies which claim the RDA), and the net cost of tax credits under the combined R&D scheme is 15% of the investment (up to a maximum of 16.2% for loss making companies, where credits will be net of corporation tax at 19%), it is possible that the entire cost of bringing capital spending within R&D tax credits could be negated – leading to an increase overall in government revenue.
[23] This costing is unclear due to lack of data on EIS investments for KICs and the size of the behavioural response to increase in threshold.
[24] There is no new additional cost to government as this spending commitment has already been made.

Funding challenges in UK Higher Education institutions which currently subsidise R&D and innovation work through student funding must be urgently resolved. The full £22bn by 2026/27 must be deployed within the R&D and innovation system for the full economic benefits - and not reduced in scope and effectiveness if universities are no longer able to cross-subsidise through funding challenges. Keeping the Graduate Route operating as it currently is and allowing maintenance of the current levels of FDI from overseas student investments in fees would help with this.	
Extend the British Business Bank's Recovery Loan Scheme beyond the June 2024 cut-off. Credit guarantee schemes are key in overcoming information asymmetries which limit lending to SMEs. To prevent access to finance issues for SMEs, the government should extend the scheme.	**£Unclear**[25]
Pro-innovation regulation	
Build on the Smarter Regulation Consultation by shifting to an Outcomes Based Collaborative Regulation (OBCR) model - delivered through an Office for Future Regulation (OFR). As proposed by the CBI, an OFR should specifically consider a shift to the whole regulatory system towards an OBCR model. An OBCR model will coordinate and drive pro-innovation principles for regulation, identified by the Chief Scientific Officers as part of their Review of Regulation for Emerging Technologies. This will unlock the UK's first-mover advantage across sectors of the future, and spur business investment, through the long-term certainty an OFR provides.	**£Nil**
Ensure sufficient funding and government focus to fully implement the recommendations of recent official reviews and policy papers on regulation of innovative technologies and sectors. CBI members support a light-touch, context-specific and outcome-driven approach to emerging technology regulation. For AI this should focus on fully funding and implementing the AI-focused recommendations of the Pro-Innovation Regulation of Technologies Review (the 'Vallance / Maclean Review') and the AI White Paper: A Pro-innovation Approach to AI Regulation. For emerging technology more broadly, the government must ensure full implementation of the Pro-Innovation Regulation of Technologies Review, including ensuring sector regulators have access to appropriate resources and expertise for the long term to support the imminent and future pro-innovation regulation of other new and emerging technologies. The government could utilise an 'Office for Future Regulation' (OFR), as called for by the CBI in this submission, as a mechanism to achieve these goals.	**£10m-£11m**[26]

[25] The cost is unclear, partly because the level of defaults is unknown. It also depends on the size of the extension.

[26] This captures the projected annual cost to set up and run a dedicated AI Government branch. This includes likely ongoing costs for a small core capability of AI governance expertise that individual regulators could draw on to support their own industry or sector-based regulatory strategies, and provide some central resources and coordination for the AI governance ecosystem as proposed in the AI White Paper and Vallance Review.

Green industries	
Commit to establishing a Net Zero Investment Plan, building on the investment and policy gap work of the Net Zero Council for sector roadmaps, with the intention of crowding in private finance. Ensure this is regularly updated against carbon budget timelines. In the Mission Zero Review, it is acknowledged that the majority of investment needed to reach net zero will come from the private sector. But to date, there has been little policy clarity on a plan to incentivise investment. HMT should therefore adopt the recommendation in the Review to develop a Net Zero Investment Plan. Drawing on the Net Zero Strategy, the Green Finance Strategy and the work of the Net Zero Council, this should identify where green investment gaps lie and where private finance can be crowded in to close sectoral financial gaps, address market barriers, and hit our net zero targets.	**£Nil**
Government expenditure represents around 45% of national income, but currently there is no way of assessing how fiscal policy aligns with the UK's commitment to reach Net Zero. Ensuring this is embedded throughout government decision-making will help show investors the UK's direction of travel and give confidence through a joined-up, coherent approach. Building on the HMT Net Zero review and to provide the signals to support business investment in the transition, HMT should: a) Introduce a Net Zero Test, requiring all government departments to assess proposed new policies against the UK's climate and environment commitments. b) In coordination with the Office for Budget Responsibility, regularly make transparent the climate impact assessments of major government budgets, spending decisions and spending reviews.	**£Nil**
Commit to a further extension of the plug-in van and truck grant to support the decarbonisation of commercial vehicles. According to the latest figures from the Society of Motor Manufacturers and Traders (SMMT), in 2023 more businesses continued to invest in fleet renewal every month which has led to a record number of zero emission vans joining Britain's road.[27] However, with the Zero Emission Vehicle Mandate now in place and given the market share of Battery Electric Vehicles flatlining last year compared with 2022, ensuring commercial vehicle demand matches supply presents a significant challenge. Therefore, as the industry strives to decarbonise it is crucial for the government to extend incentives, from the current end date of March 2025, for commercial vehicles through the Plug-in Van and Truck Grant and Zero Emission Road Freight programmes.	**£Unclear[28]**

[27] UK demand for new vans grows in every month of 2023 – as businesses go electric in record numbers.
[28] It is difficult to estimate the cost of a specific van or truck grant extension, as Government funding has been allocated for several vehicle types together. For instance, in March 2020 the Government announced a £129.5m package of grants for vans, taxis and motorcycles. In March 2022, the plug-in van and truck grant scheme was extended for two years, but the budget allocation is unknown.

Announce VAT reforms on public charging to incentivise the uptake of zero emission vehicles by reducing the rate of VAT levied on public EV charging to 5%. Total costs of ownership for an average battery electric vehicle are still higher than a traditional Internal Combustion Vehicle and rising energy prices have eroded some cost benefits of charging. As part of the wider framework for infrastructure provision, bringing VAT on public charging in line with at-home charging at 5% VAT rate, will make the switch to an EV more affordable for drivers without access to a charge point at home.	**£23m[29]**
By Spring 2024, publish the consultation on a price stability mechanism for the development of sustainable aviation fuels (SAF), underwritten by Government, with a decision taken before the next general election. The recent Government commitment to implement a revenue certainty mechanism for UK SAF is a step forward. It is one of the key interventions highlighted by industry as having the greatest effect on lowering costs to 2040 by ensuring adequate levels of SAF supply, reducing the risk of suppliers buying-out of their mandate obligations, and delivering lower SAF costs over time through higher levels of UK production. However, there are growing risks in the absence of government backed policy, that the UK will lose significant economic opportunities from the development of a SAF market which could lead to increasing costs to consumers and businesses. It is therefore critical for the government to kickstart a consultation process to provide investors with policy certainty and support the industry to decarbonise.	**£Nil**
Review the tax system to ensure the UK has the right tax framework to support the transition to net zero, with a timeline for implementation of any changes to the existing system starting as soon as possible. As part of the review, consider the introduction of a targeted tax mechanism for green industries. This measure can be targeted at a limited range of activities/technologies: those that deliver green growth and support the UK's net zero strategy. It could be supported by the UK's development of a green taxonomy, defining which activities/products are formally classified as green.	**£Nil**
Support UK competitiveness in green finance	
Publish a consultation on the design and implementation of the UK Taxonomy in Q1 2024. Regulatory clarity is needed to provide support to businesses with investment and business planning decisions. To enable certainty, the consultation needs to cover both the design and the implementation of the taxonomy and should be accompanied by policymakers engaging with businesses across sectors and industries.	**£Nil**

[29] This is based on the number of Battery Electric Vehicles in the UK as of December 2023 and the weighted average cost of charging via slow, fast, rapid and ultra-rapid charge points. The vast majority of charging takes place at home or at work - a Which? survey showed that 13% of all charging in 2019 was done with public chargers and forms the base of the analysis.

By the end of Q1 2024, update the 2021 *"Greening Finance: A Roadmap to Sustainable Investing"* to provide regulatory clarity and deliver all policy commitments outlined in the Green Finance Strategy. Set out clear timelines for the implementation of regulation, such as Sustainability Disclosure Requirements and transition plans. The plans need to appropriately reflect the need for proportionality of legislation and different speeds at which businesses of different sizes can comply with more extensive reporting requirements. This should include a review of whether the activities have, as a whole, achieved their objectives and remain coordinated.	**£Nil**