

# A YEAR OF IMPACT

Shaping policy and  
winning for members

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# Your voice in action in 2019

2019 was another turbulent year for business in the face of heightened uncertainty. Despite strong headwinds, together with our members, the CBI has been working hard to make the business voice heard.

And there's plenty to be proud of. In this Year of impact, you'll see the wide-reaching changes that the CBI has achieved, built on your insight. Whether in securing political consensus on a net zero emissions target, increasing investment in digital infrastructure, or reforming business rates; together we've driven real change.

But there's more to do. And with a new government taking office, 2020 will be the most important year in a generation.

The next 12 months will be an opportunity for government and business to work together to build long-term solutions to some of the most important challenges of our age. For example, retraining 10 million people for a world of new technology; reducing the blight of inequality across the country; and tackling the climate crisis. And all of this must be underpinned by getting the right relationship with the European Union.

Businesses like yours have a vital role to play in building a bright economic future. The CBI looks forward to working with government and you, our members, to show the world that the UK is a great place to invest, grow and work.

Thank you for your ongoing support.

**Carolyn Fairbairn**  
Director-General, CBI



**12** Regional and National Councils

And **16** policy standing committees  
Who engage over **1,000** senior business leaders  
From over **700** CBI member companies



Over **415**

political engagements  
from across the political  
spectrum



CBI sits on **20**

Ministerial groups in  
2019, across  
**9** departments



**444**

CBI events hosted including  
conferences, policy roundtables  
and dinners



**167**

mentions in Parliament



Over **40,000**

articles and mentions in  
the media



**5,000** broadcast mentions  
and interviews



**1.8 million** video views: more  
than double 2018



**The highest profile business conference in the UK**

**Three** political party leaders speaking  
Over **1500** conference mentions in print  
and broadcast  
Almost **1 million** Twitter impressions  
on the day

# Making a difference on the issues that matter

## People and Skills

### ✓ Ensuring the National Living Wage is at a sustainable level for business

The National Living Wage must be balanced so that it works for both people and business, particularly for SMEs and firms in retail, hospitality, cleaning and maintenance. The CBI provided evidence to the Low Pay Commission which has ensured that the 60% median wage target was prioritised – currently forecast to be £8.67 – rather than the original political promise that said this would be worth £9.35.

### ✓ Immigration wins grant business access to wider talent pool

A proposed £30,000 salary threshold for immigration would exclude two-thirds of skilled jobs: directly impacting business' ability to access talent. Following the CBI relaying business' concerns, the Home Office announced a 12 month delay to hear business' views before making a decision, and a temporary route for lower skilled work. Following CBI engagement, the government has also committed to creating a 2-year post-study work visa that will boost the global appeal of studying in the UK.

### ✓ Protecting a responsible, flexible employment market

Labour market flexibility is a cornerstone of the UK's international competitiveness. Working with BusinessEurope and other organisations, the CBI stopped proposals to create EU definitions of employment status. This would have extended 'employee' rights to all workers in the UK – at significant cost to the economy. The CBI also championed guidance on using confidentiality clauses, and the government has announced that EHRC and ACAS will develop guidance to help all parties to understand best practice.

### ✓ Delivering T-levels and more funds for Apprenticeship Levy paying businesses

After significant lobbying from CBI Scotland, the Scottish government has committed to doubling the funds available for employers paying the UK Apprenticeship Levy in Scotland. The CBI also championed support to help employers offer T-levels, leading to the government announcing new funding and guidance, with specific focus on work placements.

## Infrastructure and Energy

### ✓ 2050 net-zero emissions target matches business' green ambitions

The world-leading target was secured off the back of CBI action including a wide-reaching media campaign, and in partnership with government we will develop policies to help business achieve this. Following specific CBI recommendations, the government has released the first Green Finance Strategy; and launched consultations on future deployment of Carbon Capture Usage and Storage technology, and on improved building standards.

### ✓ Outsourcing Playbook lays the foundations for better public-private partnerships

Created in partnership with the CBI and its members, the launch of the Outsourcing Playbook marked a positive shift in government's approach to public-private partnerships. The

Playbook is already having a positive impact on business: suppliers report more collaborative relationships with their public sector partners, improved pre-market engagement and greater visibility of upcoming commercial opportunities.

### ✓ CBI ensures the business voice is heard on renationalisation

Reacting to member concerns about the prospect of renationalisation, the CBI fought for the role of business by being the leading voice on raising awareness of the impact and informing the debate. Our analysis showed that full-scale nationalisation would cost £182bn and negatively impact public finances. The campaign's widespread media and parliamentary attention ensured the voice of business, and the impact, could not be ignored.

## Innovation and Digital

### ✓ Government recommits to 2.4% target for R&D spend

The CBI has continued to hold the government's feet to the fire over the 2.4% R&D target – and the government has since recommitted to the target and to plans to boost spending. In addition, new open style R&D grants will support businesses with ideas outside of pre-defined 'challenges', making the UK a friendlier place to innovate. CBI Scotland called for the Scottish government to set a concrete target for R&D spend: and the government has now committed £37 million towards the goal of doubling business R&D spend by 2025.

### ✓ The CBI drives practical actions to boost business productivity

The government's productivity review actioned CBI recommendations, including increased funding for Knowledge Transfer Partnerships – encouraging collaboration between

firms and universities – and the creation of benchmarking tools to support SMEs. Be the Business, in consultation with the CBI, is developing a new tool to make technology adoption easier – a key CBI ask. The platform will enable businesses to share reviews of technologies, helping others to make informed decisions.

### ✓ Record £6bn government commitment to digital connectivity

Seamless digital connectivity is a must for business growth, technology adoption and regional productivity. Following CBI recommendations, the government is making sweeping improvements to policy and has committed a record £6bn to addressing digital connectivity in hard to reach areas. This approach will help unlock flexible working, address regional disparities and unleash investment.

## Tax and Regulation

### ✓ Government finally moves on business rates

Following CBI influence, businesses across the UK will save around £2.4bn on their rates bill this year. Property revaluations have also changed from every five to every three years, with the next taking place in 2021. This reduces the risk of significant shifts in rates payments, reducing uncertainty and allowing business to plan. The Treasury Select Committee has adopted CBI recommendations that open the door to exempting productivity enhancing investments from the rates bill, which could save businesses millions each year. And the Scottish government scrapped plans to introduce a new business rates levy on out-of-town businesses, following campaigns from CBI Scotland and other allies.

### ✓ Making paying tax easier for business

The introduction of Making Tax Digital requires businesses to keep digital records and submit VAT returns using new software. CBI influence has secured a vital grace period before penalties are imposed by HMRC – particularly key for SMEs keeping digital records for the first time. The CBI also is working with HMRC to

improve the deteriorating relationship between large businesses and HMRC, offering insight on the issues facing firms.

### ✓ IR35 reform postponed so business has time to prepare

The CBI intervened to delay implementation of the IR35 (off-payroll worker) reforms in the private sector until April 2020. This extension provides members more time to comply with legislation. Following CBI feedback, in partnership with business, HMRC are redeveloping a tool that is designed to provide businesses with greater confidence that they are making informed determinations.

### ✓ Economic disruption avoided with payments breakthrough

The CBI contributed to securing an extension on the implementation for Strong Customer Authentication (SCA) across card payment systems, helping prevent disruption to e-commerce businesses. The agreed delay will give business more time to prepare and prevent potential losses of millions of pounds in critical sales revenues.

## International Trade

### ✓ UK business championed on the global stage

The CBI is the leading organisation shaping the UK's trade policy: ensuring business' priorities are understood and influencing the dynamics of global trade. We've led business delegations to the B7, B20 and the WTO and, following our calls to set up a comprehensive business consultation structure for trade, the government created the Strategic Trade Advisory Group (STAG) and Expert Trade Advisory Groups – which the CBI sits on.

### ✓ Improving continuity of global trade terms post-Brexit

To help smooth post-Brexit transitions, we've used our relationships to help the government secure trade continuity with countries such as Switzerland, South Korea, Norway and Chile. The CBI's regional offices have helped to quantify the value of trade between the UK and China, India and the US. After 12 months of CBI lobbying in Geneva, the World Trade

Organisation has confirmed the UK can remain within its Government Procurement Agreement after Brexit, allowing firms ongoing access to a combined market worth £1.3 trillion.

### ✓ New scheme to boost exporting in Scotland

The Scottish government has launched a new scheme, based on CBI recommendations, to pair existing and aspiring Scottish exporters together as part of a mentoring programme. This will help Scottish business reach new markets and strengthen the nation's exporting power as a whole.

## Regional Growth

### ✓ Improving regional prosperity through local industrial strategies

The CBI has long campaigned for the creation of local industrial strategies. We have ensured business is represented in all seven strategies published to date and are actively engaged with 15 in development. Greater Manchester's strategy features an ambitious 2038 net-zero target, and the West Midlands Combined Authority has committed to the UK's first large-scale 5G testbed. The CBI also helped convene Local Enterprise Partnerships (LEPs) like the Oxford-Cambridge Arc: four LEPs developing an economic vision to improve local prosperity.

### ✓ Strengthening regional voices on critical infrastructure priorities

The CBI has campaigned for Strategic Transport Boards (STBs) - similar to that used across Greater London - as a way to bridge gaps between local and national government when planning infrastructure. Successes include Transport for the North's new

regional strategy and Midlands Connect planning to improve east-west links. These strategies address regional disparities and provide real opportunities for regional businesses to be heard.

### ✓ Supporting firms in the devolved nations

The CBI's offices in devolved nations continue to drive change on issues including connectivity: small businesses in Wales can now receive an extra £3000 to access gigabit connections that would otherwise be expensive to build out to rural locations. Other successes include a Scottish digital business support service, and CBI Northern Ireland establishing a way forward with government on supporting digital skills.

## Brexit and EU Negotiations

### ✓ Averting a no deal cliff edge in March and October 2019

The CBI has been the most vocal business organisation in the campaign against a disruptive no deal in 2019, consistently taking the latest business insights and evidence to the heart of government. We also used our extensive European networks to exert joint pressure on the EU to compromise and avoid no deal. A third extension of Article 50 has meant the disruptive cliff edge of no deal has been avoided this year.

### ✓ Preparing the UK business community for no deal

The CBI is leading the fight in ensuring the UK avoids the worst impacts of no deal. Through tireless work, we have ensured that the government has made good progress on addressing many of the recommendations made in our What Comes Next report, from new grants for the upskilling of staff on customs issues to the automatic issuance of EORI numbers. For businesses, the CBI launched an online hub designed to help firms prepare for

no deal. The guidance was pulled together in collaboration with government and members, particularly Trade Associations, to create one place all firms can go to seek help.

### ✓ Helping secure clarity from government for 3 million EU citizens working in the UK

The CBI's concerted effort to push government for much-needed clarity on the rights of workers - including the protection of the rights of EU citizens already living and working in the UK prior to no deal - led to the confirmation that employers will be able to hire EU workers on the same basis after no deal as they do now and that existing EU workers can remain in the UK. This provides business with certainty, a strong talent pipeline and minimises disruption. Prior to this agreement, EU workers would have needed a visa after 90 days.

Keep up to date with our impact on  
My CBI: [cbi.org.uk/my-cbi](https://cbi.org.uk/my-cbi)

# Helping to strengthen and grow your business

In 2019 more than ever before, the CBI released practical guides designed to help members to maximise opportunities, develop and grow.

**Mind the gap:** The CBI helps firms to learn from each other and practically tackle their gender pay gaps. The guide also identifies the true size of the prize to the UK economy: bridging the gender pay gap could boost UK GDP by up to £150 billion by 2025, and could help get up to 840,000 more women into work.

**Download Mind the gap at: [cbi.org.uk/mindthegap](https://cbi.org.uk/mindthegap)**

**Great job:** UK productivity growth lags 16% behind the G7 - *Great job* highlights the productivity and shared prosperity benefits of improving business' people practices. We identify common barriers to progress and offer practical guidance on how to overcome them, through stories from businesses that effectively lead, engage and develop their people.

**Download Great job at: [cbi.org.uk/greatjob](https://cbi.org.uk/greatjob)**

**Bigger, faster, stronger:** A guide for large businesses to help fuel their digital transformation journey, including practical insights into how other companies have responded to these challenges and how large firms can successfully embed innovation within their organisation.

**Download Bigger, faster, stronger at: [cbi.org.uk/bigger-faster-stronger](https://cbi.org.uk/bigger-faster-stronger)**

And many more member exclusives available on My CBI.

## Join us

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