

east midlands chamber

Derbyshire | Leicestershire | Nottinghamshire

A Manifesto for Growth 2024

Business policy priorities ahead
of the next General Election



A Manifesto for Growth

This Manifesto for Growth outlines policy asks of the next UK Government to support East Midlands businesses to succeed.

Created through in-depth engagement with businesses, this manifesto builds upon our economic blueprint for the region, *A Centre of Trading Excellence: A Business Manifesto for Growth in the East Midlands and Beyond* – outlining a vision for delivery against the 'Four I's': Infrastructure; International Trade; Innovation and Investment.

This document provides the building blocks to help us get there, with key policy asks across four focus areas – **People & Skills, Infrastructure & Connectivity, Taxation & Regulation, and Planning.**

It also presents **The Big Opportunity** to develop the future of energy production, storage and provision in the East Midlands.

The thread that pulls all this together is the need for a **long-term plan** for industry with **joined-up thinking**. This would provide a vision to businesses, people and potential investors about what the UK economy stands for.

The Chamber is supportive of any political structures that make it easier for decisions to be made quickly and businesses to get things done.



The Asks

1. Target skills reform for the realities of today's workforce

Recruiting and retaining employees is one of the major challenges for businesses, with roughly two-thirds of Chamber members consistently reporting difficulties in filling vacancies, an issue most acute among manufacturers.

At the same time, the number of working hours lost due to sickness or injury rose to 2.6% in 2022, an increase of 0.4 percentage points from 2021 and the highest it has been since 2004.

Amid a shift in workplace expectations exacerbated by the pandemic, policy needs to adapt by supporting businesses to recruit, train and retain the people they need to succeed.

The next UK Government should:

- Introduce **flexible incentives for businesses investing in staff training**, akin to how the Annual Investment Allowance operates for capital allowances, and greater flexibility for how the Apprenticeship Levy is spent.
- Continued backing for **Local Skills Improvement Plans**, with a further commitment to both **capital and revenue within the Local Skills Improvement Fund** at a level that allows education providers to properly respond to business-led priorities.
- Bring forward the introduction of the **Lifelong Loan Entitlement** to support retraining and retainment of an older workforce.
- Build on the success of the **Kickstart Scheme** with new funding that supports firms to bring 16 to 24-year-olds into the workforce.
- Place a greater emphasis on **enrichment activities throughout a young person's time in education**, embedding work experience opportunities – linked to local priorities – within the curriculum.
- Provide greater flexibility in visa routes to allow employers to **draw talent from across the world and expand globally**. This should be linked to regular reviews of the shortage occupation list.
- Introduce **tax breaks to encourage firms to offer occupational health benefits** that keep people in work.

We ask the next UK Government to drive growth via four key areas:

1. Target skills reform for the realities of today's workforce
2. Deliver transport and digital infrastructure fit for the 21st century
3. Align the taxation and regulation regime with a long-term vision for UK plc
4. Fix the broken planning system



2. Deliver transport and digital infrastructure fit for 21st century businesses

A recent report by the East Midlands All Party Parliamentary Group called for greater long-term certainty on the delivery of major infrastructure to provide a firm basis for complementary local public and private investment.

Despite receiving just 64.7% of the UK average for transport infrastructure spending – bottom of all regions – the East Midlands delivers the greatest return on investment of any region in the UK. By giving long-term certainty and closing this £1.26bn investment gap, Government can be confident that public investment will lead to significant economic gains.

The next UK Government should:

Deliver better roads and support for electric vehicle rollout

- Improve reliability and shorten journey times along the **A50/A500 corridor**, a 56-mile route between Stoke and Derby that is home to one million people and half a million jobs.
- Invest in the **A46 growth corridor**, a 155-mile route from Gloucestershire to Lincolnshire home to 5.5 million people and 2.9 million jobs, with an economic output of £115bn – nearly 10% of the English economy.
- Support the **Chesterfield-Staveley Regeneration Route** to reduce congestion and bring brownfield sites back to life, generating 5,700 new jobs and 1,800 new homes.
- Expand the **Local Electric Vehicle Infrastructure Fund** to ensure there is sufficient public charging infrastructure to support the necessary uptake in electric vehicles (EVs), with the Midlands needing 17,461 new public charging points by the end of 2025. This is of particular importance in our rural areas.



Improve rail services across the Midlands

- Commit to a timeline of full electrification of the **Midland Main Line**, which carries 3.75 million passengers per year and has a more densely populated catchment area than either the West Coast or East Coast main lines, which are both fully electrified.
- Ensure **East Midlands schemes within the proposed Midlands Rail Hub** scheme are prioritised following the cancellation of HS2 East to address emerging East-West infrastructure divide.
- Prioritise the reinstatement of **direct rail services between Coventry, Leicester and Nottingham**. Coventry and Leicester are the nearest UK cities without a direct rail connection, meaning just 3% of trips between those cities are made by rail.
- Provide £18m funding to **upgrade the Nottingham to Lincoln rail route**, doubling the number of trains per hour. Only 10% of travel between these cities is currently by train.
- Invest in a £20m **Midlands-wide ‘tap and cap’ smart ticketing system for public transport** to boost passenger numbers and convenience.

Invest in faster and more reliable digital connectivity

- **Speed up rollout of full-fibre broadband**, with a specific focus on the 20% of the country requiring public funding to achieve the nationwide upgrade that will provide a £72bn productivity boost by 2030 (CEBR).
- Work with network operators to **eradicate mobile connectivity ‘not-spots’**, which have a negative impact on profits, turnover and productivity for half of businesses in these areas (RAND Europe).
- **Roll out 5G technology nationally** to realise economic benefits of up to £159bn by 2035, benefitting critical industries such as manufacturing and logistics (Cambridge Econometric).



3. Align the taxation and regulation regime with a long-term vision for UK plc

Outdated, overly bureaucratic and sometimes confrontational taxation and regulatory regimes consistently rank among Chamber members' biggest day-to-day frustrations, with many citing current arrangements as having perverse, anti-growth impacts.



Some 98% of East Midlands businesses employ fewer than 50 people, with 99.6% employing fewer than 250. The surest way to grow UK tax-take is to remove barriers and support these businesses already contributing to grow faster, employ more people and pay higher wages.

The next UK Government should:

- Publish a **long-term approach to business taxation, aligning the taxation system with stated policy ambitions**, particularly the transition to net zero and decarbonisation of our infrastructure, which is currently riddled with inconsistencies and contrary impacts.
- Conduct a full **root-and-branch review of the business rates system** – taking into account the development of different operating models and ensuring businesses that invest in their premises are not penalised. Various reliefs, while welcome, are just a sticking plaster.
- Level the playing field for public sector procurement – produce national guidance for public sector buyers in line with the **Chamber's five principles for public sector procurement**:
 - **Be accessible**: Tenders should be reasonably and realistically sized, and the upfront information provided of good quality.



- **Be proportionate**: Policy and accreditation requirements of bidders must be realistic, consistent and relevant for the successful delivery of the contract.
- **Enable creativity**: Adequate space must be given for innovation to be fully explored during the procurement process.
- **Emphasise social value**: The full holistic value of local delivery must be appropriately weighted in decision-making.
- **Ensure transparency**: From concept through to decision and beyond.
- **Simplify the R&D tax credits system**, using an 'ask me once' principle regarding the provision of pro-forma information for repeat applicants. In recent years, the system has become too confrontational and the process often not commensurate with the benefits.
- **Increase the VAT registration threshold** in line with inflation. This is fixed at £85,000 until April 2024 but if it had increased in line with inflation would now be over £108,500. The Office for Tax Simplification recognises the threshold incentivises some businesses to 'cap' growth.
- **Simplify processes and systems to export**, moving to an online system so checks can be carried out away from borders and removing uncertainty for traders. Exports are a crucial part of solving the country's productivity puzzle, with huge opportunities for sectors such as advanced manufacturing and green innovation. Current barriers to exporting include custom checks and declarations, taxes and duties due to tariffs, and increased regulation such as product certification. All changes must be supported by awareness campaigns linked to free trade deals, especially among SMEs.



4. Fix the broken planning system

Developing in the UK takes too long and is too costly. In a recent Home Builders Federation survey, 93% of developers highlighted securing and processing planning permission as being the major barrier to construction.



The National Infrastructure Commission identified the planning system as acting to delay and increase costs for major infrastructure projects, and hindering the UK's transition to net zero. Fixing this could be the single biggest game-changer in ensuring the UK remains internationally competitive.

The next UK Government should:

- Enable **private sector to step in and support resourcing levels of local authority planning departments**, with 76% of SME developers citing council staff shortages as the main cause of delays (Home Builders Federation).
- Promote joined-up thinking between planning departments to ensure the **scale of geography at which local plans are created is appropriate for the reality of how people live, work and move.**
- Ensure the **level of authority at which decisions are taken is commensurate with the scale of developments proposed**, preventing investments being slowed down by local planning committees.
- **Remove blockages and delays to accessing the National Grid** for renewable and alternative sources of energy production, and ensure delivery of the new Connections Action Plan, to reduce the average delay on projects from 5 years to 6 months.



The Big Opportunity: Developing the future of energy production, storage and provision in the East Midlands

The East Midlands has all the raw ingredients in its industrial heritage with high-energy users, leading universities, a central location and the country's largest pure freight airport to be a Centre of Trading Excellence – **a blueprint for how Government can build regional economies** outside the South East and level up the country.

Three big bases of future energy provision – nuclear fusion, nuclear fission and hydrogen – are being developed via projects and research based in the East Midlands. Our universities are at the global centre of developing expertise in future energy technologies, while our businesses are at the cutting edge of their practical application globally.

When combined with our **energy-intensive business base** and the **UK's only inland freeport**, we can be a testbed for emerging green technologies that will help us build on our 20th century Megawatt Valley reputation to provide the solutions to Britain's net zero challenges, and export these to the rest of the world.

Government should recognise this potential with **East Midlands-tailored policy interventions and support to realise this big opportunity** – building on existing initiatives, including the East Midlands Freeport, and publicly championing the region's strength in this space.



East Midlands economic data

| | Population aged 16-64 | Labour supply - economically active | Qualifications at NVQ3 and above | Gross weekly pay - all full-time workers | Jobs density* | Proportion of jobs in manufacturing | Proportion of jobs full-time | Enterprises 0-49 employees | Enterprises 50 - 249 employees | Enterprises 250+ employees |
|-----------------------|-----------------------|-------------------------------------|----------------------------------|--|---------------|-------------------------------------|------------------------------|----------------------------|--------------------------------|----------------------------|
| East Midlands | 3,042,800 | 79.4% | 55.9% | £603.70 | 0.8 | 11.4% | 67.8% | 98.0% | 1.6% | 0.4% |
| Great Britain | 42,174,700 | 76.0% | 61.5% | £640.00 | 0.85 | 7.6% | 68.8% | 98.1% | 1.6% | 0.4% |
| Ashfield | 77,900 | 71.5% | 50.2% | £605.80 | 0.73 | 12.3% | 66.7% | 97.0% | 2.4% | 0.6% |
| Bassetlaw | 71,600 | 76.2% | 52.6% | £599.30 | 0.8 | 16.0% | 68.0% | 98.2% | 1.5% | 0.4% |
| Broxtowe | 68,100 | 72.0% | 52.6% | £666.10 | 0.65 | 13.5% | 67.6% | 98.0% | 1.3% | 0.6% |
| Gedling | 71,200 | 74.3% | 57.7% | £645.70 | 0.51 | 10.3% | 61.8% | 98.4% | 1.3% | 0.4% |
| Mansfield | 68,900 | 74.7% | 37.8% | £595.60 | 0.61 | 9.1% | 63.6% | 98.1% | 1.5% | 0.4% |
| Newark and Sherwood | 74,400 | 80.2% | 59.1% | £671.40 | 0.76 | 11.5% | 65.4% | 98.4% | 1.3% | 0.3% |
| Nottingham City | 222,600 | 69.9% | 58.2% | £556.80 | 1.03 | 4.9% | 67.5% | 96.7% | 2.4% | 0.9% |
| Rushcliffe | 72,100 | 84.1% | 67.4% | £766.20 | 0.71 | 5.2% | 62.5% | 98.5% | 1.1% | 0.4% |
| Amber Valley | 76,700 | 77.5% | 53.2% | £662.90 | 0.73 | 18.4% | 69.4% | 97.6% | 1.8% | 0.4% |
| Bolsover | 50,200 | 84.8% | 52.3% | £557.40 | 0.69 | 13.6% | 69.7% | 96.6% | 2.7% | 0.7% |
| Chesterfield | 63,700 | 70.7% | 58.3% | £605.00 | 0.9 | 6.9% | 66.7% | 97.1% | 2.1% | 0.7% |
| Derby City | 166,000 | 79.2% | 59.5% | £641.80 | 0.96 | 16.2% | 69.9% | 97.4% | 2.1% | 0.5% |
| Derbyshire Dales | 41,100 | 73.8% | 69.8% | £736.70 | 0.95 | 14.1% | 62.5% | 98.5% | 1.0% | 0.3% |
| Erewash | 70,100 | 80.6% | 57.5% | £659.90 | 0.58 | 15.4% | 66.7% | 97.9% | 1.6% | 0.4% |
| High Peak | 55,900 | 81.6% | 54.3% | £645.80 | 0.66 | 18.2% | 63.6% | 98.5% | 1.5% | 0.1% |
| North East Derbyshire | 60,100 | 76.7% | 63.5% | £653.20 | 0.58 | 15.5% | 65.5% | 98.1% | 1.6% | 0.3% |
| South Derbyshire | 67,600 | 79.0% | 54.0% | £706.90 | 0.55 | 17.6% | 67.6% | 98.9% | 0.9% | 0.2% |
| Blaby | 62,800 | 88.8% | 65.3% | £689.90 | 1.04 | 7.8% | 71.9% | 97.9% | 1.7% | 0.5% |
| Charnwood | 117,200 | 80.9% | 66.6% | £673.50 | 0.7 | 12.3% | 65.8% | 98.0% | 1.7% | 0.4% |
| Harborough | 59,300 | 81.1% | 69.3% | £701.20 | 0.8 | 7.3% | 70.7% | 98.4% | 1.4% | 0.3% |
| Hinckley & Bosworth | 68,500 | 77.1% | 48.9% | £655.20 | 0.74 | 16.3% | 72.1% | 98.2% | 1.3% | 0.4% |
| Leicester City | 246,000 | 70.7% | 54.9% | £553.90 | 0.74 | 12.0% | 67.4% | 98.0% | 1.6% | 0.4% |
| Melton | 30,700 | 80.9% | 56.8% | £607.10 | 0.84 | 23.8% | 66.7% | 98.3% | 1.4% | 0.2% |
| North West Leicester | 65,300 | 81.6% | 65.5% | £690.00 | 1.12 | 9.9% | 77.5% | 96.5% | 2.7% | 0.8% |
| Oadby & Wigston | 34,900 | 75.3% | 59.0% | £574.90 | 0.65 | 11.8% | 63.2% | 98.5% | 1.2% | 0.2% |

*Job density is the ratio of total jobs to population aged 16-64

**Data is taken from NOMIS and is correct as of the end of 2023

east midlands chamber

Derbyshire | Leicestershire | Nottinghamshire

Who we are

With more than 4,000 members across Derbyshire, Leicestershire and Nottinghamshire, and working with almost 12,000 businesses, East Midlands Chamber is the leading voice for business in our region.

Our membership reflects the broad base of sectors that can be found in the East Midlands, with specific strengths in manufacturing and engineering, transport and logistics, construction and professional services.

The largest Chamber of Commerce in the UK, we work with private and public sector partners towards achieving our vision of enhancing East Midlands businesses and communities.

To discuss any of the Asks within this Manifesto, or the broader policy work of the Chamber, please contact policy@emc-dnl.co.uk

East Midlands Chamber (Derbyshire, Leicestershire, Nottinghamshire)

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