Norfolk Chambers of Commerce

You're in good Co.mpany

Hardwick House
2 Agricultural Hall Plain
Norwich NR1 3FS
01603 625977
hello@norfolkchambers.co.uk
norfolkchamber.co.uk

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

30 September 2025

Dear Chancellor,

Norfolk Chambers of Commerce is the voice of business in Norfolk. We are a membership organisation connecting a diverse membership of over 700 members who collectively employ over 80,000 people in our local economy.

This letter is in support of our submission in advance of the 2025 Budget, and references feedback gained through our engagement with businesses in Norfolk with a particular focus on their experience since the 2024 Budget. This insight was then the subject of a deeper roundtable discussion with a selection of our members.

Their experiences and hopes for the budget are broadly summarised under four critical themes: **Taxation, Infrastructure, Skills** and **Support for Growth**. Overall, local businesses expressed a desire for the government to "clear barriers to growth". The consensus is that short-term cost saving initiatives will not lead to long-term growth and businesses are concerned that the government is not thinking beyond the next election.

Taxation

Confidence among SME businesses in Norfolk is at a record low, in what one mid-sized SME called a **"hostile environment for small businesses"**, with high operational costs creating significant pressure and actively disincentivising growth. One large employer whose business is 80% public sector contracts cited direct and indirect costs hitting them hard. Not only were their direct costs such as rent, energy and staff overheads "biting", but indirect costs to them (i.e. those in their supply chain) meant they were now having to consider making a loss on some projects to continue meeting their mandated spend with SMEs. Given their public-sector focus, this is hugely self-defeating for the taxpayer.

Moreover, increases in employers National Insurance represent a substantial percentage of overall costs. One mid-sized hospitality business said their payroll costs had increased by 18% overnight in April when this change was enacted. Consequently, they had frozen recruitment and made redundancies.

Norfolk's foundational sectors are underpinned by family business and a proud history of agri-food and agri-tech businesses. As a result, our county will be disproportionately hit by changes to Agricultural Property Relief and Business Property Relief. One family-owned transport business told us that the tax liability they will now face means they will have to borrow simply to pay the tax. This same business said there is **"no incentive to start a business in the UK now, and if I could move mine overseas, I would."**

Norfolk Chambers of Commerce, a company limited by guarantee. A British Chambers of Commerce Accredited Chamber.
Registered Office: Hardwick House, 2 Agricultural Hall Plain, Norwich NR1 3FS Registered in England No. 49631 VAT No. 787 4474 72

British Chambers of Commerce Accredited

Hardwick House
2 Agricultural Hall Plain
Norwich NR1 3FS
01603 625977
hello@norfolkchambers.co.uk
norfolkchamber.co.uk

Our ask of government, as one business put it, is to **"clear the path for businesses to grow"** by not increasing VAT and take a holistic view of business costs to counter the unintended consequence of disincentivising business investment. In addition, to continue incentivising work, government should not seek to introduce new taxes on pensions. Roundtable participants would like to see pension funds (particularly those based overseas) mandated to invest a set percentage of their fund in UK-based industry and infrastructure.

Infrastructure

That same investment in infrastructure is highlighted by swathes of businesses as crucial to UK prosperity, particularly given the feeling that the "**East of England is ignored, despite being critical to UK growth."** It was agreed that the two biggest things this government could do to boost infrastructure development is to overhaul the planning system as a matter of critical urgency, and create new mechanisms for private investment in NSIPs, with an overhauled programme like PFIs having **"a real place in infrastructure development"** when executed correctly. In the East of England, government must commit to the **full** completion of East-West Rail to Norwich and Ipswich, alongside the long overdue improvements to rail junctions at Ely and Haughley.

Meanwhile, recent road improvement schemes that have started in Norfolk are welcome, but there is consensus that the "**A47 needs to be fully dualled"**, including the Acle Straight through to Great Yarmouth. Improvements are also required for the **A120, A14, and A12** which will benefit all business in the East. Similarly, a properly integrated public transport system needs to be made more of a priority, and devolution and local government reorganisation is an opportunity to expedite this.

Skills

Every business asked about skills feels the acute challenge of recruiting and retaining good people, particularly experienced staff and specialist vocations. Poor transport links aggravates this problem as businesses as cannot fill roles locally, and the impact on growth is a problem seen in every sector and scale of business.

There is a wider societal issue linked to education where current education policy still pushes people towards university. Businesses urge the government to instead implement policies promoting **more vocational options and** target these policies at much younger groups to enable firms to hire people with hands-on, practical skills and experience. Furthermore, given the disruptive nature of AI and machine learning, preparation is needed to equip children for this change with more investment to embed technologies in schools and upskill teaching staff.

Support for Growth

None of the challenges or blockers cited by businesses have stymied their growth ambitions. Many firms talk about the value a small amount of capital funding could unlock, be it investment in machinery, plant, facilities or R&D. Thus, we ask the government to go further in removing bureaucratic barriers and ensure access to capital is straightforward and efficient. Currently businesses feel that accessing finance is a **"minefield"**. Businesses, both large and small, are unaware of where to go or how to secure funding. Furthermore, the government makes the application process **"incredibly hard"**, with businesses telling us that simply applying for funding takes so long that the real-terms benefits are cancelled out.

Hardwick House
2 Agricultural Hall Plain
Norwich NR1 3FS
01603 625977
hello@norfolkchambers.co.uk
norfolkchamber.co.uk

Businesses have put forward a series of policy interventions to help unlock this:

1. Establish **one single point of access for business funding.**
2. Consolidate separate funds into fewer, simple programmes.
3. Consider developing a **custom AI programme** to help businesses navigate funding options.
4. Invest in better, more effective communication regarding funding opportunities, timelines and processes.
5. Increase resources of **frontline of growth hubs**.
6. Provide **more funding for start-ups**.

In a predominantly SME business environment, cashflow and late payment is a significant challenge for our community. Late or non-payment of invoices impacts every aspect of a business's financial position, meaning many SMEs will cost late payment into their pricing, causing prices to rise and worse value for money for the public sector. Large businesses and the public sector are particularly problematic, often pushing payment terms of over 60 days. It must be mandated that larger businesses pay their invoices to smaller businesses on time, thereby shortening current payment terms. Consequences for non-compliance must be tougher and more than mere token gestures, as some businesses have experienced large firms and public sector bodies actively choosing to risk penalty to push payment later.

In recent years, Norfolk businesses have adapted to rising costs, reduced investment and an uncertain future. Whether caused by the COVID-19 pandemic, the Truss mini-budget, the invasion of Ukraine and the 2024 budget, businesses have risen to the challenge and proven themselves to be resilient and poised to do more.

We ask the government to make good on their election promise to be **the natural party of business** and invest, deregulate and create a balanced taxation system to empower businesses to do what they do best. Norfolk and the wider East of England is critical to UK PLC, feeding, powering and connecting our economy, and we need our ambition to be met halfway in this 2025 budget.

Yours faithfully,

Nova Fairbank

Chief Executive
Norfolk Chambers of Commerce