The Telegraph

Autumn Statement 2016: The Telegraph's business panel gives its verdict

Chancellor Philip Hammond delivers his Autumn Statement

By Telegraph Reporters
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Over one million British companies are set to become the lowest corporation tax rate payers in the G20 after the Chancellor's decision to stick by his pledge to cut corporation tax to 17pc by 2020 in this year's Autumn Statement.

The tax rate cut comes amid a flurry of spending plans to boost the UK's lagging productivity, under-developed infrastructure and emerging tech industry. Central to the plans is a £23bn investment fund for infrastructure and innovation set to deliver a surge in spending on roads, rail, low-emission vehicles, broadband and 5G.

In the first budget statement since the UK's decision to leave the EU Philip Hammond promised a package of plans to make the UK the number one destination for business to bring investment, jobs and prosperity. But not everyone is convinced.

Speaking to the *Telegraph*, bosses from around the country, representing a range of sectors from construction to and software, give their verdict on what the Chancellor’s speech means for their business, and where he didn’t go far enough:

The construction boss: Martyn Coffey, chief executive of outdoor materials maker Marshalls

Martyn Coffey, chief executive of Marshalls

“We supply the construction industry, so all this talk of building homes and infrastructure is a definitely a move in the right direction but it does leave us asking three questions: what, where and when? Announcing money is great but what we need is the detail – and that’s what the Chancellor’s statement lacked. We were hoping for lists of 'shovel-ready’ projects so we could plan around them.

“The idea of improving the country’s productivity – whether it’s through infrastructure or R&D – is also welcome. As a manufacturer we are always looking for ways to make our products at a lower cost or faster to install.

“Fuel not going up is a relief. We’re hedged for a while but currency means its going to rise, inevitably. I’d have liked to have seen tax incentives for manufacturers to invest in new equipment to make them more productive – a missed opportunity.”

The fashion retailer: Laura Tenison, founder of maternity and baby fashion brand JoJo Maman Bebe

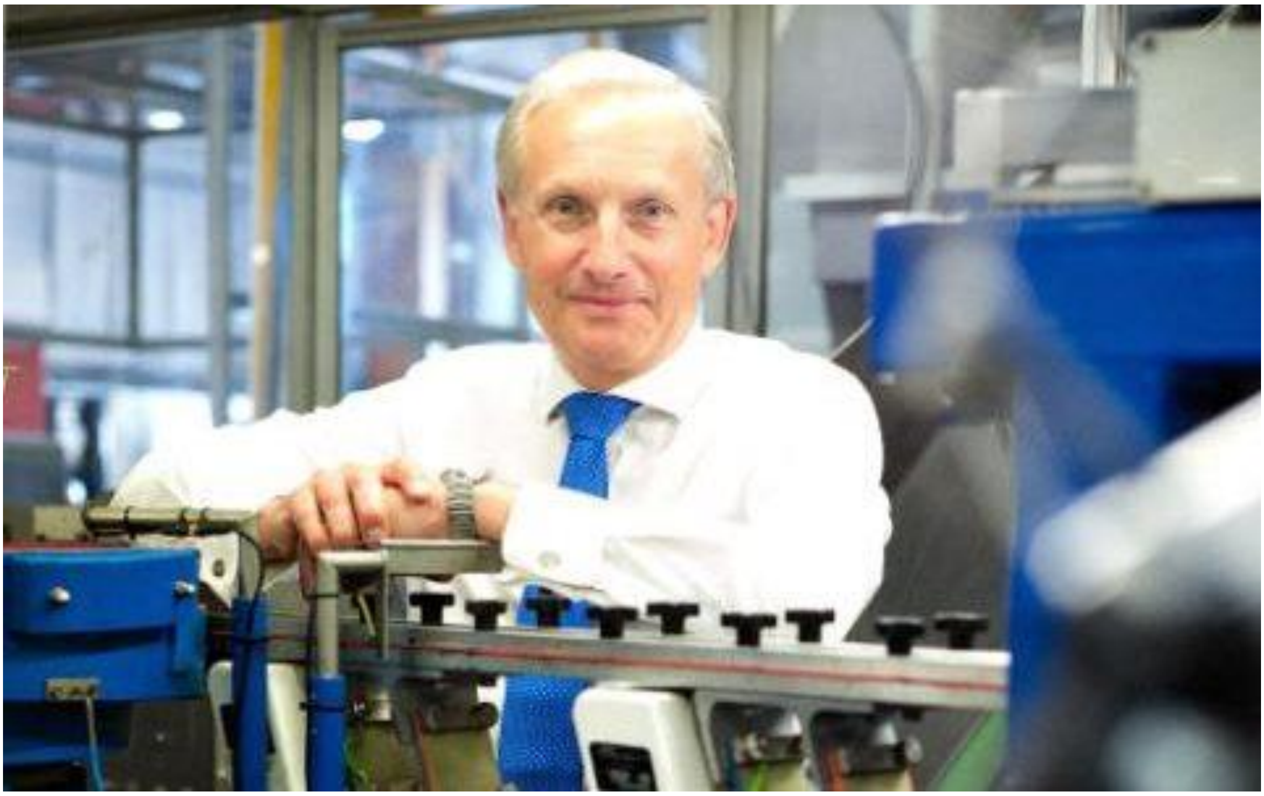
Laura Tenison, founder of JoJo Maman Bebe

“Given the level of uncertainty following the Brexit vote, I had hoped the Autumn Statement would have been more substantial and given us confidence to push on with our investment plans, which are currently in limbo. I am encouraged that the Chancellor committed to reducing corporation tax to 17pc as it makes Great Britain an unbelievably efficient place to do business.

“However, it is frustrating that not more has been done on business rates. Rate rises are killing off the high street and shops are no longer a gold mine for retailers – more often they are a shop front for an online business which requires substantial investment. Retailers are being squeezed from every which way and the business rates system needs to be re-evaluated.

“I agree with the national living wage increase and we pay all our staff well above the minimum. But Philip Hammond should have tackled the apprenticeship levy, which is an inefficient stealth tax for our industry.”

The manufacturer: David Hall, chief executive pipe-maker Polypipe



David Hall, chief executive Polypipe

“It’s a sensible and pragmatic statement. Hammond has not gone for gold in terms of stimulus so he’s left himself wiggle room in needs be.

“The housing announcements are good news for a manufacturer like us, although a lot of that was announced at the Conservative conference. Flood alleviation measures will also be positive. Providing the funds are in place to give that boost, these are helpful steps.

“One thing missing was stamp duty, which given the secondary housing market is still weak means we don’t see the chain effect through the economy, with people doing up their houses as they move.

“The corporate taxes are no different to what’s been signalled, but that needs to be done in this post-Brexit environment. On salary sacrifice reforms, it’s probably hard to argue with the change, but there’s a broader point to be made about tinkering with tax, because employers and employees make plans based on policies.

“There’s no real detail there on industrial strategy, and a lot of the productivity steps seem to be overlapping with infrastructure announcements. But there’s more to come, and the more they do in that direction is positive.

“It’s really about getting delivery. Governments quite like making these announcements, and it can take a lot of time to wash through. With transport, for example, getting the projects down to a local level can help get movement more quickly. The national infrastructure commission gives us a sense that they realise strategy is important, but delivery is key.”

The banker: Craig Donaldson, co-founder and chief executive of Metro Bank

“I think he left banking alone because so much has been done to banks with the levy and with 8pc [corporate tax surcharge] previously.

“I totally understand that he’s waiting to see what happens, I would imagine, in negotiations with the EU over the coming months before he rows too much into us. We’ve got to wait and see what happens to the British economy. “This was a time for setting out long-term visions rather than short-term moves.

“I think the Chancellor has set the scene on his belief that the way we grow ourselves out of the debt pile is to invest in the infrastructure and innovation.

“This is the first statement from the Chancellor and he’s absolutely right to focus on the long term.

“I’d like to see more on education in future statements because infrastructure and innovation without education is only part of the long-term growth story.”

The airport boss: Charlie Cornish, chief executive of Manchester Airports Group

“We expected that the Treasury would offer to cut air passenger duty and it’s disappointing that they didn’t take this opportunity.

“There is no doubt in a post-Brexit world that the more long-haul routes that we can bring into the UK can only help the economy. That said, it wasn’t a fundamental 'not now, not ever’ from the Chancellor.

“We welcome the statements on transport and infrastructure and the productivity investment fund. It will be interesting to see the details on that and what opportunities they’re going to prioritise. For the Northern Powerhouse to work as an economic engine, it’s absolutely crucial to connect the northern cities.

“The Treasury has recognised the need for this, but it would have been good to see a timetable for when decisions will be taken. We can’t keep putting it off.”

The tech start-up: Alice Bentinck, co-founder of tech investor Entrepreneur First

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“Broadly the Autumn Statement was good for technology. I was impressed that the Government is now taking tech start-ups seriously; they have always been seen as a useful poster child, but now people are seeing that they drive economic growth and job growth.

“The extra investment in research and development, the £400m going into the British Business Bank and the patient capital review are really good news. It shows that the Government is focusing on the right kind of start-ups: while the venture capital scene in the UK has never looked better and the number of funds being created has never been bigger, there still isn’t enough funding or capital and that’s especially felt at later stages .

“The main challenge will be access to talent. We need to reduce the uncertainty about visas or it’s going to be a real sticking point ”.

The North Sea boss: Arnjad Bseisu, chief executive of oil exlorer Enquest

“It was important that the Government reaffirmed the Driving Investment plan [for the North Sea fiscal regime]. We are very pleased by the confirmation of the existing drive for investment and maximising the economic recovery in the UK.

“The direction of travel on taxes – reducing taxes and making sure the UK is one of the most competitive environments – is also very welcome.

“Having a stable regime is key and that’s what the Chancellor has outlined in moving to one [fiscal event] a year not two. You really need visibility long term, because oil investments are made for long-term horizons. We would like to see an end date for the informal consultation on decommissioning. Getting a plan to get the right assets in the right hands would be very welcome. That’s an area where we think more work is needed.”

The small business owner: Suzie Walker, founder of health bar maker The Primal Pantry

"Given uncertainties post-Brexit, I thought the Chancellor's statement was sensible and encouraging for small businesses – although he made specific mention only twice.

"The approach has growth, innovation and productivity at its heart – three things vital for the success of any business, large or small.

"It would have been good to hear about bringing VAT down, to boost growth and mitigate rising inflation. But the reduction in corporation tax is welcome, especially for smaller and new businesses, for whom it offers more security and room to scale.

"From experience of running a start-up, your team is your biggest asset, but cash is tight. Salary sacrifice schemes allow you to attract and retain great talent . So it was disappointing that some items – gym memberships and health screenings – will no longer be included. "As a mum, I was relieved to hear that plans for the Tax Free Childcare scheme are still in place."