

Autumn Budget 2026

Rt Hon John Healey MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
SW1A 2HQ

9 September 2026

Dear Chancellor,

The CBI and our members share your ambition to unlock investment, harness innovation and create good jobs so that the benefits of growth are felt across the UK. As you set out in your speech, growth is about more than a number: it means better infrastructure connecting people and places, world-leading science scaling technologies that improve lives, and growing businesses creating good jobs and wages. We welcome your recognition that wealth creation and profitable businesses are central to making that vision a reality.

Yet businesses' ability to deliver on your economic vision is being constrained by a cost base that remains too high. Industrial electricity prices are 36% above European and 45% above G7 averages, while the business tax burden is at a 28-year high. With demand weak, firms are absorbing higher costs through squeezed margins, delayed investment and cautious hiring. But these pressures cannot be absorbed indefinitely: they ultimately mean weaker investment, slower wage growth and fewer jobs. Tackling the cost of doing business is therefore essential to tackling the cost of living and raising living standards.

The Prime Minister's focus on reindustrialisation, regeneration and place provides a compelling frame for the Government's growth ambitions. Reindustrialisation requires competitive energy and employment costs; regeneration requires a tax and delivery system that supports investment; and place-based growth requires devolved leaders to have the powers, capability and finance to turn local ambitions into investable opportunities.

We therefore urge you to use the Autumn Budget to take decisive action in six areas that would strengthen the conditions for businesses to invest, hire and grow:

1. **Cut business electricity costs.** Remove Renewables Obligation and Feed-in Tariff costs from non-domestic electricity bills and the electricity element of the Climate Change Levy from April 2027. This would be a transformational intervention in UK competitiveness, materially narrowing the electricity-price gap with international competitors while creating greater headroom for investment and electrification.
2. **Make it easier to create junior and entry-level jobs.** Reduce Employer NICs, with a £1,000 increase in the secondary threshold to £6,000 as our preferred cross-economy starting point to cut the marginal cost of employment and help create more routes into work and progression. This should form part of a wider pro-employment package that makes it easier to create and sustain employment, including reform of the tax treatment of employer-funded health support to help prevent people falling out of work.
3. **Reform business rates.** End the merry-go-round of incremental changes by setting out a clear path towards structural reform using the 2025 Business Rates and Investment Call for Evidence. The Budget should tackle the most damaging cliff edges

and strengthen investment reliefs now, while committing to a banded slice system over the Parliament.

4. **Make Government delivery investable.** Pilot a Growth Delivery Framework across priority business-facing bodies, with service standards, accountable owners and clear escalation routes to reduce delays and investment uncertainty.
5. **Mobilise private capital for national and local renewal.** Publish a modern public-private partnership roadmap, establish a centre of excellence and better coordinate public financial institutions to build investable national and mayoral pipelines.
6. **Turn AI strengths into economy-wide productivity.** Establish a time-limited Business AI Adoption Delivery Group feeding into the Prime Minister's AI Adoption Taskforce to accelerate adoption across the private economy.

These measures would build on important foundations already in place – including protected public capital investment, the Modern Industrial Strategy, planning reform and a closer relationship with Europe – alongside the welcome steps you announced this week to remove barriers to investment and innovation. The Budget should also build on this progress by avoiding decisions that would undermine competitiveness or weaken incentives to invest. With the business tax contribution already at a record share of receipts, that means avoiding further sector-specific taxation – including on a banking sector already facing a higher tax rate than competing international financial centres. The tax system should instead encourage entrepreneurship, risk-taking and investment, while any new model for public utilities must maintain investor confidence and preserve routes for the private capital needed to fund future investment.

Chancellor, the test for this Budget should be simple: does each major decision reduce the cost, risk or friction of investing and growing in the UK? A Budget that consistently passes that test can turn the economy's strong foundations into good growth in every postcode.

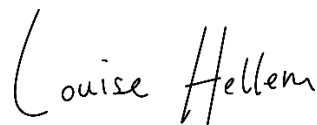
This submission is also a partnership offer. The CBI has seen first-hand that policy works better when Government engages business early and seriously. The Defence & Economic Growth Taskforce which helped create the mechanisms for crafting investment ready propositions for the private sector, the tripartite discussions on the Employment Rights Act which reached a consensus on Day 1 rights, and progress on Made in Europe which showed the value of business and Government coming together as Team UK. We are ready to bring that same approach to seizing the UK's growth opportunities. Our ask in return is that Government partners with us on these opportunities, shares problems early and works with business to test implementation before decisions become difficult to change.

The CBI and our members stand ready to work with you and your colleagues to deliver on your economic vision. We would welcome the opportunity to discuss these proposals with you ahead of the Autumn Budget.

Yours sincerely,



Rain Newton-Smith
Chief Executive



Louise Hellem
Chief Economist

Autumn Budget 2026 – CBI Submission

Executive summary

The Autumn Budget comes at a critical point for the Government's growth mission. The UK has rebuilt important foundations of economic stability, but private-sector dynamism remains too weak. The central challenge is now mobilisation: converting existing strategies, public capital, institutional strengths and business ambition into higher investment, stronger employment, faster adoption of technology and rising productivity.

The CBI's Roadmap for Growth provides the architecture for this seven-chapter submission. It argues that the UK should maintain the foundations that have restored confidence; accelerate the delivery systems that turn ambition into investable projects; and change the parts of the operating environment that suppress business dynamism. This submission translates that thinking into the Government's emerging political priorities of reindustrialisation, regeneration and place.

The Budget test

Every major Budget decision should be judged against one straightforward question: does it make it easier for firms to invest, hire, innovate and grow across the UK?

The principal asks

1. **Cut business electricity costs.** Remove Renewables Obligation and Feed-in Tariff costs from all non-domestic electricity bills and remove the electricity element of the Climate Change Levy from April 2027. The combined direct fiscal cost is around £5.4 billion per year on average between 2027/28 and 2030/31. This should be accompanied by reforms to balancing costs and targeted support for efficiency, electrification and demand management.
2. **Make it easier to create junior and entry-level jobs.** Develop targeted Employer NICs relief for junior and entry-level roles, using an increase in the secondary threshold by £1,000 to £6,000 as the cross-economy starting point, with implementation from the start of a tax year to avoid unnecessary payroll complexity. Place this within a wider pro-employment compact covering workplace health, welfare-to-work incentives, Employment Rights Act implementation and the affordability of future wage-floor increases.
3. **Reform business rates.** Move towards a banded slice system over the Parliament, but use Budget 2026 to address the most damaging transitional and threshold effects with taper relief, strengthen Improvement Relief and Empty Property Relief, improve valuation transparency and set a funded roadmap to structural reform.
4. **Make Government delivery investable.** Pilot a Growth Delivery Framework across priority business-facing departments, regulators and delivery bodies in 2026/27, with time-bound service standards, named accountable owners, escalation routes, transparent performance reporting, parallel processing and stronger commercial, regulatory and planning capability.
5. **Mobilise private capital for national and local renewal.** Publish a modern PPP roadmap; create a central PPP centre of excellence; join up public financial institutions around productive investment; build investable national and mayoral pipelines; and give devolved leaders the funding certainty, convening powers and delivery capability required to crowd in institutional capital.
6. **Turn AI strengths into economy-wide productivity.** Establish a time-limited Business AI Adoption Delivery Group feeding into the Prime Minister's AI Adoption Taskforce, with a shared roadmap and scorecard focused on SME adoption, trusted regulatory navigation, power/connectivity/compute and AI skills. We would be happy to facilitate this.

This submission distinguishes between six principal Budget asks and a wider set of supporting actions set out across the chapters. Where robust estimates are available, we provide indicative Exchequer costs and proposed timing. The Annex brings the full package together, showing each

recommendation, its fiscal implications and how each measure supports reindustrialisation, regeneration and place.

How our Budget priorities support the Government's growth ambitions

Our recommendations reinforce the Government's priorities of reindustrialisation, regeneration and place:

Reindustrialisation	Regeneration	Place
Competitive energy	Business rates reform	Devolution
Affordable job creation	PPPs and infrastructure	Mayoral investment pipelines
Trade and investment	Housing investment	Skills and employment
AI adoption	Faster Government delivery	Local delivery capability

These agendas reinforce one another: businesses experience energy, employment, infrastructure, skills, finance and Government delivery together when deciding whether and where to invest.

Fiscal approach

The CBI recognises the difficult fiscal context. The submission therefore distinguishes between immediate fiscal choices, phased structural reform and operating-model changes that can improve growth with limited direct Exchequer cost. Members have consistently favoured reprioritising existing spending towards measures that improve participation and productivity, improving delivery efficiency, crowding in private capital and sequencing larger reforms, while avoiding further increases in business, employment and capital taxes.

Chapter 1: Stability has returned; dynamism has not

From stabilisation to mobilisation

The UK is not starting from scratch. The Government has established several foundations that business values: fiscal credibility, a single major fiscal event, protected capital budgets, a Modern Industrial Strategy, a ten-year infrastructure strategy, planning reform, Mansion House reforms, regulatory reform and a more constructive UK-EU relationship. These are important assets and should not be discarded in another policy reset.

But stability is not the same as momentum. The economy still lacks the private-sector dynamism required to raise productivity and living standards sustainably. Businesses paid £344.8 billion in taxes in 2025/26 - almost £40 billion more than the previous year - with the business share of total UK tax receipts reaching its highest level since at least 1998/99 on a like-for-like basis¹. Employer NICs rose sharply to become the largest single business tax. At the same time, firms have continued to face high energy prices, rising statutory wage costs, regulatory complexity, planning delays and administrative burdens. Taken together, these pressures have reduced the financial headroom available for investment, hiring and growth.

Our [Room to Grow](#) report shows why these pressures need to be considered together. Businesses do not experience labour costs, energy prices, regulation and tax separately. They experience them together, on a single balance sheet, with each additional cost reducing the financial headroom available for growth. When demand is robust, businesses have greater pricing power and are better able to recover the impact of higher costs through prices. When demand is weak, firms are less able to do so and must absorb more of the pressure internally.

This has weakened businesses' financial positions and pushed profitability to levels not seen since the 2008 financial crisis². That matters because profitability provides the capacity to invest, innovate, create jobs, raise wages and decarbonise. Sustained pressure on margins therefore weakens the private-sector dynamism needed to drive productivity, growth and higher living standards.

Private-sector investment remains the weak engine

This matters because business investment is the bridge between today's stability and tomorrow's living standards. Investment raises capital per worker, supports technology adoption, creates demand for skills and provides the productive capacity that makes sustainable real wage growth possible. Yet investment remains weak. Business investment is expected to contract through much of the forecast period, as weak demand, squeezed margins and heightened uncertainty continue to weigh on firms' appetite to invest. Where businesses are committing capital, investment is increasingly focused on resilience - including automation, cyber security and supply-chain diversification - rather than expanding productive capacity. These pressures are compounded by elevated labour, energy and financing costs, while the UK's business investment rate remains weak relative to G7 peers³.

The result is a feedback loop. Weak investment constrains productivity. Weak productivity makes it harder to sustain wage growth and public revenues. A weak growth outlook then makes fiscal consolidation more difficult, increasing the temptation to reach again for taxes on businesses and investment. Breaking that loop requires policy to strengthen the private economy rather than continually asking it to absorb more cost.

Three political priorities, one economic operating model

The Prime Minister's priorities of reindustrialisation, regeneration and place can provide the political expression of this economic challenge. Reindustrialisation requires internationally competitive energy, a labour market that supports job creation, strong infrastructure and access to global markets. Regeneration requires investment in buildings, public realm and social infrastructure, backed by a planning and delivery system that works. Place-based growth requires local leaders to have clear

powers, multi-year resources and the commercial capability to turn local strengths into investable propositions.

These priorities therefore reinforce, rather than replace, the [CBI Roadmap for Growth](#). The chapters that follow set out how the Budget can restore competitiveness, make delivery investable, keep the UK open, mobilise capital, turn innovation into adoption and establish a deeper partnership between business and Government.

What the Government should protect

- Fiscal credibility and a stable, transparent fiscal framework.
- The principle of a single major fiscal event each year.
- Protected public capital budgets and long-term commitments to growth-enhancing infrastructure, including maintaining momentum behind the Oxford-Cambridge Growth Corridor, Leeds Mass Transit and other major city-region transport programmes, alongside the energy and grid infrastructure needed to unlock private investment.
- The Modern Industrial Strategy and long-term infrastructure strategy, with delivery prioritised over repeated redesign.
- The commitments in the Corporate Tax Roadmap, including maintaining the headline Corporation Tax rate and protecting full expensing, R&D tax credits and the Patent Box, without weakening other investment incentives.
- The UK-EU reset and pragmatic regulatory cooperation where it lowers unnecessary cost.

What the Government should fix

- The structural cost of electricity for businesses.
- The rising cost of creating junior and entry-level jobs.
- Business rates cliff edges and tax-administration complexity.
- The absence of minimum delivery standards for business-facing Government systems.

What the Government should unlock

- Capital through Mansion House and wider capital-market reforms, mobilising long-term savings to support productive investment.
- Increased R&D and innovation through public investment that crowds in private investment and supports commercialisation and growth.
- Major infrastructure through a scalable, modern framework for public-private partnerships, including in social, civic and place-based infrastructure.
- AI adoption by addressing fragmentation and providing businesses with a more coordinated framework for adoption across the private economy.
- Improved Government delivery through sustained regulatory reform and a sharper focus on implementation.

Chapter 2: Restoring competitiveness

The largest substantive challenge for the Budget is to restore businesses' financial headroom so they can invest, hire and grow.

2.1 Cut business electricity costs to support reindustrialisation

The challenge

Business remains firmly committed to the UK's net zero transition and to investing in the renewable energy, clean technologies and electrification needed to deliver it. Across sectors, firms are making long-term plans to electrify their operations and reduce emissions. But those ambitions must be supported by an energy system that allows UK businesses to compete. Persistently high electricity costs risk weakening the commercial case for electrification while making the UK less attractive for the industrial investment needed to deliver both growth and net zero.

Reliable and affordable energy is a core economic input. UK gas prices sit close to the G7 median, but non-domestic electricity prices for industry are 36% above European and 45% above G7 averages⁴. That gap has become a structural competitiveness problem. It affects energy-intensive manufacturing, but it also affects high streets, retail, hospitality, logistics, food production, data centres and other sectors that do not qualify for the main industrial support schemes.

The British Industry Supercharger and British Industrial Competitiveness Scheme are welcome recognition that electricity costs are a competitiveness issue. But businesses outside these schemes account for nearly 90% of non-domestic electricity consumption and almost all of the UK's 2.7 million businesses. Many of those firms face rising policy and network costs even as wholesale prices are expected to ease later in the decade.

This matters directly for reindustrialisation. The UK cannot credibly seek to rebuild manufacturing capacity, attract clean technology, expand data infrastructure or electrify industrial processes while retaining an electricity-cost disadvantage of this scale. High electricity prices also feed through to households by increasing the cost base of food, retail, hospitality and other consumer-facing sectors.

The impact also extends to employment. Businesses manage these pressures across a single balance sheet, meaning persistently high energy costs can crowd out spending on recruitment, training and progression, particularly in energy-intensive and lower-margin sectors.

Principal ask: remove RO, FiT and electricity CCL from non-domestic bills

Our [Cutting business energy costs: A blueprint to boost growth](#) report, produced with Energy UK, sets out a package to restore the UK's electricity competitiveness. Its central recommendation is that Government should announce at Autumn Budget 2026 that Renewables Obligation and Feed-in Tariff costs will be removed from all non-domestic electricity bills from April 2027. It should also set the Climate Change Levy rate on electricity to zero from April 2027, followed by legislative abolition of the electricity element.

Removing RO and FiT from all non-domestic customers is estimated to cost an average of £4.8 billion per year between 2027/28 and 2030/31, declining thereafter as the legacy schemes run down⁵. Removing electricity CCL is estimated to cost an average of £632 million per year over the same period⁶. Together, the direct fiscal cost is therefore around £5.4 billion per year on average over those four years.

The wider economic benefits strengthen the case for action. Between 2027/28 and 2030/31, CBI and Energy UK modelling estimates that the combined package could support £7.3 billion of additional economic activity, £4.2 billion of additional private-sector investment and £2.7 billion of additional tax revenue⁷. These estimates assume the direct fiscal cost of the intervention is funded

through general taxation, so the additional tax revenue represents the dynamic revenue effect from stronger economic activity rather than a net improvement in the public finances.

For many businesses, the measures could also create significant financial headroom to invest and grow⁸. Over the longer term, these benefits would continue to accumulate as lower electricity costs support investment, competitiveness and electrification across the economy.⁹

Funding options

The report identifies three potential funding routes. The first is to move the costs into general taxation, broadly mirroring the approach taken by major European peers. The second is a publicly financed Energy Transition Funding Scheme that pays the policy costs in the near term and recovers them, with interest, from future non-domestic bills over a longer period. The third is a privately financed version of the same approach, working with financial services providers to finance the transition cost without an immediate increase in public spending. Each option will involve trade-offs and Government should work with industry rapidly to select the route that best balances fiscal credibility, value for money and the objective of lowering bills now.

A wider business energy strategy

Direct bill relief should be the first step but not the last. Government should use the Reformed National Pricing programme to reduce balancing costs, which NESO forecasts could rise from £2.7 billion in 2024/25 to £6-8.5 billion by 2030. Accelerating critical network projects, improving use of existing network capacity and expanding flexibility could reduce balancing costs by £1-2 billion in most years between 2026 and 2035. Government should also raise non-domestic Minimum Energy Efficiency Standards, with proportionate support for smaller landlords and SMEs.

A Business Energy Upgrade scheme should be developed for SMEs, combining trusted advice, mass procurement and low-cost finance for energy efficiency and low-carbon technologies. The report also proposes £1 billion of capital funding over five years from 2028 to support around 80,000 businesses and generate an estimated £3.3 billion of lifetime cost savings. Targeted operational expenditure discounts should be considered for larger firms where electrification is technically feasible but the electricity-gas price ratio prevents a commercial return. Government should also develop a guarantee scheme for Corporate Power Purchase Agreements, using a capped contingent liability to widen access to long-term lower-cost power contracts.

2.2 Make it easier to create junior and entry-level jobs

Job creation is key to reducing youth unemployment

Businesses want to employ and train more young people, but the rising cost of employment is making it harder to create the junior and entry-level roles on which they disproportionately depend. Our [Opportunity in Every Postcode](#) report shows that the challenge is not simply about preparing young people for work; it is also about ensuring there are enough opportunities available to them¹⁰.

More than one million 16–24-year-olds are now outside education, employment or training, while vacancies have fallen to post-pandemic lows. Yet around seven in eight young people are either already working, in education or training, or actively seeking work. Weak job creation and increasingly cautious hiring are therefore restricting the routes into work on which young people disproportionately depend.

The challenge extends beyond young people. Junior and lower-paid roles also provide routes into work for returners, people moving from welfare, career changers and those progressing from part-time to full-time work. They are a critical part of the staffing model in sectors such as retail, hospitality, logistics, social care, food, universities and parts of manufacturing.

Employer NICs increased by 28% in 2025/26 and overtook Corporation Tax as the largest single source of business tax revenue. CBI evidence shows labour costs are now one of the strongest constraints on competitiveness, hiring and investment¹¹. Firms responding to higher Employer NICs have reported reducing new hires, absorbing costs in lower profit, cutting headcount, raising prices and reducing investment¹². That creates a direct tension with Government objectives to increase employment, reduce inactivity and lower welfare spending.

Principal ask: targeted Employer NICs relief for junior roles

Our research shows that tackling youth unemployment requires action on both the supply of and demand for labour¹³. Businesses want to create opportunities, but rising employment costs are making it harder to create the junior and entry-level roles on which young people disproportionately depend. The report therefore identifies reducing Employer NICs as an immediate priority for supporting job creation.

Government should use the Budget to reduce the marginal cost of creating junior and entry-level jobs. The report considers different routes for doing this, including a reduction in the headline rate, an increase in the secondary threshold and extension of existing age-based exemptions. Our preferred cross-economy starting point is to raise the Employer NICs secondary threshold by £1,000, from £5,000 to £6,000. This would target proportionately more support towards lower-paid and entry-level roles, while avoiding the deadweight and administrative complexity of age-specific relief and the risk of creating unintended incentives to recruit one age group over another. A £1,000 increase in the secondary threshold would cost between £3.6 and £3.9 billion annually. This would be followed by a roughly 41,000 increase in employment, and an annual GVA increase of £3.4 billion and a £0.8 billion increase in tax revenue. The additional tax revenue represents the dynamic revenue effect from stronger economic activity rather than a net improvement in the public finances.

The final design should be tested against three objectives: first, whether it materially changes the economics of creating additional roles; second, whether it is simple for employers and HMRC to administer; and third, whether the dynamic fiscal benefits from additional employment, progression and lower welfare spending are properly reflected alongside the static tax cost. Any change should take effect from the start of a tax year to avoid unnecessary payroll complexity from mid-year implementation.

A wider pro-employment compact

The same report also underlines that reducing employment costs needs to sit alongside wider reforms that make it easier for businesses to create and sustain employment, and help more people enter work, progress and remain in employment:

- **Workplace health:** make Employee Assistance Programmes fully tax-free, including family access and digital self-help tools, and remove the £500 cap and 28-day absence requirement for tax-free occupational-health referral treatment. Provisional CBI analysis puts the upfront fiscal cost at around £100 million per year, with the package becoming fiscally positive from year two through lower NHS and welfare costs and protected employment tax receipts.
- **Welfare cliff edges:** work with employers and DWP to identify and smooth cliff edges or interactions that can make increases in hours or earnings unattractive at every income level, including for Universal Credit recipients and working age parents earning £100,000 or more. The principle is that welfare reform should support progression into and through work rather than create sharp disincentives¹⁴.
- **Employment Rights Act:** re-establish meaningful tripartite engagement to reach workable implementation through secondary legislation. In particular, Government should adopt a 52-week initial reference period and a low-hours threshold of no more than eight hours for

guaranteed-hours provisions, reducing the risk that employers respond by restricting overtime or creating fewer entry-level roles.

- **Employment enforcement:** tackle employment tribunal backlogs through fundamental reform of workplace dispute resolution, including earlier assessment of claims, stronger case management and mechanisms that encourage earlier settlement, reducing record backlogs and providing faster resolution for employers and employees.
- **Minimum wage:** make any removal of differentiated youth rates conditional on a significant reduction in the NEET rate, and instruct the Low Pay Commission to align the long-term path of the National Living Wage, youth and apprentice rates with productivity growth in wage-floor-paying sectors.
- **Skills:** reform the Growth and Skills Levy to unlock more apprenticeship opportunities while protecting employers' ability to invest in adult training and progression, with greater budget transparency and a funding model that supports long-term employer investment.

Why this matters for the public finances

A more employment-rich growth model can improve the fiscal position through several channels: higher income tax and NICs receipts, lower out-of-work and in-work benefit expenditure where hours increase, lower long-term costs associated with economic inactivity, and higher productivity as people gain skills and progress. The Budget should therefore assess employment-cost measures using a dynamic framework rather than viewing Employer NICs solely as a revenue line.

2.3 Reform business rates and simplify tax

Business rates: sequence structural reform

Business rates increasingly penalise investment in the very places Government wants to regenerate. Improvements, refurbishment and expansion can raise rateable value and therefore tax liabilities. The current slab structure also creates cliff edges when properties cross thresholds. CBI survey evidence found that 32% of firms said business rates had played a major role in cancelled, reduced or delayed property investment, while many firms said they would reinvest a high proportion of savings from lower rates into productivity, automation, property and hiring¹⁵.

CBI analysis estimates that moving to a banded marginal system could increase business investment by around £682 million in the short term and £3.6 billion in the long term, before wider growth and tax effects¹⁶. However, with a static cost of around £5.2 billion, the CBI recognises that full immediate implementation may be challenging in the current fiscal environment¹⁷. A pragmatic and phased approach should therefore be adopted, using this Budget to introduce taper relief, at a cost of £210 million, that addresses the most damaging slab system cliff edges. At the same time, a clear roadmap that transitions business rates to a slice system should be published.¹⁸

Principal ask: begin the transition to a fairer business rates system

Government should use Budget 2026 to begin the transition towards a business rates system that no longer penalises investment or creates arbitrary cliff edges as businesses grow. The long-term destination should be a move from the current slab structure to a banded slice system, but given the fiscal cost of full reform, this should be delivered in a credible sequence over the remainder of the Parliament.

- Commit formally to slab-to-slice as the direction of travel for the Parliament, with a published implementation roadmap and timetable.
- Tackle the most damaging slab system cliff-edge effects now by introducing taper relief to smooth marginal tax rates at the £51k and £500k rateable value thresholds.
- Fix the multipliers rather than uprating them annually with CPI, protecting businesses from rising costs while improving planning certainty and investor confidence.
- Strengthen Improvement Relief so that businesses have a longer and more meaningful period in which productivity-enhancing improvements do not immediately raise tax bills.

- Review Empty Property Relief so that it supports regeneration and productive reuse rather than locking owners into short-term behaviours.
- Improve the transparency and predictability of valuations and multipliers, giving businesses greater ability to plan over a multi-year horizon.
- Review the revenue-neutrality constraint so that reform is not achieved simply by shifting the burden onto another group of firms.

Tax simplification as a growth policy

The level of tax matters, but so does the cost of navigating the system. Firms increasingly report that tax complexity and uncertainty, duplicated information requests, long-running enquiries and fragmented HMRC processes absorb management time and delay business decisions. The NAO estimates that businesses spend £15.4 billion each year complying with around 2,500 tax obligations¹⁹.

A collaborative Tax Simplification Policy Sprint with CBI, HM Treasury and HMRC would be a practical route to provide deliverable reforms in the most pressing areas:

- **Make HMRC systems work better for businesses:** urgently establish a cross-tax programme to resolve persistent payment allocation issues; digitalise Corporation Tax administration including group filing and CT61 processes; enable greater automation and integration with businesses' finance systems by rationalising complex tax adjustments including streamlining capital allowance categories.
- **Streamline compliance:** reduce excessive or duplicative information requests by strengthening the authority of Customer Compliance Managers; explore binding enquiry-closure windows; introduce a customer administration tracker showing ownership and progress of cases; and consolidate overlapping tax governance requirements.
- **Widen access to upfront tax certainty:** widen access to HMRC advance assurance and clearance mechanisms so more businesses can confirm the tax treatment of transactions before making investment and structural decisions; and speed up Advance Pricing Agreements. This should include reducing the project threshold for the Advanced Tax Certainty Service to £250m.
- **Reduce international tax compliance burdens:** strip out UK tax rules that do the same job as Pillar Two; and minimise unnecessary administrative burdens from international group transaction reporting.
- **Build a pathway to a simpler IR35 regime:** reduce complexity and uncertainty for businesses engaging service providers by developing a statutory safe harbour for genuinely self-employed providers, supported by an HMRC clearance mechanism and better tools for determining when contracted-out services fall outside the Off-Payroll Working rules.

Effective business engagement does make a difference – as seen in recent Government progress on increasing mileage allowances and reviewing UK and overseas subsistence rates and the decision to digitise VAT Option to Tax processes.

The Budget offers an opportunity to build on this momentum through a deeper partnership. The Government's ambition to reduce regulatory administrative burdens by 25% by the end of the Parliament excludes tax administration - we want to see business tax compliance costs put on a similar trajectory.

Further actions to support growth

Alongside the priority recommendations set out above, the CBI recommends that Government progress the following complementary reforms.

Recommendation	Action
Support SME energy investment	Launch a Business Energy Upgrade scheme combining trusted advice and finance for energy efficiency and low-carbon technologies.
Make electrification commercially viable	Introduce targeted electricity-price discounts where technically viable electrification investments cannot currently meet commercial return thresholds because of operating costs.
Expand Corporate PPAs	Introduce a Government-backed credit guarantee to widen business access to long-term Corporate Power Purchase Agreements.
Progress strategic low-carbon infrastructure	Build on existing commitments by progressing the Acorn Project in Scotland, deliver the Hydrogen Strategy and launch the first Hydrogen Transport and Storage Business Model competition and provide clarity on how the £500 million committed at the Spending Review 2025 will be deployed.
Review the ZEV Mandate	Reform trajectories and flexibilities for cars and vans to better reflect market conditions, with changes communicated before the end of 2026 and implemented for 2027.
Ensure sustainable higher education funding	Ensure the cumulative impact of employer NICs and the International Student Levy does not undermine the sustainable funding of the higher education sector.
Invest Levy receipts in skills	Commit 100% of Growth and Skills Levy receipts to skills and training, while uprating qualification funding bands to reflect delivery costs.
Use the Immigration Skills Charge for training	Reinvest Immigration Skills Charge receipts in non-apprenticeship training supported through the Growth and Skills Levy.
Give colleges multi-year certainty	Provide multi-year funding frameworks and a clear delivery plan for the already-announced £1.2bn of FE capital funding.
Restore North Sea fiscal certainty	Replace the Energy Profits Levy with the Oil and Gas Revenue Levy for accounting periods beginning on or after 1 January 2027.
Protect business-tax certainty	Maintain the Corporation Tax rate and protect Patent Box, R&D tax credits and full expensing without weakening other investment incentives.
Ensure fiscal devolution works for all places	Develop a fiscal-devolution settlement that gives places greater flexibility over existing revenues without proliferating new taxes and administrative burdens for businesses.

Chapter 3: Make Government delivery investable

The UK's challenge is often not a lack of strategies, but the gap between policy intent and execution. Across planning, energy, skills, trade, regulation and procurement, businesses repeatedly report that operational delivery is constraining investment. Delay is not neutral: it raises financing costs, weakens expected returns and, where businesses cannot secure a decision, can become commercially equivalent to refusal.

What businesses experience

Our engagement with more than 600 senior business leaders from over 400 companies across sectors and regions points to a recurring gap between policy ambition and businesses' experience of implementation. This is reinforced by a targeted, in-depth CBI survey of 58 firms with direct experience of Government delivery bodies, in which no respondent rated the organisation, team or system they had interacted with as working 'very effectively'. Common challenges include slow or inconsistent decision-making, capacity and capability constraints, duplication, unclear ownership and repeated hand-offs between organisations.

- **Planning and infrastructure:** statutory timelines are routinely missed, with capacity and capability gaps across local authorities and statutory consultees.
- **Energy transition:** investment is delayed by unclear sequencing, grid constraints and misalignment across departments and delivery bodies.
- **Trade and export processes:** businesses report that non-decision and opaque licensing can be commercially equivalent to refusal.
- **Regulation:** multiple regulators and departments can create duplicate requests, inconsistent interpretation and delayed approvals.
- **Procurement:** weak commercial capability and risk aversion can generate lengthy processes, over-escalation and contracts that fail to reflect market reality.
- **Post-approval drift:** projects can receive approval in principle but remain stuck while contracts, sign-offs and implementation arrangements fail to progress.

These are not simply administrative problems. For businesses deciding where and when to invest, the reliability of Government delivery affects expected returns and the price of risk. A predictable decision in six months can support an investable proposition; the same decision after an uncertain 18-month process may not. Improving delivery can therefore unlock investment without requiring significant additional fiscal support.

Principal ask: a Growth Delivery Framework

Government should establish a minimum operating standard for priority business-facing delivery systems. The objective is not another strategy or a wholesale machinery-of-government reorganisation. It is to create clearer expectations, ownership and accountability for the systems on which private investment depends. The framework should include, as a minimum, the following elements:

1. Time-bound service standards and SLAs

Set and publish realistic service standards or SLAs for priority processes, including planning and statutory consultation, export licensing, selected regulatory approvals, innovation funding, key HMRC services and other business-facing decisions. Performance against those standards should be reported transparently, with explanations and recovery plans where standards are consistently missed.

2. Named accountable owners

Assign a single accountable owner or case lead for complex cross-cutting decisions. Businesses should not be responsible for navigating institutional boundaries that Government itself has

created. Where several departments or agencies are involved, one senior responsible owner should be accountable for the overall outcome and for coordinating internal hand-offs.

3. Clear escalation routes

Create visible escalation routes for cases that exceed service standards or become stuck between bodies. Escalation should not require ministerial involvement in routine cases; empowered officials should have clear authority to resolve problems within defined risk parameters.

4. Stronger capability

Invest selectively in planning, regulatory, technical and commercial capability where shortages are demonstrably constraining investment. Expand secondments between industry and Government where they can strengthen commercial judgement and understanding of operational realities, while maintaining robust conflict-of-interest safeguards.

5. Parallel processing and fast-track routes

Move away from sequential processes where issues can be considered in parallel. Standard or lower-risk cases should have fast-track routes, with more intensive scrutiny reserved for genuinely complex or high-risk decisions. Procurement and approval systems should use the flexibilities available under the Procurement Act, including earlier market engagement and design development.

6. Funded delivery plans and fixed review cycles

Major policy announcements should be accompanied by funded delivery plans, named delivery owners, clear milestones and fixed review cycles. Multi-year funding settlements should be used where short annual cycles actively undermine delivery, particularly in skills, infrastructure and local Government capacity.

Pilot in 2026/27

The Budget should announce a 2026/27 pilot across a small number of high-impact business-facing departments, regulators and delivery bodies, overseen from the centre of Government through the Cabinet Office/No.10, working participating departments and agencies and designed with business. A joint CBI/Government task-and-finish group should define service standards, metrics and priority user journeys, with performance reported transparently and the model expanded where it demonstrably improves throughput, certainty and business experience.

Devolution must be matched by delivery capability

The same principles should apply to English devolution. Businesses will welcome moves that give mayors more predictable funding and greater freedom to support local job creation, investment and regeneration. But predictable funding and additional powers must be matched by delivery capability. Transferring responsibility without the capacity and operating disciplines to use it effectively risks simply transferring bottlenecks from Whitehall to places. Local and mayoral leaders therefore need stable multi-year settlements, stronger commercial and planning capability, clearer national-local responsibilities and effective interfaces with national agencies, utilities and public financial institutions.

Devolution across English regions should therefore be accompanied by the same minimum operating disciplines proposed above: clear service standards, accountable owners for cross-agency delivery, visible escalation routes, stronger technical and commercial capability, and funded delivery plans with fixed review cycles. Any new revenue-sharing model should reward genuine additional growth, provide meaningful local flexibility and maintain strong accountability, while avoiding additional complexity for taxpayers and employers operating PAYE. The proposal for councils to retain control of some income tax based on taxpayer address data that HMRC already has is a good start.

Places will also be better able to attract private capital where they can present credible, prioritised and repeatable investment pipelines backed by clear governance, delivery confidence, revenue models and explicit risk allocation. Government should support mayoral and local institutions to develop this capability through shared centres of expertise, investor forums, investment clinics and secondments from business, finance and public investment institutions. The CBI's forthcoming devolution work with EY can provide structured business input into this agenda, identifying the practical capability and institutional reforms needed to turn local growth plans into investable programmes.

Making Government delivery investable is therefore not primarily about creating new institutions or strategies. It is about making existing Government work more predictably: setting expectations, assigning responsibility, resolving blockages and building capability where it is needed. These are comparatively low-cost reforms that can improve the return on existing public spending while giving businesses greater confidence to commit private capital.

Further actions to support growth

Alongside the priority recommendations set out above, the CBI recommends that Government progress the following complementary reforms.

Recommendation	Action
Create a National Social Value Outcomes Framework	Replace inconsistent procurement scoring methodologies with common, auditable outcomes and KPIs, reducing bidding complexity while strengthening accountability for delivery.
Strengthen regulatory innovation capability	Provide sufficient resource to the Regulatory Innovation Office, support regulators adopting innovative approaches and expand the Regulators' Pioneer Fund.
Accelerate integrated mayoral settlements	Roll out integrated multi-year infrastructure settlements for Mayoral Strategic Authorities, supported by a single assurance framework and unified approvals process.

Chapter 4: Compete as an open economy

Domestic competitiveness and international openness are two sides of the same growth strategy. The UK will attract and retain investment if firms can access global markets, talent and capital while operating from a competitive domestic base.

Use the UK-EU reset to reduce practical costs

The EU remains the UK's largest trading partner. Businesses support continued progress on the UK-EU reset, including an ambitious Sanitary and Phytosanitary Agreement, linkage of the UK and EU Emissions Trading Schemes, and a mutually beneficial Youth Experience Scheme. For many firms, better enabling short-term business travel and mutual recognition where it is economically valuable are both priorities.

Looking forward, the UK Government should explore opportunities to reduce unnecessary regulatory friction with the EU. Regulatory cooperation and, where appropriate, alignment can reduce non-tariff barriers facing UK businesses. However, the objective should not be alignment for its own sake, but pragmatic cooperation where equivalent regulatory outcomes can be achieved with lower administrative cost.

Government should also work to ensure that UK firms remain treated as trusted partners in European supply chains and are not unintentionally excluded by 'Made in Europe' or origin requirements. In the context of building more resilient European supply chains, finding a mutually agreed solution on Rules of Origin for electrified vehicles remains critical.

Keep the UK open to capital and talent

Reindustrialisation requires openness. Advanced manufacturing, AI, life sciences, energy and other strategic sectors rely on internationally mobile investment and highly skilled people. A migration system can still retain control and be pro-growth if it allows firms to recruit skills that cannot be sourced domestically at the pace required while strengthening domestic training pipelines.

Deepen UK capital markets and investment

Well-functioning public equity markets are fundamental to a thriving, innovative economy. At their core, they connect businesses that need capital to invest, innovate and grow with savers seeking to share in the returns generated by that growth. They give companies access to capital at scale and provide a route through which ordinary savers – directly or through pensions and investment funds – can own a stake in the success of British businesses. Deep public markets therefore support the allocation of capital towards productive investment and help innovative companies turn ideas into commercially successful businesses, while allowing the wealth they create to be shared more widely. They should be viewed not simply as part of the UK's financial services sector, but as essential economic infrastructure supporting innovation, productivity and long-term growth.

Yet the UK's public equity markets have faced a slow but steady decline. Fewer companies are choosing to list in London, investment has shifted abroad and UK companies have increasingly become acquisition targets. If left unaddressed, this risks fewer domestic champions, weaker investor interest and a reduced ability to finance and retain homegrown high-growth companies.

Stamp Duty Reserve Tax (SDRT) and Stamp Duty on Shares compound this challenge. The UK's 0.5% transaction tax increases the cost of investing in UK equities and puts them at a structural disadvantage to competing markets where equivalent taxes are lower or do not apply. This undermines efforts to deepen UK capital markets and encourage institutional investors and individual savers to invest in British businesses.

The CBI welcomes the Government's three-year SDRT exemption for newly listed companies as an important first step. It should now set a longer-term ambition to remove SDRT and Stamp Duty on

Shares from UK-listed equities altogether, complementing wider capital-market reforms and strengthening the UK's attractiveness as a place to list, invest and scale.

Given the current fiscal context, we recognise that, at an estimated £4.3 billion a year, the static Exchequer cost is significant. However, the Budget should at a minimum set out a pathway towards reform, considering how it can be sequenced alongside wider capital-market measures and assessed against its potential. As a first step, excluding shares purchased within a stocks and shares ISA wrapper would have a limited cost while encouraging savers to invest more in the market and boosting their returns.

Maintain a competitive and predictable environment for investment

The UK's ability to attract internationally mobile capital depends on a competitive and predictable policy environment. Government should avoid further sector-specific taxation of financial services that would weaken the UK's position relative to competing financial centres. Any changes to taxes and allowances for capital investment and growth should support entrepreneurship and risk-taking and incentivise businesses to invest and scale in the UK. As Government considers the future ownership and control of public utilities, reforms should also maintain investor confidence and preserve routes for private capital to support the significant investment required in UK infrastructure.

Further actions to support growth

Alongside the priority recommendations set out above, the CBI recommends that Government progress the following complementary reforms.

Recommendation	Action
Strengthen UK trade promotion	Increase support for DBT trade missions and delegations to help UK firms enter new markets, build commercial relationships and secure contracts.
Invest in digital customs infrastructure	Accelerate digital customs infrastructure to reduce administrative delays and increase uptake of electronic trade documents.
Deliver the Single Trade Window	Continue digitisation of border processes and integrate them with the Single Trade Window to reduce cost and friction for traders.

Chapter 5: Mobilise investment for growth

In a fiscally constrained environment, the central question is not simply how much Government spends. It is how effectively public policy, public capital and public financial institutions mobilise larger flows of private investment into productive assets and places.

The infrastructure problem is investability, not a shortage of capital

The CBI and Browne Jacobson's [Pipeline to Progress: Making UK Infrastructure Investable](#) report reaches a simple conclusion: global capital is available, but it is not automatically deployable²⁰. The constraint is whether the UK can create investable propositions backed by stable pipelines, credible revenue models, clear risk allocation and predictable governance. Where pipelines are stop-start, requirements shift and risks are pushed onto parties that cannot control or bear them, capital becomes more expensive or stays on the sidelines.

This distinction is especially important for social and civic infrastructure. The UK has established models for parts of economic infrastructure, including regulated networks and Contracts for Difference, which have successfully mobilised private investment. But since the moratorium on new PFI projects in England in 2018, the UK has not developed a credible, scalable replacement model for mobilising long-term institutional capital into schools, hospitals, road, rail, community assets and neighbourhood regeneration. Over the same period, more than 1,000 PPPs have reached financial close globally, including in countries such as Canada, Australia and the United States.

Principal ask: publish a modern PPP roadmap

Government should publish an outcome-led proposition for the next generation of public-private partnerships within six months. This should explicitly state that PPPs are a delivery system for public outcomes, not a financing trick and not a return to historic PFI. The framework should be used selectively where lifecycle integration, disciplined risk allocation and long-term private capital can improve delivery and value.

- Publish a credible, long-term, sequenced pipeline that will build confidence for investors and delivery firms to mobilise people, skills and capital.
- Standardise a core legal and commercial architecture, with controlled sectoral and local tailoring rather than bespoke reinvention on every project.
- Use Procurement Act flexibilities, pre-development agreements, early contractor involvement and proof-of-concept stages to improve design maturity before price is fixed.
- Adopt a single risk principle: risk should sit with the party best able to control, bear or mitigate it. Unpriceable planning, political and policy risks should not be pushed to bidders simply to achieve an accounting objective.
- Build lifecycle stewardship into contracts, including maintenance, performance, transparent change control and handback standards. Do not include soft facilities management in contracts.
- Embed measurable social value and innovation outcomes where they can be priced and governed, particularly around skills, employment, regeneration and access to services.

Create a central PPP centre of excellence

HMT and the Cabinet Office, working with NISTA, should establish a central PPP delivery and legal centre of excellence. It should maintain standard templates, approve controlled derogations, support dispute resolution, retain institutional memory, provide specialist commercial support to departments and places, and report transparently on programme performance. This is critical because the public sector's loss of specialist commercial capability has been one of the causes of fragmentation and poor risk allocation.

Join up public financial institutions

The PPP framework should sit within a broader strategy for public financial institutions (PuFins). The National Wealth Fund, British Business Bank and other catalytic institutions should be aligned around the objective of productive investment, with clear roles across project development, guarantees, equity, debt and market creation. Public institutions should not crowd out private capital where markets can finance projects efficiently; they should intervene where public participation can reduce early risk, close viability gaps or create investable scale.

Government should better coordinate public financial institutions, NISTA, the Office for Investment and mayoral institutions, with clear roles from project development through to financial close. For businesses and investors, these bodies should operate as a coherent investment ecosystem, making it easier to navigate support, finance and delivery rather than adding complexity. As part of this, it should identify gaps in the UK's financing landscape and consider how public institutions can complement and unlock capacity across a diverse range of private and mutual providers. This approach should align with wider Government commitments, with Government setting out what action it will take to deliver its manifesto commitment to double the size of the cooperative and mutual sector, including supporting the sector's access to finance.

Enable blended finance and mixed models

Modern regeneration and housing programmes often require combinations of grant, land value capture, long-term institutional capital, commercial revenues and impact investment. Within six months, HMT should set out a framework for blended finance models that combines public and private capital according to the risks each is best placed to bear, with clear treatment of fiscal exposure and flexibility to refinance as projects mature. The objective should be to match financing structures to project risks and outcomes rather than force projects into a single model.

Make mayors drivers of investable place-based growth

Mayors and combined authorities should be central to mobilising place-based investment. Infrastructure, housing, transport, utilities, planning, energy and skills operate as one system in a place, but Whitehall often treats them as separate policy silos. Multi-year settlements and greater fiscal certainty can help mayors plan beyond short-term funding cycles and work with firms to back the infrastructure, skills and regeneration projects that unlock regional growth. But predictable funding must be matched by the capability to turn local growth plans into credible, prioritised and investment-ready pipelines, supported by clear governance, risk allocation, revenue models and delivery confidence.

- Build Mayoral Strategic Authority infrastructure programmes into NISTA's national pipeline.
- Move HMT progressively towards macro-level fiscal control - setting affordability envelopes, fiscal rules and risk parameters - while allowing capable, devolved authorities greater responsibility for project selection and phasing within those guardrails.
- Create a more standard devolution offer covering spatial planning, land, transport, housing and utilities coordination, with clear governance and reporting.
- Ensure Mayors have the right resources and skills capabilities to utilise existing powers in convening utilities, regulators and delivery agencies behind local growth priorities, helping ensure infrastructure is planned and delivered in the right order .
- Consolidate fragmented competitive capital funds into more flexible multi-year settlements where value for money can be protected through strong assurance.
- Support the Combined Authority Infrastructure Partnership and similar capability-building mechanisms, including private-sector secondments, to help places develop credible investment propositions.

Use early pilots to prove the model

Government should identify a small number of visible pilots in social, civic and regeneration infrastructure, including opportunities such as the Stadium Regeneration Accelerator, neighbourhood health and education clusters, and selected mayoral infrastructure programmes. The objective should be to demonstrate the new commercial architecture, measure outcomes and create confidence before scaling.

Public utilities: maintain investable frameworks

As Government considers greater public control in parts of the utilities sector, reforms must continue to support the significant private investment needed to upgrade networks and deliver future infrastructure. Greater public control and private capital are not inherently incompatible, but prolonged uncertainty over Government's objectives or the shape of future arrangements can weaken investor confidence and delay investment. The key test should be whether any new framework provides the certainty, transparency and predictable returns needed to attract long-term capital.

Government should therefore set out its objectives and intended direction clearly and engage closely with investors and operators as reforms develop. Any future model should maintain credible revenue arrangements, predictable regulation, transparent governance and clear accountability, avoiding changes that unnecessarily increase perceived risk, raise the cost of capital or delay nationally significant investment.

Further actions to support growth

Alongside the priority recommendations set out above, the CBI recommends that Government progress the following complementary reforms.

Recommendation	Action
Launch a Housing Growth and Investment Programme	Use an expanded and better-deployed National Housing Bank to combine loans, guarantees, equity and blended finance to crowd private capital into social and affordable housing.
Increase pension investment in UK equities	Improve disclosure of UK asset allocation and consult on options to increase DC pension investment in UK public equities while respecting trustees' fiduciary duties.
Position the UK as a leader in tokenised capital markets	Develop a coordinated HMT, FCA and Bank of England roadmap for tokenised public equities alongside implementation of the Digitisation Taskforce recommendations.

Chapter 6: Turn innovation into adoption and scale

The UK is strong at research, invention and early-stage innovation, but less consistent at converting those strengths into economy-wide productivity gains and globally scaled firms. AI is the clearest current example. The prize is not simply more AI companies but is also around higher productivity across services, manufacturing, logistics, retail, health, professional services and the public sector.

The scale and adoption challenge

The UK's research strengths are well understood, from its world-class universities to its leading start-up ecosystem. Yet the UK struggles to scale and retain these innovative firms, and to benefit from adoption of their innovation across businesses and public services. These are two sides of the same issue: innovative businesses need a supportive environment to invest and commercialise new products and services at scale, while accelerating adoption across businesses creates larger markets for innovation as well as driving productivity and growth.

Our recent innovation investment survey highlights the challenge. Fewer than half of businesses believe they are investing optimally in innovation, and over half believe the UK has become a less competitive location for innovation investment in recent years – both for developing and adopting innovation.

The Government's record public R&D investment, along with a more strategic approach to its deployment to deliver the Industrial Strategy, is very welcome. Maintaining this commitment will be essential to sustaining the UK's research strengths and providing the foundations of ideas, technologies and talent that underpin future growth.

Government should now work with investors, businesses, and across the innovation landscape to ensure more innovative firms locate their headquarters, R&D, intellectual property and advanced production in the UK as they scale. This would deliver real value to the UK economy and support regional growth, while also addressing the barriers that prevent businesses from adopting new technologies and approaches.

There is also growing cross-economy momentum behind this agenda. The CBI's recent report [The Adoption Decade](#) sets out how business and Government can work together to accelerate adoption across every sector and region.²¹ Trade associations representing all eight Industrial Strategy sectors have also come together to share good practice, identify common barriers to adoption and support delivery of the Government's sectoral AI Adoption Plans²². Together, these provide a strong foundation for deeper coordination between Government and business to move from sector-level activity to economy-wide delivery.

AI adoption is spreading, but too many firms remain at the experimentation stage. Smaller firms in particular face practical barriers: uncertainty about use cases and return on investment, fragmented support, regulatory questions, shortages of management and technical skills, and concerns about data, cyber security and infrastructure. Meanwhile, energy, connectivity and compute constraints can limit adoption and investment in precisely the technologies the UK wants to scale.

Principal ask: establish a Business AI Adoption Delivery Group

Government should establish a time-limited Business AI Adoption Delivery Group feeding into the Prime Minister's AI Adoption Taskforce so that public and private sector adoption reinforce one another. It should be convened with the CBI and other partners and sponsored by the Minister for AI, with a defined mandate to prioritise practical recommendations, align existing initiatives and oversee delivery through a shared roadmap and scorecard.

Immediate priorities

- **SME adoption support:** provide practical, sector-relevant support that helps firms move from experimentation to deployment, building on proven diffusion models and programmes such as Made Smarter rather than creating a new fragmented landscape.
- **A 'no wrong door' regulatory route:** create a trusted route through regulators and guidance so businesses can get clear answers on responsible deployment without navigating multiple bodies independently, giving firms the confidence to adopt and scale AI responsibly.
- **Infrastructure:** align AI adoption policy with investment in power, grid capacity, connectivity, data infrastructure and compute. Business adoption cannot be separated from the physical infrastructure required to run AI systems.
- **Skills:** establish a UK AI Literacy Standard, working with BSI to define a consistent baseline of the knowledge, skills and behaviours needed for safe and effective AI use across the workforce. This should sit alongside wider efforts to integrate practical AI capability across education, employment support and workforce retraining, with a focus on management capability as well as technical specialists, building both the skills and the confidence for workers to adopt AI well.
- **Measurement:** publish a shared adoption scorecard focused on diffusion across sectors, regions and firm sizes rather than only measuring frontier research or AI start-ups.

Help promising firms scale and remain in the UK

A continued focus on improving the environment for innovative firms to invest and grow in all regions of the UK should include: ensuring effective delivery of Mansion House reforms and public markets reform, continuing to grow the budgets and impact of the British Business Bank and National Wealth Fund, improving public procurement of innovation, driving clearer regulatory pathways with a commitment to expanded use of outcomes-based regulation, and providing greater tax certainty for entrepreneurs and investors.

Use procurement to create markets for innovation

Market demand is one of the strongest drivers of business innovation investment. The public sector's annual procurement spend is therefore a major but underused innovation lever. Government should continue to scale Contracts for Innovation and Commercial Innovation Hub approaches, use outcome-based procurement, reduce unnecessary risk aversion and create clearer routes from successful trials into repeat purchasing, helping innovative firms grow markets across the UK.

Connect AI adoption to reindustrialisation and place

AI adoption should reinforce, rather than bypass, the wider growth agenda. Advanced manufacturing, logistics, energy, construction and public infrastructure can all benefit from AI-enabled productivity improvements. Adoption support should therefore be available beyond the core technology sector and should use universities, Catapults, research centres and business networks as diffusion institutions.

Further actions to support growth

Alongside the priority recommendations set out above, the CBI recommends that Government progress the following complementary reforms.

Recommendation	Action
Create a UK AI Literacy Standard	Fund BIST and BSI to develop a common national baseline for the knowledge, skills and behaviours required for responsible workplace AI use.

Maintain public R&D investment	Protect foundational research funding, including QR and HEIF, alongside innovation programmes that directly support business growth.
Deliver technology-adoption programmes at pace	Accelerate delivery of expanded Made Smarter and BridgeAI programmes rather than creating additional overlapping initiatives.
Maintain British Business Bank capacity	Protect the Bank's expanded investment capacity to continue crowding private capital into ambitious UK start-ups and scale-ups.
Unlock data for innovation	Deliver the National Data Library and a workable copyright framework supporting AI development and adoption.
Expand R&D tax relief to capital investment	Extend R&D tax credits to qualifying capital expenditure so innovative firms receive stronger incentives to locate long-term projects and facilities in the UK.
Fix the R&D tax relief system	Expand advance assurance, streamline notification requirements and review the R&D-intensity threshold for loss-making medium-sized businesses.
Help innovative businesses reward talent	Strengthen EMI and employee share-ownership incentives so high-growth firms can attract and retain specialist talent.
Modernise EIS and VCT support	Update investment incentives and eligibility and develop a Growth VCT route for businesses moving from start-up to scale-up.
Support SME IP commercialisation	Explore a dedicated tax incentive for smaller innovative businesses that cannot readily access Patent Box.

Chapter 7: A new partnership for growth

None of the reforms in this submission can be delivered by Government acting alone. A business-led growth strategy does not mean the state stepping back. It means Government focusing on the conditions, institutions and partnerships that allow firms to invest, hire, innovate, export, scale and deliver national priorities.

Move from consultation to co-creation

The CBI's experience is that policy outcomes improve when business is involved early enough to shape the problem, test emerging options and identify implementation risks. Consultation after the central design choices have been made is less valuable. Co-creation requires Government to share emerging thinking, define the outcome it is trying to achieve and use business expertise to test trade-offs before positions harden.

Evidence that partnership can work

The Defence and Economic Growth Taskforce provides a strong example²³. The CBI, Oliver Wyman, ADS and PA Consulting worked with HMT and the Ministry of Defence to convene leaders from defence and financial services. Early sharing of draft material, co-created agendas and strong ministerial and official ownership helped build recommendations with credibility across both Government and industry.

There are other examples. Meaningful tripartite engagement helped secure a more workable compromise on elements of the Employment Rights Act. CBI engagement has supported practical thinking on 'Made in Europe' and integrated supply chains. The Industrial Strategy roadshow has created a direct route for Government to hear directly from firms in places²⁴. The proposed Tax Simplification Policy Sprint provides a mechanism through which HMT, HMRC and businesses can work through operational problems in detail²⁵.

The CBI offer for 2026/27

1. Business AI Adoption Delivery Group

Convene business, workers and civil society, together with technology providers and regulators, around a time-limited delivery programme with a shared roadmap and scorecard.

2. Tax simplification delivery partnership

Use the 2026 Tax Simplification Policy Sprint to identify priority reforms and inform a business-focused direction of travel at the Budget. The CBI would then work with HMT and HMRC through 2027 to develop and test reforms with businesses, with progress and delivery milestones tracked through a live Tax Simplification Delivery Dashboard aligned with the Corporate Tax and HMRC Transformation Roadmaps.

3. CBI/EY UK Investable Places Taskforce

Through the CBI's proposed collaboration with EY, establish a time-bound UK Investable Places Taskforce to bring together Government, business, investors and place leaders to consider how devolved places can become genuinely investable. The Taskforce would address fragmented opportunities, inconsistent investment propositions and limited dialogue between business and devolved Government by developing practical, deliverable recommendations focused on investment readiness, Devolution 2.0 and the future of place-based growth.

4. PPP and private capital partnership

Use the CBI and Browne Jacobson's Pipeline to Progress work as the basis for a joint HMT-Cabinet Office-NISTA-business programme to test standard contracts, risk allocation, public financial institution roles and early pilots.

5. B20 and international business engagement

Use the UK's role in international business forums, including CBI leadership of the B20 next year, to strengthen the link between domestic growth priorities and global capital, supply chains, standards and investment. The CBI can mobilise members and international sister organisations to support this agenda.

What business needs from Government

Partnership must be reciprocal. The CBI and its members will invest time, data, technical expertise and senior leadership. In return, Government should:

- Provide senior ministerial sponsorship where cross-government trade-offs need to be resolved.
- Make relevant officials available consistently enough for taskforces and sprints to reach decisions, rather than restarting engagement at each meeting.
- Share emerging proposals early enough for business input to affect design.
- Set clear outcomes, decision points and timescales for co-creation exercises.
- Close the loop by explaining which recommendations are accepted, rejected or require further work, and why.
- Where proposals are agreed, move rapidly into implementation and publish progress.

The partnership compact

The proposition is straightforward. Government provides stability, lower unnecessary costs, faster delivery, investable frameworks and a willingness to co-create. Business responds by investing, creating jobs, training people, adopting technology, strengthening resilience and helping to deliver national priorities. This is the operating partnership required to turn reindustrialisation, regeneration and place from political ambitions into economic outcomes.

Conclusion: from stability to renewal

The UK has many of the assets it needs to grow: deep capital markets, strong institutions, world-class universities, innovative firms and globally competitive sectors. The central problem is that those strengths are not translating consistently enough into private investment, productivity and rising living standards.

This Autumn Budget should therefore focus on delivery, taking the next steps in the Government's growth strategy by building on the foundations of stability to drive forward momentum. That means restoring business competitiveness by tackling electricity and employment costs; making Government delivery faster and more accountable; keeping the UK open to trade, capital and talent; mobilising private finance behind infrastructure and places; and turning innovation into adoption at scale.

Reindustrialisation, regeneration and place provide a clear political destination for this agenda. But each depends on the same economic operating model: businesses with enough financial headroom to invest and hire; Government systems capable of making and implementing decisions; and a partnership between public and private institutions that turns capital and ambition into delivered outcomes. A credible, actionable strategy to raise growth and place public debt on a sustainable path would strengthen investor confidence, helping to lower gilt yields and, over time, reduce both Government debt-servicing costs and financing costs for businesses.

Businesses do not experience labour costs, energy prices, regulation and taxation separately. They experience them together, through their cumulative effect on the same balance sheet. Equally, businesses do not experience planning, infrastructure, skills, devolution and finance as separate Whitehall portfolios. They experience them as the conditions that determine whether an investment can proceed. If Government wants businesses to invest more, it should assess policy in the same integrated way.

The CBI's Budget test is therefore simple: does each decision make it easier for firms to invest, hire, innovate and grow across the UK? A Budget that consistently passes that test can turn stability into renewal and create the stronger private sector economy needed to raise living standards and sustainably fund public services.

Annex: summary of recommended Budget actions

The CBI's six priority recommendations are supported by a wider package of targeted reforms to improve competitiveness, employment, investment and productivity. The table below summarises the recommendations set out in this submission and complementary actions that Government should progress through the Autumn Budget and subsequent policy programme.

Recommendation	Timing / delivery	Indicative fiscal impact	Supports
Cut business electricity costs. Remove RO and FIT costs from all non-domestic electricity bills and set the CCL rate on electricity to zero.	From April 2027	c.£5.4bn static cost p.a. on average, 2027/28-2030/31. Between 2027/28 and 2030/31, CBI and Energy UK modelling (which assumes the static cost is covered through general taxation) estimates that the combined package could support: - £7.3 billion of additional economic activity - £4.2 billion of additional private sector investment - £2.7 billion of additional tax revenue²⁶. The additional tax revenue represents the dynamic revenue effect from stronger economic activity.	Reindustrialisation
Launch a Business Energy Upgrade scheme. Provide SMEs with trusted advice and finance for energy efficiency and low-carbon technologies.	Five-year programme	£1bn capital over five years	Reindustrialisation; Regeneration

Support business electrification. Introduce targeted electricity-price discounts where viable electrification investments cannot meet commercial return thresholds because of operating costs.	Scheme to be developed	Subject to design	Reindustrialisation
Expand Corporate PPAs. Introduce a Government-backed credit guarantee to widen access to long-term renewable power contracts.	Five-year programme	£300m over five years	Reindustrialisation
Reduce wider electricity-system costs. Use energy-market reform, network investment and flexibility to reduce balancing costs.	Ongoing	Dependent on individual measures	Reindustrialisation
Progress the Acorn Project in Scotland. Build on the £200m committed through the 2025 Spending Review.	2026/27 onwards	Existing commitment / further requirements subject to delivery	Reindustrialisation; Place
Deliver the Hydrogen Strategy. Make further progress on implementation.	Ongoing	Subject to implementation	Reindustrialisation; Place
Launch the first Hydrogen Transport and Storage Business Model competition and provide clarity on how the £500 million committed at the Spending Review 2025 will be deployed.	Ongoing	Existing commitment / further requirements subject to delivery	Reindustrialisation; Place
Review the ZEV Mandate. Reform trajectories and flexibilities for cars and vans to reflect market conditions.	Changes clear by end-2026; in force for 2027	No direct fiscal cost identified	Reindustrialisation
Restore North Sea fiscal certainty. Replace the EPL with the OGRL.	From accounting periods beginning 1 January 2027	Longlist describes as fiscally neutral once EPL ceases	Reindustrialisation; Place
Reduce the cost of creating junior and entry-level jobs. Reduce Employer NICs, using a £1,000 increase in the secondary threshold as the preferred starting point.	From 1 April 2027	£3.6 – 3.9 billion static cost p.a. This would support:	Reindustrialisation; Regeneration; Place

		- c. 41,000 increase in employment - Annual GVA increase of £3.4 billion - Annual £0.8 billion increase in tax revenue The additional tax revenue represents the dynamic revenue effect from stronger economic activity rather than a net improvement in the public finances.	
Invest in preventative workplace health. Expand non-taxable employer-funded health support.	Budget 2026 / subsequent legislation	Package dependent	Regeneration; Place
Smooth cliff edges. Address sharp cliff edges in the welfare system that discourage increases in hours or earnings.	Policy development	Subject to design	Regeneration; Place
Secure workable ERA implementation. Re-establish tripartite engagement and secure workable guaranteed-hours provisions.	Secondary legislation	No material direct cost identified	Reindustrialisation; Regeneration
Strengthen employment enforcement. Reform workplace dispute resolution and reduce Employment Tribunal backlogs.	Employment Tribunal Taskforce	Subject to implementation	Regeneration
Maintain youth minimum-wage rates. Make removal conditional on a significant reduction in the youth NEET rate.	Future LPC remits	No direct cost	Regeneration; Place
Keep wage floors affordable. Align the long-term pathway with	Future LPC remits	No direct cost	Reindustrialisation; Regeneration

productivity in wage-floor-paying sectors.			
Unlock the Growth and Skills Levy. Commit 100% of Levy receipts to skills and training.	Spending/funding decisions	Within Levy receipts	Reindustrialisation; Regeneration; Place
Uprate qualification funding bands. Reflect inflation and changing delivery costs.	Annual funding decisions	Potentially within Levy receipts	Reindustrialisation; Place
Use the Immigration Skills Charge for training. Reinvest receipts in non-apprenticeship training.	Funding allocation	Reallocation of receipts	Reindustrialisation; Place
Give colleges multi-year certainty. Provide a multi-year framework and delivery plan for announced FE capital.	Multi-year settlement	£1.2bn already committed	Reindustrialisation; Regeneration; Place
Ensure higher education is sustainably funded. Address the cumulative impact of employer NICs and the International Student Levy.	Budget/spending decisions	Not yet costed	Reindustrialisation; Place
Sequence business-rates reform. Commit to slab-to-slice while tackling the most damaging cliff edges and strengthening investment incentives.	First stage Budget 2026; reform over Parliament	Full reform c.£5.2bn static cost CBI analysis estimates that moving to a banded marginal system could increase business investment by around £682 million in the short term and £3.6 billion in the long term, before wider growth and tax effects ²⁷	Regeneration; Place
Introduce business-rates taper relief. Smooth marginal liabilities at thresholds.	Budget 2026	£210m in 2027/28	Regeneration; Place
Delink multipliers from inflation. Fix multipliers	From 2027/28	£702m in 2027/28	Regeneration

rather than automatically increasing them with CPI.			
Strengthen Improvement Relief. Remove the same-occupier requirement and extend relief from one to three years.	Budget 2026	£153.1m p.a.	Regeneration; Place
Modernise business-rates valuations. Reduce the AVD gap to 12 months.	2027/28	Administrative	Regeneration
Improve Empty Property Relief. Assess longer relief and/or an English equivalent of Fresh Start Relief.	Impact assessment / reform	Options £1.9-2.5bn p.a.	Regeneration; Place
Reduce tax administration by 25%. Put business tax compliance costs on the same reduction trajectory as regulatory burdens.	By end of Parliament	No direct fiscal cost identified	Reindustrialisation; Regeneration
Simplify IR35. Develop a statutory safe harbour and HMRC clearance mechanism.	Tax simplification programme	No direct fiscal cost identified	Reindustrialisation
Protect business-tax certainty. Maintain Corporation Tax red lines, key investment incentives and widen upfront tax certainty.	Throughout Parliament	No new commitment	Reindustrialisation
Ensure fiscal devolution works for all. Give places greater flexibility over existing revenues without creating additional business-tax complexity.	Devolution programme	Primarily revenue allocation	Place; Regeneration
Make Government delivery investable. Pilot the Growth Delivery Framework across priority business-facing bodies.	Pilot in 2026/27	Comparatively low direct cost	Reindustrialisation; Regeneration; Place
Create a National Social Value Outcomes Framework. Establish common, auditable outcomes and KPIs.	Procurement reform	No material direct cost	Regeneration; Place

Strengthen regulatory innovation capability. Resource the RIO and expand support for regulatory innovation.	Spending/delivery decisions	Subject to funding	Reindustrialisation
Accelerate integrated mayoral settlements. Roll out multi-year infrastructure settlements with unified assurance and approvals.	Devolution programme	Primarily allocation of agreed budgets	Regeneration; Place
Strengthen investable-place capability. Improve mayoral investment strategies, commercial capability and risk-sharing mechanisms.	Devolution/investment programme	Limited direct cost	Regeneration; Place
Strengthen UK trade promotion. Increase support for DBT trade missions and delegations.	Budget/departmental spending	New funding or reprioritisation	Reindustrialisation
Invest in digital customs infrastructure. Reduce delays and accelerate electronic trade documents.	Delivery programme	Subject to funding model	Reindustrialisation
Deliver the Single Trade Window. Continue border digitisation and integration.	Existing border programme	Potentially existing budgets	Reindustrialisation
Remove transaction-tax barriers to UK equities. Set pathway towards removing SDRT and Stamp Duty on Shares from transactions in UK-listed equities.	Phased capital-markets reform.	£4.3bn p.a. for full implementation Given the fiscal cost, the Government could consider as a first step excluding shares purchased within a stocks and shares ISA wrapper. This would have a limited cost while encouraging savers to invest more in the market and boosting their returns.	Reindustrialisation

Mobilise private capital through a modern PPP framework. Publish a roadmap, create a centre of excellence, join up PuFins and identify pilots.	Roadmap within six months	Framework limited direct cost; projects separately appraised	Regeneration; Place; Reindustrialisation
Establish a Housing Growth and Investment Programme. Use the National Housing Bank to crowd private capital into social and affordable housing.	Programme development	Not yet costed	Regeneration; Place
Create a blended-finance framework. Clarify how public and private capital can be combined according to risk.	Within six months	Limited direct cost	Regeneration; Place
Increase DC pension investment in UK equities. Improve disclosure and consider options to increase UK allocations.	Pensions/regulatory programme	No material direct cost	Reindustrialisation
Position the UK as a leader in tokenised capital markets. Develop a coordinated regulatory roadmap.	Capital-markets programme	Subject to implementation	Reindustrialisation
Turn AI strengths into economy-wide productivity. Establish a Business AI Adoption Delivery Group.	2026/27	Limited direct cost	Reindustrialisation; Regeneration; Place
Create a UK AI Literacy Standard. Establish a common baseline for responsible workplace AI use.	First iteration in 9-12 months	c.£200k one-off	Reindustrialisation; Regeneration
Use procurement to scale innovation. Embed Contracts for Innovation and expand successful Commercial Innovation Hub trials.	Procurement reform	Primarily existing budgets	Reindustrialisation; Regeneration
Maintain public R&D investment. Protect QR, HEIF and innovation funding supporting business growth.	Spending settlements	Existing/future commitments	Reindustrialisation; Place

Deliver technology-adoption programmes at pace. Accelerate Made Smarter and BridgeAI.	Ongoing	Existing commitments	Reindustrialisation; Place
Maintain British Business Bank capacity. Continue crowding private capital into start-ups and scale-ups.	Ongoing	Existing commitment	Reindustrialisation; Place
Unlock data for innovation. Deliver the National Data Library and a workable copyright framework.	Policy/delivery programme	Subject to implementation	Reindustrialisation
Expand R&D tax credits to capital expenditure. Support qualifying R&D-related capital investment.	Tax legislation	£852m p.a.	Reindustrialisation; Place
Fix the R&D support system. Expand advance assurance and streamline notification requirements.	Tax reform	Not separately costed	Reindustrialisation
Help innovative businesses reward talent. Strengthen EMI and employee share-ownership incentives.	Tax legislation	Mostly limited; some elements uncosted	Reindustrialisation
Modernise EIS and VCT support. Strengthen incentives and create a Growth VCT route.	Tax legislation	Some measures c.£76–80m; Growth VCT uncosted	Reindustrialisation; Place
Support SME IP commercialisation. Explore a dedicated incentive for smaller innovative firms.	Policy development	Minimal cost for initial review	Reindustrialisation; Place

References / Methodologies

- ¹ CBI (2026), *Business tax contribution*, available from: [Business tax contribution 2025/26 | CBI](#)
- ² CBI (2026), *Chief Economist's briefing: the rising cost of UK employment*, available from: [Chief Economist's briefing: the rising cost of UK employment | CBI](#)
- ³ CBI Economic Forecast, June 2026. The forecast expects business investment to contract through much of the forecast period and highlights the UK's continued relative underperformance on business investment compared with other G7 economies.
- ⁴ CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ⁵ CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ⁶ CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ⁷ CBI and Energy UK modelling estimates that between 2027/28 and 2030/31 the combined package could support £7.3 billion of additional real GDP, £4.2 billion of additional private-sector investment and £2.7 billion of additional tax revenue. CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ⁸ The combined package is estimated to reduce electricity prices by around £40-45/MWh in 2027/28 for most companies, reducing electricity costs by around 12-20% and total energy costs by around 7-20% across the business archetypes analysed. CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ⁹ Over the period to 2050, the modelling estimates cumulative increases of around £130 billion in real GDP, £32 billion in private-sector investment and £60 billion in tax revenue. CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)
- ¹⁰ CBI (2026), *Opportunity in every postcode: Ensuring young people have options, wherever they live*, available from: [Youth employment in the UK: opportunity in every postcode | CBI](#)
- ¹¹ CBI and Pertemps Network (2026), *At what cost? Jobs and growth in a stalling labour market – The 2025 CBI/Pertemps Employment Trends Survey*, available from: [cbi-pertemps-ets-2025-report.pdf](#)
- ¹² CBI and Pertemps Network (2026), *At what cost? Jobs and growth in a stalling labour market – The 2025 CBI/Pertemps Employment Trends Survey*, available from: [cbi-pertemps-ets-2025-report.pdf](#)
- ¹³ CBI (2026), *Opportunity in every postcode: Ensuring young people have options, wherever they live*, available from: [Youth employment in the UK: opportunity in every postcode | CBI](#)
- ¹⁴ Case studies illustrating the impact of Universal Credit cliff edges are available upon request
- ¹⁵ CBI (2026), *Business rates system a major barrier to UK investment and competitiveness*, available from: [Business rates system a major barrier to UK investment and competitiveness | CBI](#)
- ¹⁶ Using ONS data on [business profits](#) (Profitability of UK companies time series - Office for National Statistics) and [investment](#) (Business investment by industry and asset - Office for National Statistics), and [research](#) linking higher corporate profits to increased investment ([Econometric Modelling of UK Aggregate Investment: The Role of Profits and Uncertainty](#)), we estimate a post-tax increase in business investment of £661 million in the short term and £3.5 billion in the long term.
- ¹⁷ The estimated £5.2bn Exchequer cost of moving from a slab to a slice system reflects forgone business rates revenue under a model where each property faces a lower liability than under the current regime. The model applies a 43.0p RHL multiplier, a 48.0p non-RHL multiplier for properties with rateable values between £12,001 and £499,999, and a 50.8p multiplier for properties with rateable values of £500,000 and above.
- ¹⁸ Cushman & Wakefield estimate that introducing taper relief, modelled on Small Business Rates Relief, would cost £210 million. For both RHL and non-RHL properties, relief would taper from 100% to 0% between rateable values of £51,000 and £63,750 for the small-to-standard multiplier transition, and between £500,000 and £625,000 for the standard-to-higher multiplier transition.
- ¹⁹ National Audit Office (2025), *The administrative cost of the tax system*, available from: [The administrative cost of the tax system](#)
- ²⁰ CBI and Browne Jacobson (2026), *Pipeline to progress: making UK infrastructure investable*, available from: [Pipeline to progress: making UK infrastructure investable](#)

²¹ CBI (2026), *The Adoption Decade: Closing the execution divide and making AI work for Britain*, available at <https://www.cbi.org.uk/articles/the-adoption-decade-making-ai-work-for-britain/>

²² The AI Adoption Coalition brings together trade associations representing all eight Industrial Strategy sectors to share knowledge and good practice, identify common barriers and practical solutions, and work with Government to support delivery of sectoral AI Adoption Plans. techUK (2026), *UK industries unite to accelerate AI adoption*, available from: [UK industries unite to accelerate AI adoption](#)

²³ The Defence and Economic Growth Taskforce brought together senior leaders from defence and financial services, alongside Government, to identify how increased defence spending could strengthen UK capability, unlock private investment and support economic growth. CBI (2025), *CBI establishes taskforce to ensure defence spending drives economic growth*, available from: [CBI establishes taskforce to ensure defence spending drives economic growth - April 2025](#)

²⁴ CBI (2026), *Industrial Strategy Roadshow*, available from: [Industrial Strategy Roadshow](#)

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²⁶ CBI and Energy UK modelling estimates that between 2027/28 and 2030/31 the combined package could support £7.3 billion of additional real GDP, £4.2 billion of additional private-sector investment and £2.7 billion of additional tax revenue. CBI and Energy UK (2026), *Cutting business energy costs: A blueprint to boost growth*, available from: [cutting-business-energy-costs-a-blueprint-to-boost-growth.pdf](#)

²⁷ Using ONS data on [business profits](#) ([Profitability of UK companies time series - Office for National Statistics](#)) and [investment](#) ([Business investment by industry and asset - Office for National Statistics](#)), and [research](#) linking higher corporate profits to increased investment ([Econometric Modelling of UK Aggregate Investment: The Role of Profits and Uncertainty](#)), we estimate a post-tax increase in business investment of £661 million in the short term and £3.5 billion in the long term.