



Aberdeen &  
Grampian  
Chamber of  
Commerce

# 2024 General Election

## Business priorities manifesto

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Energising the nation's economy

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**Welcome to the Chamber's 2024 General Election Manifesto which reflects what our business community needs from the next UK Government working in partnership - we hope - with Holyrood and our local authorities.**

If you are a candidate or a representative of any of the political parties contesting the five seats in our region, we ask you to build the principles and priorities on the following pages into your own regional manifestos and, should you be successful, ensure that the voice of the North-east is heard loud and clear at Westminster.

If you are a resident of the region, please amplify our messages and ensure these are the topics being discussed on doorsteps from Durris to Dyce, Daviot to Drumlithie and from the Dee to the Don.

**Aberdeen & Grampian Chamber of Commerce represents 1,300 businesses of every size, from a range of sectors and from all corners of the North-east of Scotland, collectively employing over 100,000 people.**

We are the biggest Chamber by membership in Scotland and among the most active and influential in the UK. We pride ourselves on being a campaigning organisation, taking time to listen to the challenges faced by our members, formulating the solutions to address these and lobbying vigorously on their behalf to deliver change.

Aberdeen has been Europe's oil and gas capital for over half a century. We have anchored an innovative and enterprising supply chain in our region for decades, which has in turn driven the UK economy and allowed us to export expertise and cutting-edge technology right across the world.

The onset of a changing world is the most exciting opportunity facing Aberdeen since we struck North Sea oil. But only with the right support in place from government can we ensure that businesses are enabled to thrive and our region reaps the full benefits of sustainable economic growth and the creation of high value jobs.

While this General Election has come around a little sooner than expected, it represents a golden chance to remind all politicians, of all parties, at all levels of government of our priorities for change.

We stand a far greater chance of success by working in partnership and that approach will guide our efforts over the coming weeks and as we push for delivery by the next UK Government.

Aberdeen & Grampian should be the place to do business: a thriving community of innovators, entrepreneurs and global companies who can drive our country's success.

Aberdeen & Grampian should be the net zero capital of Europe: turning the firepower of our energy sector and its brightest minds to the task of transition.

Aberdeen & Grampian should be a city region we are proud to call home: a diverse network of bustling communities, our arms wide open to people and investment, with our world class products and services exported to every corner of the globe.

Aberdeen & Grampian should be connected to the world: with transport infrastructure fit for the future and providing the firm foundations upon which our region can flourish.

If the only constant in this world is change then let's ensure, by working together, that it's change for the better.



**Russell Borthwick**  
*Chief Executive,*  
Aberdeen & Grampian  
Chamber of Commerce

# Aberdeen and Grampian: the place to do business

## TAX

Businesses cannot thrive if the pressures of taxation are out of all proportion and penalise profitability and success. We could turbocharge our key industries by setting a globally competitive 15% rate of corporation tax, sending a strong signal that the UK is open for business.

The Scottish public is increasingly unconvinced that personal taxation represents good value for the public services received in return. AGCC firmly believes that income tax rates should be reduced and the number of bands simplified to ensure that Scotland is an attractive place to work.

Below inflation increases to the VAT registration threshold to £90,000 hampers small businesses. In line with inflation, it should have been raised to £110,000 this year. Recognising that small businesses are the lifeblood of our local economy, the government should go further and raise the VAT registration threshold to a rate of £150,000, with automatic inflation increases annually thereafter.

Non-domestic rates continue to be a burden for our members and put companies with the requirement for premises at a huge disadvantage. The government should undertake a holistic review of business taxation. The scope of this review should consider fairer alternatives, including online sales taxes.

## WORKFORCE

The availability of people and skills is a major challenge. Scotland faces an acute labour shortage, with skills gaps in key sectors. We should tackle this by introducing flexible incentives for firms investing in staff training.

Government should support firms in bringing young people into the workforce with targeted funding and employability schemes.

Investing in a healthy workforce helps retain workers. We should allow employers who offer occupational health benefits to offset investment against tax on their revenues.

AGCC rejects the idea that tightening or restricting the flow of human capital further is sensible public policy. We want thoughtful immigration policy based on Scotland's needs. The government should provide more flexibility on visa routes to work in the UK, allowing employers to draw talent from across the world.

Part of the solution to our workforce challenges is ensuring that women are better supported. Closing the gender pay gap in Scotland would add around £15billion to our economy. Crucial to that is enabling mothers to work at their capacity. This should be seen as a priority with funding for childcare to help more parents stay in, or return to, work - something which has been under pressure in this region.

## HIGHER EDUCATION

International student numbers have fallen dramatically because of recent UK decisions, threatening the financial footing of our universities to support teaching and research.

The next UK Government should reverse the decision to end dependants' visas for most international students, which has had a significant impact.

The graduate route visa should be protected and improved further by extending the length of the visa from two to five years, giving more flexibility for graduates to secure employment and build their careers and lives in this country.

The next government should also ensure that sustainable funding is put in place to ensure that universities and colleges continue to be globally competitive in terms of innovation, research and teaching.





# Aberdeen and Grampian: net zero capital of Europe

## **RESTORE CONFIDENCE**

Confidence in the North Sea has plunged to an all-time low and more companies will exit the sector if that is not resolved urgently. The current Energy Profits Levy has destabilised investor confidence. An extension would be catastrophic for jobs, tax revenues and energy security. AGCC believes the next government has 100 days after the election to prove the UKCS remains a viable and investible basin. That should start with complete removal of the Energy Profits Levy which is no longer relevant or fit for purpose.

Failing its complete removal, the industry requires several measures to restore confidence. The next UK Government should at least protect existing investment allowances to ensure reliable support going forward and ensure the Energy Security Investment Mechanism (ESIM) is properly inflation adjusted.

## **ACCELERATE THE TRANSITION**

Many North Sea operators are the same firms investing in major renewables projects. The next UK Government could introduce a new allowance for firms to offset their profits against investment in clean energy projects.

Renewables activity in the UK appears to be growing too slowly. We need projects to be consented at pace, grid bottlenecks removed, planning streamlined and projects prioritised based on their readiness to deliver.

The appetite to invest in renewables and low carbon technology is there, we just

need to unlock it. This should start with further tax incentives to encourage firms to diversify.

Scotland stands ready to benefit from major projects in CCUS. The government must take swift action to deploy CCUS funding to ensure the UK does not fall behind.

## **INDEPENDENT POLICY BODY**

Right now, the North Sea oil and gas industry is at risk of being wound down prematurely. A new body, entirely independent of government, should be established to set a strategic policy direction for the next 40 years.

## **INDUSTRIAL STRATEGY**

The next government should build on the industry's recently published industrial growth strategy, including tax credits for firms of all sizes to invest in R&D, and fiscal incentives to boost OEMs to build manufacturing capacity.

The UK should double down on the industrial strength Aberdeen and Grampian has to offer. We want to see the lion's share of DESNZ jobs in an Aberdeen headquarters, proximate to other agencies, operators and the supply chain powering the North Sea.

As funding for the Aberdeen City Region Deal draws to a close, we need a joined up, place-based industrial strategy which reflects Aberdeen and Grampian's ongoing strategic importance to national economic success building on existing initiatives including NE Investment Zone, Just Transition Fund and Offshore Wind Supply Chain Fund.

Should Labour win the keys to Number 10 we expect them to work with the energy sector to co-design GB Energy. Whatever its shape, it should be headquartered in Aberdeen with the bulk of its workforce here.

We also believe that personnel from other major UK government departments should be based in a new civil service hub in Aberdeen city centre representing Treasury, Business and Trade, Skills and other key departments.

## **INVESTMENT IN PORT INFRASTRUCTURE**

Scotland's main east coast ports – Aberdeen, Peterhead, Fraserburgh and Montrose – are primed to capitalise on offshore wind. These ports should benefit from targeted government support to ensure that the lion's share of related work remains in the UK.

## **ENERGY WORKFORCE**

Skills shortages must also be addressed. Our research shows that companies are losing more people than usual to overseas and early retirement. And that the future pipeline is drying up as young people do not see energy as an attractive career choice. We need an all-through skills strategy to ensure that we continue to produce engineers, geologists and the wide range of other job types needed by our world class energy companies.



# Aberdeen and Grampian: a city region to be proud of

## **REINVENTING OUR TOWNS AND CITY CENTRE**

Aberdeen & Grampian Chamber of Commerce is proud to play a leading role in funding and delivering the community-led effort to regenerate, repopulate and reinvigorate our city centre, through the Our Union Street initiative and other activities. OUS has put together one of the best packages of incentives available anywhere in the UK to attract new businesses to our city. As those efforts start to bear fruit, we want the next UK Government to continue to back our vision for the city and work with us on continued strategic place-based investments to see our city centre and towns thrive.

The public sector has a key role to play in this task. A presumption in favour of office-based working by public sector employers and local government would bring the workforce back into city and town centres, benefitting neighbouring businesses, driving footfall and growth through increased spending in the local economy. And act as a signal to private sector businesses to do likewise.

We don't just want to bring people back into our city and town centres to work, we want to transform these places into attractive communities to live and spend leisure time. Developers who want to lead this change should be encouraged to invest, not deterred by a planning system designed to stand in their way. We need urgent and significant investment in growing and upskilling our planning service to change mindset, embedding pace, place and partnership in all it does.

## **SOLVING THE HOUSING CRISIS**

Scotland and the wider UK are gripped by a housing crisis – a national emergency which demands a nationwide response. There is a chronic housing shortfall in Scotland approaching 100,000 new homes after years of undersupply. The businesses we represent can provide the solution, but only if government enables them to get on with the job. With the strategic policy, planning system and land available they will deliver the homes we need to support our workforce and drive economic growth. And in a double-whammy, we are already seeing the negative impact of over-regulation of the private rental sector so would urge our governments to look at what has worked elsewhere, such as the Finnish model.

## **FOOD SECURITY**

The North-east is synonymous with agriculture, fisheries and food and drink production. Our region boasts global success stories like Walkers shortbread, BrewDog and unbeatable malt whiskies. Peterhead remains the largest fishing port in Europe and Fraserburgh is the UK's principal shellfish port, supporting a strong processing sector.

However, the promises of Brexit have not materialised for this industry and huge barriers now exist in getting products across borders to markets across the world and accessing the labour force the sector needs.



Despite having this world class cluster on our doorstep, food imports are increasing due to confused agriculture policy, our businesses facing greater controls and red tape than their overseas competitors as well as environmental pressures. Businesses here are beginning to fail as a result and this will make us increasingly dependent on foreign goods to put food on our tables.

As a result, alongside energy security, food security is fast becoming a major challenge for the UK. We need an urgent focus from government in addressing these challenges. Getting it right can unlock huge potential for our region's producers.

## TALK IT UP

We should never take what Aberdeen & Grampian has to offer for granted- its history and heritage, food and drink, adventure sports, golf, the great outdoors, culture and the arts, retail offer and our world-beating hospitality. We want to see our elected representatives at the vanguard of efforts to put the North-east of Scotland on the map, beating the drum, talking up our success, giving us the resources to sell our region to the world resulting in significant inward investment and further growth in leisure and business visitor numbers.



# Aberdeen and Grampian: connected to the world

A global city at the heart of an enterprising region, with towns and communities properly connected by road, rail, air, sea and online can lay the foundations for future success in a fast-changing world.

## **SCOTLAND'S NEXT NEW RAILWAY**

In partnership with the Campaign for North East Rail, and with funding from the Scottish Government's Just Transition Fund, we have now completed a major study into connecting Aberdeen to the north by rail.

Following the success of the Borders Railway and in recent weeks the opening of the Levenmouth rail link, Peterhead and Fraserburgh are now the two largest towns in the UK furthest from the rail network. This chronic lack of infrastructure is holding these communities back and stifling investment and job opportunities.

A new rail link to Buchan would deliver a huge economic boost to the region for passengers and for freight and unlock vast opportunities in net zero by linking in with strategic carbon capture and hydrogen infrastructure in development at St Fergus. It would reduce fatal accidents and reduce polluting traffic on one of Scotland's deadliest roads. All politicians elected to represent our region should get behind this campaign and fight for the capital funding to make it a reality.

## **FAST TRACK OUR CONNECTIVITY**

Investment to reduce journey times between the North-east and the central belt has long been promised, but now faces uncertainty and further delay. Our region will power Scotland's energy transition and much of its economic growth in the years ahead. We need faster travel - from and to the South - for business passengers, visitors and freight. We must also ensure that the rail network is resilient to more frequent severe weather caused by climate change. This investment should be an urgent strategic priority for government, championed by our local politicians. Our region is fed up being cut off from the world.

## **RAIL FREIGHT INVESTMENT TO DECARBONISE OUR TRANSPORT SYSTEMS**

The withdrawal of Mode Shift Revenue Support funding will hamper the ability of businesses to move goods from road haulage to rail and sea. We want all parties to commit to reinstating this vital MSRS funding to decarbonise the movement of goods on the pathway to net zero.

## **ROAD TO THE FUTURE**

Targeted safety interventions on our main trunk roads, including the A90(N) and the A96, can deliver better connected communities, save lives, and bring more reliable journey times for businesses, commuters and visitors alike. Even as we transition towards electric vehicles and ULEVs, we will still require a safe roads network for them to drive on to unlock this region's potential.

## HELPING THE REGION TO FLY

The next government should recognise Aberdeen as a key aviation hub, with Aberdeen International Airport acting as a global business gateway. Major investors in offshore renewables from Scandinavia, mainland Europe and further afield will require reliable and regular services direct to our city. Many European nations support their regional airports through the provision of route development funding and this will be one of the Chamber's early priorities in engagement with the next government.

Applying and increasing Air Departure Taxes should be resisted to ensure that we are not put at a further competitive disadvantage.

Given Aberdeen's central role in energy transition, our city and the enterprising businesses across our region, should be supported in decarbonising aviation. By funding the creation of a research, development and deployment hub for sustainable aviation fuel, we can develop a pioneering integrated value chain that generates significant numbers of local jobs.







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