



The Business Services Association
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Rt. Hon. Sajid Javid, M.P.,
Chancellor of the Exchequer,
H.M. Treasury,
1 Horse Guards Road,
London. SW1A 2HQ

 August 2019

Dear *Chancellor,*

We welcome your announcement of the one-year Spending Round to be delivered on Wednesday 4th September. This is a timely and useful initiative.

Brexit provides a unique political and economic context to your statement and I thought it might be useful to submit to you a small number of reflections for consideration before you make your statement.

The Business Services Association is the industry body for those delivering service and infrastructure projects across the private and public sectors. The business services sector employs over 10% of the workforce and contributes 9.3% of all economic output, supporting every region and community as a driver of economic growth and productivity. 70% of such services are delivered business-to-business. Our industry has a crucial role to play in ensuring the UK maintains its status as a world-leading economy and place to do business. The following points are made with this in mind.

First, the government has a good record of engagement under both Mrs May and Mr Johnson which we have greatly appreciated so far. Such engagement is vital to ensuring confidence and understanding from a business perspective.

Second, your recent comments on encouraging enterprise and investment are welcome, particularly at a time when employers are currently facing a number of upward pressures on costs.

We welcome Government commitments to training and upskilling the UK workforce, including the principles behind the Apprenticeship Levy. The BSA has long expressed concerns about the operation of the Levy, however, and members have identified a number of areas where it might be improved in future. The BSA looks forward to working with the government to improve its operation further to ensure UK's workforce is best equipped to deal with rapidly changing circumstances.

As the Government prepares increased spending in priority areas, the BSA supports measures to increase value and social value in the procurement of goods and services. The BSA was pleased to see the publication of the Cabinet Office's Outsourcing Playbook and we would encourage HM Treasury to ensure it is adopted across all departments by integrating it into buying decisions.

Finally, the development of new models of financing is important and the BSA is happy to support these initiatives, but the more urgent thing is clear commitment from government to invest in public buildings and infrastructure.

Yours sincerely,


Mark Fox
Chief Executive, BSA - The Business Services Association

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