

Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 18 March 2024

Reforms to apprenticeship levy, SME regulations, and support for female founders

- Prime Minister Rishi Sunak has announced a package of reforms to boost take-up of apprentices by firms, reduce the level of bureaucracy on SMEs and encourage more investment in female founders.
- On apprenticeships:
 - The Government will fully fund apprenticeships in small businesses from 1 April 2024, paying the full cost of training for anyone up to the age of 21. This will be supported by £60 million in new government funding
 - From 1 April 2024, businesses that pay the apprenticeship levy will now be able to transfer up to 50% of their levy funds to other businesses
- On reducing red tape for SMEs:
 - The Government is increasing the number of companies that qualify as an SME through a 50% uplift to the thresholds that determine a company's size
 - Government will also remove a number of reporting requirements, including for what companies must set out in their annual reports
 - Businesses will also be able to share digitalised annual reports more easily
- The final part of the package was to launch a new Invest in Women Taskforce to unlock private investment in female business leaders:

- The main aim of the Taskforce is to raise a bespoke funding pot for female-founded businesses through private capital and address the wider challenges that female entrepreneurs specifically face to help unlock their potential to establish and grow their enterprises
- The new taskforce will be industry led and co-chaired by entrepreneur Debbie Wosskow and Barclay's Hannah Bernard, with Small Business Minister, Kevin Hollinrake, representing the Government. The membership of the taskforce will be set out in due course
- For more information, please click [here](#).

Further Government interventions in London housing market

- Housing, Levelling up and Communities Secretary Michael Gove has [instructed](#) the Mayor of London to undertake a 'partial' review of the London Plan, focussing on two key areas. The review comes amid a backdrop of greater pressure from the Government on the Mayor to boost the level of housebuilding in London.
- In his [letter](#), Mr Gove states the following areas should be reviewed:
 - **Industrial land:** according to the Government, around 11% or 736 hectares of industrial land in London could potentially be turned into housing developments, but are 'stuck' in the planning system. Per the letter, stakeholders have suggested that the London Plan's policies on designation are too restrictive, discouraging developers from bringing forward other measures such as industrial intensification, co-location and substitution. The Government says these measures can help to address London's housing shortage without compromising its industrial needs
 - The Mayor is asked to review the London Plan policies pertaining to industrial land, to see if they remain fit for purpose and make the most efficient use of land
 - **Opportunity Areas:** Mr Gove has stated in his letter that progress on developing new homes and jobs in Opportunity Areas identified by the Mayor of London has stalled, and is requesting a review of the policy. The review should consider how the Opportunity Areas policy can be amended to accelerate housing delivery, as well as:
 - Whether the list of Opportunity Areas is correctly and sufficiently targeted;
 - How other policies in the plan which may be constraining delivery or capacity can be adjusted
 - Whether there is a role for a single planning framework to accelerate housing
- Mr Gove has asked for early findings by the end of June, with a full review conducted by 30

September 2024.

- Alongside the letter from Mr Gove, the Mayor of London has recently announced a new Housing Kickstart Fund:
 - The £100 million Housing Kickstart Fund will look to convert market-rate homes on development sites that have started but stalled due to economic conditions, into affordable homes. The funding is new money made available from City Hall
 - The Mayor has also made a new commitment to utilise City Hall's existing funding, skills and experience to unlock and accelerate the building of homes on brownfield sites. Two sites, in Newham and Southwark, are already benefiting from a multi-million pound injection of new funding, accelerating the delivery of 1,450 housing starts by March 2026. These include 40% of the development being affordable homes
- Alongside the Housing Kickstart Fund, the Mayor has announced a new Accelerated Funding Route, to make it simpler for developers to achieve over 40% affordable homes on their sites by providing more predictable grant financing.
- More information on the Housing Kickstart Fund can be found [here](#).

LCCI publishes mayoral manifesto asks

- LCCI has published its Mayoral manifesto, which outlines the London business community's key asks of the next Mayor of London ahead of the election in May.
- The key asks of the manifesto are:
 - Upgrades to London's transport network, including better provisions for electric vehicles
 - An update to the planning system in London
 - Improving the adult education budget
 - Finding new, innovative funding solutions for business growth
 - Continuing improvement of London's policing to make streets safer and tackle business crime
 - Championing London as a global city
 - A renewed focus on equality, diversity and inclusion
- The manifesto can be found in full [here](#).

MAC commissioned to review the Graduate Route

- Home Secretary James Cleverly has written to Professor Brian Bell, chair of the Migration Advisory Committee (MAC), to carry out a rapid review of the Graduate route.

- The Graduate route was launched in July 2021, and is an unsponsored route which allows students to stay for 2 years (or 3 years for PhD students) after graduation. When the route was launched, Government said that it wanted to attract and retain bright international students to contribute to society and the economy post-study.
- Mr Cleverly states that the Government has concerns over abuse of the Graduate route, and says that people are using the route to undertake degrees to then obtain a job and remain in the UK. The Home Secretary cites figures suggesting that the proportion of international students at 'lower tariff' institutions has risen 32% in 2021/22.
- Government has asked MAC to provide evidence on how the Graduate route is operating in practice, and if it is meeting its original objectives. This review may include:
 - Any evidence of abuse of the route including the route not being fit for purpose
 - Who is using the route and from what universities they graduated
 - Demographics and trends for students accessing a study visa and subsequently accessing the UK labour market by means of the Graduate route
 - What individuals do during and after their time on the graduate route and whether students who progress to the Graduate route are contributing to the economy
 - Analysis of whether the Graduate route is undermining the integrity and quality of the UK higher education system
- Mr Cleverly has asked the MAC to report by 14 May 2024. The full letter can be found [here](#). In his response to the Home Secretary, Professor Bell stated that the short timescales would limit the quality and quantity of evidence the MAC can provide to answer the review's questions. Professor Bell's response can be found [here](#).

If you have any queries, please contact the LCCI Policy Team at policy@londonchamber.co.uk.