

Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 21 May 2024

Landmark report on London's borough economies

- LCCI, in collaboration with Centre for London, has published a comprehensive spatial analysis report which offers a deep dive into the economic landscape of each of the 32 boroughs across the capital, shedding light on their successes and challenges.
- The report reviews ten dimensions of London's economy to tell the story of London's economic successes and inequalities, uncovering crucial insights on what it means for a region to be successful. While London stands as a beacon of economic prowess, boasting unparalleled productivity and hosting world-leading industries, the report highlights significant disparities across different parts of the city and underscores the need for bespoke solutions enabled by strong devolved governance, especially in the face of evolving economic challenges.
- Key findings include:
 - Deprivation in Barking and Dagenham: The report highlights Barking and Dagenham as having the highest levels of deprivation among all London boroughs, pointing to localized challenges that require targeted interventions.
 - Contribution of Inner London boroughs: Inner London boroughs emerged as powerhouses, generating 66% of London's Gross Value Added (GVA) in 2021. Westminster, Tower Hamlets, and Camden stand out as the largest contributors to this economic output.
 - Productivity concentration: While London remains the most productive region in the UK,

the report reveals that productivity is concentrated in only four boroughs – Tower Hamlets, Hounslow, Westminster, and Camden. Alarming, productivity in most boroughs falls below the London average, signalling a need for concerted efforts to bolster economic output across the city.

- Real estate sector dominance: Excluding the City of London, the real estate sector emerged as a significant contributor, generating 17% of London's GVA in 2021. This underscores the sector's pivotal role in driving economic activity within the capital.
- **Karim Fatehi MBE, CEO of LCCI said:** "LCCI is dedicated to championing London and its business community, and as part of this we recognise the imperative of understanding and addressing the economic disparities that exist within our city. This report provides a roadmap for informed decision-making and collaborative action to ensure London's prosperity is inclusive and sustainable. We look forward to working with businesses and local and national government to develop solutions to foster equitable growth across the capital."
- You can download the full report [here](#).

Labour to select new town sites by end of first year

- Angela Rayner, Shadow Housing, Communities and Levelling Up Secretary, has [said](#) that a Labour government would establish new towns as part their pledge to boost housebuilding.
- Ms Rayner said that a New Town Commission would be set up to within six months of a Labour government being elected, and it would draw a list of sites for the new towns.
- She also stated that developers would need to work with government to ensure provision of green spaces, schools, GP surgeries, and links to transport.
- Ms Rayner reiterated Labour's position on allowing development within the green belt, with a focus on brownfield sites. However, Labour would also allow limited development on 'grey belt' sites in the green belt. These areas are defined by Labour as disused land.

Less than one month to go for exporters to move to the Customs Declaration Service

- HMRC is reminding businesses that export to move across to the new Customs Declaration Service (CDS).
- Export declarations must be submitted through CDS from 4 June this year, when it replaces the Customs Handling Import and Export Freight (CHIEF) system for all trade declarations.
- Businesses with customs agents should ensure their agent is ready to use CDS. Those without a customs agent must prepare to make their own declarations using software that works with

the system.

- More information on the CDS can be found [here](#).

New powers to fill empty shops

- The Government has [announced](#) that local authorities will be given new powers to fill empty shops.
- High Street Rental Auctions, a new local authority power to address high street vacancy, will allow local leaders to take control of empty properties and rent them out to businesses.
- Where a high street shop has been empty for over a year, High Street Rental Auctions will allow local leaders to auction off a rental lease for up to 5 years. Auctions will take place with no reserve price.
- The Government is launching a new 'trailblazer' programme to trial the new powers. There will also be a £2 million support pot to help these areas and other local authorities to get started across the summer.

New White Paper on business regulations

- Business Secretary Kemi Badenoch has published a new White Paper that seeks to set out the principles that regulators must adhere to when considering regulations for businesses.
- The principles will introduce a new rule that means new regulations can only be introduced when it is "absolutely necessary."
- This marks the latest step in Government efforts to make regulations more effective and less burdensome for businesses – known as the Smarter Regulation Programme.
- The key elements from the White Paper include ten new common-sense 'guiding principles' that Government expects all regulators to apply in their day-to-day decision making. This covers:
 - Giving businesses the ability to 'self-certify' in low-risk cases and not subjected to inspections or mandatory training courses before they can serve customers
 - A 'register of regulators' which will be a "one-stop-shop" of all regulatory information
 - A new 'Growth Duty Performance Framework' which will make regulators more transparent about how they are supporting businesses to grow
 - A 'Share Once Support Register' which will mean vulnerable customers only need to register with energy, telecoms and water companies once
- Alongside the White Paper, the Government is seeking the views on number of issues related to regulation. These include:

- - A consultation which builds on COVID easements to make it easier for pubs and bars to provide drinks on their pavements. This will support alfresco hospitality, including an option for providing take-away and delivery sales by default
 - A consultation on raising the reporting threshold for medium-sized companies from 250 to up to 500 employees and exempting medium-sized companies from producing a strategic report
 - Proposals to deregulate the Commercial Agents Regulations
 - Reforms to employment regulations including proposals to abolish the legal Framework for European Works Councils and reforms to the complex TUPE regulations, which protect employees' rights when the business or undertaking for which they work transfers to a new employer
 - New proposals on an alternative model for UK REACH, reducing the need for access to EU hazard data, improving data on 'use and exposure' and improving regulator powers, while ensuring high levels of protection of human health and the environment are maintained
 - International vehicle standards which will set out the Government's strategy for opening our markets to new vehicles, such as autonomous vehicles, to drive change and support innovation
- The White Paper and the full list of consultation documents can be found [here](#).

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

