


Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 22 July 2024

Key bills from Labour's first King's Speech

- On Wednesday 17 July, the King's Speech was held to formally open the new parliamentary session. Below is a round-up of the key bills for London businesses that were announced:
 - Planning and Infrastructure Bill – This is the key Bill in the King's Speech to spur economic growth. It will accelerate upgrades to the national grid. It will also reform compulsory purchase compensation rules to ensure that compensation paid to landowners is fair “but not excessive” where important social and physical infrastructure and affordable housing are being delivered. The Bill will “modernise” local authority planning committees and increase local planning authorities’ capacity to improve performance and decision making
 - Employment Rights Bill – This Bill will ban “exploitative” zero-hour contracts (which may indicate that some form of zero hour contracts may still be allowed). It will ensure workers have a right to a contract that reflects the number of hours they regularly work and that all workers receive “reasonable” notice of any changes in shift with proportionate compensation for any shifts cancelled or curtailed. The Bill will reform the law to end what is known as “Fire and Rehire” In addition the Bill will make parental leave, sick pay and protection from unfair dismissal available “from day 1 on the job for all workers”. However this commitment to day one rights is moderated by the statement that “employers can operate probationary periods to assess new hires”.

- The Bill will strengthen Statutory Sick Pay by removing the lower earnings limit to make it available to all workers as well as the waiting period. In addition the Bill will make flexible working the default “from day-one” for all workers, with employers required to accommodate this “as far as is reasonable”. It will be made unlawful to dismiss a woman who has had a baby for six months after her return to work “except in specific circumstances”
- Sustainable Aviation Fuel (Revenue Support Mechanism) Bill – This Bill will introduce a revenue certainty mechanism for SAF producers who are looking to invest in new plants in the UK. This builds on the SAF mandate, which will create demand for SAF by setting targets on fuel suppliers to use a proportion of SAF
- Skills England Bill – The Bill will set up a new body, Skills England, which will convene employers, unions, education and training providers, and experts with national government in order to develop a single picture of national and local skills needs. Skills England will work with industry, the Migration Advisory Committee, unions and the Industrial Strategy Council to build and maintain a comprehensive assessment of current and future skills needs. Skills England’s work will also inform the Department for Education’s policy priorities. It will identify the training for which the Growth and Skills Levy will be accessible. Skills England will convene the GLA and other combined authorities as well as “other key stakeholders” to identify system issues and provide advice to Government
- Draft Equality (Race and Disability) Bill – The draft Bill will enshrine in law the full right to equal pay for people from ethnic minorities and disabled people. This is a draft Bill and is open to consultation
- Passenger Railway Services (Public Ownership) Bill – This Bill will allow the Government to bring rail services back into public ownership. Existing railways legislation will be amended so that appointing a public-sector operator is the default position, rather than as a last resort. Train operations will transfer to a public-sector operator as existing contracts expire or operators fail to meet their commitments
- Railways Bill – This Bill includes references to the above Passenger Railway Services Bill, whilst also bringing together management of the rail network and delivery of passenger services into a single public body, Great British Railways (GBR).
- National Wealth Fund Bill – The National Wealth Fund (NWF) will be capitalised to the amount of £7.3 billion. It intends to mobilise billions of pounds worth of additional private sector investment. The Government will work to align the UK Infrastructure Bank and the

- British Business Bank under the National Wealth Fund
 - English Devolution Bill – This Bill will establish a new framework for English devolution, by: putting a standardised devolution framework in place; make devolution the default setting; and introducing more ‘effective’ governance arrangements for local areas. Local communities will also be given the ‘right to buy’ valued community assets, such as empty shops, pubs, and community spaces
 - Great British Energy Bill – The Bill establishes Great British Energy – a new, publicly-owned energy production company which will own, manage and operate clean power projects in the UK. It will have a capitalisation of £8.3 billion over the Parliament
 - Crime and Policing Bill – this will focus on strengthening community policing by raising the number of officers ‘on the beat’, tackle retail crime through a new specific offence for assaulting shopworkers, and introduce new Respect Orders to address anti-social behaviour
 - Renters Reform Bill – This Bill will introduce several reforms to the private rental market, including the abolition of Section 21 evictions, applying a Decent Homes Standard to the sector, creating a database to provide information to landlords, tenants and local councils, and establishing a new ombudsman to address disputes
 - Product Safety and Metrology Bill – This Bill address regulation for products, with the Government stating that it will allow them to better adapt to new technologies to keep the interests of the public safe
- The full list of Bills included in the King’s Speech can be found [here](#).
 - In response to the King’s Speech, LCCI CEO Karim Fatehi MBE said:
 - “We are pleased to see the government reaffirm the commitments it made to the business community during the election campaign to “take the brakes off Britain” particularly with the announcement of the ambitious legislative agenda to “accelerate high-quality infrastructure and housing” and reform the apprenticeship levy.
 - "We are also encouraged by the investment announced for the UK’s transport network. We would however urge the government to extend these reforms to London and agree a long-term funding plan with TfL in order to upgrade London’s transport network and secure the future of this vital asset.
 - “We support the government’s commitment to achieving energy independence and welcome a bill to support sustainable aviation fuel production which we have long called for.
 - “While our capital remains resilient, challenges persist for businesses in London, and our members need to see the government go further by reforming the business rates system to
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encourage business growth, clarifying timelines for delivering planning reform and increase investment in skills. The policies and legislation outlined today will go some way to ensure a stable and prosperous economy but there is still more to do to build a London in which all businesses can thrive.”

London businesses see improvement on cashflow during Q2 – London QES

- London businesses experienced a notable improvement in cashflow during the second quarter of 2024, according to the Capital 500, London’s quarterly economic survey conducted by LCCI. The net balance, representing the percentage reporting an increase minus those reporting a decrease, rose 9 points to -2 in Q2 2024, the highest level since Q3 2021. Over a quarter (27%) of firms reported increased cashflow in Q2, up from 24% in Q1.
- The improvement in cashflow was mirrored by a growing domestic demand in Q2. There were some positive signs of easing cost pressures, although metrics remain significantly above pre-2022 levels.
- Business confidence soared in Q2, with more than half (52%) of London companies expecting their profitability to improve over the next 12 months, compared to just 15% who anticipate a decline. This optimism pushed the net balance up 9 points to +37, setting a record for the QES.
- On the findings of the report, LCCI CEO Karim Fatehi MBE commented:
- “As a new government steps into power, the latest insights from the Capital 500 reveal a strong resurgence in cashflow for London businesses during Q2 2024. This positive trend not only reflects our city's resilience but also underscores the crucial role economic stability plays in fostering growth and prosperity. While challenges persist, including cost pressures and inflation concerns, the surge in business confidence, with over half of companies expecting improved profitability, points to a hopeful outlook amidst the evolving political landscape.”
- You can view the full London Quarterly Economic Survey for Q2 2024 [here](#).

New government commits to SAF mandate

- Transport Secretary Louise Haigh has confirmed that the Government will introduce a sustainable aviation fuel (SAF) mandate.
- The SAF mandate will start in 2025 at 2% of total UK jet fuel demand, increase on a linear basis to 10% in 2030 and then to 22% in 2040. From 2040, the obligation will remain at 22% until there is greater certainty regarding SAF supply.
- The mandate will encourage the innovation of advanced fuels that can generate greater

- emission reductions and the diversification of feedstocks to reduce dependencies on scarce resources

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

