

Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 29 April 2024

Inflation continues to weigh on London businesses – London QES

- LCCI has published its London [Quarterly Economic Survey](#) (QES) for Q1 2024. The latest QES – one of London’s largest regular surveys of businesses – found that despite an improved inflationary outlook, 60% of firms were more concerned about inflation in Q1 than they were in Q4 2023.
- Cashflow declined for the first time in a year, as business costs remained high. Only a quarter (24%) of firms said their cashflow had risen in Q1, while two-thirds (67%) of firms saw an increase in their energy costs compared to Q4 2023. Against a backdrop of easing inflation and the expectation that interest rates will decline, just 6% of all London firms said their energy costs had fallen in Q1, demonstrating that there is little sign of a sustained reduction in the cost pressures weighing on businesses. Export and domestic demand were weaker too.
- Nevertheless, despite a muted start to 2024, businesses are still upbeat on their prospects for the coming 12 months. Profitability and turnover expectations remain elevated, while firms are also turning bullish on the [prospects](#) for the London and UK economies.
- Reacting to the findings of the report, Karim Fatehi MBE, Chief Executive of the London Chamber of Commerce and Industry (LCCI), said: “2024 is a year of significant political importance for London businesses, with Mayoral and London Assembly elections in May and a General Election expected in the second half of the year. Chief among LCCI’s asks of the next Government is a long-term, strategic plan to improve operating conditions for businesses.

Without this, business confidence and the UK's ambitions to secure higher levels of productivity and economic growth will stagnate.”

- You can access the full report online [here](#). If you have any questions, please do not hesitate to get in touch.

New free business management course for small businesses

- The Government has launched the new Help to Grow: Management Essentials course, a short online course with tips and resources for small business leaders.
- Based on the 12-week Help to Grow: Management Course, Essentials is suited for leaders of newer or smaller SMEs, or those who are looking to explore the principles of business growth and management before taking the next step and enrolling in the full course.
- Help to Grow: Management Essentials is free, with content divided into three modules consisting of short videos and supporting resources covering essential business concepts. Business leaders can access the course through the [Help to Grow website](#).

Aviation fuel plan looks to supports growth of British aviation sector

- Transport Secretary Mark Harper submitted a Written Statement to Parliament on the Government's steps for developing a sustainable aviation fuels (SAFs) industry in the UK.
- The Government will lay [legislation](#) in the summer to enact its SAF mandate, which will require at least 10% of UK aviation fuel to come from sustainable sources by 2030. Following consultation, the Government has confirmed its trajectory for the mandate from 2025 up to 2040:
 - The 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
- There will also be a cap on the use of hydroprocessed esters and fatty acids (HEFA) SAF under the mandate, with the Government looking to encourage use of other SAF technologies
- The Government has also launched a new consultation on the development of a revenue certainty mechanism for SAF, which looks to support the development of SAF plants in the UK. The consultation can be found [here](#). If you have any views you wish to be included in LCCI's response, please contact Stephen Jones on sjones@londonchamber.co.uk.

Analysing London's borough economies

- On **15 May 2024**, LCCI will be launching our analysis of London's borough economies.
- This report will consider the individual characteristics of each local authority in London (excluding the City of London), and how they perform across a range of indicators including the labour market, housing affordability, transport connectivity, and job creation.
- The event will be hosted at LCCI's offices in our Members' Lounge, from 9:30-11:00am. You can sign up [here](#).

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