

Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days

UK-EU Competition Cooperation Agreement Announced

The UK and EU have concluded negotiations on the Competition Cooperation Agreement to enhance collaboration between the UK's Competition and Markets Authority and EU competition authorities. This agreement aims to improve the enforcement of competition laws, benefiting both businesses and consumers. Parliament will review the agreement text before it is finalised for signature next year.

[Read more](#)

HM Treasury — Corporate Tax Roadmap 2024

On 30 October 2024, the Government released a Corporate Tax roadmap alongside the Budget, outlining its plans for Corporation Tax and other taxes throughout the parliament. Key commitments include capping the headline Corporation Tax rate at 25%, retaining the small profits rate, and maintaining generous capital allowances and R&D reliefs. This roadmap aims to provide a stable and predictable tax environment to encourage investment and growth while ensuring the UK remains an attractive business economy.

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UK Approves Use of Export Finance to Secure Critical Minerals

The UK Government has announced that UK Export Finance (UKEF) will now provide financial support for overseas projects sourcing critical minerals essential for various UK industries. This initiative aims to secure a stable supply of minerals like lithium, graphite, and cobalt, which are crucial for technologies supporting the net zero transition and industrial growth. By offering credit guarantees to overseas companies, UKEF seeks to enhance economic resilience and reduce supply-chain risks, ensuring that UK manufacturers can reliably access these vital resources.

[Read more](#)

New Employment Protections Against Sexual Harassment

As of 26 October, employers in the UK are now required to take reasonable steps to protect employees from sexual harassment under the Equality Act 2010. This new duty mandates proactive prevention and appropriate complaint handling. The Advisory, Conciliation, and Arbitration Service (Acas) and the Equality and Human Rights Commission have issued guidance to help employers develop plans to meet these requirements.

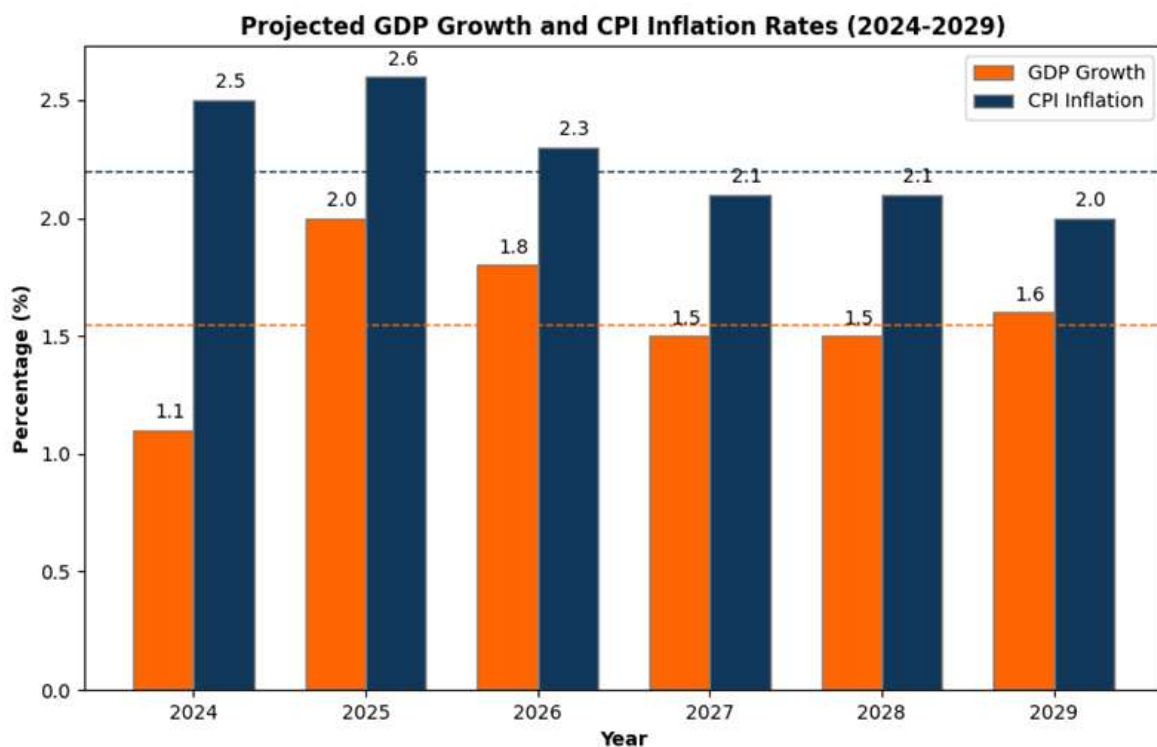
[Read more](#)

Autumn Budget 2024

Chancellor Rachel Reeves unveiled the Autumn Budget 2024, focusing on national renewal, leveraging the UK's historical resilience to drive investment-led growth amid ongoing economic challenges. She framed her Budget in the context of transformative Budgets from the past: Clement Attlee's 1945 Budget focused on post-war reconstruction and the welfare state, Harold Wilson's 1964 Budget targeted economic modernisation, and Tony Blair's 1997 Budget prioritised social investment and stability. Reeves introduced £40 billion in new tax measures to promote sustainable growth, reduce public debt, and balance the Budget.

Reeves addressed findings from the Office for Budget Responsibility (OBR), citing numerous "unfunded pressures" that hinder current fiscal health and criticising previous budgetary management as "irresponsible." She committed to implementing all ten of the OBR's recommendations, emphasising improved fiscal transparency, greater public sector efficiency, and controls on borrowing. These recommendations also tackle long-term demographic shifts to ensure sustainable public finances.

The OBR forecasts a cautious economic recovery, with CPI inflation averaging 2.5% in 2024 and GDP growth projected at 1.1% for the year, rising to 2.0% in 2025. Reeves underscored the importance of strategic, long-term investments in the Budget to prevent "short-termism" and secure economic stability and growth.



Support for Cost of Living and Wages

Chancellor Rachel Reeves announced critical measures to address the cost of living, signalling a significant policy shift. Effective April 2025, the national living wage for those aged 21 and older will rise by 6.7%, from £11.44 to £12.21 per hour. Additionally, the national minimum wage for workers aged 18 to 20 will increase from £8.60 to £10, and apprentices' pay will rise from £6.40 to £7.55.

Taxation and National Insurance Changes

Chancellor Reeves addressed concerns about the previous Government's unfunded National Insurance cuts, highlighting that the Office for Budget Responsibility (OBR) deemed these cuts unsustainable. While Labour committed to avoiding VAT and income tax increases for working individuals, Reeves announced a 1.2% increase in employer National Insurance contributions to 15% from April 2025. Additionally, the employer contribution threshold will be reduced from £9,100 to £5,000, measures projected to generate £25 billion in revenue. This increase will likely have a notable impact on labour-intensive sectors such as retail, hospitality, and manufacturing, with SMEs facing particular challenges due to tighter margins and limited financial flexibility.

Reeves also revealed an increase in Capital Gains Tax, with rates rising from 10% to 18% for the lower rate and from 20% to 24% for the higher rate. Furthermore, the non-domiciled tax regime will be abolished in April 2025, removing domicile status from the tax system.

Investment and Economic Growth Initiatives

The Government will target key sectors with substantial funding to address the UK's underperformance in attracting investment relative to other G7 nations. This includes £1 billion to bolster the aerospace sector, over £2 billion for automotive industry support, and up to £520 million for the new Life Sciences Innovative Manufacturing Fund. An additional £20 billion will be allocated to core research and development, focusing on engineering, biotechnology, and medical science, of which at least £6.1 billion is designated for these fields.

Transport and Infrastructure Developments

The Chancellor introduced plans for major transport upgrades aimed at improving regional connectivity. The TransPennine route will be enhanced to provide fully electric services between vital northern cities, while the HS2 extension from Old Oak Common to Euston will continue as planned. To address infrastructure maintenance, £500 million will go toward road repairs, targeting potholes, with an additional £650 million allocated to boost rural transport links. The single bus fare cap will rise from £2 to £3, extended until December 2025.

Environmental Commitments and Energy Investments

The Government has increased the levy on oil and gas companies to 38% while maintaining generous allowances for first-year capital expenditures and decarbonisation efforts. As part of its sustainability commitment, it will launch a new multi-year investment program for carbon capture and storage and fund 11 new green hydrogen projects across the UK, supporting the transition to cleaner energy.

[You can see the full document here](#)