Weekly policy update from London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days – 9 September 2024

Start-up investment schemes extended by Government

- The Enterprise Investment Scheme (EIS) and the Venture Capital Trust (VCT) scheme have now been extended by ten years to 5 April 2035.
- The schemes are designed to encourage investment into new or young companies through tax-relief incentives.
- The EIS, introduced in 1994, offers tax relief to individuals that invest in new shares in qualifying companies with investors able to invest up to £1 million, or £2 million if the shares are in knowledge-intensive companies, which focus on research and development. Investors are offered loss relief through the EIS as long as shares are held for at least two years.
- First introduced in 1995, VCTs are companies listed on the UK's stock exchange that invest in early-stage trading companies on behalf of people, enabling individuals to invest up to £200,000 per year in new VCT shares. Dividends received from VCTs are also tax-free.

Shadow Great British Railways established

- Transport Secretary Louise Haigh has directed Network Rail, the Department for Transport, and DfT OLR Holdings to establish a Shadow Great British Railways.
- The Government is creating this shadow GBR to, in Ms Haigh's words, "begin delivering improvements for passengers and freight users straight away."

- The three bodies above will be instructed to take a 'whole-system approach' to decision-making, whilst retaining their existing duties.
- The establishment of Shadow Great British Railways is the latest step in the Government's reforms of UK railways. The Public Ownership Bill, which will see rail franchises brought into public control as they expire, is in its final stages in the House of Commons.

Consultation on changes to planning framework

- A consultation has been launched on reforming the National Planning Policy Framework (NPPF). The Government says that these proposed changes to the NPPF will:
  - Make the standard method for assessing housing needs mandatory, requiring local authorities to plan for the resulting housing need figure, planning for a lower figure only when they can demonstrate hard constraints and that they have exhausted all other options
  - Reverse other changes to the NPPF made in December 2023
  - Implement a new standard method and calculation for local plans
  - Broaden the existing definition of brownfield land, set a strengthened expectation that applications on brownfield land will be approved and that plans should promote an uplift in density in urban areas
    identify grey belt land within the Green Belt, to be brought forward into the planning system through both plan and decision-making to meet development needs
  - Improve the operation of 'the presumption' in favour of sustainable development, to ensure it acts an effective failsafe to support housing supply, by clarifying the circumstances in which it applies; and, introducing new safeguards, to make clear that its application cannot justify poor quality development
    Deliver affordable, well-designed homes, with new "golden rules" for land released in the Green Belt to ensure it delivers in the public interest
  - Make wider changes to ensure that local planning authorities are able to prioritise the types of affordable homes their communities need on all housing development and that the planning system supports a more diverse housebuilding sector
  - Support economic growth in key sectors
  - Deliver community needs to support society and the creation of healthy places
  - The consultation includes some proposals to reform the Nationally Significant Infrastructure Projects (NSIPs) regime as well

- The NPPF consultation can be found here and will close on **24 September 2024**. If you have any views you wish to be represented in LCCI's response, please contact the Policy Team on policy@londonchamber.co.uk.

Ministers' unable to provide timeline on business rates reform

- During Business and Trade Oral Questions, Business and Trade Minister Gareth Thomas was asked for an update on business rates reforms.
- Mr Thomas confirmed that the Treasury were leading on the new proposals with the Department for Business and Trade supporting the policy formulation.
- He was unable to provide a timeline on when the reforms will be introduced, but reassured the House that the Government understands the importance of fixing the business rates system.

Government outlines plans to repeal the Strikes Act in written statement.

- Minister for Employment Rights, Competition and Markets Justin Madders has set out the Government's plans to repeal legislation on minimum service levels.
- He confirmed that the Deputy PM and the DBT Secretary, Jonathan Reynolds, have written to other Secretaries of State, the First Minister of Scotland and the First Minister of Wales asking them to encourage employers to avoid imposing minimum service levels on their workforce, until the Act is repealed.
- The Government have begun preparing to repeal the Act as part of the Employment Rights Bill.
- Until the Strike Acts has been repealed the Government have " strongly encouraged employers to seek alternative mechanisms for dispute resolution, including voluntary agreements, rather than imposing minimum service levels."
- Madders also made clear that "employment businesses are prohibited from providing agency workers to cover the duties normally performed by a worker of an organisation who is taking part in a strike or other industrial action".

The House of Commons and House of Lords will be in recess from 12 and 13 September respectively, until 7 October 2024. If you have any queries, please contact the LCCI Policy Team at policy@londonchamber.co.uk.