

Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the Christmas period through to 5 January 2025

LCCI CEO Karim Fatehi Awarded OBE in the 2025 New Year Honours List

Karim Fatehi MBE, CEO of the London Chamber of Commerce and Industry, has been honoured with the Officer of the Order of the British Empire (OBE) in the 2025 New Year Honours List. This prominent award recognises Karim's outstanding contributions to international trade and global collaboration.

Julia Onslow-Cole, Chair of the LCCI Board, expressed the Chamber's heartfelt congratulations, praising Karim's unwavering dedication to advancing the interests of businesses, particularly SMEs, both in London and globally. Julia highlighted Karim's leadership and tireless advocacy as key drivers behind the organisation's success.

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Sir Sadiq Khan receives Knighthood

LCCI congratulates Sir Sadiq on receiving his knighthood. The Mayor of London has worked with the Chamber on ensuring London remains a Global city for business. We look forward to working with Sir Sadiq in the years ahead.

Hina Bokhari AM receives OBE

Hina Bokhari, Leader of the Liberal Democrat Group in the London Assembly, has been awarded an OBE in the 2025 New Year Honours List for her exceptional services supporting young people. LCCI has had the privilege of working closely with Hina, and we are proud to celebrate her achievement.

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New Year Messages from Key Political Figures

As we enter 2025, several prominent political leaders have shared their visions for the year ahead. From economic renewal and infrastructure development to addressing cost-of-living challenges and promoting global confidence, these speeches highlight the varied approaches being considered to shape the future of business and society.

Sir Keir Starmer, Prime Minister

Sir Keir Starmer's New Year's speech outlines several initiatives with potential implications for the business community. Sir Kir's plan includes constructing 1.5 million new homes, enhancing the energy system, reducing waiting lists, and addressing antisocial behaviour. Prime Minister also mentions reducing immigration and increasing disposable income for individuals.

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Kemi Badenoch, Leader of the Conservative Party

Kemi Badenoch's New Year's speech emphasises a period of change and renewal within the Conservative Party. She acknowledges potential challenges ahead but expresses optimism for a future filled with hope, security, and prosperity. Badenoch's commitment to doing things differently may lead to policy shifts that could impact the business community, though specific plans or implications were not detailed in this message.

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Nigel Farage, Leader of Reform UK

Nigel Farage's New Year's speech addresses several points relevant to the business community. He discusses current economic policies, particularly the net zero plans, suggesting they increase costs and impact British manufacturing. Farage also emphasises the need to reduce the cost of living, indicating that Reform UK will campaign against policies that raise bills for businesses and consumers.

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Sir Ed Davey, Leader of the Liberal Democrats

Sir Ed Davey's New Year's speech highlights several key points with potential implications for the business community. He acknowledges the ongoing cost-of-living crisis, rising energy bills, and housing costs, as well as the need for economic growth. Davey emphasises the importance of government action to address these challenges and calls for urgency and ambition in policy-making.

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Sir Sadiq Khan, Mayor of London

Sir Sadiq Khan's New Year's Eve message emphasises London's role as a confident, global city. He highlights the impressive fireworks display planned to project this confidence on the world stage. Khan also addresses practical aspects for Londoners, such as free travel on public transport during the celebrations. He acknowledges concerns that Brexit may have been perceived as the UK turning its back on the world but added that London remains open to trade and ideas, and he connects the celebration to the past and upcoming events like the UEFA Champions League final.

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Transition to Tax Year Reporting

Under the Basis Period Reform, from April 2024, sole traders and business partners must align their profit reporting with the tax year if they have not already done so. To meet the 31 January 2025 filing deadline, businesses should use provisional figures for overlap relief if the exact figure is unavailable. These figures can be corrected within 12 months of the filing date.

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Consultation on Tackling Non-Compliance

The Autumn Budget 2025 launched a consultation on improving HMRC's approach to correcting taxpayer errors. Proposals include modernising correction powers and introducing a requirement for taxpayers to self-correct returns, aiming for greater efficiency and fairness. The consultation, open until 22 January 2025, invites input from individuals, businesses, taxpayer representatives, charities, and voluntary organisations.

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Spending Review 2025

The Chancellor has launched Phase 2 of the Spending Review, advancing the government's Plan for Change. HM Treasury invites stakeholders to share feedback on spending priorities and policy ideas via the Spending Review representation portal. Stakeholders can specify relevant departments or bodies and submit their views to inform decisions on budgets and resource allocation. The portal is open on GOV.UK until 9 February 2025.

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UK SAF Mandate Now in Force

From 1 January 2025, the Sustainable Aviation Fuel (SAF) Mandate requires at least 2% of jet fuel in UK-departing flights to be sustainable, rising to 10% by 2030 and 22% by 2040. SAF, made from materials like waste and used cooking oil, produces 70% less carbon emissions than traditional fuels. This mandate supports thousands of jobs, boosts economic growth, and positions the UK as a clean energy leader. To scale SAF production, the government plans a revenue certainty mechanism to encourage investment in UK SAF plants, with a consultation set for early 2025.

The mandate aligns with the Plan for Change and complements the work of the [Jet Zero Taskforce](#) and LCCI's [Green Skies report](#).

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Energy Ombudsman Expands Access to Small Businesses

From 19 December 2024, small businesses with up to 50 employees can access the Energy Ombudsman's dispute resolution services. This expansion allows firms to resolve energy disputes without costly court proceedings. The maximum award for non-domestic disputes has also increased from £10,000 to £20,000, further supporting small businesses and enhancing consumer protections in the energy sector.

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House Prices Rise by More Than Expected in December

House prices increased by 0.7% in December, surpassing the 0.1% predicted by economists, according to new data from Nationwide. The annual rise stands at 4.7%, with the average house price now at £246,426, nearing the 2022 record high. Stamp Duty is expected to rise in April.

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Declining Footfall on UK High Street

Visitor numbers at UK shopping centres, retail parks, and high streets fell by 2.2% in December compared to 2023. The decline, particularly in shopping centres (down 3.3%), marks the second consecutive year of reduced footfall. The lack of shoppers and adverse weather conditions like Storm Darragh and Storm Bert raises concerns about disappointing Christmas sales. Despite this, online spending saw a 6.1% rise during the festive period, particularly in electronics and homeware.

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Decline in Core Science Courses Threatens Industrial Strategy

The number of university courses in essential science fields has dropped significantly in recent years, raising concerns about a future shortage of skilled graduates. According to the Office for Students, chemistry courses have fallen by 26%, biosciences by nearly 15%, and physics and astronomy by 7% since 2019. This decline in science courses could hinder the Government's Industrial Strategy, which aims to drive growth in key sectors like advanced manufacturing, life sciences, and clean energy, as it may limit the pool of skilled graduates needed to boost the UK's capacity for investment and growth.

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