

CAPITAL MATTERS

THE LONDON BUSINESS MANIFESTO FOR GENERAL ELECTION 2017

Since the UK-wide Referendum in 2016, London businesses have taken a pragmatic and level-headed approach to Britain's exit from the EU.

As Brexit looms on the horizon they will look to new Ministers to bring a similar focus on what needs to be done to ensure that London – and the wider UK – prospers in the years ahead.

For the capital's businesses that means the new Government moving to limit uncertainty and maximise opportunity during the Brexit process as well as considering how to ensure London remains a great place to do business.

London's position as a leading global city cannot be taken for granted. By 2020 the capital is forecast to reach a population of nine million and achieve megacity status by 2030 with over ten million citizens – expansion that will

place London's infrastructure under additional pressure:

- London's chronic housing undersupply impacts on employees and employers
- London's ageing transport network faces overcrowding and congestion
- London's ongoing skills gap leaves employers struggling to fill vacancies

The new Government will look to steer post-Brexit Britain towards economic prosperity – and maintaining London's competitiveness will be central to that.

The London Business Manifesto for this General Election outlines the areas for the new Government to get to work on – managing a practical Brexit and tackling the capital's pressing needs – to ensure Britain thrives in a post-Brexit world.

PROVIDE INFRASTRUCTURE TO UNDERPIN A MEGACITY



Eight in ten London businesses have said that before the UK starts formal Brexit talks with the EU, increased investment in London's housing and transport infrastructure would be important.

(ComRes survey for LCCL of 504 London businesses, August 2016)



A large majority of London businesses support reclassification of either 'poor quality greenbelt land', 'greenbelt land near to transport hubs' and/or 'all greenbelt land around London'.

(ComRes survey for LCCL of 504 businesses, August 2016)

To ensure the future London 'megacity' can function successfully the new government should:

- ✓ Secure Parliamentary time for a hybrid bill to designate Crossrail 2 as major infrastructure of national importance and commence development works.
- ✓ Audit and map disused or poor quality land within the Metropolitan Green Belt to identify 'brownspace' plots of land where small developers can bring forward new housing.
- ✓ Boost short-term airport capacity through airfield, terminal and rail-link enhancements and future-proof the UK economy by enabling a new runway at Gatwick, after Heathrow.
- ✓ Permit Transport for London (TfL) to seek responsibility for commuter rail services into London as each mainline franchise comes up for renewal.

EQUIP TOMORROW'S WORKFORCE WITH THE SKILLS TO COMPETE



Two-thirds of London businesses think that work experience is the best way for students to build the soft skills needed to prepare them for the world of work.

(ComRes survey for LCCI of 511 businesses, November 2015)



A third of London businesses say they don't have the necessary human resources available to train and manage an apprentice.

(ComRes survey of 502 London businesses, November 2016)

To ensure London businesses can compete and succeed, the new government should:

- ✓ Guarantee high-quality work placements for students pursuing a technical route so that young Londoners are equipped to be the skilled employees of tomorrow.
- ✓ Improve collaboration with businesses on apprenticeships to overcome hurdles to implementation and enable Levy paying firms to transfer a greater percentage of their funds to their supply chain businesses.
- ✓ Prioritise new 'T-Levels' in Construction and Digital areas to help meet the demands of the UK industry and support young people into long-term sector careers.
- ✓ Develop a Massive Open Online Course to support smaller businesses develop an effective online presence and active social media engagement.

CREATE A BUSINESS ENVIRONMENT CONDUCTIVE TO GROWTH



53%

of London businesses think devolution will help meet London's infrastructure needs

Over half of London businesses say London government having greater control over tax levels and how they are spent would help the capital meet its infrastructure needs, compared to just 15% who think it would have a negative impact.

(ComRes survey for LCCI of 504 London businesses, August 2016)



32%

of London businesses expect new business rates to hamper investment

A third of London businesses said the new business rates valuations will hamper their business' ability to invest.

(ComRes survey for LCCI of 502 businesses, November 2016)

To help businesses thrive the new Government should:

- ✓ Facilitate greater devolution for London focused on London Finance Commission proposals to help the capital fund future skills and infrastructure needs.
- ✓ Undertake a fundamental review of business rates to ensure the tax remains fit for purpose in today's digital age, and give London government greater flexibility over rates administration.
- ✓ Review the impact of office-to-residential permitted development rights within the capital and explore how to safeguard essential office and commercial space.
- ✓ Encourage greater SME take-up of exporting opportunities through raising awareness of departmental support services and arrange more trade missions to potential new international markets.

DELIVER A BREXIT THAT WORKS FOR LONDON



A majority of London businesses agree that a decrease in the level of immigration to London would have a negative impact on economic growth.

(ComRes survey for LCCI of 502 London businesses, November 2016)



More than two in three London businesses say minimising customs procedures on trade with the EU is important in any future Free Trade Agreement.

(ComRes survey for LCCI of 504 London businesses, February and March 2017)

To make Brexit work for London businesses the new government should:

- ✓ Secure a realistic transitional period for Brexit to enable businesses to adjust to new circumstances and prioritise minimising costly tariff and non-tariff barriers to trade.
- ✓ Grant *indefinite leave to remain* to existing EU national employees within the capital to reassure them and their employers.
- ✓ Establish a separate 'Shortage Occupation List' for London (like Scotland has) and create a 'Capital Work Permits' system to meet employers' future labour needs.
- ✓ Prioritise the preservation of aviation and maritime arrangements with the EU to secure swift market access and maintain London's status as a global hub.

LCCI - REPRESENTING LONDON BUSINESSES SINCE 1881

London Chamber of Commerce and Industry (LCCI) is the largest capital-focused business advocacy organisation, representing the interests of over 9,000 business entities from small and medium-sized enterprises through to large, multi-national corporates. Our members operate within a wide range of sectors across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.

LCCI is part of the British Chambers of Commerce (BCC) national network of 52 accredited chambers across England, Wales, Scotland and Northern Ireland: www.britishchambers.org.uk



April 2017 : 'Capital 500' Quarterly Economic Survey

For over ten years LCCI has conducted a Quarterly Economic Survey (QES) of members to gauge the health of the London economy. Since Quarter 2 2014 we have partnered with polling agency ComRes to poll over 500 London business leaders, making 'Capital 500' London's biggest and most representative business survey.

To access all QES publications, please visit londonchamber.co.uk/Capital500



November 2016 : Permits, Points and Visas: Securing practical immigration for post-Brexit London

Immigration has underpinned London's economic, social and cultural development over centuries - making it the great city it is today. Following the Referendum outcome, this paper answers two key questions: how to practically treat the 771,000 EU nationals currently employed within London firms, and how to realistically plan to process the future migrant workers that London will need.

To access the full report, please visit londonchamber.co.uk/research/immigrationreport



October 2016 : London Businesses and Brexit: Reactions, expectations and requirements

LCCI's first report on Brexit makes a series of recommendations to both Government and City Hall. It finds that London firms are navigating a number of uncertainties, with concerns over continuing access to skilled workers and the status of EU nationals currently employed within London firms, chief among them.

To access the full report, please visit londonchamber.co.uk/research/Brexitreport



June 2016 : Living on the Edge: Housing London's Blue Light emergency services

The Mayor Sadiq Khan has put London's preparedness for emergencies high on his agenda. This LCCI report highlights the potential impact of housing undersupply on London resilience by exploring the issue of housing affordability for the three 'blue light' emergency services.

To access the full report, please visit londonchamber.co.uk/research/livingontheedge

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