

The Rt Hon Rishi Sunak MP
The Rt Hon Liz Truss MP
House of Commons
London, SW1A 0AA

22 July 2022

Dear Mr Sunak and Ms Truss,

On behalf of the London Chamber of Commerce and Industry (LCCI), may we congratulate you both on your election to the final round of the Conservative Party leadership election. LCCI is the capital's largest independent business advocacy organisation.

We represent the interests of firms of all sizes, from micro businesses and sole traders through to large, multinational corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.

As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.

We would welcome both of you to address the key issues which impact on the wealth creators in our capital.

There are distinct issues in London, as compared to the United Kingdom as a whole. It is London that generates over 20% of UK GDP and, as a global city, we are the world's number one financial services centre – including with fintech – as well as being the home of a range of business sectors – from Oscar winners to opera and from tourism to Thames based freight.

This level of success has happened because of the entrepreneurial free market dynamism of our capital city. It also exists, however, due to the infrastructure support provided by national, regional and local government.

Levelling Up

The London Chamber of Commerce and Industry strongly backs the Prime Minister's levelling up agenda. For too long, not all of the regions and nations of our country have benefited from economic growth. London must and should take its share of the responsibility to help level up Britain.

That is why the London Chamber of Commerce and Industry and the North East England Chamber of Commerce are working together to bring London and North East businesses together to help grow the North East economy. A stronger London means a stronger Britain.

At the same time, levelling up must also address the need to tackle severe levels of deprivation in the capital. Research from the Institute for Fiscal Studies has shown that 28% of Londoners were in relative poverty between 2016 and 2019, compared to 22% across the whole of the UK.

Therefore, levelling up must mean helping with business start-ups and entrepreneurial growth in deprived areas of London as well as levelling up the rest of the country.

We are committed to positively working with the new Government to ensure our shared goal of economic prosperity for all is attained.

Levelling up also means that the transport network in the capital can not be allowed to be run down. We need a long term sustainable funding settlement for Transport for London. Whatever the rights or wrongs of how we got here, the businesses and people of London and the United Kingdom require a transport network that is fit for purpose.

Cost of business

As well as a cost of living crisis, we also have a cost of doing business crisis. With the recovery from the pandemic and Putin's invasion of Ukraine, we recognise and support the work of our Government to address these extraordinary challenges that the nation is facing.

We are working with the Prime Minister's cost of living czar, David Buttress on the Help for Households campaign. This is a great initiative – we need a Help for Business campaign too.

We would welcome your proposals as to how the cost of business can be reduced for hard pressed small and medium sized businesses. This must include tackling the high energy prices that are bedevilling our firms and is having a knock on impact on productivity. The level of taxation also needs to be addressed so that London businesses can continue to internationally compete within global markets.

Skills and Immigration

One of the reasons why London is such a successful city is because we are a global city. Thanks to immigration, London provides a significant amount of wealth generation which boosts our national economy. We cannot have an immigration system which stifles this economic growth especially at a time when we have severe skills shortages in the capital.

Therefore, we would urge you to consider how our immigration system needs to be redesigned so that now we have got back control of our borders, we can grow business and not stifle business.

At the same time, we need to do much more to address the skills gaps in our capital. We back your commitment to meet the net zero target. We agree that – together – we must do more to tackle the climate change emergency. However, without the green skills we need, this cannot be achieved.

London businesses are not convinced that the skills priorities of this Government is effective. More than a third of London businesses (35%) said that training schemes do not meet the needs of their companies, while a quarter (23%) felt the training schemes would be of no benefit to their business.

The full list of barriers identified by London businesses are:

- Schemes do not meet the needs of businesses (35%)
- Businesses do not see the schemes as offering a benefit to the business (23%)
- The administration time / workload required (21%)
- The cost of administration and training when employing people through these schemes (18%)
- The management required (15%)
- The schemes do not enable workers to be sufficiently trained (7%)

These are the key issues that must be tackled by our next Prime Minister.

We recognise your commitment to reaching out and working with all in your Party and in our country.

We value your commitment to public service and to our nation.

We are committed to working with you and all colleagues across Government so that the London Chamber of Commerce and Industry can ensure that we with our members, which includes the key role of SMEs in our local communities, play our part in moving the country forward.

We urge you to consider the special needs of London and we look forward to hearing your ideas as to how London can grow and flourish in the years ahead.

Yours sincerely



Richard Burge
Chief Executive