

Rt Hon Andy Burnham MP

10 Downing Street
SW1A 2AA

LONDON CHAMBER
COMMERCE AND INDUSTRY

CONNECT. CHAMPION. SUPPORT.

05 August 2026

Dear Prime Minister,

On behalf of the London Chamber of Commerce and Industry, and our 12,000 strong business network, I am writing to welcome your support for the devolution agenda. Your commitment to incentivise growth by giving mayors of city regions a share of the income tax and business rates receipts generated in their own postcodes could be transformative for the economy. We support the bold ambition behind these plans.

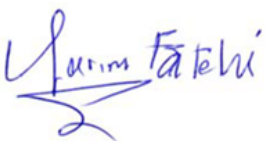
London and the South East pay 45% of the UK's income tax bill, and London businesses pay 30% of England's business rates. As the Government develops the formula to determine the share of tax revenue retained by mayors, it is essential that London's allocation fairly reflects the tax receipts it generates, allowing the capital to invest in the infrastructure a competitive and modern city needs.

If London does not have the funding it needs, the capital will not be able to compete with other European cities to attract investment and create jobs, which benefits the whole country. International businesses basing themselves in London must be confident that a fair proportion of the taxes they generate will be reinvested in the infrastructure they need to grow, or they will look to London's European competitors or, increasingly, to rival cities in the Middle East and Asia.

A new funding formula which does not fairly recognise London's contribution and its position as the country's capital would create an inherent unfairness in the new devolution agenda for London's taxpayers and businesses, and disincentivise growth in a critical part of the country. This risks undermining the national growth mission which I know your government is determined to achieve. The attractiveness of any country's capital city is a national issue, not a regional one, and there will not be growth in every postcode without growth in the capital. We firmly believe that when London succeeds, the whole country succeeds.

We would welcome the opportunity to discuss this further with your officials ahead of the Budget, and to contribute the views of London's business community to your forthcoming 10 Year Plan for Britain and our shared growth mission.

Yours sincerely,



Karim Fatehi OBE
Chief Executive