

24 December 2025

Mr Martin Mitchell
Group Finance Manager
Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

Dear Mr Mitchell,

London Chamber of Commerce and Industry response to the Mayor of London's Draft Budget 2026–27

I am writing to you on behalf of the London Chamber of Commerce and Industry (LCCI), the capital's largest independent business advocacy organisation, which serves to connect, support and champion the interests of over 10,000 London businesses constituting our diverse membership.

In addition to providing a range of services, our members rely on us to advocate on their behalf in the most important policy forums that shape the operating environment for London's businesses. To achieve this, we champion London as a global city with the aim of unlocking its growth potential via investing in its people and infrastructure in a sustainable manner.

Given our mandate, LCCI welcomes the opportunity to respond to the Mayor of London's Budget Proposals and Draft Capital Spending Plan for 2026-27.

London's businesses continue to face a challenging operating environment shaped by global economic uncertainty, rising costs, skills shortages and ongoing pressures on confidence and investment. Against this backdrop, the Mayor's budget plays an important role in setting the direction for growth, delivery and partnership across the capital.

LCCI supports the Mayor's ambition to back economic growth, improve skills provision, invest in transport and deliver regeneration across London. However, to maximise impact, it is essential that the final budget provides businesses with the confidence that London remains open, competitive and focused on clear, tangible actions for the benefit of London's businesses.

Supporting business growth, jobs and investment

London's business community is central to job creation, innovation and the city's global reputation. LCCI welcomes the emphasis in the draft budget on supporting businesses to grow, create jobs and attract trade and investment from around the world. However, businesses are continuing to operate under significant pressure, including rising costs, reduced consumer confidence and structural challenges such as an outdated and imbalanced business rates system.

While reform of business rates sits largely with central government, the Mayor and GLA have an important role to play in advocating for a fairer system and ensuring that London-specific impacts – i.e. the costs on business – are fully understood. LCCI would encourage City Hall to continue working with boroughs and business organisations to support high streets, town centres and smaller firms, particularly in areas facing hollowing out or declining footfall.

Skills and workforce development

A highly skilled workforce underpins London's economic success and long-term competitiveness. LCCI supports the Mayor's commitment to providing free training to those who are unemployed or in low-paid work and to increasing skills provision across the capital. These interventions are vital both to improving life chances and to addressing persistent skills shortages faced by employers.

To be effective, skills provision must be flexible, responsive and closely aligned with business needs. Employers should be fully involved in shaping training provision to ensure it reflects current and future labour market demand, particularly in sectors experiencing acute shortages. There is also a clear opportunity to expand investment in green skills, ensuring London's workforce is equipped to deliver retrofitting, decarbonisation and other priorities linked to the climate transition.

Closer collaboration between the GLA, business organisations, training providers and the business community will be essential to delivering a skills system that works for learners and employers alike, supporting productivity, inclusive growth across London and the correct implementation of the Inclusive Talent Strategy.

Planning and housing

LCCI welcomes the Mayor's focus on regeneration and the use of planning as a tool to drive economic renewal. Transformational projects such as the proposed changes to Oxford Street are critical to restoring confidence, increasing footfall and reinforcing London's position as a leading global destination for retail, leisure and tourism. LCCI supports the Mayor's leadership in taking this forward and recognises the potential benefits for businesses large and small.

Affordable housing remains a fundamental economic issue for London. Without sufficient housing supply, businesses struggle to attract and retain workers, and the capital risks losing talent to other regions. LCCI encourages continued efforts to increase housing delivery across London, while working with businesses to identify suitable sites and balancing this with the need to protect vital industrial land. A planning system that is predictable, efficient and pro-growth will be essential to unlocking both housing and commercial development.

Business crime

LCCI is concerned that business crime does not feature prominently in the draft budget, despite its significant impact on London's economy. Business crime, including retail theft, burglary and fraud, is rising across the capital and directly undermines confidence, investment and growth. The costs to businesses are significant, with knock-on impacts for employees, consumers and communities.

LCCI encourages the Mayor and the Mayor's Office for Policing and Crime to ensure that tackling business crime is clearly reflected in priorities and resourcing for 2026–27. Addressing business crime must be recognised as an economic as well as a policing issue, and a visible commitment in the final budget would send an important signal to London's business community.

The Draft Budget for 2026–27 presents an opportunity to reinforce London’s position as a globally competitive, dynamic and inclusive city. LCCI supports the Mayor’s focus on growth, skills, transport and regeneration, and encourages a final budget that provides confidence and a strong partnership with business. LCCI stands ready to work with the Mayor, the GLA and functional bodies to help deliver sustainable growth and prosperity for London.

Yours Sincerely,

Ben Andersen-Tuffnell

Interim Director of External Affairs