

4 December 2025

LCCI Submission to the Business and Trade Committee Priorities for 2026 Inquiry

The London Chamber of Commerce and Industry (LCCI) is London's key hub for the business community, representing over 11,000 companies across all sectors and boroughs. Our membership includes microbusinesses, SMEs, large employers, universities, colleges, and multinational firms, offering a diverse view of the operational pressures shaping London's economy. LCCI's policy and research unit turns these insights into evidence-based recommendations for policymakers. Our analysis draws on the London Quarterly Economic Survey (QES), the LCCI's contribution to the UK-wide survey delivered through the British Chambers of Commerce, along with broader work on planning, infrastructure, sustainability, skills, and access to finance. The submission also reflects the fiscal context following the Autumn Budget 2025. The areas outlined below are of significant importance to our members.

Business confidence and operating conditions.

QES findings indicate that business confidence in London continued to decline throughout 2025. Rising taxes, higher labour costs, and regulatory uncertainty are now the most common barriers to investment. Margin pressures are especially severe in London, where fixed costs such as property rent and taxes, transport, and staffing are already higher than in other regions. Many firms are delaying investments or scaling back projects as they reassess affordability in a high-cost operating environment. Export sentiment remains subdued, with London-based traders continuing to face tariff and customs friction, while concerns about future costs limit confidence in planning and expansion.

Skills shortages and workforce constraints.

Recruitment difficulties remain widespread, particularly for digital, technical and green roles. SMEs face barriers accessing modular or short-course training options that match operational needs. While recent Government announcements on early-career support may help, their effectiveness will depend on whether businesses can plan workforce investment with greater certainty and navigate training provision without excessive administrative complexity.

Investment, finance and transition challenges.

Access to finance remains a barrier to growth for many firms. London businesses report challenges securing investment for long-term projects, as uncertainty about future costs and regulatory conditions leads lenders and investors to exercise greater caution. This hampers plans for digitalisation, energy efficiency, and broader business expansion, especially for SMEs that face greater difficulties in financing and have limited capacity to absorb risk. Overall, the gap between available capital and accessible funding continues to slow investment in areas vital to productivity and competitiveness.

Planning, infrastructure and connectivity.

Delays and fragmented approvals within the planning system continue to slow

investment. Businesses report uncertainty caused by inconsistent requirements, limited resources, and prolonged decision-making, which extend delivery timelines across energy, transport, and commercial projects. The challenge is particularly acute in London, where the scale of infrastructure demand exceeds the current system's ability to manage applications at pace. Aviation infrastructure reflects a similar picture: limited runway and terminal capacities restrict long-haul connectivity and trade routes. While any expansion would need to comply with existing environmental and policy frameworks, progress ultimately depends on prompt clarity from the CAA regarding the next stages of the approval process. These issues underline the need for clear, timely regulatory processes for major infrastructure schemes and highlight the risk that prolonged delays could limit London's ability to meet future economic and connectivity demands.

Conclusion

The Business and Trade Committee has a vital role in investigating the challenges above and the barriers to growth in London and the UK. They reflect what our members are facing and navigating each day and have knock-on implications for their confidence to plan and invest over the longer term, both in London and more broadly across the UK.

We look forward to supporting the Committee's work programme in 2026 and would be delighted to discuss further, if appropriate.