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Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the past two weeks (28 August-11 Septembeer 2025)

Government Reshuffle

As Parliament returned from summer recess, the Prime Minister announced a series of changes to strengthen his team. Darren Jones was appointed Minister of State (Chief Secretary to the Prime Minister) at the Cabinet Office, a new role designed to coordinate delivery across departments. James Murray moved into Jones's former position as Chief Secretary to the Treasury, while Dan Tomlinson became Exchequer Secretary to the Treasury. Baroness Shafik was appointed Chief Economic Adviser to the Prime Minister, bringing additional expertise ahead of the Autumn Budget. The reshuffle also included changes to the communications team, with Tim Allan appointed Executive Director of Communications.

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Further moves include David Lammy becoming Lord Chancellor and Secretary of State for Justice, also serving as Deputy Prime Minister; Yvette Cooper as Foreign Secretary; Shabana Mahmood as Home Secretary; and Steve Reed as Secretary of State for Housing, Communities and Local Government.

Other appointments include Pat McFadden (Work and Pensions), Peter Kyle (Business and Trade), Liz Kendall (Science, Innovation and Technology), and Emma Reynolds (Environment, Food and Rural Affairs). Several new Ministers of State were also named across departments. According to No. 10, these moves mark the start of "phase two" of the government's agenda, focused on accelerating the delivery of economic and public service reforms.

Further ministerial appointments included Jason Stockwood as Minister for Investment (jointly in the Department for Business and Trade and HM Treasury), Dan Jarvis as Minister of State in the Cabinet Office, and Baroness Smith of Malvern as Minister for Skills in the Department for Work and Pensions. Other appointments were Lord Vallance (Energy Security and Net Zero), Michael Shanks (Business and Trade/Energy Security and Net Zero), Alison McGovern (Housing, Communities and Local Government), Dame Angela Eagle (Environment, Food and Rural Affairs), Dame Diana Johnson (Work and Pensions), and Sarah Jones (Home Department).

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English Devolution Bill Clears Second Reading

The English Devolution and Community Empowerment Bill completed its Second Reading in the House of Commons on 10 September. The Bill aims to deliver the most significant transfer of powers from Whitehall to local areas in a generation, introducing new strategic authorities with tiered powers, improved planning responsibilities, and duties to produce local growth plans. It also proposes reverting to the supplementary vote system for mayoral and police commissioner elections after May 2026, establishing a Local Audit Office, and creating a "community right to buy" to protect local assets. The Bill passed by 365 votes to 164 and will now proceed to the Public Bill Committee stage, scheduled to conclude by 12 November 2025.

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First Parliamentary Session Extended to Spring 2026

The government has confirmed that the current parliamentary session will run until spring 2026, delaying the next King's Speech until after that point. Sessions typically last around a year, but ministers have opted for an extended timetable to progress an extensive legislative programme. Commons Leader Lucy Powell described it as the most ambitious first session for any new administration, citing reforms on GB Energy, renters' rights, public rail ownership, planning, and measures to tackle anti-social behaviour.

Business Rates Reform and Review: Forward Look

The government has published an update on plans to modernise the business rates system and confirmed a review to make the regime fairer and more supportive of growth. From April 2026, two lower multipliers will apply to Retail, Hospitality and Leisure properties below the current relief threshold, funded by a new high-value multiplier for the largest properties. Final rates and details of transitional relief following the 2026 revaluation will be announced at Budget 2025.

The Non-Domestic Rating (Multipliers and Private Schools) Act 2025, which received Royal Assent in April, sets legislative limits on the extent to which new multipliers can diverge from existing rates. Alongside these structural changes, the government is considering reforms to remove "cliff edges" that discourage small firms from expanding, including tapering Small Business Rates Relief, improving Improvement Relief, and simplifying calculations. An interim report on the "Transforming Business Rates" programme outlines priority reforms to support investment and fairness, with further engagement planned ahead of the Autumn Budget 2025.

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Oxford Street to Go Traffic-Free for One-Day Event

On 21 September 2025, Oxford Street will be closed to traffic between Orchard Street and Oxford Circus for a one-day event showcasing proposals to pedestrianise part of the street. The closure follows a public consultation in which nearly 70% supported regeneration plans and two-thirds backed pedestrianisation. The event will feature themed areas highlighting retail, food, culture, and heritage, and is intended to inform future consultation on detailed traffic and highway proposals later this year. The Mayor is also progressing plans for a Mayoral Development Corporation to lead long-term regeneration, with the intention of supporting retail and economic activity in the area.

For businesses, the event provides an opportunity to assess how pedestrianisation could affect footfall and trading patterns. In the longer term, the Mayor is progressing plans for a Mayoral Development Corporation to lead regeneration, which could influence investment decisions and operational planning for retailers and hospitality operators in the area.

UK and China Relaunch Trade Talks After Seven Years

The UK and China have held their first Joint Economic and Trade Commission (JETCO) meeting since 2018, as Business and Trade Secretary Peter Kyle visited Beijing this week. The talks aim to secure more than £1 billion in market access opportunities over the next five years, with a focus on key sectors including professional services, automotive, and healthcare.

The visit also launched the Industrial Cooperation Dialogue, focusing on industrial decarbonisation and the digital economy. Government figures show nearly $\pounds 2$ billion in UK export wins to China in the last financial year. Businesses, particularly exporters in high-growth sectors, should closely monitor outcomes, as new agreements could facilitate market entry and expand opportunities in the world's second-largest economy, which is forecast to account for 23% of global growth by 2050. The UK also raised concerns about human rights and fair competition during the discussions.

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Saudi-UK Economic and Social Partnership Meeting

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UK Promotes Trade and Industrial Strategies in Japan and South Korea

Trade Minister Douglas Alexander has met his counterparts in Japan and South Korea to strengthen economic ties and promote the UK's Trade and Industrial Strategies. In Japan, he addressed the Pacific Future Forum and met senior officials to discuss investment and cooperation in sectors such as engineering, life sciences, and advanced manufacturing. In South Korea, talks focused on concluding an upgraded Free Trade Agreement by the end of 2025, which could expand opportunities for UK services exports, including financial and legal services. The visit also highlighted collaboration in Al and digital trade, with companies such as LG Al Lab and the London Stock Exchange Group already partnering. Businesses in technology, professional services, and high-value manufacturing should monitor developments as these agreements could improve market access and regulatory alignment in two key Asia-Pacific economies.

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Consultation on Reforming UK Design Protection

On 4 September 2025, the government launched a 12-week consultation to modernise the design protection framework, aiming to strengthen the £100 billion design sector and support nearly 80,000 businesses. The proposals seek to simplify overlapping rights, address design theft, and improve enforcement through measures such as harmonised procedures, bad faith provisions, and a potential small claims track for disputes.

The consultation also explores adapting the system for digital innovation, including new file formats and Al-generated designs, as well as resolving post-Brexit complexities related to international protection. Responses are invited from designers, businesses, and legal professionals until 27 November 2025. Design firms, tech companies, and creative agencies may benefit from more explicit protections, streamlined processes, and improved access to justice, reducing legal uncertainty and supporting innovation in digital and traditional design sectors.

Companies House to Switch to GOV.UK One Login

From 13 October 2025, access to Companies House WebFiling accounts will require a GOV.UK One Login, replacing existing sign-in methods. The change aims to provide a single, secure login for multiple government services, featuring two-factor authentication and optional identity verification. Businesses should ensure their WebFiling email address is up to date and consider creating a GOV.UK One Login before the deadline to avoid disruption. From 18 November 2025, identity verification will become mandatory for company directors and people with significant control, which can be completed via GOV.UK One Login or through authorised service providers. Companies should prepare for the transition early to maintain filing access and comply with upcoming identity verification requirements.

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CMA Fines for Freelancer Pay Collusion

The Competition and Markets Authority (CMA) has fined four major sports broadcasting and production companies a total of £4.2 million for sharing sensitive information on freelance pay rates, including day and holiday rates for roles such as camera operators and sound technicians. The investigation found 15 instances of information exchange between Sky, BT, IMG, ITV and the BBC, aimed at aligning rates rather than competing. Sky avoided a fine by reporting the conduct under the CMA's leniency programme. The case highlights that sharing competitively sensitive information, even informally, breaches competition law. Businesses are encouraged to ensure compliance, provide staff with training, and seek legal advice as needed.