LONDON CHAMBER of COMMERCE AND INDUSTRY

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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 seven days (6-13 November 2025)

Key economic indicators update by ONS

New ONS data show that the UK economy continued to grow only modestly in Q3 2025, while labour market conditions weakened further. GDP rose by 0.1% in the quarter and 1.3% year-on-year, with small increases in services and construction offset by a fall in production. Monthly figures show a 0.1% drop in September, driven mainly by a sharp decline in motor vehicle manufacturing following a significant cyber incident. In the labour market, the employment rate slipped to 75%, unemployment rose to 5%, its highest since 2021, and wage growth eased to 4.6%, alongside a year-on-year fall of 109,000 in payrolled employees.

Against this backdrop, real-time indicators point to softer economic activity. Revolut card spending fell by 7% on the week (though remained higher than last year), retail footfall dipped slightly, and "economic uncertainty" remained the most reported factor affecting business turnover. Energy prices remained well below 2024 levels, new vehicle registrations fell in October, and flight volumes edged down. EPC lodgements for new homes continued to grow.

Trade data highlight ongoing challenges. The overall trade deficit widened in Q3 as goods imports increased and goods exports declined, including notably weaker exports to the United States, where values have fallen to their lowest level since early 2022. Falls were concentrated in machinery, transport equipment and chemical exports. Overall, the latest releases suggest a period of subdued growth, softer demand and rising labour market pressure.

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Bank of England keeps Bank Rate at 4%

The Monetary Policy Committee voted 5-4 to hold the Bank Rate at 4% at its meeting ending 5 November 2025, with four members favouring a 0.25 pp cut to 3.75%. The Bank judges that CPI inflation has peaked and that underlying disinflation is progressing, supported by weaker pay growth, easing services inflation, subdued output and a gradually loosening labour market. However, members remain divided on the risks: some emphasise the danger of persistent domestic inflation pressures and favour maintaining a restrictive stance for longer, while others see growing downside risks from weak demand and argue that policy is now more stringent than needed. The Committee signalled that, if disinflation continues in line with its central outlook, Bank Rate is likely to follow a gradual downward path, with the pace of any further cuts dependent on incoming data.

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Skills England outlines role in delivering post-16 reform

A new government White Paper on post-16 education sets out plans for a more coordinated, data-driven skills system, with Skills England positioned at the centre of delivery. The organisation will act as the authoritative source on current and future skills needs, supported by recent analysis identifying a requirement for around 900,000 additional skilled workers in priority sectors by 2030. Skills England will work with national bodies, metro mayors and Employer Representative Bodies to align regional and national planning, support workforce strategies in key sectors such as construction, engineering, digital and defence, and help shift reliance from international recruitment towards strengthened domestic training pipelines. The White Paper also confirms new qualification reforms, including the introduction of V Levels as an additional vocational pathway linked to employer-designed occupational standards. Alongside this, a focus on inclusion is reinforced through measures to prevent young people from becoming NEET and through future integration with the National Jobs and Careers Service. Further consultation on implementation will follow in early 2026.

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New AI master's scholarships and fellowships announced

The government has launched the Spärck AI scholarships, a fully funded master's scheme for at least 100 students at nine leading UK universities, including two London institutions. The programme will combine academic study with industry placements and mentorship, forming part of wider plans to expand the UK's AI talent pipeline. Alongside this, new Turing Pioneer Fellowships will support experienced professionals in developing AI expertise and applying it to sector-specific challenges. Both initiatives align with national commitments to strengthen digital and AI skills and follow announcements made during London Tech Week.

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UK-Netherlands Innovation Partnership

The UK and the Netherlands have signed an Innovation Partnership to deepen collaboration on AI, quantum technologies and semiconductors, building on existing joint work through Horizon Europe, CERN and other international programmes. The agreement aims to accelerate the development of advanced computing, quantum applications in sectors such as clean energy and medical research, and support for semiconductor innovation, drawing on the UK's specialist clusters and the Netherlands' global supply-chain strengths. Researchers and businesses in both countries will benefit from strengthened joint R&D activity, including ongoing projects in photonics and floating solar.

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Cyber Security and Resilience Bill introduced

The government has introduced the Cyber Security and Resilience (Network and Information Systems) Bill, which updates the UK's existing NIS Regulations to strengthen national cyber defences and better protect essential public services and critical infrastructure. The Bill expands the scope of regulation to cover more digital services and supply chains, gives regulators stronger powers to ensure compliance and investigate vulnerabilities, and increases incident-reporting requirements to improve understanding of emerging threats. Prompted by rising attacks on hospitals, local authorities, and national institutions, the reforms aim to address gaps in the current framework, now outdated compared with newer EU rules, and to ensure the UK is better protected against cybercriminals and state-sponsored actors. The Bill will apply UK-wide.

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UKEF announces new clean-growth measures ahead of COP30

UK Export Finance has outlined several initiatives to expand sustainable export support ahead of the COP30 summit, including a new reinsurance agreement with Brazil's ABGF to facilitate collaboration on energy-transition and infrastructure projects, and continued leadership of the Net Zero Export Credit Alliance, which will publish its first progress report this week. UKEF has also backed additional financing for Hive Energy to scale international solar projects through HSBC UK, contributing to its target of delivering £10 billion in clean-growth finance by 2029.

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£100m in new export opportunities

Government agri-food attachés have helped resolve 41 trade barriers since January, enabling British food and drink producers to access export opportunities estimated by industry to be worth almost £100 million in 2025. Recent gains include new access to Vietnam's live seafood market, expanded dairy exports to Egypt and a new pork export agreement with Mexico, alongside previous openings such as beetroot exports to the United States and reopened pork markets in China. The attaché network, comprising 16 specialists posted in key global markets, works with industry to identify obstacles, promote UK products, and support export development, forming part of broader efforts to boost economic growth under the government's Plan for Change.

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UK-Africa trade forum convenes in Togo

The West and Central Africa Forum (WCAF IV) has opened in Lomé, bringing together UK representatives and business leaders from ten African economies to progress trade and investment opportunities. More than 560 delegates are expected to participate in discussions on infrastructure, renewable energy, digital transformation and other sectors central to UK export ambitions and regional development priorities. Organised by UKEF and DMA Invest, the forum aims to support access to competitive financing for Francophone African businesses while facilitating new commercial links for UK firms, building on previous projects delivered through UK export credit support.

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Pride in Place Programme

The government has launched a £5 billion, ten-year Pride in Place initiative that will allocate up to £20 million to nearly 250 areas across the UK, including selected London neighbourhoods, to support locally defined improvements to public spaces, high streets, community facilities and cultural assets. New Neighbourhood Boards will set funding priorities made up of residents, councils, businesses and community groups, giving local partners a direct role in shaping long-term investment plans, with programme delivery running through to 2037.

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Apprenticeship programmes to support clean energy skills

The UK Atomic Energy Authority and Manufacturing Technology Centre Training have introduced two new apprenticeship programmes to help address national shortages in Health Physics and Nuclear Decommissioning skills, expanding provision beyond the traditional training hubs in Cumbria and Somerset. The courses provide practical training in radiological monitoring, safety procedures and decommissioning work, with the first cohort already in place and strong employer interest for future intakes. The programmes form part of the UKAEA's FOSTER initiative and wider investment in developing specialist clean energy skills.

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CIC registration fees to increase from February 2026

Companies House has confirmed that filing fees for registering a Community Interest Company will rise from 1 February 2026, with online incorporation increasing from £65 to £115 and paper incorporation from £86 to £139.

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