

# Weekly policy update from the London Chamber of Commerce and Industry

*A round-up of key policy changes from the past seven days (10-16 February 2025)*

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## **Government Cuts Red Tape to Boost Apprenticeships**

On February 15, 2025, the government announced significant reforms to apprenticeship programs, aiming to increase flexibility and reduce bureaucracy. Up to 10,000 more apprentices will qualify annually as new rules allow employers to decide on the necessity of Level 2 English and maths qualifications for adult learners. The minimum apprenticeship duration will be reduced from 12 to 8 months, benefiting key industries like construction. These changes, supported by leading employers, are expected to drive economic growth and meet sector-specific targets. Under new leadership, Skills England will oversee the implementation of these reforms.

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## **Government Welcomes Heathrow Investment**

On February 12, 2025, the UK government welcomed a multibillion-pound investment programme from Heathrow Airport, expected to secure thousands of UK steel jobs. The investment includes new terminal buildings, aircraft stands, passenger infrastructure, and plans for a third runway. Heathrow has signed the UK Steel Charter, committing to use UK-made steel wherever possible. This initiative is seen as a major boost for the steel industry and a vote of confidence in the government's growth mission. The expansion is projected to significantly increase demand for UK-made steel, supporting jobs and economic growth across the country.

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## New Industry Bonus to Support Jobs

On February 16, 2025, the UK government launched the Clean Industry Bonus, providing financial support for offshore wind developers investing in deprived regions and building low-carbon factories. This initiative aims to boost industrial heartlands and coastal areas, creating highly skilled jobs and supporting the transition to clean energy. The bonus encourages developers to use sustainable suppliers to address supply chain issues and reduce emissions. With the UK leading in offshore wind production, this investment is expected to drive significant growth and help achieve the government's goal of a clean power system by 2030.

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## Business Secretary Launches Plan for Steel Consultation

On February 14, 2025, the UK government launched the Plan for Steel Consultation, seeking stakeholder views to develop a comprehensive Steel Strategy. The consultation aims to address long-term issues such as high electricity costs, unfair trading practices, and scrap metal recycling. Up to £2.5 billion will be invested to support the steel industry, benefiting regions with a strong history of steel production. Immediate actions include a multimillion-pound investment from Heathrow Airport, requiring 400,000 tonnes of steel. The government is committed to securing the steel industry's future, protecting jobs, and driving economic growth.

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## UK Economy Grows 0.1% in Final Quarter of 2024

On February 13, 2025, the Office for National Statistics (ONS) reported that the UK economy grew by 0.1% in the final quarter of 2024, surpassing economists' expectations of a 0.1% contraction. This growth contributed to an overall 0.9% increase in GDP for 2024. Chancellor Rachel Reeves expressed determination to accelerate economic growth, while Shadow Chancellor Mel Stride criticised the government's economic policies. The figures follow a downgrade in UK growth forecasts by the Office for Budget Responsibility (OBR), raising concerns about potential tax increases and spending cuts. Business Secretary Jonathan Reynolds is expected to announce a strategic steer for the Competition and Markets Authority (CMA) to enhance its agility and risk-taking.

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## UK Refuses to Sign AI Summit Declaration

On February 11, 2025, the UK and the USA declined to sign a declaration on "inclusive and sustainable" artificial intelligence at the Paris Summit. The declaration, supported by 60 other nations, including France, China, India, Japan, and Canada, aimed to promote ethical and transparent AI development. The UK government stated it would only endorse initiatives aligned with national interests. This decision followed US Vice President JD Vance's criticism of the EU's stringent technology regulations and caution against cooperation with China.

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## Fourth UK-India Energy Dialogue: Joint Statement

On February 10, 2025, the Fourth UK-India Energy Dialogue was held in New Delhi, co-chaired by UK Energy Secretary Ed Miliband and India's Minister of Power Manohar Lal. The dialogue reviewed progress in the power and renewable energy sector, reaffirming commitments to a sustainable and inclusive energy future. Key areas of cooperation include power distribution, industrial energy efficiency, de-carbonisation, and electric mobility. The Ministers announced Phase 2 of the Accelerating Smart Power & Renewable Energy in India programme and established a UK-India Offshore Wind Taskforce. The dialogue concluded with the launch of initiatives to enhance energy efficiency and decarbonisation in the industrial sector.

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## Business Secretary Sets Out Ambition for Further Growth

On February 13, 2025, Business Secretary Jonathan Reynolds delivered a speech at Samsung KX in London, emphasising the government's commitment to accelerating economic growth. Reynolds highlighted the achievements of the past seven months, including securing £63 billion in inward investment and launching the Industrial Strategy Council. He reiterated the government's pro-business stance, focusing on creating a favourable environment for private sector growth. Key initiatives include supporting high-growth sectors, improving planning efficiency, and reforming regulations. Reynolds also emphasised the importance of political stability, openness to global markets, and collaboration with the private sector to drive economic progress.

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## Government Sets Out Plans for E-Invoicing Overhaul

On February 13, 2025, the UK government launched a 12-week consultation on electronic invoicing (e-invoicing) to reduce paperwork and improve productivity for businesses. The proposals aim to save time and money, speed up payments, and reduce invoicing and VAT return errors. E-invoicing involves the digital exchange of invoice information between buyers and suppliers, leading to faster payments and improved cash flow. The consultation seeks input from businesses and stakeholders on standardising e-invoicing and increasing its adoption across the UK. The deadline for comments is May 7, 2025.

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## Consultation on Draft Strategic Steer to the CMA

On February 13, 2025, the Department for Business and Trade launched a consultation on the draft strategic steer to the Competition and Markets Authority (CMA). The consultation, open until March 6, 2025, seeks input from stakeholders on the government's priorities for the CMA. The steer emphasises the importance of free and fair competition, adequate consumer protection, and promoting economic growth. It outlines expectations for the CMA to support growth and investment, engage transparently with businesses, and provide timely and proportionate regulatory actions. The government aims to enhance the UK's attractiveness for international investment through this strategic steer.

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## Councils to Favour SMEs for Contracts

On February 13, 2025, the UK government announced changes to procurement regulations, allowing councils to favour local SMEs for contracts. The new rules mandate state bodies to advertise vacancies from contracts won in local job centres to boost employment. Cabinet Office Minister Georgia Gould emphasised that supporting SMEs is a government responsibility and is considering a proposal to legally prioritise small businesses to maximise local spending and stimulate economic growth.

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