

Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days (10-17 July 2025)

Chancellor sets out growth vision at Mansion House

On 15 July, Chancellor Rachel Reeves delivered her second Mansion House speech, setting out the government's economic priorities one year into office. Framing financial services as central to the UK's growth mission, the Chancellor announced the most wide-ranging package of reforms to financial regulation in over a decade, including the so-called "Leeds Reforms." She confirmed the launch of the Financial Services Growth & Competitiveness Strategy as the detailed blueprint for delivering this agenda, with the intention of doubling the growth rate of net financial services exports by 2035. The Chancellor emphasised the sector's role in supporting jobs, investment, and innovation across the UK, highlighting progress made over the past year in restoring economic stability, attracting £120 billion in private investment, and securing new trade agreements with the US, EU, India, and other countries. She also announced a new Listings Taskforce, reforms to the Financial Ombudsman Service, and changes to capital requirements aimed at unlocking lending and investment.

The speech also outlined a broader vision for a more confident, outward-facing UK economy built on secure foundations and inclusive growth. The Chancellor confirmed reforms to pensions and ISAs to boost long-term investment, including the inclusion of Long-Term Asset Funds in stocks and shares ISAs, as well as a forthcoming campaign to promote retail investment. She reiterated the government's commitment to fiscal discipline while calling for regulators across sectors to embrace a "regulate for growth" mindset.

The Chancellor also announced new support for fintech scale-ups, digital asset innovation, and a concierge service for foreign financial services investors. With a strong emphasis on competitiveness, innovation, and regional opportunity, the speech positioned financial services as a key driver of the government's wider industrial strategy and economic renewal agenda.

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Financial services growth plan published

Building directly on the vision set out in Chancellor Rachel Reeves' Mansion House speech, the government formally published its Financial Services Growth & Competitiveness Strategy on 15 July. Described by the Chancellor as the "most wide-ranging package of reforms to financial services regulation in more than a decade," the strategy provides the detailed blueprint for delivering the ambitions outlined in her address, including the so-called "Leeds Reforms." It sets a 10-year vision to make the UK the global destination of choice for financial services investment, innovation, and trade, with a headline goal of doubling the growth rate of net financial services exports by 2035. The strategy is positioned as a central pillar of the UK's modern Industrial Strategy, reflecting the government's commitment to long-term, productivity-driven economic growth.

The strategy outlines reforms across regulation, innovation, capital markets, skills, and international competitiveness. It includes measures to streamline authorisation processes, reform the Financial Ombudsman Service and ring-fencing rules, and accelerate the adoption of digital identity and smart data. It also confirms that the UK will not proceed with a Green Taxonomy but will legislate to regulate ESG rating providers later in 2025. Internationally, the government will deepen ties with key markets through new trade provisions and a dedicated Office for Investment: Financial Services. Domestically, it will support fintech scale-ups, modernise capital markets through a new Wholesale Financial Markets Digital Strategy, and promote retail investment through ISA reform and consumer engagement. A new Global Talent Taskforce and visa reforms will help attract high-skilled workers, while regional financial services clusters will be supported through targeted investment and innovation programmes. The government has committed to annual progress reporting and close collaboration with regulators and industry to deliver on its long-term ambitions.

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UK–France industrial partnership launched

The UK and France launched a new Industrial Strategy Partnership, securing over £1 billion in French investment in the UK across various sectors, including clean energy, AI, and advanced manufacturing. Announced at the 37th UK–France Summit, the partnership aims to consolidate bilateral economic ties and support the UK's Plan for Change. Confirmed deals include investments from Veolia, Thales, EDF, and LVMH, which are expected to create thousands of skilled jobs.

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Electricity market reforms confirmed

On 10 July, the government announced reforms to the national electricity market, confirming it will keep a single national wholesale price instead of introducing regional pricing zones. The decision follows a consultation launched in 2022 and aims to create a fairer, more affordable, and efficient energy system. Key measures include the development of a Strategic Spatial Energy Plan by NESO to direct infrastructure planning to 2050, a review of transmission charges to enhance investment predictability, and steps to reduce constraint payments through faster grid upgrades. The reforms are seen as essential to the government's clean power mission and are expected to support energy security, attract investment, and lower long-term costs for consumers and businesses.

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DRIVE35 programme launched

On 13 July, the government launched DRIVE35, a £2.5 billion programme to support zero-emission vehicle manufacturing and automotive innovation over the next decade. The initiative includes £2 billion in capital funding and £500 million for R&D, targeting firms of all sizes across the UK auto sector. It forms part of the UK's Industrial Strategy, aiming to boost investment, create jobs, and strengthen supply chains. Over £300 million in immediate funding was also announced for specific projects, including the production of EV components in Bolton and parts manufacturing in the West Midlands.

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Investment to support underrepresented entrepreneurs

The government announced a £500 million investment package to support underrepresented fund managers and entrepreneurs, as part of its Plan for Change. The British Business Bank will launch a £400 million initiative from 2026 to back diverse fund managers—particularly women, ethnic minorities, people with disabilities, and those from disadvantaged backgrounds—through direct investment, support for micro-funds, and training programmes. An extra £50 million will be allocated to female-led venture capital funds, doubling the Bank's commitment to £100 million. The announcement aligns with the latest Investing in Women Code report, which highlights progress in angel investment for female-led businesses but notes ongoing disparities in overall funding volumes. The initiative aims to unlock untapped entrepreneurial potential and strengthen the UK's venture capital ecosystem.

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Trade access expanded for developing countries

On 10 July, the government announced improvements to the Developing Countries Trading Scheme (DCTS), making import rules more straightforward to promote trade with developing nations and lower costs for UK consumers. Changes include eased rules of origin, allowing tariff-free access for more goods from countries such as Bangladesh, Sri Lanka, and Nigeria. The reforms aim to strengthen supply chains, support UK retailers, and align with the UK's Trade Strategy and Plan for Change. Additional support will help exporters meet UK standards and expand trade services in sectors such as digital and finance.

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EV subsidies reintroduced

The government has announced a new £650 million scheme to support the adoption of electric vehicles (EVs), including up to £3,700 off the purchase of new EVs priced under £37,000. The programme also allocates £63 million for the installation of chargers. Announced by Transport Secretary Heidi Alexander, the initiative aims to make EV ownership more affordable and help meet national targets for zero-emission vehicle uptake.

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Renewable subsidies extended to 20 years

The government has extended renewable energy subsidy contracts from 15 to 20 years to improve investor confidence and reduce financing costs for wind and solar developers. The change to the “contracts for difference” scheme supports the UK’s 2030 clean power targets, including tripling offshore wind capacity. While the move is expected to encourage long-term investment, concerns remain over potential impacts on consumer energy bills and project delivery risks.

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Support for SME IP security announced

On 10 July, the government introduced a new scheme offering up to 500 small and medium-sized UK businesses customised security reviews to protect their intellectual property. Delivered through Innovate UK, the Secure Innovation Security Reviews will offer expert guidance on cyber, personnel, and physical security, particularly in sensitive sectors such as AI, life sciences, and semiconductors. The initiative, supported by the National Protective Security Authority and the National Cyber Security Centre, aims to help SMEs defend against threats from hostile actors and state-backed competitors. Participating firms will contribute £500, with £2,500 funded by the government.

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Consultation launched on patent licensing

The government launched a consultation on proposed reforms to the Standard Essential Patents (SEPs) framework, aiming to improve transparency, licensing efficiency, and dispute resolution. SEPs underpin technologies such as 5G and smart manufacturing, but current inefficiencies may hinder innovation, particularly for SMEs. Proposed measures include a specialist rate determination track, mandatory patent disclosures, and improved pre-action protocols. The consultation, led by the Intellectual Property Office, is open until 7 October 2025 and seeks input from across the SEP ecosystem.

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UK–US exports rebound in May

UK goods exports to the United States rose by £300 million in May, following the UK–US trade agreement signed on 8 May that reduced tariffs on key sectors including cars, steel, aluminium, and aerospace components. This reversed a sharp £2 billion drop in April, the most significant monthly decline since 1997. Overall, UK exports increased by 2.2% in May; however, the trade deficit widened to £13.2 billion over the three months to May, due to rising imports and falling services exports.

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UK signs international design treaty

On 11 July, the UK signed the Riyadh Design Law Treaty (RDLT) at the WIPO General Assembly in Geneva, becoming the latest signatory to the multilateral agreement. The treaty simplifies and harmonises international procedures for registering and renewing industrial designs, reducing administrative burdens for UK designers and SMEs. Once ratified by 15 countries, the treaty will streamline global design protection, support innovation, and enhance the UK's competitiveness. The UK Intellectual Property Office will now begin stakeholder engagement ahead of formal ratification.

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London–Africa business summit announced

The Mayor of London announced the first-ever London–Africa business summit, to be hosted by City Hall in 2026. The summit will bring together investors, entrepreneurs, and officials from across Africa to strengthen trade and investment ties with London, with a focus on key sectors such as fintech, education, and sustainability. The announcement was made during the Mayor's trade mission to Nigeria, Ghana, and South Africa—marking the first time a London Mayor has led a delegation to the continent. UK–Africa trade is projected to reach £62 billion by 2030.

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Mayor leads first Africa trade mission

This week, the Mayor of London began a historic trade mission to Africa, visiting Lagos, Accra, Johannesburg, and Cape Town to strengthen trade, investment, and cultural ties. It marks the first time a London Mayor has led such a delegation. The visit includes a 27-company trade delegation and events focused on tech, creative industries, and education. With UK–Africa trade valued at £50 billion in 2024, the mission aims to deepen economic partnerships and highlight London's role as a global hub for African business and innovation.

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£600k for London high street renewal

On 11 July, the Mayor of London announced £600,000 in funding to support 12 high streets across the capital, with each borough receiving £50,000 through the High Street Place Labs programme. The investment will help councils attract further funding, improve public spaces, and support local economies. It forms part of the London Growth Plan, which aims to boost productivity and add over £100 billion to the capital's economy. Projects will focus on affordable workspaces, re-using vacant properties, and enhancing accessibility and the night-time economy.

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