

Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days (17-24 July 2025)

AI Compute Roadmap announced

The government unveiled its Compute Roadmap, outlining a £1 billion strategy to expand the nation's computing infrastructure and support AI-driven innovation. The plan prioritises projects aligned with the government's Plan for Change, including economic growth and NHS transformation. The AI Research Resource (AIRR), now operational following the launch of the Isambard supercomputer in Bristol, will significantly increase domestic computing capacity, enabling breakthroughs in medical diagnostics and industrial decarbonisation. Edinburgh will host the first National Supercomputing Centre, while Scotland and Wales are set to benefit from future AI Growth Zones, attracting private investment and creating jobs. The roadmap aims to reduce reliance on foreign computing power and establish the UK as a global leader in AI-enabled science and technology.

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UK Signs Strategic AI Partnership with OpenAI

The government signed a Memorandum of Understanding with OpenAI to expand collaboration on AI infrastructure, public service transformation, and security research. The agreement includes plans to grow OpenAI's presence in the UK, explore investment in AI Growth Zones, and support the UK's AI Opportunities Action Plan.

OpenAI will also share technical insights with the UK's AI Safety Institute and collaborate with departments to apply AI in areas such as education, justice, and defence. The partnership aims to strengthen the UK's sovereign AI capabilities and boost economic growth.

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Government Approves Final Investment in Sizewell C

The government approved the final investment decision for Sizewell C, marking the UK's most substantial public investment in clean energy this century. The nuclear plant will supply electricity to approximately six million homes and support around 10,000 jobs during peak construction. The government will hold a 44.9% stake, alongside EDF, Centrica, La Caisse, and Amber Infrastructure. The £38 billion project is expected to save £2 billion yearly in electricity system costs once operational. Sizewell C is a crucial part of the UK's Plan for Change, supporting energy security, economic growth, and long-term reductions in bills.

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Treasury Issues First FMIC Recommendations

The Chancellor issued the first formal recommendations to the Bank of England's Financial Market Infrastructure Committee (FMIC) under the Bank of England Act 1998. The letter outlines the government's growth-focused economic strategy and calls on the FMIC to support innovation, streamline regulation, and maintain the UK's global leadership in financial services. In response, the Bank reaffirmed its commitment to financial stability and innovation, highlighting initiatives such as the Digital Securities Sandbox, T+1 settlement transition, and systemic stablecoin regime. The FMIC will embed the recommendations into its policymaking for CCPs and CSDs.

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CMA Proposes Action on Mobile Platform Competition

The Competition and Markets Authority proposed designating Apple and Google with Strategic Market Status (SMS) for their mobile platforms, citing concerns over app store practices, developer restrictions, and limited consumer choice. The CMA published roadmaps outlining potential interventions to improve transparency, enable alternative payment options, and enhance interoperability. The UK's app economy supports around 400,000 jobs and contributes approximately 1.5% of the country's GDP. Final decisions on SMS designations are expected by 22 October, with consultations ongoing.

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ONS Data and Economic Indicators

UK Labour Market Data – July 2025

On 17 July, the ONS published labour market estimates for March to May 2025. The employment rate increased to 75.2%, while unemployment rose to 4.7%. Economic inactivity fell to 21.0%. Payrolled employees decreased by 135,000 over the year to May, with a further provisional decline of 178,000 in June. Vacancies declined for the 36th consecutive period, falling to 727,000. Average earnings grew by 5.0% annually, with real terms growth of 1.1% (CPIH-adjusted). The Claimant Count increased to 1.743 million in June.

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Business Insights – July 2025 Snapshot

On 24 July, the ONS published new data on business sentiment and performance. In June, 15% of trading businesses reported increased turnover, while 24% experienced declines. Looking ahead, 19% expect turnover to fall in August, citing economic uncertainty and labour costs as key challenges. Among businesses with 10 or more employees, 15% plan to raise prices in August—the lowest since November 2024—while 40% are not considering price increases. Worker shortages remain steady, affecting 9% of all businesses and 17% of larger firms.

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Business Demography – Q2 2025

On 24 July, the ONS reported that business creations in the UK fell by 4.2% year-on-year in Q2 2025, reaching 78,015, with notable declines in business administration and construction. Business closures also decreased, down 2.4% to 74,025, mainly driven by a fall in the transportation and storage sector. In London, business creation remained relatively resilient compared to other regions, reflecting the capital's continued role as a hub for new enterprise activity. However, London also recorded one of the highest absolute numbers of business closures, highlighting ongoing pressures in urban service sectors.

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Crime Trends – Impact on Business Activity

On 24 July, the ONS released crime statistics for the year ending March 2025. Police-recorded shoplifting increased by 20% to over 530,000 offences—the highest since 2003—highlighting growing risks for retail businesses. The robbery of business property increased by 50%, despite an overall decrease in robberies. Fraud incidents escalated by 31% to 4.2 million, the highest since tracking began, posing potential implications for financial services and consumer-facing sectors. Although overall crime against individuals remains lower than a decade ago, these trends could impact business costs, insurance, and operational resilience.

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Companies House Enforcement Update

Over the past 12 months, Companies House has removed 11,500 companies from its register, utilising new powers aimed at tackling financial crime. The action is part of broader efforts to improve transparency and prevent misuse of the company formation system. Businesses operating in corporate services or using formation agents may face increased scrutiny under evolving compliance standards. Companies House continues to collaborate with law enforcement and regulatory partners to identify and address misuse of the register.

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Transport Manufacturing Inquiry

On 24 July, the Transport Committee launched a new inquiry into how the government can support UK transport manufacturing. The inquiry will evaluate the health of sectors including automotive, aerospace, rail, maritime, and bus manufacturing, with a focus on skills needs across construction, design, and supply chains. It follows the designation of aerospace and automotive as key sectors in the Advanced Manufacturing Sector Plan. The Committee will also examine how central and devolved governments can promote industry growth. Transport manufacturing contributed £35.3 billion in GVA since 2024. Submissions are open until 15 September.

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Emerging Markets Finance Coalition Launch

At the 4th International Conference on Financing for Development in July, the UK and the Philippines launched the EMDE Public Markets Coalition to boost investment in emerging markets. The initiative aims to redirect a portion of global public market capital—currently valued at \$255 trillion—towards sustainable development and climate projects in developing economies. Supported by Norway, the African Development Bank, and others, the coalition will develop a Toolkit to guide investment through public markets. The UK's MOBILIST programme, which backed a \$12.5 million IPO in the Philippines in 2024, serves as a foundation for the initiative.

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New Law Targets Unsafe Products Sold Online

The Product Regulation and Metrology Act received Royal Assent in July, granting regulators stronger powers to hold online marketplaces accountable for unsafe products. The legislation aims to align online platforms with the safety standards of physical retailers, addressing risks such as lithium-ion battery fires linked to e-bikes and e-scooters. The government plans to introduce new duties for online marketplaces, including measures to prevent unsafe listings and to cooperate with regulators. The Act supports the UK's Plan for Change by protecting consumers and creating a fairer regulatory environment for the £490 billion regulated product market.

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Silvertown Tunnel Impact Report Published

Transport for London released early data on the Silvertown Tunnel, which opened in April 2025. The report indicates reduced congestion on approach roads, including a 70% drop in morning peak journey times on the northbound A102. Public transport use has increased, with over 20,000 daily trips on zero-emission bus routes through the tunnel. TfL also reports fewer unplanned closures at the Blackwall Tunnel and stable traffic volumes across the wider network. Monitoring will continue to assess long-term effects on traffic, resilience, and air quality.

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London Music Events Drive Summer Tourism

The Mayor of London highlighted the economic impact of the capital's summer music programme. Major venues including The O2, Wembley Stadium, and Tottenham Hotspur Stadium are expected to host over 3.6 million attendees, with artists such as Coldplay, Beyoncé, Billie Eilish, and Oasis performing multiple dates. UK Music estimates that 7.5 million music tourists visited London in 2024, contributing £2.7 billion to the economy. Grassroots venues also continue to play a role, hosting over 328,000 performances last year. The Mayor's office is encouraging extended hospitality offerings to support tourism and local businesses.

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Guidance on Choosing Business Rates Agents

The Valuation Office Agency published updated guidance to help businesses choose reputable agents to manage their business rates. The guide advises businesses to research agents thoroughly, understand contract terms, and avoid those making unrealistic promises. It also warns against rogue agents who may misrepresent their affiliation with the VOA or charge high fees for poor-quality services. Businesses are encouraged to use the VOA's free valuation account service and appoint agents through official channels.

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