

Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days (23-30 October 2025)

Major pension funds form UK investment group

Twenty of the UK's largest pension funds and insurers have formed the Sterling 20 partnership to invest in national infrastructure and high-growth sectors, including housing, clean energy, AI, and fintech. Announced at the Regional Investment Summit in Birmingham, the initiative builds on the Mansion House Accord. It aims to mobilise long-term capital for regional regeneration and productive investment across the UK, supported by coordination between government, the City of London Corporation, and the Office for Investment.

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UK Trade Policy Update

The government has set out its trade priorities as it undergoes its first WTO Trade Policy Review since leaving the EU. The strategy focuses on expanding services exports, promoting investment-led growth, advancing digital trade, and supporting sustainability goals. The review highlights opportunities for UK businesses, particularly in services and digital sectors, while reaffirming the country's commitment to open markets and modernised trade rules.

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UK–Saudi investment agreement progresses

UK Export Finance has signed a Memorandum of Understanding with Saudi Arabia's Public Investment Fund to enhance financial cooperation and support UK companies seeking to supply goods and services to PIF-backed projects. The framework, supported by a £4–5 billion risk appetite, is intended to facilitate greater UK participation in Saudi Arabia's Vision 2030 programme and promote knowledge sharing between the two institutions.

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UK–Switzerland trade negotiations

The eighth round of talks on an enhanced UK–Switzerland Free Trade Agreement took place between 20 and 24 October 2025. The negotiations focused on services, data flows, and business mobility, with competition issues now concluded. The next round is scheduled for early 2026 in the UK, as both governments aim to finalise a deal that supports economic growth and long-term market access.

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New regulatory support planned for scaling financial firms

The Chancellor has announced the creation of a Scale-up Unit to help fast-growing banks, insurers, and fintech firms expand more efficiently through tailored guidance from the Financial Conduct Authority and Prudential Regulation Authority. The initiative is designed to simplify regulatory processes, unlock private investment, and strengthen the UK's financial innovation base across key centres, including London and Leeds.

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AI skills support package announced

Skills England has published a report on the UK's AI skills gap and introduced three employer-facing tools, the AI Skills Framework, an Adoption Pathway, and an Employer Checklist, to support responsible adoption across sectors. In parallel, a government–industry partnership with companies including NVIDIA, Google, IBM and Microsoft aims to provide essential AI training to 7.5 million workers by 2030. The package is intended to help SMEs and larger firms identify workforce needs, improve take-up of AI, and contribute to productivity gains, with government analysis estimating up to £400 billion in additional economic value by 2030.

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Government sets long-term R&D funding plan

The Department for Science, Innovation and Technology has announced £55 billion in research and development funding for UK research agencies and innovation programmes through to 2029/30. The allocation represents a real-terms increase and supports national priorities, including health innovation, clean energy, and advanced technologies, alongside expanded budgets for UKRI, ARIA, and the National Academies.

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Business and consumer trends update from ONS

The latest ONS real-time indicators show that UK retail and mobility activity softened slightly in late October 2025, following a period of steady growth through the summer. Total Revolut debit card expenditure fell by 2% in the week to 26 October, though remained 10% higher than the same period last year. Retail footfall declined by 2% week-on-week and 4% year-on-year, with the most significant regional declines reported in Northern Ireland, Wales, and parts of northern England.

At the same time, gas prices fell by 4% on the week and by 26% on the year, while flight volumes remained broadly stable but 4% higher than a year earlier. The number of Energy Performance Certificates for new dwellings rose 28% year-on-year, pointing to continued activity in the construction sector despite weekly fluctuations.

Retail sales volumes increased by 0.5% in September, marking the fourth consecutive monthly rise and contributing to 0.9% quarterly growth in Q3 2025. Clothing and non-store retailing drove the improvement, supported by favourable summer weather and stronger online demand, particularly for jewellery and electronics. Overall retail volumes remain 1.6% below pre-pandemic levels, but sustained online spending, up 5% year-on-year.

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Design teams appointed for Oxford Street regeneration

City Hall has appointed specialist design teams to develop detailed and whole-street concepts for the planned regeneration of Oxford Street. The work forms part of the Mayor's wider strategy to enhance the area's public realm, pedestrian accessibility, and commercial environment, ahead of proposals to establish a Mayoral Development Corporation in 2026 to oversee delivery.

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