

10 January 2024

Mr Elliott Ball
Interim Director - Group Finance and Performance
Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

Dear Mr Ball,

CONSULTATION SUBMISSION – MAYOR OF LONDON DRAFT BUDGET

I am writing to you on behalf of the London Chamber of Commerce and Industry (LCCI), the capital's largest independent business advocacy organisation, which serves to connect, support and champion the interests of the 7,000+ London businesses that constitute our diverse membership.

In addition to providing a range of services, our members rely on us to advocate on their behalf in the most important policy forums that shape the operating environment for London's businesses. At the same time, we work to champion 'Global London' as the best city in the world to do business – whether that is to trade, invest, learn, visit, or find new commercial partners.

Given our mandate, LCCI welcomes the opportunity to respond to the Mayor of London's Budget proposals and Draft Capital Spending Plan for 2024-25. Please find below what we see as the most pressing issues for your consideration.

Adult Education Budget (AEB)

We support the ambition of the Greater London Authority (GLA) for London to be net zero carbon by 2030. As the consensus on further evidence emerging out of COP28 in Dubai makes clear, the world is facing a climate emergency. The impact of severe climate change is not just damaging for the environment and public health, but also for the economy, as businesses deal with the greater risks of extreme weather events and their subsequent disruption to commerce and supply chains.

Key to achieving net zero by 2030 is adequate funding for adult education, which will help provide the necessary depth of 'green' competencies in London's labour pool required to meet the UK's ambitious climate targets. In January 2023, the Deputy Mayor for Regeneration and Skills, Jules Pipe CBE, met with LCCI members to discuss the need for greater adult education funding to address the lack of green skills in the capital. Given this earlier attention to the issue, we are disappointed to see that the Adult Education Budget (AEB) was not included in the proposed draft. Adult education is one of the Mayor's key devolved powers that can help transform the economy of London, and improve the long-term life outcomes for Londoners. For proper progress to unfold – and for due scrutiny to be possible – the inclusion of the AEB is vital.

Procurement

London's diverse population is one of its many strengths and we welcomed the inclusion of a detailed equalities assessment. However, procurement was noticeably absent from the key measures used to assess the equalities impact of the GLA. The GLA made significant strides

in 2023 to ensure women-owned and ethnic minority-owned businesses were given fair opportunities to win tenders. This came about through positive changes to procurement.

processes. The Mayor of London has committed to monitoring the number of tenders won by women-owned and ethnic minority-owned businesses in several public statements; we therefore propose this measure is included in the final iteration of his budget.

Business Crime

We are disappointed that in the section on police funding, there was no reference to business crime. Statistics from the Metropolitan Police show a year-on-year increase in business crime and as the Mayor is aware from the meetings he has had with the business community, this is a top concern for many. If London's economy is to avoid further harm by the sharp rise in business crime, this oversight must be corrected.

Towards the end of 2023, we conducted a visit to businesses in the Square Mile alongside the City of London Police's National Business Crime Centre (NBCC), which is doing important work both in London and across the UK to inform firms of potential solutions to tackling business crime. We urge the GLA to build on this early progress and make clear how police funding will specifically support both the City of London Police and the Met's efforts to tackle to scourge of business crime. I should note that business crime remains a top issue for our members and London's wider business community.

Marketing and Foreign Direct Investment (FDI)

One of the core aims of the GLA budget is to encourage inward investment into London. FDI and tourism are key drivers of the London economy, now more so than ever as other global cities continue to step up their marketing in an effort to bounce back from the pandemic.

London must not be complacent about its status as the preeminent global city. Reaching a wide international audience remains critical. New York City successfully grew tourist arrival numbers following its largest ever global marketing campaign towards the end of the pandemic, thus illustrating the heightened competition from our peers. Dedicated new funding for marketing, set against clear KPIs on projected outcomes is vital to ensure London retains its leading position and continues to increase tourist arrivals and revenue, as well as foreign investment.

We have consistently called for closer co-operation between the GLA, London and Partners, and HM Government to market London more effectively. As the gateway to the rest of the UK, London's prosperity benefits the entire country. We also see it as essential that the marketing of London extends beyond the Central Activity Zone (CAZ). Whilst the CAZ is pivotal to London's success, we need to consider the business opportunities for inward investors in outer boroughs such as Croydon, with its strong entrepreneurial base, or Havering with its plans for green tech developments.

Likewise, there is further scope to market tourism assets opportunities beyond the CAZ, from Kew Gardens in the south to Forty Hall Estate in the north. This includes improving the visitor experience such as expanding accessibility of free public Wi-Fi.

The diversity and depth of Greater London's tourist offering is unique and must be championed effectively to attract tourists and investors from key global markets.

Electric Vehicle (EV) Charging Points

We very much welcome the announcement that funding has been allocated for electric vehicle (EV) charging points. Currently, EV infrastructure is not robust in outer London and there is a severe lack of charging points across the capital for commercial vehicles. The commitment to fund these charging points is critical to ensuring London meets the 2030 net zero target and that the specific delivery needs of London businesses and consumers alike are met.

Funding

We consider it prudent for the GLA to have a diversified income stream to ensure that the needs of London and its businesses are fully met. To that end, we would like to see greater detail on other forms of funding the GLA could consider. While the Greater London Authority Act is detailed in terms of the provisions for Public-Private Partnerships – and the Mayor has announced plans for a Green Bond issuance – these are not included in the current draft Budget. Also absent are the additional revenue streams LCCI proposed to the GLA in 2023, such as policy performance bonds and sukuks (Islamic finance instruments).

The need for London's economy to be robust must not come at the expense of those who live and work there. No borough and no community should be left behind. For our part, we stand ready to enter into discussions with the GLA to ensure that we are successful in our shared endeavour to help London's economy – underpinned by London businesses – to thrive now and in the future.

Yours sincerely,

A handwritten signature in black ink, reading 'Karim Fatehi', with a stylized flourish underneath.

Karim Fatehi MBE
Interim Chief Executive