

Rt Hon Rishi Sunak MP  
Prime Minister  
Via email

26 October 2022

Dear Prime Minister,

Congratulations on your appointment as Prime Minister. You take up the position at a time of great challenge, and businesses in the capital stand ready to support you in driving economic growth for the whole UK.

I am writing to you ahead of the fiscal statement scheduled for November, and copying this letter to the Chancellor of the Exchequer, to urge that the statement provides the clarity and consistency required to restore market confidence further and to encourage businesses to invest and grow.

As you are all too aware, tough choices will be required to balance revenues and spending. However, we would urge you to consider the following cost-neutral measures that will help boost growth.

- **VAT-free shopping for international visitors:** we would urge you to ask the Office for Budget Responsibility to undertake a review of the benefits and benefits of re-introducing the scheme. Analysis by the Association for International Retail (AIR) suggests that the costs would be lower than treasury forecasts (as European visitors tend to spend less than those from farther afield) and it would of course boost revenues from non-reclaimable spend. And, of course, the scheme will attract many more visitors to the UK which will provide a valuable boost to the leisure, culture and hospitality sectors who have been so hard hit by the pandemic. Indeed, ending the scheme would, according to AIR research, see £1.36bn less spending and 609,000 fewer visitors to the UK.

- **Pooling regional allocations of government funds:** We believe that empowering local regions to tackle local issues at will support growth. London, like other regions, is the beneficiary of several government funds, including the Future High Streets Fund, the Community Renewal Fund and the Levelling Up Fund. In London, this totals more than £650m. Allowing regional authorities to consolidate these pots to drive growth would enable investment to be targeted where most needed - from skills to transport projects - rather than the current inefficient process of being allocated and/or bidding for small pots.
- **Reform of the Apprenticeship Levy:** we support the principle of the Levy but it does not work as efficiently as it could. We would urge the Government to: extend the deadline for spending Levy funds from two to three years; enable larger employers to transfer more funds to SMEs; and allow an element of levy funding to be spent on pre-employment training and the wage costs of new apprentices from priority groups – all of which would have a material impact on the number of apprentices hired.

We also ask that the Treasury review into the Energy Price Guarantee moves at pace to give both consumers and businesses clarity. The nature of the scheme is of course particularly important to businesses for whom energy is a major part of their costs – not just major users but also many hospitality firms still struggling post-Covid.

Though London and the UK face strong headwinds, our city and our country are strong and resilient. We look forward to playing our part in accelerating growth and I would be keen to discuss these measures with you in more detail.

Yours sincerely,



John Dickie  
Chief Executive  
BusinessLDN