

CAVENDISH

Insight. Influence. Creativity.

Weekly Monitoring
Friday 10th May



EIA Update

The EIA has received a positive confirmation of receipt from a number of parliamentarians of the SASIE report including, from Julia Lopez Minister for Media and Data, Lord Newby, leader of the Liberal Democrats in the House of Lords and Kemi Badenoch, Secretary of Business and Trade. This is in addition to our response from Shadow Business and Trade Secretary Johnny Reynolds' office, who shared the report with their policy advisory team.

We also attended a roundtable with the Secretary of State for Culture, Media and Sport this week, ahead of the GREAT Futures Event in Saudi Arabia. The roundtable was positive and provided an opportunity for the EIA to engage directly with the Secretary of State and share the challenges facing the sector and our asks of policymakers.

Later in the week an ESSA member gave Sir Oliver Heald MP a successful tour of their site and introduction to the sector.

Political Update

Voters across England and Wales participated in local elections last week. These elections represented the largest, and last, test of electoral opinion before the next general election (single by-elections notwithstanding).

The Conservatives suffered losses across every part of England, from northern towns to rural southern and southwestern authorities. In what became an anyone-but-the-Conservatives election, Labour, the Greens, Independents, and the Lib Dems strengthened at the expense of the Tories. A parliamentary by-election in Blackpool South resulted in a Labour victory.

Labour's Sadiq Khan secured his third term as London's mayor, while Labour's Richard Parker won a very tight mayoral race in the West Midlands, defeating Conservative Andy

Street. Andy Burnham (Labour) retained his position in Greater Manchester, as well as Oliver Coppard (Labour) as Mayor of South Yorkshire, and Steve Rotheram as Mayor of Liverpool.

Despite a significant swing towards Labour, Ben Houchen (Conservative) managed to secure a third term as Mayor of the Tees Valley by distancing himself from the national party and running as a quasi-independent candidate

A new Scottish Administration was also formed, with the SNP's John Swinney sworn in as Scotland's seventh First Minister, appointing Kate Forbes as his Deputy. Other members of the Scottish Cabinet have been chosen, but the Government in Holyrood will no longer include Green Ministers following termination of the Bute House Agreement. The SNP will therefore be operating a minority Government in Holyrood.

Elsewhere Rachel Reeves accused the Government of gaslighting the public over the state of the economy after the Conservatives claimed that 'the plan' was working. She pointed to the increased struggles with mortgages and rents as well as the UK having the slowest growth in the G7, as she pledged that Labour would fight the upcoming general election "on the economy."

News

UK avoid recession with 0.6% growth

It was announced this week that the UK had avoided a recession, with GDP growing 0.6% in the first quarter of 2024, the fastest growing rate for the UK economy in two years. Services businesses, particularly in software, financial services, and real estate, showed strong expansion, while manufacturing saw mixed results.

Likely with one eye on his pledge to "grow the economy", PM Rishi Sunak responded to the news by stating that the economy had "turned a corner". Labour, however, warned that it's too early for a victory lap, as they promised this week to fight the election on the economy.

Bank of England holds interest rates

The Bank of England announced this week that they will hold interest rates at 5.25% for the sixth consecutive month. Despite interest rates remaining at a 16-year high, the Bank said that they needed to 'see more evidence' that inflation have further slowed before they consider cutting the interest rate.

However, the Bank insisted that inflation was "moving in the right direction" and signalled that we could start to see interest rates fall from as early as next month. The Bank of England also improved its forecast that CPI inflation would fall to 2.25% in 2025 and 1.5% in 2026 .

Mother of Manchester Arena bombing victim sets off on 200-mile walk to Downing Street to demand new law

The mother of Martyn Hett, a victim of the Manchester Arena attack, who Martyn's law is named after, has started a walk from Manchester to London to demand that the new law comes into effect.

The walk is expected to take 16 days and she will arrive at Downing Street on 22nd May on the seven year anniversary of her son's death.

The law would see stronger protections implemented against terrorism in venues and has yet to go beyond the draft stage despite the 2019 Conservative manifesto commitment.

Department of Education seeks feedback on experiences with apprenticeships

The Department for Education are looking for stories about how real apprenticeships, T Levels, Skills Bootcamps, and other Government training programmes are helping businesses.

They are asking for people to share personal experiences of working with government skills programmes to potentially feature in upcoming communications activities like as social media, online content, events, speeches, or via campaign activities like those featured below:

- <https://x.com/Apprenticeships/status/1754399500901236988?s=20>
- <https://x.com/educationgovuk/status/1754769409220944074?s=20>
- [Manufacturing sector reports 51% investing in young talent - The Manufacturer](#)
- [Bright sparks - The Times & The Sunday Times](#)
- [These schemes are a real asset: T Level students help employers close the skills gap - The Times & The Sunday Times](#)
- [The Power of Training: "How Apprentices Transformed Our Workplace" | HuffPost UK Life \(huffingtonpost.co.uk\)](#)

If you wish to be involved, you need to fill out this [form](#) and provide the Department with some quotes and information that they can use to develop communications assets and messages that they will then pass by you for approval.

Labour's watered down workers' rights package leaked

The Labour Party is walking a tightrope on worker's rights after the updated draft of the Party's New Deal for Working People was leaked this week.

Leaked papers sent by the party to union leaders indicate that it has walked back on plans to ban companies from firing workers who reject pay cuts. They also appear to reveal that the Labour leader has diluted his commitment to give employees a right to switch off outside office hours.

The documents, [obtained by The Guardian](#), sparked anger among unions, including its biggest union backer, Unite, who described the new documents as “totally unrecognisable”. Labour leadership will be meeting with union bosses next week to attempt to resolve the upset and restore some order against increasingly tetchy left-wing backbenchers.

South by South West announce festival in London

The leading tech and creativity festival South by Southwest will come to London in June 2025 as the beginning of their European venture. The festival has become one respected as an ideas festival globally over the past four decades.

Over the week the festival is predicted to use dozens of venues, galleries and clubs and the move has been welcomed by Sadiq Khan, London Mayor, and Culture Secretary Lucy Frazer.

New data finds confidence growing amongst small businesses

The Federation of Small Businesses (FSB) have published new data finding that confidence levels for UK Small Businesses was growing for the first time in two years.

The headline confidence reading jumped up over 20 points, to reach +5.5 points in the first three months of 2024. Manufacturing was the most positive sector at +19.2 points. However, challenges remain for the hospitality and food sectors, which recorded -11.8 points.

Outside of COVID waves, this is the first confidence reading by the FSB above zero since 2018.

Parliament

House of Parliament

Small Businesses Fiscal Support

During the Treasury Oral Questions, Stephen Crabb, Conservative MP for Preseli Pembrokeshire, asked the Exchequer Secretary what fiscal steps his Department is taking to support small businesses?

Gareth Davies, Exchequer Secretary to the Treasury responded by pointing to the measures set out in the Spring Budget such as VAT registration threshold and annual investment allowance relief. When questioned about Wales Mr Davies said that the Barnett Formula should allow the Welsh Labour Government to provide similar relief to Welsh Businesses.

VAT Exemption for International Visitors

During the Treasury Oral questions, Andrew Rosindell, Conservative MP for Romford, asked the Chancellor whether he plans to reintroduce VAT-free shopping for international visitors?

The Financial Secretary to the Treasury, Nigel Huddleston, responded

"As stated in the spring Budget, the Government are considering the findings of the review by the Office for Budget Responsibility of VAT-free shopping, alongside industry representations and broader data. We continue to welcome further submissions and representations in response to those findings."

**qFor any queries regarding this round-up
please get in touch today.**

Get in touch

in  

cavendishconsulting.com