

# CAVENDISH

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**Weekly Monitoring**  
**Friday 16th**  
**February**



## **EIA Update**

Next week, EIA will attend the Festival and Events roundtable hosted by Shadow Minister for Creative Industries and Digital, Sir Chris Bryant. Also in attendance will be Neil Bibby MSP, Scottish Shadow Cabinet Secretary for the Constitution, Culture and Sport.

We also wanted to flag that Eastern Labour (Essex, Suffolk, Norfolk, Cambridgeshire, Hertfordshire, and Bedfordshire) are holding a Business Reception held on 13th March 2024. In attendance will be the regions Labour MP's and Shadow Minister for Transport Louise Haigh and Peter Kyle Shadow Secretary of State for Science, Innovation and Technology and the event will be a chance to engage with some key Labour figures from the region. If you wish to attend, the sign up link is [here](#).

## **Political Update**

Despite Parliament being in recess for the week, it has been a busy week in UK politics.

The two by-elections held this week in both Wellingborough and Kingswood saw Labour turn over big Conservative majorities to win in both seats. The swing from Conservative to Labour in Wellingborough was the second biggest in any post war election. The headaches do not end there for the Conservatives though because Reform UK increased their percentage point share of the vote in Wellingborough by 13%.

MPs and Peers will return to Westminster on Monday following this week's recess and the Department for Culture, Media and Sport will respond to Oral Questions from MPs on Thursday.

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## News

### UK economy in recession

The UK economy fell into recession at the end of last year as hard-pressed households cut back on spending in response to soaring interest rates and rising living costs.

The Office for National Statistics said gross domestic product (GDP) fell by a larger than expected 0.3% in the three months to December after a decline in all main sectors of the economy and a collapse in retail sales in the run-up to Christmas.

It followed a drop of 0.1% in the third quarter, confirming a second consecutive quarter of falling national output – the technical definition of a recession.

### Inflation remains at 4.2%.

This week saw the Office for National Statistics (ONS) confirm that the rate of Consumer Prices Index (CPI) inflation was 4.2% in January.

The Bank of England Governor Andrew Bailey has stated the stability in inflation is 'encouraging' but suggests it won't prompt earlier interest rate cuts.

### Labour's workers' rights plan – employment law under Starmer explained

A new piece from the Times has examined Labour's "new deal for working people", setting out the changes to employment law that Angela Rayner intends to implement as Deputy Prime Minister if Labour are elected to Government.

The article outlines Labour's plans for employment in the first 100 days of power, citing plans to repeal recent trade union laws and reform statutory sick pay.

Businesses are suggesting the reforms could discourage them from hiring new staff, with newly appointed president of the Confederation of British Industry (CBI) calling on Labour to scale back on its pledges for a new era of workers' rights, stressing any new workers deal must remain flexible for businesses to be able to adapt.

### Government publish stats on economic contribution of CMS sectors.

DSIT have published an estimate of the contribution of digital, culture, media and sport (DCMS) sectors to the UK economy.

The figures published this week cover the contributions made by the culture, media and sport sector to the UK economy, as of 2022, finding that these sectors contributed £169.4 billion to the UK economy. This was 7.7% of total UK GVA, compared to 7.2% in 2019.

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## Parliament

House of Commons

UK Labour Market Statistics

The House of Commons Library has published a research briefing on the UK Labour Market. The briefing highlights the latest Labour Market Statistics published in the ONS Labour Force Survey.

It outlines that in October to December 2023, the number of people aged 16+ in employment was 33.17m and the employment rate for people aged 16-64 was 75%. It emphasised that Employment levels have increased by around 100,000 over the last year, but the employment rate has fallen slightly.

### [Question to the Department for Business and Trade on help for Small Businesses](#)

Lord Kamall, Conservative, asked the Department for Business and Trade

*'What assessment they have made of the impact of not renewing the Recovery Loan Scheme on small businesses in deprived areas who have received loans from Community Development Financial Institutions after being turned down for loans from high street banks'*

Lord Offord of Garvel, Conservative , answered

*'Lenders are currently offering over £100 million of additional lending per month through the British Business Bank's Recovery Loan Scheme (RLS), with 85 per cent of facilities going to small and micro businesses. RLS is particularly effective at serving alternative and social lenders, with more than three quarters of lending delivered through smaller lenders, including Community Development Financial Institutions (CDFI). Since launch, RLS has enabled almost £50 million of CDFI lending: over 90% of the businesses which borrowed from CDFIs in 2023 had been turned down by another lender, and half were based in the UK's most disadvantaged areas.'*

### [House of Lords](#)

#### [Lords Debate Windsor Framework](#)

The House of Lords debated the Windsor Framework regulatory border between Northern Ireland and the UK in Parliament this week.

The Windsor Framework aims to remove borders between the UK and Northern Ireland to make the internal market easier, however it was pointed out in the debate that two regulatory systems would continue to operate within N. Ireland, EU and UK. It is unclear at this stage what this means for the movement of people between the two and the need for work visas.

Lord Browne of Belmont also highlighted how complex the new Windsor Framework was and that the complex easings in the framework are unlikely to help small or medium sized businesses.

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**For any queries regarding this round-up**

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