

# CAVENDISH

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**Weekly Monitoring**  
**Friday 2nd**  
**February**



## **EIA Update**

This week, the EIA received an official invite from Shadow Minister for Creative Industries and Digital, Sir Chris Bryant, to attend his team's Festivals and Events Roundtable in Edinburgh on Tuesday 20 February.

The roundtable will be a great opportunity to promote the interests of the sector and engage with the Shadow Minister and his team ahead of the forthcoming General Election. The invitation follows Sir Chris' attendance at the EIA Parliamentary reception in October. All three EIA board members will be there to represent the voice of the EIA.

## **Political Update**

A breakthrough was made to restore power-sharing in Northern Ireland this week after the Government and the DUP agreed a deal to end the nearly two years of deadlock in Stormont. The deal includes a complex package of measures to reduce checks on good travelling between Northern Ireland and Britain.

This week saw the Labour Party hold its annual Business Conference. The Conference saw 400 leading business leaders attend and is the latest in a series of events hosted the Opposition as it attempts to cement its position as the “party of business” ahead of this year’s General Election. Details of the announcements can be found below.

Next week will see the Treasury respond to Oral Questions from MPs as speculation rises ahead of the Spring Budget next month.

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## News

### Labour announces new pro-business policies.

During its annual Business Conference this week, the Labour Party made a series of announcements to appeal to businesses ahead of a General Election this year.

The headline announcement was a pledge to freeze Corporation Tax at 25% for the first term of any Labour Government, alongside a pledge to publish “roadmap for business taxation” within the first six months of office.

Additional announcements include a vow to not cap bankers’ bonuses, marking a u-turn from the policies of Labour’s previous leadership and the party’s past criticism of the bonus cap removal.

### Bank of England vote to hold interest rates at 5.25%.

The Bank of England’s Monetary Policy Committee (MPC) voted by a majority of 6–3 to maintain Bank Rate at 5.25%.

Of the three who voted to change the rate, two members sought to increase it by 0.25%, to 5.5%, and the other to reduce it by 0.25%, to 5%. The breakdown of the votes reflects the challenges the Bank is facing as it attempts to bring inflation down to the 2% target, without placing strain on economic activity.

### Prime Minister's Business Council announced.

The Government has announced the formation of the Prime Minister’s Business Council.

The Council’s purpose is to bring a real-world perspective on how the economic climate is impacting businesses, with the aim of supporting the Prime Minister’s priority to grow the economy and improve access to skills and talent.

It is co-chaired by the Prime Minister and his Special Adviser on Business and Investment and includes CEOs from flagship firms such as BT Group, Nationwide, and Lloyds Banking Group.

### The Government launches a Small Business Council and a new Help to Grow campaign.

The Small Business Council, due to launch next month, will bring together SME leaders from across the country and provide a bespoke forum for small businesses to have their voices represented within Government.

Alongside this, the Help to Grow campaign and website has been refreshed to create a “one-stop shop” for SMEs to find the information they need to grow.

## Home Office immigration and nationality fees.

The Government have published new fees for visa applications to the UK for applying both inside and outside the UK, including for students. There has been an increase on most between £15 - £481.

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## Parliament

### House of Commons

#### MPs debate fiscal support for hospitality sector.

SNP MP Alyn Smith brought a debate to the House of Commons on fiscal support for the hospitality sector.

Mr Smith described hospitality businesses as being at the sharp end of an economic crisis that is not of their making, noting labour shortages and the impact of Brexit, and called for a cut on VAT on food, soft drinks and alcohol to 5% in addition to business rates reform.

Financial Secretary to the Treasury, Nigel Huddleston, open his response by noting that the Government view the hospitality sector more broadly, as encompassing the tourism, hospitality and leisure offering, in addition to pubs, bars and restaurants.

The Minister added that the Government recognised how vital the sector is and have been committed to it, especially during the pandemic. He continued by praising HospitalityUK and stating the voice of the hospitality sector has never been stronger in Government.

The Minister concluded that cutting VAT for the sector would come at a considerable cost, but that the Government would continue to work with the sector to tackle the challenges facing businesses.

### House of Lords

#### Lords question on effect of suspension of trade negotiations with Canada.

Labour Peer Lord Foulkes of Cumnock asked His Majesty's Government what assessment they have made of the effect of the suspension of negotiations for a trade deal with Canada.

Minister for Exports, Lord Offord, responded:

*"The pause in negotiations does not impact our existing trade agreement with Canada, which underpins £26 billion- worth of trade per annum. The UK has*

*decided to pause negotiations towards a new UK-Canada FTA in response to actions taken by Canada that reduce our current market access. Negotiations were launched with public commitments to increase and improve trade. Recent additions by Canada do the opposite. It is right, therefore, to pause the negotiations."*

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