

# CAVENDISH

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**Weekly  
Monitoring  
Friday 21st  
March**



## **EIA Update**

This week, we have confirmed meetings with Chair of the APPG for events Shaun Davies and Culture, Media and Sport Committee member Bayo Alaba MP. The former is taking place in April, and the latter once diaries align.

To further expand on existing engagement, we have prepared to approach members of the APPG for Events and members of the Business and Trade Committee to seek meetings to outline the importance of the business events industry to the UK's growth ambitions.

We are expanding on our work towards securing a Mutual Recognition Agreement for our industry by continuing to engage civil servants in the Department for Business and Trade - with who we hold regular meetings with. Cavendish have drafted a more expansive campaign to help the EIA achieve its aims here which will be progressing over the coming months.

## **Political Update**

This week has been busy in domestic politics as the Government prepares to deliver the Spring Statement next Wednesday.

The week started with Chancellor Rachel Reeves outlining a plan with three action points on regulatory reform. The Chancellor's action plan aims to cut red tape, enhance growth, and create a more effective regulatory system, fulfilling the Prime Minister's pledge to reduce the administrative cost of regulation on businesses by a quarter. Ahead

of the announcement, Reeves hosted Fintech CEOs at No. 11 Downing Street to discuss new legislation aimed at streamlining regulation and boosting the attractiveness of the UK capital market.

On Tuesday, Work and Pensions Secretary Liz Kendall announced significant changes to the benefit system as part of the 'Pathways to Work' green paper, which includes reforms to Personal Independence Payments (PIP) and Universal Credit. The proposals aim to save £5bn by 2030 and include measures to prevent long-term economic inactivity, restore trust in the system, provide tailored employment support, ensure financial sustainability, and protect disabled people. Despite initial resistance from Labour MPs, the primary legislation is expected to pass comfortably in the House of Commons due to Labour's significant majority.

Elsewhere, Nicola Sturgeon, former Scottish First Minister and former SNP leader, has been cleared in the police investigation into SNP's finances. The former Chief Executive, Peter Murrell, who is separated from Sturgeon, has appeared in court on charges of embezzlement.

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## News

### Consultation on Small Business Access to Finance

The Government is seeking views and evidence on small businesses' access to debt finance. This call for evidence, aims to understand the lending market, demand for finance, application processes, alternative finance models, and under-served customers. The goal is to assess current policies and identify ways to support small businesses and the lending sector better. Responses can be emailed to [accesstofinance@businessandtrade.gov.uk](mailto:accesstofinance@businessandtrade.gov.uk) the closing date for the consultation is 8 May 2025.

### Mayor of London backs 'tourist tax'

At Mayor's Question Time, London Assembly member Bassam Mahfouz asked if London should have the power to implement a 'tourist tax'. London Mayor, Sadiq Khan, said that he supported this idea, which would charge visitors extra for overnight stays in hotels and Airbnbs he pointed to similar taxes elsewhere which visitors are happy to pay. He emphasised that the funds raised should be used locally to benefit the areas where they are collected, particularly to support the tourism sector post-pandemic. While some local politicians back the idea, UKHospitality warns it could harm the sector.

### UK Tourism

Tourism Minister Chris Bryant visited Bath for English Tourism Week, highlighting how Bath and Bridgerton can boost the UK's tourism ambitions. The Government aims to attract 50 million international visitors annually by 2030, up from the current 41 million. Bryant noted Bath's appeal due to its Roman history, Bridgerton filming locations, and Jane Austen's legacy. He stressed the need for a national tourism strategy to improve

connectivity and visitor experience, ensuring tourists can easily navigate from airports to destinations.

### **UK borrowing exceeds expectations by £20bn**

Government borrowing has exceeded forecasts by over £20 billion this year, reaching £132.2 billion in February, compared to the Office for Budget Responsibility's (OBR) estimate of £111.8 billion. This has increased pressure on Chancellor Rachel Reeves ahead of the spring statement. February's borrowing was £10.7 billion, the fourth-highest for the month since 1993. Economists warn that sluggish growth and rising borrowing costs are eroding Reeves's fiscal headroom, potentially forcing earlier tax rises or spending cuts. The OBR is expected to downgrade its GDP growth forecast.

### **Interest Rates**

The Bank of England's Monetary Policy Committee voted this week to hold interest rates at 4.5%. The decision was made with a majority of eight to one voting in favour of holding the rate. There is a suggestion that two more cuts could occur by May after the Governor of the Bank of England, Andrew Bailey said that they still thought the rates were on a gradual decline.

### **UK Economy Shrank in January**

The UK economy unexpectedly contracted by 0.1% in January, contrary to predictions of a 0.1% growth. This contraction was mainly due to a decline in the manufacturing sector. The lack of growth is concerning for the Government as they prepare to deliver the Spring Statement later this month. It is now anticipated that the Office for Budget Responsibility will lower its growth forecast, following the Bank of England, which has halved its growth prediction for the UK this year.

### **Wage Growth Remains in the UK**

UK pay growth remained high at 5.8% in the three months to January. Despite a slight fall, pay growth stayed well above inflation, indicating employers are offering higher wages to attract skilled workers. Unemployment was steady at 4.4% in January but has risen over the past six months.

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## **Parliament**

### **House of Commons**

#### **Tourism Industry**

A debate was held on the tourism industry in the House of Commons this week, where MPs highlighted the sector's importance to the UK economy - contributing £145.8 billion and supporting 3.8 million jobs. Blake Stephenson (Conservative, Mid Bedfordshire) emphasised Bedfordshire's potential for tourism growth and called for better Government support, including local visitor economy partnerships and improved infrastructure. Other MPs, including Noah Law (Labour, St Austell and Newquay) and Sonia Kumar (Labour, Dudley), discussed the challenges and opportunities in their constituencies, advocating for balanced economic growth and sustainable tourism.

David Mundell (Conservative, Dumfriesshire, Clydesdale and Tweeddale) stressed the need to promote tourism outside London, while Paul Davies (Labour, Colne Valley) and Sarah Bool (Conservative, South Northamptonshire) highlighted local attractions and expressed concerns about the impact of recent Budget announcements on tourism businesses. Anna Gelderd (Labour, South East Cornwall) and Jim Shannon (DUP, Strangford) called for better support for coastal and rural communities.

Sarah Olney (Liberal Democrats, Richmond Park) discussed the impact of Brexit and the pandemic on tourism and called for a dedicated Minister for tourism and hospitality. Saqib Bhatti (Conservative, Meriden and Solihull East) criticised the Budget's impact on the sector. Minister Chris Bryant (Labour, Rhondda) emphasised the need for a national tourism strategy, improved infrastructure, and skills development.

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