

CAVENDISH

Insight. Influence. Creativity.

Weekly Monitoring
Friday 26th
January



EIA Update

This week, we submitted a representation to HM Treasury call for evidence before the Spring Budget statement which is taking place on 6 March. We used it as an opportunity to outline our policy asks and we requested the creation of a business events growth programme, focused on attracting new and growing existing international conferences and exhibitions to the UK.

Political Update

The political week has been dominated by Conservative in-fighting, as a small but vocal group of politicians on the Conservative right continue to agitate against the Prime Minister's leadership. While anxiety about the position of the party is shared amongst the Conservative parliamentary party, outright action to remove the Prime Minister as party leader is confined to around a dozen MPs. However, this continues to damage and distract the administration.

In Parliament, the CPTPP Bill, completed its third reading in the House of Lords on Wednesday. The bill will go into the Commons, at an unspecified date, with no amendments having been made. The Bill is being passed to complete the UK's accession to the the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and enable its implementation.

News

FSB launches new platform to improve small business access to finance.

The Federation of Small Businesses (FSB) has partnered with capitalise.com to assist its members from credit constraints.

According to new research by the trade body, more than half (53%) of SME credit applications were successful in the final three months of 2023, significantly down from a 62% success rate in the previous three months.

Against this backdrop, FSB has launched a funding platform, FSB Funding Platform, to give access to lending options from more than 100 UK lenders. The platform also offers insights into business credit scores and the ability for small business owners to review and amend their scores, as well as checking the credit risk of key partners such as suppliers or clients.

£1.5bn immigration skills charge 'blackhole' revealed

Ministers have been criticised for their lack of transparency over how £1.5 billion generated through taxing employers for hiring migrants has been reinvested into skills training programmes.

An FE Week investigation found the Government were unable to provide evidence of whether it is meeting its pledge to reduce Britain's reliance on overseas workers and upskill domestic workers with funding from the immigration skills charge (ISC).

Parliament

House of Commons

Committee quizzes Business Secretary on UK accession to the CPTPP.

Trade Secretary Kemi Badenoch was among the witnesses to give evidence at a Business and Trade Committee evidence session assessing the potential benefits and drawbacks of the UK joining the CPTPP trade block.

During the session, Ms Badenoch outlined the Government's strategy on trade, stating that the Government is focused on securing trade deals with areas that experience higher levels of economic growth.

On new CPTPP membership, Badenoch refused to comment on potential new members such as China or Taiwan but committed to writing to the leader of the House to secure a debate on the CPTPP.

Business and Trade Questions on SMEs access to finance

Conservative MP for Waverly Peter Aldous asked the Secretary of State for Business and Trade what steps she is taking with the Chancellor of the Exchequer to help increase access to finance for small and medium-sized enterprises (SMEs).

Minister for Small Business, Kevin Hollinrake, responded:

"The Government work with the British Business Bank to improve access to finance for smaller businesses through targeted programmes, such as the £12.4 billion of finance that is backing more than 90,000 businesses across the UK and the £1 billion in start-up loans for 105,000 small businesses since 2012..."

...Leading banks and alternative lenders are committed to the SME finance charter to help small businesses and start-ups. We continue to work with the UK finance and banking industry to make sure that SMEs have the support from banking services that they require. Many leading challenger banks, such as Metro, Aldermore and Starling, provide additional application support. Banking hubs are also available for those without a bank on their high street to offer face-to-face support. Thirty have already opened, and 70 more are in the pipeline."

Treasury Committee examines SME finance.

In the third session of the Treasury Committee's inquiry into access to financing for small and medium-sized businesses, bosses at the British Business Bank (BBB), Financial Ombudsman Service (FOS) and Business Banking Resolution Service (BBRS) will face questions from the Committee.

Members of the Committee examined whether the processes which have been set up to enable small businesses to raise and address grievances with their banks are working, and if enough is being done to ensure SMEs are aware of their options when it comes to alleged unfair treatment.

Attendees also discussed how the publicly funded organisations are making a difference for SMEs seeking finance, and what other tools they may consider using to help small businesses

Committee quizzes Treasury officials on the work of the Treasury

Senior officials from HM Treasury were questioned by the Treasury Committee on the work of their Department.

The Committee heard from Beth Russell, Second Permanent Secretary at HM Treasury, Cat Little, Head of the Government Finance Function and Second Permanent Secretary at HM Treasury, Anna Caffyn, Finance Director at HM Treasury and James Bowler, Permanent Secretary at HM Treasury

The Committee considered the role of the Treasury in simplifying the tax system, financial sanctions against Russia and the administration of the Treasury and the transparency of departmental performance.

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

Get in touch



cavendishconsulting.com