

CAVENDISH

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Weekly Monitoring

Friday 27th

February



EIA Update

This week the EIA were pleased to meet with Nigel Huddleston, Shadow Secretary of State for Culture, Media and Sport alongside Michael Hurst from UK Events. We had a very engaging conversation about our key asks of Government and raised the need for a separate business events strategy with him.

On a separate note, this will be Cavendish's last monitor for the EIA. I hope you've enjoyed the monitor over the past few years and have found it both useful and insightful. I've found it a real pleasure to write, and I'm grateful to everyone who has taken the time to read it.

From the EIA team at Cavendish goodbye.

Political Update

The Gorton and Denton by-election dominated political attention this week, culminating in a decisive victory for Green Party candidate Hannah Spencer, who secured more than 40% of the vote. Reform UK finished second with 29%, while Labour was pushed into third place on 26%. The Conservatives and Liberal Democrats each received just 2%.

The by-election was triggered by the resignation of Labour MP Andrew Gwynne due to ill health; he is also under investigation for misconduct. In the July 2024 General Election, Labour had held the seat with a majority of more than 50%, making this contest an damaging result for the party. The vote represents the largest swing from Labour to the Green Party.

Polling in the run-up to the vote had pointed to a tight three-way race between Labour, Reform UK, and the Greens, reflecting growing public frustration with Keir Starmer's Government and increased support for alternative parties.

The outcome is likely to intensify pressure on the Government and the Labour leadership, particularly in the run up to May Local Elections.

News

CMS Committee State of Play: Live Comedy Sector Update

Following the Culture, Media and Sport Committee State of Play Inquiry into Live Comedy, the Committee has urged the Government to update progress on its commitments to support the live comedy sector ahead of Live Comedy Day on 1 April. In a new letter to Creative Industries Minister Ian Murray, the Committee presses for clarity on funding, working conditions, the promised comedy roundtable, the appointment of a freelance champion, and extending the grassroots music levy to comedy. It also seeks detail on Arts Council engagement and outcomes from the £7 million Edinburgh Fringe support package.

UK Public Backs Deeper EU Economic Ties

The Business Secretary, Peter Kyle, said the British public are not nostalgic for the pre-Brexit past but support deeper economic ties with the EU, as he signed a new competition cooperation deal in Brussels. He described the agreement as evidence of improving UK-EU relations and highlighted shared ambitions on industrial strategy, mergers, and upcoming initiatives such as the “Made in Europe” scheme. EU officials also emphasised mutual prosperity and resilience as both sides look to strengthen economic cooperation.

What Rachel Reeves May Unveil in Her Spring Statement

Chancellor Rachel Reeves is preparing for her spring statement on 3 March. Although confirmed that this will not be a major fiscal event like the Autumn Budget, the statement will outline fresh OBR forecasts, offering insight into the impact of previous tax rises and the Government’s progress on its fiscal rules. With inflation easing but growth fragile, there are some reports that Reeves may opt for minor tax adjustments, mindful of political risks as the UK faces weak GDP, rising unemployment and a recent record budget surplus.

Youth Neet Numbers Near One Million

Nearly one million young people aged 16–24 are now not in education, employment or training, with official estimates putting the Neet total at 957,000 at the end of 2025. The rise reflects a weak jobs market, cuts to hospitality and graduate schemes, and growing long-term sickness, while figures show young women increasingly affected as the gender gap narrows. Ministers face mounting pressure to act as experts warn of entrenched youth worklessness and call for expanded support to prevent a deepening crisis.

Parliament

House of Commons

Written Question on Hospitality

Kevin Hollinrake, Conservative MP for Thirsk and Malton, asked the Chancellor of the Exchequer:

"Whether she has made an assessment of the potential cumulative impact of changes to (a) the Minimum Wage, (b) employer National Insurance, (c) Business Rates and (d) lack of uprating to VAT thresholds on micro-businesses in the hospitality sector since July 2024."

Dan Tomlinson, Exchequer Secretary, responded:

"The Government recognises the important contribution that micro-businesses in the hospitality sector make to local communities, the high street and the wider economy. The potential impacts of changes on this sector are carefully considered as part of policy development.

"The Government considers the impact of tax measures on these businesses. Where changes are made, relevant impact notes and assessments are published at fiscal events and otherwise as necessary, in line with the Government's usual practice. The Treasury also engages regularly with the hospitality sector.

"To protect the smallest businesses from changes to employer National Insurance Contributions (NICs) made at Autumn Budget 2024, the Government increased the Employment Allowance from £5,000 to £10,500. This means that this year, 865,000 employers will pay no NICs at all, and more than half of all employers will either gain or will see no change.

"The Government is also supporting small businesses to grow. At Budget, the Government announced the extension of Small Business Rates Relief (SBRR) so that businesses opening second premises can retain their SBRR for three years, tripling the current allowance.

"The Government continues to provide targeted support to the hospitality sector through the tax system and other policies and keeps all areas of the tax system under review, with future decisions taken at fiscal events under the normal process."

House of Lords

Debate on UK-EU Relationship

In a debate on resetting UK-EU relations, peers repeatedly criticised the lack of progress on restoring friction-free touring for UK performers. Lord Ricketts, Crossbench, warned that no movement had been made on the UK's "one priority" in the cultural field, while Lord Stirrup said inconsistent government messages were undermining trust with EU counterparts. Lord Jackson of Peterborough, Conservative, argued there had been "little or no progress", and the Earl of Clancarty, Crossbench, said conditions had "gone backwards" amid rising visa and carnet barriers. Baroness Lawlor, Conservative, added that touring remained unresolved despite other cultural concessions, and Baroness Ludford, Liberal Democrat, warned that neglecting the issue risked eroding public confidence in the wider reset.

While Baroness Suttie, Liberal Democrat, did not address touring, she stressed that the reset required clearer objectives, progress on SPS, dynamic alignment transparency and deeper engagement with EU partners. Responding, Baroness Anderson, Government Whip, insisted touring remained a priority but offered no timetable, prompting calls for urgent, practical solutions.

For any queries regarding this round-up
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