

CAVENDISH

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Weekly Monitoring
Friday 3rd May



EIA Update

We have received an invitation for EIA to attend a roundtable with the Secretary of State for Culture, Media and Sport ahead of the GREAT Futures Event in Saudi Arabia. The roundtable will take place in Westminster next Tuesday, 7 May and marks a great opportunity for EIA to engage directly with the Culture Secretary.

We also held our regular catch up with the Department for Culture, Media and Sport this week. It was agreed at the meeting that the DCMS would hold a roundtable alongside the EIA to discuss the events industry and how to support the sector and promote better collaboration with between Government and the events industry.

In addition, following the meeting with Labour MP for Luton North, Sarah Owen, we have received confirmation that Ms Owen has followed up with a letter to the Secretary of State for Business and Trade, Kemi Badenoch, reiterating our key messages and the points raised during the meeting.

Political Update

Voters took to the polls yesterday as local and mayoral elections took place in counties across England, and Police and Crime Commissioner elections in England and Wales.

With results rolling in over the weekend, what we know so far is that the Conservatives have suffered considerable losses with Labour making gains across the seats up for grabs. Labour also claimed victory in the Blackpool South by-election with a swing of 26.3% - the third-biggest swing to Labour at a by-election since 1945.

The Conservatives have held on to Tees Valley, with Ben Houchen retaining his position as Mayor. Lord Houchen nevertheless saw a collapse in his vote (which was 78.8% in 2021) to 56.3% and made noticeable attempts to distance himself from the national Party in his victory speech.

Cavendish's run down of results as of this morning can be found [here](#).

Meanwhile, in Scotland, First Minister Humza Yousaf announced his resignation this week. Speaking in Bute House on Monday, Yousaf has said that he has asked the SNP to start a leadership election process and that he would remain in place until a successor has been found.

Yousaf said that he made this decision because he thought it was in the best interest for the SNP. He acknowledged that in ending the Bute House agreement, he underestimated the hurt in the Scottish Green party and concluded that repairing relationships could only be done by some else.

Once a First Minister formally resigns, the Scottish Parliament has 28 days to nominate a successor. John Swinney, the former deputy First Minister and party leader has announced his intention to succeed Humza Yousaf and is widely expected to take over as SNP Leader and First Minister.

News

OECD advises UK maintain higher rates and tight fiscal policy.

The OECD's economic outlook report for the UK advised that the Bank of England and the Government should maintain tight monetary and fiscal policy despite "signs that the global outlook has started to brighten".

The outlook advised that the Government should remain prudent and focus on supply-side solutions by building up "fiscal buffers". Progressive fiscal policy suggestions around housing were offered as a boost to UK supply, with "property taxation" reform, adjusted "council tax bands", and scrapping stamp duty identified as effective policies.

Supply side investment into public services was highlighted as a priority for public services as well, with the OECD identifying "infrastructure, the National Health Service, and adult skills" as viable targets for investment.

On economic growth, the OECD forecasts that GDP should grow by 0.4% in 2024 and 1.0% in 2025.

Labour set to announce "weakened" package on workers' rights.

The Financial Times reported this week that Labour are set to announce a watered-down version of the Party's New Deal for Working People amid growing concerns that the plans are impacting their pro-business credentials.

According to the report, Shadow Ministers have been engaging with business on the policies and an altered package of measures has been agreed that will be published in the coming weeks.

Primarily, much of the renewed deal includes promises to consult more with business on the implementation of the plans, meanwhile Labour have insisted that they will

continue to uphold the measures proposed in the New Deal and their promise to improve the rights of Britain's workers as a "core part of Labour's offer to the country".

So, although some read the news as an indication that Labour will be making a U-turn on their New Deal, as it stands, the changes to the policy look much more subtle.

UK manufacturing falls back into decline.

According to the latest S&P Global UK Manufacturing PMI, the UK manufacturing industry has fallen back into a decline in April, with output and new orders both contracting.

Uncertain market conditions, client destocking and the ongoing crisis in the Red Sea were all cited as reasons why the industry slipped back down after a promising March (PMI was 49.1 in April, down from March's 20-month high of 50.3).

Nevertheless, 52% of companies forecast that output would increase over the coming year, compared to only 8% anticipating a decline. Companies cited hopes for a revival in demand, new product launches, efficiency gains and an improvement in market conditions as reasons for this optimism.

Membership of the SME Digital Adoption Taskforce announced.

The Department for Business and Trade has announced the membership of the SME Digital Adoption Taskforce.

The Taskforce has been set up to investigate how SMEs might be better assisted in embracing digital technologies, with its main goal to figure out the best ways to help small and medium-sized businesses (SMEs) embrace and effectively use productivity-boosting technology including resource planning software, accounting software, and CRM.

Brexit border checks come into force.

New Brexit border checks came into force this week, with checks on plants, food and animals. Inspectors will now have to check fresh meat, fish and dairy products, with food importers worried supply chains may be disrupted even further.

The Government has conceded that the new checks will add £330 million to annual business costs and 0.2% to food inflation.

Parliament

House of Parliament

Business and Trade Questions: Export Targets

Conservative MP Sir Desmond Swayne asked the Secretary of State for Business and Trade what progress she has made on helping businesses reach her target of exports.

Business and Trade Secretary, Kemi Badenoch, responded:

"UK exports were £862 billion in the 12 months to February. UK services exports reached a record £472 billion in the same period, which is an increase of 10%—they went up by £42 billion. Businesses, including small and medium-sized enterprises, can access my Department's wealth of export support at [great.gov.uk](https://www.great.gov.uk). That support includes the UK Export Academy, which has had more than 18,000 registrations; our 160 international trade advisers, who help about 6,000 SMEs each year; and 388 export champions, across every part of the UK.

Business and Trade Questions: Small Business Non-financial Reporting Requirements

Conservative MP Rob Butler asked the Secretary of State for Business and Trade what steps her Department is taking to reduce non-financial reporting requirements for small businesses.

Minister for Small Businesses, Kevin Hollinrake, responded:

"We recently announced that we were raising the monetary thresholds that determine company size, reducing burdens on smaller businesses and removing low-value and overlapping reporting requirements. Around 13,000 medium-sized companies will be reclassified as small companies, and 100,000 small companies will be reclassified as micro-companies. This will save small and medium-sized companies around £145 million a year."

Committee quizzes Ministers on UK Trade Strategy.

The Business and Trade Committee held an Oral Evidence session as part of its inquiry into export-led growth. The Committee heard from Minister for Trade Policy, Greg Hands, and Minister for Exports, Lord Offord, on the UK's export and trade strategies.

The cross-party Committee explored the Government's progress on delivering FTAs, whether the UK's trade policy has been weakened by the lack of a published overarching trade strategy and the Government's Export Strategy.

Committee examines UK's counter-terrorism policy.

The Foreign Affairs Committee heard evidence from former Chief of the MI6, Sir Alex Younger, as part of its inquiry into the UK's international counter-terrorism policy.

The Committee spoke to Sir Alex about his assessment of the UK's international counter-terrorism policy, focusing on the current threat picture and the factors that give rise to terrorism globally. Questions focused on the UK's efforts to combat international terrorism via multilateral institutions and the impact of UK foreign policy on the threat picture.

**For any queries regarding this round-up
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