

# CAVENDISH

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**Weekly Monitoring**  
**Friday 30th June**



## Political Update

Prime Minister Rishi Sunak is looking set to continue to navigate choppy waters this summer amidst mounting instability surrounding the future and financial stability of Thames Water after it was placed in a special administration regime. Furthermore, PM Sunak is mopping up the aftermath of the Ministerial resignation of Lord Goldsmith, with the differing reasoning for said resignation coming from the two parties only adding to the increasingly fragmented optics of the Conservative party.

Added to this, it is looking increasingly likely that NHS doctors will strike in July which will add to already significant NHS delays. PM Sunak will try to shift the focus away from this by outlining his plans for one of his key pledges which is to reduce NHS waiting times – to this end he has announced the rollout of a new lung cancer screening programme.

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## News

### Department for Transport announce boost for logistics sector as Government and industry collaborate to increase recruitment

The Department for Transport has announced that the Government and logistics industry will continue in their efforts to encourage the retention and recruitment of younger people through its Generation Logistics Campaign with £300,000 of Government funding.

The campaign's second year will primarily focus on raising the profile of logistics in schools and colleges by supporting educators with resources and materials,

driving a new generation of talented individuals to pursue rewarding career paths in the sector.

### **DESNZ opens consultation on Future of the Industrial Energy Transformation Fund**

The Department for Energy Security and Net Zero opened a consultation on the Future of the Industrial Energy Transformation Fund.

This consultation aims to engage with stakeholders to help design Phase 3 of the fund, to understand who should be eligible for Government support, what the focus of the fund should be and to structure the feasibility of delivery of the funds aims.

The Industrial Energy Transformation Fund is intended to help decarbonise industrial processes and increase the energy efficiency of said industries through Governmental support and funding.

Any relevant stakeholders can apply to share their views via the website linked in the heading.

This consultation closes at 11:59pm on 21 July 2023.

### **UK Export Finance (UKEF) releases annual accounts showing £6.5 billion funding**

UKEF's annual accounts have shown that the Government export credit agency has provided £6.5 billion in funding for British businesses to help them grow their export base. Their research reports that this has supported 44,000 jobs in the UK, whilst contributing £4.1 billion to the economy. This constitutes the largest amount of SME's being supported by UKEF in the last 30 years.

### **Department for Business & Trade releases statistics on Foreign Direct Investments (FDI) impact on jobs**

Statistics released by the Department for Business & Trade show that FDI will create 80,000 jobs over 1,600 projects. This growth has been spread across the UK geographically, with specific governmental focus placed on job growth in Yorkshire & Humberside, and the North West and North East. To see the data in full, please click the link in the header.

### **Department for Transport announces increased airline passenger protections**

The Department for Transport has announced increased protections for airline passengers when facing disputes with airlines. These include incidents in which disabled passengers have their wheelchairs damaged being eligible for full compensation, as well as emboldening the Government aviation regulator with stronger enforcement powers and a more accessible dispute resolution service.

### **HM Revenue & Customs opens consultation into the future of customs declarations**

HMRC are seeking stakeholders view's on potential simplifications to customs declarations and the way that businesses use technology to facilitate the completion of customs declarations and other customs processes. They will be holding webinars on the 5th July & 13th July in which policy officials will explain the consultation process and its aims. To register for these, please click the link in the header, and contact HMRC by the 3rd July & 11th July respectively. The consultation will close at 11:45pm on the 8th September 2023.

### **HM Revenue & Customs opens consultation into bringing goods into the UK temporarily**

HMRC are calling on stakeholders to provide written evidence on how the Temporary Admission (TA) procedure is working and, in particular, their experience of using TA in the UK. The Government are also welcoming views on potential improvements to the UK's TA procedure to make it more accessible. Those wishing to provide views can do so until 11:45pm on 22nd September 2023 via the link in the heading.

### **UK and New Zealand expand Youth Mobility schemes for young people**

The previously agreed expansions of the UK-New Zealand Youth Mobility and Working Holiday came into effect this week, allowing individuals 35 and under to spend up to 3 years in New Zealand whilst working. The visa has lower application requirements than alternative working visas and offers individuals a chance to work in New Zealand for prolonged periods.

### **UK and North Carolina State hold second Working Group meeting**

Minister for Exports, Lord Offord welcomed the second working group under the UK-North Carolina Memorandum of Understanding on economic cooperation and trade relations. Attendees included more than twenty senior North Carolina officials responsible for economic development and academics, Greater Manchester Mayor Andy Burnham, the Leader of Manchester City Council Bev Craig and UK industry representatives with an interest in trade with North Carolina.

### **DESNZ announces £80 million fund for businesses to decarbonise**

The Department for Energy Security & Net Zero have announced the 29 recipients of an £80 million fund intended to help businesses decarbonise.

Beneficiaries include Kellogs, Annadale Distillery & Burton's Food Ltd., all of whom have received funding to remove gas from their ovens, distilleries and related production processes.

On the funding announcement, Minister for Energy Security and Net Zero, Graham Stuart MP said:

*"Whether it's the first meal of the day or a night cap, the great manufacturers of our country are striving to cut their carbon emissions and their energy bills - and in turn, support our efforts to boost our energy security. Our investment of over £80 million will help them to go further and faster, using the latest science, technologies, and new energy sources to cut ties with fossil fuels and future-proof their industries."*

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## **Parliament**

### **House of Commons**

#### **Education Committee publish report on countering negative stereotypes by teaching young children about careers**

The Education Committee has published a report following its inquiry into the quality of careers education information advice and guidance delivered in schools and colleges. The Committee found a number of shortcomings in the amount of time and resources that many schools are able to dedicate to careers education which, if rectified, could boost young people's attainment and future prospects. The Committee said that teaching primary school children about careers could raise aspirations and break down negative stereotypes about gender and background.

#### **Business and Trade Committee publish responses to reports on India and Gulf trade deal**

The Business and Trade Committee has published the Government responses to reports on trade negotiations with the Gulf Cooperation Council and India. The reports were published by the now-dissolved International Trade Committee in

April, but the responses are being put out by the Business and Trade Committee, which now has responsibility for scrutinising Government trade policy.

The former International Trade Committee had criticised the Government's lack of transparency on the India trade deal negotiations and called on it not to compromise UK values in any Gulf trade deal.

### **Oral Questions to the Department for Business & Trade lead to discussion on Trade Deals**

During a Business & Trade Oral Questions session in the House of Commons, Dr. Luke Evans MP asked the The Secretary of State for Business and Trade:

"How many trade deals have been agreed since 2019?"

The Secretary of State for Business and Trade, Kemi Badenoch MP responded:

*"We have secured trade deals with 70 countries, including the EU, since 2019—partners that accounted for £1.1 trillion of UK bilateral trade in 2022. As I mentioned earlier, in March we concluded negotiations with the comprehensive and progressive agreement for trans-Pacific partnership, the UK's biggest trade deal since Brexit. In addition, we have signed five new comprehensive trade deals tailored to the UK—those with Japan, Australia and New Zealand; a groundbreaking digital economy agreement with Singapore, and a digital trade agreement with Ukraine—as well as the programme of 63 non-EU continuity agreements."*

### **Oral Questions to the Department for Business & Trade lead to discussion on European Trade**

During a Business & Trade Oral Questions session in the House of Commons, Jeff Smith MP asked the The Secretary of State for Business and Trade:

"What steps she is taking to increase trade with European countries?"

Minister for Enterprise, Markets and Small Business, Kevin Hollinrake responded:

*"Europe remains a vital export destination for British businesses, with exports of £401 billion in 2022, an increase of 26% on the previous year in current prices. Only this week, I attended the OECD small and medium-sized enterprise*

*conference, which dealt largely with international barriers to trade. We are determined to remove market barriers to make it easier, particularly for SMEs, to trade across borders."*

In response, Jeff Smith MP asked:

*"On the subject of barriers to trade, not only is our world-leading cultural sector valuable in itself for our soft power, but it is an important part of our export trade. But our musicians face unnecessary red tape when trying to tour Europe. We need an EU-wide visa waiver for touring artists. The Secretary of State said earlier that her Department "works closely with musicians", so what is it actually doing to resolve this problem?"*

Kevin Hollinrake responded:

*"I know that my colleagues at the Department for Culture, Media and Sport are working hard with our European counterparts to try to ease the difficulties in that area—we recognise it as a problem. Many positive things are happening in current trade with the EU. Indeed, in 2022, the north-west—the hon. Gentleman's region—exported £33 billion-worth of goods and £24.5 billion-worth of services, which is the area he is referring to. The north-west is the third largest area in the country for services exported to the EU."*

### **Written questions to the Department for Business & Trade on Zero House Contracts**

Ian Lavery asked the Secretary of State for Business and Trade, "what steps she is taking to reduce the number of people on zero hours contracts in (a) the North East and (b) the UK."

Minister for Enterprise, Markets and Small Business, Kevin Hollinrake responded:

*"Zero hours contracts are an important part of the UK's flexible labour market, they are useful where there is not a constant demand for staff, allowing flexibility for both employers and individuals – like carers, people studying, or retirees. For this small group, a zero hours contract may be the type of contract which works best for them."*

*"Research from CIPD found that 62% of zero hours contract workers are satisfied or very satisfied with their jobs, which is similar to the proportion of employees as a whole (66%) (2022)."*

### **Written questions to Department for Work and Pensions on Maternity Pay for the Self-Employed**

Shadow Minister for Primary Care and Patient Safety, Feryal Clark asked the Secretary of State for Work and Pensions, "whether he has made an assessment of the potential merits of extending statutory maternity pay to self-employed people."

Minister for Social Mobility, Youth and Progression, Mims Davies responded:

*"There are no plans to extend Statutory Maternity Pay to self-employed people. Statutory Maternity Pay forms part of a package of employment rights and protections available specifically to the employed. These rights do not extend to the self-employed because of the difference in the nature of the employment."*

*"Women who are self-employed and expecting, can apply for Maternity Allowance to support them to take a break from their business prior to, and after, giving birth."*

### **Written questions to Department for Education on Apprentices Taxation**

Shadow Minister for Business and Industry, Bill Esterson asked the Secretary of State for Education, "whether she plans to reform the apprenticeship levy."

Minister for Skills, Apprenticeships and Higher Education Robert Halfon responded:

*"The apprenticeship levy is an important part of the government's reforms to create a high-quality, employer-led apprenticeships system, and it supports employers of all sizes to invest in high-quality apprenticeship training. The government does not currently have any plans to review the apprenticeship levy."*

*"The department is increasing investment in apprenticeships to £2.7 billion by 2024/25 and have a range of work underway to support employers to use our high-quality apprenticeships to the build skilled workforces they need."*



*"There are over 670 employer-designed apprenticeship standards currently available across all levels and sectors and we are encouraging flexible training models, like flexi-job and accelerated apprenticeships, so that employers can train their apprentices in the way that works best for them. We have also improved the levy transfer system to support levy paying employers to make fuller use of their levy funds.*

*"We have removed the limit to the number of apprentices that small and medium-sized enterprises can take on and we continue to pay 95% of their apprenticeship training costs and 100% for the smallest employers when they take on younger apprentices, including those aged 16-to-18.*

*"The department also wants to further accelerate the growth of higher and degree apprenticeships and encourage higher education providers to expand their existing offers or develop new ones. We are providing an additional £40 million over the next two years to support degree apprenticeship providers to expand and help more people access this provision, on top of our £8 million investment in 2022/23."*

## **House of Lords**

### **House of Lords debates growth of the UK Economy**

Lord Eatwell (Labour) put forth the debate on the current state of the UK economy's growth, inflation & productivity by asking:

*"That this House takes note of the low rate of growth of the United Kingdom's economy, and the rate of core inflation and its differential effects; and of the necessity of increasing productivity".*

Responding on behalf of the Government, the Treasury Lords Minister, Baroness Penn stated:

*"The UK is not alone in facing high inflation. UK inflation was lower than in nine EU countries in May, and over half of the EU had higher core inflation in the same month. The primary drivers of high inflation are international: the supply chain shocks in the wake of Covid, followed by food and energy price shocks as a result of Russia's invasion of Ukraine."*

*"I must disagree with some noble Lords on this Government's record on growth. The UK had the fastest growing economy in the G7 last year, growing by 4.1%, following a 7.6% increase in 2021. Since 2010, we have grown more than major*



*countries such as France, Italy and Japan, and about the same as Germany. Where we find more common ground—as we have in past debates on similar subjects—is that, in our economy, we have a need for greater productivity and investment. My right honourable friend the Chancellor at the start of the year set out his approach to the four pillars that we need to support to increase productivity in our economy."*

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