

CAVENDISH

Insight. Influence. Creativity.

Weekly Monitoring

Friday 31st

January



EIA Update

The EIA was pleased to have recently met with civil servants from the Department of Business and Trade to restart our regular briefing meetings with them to discuss our industry. In the meeting, we highlighted the disproportionate impact that Brexit had on our industry which was recognised. We look forward to having a proactive discourse on the issue and working together with the Department of Business and Trade to find a solution

To help with our engagement with Government and to help quantify the impact of Brexit the EIA recently went out to AEO and AEV members assessing the impact of Brexit, to build on the work of a survey that ESSA members have already filled out. If you haven't yet and wish to respond please find a link to the [survey here](#).

Political Update

The big political story this week was the Chancellors' economic growth speech on Wednesday where she outlined a programme of reforms to go "further and faster" to deliver growth in the UK. The speech was hoped to mark a reset moment for the Government and its growth ambitions following a difficult start to the year. The Government's public backing of a third runway at Heathrow hit the headlines amongst other infrastructure announcements. More on this can be found below.

Whilst most of the UK's political focus was on the Chancellor this week, Prime Minister Keir Starmer and other senior figures have been working on their relationship with President Trump following his inauguration. Trump has said of Starmer that they have 'a

very good relationship' and that he thinks he has done 'a very good job so far'. Elsewhere the UK's ambassador to the US Lord Peter Mandelson has said that his prior criticism of the President was "ill-judged and wrong".

It is 5 years today since Britain officially left the European Union, prompting reflections from commentators. According to reports, trade has suffered due to non-tariff barriers - with small firms hit hardest - while services exports like advertising have fared better. There has been a significant drop in EU immigration but a rise in non-EU migration and while the UK saved on EU budget contributions, it still pays under the Brexit Withdrawal Agreement. The net fiscal benefit is estimated at £9bn per year.

News

Rachel Reeves Economic Growth Speech

Chancellor Rachel Reeves, delivered a speech in Oxford where she outlined a programme of reforms aimed at accelerating economic growth, focusing on deregulation and large-scale infrastructure projects. She emphasised the importance of growth for improving living standards and addressing the cost-of-living crisis. Reeves criticised the previous Government for hindering growth and highlighted her strategy's core elements: stability, reform, and investment.

Key points included support for a third runway at Heathrow with proposals invited by summer and private financing for surface transport costs. Gatwick and London Luton expansions were not announced as expected and remain under review. Plans to renovate Old Trafford, the home ground of Manchester United, also received public support from the Chancellor.

Reeves also announced a ten-year Infrastructure Strategy, exploring private financing for the Lower Thames Crossing, redeveloping Old Trafford, and establishing the first AI Growth Zone in Oxfordshire. The National Wealth Fund will invest in EV charging and secure raw materials for Net Zero.

Cavendish have a briefing on the speech which can be found [here](#).

UK Trade Envoys

Trade Secretary, Jonathan Reynolds, has appointed a new 'global growth team' of 32 UK Trade Envoys to boost exports and investment. These envoys, drawn from across the political spectrum, will target markets on six continents, identifying trade opportunities and promoting the UK as an investment destination. This initiative is part of the Government's Plan for Change, aiming to drive economic growth. The announcement precedes a new Trade Strategy, focusing on EU relations and accessing new markets, that will be published late Spring.

[Ticketmaster refuse invite from Business and Trade Committee](#)

Ticketmaster has declined an invitation to appear before the Business and Trade Committee on February 4th. The session, part of the "Rip-off Britain: Dynamic pricing and consumer protection" inquiry, will feature the CMA and Minister for Employment Rights, Competition and Markets Justin Madders. Committee Chair Liam Byrne expressed disappointment, noting the public interest in understanding Ticketmaster's pricing practices. He urged Ticketmaster to reconsider and participate in the session to address consumer concerns directly.

[Heathrow Expansion](#)

Chancellor Rachel Reeves has announced that Heathrow's third runway could be operational within a decade. She aims to commence construction during the current Parliament, with flights starting by 2035. Reeves dismissed opposition from London Mayor Sadiq Khan, asserting that the new planning system will expedite the project. Despite potential judicial reviews and opposition from environmental groups, Reeves is confident the runway will be built. The formal planning process, expected to take 18 months to two years, will need to be undertaken before construction starts.

[Airbnb on Welsh tourism tax](#)

Airbnb has raised concerns that Wales's proposed visitor levy could make destinations less affordable and attractive, potentially deterring overnight stays. While acknowledging potential benefits for councils, Airbnb warned that the levy might negatively impact tourism and the short-term let sector. They highlighted that similar measures in Edinburgh led to higher accommodation prices and cautioned that the cumulative effect of new regulations could harm small businesses and increase costs for guests.

Parliament

House of Commons

[Creative Industries Debate](#)

During a debate on the Creative Industries, Minister for Creative Industries, Arts and Tourism Sir Chris Bryant underscored the interconnectedness of the creative industries and their significant economic and social contributions. He stressed the importance of intellectual property and the need for a licensing system that ensures creators are fairly compensated. Bryant also highlighted the role of creative education in fostering talent and the necessity of making creative opportunities accessible to all, regardless of background. He expressed concerns about the Government's consultation on AI and copyright, advocating for a solution that benefits both the creative industries and AI development.

Dame Caroline Dinenage, Chair of the Culture Media and Sport Committee, emphasised the importance of the creative industries to the UK's economy and cultural influence. She highlighted the success of British productions and the need for robust

support from the Government. She also raised concerns about the potential impact of AI on copyright and the creative sector, advocating for a balanced approach that protects creators' rights. Additionally, she mentioned the importance of grassroots music venues and the need for a voluntary levy to support them.

Overall, the debate showcased a strong cross-party consensus on the value of the creative industries and the need for continued support and investment to ensure their growth and sustainability.

UK - EU Trade

Max Wilkinson, Liberal Democrat MP for Cheltenham asked the Secretary of State for Culture, Media and Sport:

"What assessment her Department has made of the potential impact of a customs union between the UK and the European Union on (a) the creative industries and (b) the sports and recreation industry?"

Chris Bryant, Minister Creative Industries, Arts and Tourism responded:

"This Government has been clear that there will be no return to the EU's Customs Union so we have made no such assessment.

"As agreed between the Prime Minister and President of the European Commission in October 2024, we are committed to strengthening the relationship between the UK and EU to find constructive ways to work together and deliver for the British people.

"I am proud of the international reputation of our sports and creative industries. Notably, this Government has committed to address issues facing our brilliant musicians, artists and their support staff. We are already working hard with our sectors and engaging with the EU and EU Member States to this end."

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

Get in touch



cavendishconsulting.com

Cavendish Consulting, 8-10 Mansion House Place, Bank, London, EC4N 8BJ

You are receiving this email because you have subscribed to receive updates.

Or we have processed your data under legitimate interest.

[\(For more information visit the ICO guidance\)](#).

[Manage Preferences](#) to [unsubscribe](#) or change the types of emails you receive.

[View our privacy and data protection policies](#).

Cavendish Consulting