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Weekly Monitoring
Friday 6th October



EIA Update

We have recently secured a meeting with Lord Newby and Joe Wright, both from the Liberal Democrats. Lord Newby is the Head of the Party in the House of Lords, and is in charge of the Party's Manifesto making process. In a similar vein, Joe Wright is the Liberal Democrat's Head of Policy, and holds much say over the policy offering of the Party. This meeting will aim to introduce the EIA and the broader business events industry to the Liberal Democrats, especially in the context of our upcoming manifesto launch. This is all the more important, given recent polling showing the Liberal Democrats are likely to increase their number of seats in the House of Commons at the next election, and may be a kingmaker to a probable Labour Government.

Political Update

All eyes were on Manchester this week as the Conservative Party Conference unfolded. During his keynote address, Prime Minister Rishi Sunak presented himself as the Conservative candidate for change and distanced himself from 13 years of Conservative Government by scrapping a flagship policy backed by his predecessors; the cancellation of HS2's Phase 2. In its place, he declared the Government would reinvest £36 billion in hundreds of new transport projects in the north and Midlands under a newly created "Network North" scheme.

Mr Sunak also made use of his speech to announce new policies regarding education – the Advanced British Standard and tax-free bonuses for those

teaching key subjects, as well as revealing plans to increase the smoking age in a bid to reduce smoking and relieve pressure on the NHS.

Elsewhere, Scottish Labour candidate Michael Shanks was elected as the Member of Parliament for Rutherglen and Hamilton West, successfully reclaiming the seat from the SNP. The by-election was triggered after the former SNP MP Margaret Ferrier was removed from her seat following a successful recall petition for knowingly breaching COVID restrictions in 2020. A 20.4% swing from SNP to Labour is a far greater result than any within the Labour party had predicted and provides a perfect lead-in for the party ahead of their Conference this weekend.

News

Prime Minister Sunak Addresses Conservative Party Conference announcing major transport changes

During his keynote address at the Conservative Party Conference in Manchester, Prime Minister Rishi Sunak announced that he is cancelling the Manchester to Birmingham portion of the HS2 project. In its place, he announced the Government would reinvest £36 billion in hundreds of new transport projects in the north and Midlands under a newly created 'Network North'. Sunak stated that HS2 was the "ultimate example of the old consensus"; repeatedly delayed, with costs doubled, with a weakened economic case post-Covid.

The 'Network North' would:

- Mean travel from Manchester to new station in Bradford in 30 mins, Sheffield in 42 minutes and Hull in 84 minutes on a fully electrified line.
- Protect 12 billion to link Manchester to Liverpool the Government would engage with local leaders on how best to build this scheme.
- Build Midlands rail hub.
- Help Andy Street extend West Midlands metro and build the Leeds tram.
- Electrify North Wales Main Line.
- Upgrade the A1, A2, A5, M6 and A75.
- Fund the Shipley bypass, Blythe relief road and 70 other road schemes.
- Bring back the Don Valley line and upgrade the energy coast line between Carlisle, Workington and Barrow.
- Keep the £2 bus fare across the whole country.
- Complete the HS2 line from Birmingham to Euston and HS2 trains would still run Birmingham to Manchester.

- Move management for HS2 away from the responsibility of the Euston site with new Euston development zones with new homes and business opportunities.
- Cut £6.5 billion of savings which would be taken from the Euston site and be given to the rest of the country.

Prime Minister introduces new qualifications at Conservative Party Conference

Alongside the announcement of Network North, Prime Minister Rishi Sunak unveiled a new qualification for 16–19-year-olds which will put technical and academic education on an equal footing. The new qualification is also intended to ensure that all young people leave school knowing the basics in maths and English. The new Advanced British Standard will bring together A Levels and T Levels into a single new qualification. Students will take a larger number of subjects at both 'major' and 'minor' level, with most studying a minimum of five subjects at different levels – for example, three majors alongside two minors. Importantly, students will have the freedom to take a mix of technical and academic subjects, giving them more flexibility over their future career options.

As part of this Mr Sunak announced an initial investment of £600 million over two years to lay the groundwork for delivering the Advanced British Standard. This will include funding for a tax-free bonus of up to £30,000 over the first five years of their career for teachers in key shortage subjects.

Under the new plans, every student will for the first time be required to study some form of maths and English to age 18. Students will also spend more time in the classroom, increasing taught hours to a minimum of 1,475 hours over two years.

A consultation will open this autumn and it will seek to determine how best to design and implement the Advanced British Standard. The Government is committed to working closely with stakeholders across the sector to deliver this important reform in the most effective way possible.

Department for Business and Trade announces review of regulatory framework

The Government has announced a review into all the regulatory bodies in the UK, in a post-Brexit context. This 12 week review will analyse 90 regulatory bodies across the UK, and is seeking stakeholder views from business's, consumers and the regulators themselves.

On the announcement, Secretary of State for Business and Trade Kemi Badenoch stated:

"I want us to use our Brexit freedoms to scrap unnecessary regulations that hold back firms and hamper growth. It's clear that the regulators that enforce the rules can also sometimes be a blocker to businesses, so our review will seek to root out the bad practices with the aim of making companies' lives easier and reducing costs for consumers."

Labour vows to push through UK audit and corporate governance reforms

Shadow Business Secretary, Jonathan Reynolds has revealed to the Financial Times that a Labour Government would push through reforms to the UK's audit and corporate governance regimes which were promised by the Conservative Government 5 years ago.

The initial pledge to reform the audit and corporate governance regimes resulted from scandals at companies such as BHS, Patisserie Valerie and Carillion between 2016 and 2018. Sir John Kingsman, in response to these scandals, published a report recommending the replacement of the Financial Reporting Council (FRC) with a more powerful watchdog for UK boardrooms and accountants called the Audit, Reporting and Governance Authority (Arga). The Government promised legislation to implement the recommendations but failed to include it in the final Queen's Speech and are reportedly not expected to include it in the King's Speech in November. This delay makes the future of the legislation uncertain.

Mr Reynolds said that a Labour Government would enact Sir John Kingsman's proposals as soon as possible, including replacing the FRC with Arga but he could not guarantee the legislation would be in the first King's Speech of a Labour Government but emphasised that it was a priority.

UK signs sixth US state deal with Washington State

The UK and the US state of Washington signed a new Memorandum of Understanding (MoU) to boost trade and investment.

Washington State is home to major US businesses including Amazon, Starbucks, Microsoft and Boeing, and has a GDP roughly equivalent to Poland. The MoU marks the sixth delivered as part of the UK's state-level strategy to

boost trade with the US and means that the combined GDP of states the UK has MoUs with now totals £2.2 trillion.

Newly appointed UK Trade Commissioner for APAC visits Taiwan

Newly appointed UK Trade Commissioner for Asia Pacific, Martin Kent, visited Taiwan as part of a 5-day visit to broaden and deepen trade and investment links between the UK and Taiwan. The key purpose of the visit was to meet with Taiwan's International Trade Administration of the Ministry of Economic Affairs, and to prepare discussion topics for the 26th annual UK-Taiwan Trade Talks due to take place in London in November.

Parliament

House of Lords

Written question to His Majesty's Government on Import Controls

Baroness Ritchie of Downpatrick (Labour) asked His Majesty's Government "whether they will publish (1) their full modelling on the inflationary impact of the Border Target Operating Model, and (2) modelling on the additional cost to be incurred by businesses as a result of the Border Target Operating Model?"

Minister of State, Baroness Neville-Rolfe responded:

"The Border Target Operating Model (BTOM) outlines a pragmatic and phased implementation approach starting from January 31 2024, designed to give all relevant parties sufficient time to prepare ahead of its introduction.

We will continue to engage with and monitor the sentiment of stakeholders across all parts of the United Kingdom, affected sectors, and our trading partners around the world to ensure readiness for the phased introduction of our new model.

"The Government will run a series of in-person and online engagement events, and publish guidance detailing actions required as a result of the changes on GOV.UK. For example, we will work closely with our key trading partners to ensure the capacity and availability of certifiers for Export Health Certificates does not become a barrier to trade.

"To ensure our own readiness for implementing the Model, departments with specific responsibilities will run and end-to-end operational testing, working with

industry to identify any issues and support a smooth transition for each phase of the Model.

"The Model represents an estimated £520 million saving for all importers compared to the Model originally planned for introduction in 2022. The actual cost to business will greatly depend on how businesses adapt their business models and supply chains to integrate the Model. As outlined in the BTOM, we estimate the costs of the Model at £330 million per annum overall, across all EU imports, which is around 0.13% of the overall value of EU goods imports to Great Britain. We estimate the measures introduced through the BTOM would have a minimal impact on consumer food price inflation of less than 0.2% in total over a 3-year period.

"In contrast, an outbreak of a major disease could have a much more significant impact: the 2001 Foot and Mouth disease cost £12.8 billion in 2022 prices, £4.8 billion of which was cost to Government and £8 billion cost to the private sector.

"The Government ran a consultation on charges for Government owned Border Control Posts from 12 June to 9 July, including a call for views on our intention to administer a single Common User Charge for eligible Sanitary and Phytosanitary consignments at government-run Border Control Posts. The outcome of this consultation will be published shortly."

**For any queries regarding this round-up
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