

CAVENDISH

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Weekly Monitoring
Friday 7th
February



EIA Update

This week, we were delighted to join UKEVENTs at the Houses of Parliament to showcase the crucial role the events sector holds in driving economic growth and fostering community development.

Alongside industry colleagues and fellow partners from UKEVENTs, we spoke to Members of Parliament about the £61.65bn contribution events bring to the economy, the 700,000 jobs supported across the country and the billions in trade, inward investment and innovation our sector brings to all corners of Britain.

We also submitted our response to the Treasury consultation ahead of the Spending Review. In the review we asked for tax incentives to encourage economic growth across the UK particularly for business events including conferences, trade shows, exhibitions. We also requested the creation of a business events growth programme, focused on attracting new and growing existing international conferences and exhibitions to the UK

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

This week Prime Minister Keir Starmer pledged to 'build baby build' following his previous catch phrase to be 'builders not blockers' this time by announcing plans to make it easier to construct mini nuclear power stations. The hope is that this will help the UK create highly skilled jobs and boost the economy.

Despite this the Bank of England dealt the Government a blow this week as they cut interest rates but also cut the expected growth of the economy for 2025. More on this can be found below. This comes as Labour's promise to deliver economic growth is coming increasingly under fire.

The other big political news story this week has been over the Government's deal to hand over the Chagos Islands to Mauritius. With both Tory and Reform UK rejecting Labour's stance that the military base is coming under increasing legal jeopardy.

News

May Summit for EU and UK reset talks

On 19 May, British Prime Minister Keir Starmer will host EU leaders for a Brexit reset summit in the UK. European Council President António Costa stated the summit aims to build “the closest relationship it will be possible to build together.” European Commission President Ursula von der Leyen confirmed her attendance. The summit will address deeper security cooperation and other topics, marking a significant step in Starmer’s pledge to reset UK-EU relations since taking office last July.

Interest rates fall and economic growth projection reduced

The Bank of England Monetary Policy Committee (MPC) voted in favouring of cutting the interest rate by 0.25% 7-2 bringing the interest rate down to 4.5%. Two members voted to bring the interest rate down by 0.5% however they were the minority. The Bank of England also said that they now expect the economy to grow by 0.5% this year which is half of its November forecast of 1.5%. This prognosis has started to increase fears of stagflation, which tends to be a period of slow economic growth, high unemployment, and high interest rates.

Minister for European Union Relations Nick Thomas-Symonds delivered a speech to Brussels

Nick Thomas-Symonds, Minister for European Union Relations, delivered a speech at the EU-UK Forum in Brussels, emphasising the importance of a strong UK-EU relationship amidst global changes. He highlighted mutual interests in prosperity, security, and safety, and stressed the need for trust and cooperation. Thomas-Symonds discussed the UK's commitment to the Trade and Cooperation Agreement and the Windsor Framework, and the importance of reducing trade barriers. He also addressed the significance of rejoining Horizon and enhancing collaboration on security and defence. The minister underscored the need for growth, trade openness, and reducing red tape to boost productivity and create a more resilient economy. He called for pragmatic negotiations to strengthen ties and create a more prosperous and secure future for both the UK and the EU.

Sir Chris Bryant speech at LEAD advertising conference

Sir Chris Bryant, Minister for Creative Industries, delivered a keynote speech at the LEAD advertising conference in London. He began by humorously noting that he had broken Peter Mandelson's advice to never attend the same event two years in a row. Bryant emphasised the importance of trust in advertising and praised the industry's imagination and craft. He highlighted the UK's position as the second-largest exporter of advertising and discussed the government's Industrial Strategy for creative industries. He stressed the need for political, fiscal, and economic stability, as well as reforms in education and the Apprenticeship Levy. Bryant also addressed the challenges and opportunities presented by online advertising and AI, advocating for a strong copyright system and proportionate regulation.

April pay rise for workers

From 1 April, the new National Living Wage of £12.21 and National Minimum Wage of £10.00 per hour will take effect, boosting pay for over 3 million UK workers. This 6.7% increase, worth £1,400 annually for full-time workers, aims to improve living standards and drive economic growth. Younger workers will also see significant pay rises, with the changes expected to inject £1.8 billion into the economy over six years.

Tourist tax is backed by the Mayor of North Yorkshire

York and North Yorkshire Mayor David Skaith has given his support for a tourist tax to fund public services and maintain tourist spots. He joins local leaders in calling for a county-wide levy, despite government opposition. Critics, including the Hospitality Association York, warn it could harm the local economy. Proponents argue it would generate significant revenue, with York welcoming over 25 million visitors annually.

Parliament

House of Commons

Apprenticeships

Andrew Pakes Labour MP for Peterborough moved a debate to highlight the value of apprenticeships and National Apprenticeships Week. During the debate he emphasised the success of over 750,000 apprenticeships and the importance of supporting various sectors, including creative arts and engineering. Other MPs echoed the significance of apprenticeships in boosting local economies, addressing skill shortages, and providing valuable career opportunities. They discussed the need for more flexible training options, better transport links for rural areas, and increased support for small and medium-sized enterprises (SMEs). There was also a call for improved careers advice and a more coherent skills system to ensure young people are aware of apprenticeship opportunities.

Janet Daby, Minister for Children, Families and Wellbeing underscored the Government's commitment to apprenticeships and tackling skills gaps. She reiterated the Government's plans to introduce new foundation apprenticeships and shorter duration apprenticeships to offer more flexibility for employers and learners. Daby also discussed the establishment of Skills England to streamline the skills system and ensure alignment with employer needs. She highlighted continued support for SMEs,

an 18% increase in the apprenticeship minimum wage, and additional support for care leavers and apprentices with special needs. Daby emphasised the importance of making apprenticeship opportunities accessible to all and ensuring that young people are aware of these opportunities through improved careers advice and targeted campaigns.

Holiday Accommodation Tax

Harriet Cross, Conservative MP for Gordon and Buchan, asked the Chancellor:
"What assessment she has made of the potential impact of changes to the Furnished Holiday Let tax regime on rural tourism businesses?"

James Murray, Exchequer Secretary responded:

"The Government will abolish the Furnished Holiday Lettings (FHLs) tax regime from April 2025. This will equalise the tax treatment of FHL and non-FHL landlords' income and gains.

"The Government wants to support visitor accommodation alongside housing for longer-term residents to rent or buy. Achieving this balance is crucial in supporting the tourism sector and many of the people that work in the sector, who need access to local housing.

"Draft legislation to abolish the FHL tax regime was published on 29 July 2024, providing businesses and other parties across the UK - including Scottish stakeholders - an opportunity to share their views on the changes with the Government."

House of Lords

Terrorism (Protection of Premises) of Bill

This week the Committee stage of the Bill started to be undertaken in the House of Lords. The Lords sat three times on the issue and are due to sit again on 10th and 12th February. The committee stage is a chance for amendments to be laid and considered as part of the line by line scrutiny of the Bill.

Creative Industries: Creating Jobs and Productivity Growth

The recent House of Lords debate highlighted the significant economic impact of the creative industries, contributing over £124 billion annually and supporting more than 2.4 million jobs. Emphasising regional growth, education, and innovation, the Government announced £40 million for start-up video game studios, British music and film exports, and creative businesses outside London, plus £16 million for the Cultural Development Fund.

Baroness Twycross, the Parliamentary Under-Secretary of State for Culture, Media and Sport, underscored the Government's commitment to the creative industries. She highlighted initiatives such as the £3 million creative careers programme, the transformation of the apprenticeship levy, and the introduction of shorter apprenticeships. She also addressed the importance of protecting intellectual property rights in the face of AI developments and the need for better support for freelancers.

Baroness Twycross emphasised that the foundation for future success lies in breaking down barriers to opportunity and enacting meaningful change.

**For any queries regarding this round-up
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