

CAVENDISH

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Weekly Monitoring
Friday 8th March



EIA Update

This week, we have received an agreement to meet from the Shadow Minister for Security, Dan Jarvis MP. We will use the meeting to discuss the draft Protect Duty legislation (Martyn's Law) and represent the views of our sector on this legislation.

The meeting follows our regular engagement with Mr Jarvis' predecessor, Holly Lynch and reflects further progress in our engagement with key Labour stakeholders ahead of the upcoming General Election, following our recent engagement with Shadow Minister for Creative Industries, Sir Chris Bryant at his Events Roundtable.

Political Update

All eyes were on the Chancellor this week as he delivered his Spring Budget on Wednesday. Potentially the last fiscal event ahead of the next General Election, the Chancellor covered a broad range of politically charged policy areas to try and persuade those listening that the Conservative Government still has a plan and is not settled into managed decline. Repeated frequently throughout the speech was the refrain that this is "a Budget for long-term growth" but also that there can be "no solid growth without solid finances".

Whilst Conservative MPs broadly welcomed a "responsible" Budget, Labour was not so generous in their assessment. Leader Sir Keir Starmer said the announcement was "bereft of ideas", describing it as "the last desperate act of a party that has failed".

Announcements of note can be found below. Cavendish's full summary can be read [here](#).

News

Chancellor delivers Spring Budget

This Wednesday saw Chancellor of the Exchequer Jeremy Hunt deliver his Spring Budget, setting out the Government's tax and spending plans for the coming year. The key takeaways for Business Events Industry were as follows:

National Insurance. The Government is cutting the main rate of employee National Insurance by 2p from 10% to 8% from 6 April 2024.

Air Passenger Duty. The Government has increased air passenger duty for economy class passengers on long haul and ultra-long haul flights by £2 and the rates for those flying premium economy, business and first class will rise by between 7.7% - 11.4%.

Recovery Loan Scheme. Extending the Recovery Loan Scheme to provide further support to SMEs. It has been renamed the 'Growth Guarantee Scheme'. The scheme offers a 70% government guarantee on loans to SMEs of up to £2 million in Great Britain, and £1 million in Northern Ireland.

VAT . The increase of the VAT registration threshold to £90,000 and the deregistration threshold to £88,000 for businesses from 1 April 2024.

Tax relief. The Creative industries secured an increase to the rate of tax credit by 5%.

Culture Secretary speech at The Big Creative Summit.

Culture, Media & Sport Secretary Lucy Frazer delivered a speech at The Big Creative UK Summit 2024 following this week's Spring Budget.

The Secretary of State noted that the UK's cultural sector - including exhibitions - relied on "incredible innovation, technical expertise and the craft of so many" and insisted that the Government is backing these industries and recognises their value to the UK economy.

Liz Kendall Emphasizes that Labour is the 'Party of Work'

Labour's Shadow Work and Pensions Secretary, Liz Kendall, announced that the party will position itself as the "party of work" for the next election, emphasising a commitment to combat unemployment. She highlighted a responsibility for young people to accept jobs or training opportunities when offered and criticized the Tories and Chancellor Jeremy Hunt for failing to tackle Britain's worklessness crisis despite big promises.

The Shadow Secretary unveiled new proposals for young people, including enhanced mental health support in schools, improved work experience, and careers advice. She stressed Labour's transformation under Keir Starmer and its focus on work-related policies and opportunities.

OBR predict that inflation will fall below 2%

The OBR has increased its 2024 GDP growth forecast to 0.8% from 0.7% and that the economy will grow by 1.9% in 2025 rather than the projected 1.4% in November. If these figures are accurate then the economy is on course to leave the recession that it entered into last year.

The forecast further suggests that debt will be 91.7% of GDP in 2024-25 peak at 93.2% in 2026-27 and 2027-28 before falling to 92.9% in 2028-29.

National Audit Office warns over limited progress to rail reforms

Following the Government's most recent announcement to reform rail the National Audit Office have said that most of the changes are delayed. They are now saying that most changes won't happen until the next Parliament.

The NAO has suggested that the Government's plan for establishing Great British Railways by early 2024 is complex and infective. This implies that potentially one of the Government's last flagship schemes may not be as effective as they originally proposed.

Parliament

House of Commons

MPs debate Regulatory Costs: Small and Medium-sized Enterprises

A debate on the impact of regulatory costs for small and medium sized enterprises was used as an opportunity to highlight the Governments changes to employment law and business rates supports in Scotland.

The debate also covered if the system will be further reformed to help Small Businesses further however, Kevin Hollinrake, Minister for Enterprise Markets and Small Businesses, did not elaborate any further and instead said that scrapping business rates would result in a £22.5 billion loss of income.

Business and Trade Questions

Conservative MP for North Warwickshire, Craig Tracey, asked two questions to the Secretary of State for Business and Trade regarding support for small and medium sized enterprises through the Small Business Council and how the Small Business Council can support female-led businesses.

Kevin Hollinrake, Minister for Enterprise Markets and Small Business replied that the Council is investigating key areas of support for businesses through finance, advice, and a women taskforce.

Elsewhere in the debate Shadow Minister for Business Rushanara Ali asked what the Minister will do to stop small businesses closing down. To which she was assured that the Start Up Loans and the raise in VAT threshold will hold opportunities for small businesses.

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

Get in touch



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