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Weekly Monitoring
Friday 9th
February



EIA Update

This week the EIA took part in the first Tourism Industry Council meeting with Minister Julia Lopez (Tourism Minister DCMS) co-chairing. Various points were raised by other members of the council, including a request to reintroduce tax free shopping, refocus of the apprenticeship levy, visa challenges and opportunities, and general cost concerns.

We reported back on the work of the Events Industry Board, which has focussed on the benefits and positive impact of soft support by UK Gov and officials using exhibitions as a media channel. The Board has created a report which includes case studies demonstrating the uplift soft support stimulates, and a request for additional engagement across Whitehall which would help further policy aims, and generate incremental economic impact. We have a follow up meeting with the Minister on the 27 February.

During Apprenticeship Week the EIA have signed an open letter from Labour calling for a reform to the apprenticeships levy. If elected Labour will turn the current apprenticeships levy into a 'Growth and Skills Levy' so it can be used on the greater range of training courses that businesses say they need.

In addition the EIA supported VisitBritain who explored 'impact beyond the plenary' at its first Association Conference in Edinburgh. Read [here](#)

Political Update

Speculation in Westminster has now begun about the potential of a general election in the first two weeks of October, rather than in November. The *Independent* reports that Downing Street now eyes an October ballot, in order to avoid losing media attention to the US Presidential contest. If agreed, this would involve the cancellation of the party conferences.

Neither Labour nor the Conservatives have had a particularly enjoyable week. Labour dropped its £28bn-per year policy proposal on green energy. Conservative divisions were further exacerbated this week by the launch of Popular Conservatives – a new faction led by former Prime Minister Liz Truss calling for tax cuts and a reduction to migration. Neither Labour nor the Conservatives have had a particularly enjoyable week. After weeks of division and confusion at the top of the Shadow Cabinet, between Sir Keir Starmer, Shadow Chancellor Rachel Reeves, and Shadow Energy Secretary the £28bn green investment was dropped.

News

Consultation on Martyn's Law launched.

A consultation has opened on new proposals set out in Martyn's Law to require premises "to fulfil necessary but proportionate steps, according to their capacity, to help keep the public safe".

Under the proposed law, premises will be considered 'standard tier', meaning they have capacity of 100-799 or 'enhanced tier', with a capacity of 800 or more.

The consultation on the updated approach to standard tier will seek views to make sure the new requirements do not place undue burdens on smaller businesses, while still protecting the public.

This consultation closes at **11:59pm on 18 March 2024**

Jeremy Hunt hints at Spring Budget Tax Cuts.

While Chancellor spoke last month of his eagerness to "lighten the tax burden" in order to help grow the economy, comparing himself to Nigel Lawson, he has spent time this week walking back the speculation. Following up on his BBC interview, *The Times* reported on Mr Hunt's new emphasis on cutting taxes in a "responsible" way, noting that "major structural weaknesses" in the economy meant he would have less fiscal headroom to reduce taxation in the 6th March Spring Budget.

Unexpected drop in unemployment challenges Bank of England's rate strategy.

The latest Labour Force Survey results show an unexpected uptick in employment and a drop in unemployment rates. This has cast fresh scrutiny on the Bank of England's Monetary Policy Committee (MPC) and its forthcoming decisions on interest rates.

The improved employment figures may be seen as a sign of a tightening labour market, which could put upward pressure on wages and inflation. This could make the MPC more cautious about lowering interest rates.

There are also signs that unemployment may be on an upward trajectory, with recent data showing an increase in redundancy notifications and Google searches related to redundancies. Despite this, economists believe that the MPC is likely to cut the Bank Rate to 4.50% by year-end, down from the current 5.25%.

Labour's £28bn green investment pledge was dropped

Labour leader, Sir Keir Starmer confirmed this week that Labour will scrap its pledge to spend an additional £28bn on green policies, citing the party's inability to promise borrowing at that level anymore. Instead, £15bn will be made available for the plan, with "only" £4.7bn of additional funding required.

Starmer has blamed economic challenges under Conservative rule and argues for Labour's fiscal responsibility.

Parliament

House of Commons

Minister gives Protect Duty Update to MPs.

Security Minister, Tom Tugendhat, delivered a statement in the House of Commons on the launch of the consultation into Martyn's law. The Minister set out the Government's motivation for introducing the law, an overview of the proposals and consultation and the next steps for the legislation.

Treasury responds to question on small business support.

Conservative MP Sir Edward Leigh asked the Chancellor of the Exchequer what fiscal steps his Department is taking to support small businesses.

The Financial Secretary to the Treasury, Nigel Huddleston responded:

'Small businesses are the engines that drive our economy and we support them to thrive using levers right across Government. Our small business rates relief means that one third of business properties in England already pay no business rates. We provide tax reliefs benefiting small and medium-sized enterprises, such as the annual investment allowance and employment allowance, and we support investment in SMEs through British Business Bank programmes and a variety of other support measures.'

Treasury responds to question on small business support.

Conservative MP Anthony Mangnall asked the Chancellor the Exchequer whether cutting VAT for the tourism and hospitality sector, perhaps by 10% over five years, would be advisable to help the economy.

Chancellor of the Exchequer Jeremy Hunt responded:

'...We will, of course, keep all those measures under review ahead of the Budget.'

Home office responds to question on Immigration Controls

Labour MP Dame Diana Johnson asked the Secretary of State for the Home Department, for what reason his Department has changed the timescale for the introduction of the new salary threshold for legal migration.

Tom Pursglove, Minister for Immigration responded:

"On 4 December 2023 the Home Secretary announced his intention to raise the MIR to £38,700, aligned to the level at which the General Skilled Worker threshold is set. On 21 December 2023 we set out further details on how we would implement this through a staged implementation.

"On 30 January 2024, we confirmed the Immigration Rules we intend to lay on 14 March will set out that from 11 April we will raise the threshold to £29,000 - that is the 25th percentile of earnings for jobs which are eligible for Skilled Worker visas.

"We will incrementally increase the threshold to the 40th percentile (currently £34,500), and finally to the 50th percentile (currently £38,700, and the level at which the General Skilled Worker threshold (GSWT) is set) by early 2025. It is important that the changes are delivered in a sensible and pragmatic way that gives families time to adapt, but ensures they deliver the reduction in numbers the British people expect."

For any queries regarding this round-up
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Get in touch



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