Events Industry Alliance End of Week Report

Friday 30th October

EIA update

- John Healey delivers a "holding Budget" - as many expected.
- National Events Strategy work continues with revised written approach and DCMS engagement.
- Further Parliamentary outreach, including meetings with Sir Jeremy Wright and James Asser.

Hi all,

The defining moment of the week was of course John Healey's first Budget, which successfully, if not precariously, balanced the need to protect Burnham's political popularity with fiscal discipline. However, Healey's cautious, "steady-as-she-goes" approach fell well short of the widespread and radical agenda promised by Burnham over the summer. With the UK's challenging economic outlook limiting the government's room for manoeuvre, the forthcoming *Rewiring the State* white paper and 10-year plan, expected later this year, will be important opportunities for Burnham to set out a more ambitious programme of reform. This is particularly significant as it may form the broad base for a manifesto if, as currently rumoured, Labour trigger a General Election next year.

On the campaign front, this week we continued to develop our approach to the Government's National Events Strategy, with a revised strategy paper currently receiving further feedback from the EIA Boards. We are also engaging with DCMS on its plans for its next stage of industry engagement, including making sure business events are properly represented across the upcoming roundtables.

Parliamentary engagement has also continued, with Andrew being prepared for a meeting with Sir Jeremy Wright MP today, focusing on the importance of business events to growth and the case for a dedicated business events chapter in the National Events Strategy. Alongside this, we are arranging a meeting with long-term ally James Asser MP and continuing discussions with DCMS committee chair Caroline Dinenage's office about a follow-up meeting.

Finally, thank you once again to the ESSA members who have reached out to their MPs. Responses continue to come in, and we now have several meetings planned over the next few months. If you get a response from your MP, do let Andrew or us know, as we can provide a briefing ahead of the meeting on the MP and anything else it might be useful to know.

Best,
Alexander

Government this week

Monday 26th October

- The Government announced £7 million for UK Sport to study a bid to host the Olympic and Paralympic Games in the North of England in the 2040s, with findings expected in 2029.

Wednesday 28th October

- John Healey delivered his first Budget and, as many had predicted, there were very few surprises. The headline announcement was a £100 energy payment, paid directly into bank accounts, for households in council tax bands A to D. For members, there was some potentially welcome news, particularly on business rates and capital gains tax. A summary of the relevant measures include:

Business Rates

- Small business rates relief for retail, hospitality and leisure businesses: the threshold for full relief rises from £12,000 to £18,000, with tapered relief up to £21,000. This is largely paid for by higher taxes on gambling.
- All other retail, hospitality and leisure properties will see their rates frozen in real terms, with no above-inflation rise for the next two years.
- As previously announced, pubs, social clubs and all but the largest music venues will get a further 20 percentage point increase in relief, from 15% to 35%, from 1 April 2027.
- From next year, 20% of business rates will go to mayors, and 100% of business rates will be retained locally by the end of the decade.

Tax on business owners

- From April 2028, the taxation of company distributions will be reformed, while protecting genuine changes in ownership, including families passing down a business. Business Property Relief was not specifically mentioned. Draft legislation will be published for technical consultation in 2027.
- The lifetime limit for Business Asset Disposal Relief will be cut from £1 million to £500,000 from April 2027. The Chancellor said three in four claimants will not be affected.
- A new founders' relief will give founders of high-growth, innovative companies a 10% CGT rate on up to £10 million of lifetime gains. There will be a technical consultation on the detailed design.

Visitor economy

- From 2028, all strategic authorities will be able to introduce an Overnight Visitor Levy, as previously discussed.

Funding for venues and events

- £6 million for Glasgow from 2027/28 for a new outdoor events space at the Scottish Event Campus, subject to a business case.

What happened in Parliament

Monday 26th October

- In a Lords debate on the economic impact of tax-free shopping, the **Earl of Clancarty (CB)** asked whether the creative industries would be discussed at the EU-UK summit on 20th November.
    - **Lord Pitt-Watson (Parliamentary Secretary for the Treasury)** replied that he was "absolutely sure they will".

Monday 26th October

- The DCMS Committee took further oral evidence for its Tourism inquiry. **Nigel Huddleston (Con, Droitwich and Evesham)** asked the panel what funding the local visitor economy partnerships and destination bodies need from Government.
    - **Joss Croft (Chair, Tourism Alliance)** said central funding for VisitBritain was about £35 million a year when he joined in 2000 and is £18 million now. He said it "delivers about 20 or 25 to 1, or in the recently cut business events growth programme 35 to one".

- Asked by Huddleston how that compares internationally, Croft said: “Tourism Australia spends more in China than VisitBritain gets as a grant in aid.”

Wednesday 28th October

- Reacting to the Budget, **Mike Wood (Shadow Cabinet Office)** said hospitality “feels the triple whammy of high employment costs, punitive business rates and relentless regulation”, and that the relief for small businesses “will do little to help most hospitality businesses”.

Written questions

Tuesday 27th October

- **Neil Duncan-Jordan (Lab)** asked what steps are being taken to amend the Schengen-wide 90-in-180 framework through a wider EU-UK agreement.
  - **Hamish Falconer (Minister for European Relations)** said the rule is “standard for third nationals”, with no sign of change.

Thursday 29th October

- **Baroness McIntosh (Con**) asked what impact assessments have been done on a 5% visitor levy in England.
  - **Baroness Blake (Government Whip**) answered that a 1% levy would add £4 to the average family trip and a 5% levy £20, and that mayors and strategic authorities must complete an impact assessment.

Week ahead

Monday 2nd November

- Housing, Communities and Local Government oral questions. **Henham to monitor.**
- The Budget debate continues, concluding on Tuesday 3rd November.

Tuesday 3rd November

- Treasury oral questions.

Wednesday 4th November

- Prime Minister’s Questions. **Henham to monitor.**
- The Commons will conclude the report stage of the Sporting Events Bill.
- Parliament will rise for recess with the Commons returning on Tuesday 10th November.

Regional News

Burnham chairs National Economic Council in Scotland

Today, Andy Burnham will chair a meeting of the National Economic Council in Scotland for further talks on empowering the regions through deeper devolution. John Swinney (First Minister of Scotland) and Rhun ap Iorwerth (First Minister of Wales) are due to attend. According to the overnight briefing from No 10, Burnham is less interested in giving more powers to the devolved parliaments and more interested in promoting “regional empowerment” in their countries.

North East mayor and councils divided over final say on overnight visitor levy

Reform UK leaders of Durham, Gateshead, South Tyneside and Sunderland councils have written to Kim McGuinness (Mayor of the North East) asking her to abandon plans for the visitor levy, which is expected to be capped at 5% of an overnight booking. Councillor Darren Grimes (Reform UK, Deputy Leader of Durham County Council) said: "Our residents didn't vote for us to nod along. They voted for us to say no when no is the right answer." McGuinness responded: "I am not prepared to let the North East slip behind while others take our visitors."

Media snapshot

UKHospitality welcomes Budget but presses for a VAT cut

Allen Simpson (Chief Executive, UKHospitality) said "this is the first budget in several years to deliver any positive news for hospitality at all" and that the sector must "carry on going to win the VAT cut we so badly need".

Tourism Alliance calls for 18-month implementation period

Also reacting to the Budget, Joss Croft (Chair, Tourism Alliance) said "the proposed implementation timeline for an England Overnight Visitor Levy is a significant red flag for the visitor economy" and called for the industry to have a minimum 18-month implementation period once the details have been finalised.

Events sector research finds a gap between recognised value and budgets

Research from the International Corporate Events Network (ICEN) supported by Cvent, has revealed that 79% of corporate event professionals say senior stakeholders recognise the strategic value of events, yet just 13% find budgets easy to approve.

If you have any questions regarding this update, please contact the Henham Strategy team.

Get in touch

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