

Digital, Culture, Media and Sport Committee

Oral evidence: Promoting Britain abroad, HC 856

Tuesday 22 February 2022

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Members present: Julian Knight (Chair); Kevin Brennan; Clive Efford; Julie Elliott; Damian Green; Simon Jupp; Jane Stevenson; Giles Watling.

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Witnesses

I: Caroline Cooper Charles, Chief Executive, Screen Yorkshire; Bernard Donoghue, Director, Association of Leading Visitor Attractions; Ralph Lee, Chief Executive Officer, BBC Studios Productions; and Martha Lytton-Cobbold, President, Historic Houses.

Examination of witnesses

Witnesses: Caroline Cooper Charles, Bernard Donoghue, Ralph Lee and Martha Lytton-Cobbold.

Q1 Chair: This is the Digital, Culture, Media and Sport Select Committee and we are here for our first hearing on promoting Britain abroad. We are at Knebworth House, circa 1490, in order to highlight one of the many attractions that can bring visitors to the UK outside of London.

We are joined today in our first panel by Caroline Cooper Charles, chief executive of Screen Yorkshire, Bernard Donoghue, director, the Association of Leading Visitor Attractions, Ralph Lee, chief executive officer, BBC Studios Productions, and Martha Lytton-Cobbold, president, Historic Houses. Before I put my first question, are there any interests to declare?

Simon Jupp: I declare that I am the chair of the All-Party Parliamentary Group for Hospitality and Tourism.

Chair: Thank you, Simon. First of all, I want to welcome our guests. Many of you have slogged quite a long way to get here—haven't you, Caroline? Thank you very much to Caroline, Bernard, Ralph and Martha; you are most welcome. My first question is to you, Bernard. How important are tourists to your bottom line and to the nation's bottom line?

Bernard Donoghue: Good morning and thank you very much for the invitation to appear before you this morning. As you can tell from these surroundings, tourism is one of Britain's most successful industries. In a normal year—and you will understand if I go back to 2019—tourism is worth £157 billion to the UK economy. It is our fifth biggest industry, it is our third largest employer, and it is our third largest export industry—export being money coming into the country through overseas visitors.

The last two years have meant that we have seen a collapse in international tourism to the United Kingdom. If I can give you a very brief example, for St Paul's Cathedral, Westminster Abbey, the Tower of London, Edinburgh Castle and Stonehenge, in a normal year about 85% to 86% of their ticket purchases are from overseas. Last year, in 2021, the average was 4%. That just gives you an indication of how the international market into the United Kingdom has collapsed in the last two years and why it is crucial to get inbound visitors from our key source markets back to the UK.

Q2 Chair: That is very interesting if it is 86% to 4%. That is the proportion of the total when they are open; it does not include any periods when they are not open. If that is the case, has any of this shortfall been made up in any significant way by domestic tourism?

Bernard Donoghue: Partially. One of the things that I do alongside ALVA is that I chair the London Tourism Recovery Board. This was



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something that was created last February—it has only been going a year—with the specific intention to recover both the domestic market for London but also the inbound market for London. Again, in a normal year London would receive somewhere around 52% of all overseas visitors who come to the UK and about 54% of all of their spending. International tourism is significantly more important to London than perhaps the rest of the economy.

Domestic tourism in the last two years has been of benefit to many visitor attractions but it hasn't fully replaced inbound tourism. Again, if I go back to St Paul's Cathedral, normally it would receive about 86% of its visitors from overseas and about 4% would be repeat visitors from the United Kingdom. Essentially, it has lost about 86% of all of its income for two years. Some of our visitor attractions are wholly or partially dependent on domestic visitors in a normal year anyway. For example, if you take all the National Trust properties in England, Wales and Northern Ireland, collectively they only get about 4% of their visitors in from overseas. About 96% would be domestic. It is a very huge spectrum, from 90% at Westminster Abbey being from overseas to 2% of visitors at Tate St Ives being from overseas. It is a very broad spectrum.

Although there was a staycation boom in the last two years—because us Brits were not able to travel fully abroad we discovered what we had on our doorstep—and that was of huge benefit particularly to seaside resorts, coastal resorts and countryside, we are concerned that this year there might be a double jeopardy, with Brits wanting to go on holiday abroad because they have essentially been confined for the last two years, but international visitors not coming back in 2019 figures, so both a depressed staycation market and a depressed inbound market, too. It may well be that for some of our tourism businesses, this year is more financially challenging than the last two.

Q3 Chair: But surely, Bernard, as was just announced yesterday, we are one of the first countries genuinely to open up. We are dropping restrictions, as of Thursday, in terms of self-isolation. Is that not just a very pessimistic outlook that effectively we won't see tourism into the country, when actually we are now one of those countries that has opened up and is now ready for business?

Bernard Donoghue: Yes and no. What I mean by that is that, of course, travel into the United Kingdom is highly dependent on vaccine rollout in those countries overseas, so we have to go at their pace. We do know that when overseas visitors do want to come back, they want to come back to the United Kingdom first, and that is fantastic, but we will not receive the number of people that we received in 2019 until about 2024 or 2025. It is both DCMS's research that reveals that, and Oxford Economics. For some parts of the tourism industry in the United Kingdom, they will be suffering a tourism equivalent of long Covid for at least three or four years.

Q4 Chair: It is not just about numbers, is it? It is also about spend. As I



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understand it, inbound tourists spend about three times as much as domestic tourists. I might just turn to Martha Lytton-Cobbold of Historic Houses very briefly. I understand that in many respects, as Bernard says, you mostly rely on domestic tourism. When you notice overseas tourists, how do you get to maximise their spend in historic houses?

Martha Lytton-Cobbold: We very much value the international tourism business. In addition to the domestic tourism business, it is very much a part of what we know attracts tourism to this country. We know that heritage brings 48% of all travellers who come to England—they are coming here because of heritage and historic buildings and they wish to experience that. With Covid, we are finding that both the international and particularly the domestic visitors are very interested in their local heritage, so we have also seen an increase in secondary spend.

How we reach out to maximise that has been very innovative this year. We have not had the international visitors that we have enjoyed in the past, so we have had to look at it more as an entrepreneurial exercise, looking at digital outreach and at online shopping. It has been fascinating to see what has appealed to people when they cannot travel. Having a virtual tour, being able to purchase a guidebook, and being able to understand how their history connects with the UK's history have been ways that we have found to connect with them.

Q5 **Chair:** Caroline, do the Government do enough to co-ordinate the promotional campaigns and work of the cultural and heritage sector, in your view?

Caroline Cooper Charles: I think that there is quite a lot of silo working. Obviously, I am talking from a regional perspective. We work across Yorkshire, but obviously a lot of the tourism initiatives are operating at a more local level. They may be city related or district related as opposed to region related. There is quite a lot of silo working. I sit on a committee with a number of other cultural organisations from Yorkshire, and one of the things that we commented on recently was how tourism does impact on all of our sectors in different ways and how we each are very important in driving the visitor economy, but we do not strategically seem to be worked into that piece in terms of what we can bring to the visitor economy.

Q6 **Chair:** Does it sometimes frustrate you when you walk through an airport and you just see Beefeaters and that sort of thing, rather than, frankly, the wonderful views of Yorkshire and the fantastic attractions there—the most fantastic medieval city in York, for instance?

Caroline Cooper Charles: Yes. I think there are two things there. We do obviously have our wonderful landscapes in Yorkshire and they are very well positioned in terms of being seen on international screens. There are things like the recent reboot of "All Creatures Great and Small", which we invested in and which is doing amazingly in the States, and our country houses, which are outstanding and do drive visitors to Yorkshire,



but are also very popular in terms of attracting film production in the region.

One of the things that I think we do have to recognise—there was a recent report that the BFI commissioned about the way in which England is perceived overseas in terms of our screen content—is that it is not perceived as particularly edgy. It is perceived as very high quality, with a real depth of character in our storytelling and a real quality of actors. I think that our onscreen talent is highly regarded. But I do not think we are being seen as cutting edge and innovative, and that perhaps is about the fact that we are not necessarily representing the true diversity of the UK on our screens.

When I think of Yorkshire, of course, I can think of the wonderful country houses and the Yorkshire Dales, but we also have cities. We have Sheffield, where I come from. We have Bradford, which is one of the most culturally diverse cities in the UK. That representation is perhaps not getting out there on the international stage as much as it should be.

Q7 Chair: Do you think there is an element, Caroline, of Britain being sort of wedded in chains to a “Downton Abbey” type view of itself, because Downton sells, whereas perhaps the diverse elements that you mentioned do not?

Caroline Cooper Charles: Yes, I would absolutely agree. Commercially, that is the representation of the UK that works internationally. The more diverse shows—I guess the more urban shows—tend to appeal more to a local audience. Yes, “Downton Abbey” is very popular, and more recently than that, if you look at Netflix shows, Netflix I think does tend to cater for a younger audience, but “Bridgerton” was one of its top-selling shows. That filmed in Yorkshire. It is a different take on period drama, but it is still period drama.

Q8 Chair: Yes. It is really interesting and I will bring Ralph Lee in on this. How do you think that the audio-visual representation of the UK goes hand in hand with appeal to tourists overseas?

Ralph Lee: I think what Caroline says about the appeal of British heritage on screen is absolutely true, as is borne out by the success of programmes like “Downton Abbey” or “Father Brown” that we make, or “Call the Midwife”, which we distribute very successfully internationally. However, it is not just those types of programmes that BBC Studios distributes internationally that show commercial success. It is also worth saying that our premium internationally comes from high quality and excellence across all the different programming genres. If you take natural history as an example, our Natural History Unit in Bristol is seen globally as the pre-eminent producer of natural history programmes and has spawned an industry in Bristol of natural history producers.

In terms of the more edgy and urban cutting-edge picture of Britain, I would not agree fully that it does not transmit and that it is not



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commercial. If you look at examples like “I May Destroy You”, which is a series made by Michaela Coel that BBC Studios invested in, it was a hit for BBC iPlayer and has had a significant critical and commercial impact in the UK. It also secured distribution with Warner, via HBO Max internationally. Steve McQueen’s “Small Axe”—another very cutting edge, diverse, challenging UK production for the BBC—also distributed very well internationally. “Top Gear” is a hugely successful programme that we distribute internationally.

I think the vision of Britain that we disseminate to the world is not just the red telephone boxes, country houses and pastureland view of halcyon Britain. There is a real rich diversity of programming that distributes widely.

Q9 Chair: Bernard, the figure we have in front of us is that £19 million is spent by VisitBritain on domestic and international marketing activity. That sounds like a pitiful amount of money and is less than some international cities. It is very easy for us to say, “Well, this is appalling and awful—we are not investing,” but isn’t part of the reason why it is so small that, as we just heard from two people in our arts and creative sectors, we have such a degree of soft, below-the-line marketing that we do not need to advertise quite as much and that this permeates through into our visitors’ consciousness?

Bernard Donoghue: That is a beautiful argument and when I was at VisitBritain, I used to hear it all the time from the Treasury. There is a strong undercurrent to all of that, in that we know that film tourism—the way that we present ourselves around the world through television, digital, online or whatever—is a really strong motivator for people to come to the UK. I remember the then Secretary of State for Culture, Media and Sport, the late Tessa Jowell, referring to it as “set jetting”—jetting to your film set.

You only need to go down the road to Warner Bros Studio Tour of “Harry Potter” to see the real effect. People want to stand where Harry stood. They want to be on the set. Still nowadays, I think 12% of visitors to Castle Howard go because it was Brideshead, and that was 25 years ago. The power of film in motivating people to come to the United Kingdom is enormously popular. Therefore, over the years VisitBritain has produced things like film tourism maps and location maps that have done really well.

One thing that Caroline picked up on is the responsibility that we have to communicate the full diversity of the tourism joy of the United Kingdom. Wearing another hat, I chair the board of the Bristol Old Vic Theatre, which is the oldest continually working theatre in the English-speaking world. It was founded in 1766. Our work there now is as much digitalised, so we sell it across the world: you can look at live work that we are livestreaming in Osaka, in Alabama and in Paris. That is one of the ways that we are communicating the diversity and freshness and provocative nature of our cultural offering in the UK to people who start



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on a customer journey. They are sitting on their own sofas watching the best of the National Theatre live or the best of the Bristol Old Vic or the Old Vic or whatever, but they are starting a customer journey and wanting at some point to sit in the seats in those theatres themselves. I think that is where digital, which VisitBritain is embracing, has a real opportunity to get to people on their own terms and allow them to discover the United Kingdom that they did not think they knew as well as they might.

- Q10 **Jane Stevenson:** We have mentioned London and how important it is to bringing visitors into the United Kingdom. Do you think that there is too much focus on London and that the cultural offering there is overshadowing the offer in the rest of the United Kingdom?

Bernard Donoghue: I don't, but it needs to be balanced. As I said earlier, 52% of all visitors to the United Kingdom come to London. They represent about 53% of all overseas spending in the United Kingdom. However, London is a gateway. Very recently, I was updating the First Minister of Scotland about the synergies between Scottish tourism and London tourism. Again, in a normal year about 28% of all visitors to Scotland come via London, so London's importance as a gateway to getting overseas visitors to travel across the United Kingdom is profoundly important, as well as VisitBritain's role, among others, in promoting regional airports and regional transport hubs. The maths would suggest that London is very important and you use that as a gateway to enable the promotion of London to benefit the rest of the UK visitor economy.

- Q11 **Jane Stevenson:** Historic England did advise that having different sorts of heritage trails could help to lure people away from the capital, and people could achieve value for money by spending a proportion of their holiday outside the capital. Do you think that for travellers of different ages and with different perceptions of the United Kingdom, we could use themed trails to slightly spoon feed people? Do you think that would help promote the regions?

Martha Lytton-Cobbold: Yes, we very much know and believe that heritage does draw tourism out of the capital city. It is a portal and it certainly is a great attractor in bringing tourists to the UK, but we know that our heritage properties can help drive tourism out into all corners of the UK. It is bringing a huge economic stimulus as well, not only in that initial tourism spend but also in supporting the heritage businesses and the rural communities that support and thrive on those heritage businesses. Yes, we do believe that a heritage trail is a good way to move forward—a film map or trail as well.

Wearing another hat, I co-chair the Visit Herts DMO here in Hertfordshire. Hertfordshire is the new Hollywood, we keep being told, which is delightful with the amount of development and infrastructure that is going in to bring more filming to the UK. What we have found in Knebworth, when we have filming coming in, is that a lot of different



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areas of production are brought in—they fly in the directors and the actors—but we are also utilising many of the skills and the trades here. We also find at Knebworth, like many other properties, that we recommend local businesses and that over two-thirds of what is being spent is spent locally.

I do think that if we can help drive tourism we can help spread economic development and growth. I agree very much with what Bernard was saying earlier: it is going to take a couple of years and we are at a very fragile point right now in supporting and maintaining and keeping these businesses going.

- Q12 **Jane Stevenson:** Historic Houses said that the transport—the final mile getting to some historic properties—is possibly a barrier. Do you think tourists need a bit of help getting out of London? Do they need a spoon-feeding approach to say, “It is going to be simple for you to get from A to B”?

Martha Lytton-Cobbold: I do think that would make an enormous difference. One of the technicians with me today had help this morning because he walked up from Knebworth Station and that is not an easy route. It is a short route, but it is not particularly easy and can be a little bit intimidating as you make your way around, trying to find your way. Yes, I do think if we could help with that final mile it would encourage and get that springboard out of the capital into the other regions.

- Q13 **Jane Stevenson:** Thank you. Caroline, in Yorkshire do you feel there should be different trails maybe for travellers of different ages and interests?

Caroline Cooper Charles: Yes, it is something that we have definitely been looking at. We have tried to work with some of the visitor attractions in Yorkshire to give tourists the sense that “Bridgerton” was filmed here, or “All Creatures Great and Small”, and they are all within the same region. You might have, for instance, a family tour that focuses on something like “The Secret Garden” or “The Railway Children Return”, which has just filmed. We are very much trying to work alongside our visitor economy, not just doing it from a film perspective.

The tricky thing for us is that tourism is not our role. We have a huge impact and we also have a lot of expertise, which means that we can bring people who were involved in the production, for instance, to add to a quality experience for visitors. Castle Howard was mentioned. We have been talking to them about maybe doing audio tours based around particular productions that have filmed there. It is not our primary role, so we have to bring that expertise and make sure that we are working with the appropriate people to assist in delivering that message.

- Q14 **Jane Stevenson:** Thank you. Ralph, do you think we are missing a trick with a “Top Gear” tour of the UK?



Ralph Lee: You would have many great locations to visit. "Top Gear" is a great example of showcasing every corner of the UK. We were filming in Scotland during lockdown, taking advantage of empty roads. If you look at the rich diversity of how and where Britain is represented on screen, it is hard to find a corner that does not get captured by one of our programmes. "Countryfile", although based out of Bristol, does an incredible job of covering the span of the UK, as do programmes like "Antiques Roadshow". I think the idea of creating guides and maps that pick up a lot of those things and join the dots so that travellers and visitors are able to find a number of different locations that are relevant to them and familiar to them through the screen is a good idea.

Q15 **Jane Stevenson:** Do you think that we are doing enough data gathering about the different ages of tourists who are visiting and their interests? How do you think we can improve on what we know about how to capitalise?

Bernard Donoghue: If I can answer that, we have really good data about who comes, how long they stay and what they spend here. To give you some very brief examples, in 2019 more people visited the V&A, the Natural History Museum and the Science Museum in South Kensington than visited Venice. In 2019, more people visited the top 10 visitor attractions in Scotland than visited the whole of Australia and New Zealand.

We are good at tourism in the UK. We are globally good, but there are things that we can be even better at. One of them is regional spread, as has already been mentioned. Another is greater dwell time, so persuading people to stay here for longer and particularly to spend their money here for longer for good reasons. The third—although you did not ask the question, perhaps I may provide an answer—is to make us as compellingly attractive in contrast to our competitor countries as possible.

There are three very quick wins to do that. One is that we ought to go back to providing a duty free incentive so people who are coming primarily for retail tourism, and they are largely from the Middle East, come here to the United Kingdom rather than going to Paris.

The second is that the Government in the last 18 months has made a requirement that children and students from the EU have to have a passport rather than an identity card. Identity cards are no longer acceptable at customs or security. That has meant a devastating loss to language schools and to school groups coming to the United Kingdom.

The third is that we have also seen a huge loss in students going to language schools here in the UK. We are losing market share to countries like Ireland or Malta, or even the United States of America. That is because we are not seen as particularly welcoming or incentivising people to come here as part of their educational tours. Those are three particular



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things where I think we are losing market share, and that is as a direct result of relatively new political decisions.

- Q16 Clive Efford:** Thanks for coming to give evidence to us today. Bernard, I was struck by the figures that you gave. They were quite stark—the drop in visitor numbers from overseas to places like St Paul’s Cathedral. I think you said it was an 86% drop of overseas visitors. How much of that is the pandemic that we have just been through and how much of that is the impact of Brexit on London as a destination? It strikes me that they both coincided. Is it difficult to unpick what exactly has had the biggest impact?

Bernard Donoghue: You are exactly right. It is very difficult to unpick at the moment because both happened almost simultaneously. What we do know is that in London—these are figures from the Mayor of London’s office—we lost in the region of 850,000 workers in 2020. A big proportion of those—we estimate it to be between about 25% and 30%—worked in hospitality and tourism. They either went back to their homes within the UK or they went back to their homes somewhere in mainland continental Europe, so we lost staff.

We also know that we are in a recruitment crisis at the moment. It is incredibly difficult to recruit particularly front of house staff, catering staff and chefs, and people who work in restaurants, which is why—and you have probably seen it in your constituencies as well—restaurants, bars and pubs are often closing at lunchtime because they cannot staff it. It is not that there is a lack of market or appetite; they just cannot staff the places. We know that there is a recruitment crisis and that is partly about Brexit, it is partly about Covid, it is partly about losing those staff to other jobs that are better paid.

In terms of international visitors who are no longer coming here because of Brexit, we cannot be certain that that is a significant factor because Brexit and Covid happened at a parallel time. Therefore, it is very difficult to unpick.

- Q17 Clive Efford:** Of those workers within the hospitality industry that have left the country, how many had to go because of changes to immigration rules? Or how many chose to go because they no longer wanted to stay? Do you have any idea of that?

Bernard Donoghue: I don’t, I am afraid, but I am sure at some point in this Committee’s inquiry you will be hearing from UK Hospitality and it would have those figures.

- Q18 Clive Efford:** In the past, there has always been concern from the tourism industry about the ability of people to go to multiple destinations in Europe, so people coming from China who want to visit Berlin, Venice, Paris and then come to the UK. Has that problem been exacerbated in the last two years by any changes in immigration rules?



Bernard Donoghue: Not particularly in the last two years, but it was previously. We know from our colleagues in the United States that the most attractive dual destination package that could be sold in mainly east coast and west coast America is a London and Paris combination. The complexity of putting those two together, because of the consequences of Brexit, makes it a more complicated sell than would have been the case before 2019. That is one that we have particular data on, and I am sure VisitBritain will be able to provide you with some insights into that.

Q19 **Clive Efford:** How do we compare in terms of cost with other destinations like Paris?

Bernard Donoghue: Cost as a visitor experience?

Clive Efford: Yes, the cost to tourists.

Bernard Donoghue: We are not seen as a cheap destination. We are seen as a high-value destination and we are seen as an affordable destination. This comes back to the subject that we were previously talking about. If people only see UK tourism through the lens of London prices, then they are going to be delighted and surprised when they get out of London and realise that the rest of the country is far more affordable.

One of the things that I think VisitBritain will be doing, and it has just launched its international campaign in the United States and in six European countries last week, is to tell the story of the diversity of Britain. That is as much about diversity of geography and people and aspects and stories and history and contemporary art, as well as heritage, but it will also be telling the story of affordability as well.

Q20 **Clive Efford:** Caroline, can I just ask you about sport tourism? I remember Gary Verity winning the UK leg of the Tour de France from under the nose of the Government, who were promoting a different option. Did that have a lasting impact for Yorkshire? This is such a massive sporting event.

Caroline Cooper Charles: In all honesty, I don't think it did. I don't think it did. It certainly put the spotlight on Yorkshire and people came to see the race. Probably for a short amount of time, obviously, all the hotels were booked up and the restaurants were full, but in terms of long-term impact, no, I wouldn't say so.

Q21 **Clive Efford:** Is that because it is a sporting event or is that because no effort was made to capitalise on it? We hear that "Brideshead" is still having an impact 25 years later, but the Tour de France is not.

Caroline Cooper Charles: Yes, and Castle Howard is still there and that is why, I think. Once the bikes are gone, what is left? It is the road that they—

Clive Efford: Well, Yorkshire of course.



Caroline Cooper Charles: In terms of a campaign to sell the rest of Yorkshire around the Tour de Yorkshire leg, I do not think that that happened. If it had done, maybe there would have been the longer lasting impact, but, no, I don't think it did.

Q22 **Clive Efford:** I am a Greenwich borough MP and I remember the bid for the 2012 Olympics very well. One of the things that we were most interested in and determined to achieve was promoting our area and getting inward investment into our area and promoting, among other things, tourism. We think that that worked very successfully. Would you have an assessment of how a big sporting event like that has an impact on promoting Britain?

Bernard Donoghue: Yes, you are absolutely right. You only need to think back to 2012, which is only 10 years ago, though it feels like a very long time ago. You only need to think back to the Olympics and—

Clive Efford: It was 2005 when we won it.

Bernard Donoghue: Yes, but to think of the dressage, for example, in front of the Queen's House at the National Maritime Museum and the images that went out around the world. You will know this better than I, but I think the very fact of winning the games and then hosting them so successfully, in particular in Greenwich, did two things. One was the amount of overseas visitors who now—as in, up to 2019—come to Greenwich has easily quadrupled. Now Royal Museums Greenwich, which is the National Maritime Museum, the Royal Observatory, the Queen's House and the Cutty Sark, in 2019 would have got something like 67% of its visitors from overseas. That is a stark contrast to just 10 years prior to that.

The other is that it kick started—again, you will know better than I—the creation of Visit Greenwich, the DMO, and significant funding from the local authorities into tourism promotion. Of course, now when normality resumes, there will be cruise tourism coming into Greenwich as well. I think all of that can be attributed back to the confidence and the investment and the profile of Greenwich during the 2012 Olympic and Paralympic Games.

Q23 **Chair:** Just to drill down, Mr Donoghue, when you said before about how a visitor from, say, the east coast of the United States would normally book a London-Paris joint package, what as a result of Brexit has precisely changed for the experience of that particular traveller, considering they come from the United States?

Bernard Donoghue: Only simply that tour operators now find it slightly more difficult to construct that package. If you are a tour operator in the United Kingdom, constructing a package that includes a hotel in Paris, travel and accommodation in the United Kingdom, it is now slightly more complicated to put that package together than it would have been three years ago.



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Q24 Chair: I do not understand how. Presumably, you are buying from a French hotelier company or an international one, and you are buying from a British hotel company, you are buying your flights, you are buying Eurostar. The points of entry are exactly the same as they would have been prior to Brexit. Is not the real reason for this difficulty more to do with Covid—to do with, for example, President Macron changing almost every day what happens if you come from the UK and the ridiculousness of the four-month vaccination policy that we have seen? Is it not more about certainty than it is specifically about Brexit?

Bernard Donoghue: It is still very difficult to understand what things are attributable to Brexit and what things are attributable to Covid, but what we do know is that in research that VisitBritain has undertaken around the world, when people do want to come back, the United Kingdom is top of their list to come to. That is why VisitBritain has just put out a campaign in the United States and in, from memory, France, Germany, the Netherlands, Spain and Italy this week in order to attract people back to the United Kingdom. Separately, the London Tourism Recovery Board, which I co-chair with Kate Nicholls of UKHospitality, will be doing a London-specific campaign in France, Germany and the United States in order to get people back to the United Kingdom. Of course, the success—

Q25 Chair: A US citizen is not going to say, “I am not going to travel because of Brexit.” A French or German citizen may have certain misgivings as a result of that, but I cannot see any way in which someone living in New York wishing to book a London-Paris trip will go, “Okay, I am not going to do that because of Brexit.” They may think, frankly, “If I go to London and then try to go to Paris, Macron is going to stop me from going unless I can show vaccination,” or something like that. Forgive me, Mr Donoghue, but I dealt with UKHospitality quite a few times in the run-up to Brexit. It does seem to me still as if the industry has this sort of want or desire to pin quite a lot on Brexit itself, rather than looking at other aspects and trying to adapt to the ever-changing world and our new reality.

Bernard Donoghue: I will simply repeat, as I did to Mr Efford, that it is incredibly difficult to unpick what things are attributable to Brexit and what things are attributable to Covid because they happened at exactly the same time. We are still unpicking that and, in many cases, helping the survival of tourism businesses. I go back to what I said right at the beginning, which is that the success of inbound tourism to the UK is predicated on the successful rollout of vaccination programmes of other countries. We may be the first to reopen, but if other countries are not ready to go out from their own countries and to come here, then we are in a difficult situation.

Q26 Giles Watling: Thank you, everybody, for coming today; well, some of us live here. It is really good to see you. You said that we are very good but we are starting from scratch again, aren't we? Covid knocked everything on the head in international travel. We are a world leader in



tourism. We have been for many, many years. What can we do that is new now? How can the Government help us get back to where we were before?

Bernard Donoghue: We are not entirely starting from scratch—which being in a place that was built in 1490 must come as some relief, I would have thought—because we have our reputation. We are front of mind around the world for being a welcoming destination.

One of the things that we have also learnt in tourism—and you will forgive me, but I have been appearing in front of this Committee and predecessor Committees since 1997—and one of the things that I am very aware of is that this Committee in particular understands the importance of tourism all year round, every year, in a way that perhaps Governments have not. Governments tend to only really appreciate tourism at times of crisis, whether that is 20 years ago with foot and mouth disease, during the economic recession, or at times of crisis, or now.

I am delighted to say that tourism is absolutely front of mind both with DCMS Ministers and with Treasury and No. 10 Ministers as well, as was evidenced by things like the culture recovery fund, which has enabled tourism businesses and those in the cultural sector not just to survive the last two years but to actually build their foundations in order to thrive. We were the sector that received the largest single amount of money from the Exchequer across the whole of the economy. I do not think that the Government would have done that had they not appreciated the true importance of tourism.

There are things, however, that could be done better or more or differently. I have already mentioned duty free and accepting ID cards from EU children, because we have lost that children and language market. One of the things that we could also do—and it was hugely appreciated by this sector from the Chancellor—is the reduction in VAT from 20% down to 5% for accommodation and visitor attraction businesses. We had been arguing for that for a number of years, but it was an absolute lifeline, ensuring that those businesses saw their way through the pandemic. As you know, it has now gone back up to 12.5% and is due to go up to 20% on 1 April. We think there are really compelling reasons why it should remain at 12.5% in order to help tourism businesses, particularly in the accommodation sector and visitor attractions, to repair their balance sheets, to build up their finances and to weather what will still be a tricky storm of a year this year. Those would just be a couple that I would recommend.

Giles Watling: You think that we need to ease more into the recovery, with the culture recovery fund and what it did.

Bernard Donoghue: Yes.

Q27 **Giles Watling:** You mentioned earlier staffing being a major issue, which



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I can imagine. I know from the experience of people I know that there has been a talent drain. Because Covid hit, people went and did something else for a living—something they could do through a computer screen on a laptop at home. Is it difficult getting those people back into the sector? I know from the experience in theatre that we lost many of the freelancers, who went off and did something else and are now finding that they are making a living. Is that an issue and how would you address that?

Bernard Donoghue: It certainly is an issue. There are three particular things. One is that the market has changed and we are unable to pay the same kind of salaries and wages that other sectors can. The second is that there has been a drain out of the country, let alone out of the sector. The third is that we have also seen a recruitment crisis right the way across the entire economy. Therefore, companies and businesses are now looking again in a more savvy way at the entirety of the work package and not just the salary.

For example, in my sector—museums, galleries, heritage organisations and the cultural sector—more and more employers are thinking, “If we cannot give a 5% or 10% pay increase, we could perhaps think more creatively and give 5% more holiday entitlement.” They are looking at the whole of the package rather than just the salary entitlement. However, you are right and, again, one of the things that I think could very usefully be done by Government would be encouraging people, while still at school, to think about hospitality and tourism as a lifelong career, not just something to do before you go to university or in the summer vacation.

Giles Watling: Martha, have you experienced that sort of issue with staffing?

Martha Lytton-Cobbold: We absolutely have, and I have seen that across the breadth of our membership within the Historic Houses Association. We represent over 1,500 privately owned and managed heritage houses, and we have all struggled with employment right across the country. It ranges from getting help within the kitchen for a chef and a sous chef, to sales, to gardening, particularly with high skills trades. Trying to find individuals who have experience in lime render, as an example, or heritage woodwork is very difficult. As you say, many have left the country. That partly was about Brexit. Others have found other employment. It is vital that we find a stimulus to encourage people to enter into these trades, as Bernard said, as a life career, not just as a summer job.

Q28 **Giles Watling:** I understand, but what are you doing to encourage people back?

Martha Lytton-Cobbold: We are trying very hard with apprenticeships. We are working very hard with the Government on the Kickstart scheme. Historic England has helped us in trying to get that initiative moving. All



of us believe in lifelong learning. We are encouraging folks to learn new skills and to hire locally to ensure that we have that skill base within our region to help us with the properties. We would love to have more support to enable that to happen. We think that it could happen if we were able to keep VAT at a lower rate, both for hospitality but also for VAT. One of your colleagues mentioned Brexit and asked what are the changes. We have this opportunity now to look at VAT on structural repairs of listed buildings. That would enable us to hire more people.

Q29 Giles Watling: That is a good point and I think we can take that away with us. Moving quickly on to attracting people via film, we all remember the opening of "The Big Sleep"—I think it was the 1978 movie—with Robert Mitchum. He came up the A1 and came off around where the hotel is on the corner, and he eventually arrived at Knebworth—what a great sell that is. How do we attract more? Are our tax breaks doing enough? I think this one is probably for Caroline. We have tax breaks. We want filmmakers to come here. Yes, we want to create content here and we are great at that and exporting it around the world, but we want other filmmakers to come here. Looking at it from your point of view, do you think we are doing enough to encourage that sort of activity?

Caroline Cooper Charles: I think the tax breaks are essential and really appreciated and valued. They do obviously drive production from within the UK as well as production to locate in the UK.

Obviously, I am going to say this from a regional perspective, but there could perhaps be consideration for driving production to happen outside of London. Most production is based in the south-east. We are seeing more and more of it being outside of London because there has been a perception that London is full. London really is full.

In fact, the whole of the UK is full and we are, very much like the hospitality trade—I am sure Ralph would agree with me—really experiencing a massive skills crisis in our sector, not only in terms of new entrants but in people stepping up to those mid to higher-level positions. I think that there is definitely a skills piece that needs to be looked at if we are going to retain what is one of our real USPs, which is the quality of what we produce. You can only produce quality if you have a really skilled workforce. I think we are in danger of falling short on that front because—

Giles Watling: I would say that the reason why so many foreign filmmakers come to this country is because of our skills base.

Caroline Cooper Charles: Yes, absolutely.

Q30 Giles Watling: Are our film schools not producing talent anymore?

Caroline Cooper Charles: I think there has just been such a boom in production post-pandemic and with the streamers obviously coming in with quite deep pockets. There is just such an appetite for content production and so many channels and so many platforms and so much



space to be filled that it is hard for the industry to keep up. There have been certain areas, I think, where we have perhaps been alerted or warned that we might have shortages coming, but I don't think anybody would ever have anticipated the levels of production that we are at now.

Giles Watling: We just have to make sure that we get our slice of the pie. Yes, Ralph?

Ralph Lee: I would absolutely confirm what Caroline says, but the skills shortage that we are experiencing is very different from the one that is being experienced in the tourism industry. The skills shortage is as a result of growth as opposed to being a flight of talent. The film schools, ScreenSkills and big organisations like the BBC are doing a massive amount to train people, bringing in more apprentices and having more schemes to bring people into the industry. At BBC Studios, we are using the scale and breadth that we have and the continuing dramas that we have to bring new talent in and train them on those nursery slope shows so that they grow into those big upscale shows.

I agree with Caroline that the tax breaks are essential. They have been an absolutely key part of attracting particularly the money from Netflix, Disney and Apple into the UK. As a result, our studios are full, and our production order book is full for high-end drama in particular in the UK. Some dramas that we wanted to mount in south Wales, which is a very big hotspot for film and drama, we could not mount because they were quite small scale. We could not find the skills to do them and we had to postpone the filming of one relatively low-scale comedy in order to wait for the skills to be available.

I think the industry will catch up. It is difficult to know how this will smooth out. There was a deep groove in filming last summer as a result of dramas that should have been shot in the summer of 2020 that were pushed back into 2021. Last summer in particular, there was a real pinch point at the bottom there.

Q31 **Giles Watling:** You lead me to my very final point. This is quite severe. Large organisations like the BBC used to, for instance, have its directors' course, which I think was abandoned in 1990 or thereabouts. Should the BBC and organisations like it reopen that in order to fill that skills gap?

Ralph Lee: We have a number of different skills courses. At the moment, we have a fantastic assistant producer scheme, which I have funded for the last two years. We are bringing in, as I say, apprentices into lots of different skills. We fund different writer schemes. We put together different skills and training courses to meet the immediate needs of production. Although the one that you referred to about directors might not currently be running, if we think that that is what we need in order to get through a bottleneck of skills, then we will invest in it. We are investing a huge amount in skills.

Giles Watling: That is good to hear. Thank you.



Q32 Simon Jupp: As we know, in the last two years Covid has hit the sector really hard, like a whole load of different sectors and parts of our economy. We know there was Government support, temporary tax cuts, grants, loans, the furlough scheme and the culture recovery fund, which has already been mentioned. I want to know from all of you how far this support went to help save the industry and to mean that we can talk about the future of the industry here today, despite the difficulties we face. We will touch on what those are in a moment. Can I come to Martha first?

Martha Lytton-Cobbold: We were very grateful for the support that came forward, and it came forward in many different ways. We have touched on the reduction of VAT on hospitality and that really did make a huge difference in the retention of some of the hospitality business.

It was not possible for a kick start of all business. As you can imagine in an environment like this, we would normally host weddings and we would host large conferences. None of that business came back as quickly as one would have hoped and it is still trickling through. Having the opportunity to participate to apply with the culture recovery fund made the world's difference to many of our members.

As you can imagine, historic buildings deteriorate. That is just what they do. When you have a situation like the pandemic and our entire sales projection was pulled out from under our feet, and you lost all ability to manage and restore these properties, that deterioration continued. To have the opportunity to apply made all the difference in the world, because these cracks were getting ever bigger, subsidence was increasing, roofs were failing and collapsing. When that happens it, of course, affects not just the building but the collections within it, and also the employment of the folks who work in those locations and the businesses that rely on that heritage property's business—all of the suppliers and secondary spend. We have a backlog of over £1.34 billion of restoration across our member properties. We spend on average £80,000 per year trying to stay on top of them. When we have lost our business and any sales that could come forward, that comes to a grinding halt, but it continues to get worse.

How do we try to get better? If there were more opportunities like that where we can show that we can bring something in on budget, on time and bring greater benefit to the broader community, we would welcome that immensely. If there were further opportunities for the VAT to stay down at 12.5%, that in turn would increase expenditure locally. It would increase economic stimulus, retain jobs and keep businesses open. Again, if there were the opportunity to relook at VAT on structural repairs, that would make a massive difference. We feel very strongly that the payback for that would come forward very quickly.

There are a few ways that we think we can see further improvement, and we would very much like to put those asks forward on the table.



Q33 Simon Jupp: I hear those asks loud and clear. Bernard, the same question to you: reflecting on the last two years and the level of Government support that there has been there, how much has that helped you and your members survive this unprecedented time?

Bernard Donoghue: Totally. I have been working in tourism now since 1997 and I have not seen this level of active and creative support from a Government for the tourism sector ever. Of course, we live in unprecedented times and the pandemic was completely extraordinary, but I think it would be utterly true to say that DCMS and the Treasury and, indeed, No. 10 have shown that they understood tourism in the last two years in a way the previous Government had not. There are a number of reasons for that.

The first is that we have had the huge benefit of a passionate and tireless tourism Minister, Nigel Huddleston, who was appointed immediately prior to the pandemic and has inherited all of this. I sit on the Government's Tourism Industry Council so I speak with him very regularly. He has been a tireless advocate and enthusiast for tourism. That has helped enormously. The professionalism of the DCMS civil servants in creating very creative and extraordinary packages of support has been absolutely phenomenal. The third is that the Government have understood, in the way that we understand, that tourism and culture is not just where you grow jobs, though we are very good at it; it is also where you grow people. It is where you grow people in terms of their cultural literacy, or their curiosity around the world, or their interdependence, or their knowledge of communities, history and heritage. I think the Government have completely understood that.

There are some pockets where we would have required additional support and I think some still needs to be forthcoming. The first is an area that Mr Watling identified, which is freelancers in the cultural sector. They have fallen through the net. The second is the transport sector. In particular, minibuses and bus companies and tour operators have largely fallen through the net. Largely, those inbound tour operators whose entire market, whose entire income, has just disappeared in the last two years are very vulnerable, too. Those would be the three particular pockets that I think still require additional support, but that does need to be seen in the context of an extraordinary level of political and financial investment into this sector, which as I say has been unprecedented and for which we are enormously grateful.

Q34 Simon Jupp: Do you think that now we are potentially facing a perfect storm and that all the taxpayers' money that has been spent propping up the industry, necessarily, over the last two years could be wasted because of the different things that are coming along? The costs of staffing are going up via tax increases, the confidence domestically and internationally is not quite where it could be, and we are still excluding some people from travelling because other countries have not got the vaccination programmes than we have over here. Do you think that the



sector is more in danger now, as we seem to be recovering and coming out of Covid, than it was at the start of the pandemic when it received all the support?

Bernard Donoghue: I certainly do not think that any of that money has been wasted. In fact, the very survival of the greatest tenets, foundations and building blocks of our tourism product, our tourism offer around the world, have been saved. That is no mean achievement.

As I said in answer to a previous question, I do think there is a danger of double jeopardy this year, with a domestic market that now wants to travel abroad and an inbound market that will not be coming here this year in the levels that we had in 2019. I think this year will be a potentially financially challenging market for UK tourism, with a depressed staycation market and a depressed inbound market. Therefore, I think that the levels of support that should be retained, like a lower level of VAT for tourism, hospitality and the attractions sector, are vital to get people through what will still be a challenging year this year.

Q35 **Simon Jupp:** Caroline, is there anything you want to add on that point?

Caroline Cooper Charles: Only to echo what Bernard was saying about the freelance community. I think they were very hard hit in our sector. I think the message that sends about the instability of careers within the screen industries to young people, who we are actively trying to encourage to enter careers in the screen industries because of the skills shortages, is quite a problem and one that we are definitely seeing in our dialogue with universities, colleges and schools now.

Q36 **Simon Jupp:** I am going to stop being a doom-monger for my last question and talk about innovation. Ralph, you mentioned in a response to a question from my colleague, Giles, how some productions have been stalled for a year because of the pandemic. What innovation has Covid driven within BBC studios?

Ralph Lee: It has been quite remarkable to see how producers have adapted to the restraints and constraints of Covid, whether that is "Gardeners World" putting a fixed rig into the garden so that they do not need to have cameramen moving around, or where we shot "Springwatch" using completely different technology than we did before, which allowed us to transmit the images via the internet rather than via the traditional way. We have managed to make production faster and lighter, with fewer people to avoid bringing two big cohorts of people together. On many different levels, we have learned quite a lot during Covid about how we can make production lighter, faster and more efficient.

At a deeper level, we are known in the UK for being tirelessly innovative in programme-making, and that is a huge advantage to us. It is a massive export. We talked about the Natural History Unit in Bristol and it is really a technology company. What it does is innovate at the heart of camera technology, which allows us to film with helicopters in a way that



has never been used before, and to film in deep water or low light or at night in ways that have never been done before. Innovation is terribly important, including innovation in storytelling as well, which is a lot of what we talk about in terms of how we capture the story of the UK. That is about supporting great writers and supporting the diversity of writers. Caroline talked about the diversity of voices that come to the screen. A lot of our work is about how we capture those different voices and make sure that a lot of people from different backgrounds are finding a voice within the industry.

Q37 **Simon Jupp:** Martha, how do you innovate in historic buildings like this?

Martha Lytton-Cobbold: I am delighted to add to that; I was longing to do so. We are very much a group of entrepreneurs in the Historic Houses Association, and engagement and storytelling are what we excel in. The pandemic put a halt to it and made it very difficult, but we are not a breed that stops. We always look for ways to engage and to find another way to share those stories. Doing so digitally was something that we found with our members was highly innovative, from virtual tours to digitising archives, to creating online resource for education, because a lot of education had to happen from home. Heritage is part of the national curriculum, so we were trying to find ways to continue to engage both domestically and internationally.

If you look at the example of Highclere Castle, where "Downton Abbey" was filmed, as has been mentioned, or here where we have had many episodes and series of "The Crown" filmed, and other productions, that brings it back into one's living room and gives you that opportunity to engage. It puts the seed of the idea to travel forward in the future when you are able to do so, and hopefully then to bring that economic stimulus forward when that opportunity happens.

You asked as well about innovation in other forms. When we saw the easement of permitted development rights, that really helped our members. When we were not able to open our beautiful big buildings and our homes for touring, but we could have outside experiences, that made a big difference to us. There is a property, Arley Hall in Cheshire, that hosted a "Harry Potter" exhibit. It used the permitted development right extension to have an outside marquee experience, so that the visitors could still come in and have that heritage and that experience available to them. We were able to have a pop-up shop, a drive-in cinema, a drive-in pub and a drive-in show. The folks who came to work at those events had not worked for a year, to pick up on the point about freelancers. Their opportunities had just disappeared. Looking for an entrepreneurial spirit, coming up with a way to think outside the box so that you can still survive and retain that employment, is something that we do extremely well.

Q38 **Damian Green:** Good afternoon, everyone. You have accepted that "Brideshead" was 25 years ago. At this end of the table, we think it was 40 years ago, so it is even more remarkable that Castle Howard is still



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benefiting from it, as it is more than a generation since that TV show was made and shown.

I want to start by lowering the tone. We have talked a lot about high culture in terms of media or historic houses and so on, but I want to talk about shopping. How important is retail as part of this successful industry?

Bernard Donoghue: Huge. We know from VisitBritain research around the world that the number one motivating factor to come to the UK, regardless of country, gender or age, is history, heritage and culture, but numbers two, three and four are a complete mix—from retail to pop to culture to sport; it is all over the place. But number one is history and heritage, which is why we rightly promote it so well and why, to pick up on Martha's point, heritage in aspic is not attractive. Heritage that creates and is dynamic and evolves is attractive, and that is what you see through television.

Retail tourism is enormously important and it goes back to the point I was making about duty free. We know from the New West End Company, for example, which is the destination management organisation that represents Oxford Street, Regent Street and the surrounding area, that in a normal year about 65% to 70% of all the spend in the high-end retail stores is from overseas visitors, principally from China and the Gulf States. We have lost that, obviously, over the course of the last two years because of the pandemic.

Over the course of the last two years, we have also lost that duty free decision as well, so we cannot use that as a tool to get people coming back. Retail is not, of course, confined to London. All of the big cities see retail tourism as one of the biggest and most important things that they do, including Manchester, Edinburgh and Glasgow in particular, where significant investment has gone from their respective city councils into retail tourism promotion, domestically and internationally.

Q39 **Damian Green:** Not just big cities, I should say. In my constituency, Ashford in Kent, we have a McArthurGlen shopping outlet. It has figures from some of its other outlets around the country where, pre-pandemic, the average Chinese visitor spend was about £5,000 per visit, which is an extraordinary figure. That is clearly a hugely lucrative market. You have talked a couple of times about duty free and how that is important. Are you specifically talking about the VAT retail export scheme or more widely?

Bernard Donoghue: The VAT.

Q40 **Damian Green:** You would like to see that restored?

Bernard Donoghue: Yes, absolutely and you are particularly right about Bluewater. Of course, one of the more obvious casualties of the last two years has been Bicester Village. For Bicester Village, just outside Bicester, in a normal year about 90% of its customers would be from overseas,



and a huge proportion of those would be from China. In fact, one of the startling facts that the Committee may not be aware of is that Bicester Village, which is a high-end retail outlet park, is probably one of the top four most visited destinations in the UK by Chinese visitors. It has really suffered in the last two years.

- Q41 Damian Green:** Looking more widely at taxation—the Chairman has mentioned Brexit a bit—the Government have set up a whole Department to look at Brexit opportunities, one of which is clearly freedom about taxation. Apart from the retail aspect you have talked about, are there any other tax changes that you think we are now capable of doing—clearly that is a big one—that could be directly applied to the tourism sector that would make a distinct difference?

Bernard Donoghue: The two most significant ones—the ones that would have the greatest long-term benefit to this particular sector—would be retaining a reduced level of VAT for accommodation and visitor attractions, and the second, which is a tax, is looking afresh at business rates. Business rates are currently crippling a lot of high streets and development in high streets, but also people within the hospitality sector. I think it would be those two that, of all the fiscal solutions that there might be, would provide the greatest benefit to our long-term survival.

- Q42 Damian Green:** Is there anything specific in terms of historic houses that you would like to see?

Martha Lytton-Cobbold: I would like to mention heritage maintenance funds. That initiative was put forward many years ago and had some initial success, but the taxation has changed and it is now taxed at the highest income tax rate, as opposed to the 20% rate it originally had.

We feel very strongly that if that vehicle were to be utilised with a lower tax band, it would invigorate expenditure, it would invigorate employment and it would create a net benefit. We feel that after only five years it would add £85.5 million to the UK economy. Based on that, if you look at the tax that would be derived, it would increase revenue by over £4 million in the same period. It is not available to many private owners to use effectively, and I think if it were, it would be.

- Q43 Damian Green:** While I am going through people's wish lists, in the media sector—film or TV—is there anything you think the Government could do that would not be too expensive and would not be wildly out of kilter that they are not already doing? You have mentioned the tax advantages that you do get?

Ralph Lee: No, I think it is principally that the tax advantages for high-end drama—the high-end drama tax break—are really important to us. I do not have any other specific asks around tax.

Caroline Cooper Charles: I would say the same. It is about making sure that we do not lose the tax breaks that are available to us, and that we utilise those in terms of encouraging the development of IP value



within the UK—not that we just become a service industry for productions wanting to base themselves here, but that that tax break is genuinely available to and exploited by those who are bringing and retaining value within the country.

Q44 Damian Green: That is an interesting development, because it would be easy to see the Wimbledonisation of media, where it happens in Britain, but all the benefit goes overseas. That is the equivalent: we do not win it very often, but it is great that it happens here. It would be the same sort of thing if our studios went that way.

Caroline Cooper Charles: I think that is a genuine concern: we do not want to just become a production services company, without building where the value is, which is in the IP developed from the UK and retained in the UK.

Ralph Lee: If I could just jump in, ultimately that comes down to the retained strength of our public service broadcasting system and the terms of trade under which all producers operate—at BBC Studios, I operate with the BBC, as a commissioner, on the level playing field with all other producers. The terms of trade that allow the producers to retain the IP but operate within our public service broadcasting system are really important to us.

Q45 Kevin Brennan: On that point about retaining IP, would it be sensible then to tweak the high-end TV tax breaks and film tax breaks to ensure that you could not get the full tax break unless you promised that IP could be retained in the UK? You have mentioned Michaela Coel. She came to the BBC with “I May Destroy You” because others, like Netflix, would not allow people to keep their IP. Would that not be a useful way to try to retain IP?

Ralph Lee: I think you have to balance out the potential chilling effect that would have on inward investment, because the industry has definitely benefited from the attractions of the UK as a skills base and great writing, great performing, great acting, great skills to make the dramas and to attract the streamers.

Q46 Kevin Brennan: Would it be sensible to tweak it to allow a slightly higher tax break for smaller productions—the up to £10-million UK-based films—to give more incentive for that kind of production in terms of retaining IP and retaining British stories out there that we sell to the world?

Ralph Lee: If it was boosting the attractiveness of making things at a different tariff for retained IP, that could be attractive, yes.

Kevin Brennan: What do you think, Caroline?

Caroline Cooper Charles: I definitely agree with that. I think the film sector in particular has been more hard hit than the television sector, because cinemas have been closed. I think our independent film industry is challenged at the moment, and that challenge has only been increased



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by the rates that people now pay for crew. In order to allow those smaller productions to compete or be able to secure crew, especially at a time when people have to work within Covid protocols, which adds to the budget, I think anything that can be done to help support that would be very valuable indeed.

Q47 Kevin Brennan: On the skills issue that you mentioned earlier in the film and television sector, what particular skills are there the greatest shortages in?

Caroline Cooper Charles: It does vary a little bit from region to region, but I would say the ones we are hearing about on a UK-wide basis are production accountancy. That is one that has been a challenge. That is not just post-Covid. I think that has been an issue across the industry for a while. It also affects people in production, and we are experiencing a real shortage around art department at the moment. So it is about production, production accountancy and art department, and locations is the other area. I do not know if Ralph concurs from what he is seeing.

Ralph Lee: Yes, the basic craft skills of making drama are the ones that are under most pressure: location managers, production-specific designers, make-up, and all of those ones.

Q48 Kevin Brennan: Is there anything within the skills system and the apprenticeships system that is problematic, in particular for the film and television industry?

Ralph Lee: The apprentice system is usable by a big organisation like the BBC, but the timeframes that are required to bring in apprenticeships under the Government scheme do not synchronise naturally with production schedules, which is a freelance market where people are brought in for a number of specific months to work on a particular production. Having an apprentice for two years for a small production company or a factual production company is quite difficult.

Q49 Kevin Brennan: Is it fit for purpose for your industry?

Ralph Lee: It does not work perfectly for the industry. It is easier to utilise if you are a big organisation like the BBC than it is for the film and television industry, which is overall made up of a lot of small and medium-sized enterprises.

Q50 Kevin Brennan: I see you nodding, Caroline, so just for the record would you agree with what Ralph said?

Caroline Cooper Charles: Yes, I absolutely agree. We are looking towards flexi-apprenticeships now, and time will tell whether they allow apprenticeships to be more fit-for-purpose, but at the moment, when you have an industry that is so reliant on freelancers and that expands and contracts its workforce on a week-by-week basis, let alone a month-by-month basis, it is really not a good fit.

Q51 Kevin Brennan: So it is not fit for purpose; it just needs to be tweaked



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to be more flexible to be able to take into account the structure of the industry, basically. Is that fair to say?

Caroline Cooper Charles: Yes, and I know ScreenSkills have been doing work around that area to see what can be done to make that work.

Kevin Brennan: To persuade the Government to change it.

Caroline Cooper Charles: It is widely recognised that it is problematic.

Q52 **Kevin Brennan:** Bernard, you mentioned a series of tax things earlier on when Damian Green asked you some questions. I was wracking my brain while you were speaking and I could not think of any of those that could not have been done prior to Brexit. Am I right?

Bernard Donoghue: Reducing the rate of VAT on attractions and hospitality—I am not sure that could have been done prior to Brexit.

Q53 **Kevin Brennan:** I think you could vary the rate, but anyway.

Bernard Donoghue: In which case I stand corrected.

Kevin Brennan: It is an easy fact to check, isn't it? VAT has varied quite considerably during the course of the last 50 years or so for various reasons, including the introduction of council tax and so on.

Bernard Donoghue: You are right. Governments prior to Brexit could have reduced VAT on accommodation and attractions, because I have had countless meetings with Treasury Ministers over a long period of time, so you are absolutely right.

Q54 **Kevin Brennan:** Can I press you, Bernard, on what you were saying about school visits earlier on? In fact, perhaps I could ask Martha first. Is this the kind of place that would have had visits by school parties and so on from France and continental Europe?

Martha Lytton-Cobbold: We at Knebworth enjoyed, pre-pandemic, around 7,000 school children during the open season, which is spring through September. Across the board, I would see more international students visiting places like Leeds Castle and Hever Castle, because of the obvious geographic closeness to them. It definitely appeals, but it is about how one can best recreate and stimulate that market. Visas are an issue, and we have talked a little bit about that previously, but visas to the UK are more difficult than the European ones.

Q55 **Kevin Brennan:** Yes, I want to come back to that because many years ago, when I was a member of the local authority in Cardiff, I was in charge of Cardiff Council, which is owned by the council. One of the biggest sources of income, particularly during half-terms and so on, was schoolchildren visiting from continental Europe. Bernard, do you have any data on what the effect has been of this change in requirement for passports rather than ID cards?



Bernard Donoghue: I do not have it to hand, but I can certainly provide the Committee with evidence afterwards. Those areas that have been most affected include places like Leeds Castle, Canterbury Cathedral, Dover and English Heritage properties, so the Pas-de-Calais and Kent areas have particularly lost out on school trips from Normandy and north-west France. That has been particularly acute since about September of last year, but Visit Kent, which is the destination management organisation for Kent, and VisitBritain, will be able to provide those figures.

Q56 **Kevin Brennan:** As I understand it, the only reason for this is the pig-headed, Lord Frost-style Brexit dogma, because the only reason the Government are insisting that these schoolchildren, who are hardly going to abscond and start taking British jobs from people, have to carry a passport or an ID card is because they are not to be treated any differently than any schoolchild visiting from some other part of the world, in order to make sure that Brexit makes a difference. That is the truth, isn't it, as to why it has been done?

Bernard Donoghue: It is certainly the case that when we have raised this consistently with the Home Office, the Home Office has said, in these explicit terms, that this is what the British population voted for.

Q57 **Kevin Brennan:** Yes, I remember on the side of a bus: "No more French schoolchildren". Or maybe I have misremembered. So it is basically Home Office pig-headed Brexit stupidity and dogma, isn't it?

Bernard Donoghue: What is particularly unfortunate is that we know that there are a number of cases of French schools who say that if one of their children in one of their classes does not have a passport, then none of that class can go on a trip to Kent, for example, because they have the whole of the EU to travel around with an ID card.

Q58 **Kevin Brennan:** It would also be discriminatory towards that child, if the school insisted upon that. I would have done the same when I was a schoolteacher. If a child could not afford to come on the trip, we made sure they were able to come. We would never exclude anybody for that reason.

Finally, this whole inquiry that we are doing is about selling Britain abroad. Does the whole issue of net zero constitute an existential threat to this whole business ultimately?

Bernard Donoghue: Net zero in terms of sustainable development and climate change?

Kevin Brennan: Yes.

Bernard Donoghue: It is a really good question and everyone within the tourism industry, not just here in the UK but around the world, is asking themselves three questions. One is, how can we be environmentally and financially sustainable? Secondly, how do we operate in a green,



sustainable and, ideally, a climate net zero way, but also encourage our customers and visitors to do the same? I will give you an example. I chair the National Trust's regional board for London and the south-east, and we are looking at what the carbon impact is not just of running our properties, but of our visitors, who very often—this comes back to Jane Stevenson's point about the last mile—have to drive to National Trust and heritage properties because they are not serviced by public transport. How do we help people do that?

The last point is that it is the case that flying at the rates that the world did in 2019 is not environmentally sustainable, unless the carbon impact can be massively reduced. The entire sector is talking about this as an existential threat to its existence, but being the resilient, creative and thoughtful sector that we are, we are trying to come up with creative solutions to that, rather than assume that this is going to be the end of what would otherwise be the UK's fifth biggest industry.

Q59 Kevin Brennan: Can I finally ask Martha, in a slightly off-piste question, what you make, as the head of the Historic Houses Association, of the whole woke debate about contextualising these buildings that you and your members run, in terms of their actual history? What do you make of Ministers telling people what they should or should not say about how houses were financed and built, and what their history is?

Martha Lytton-Cobbold: We are an association representing over 1,500 independent houses and gardens, and so we very much try to support our members and offer them information and try to direct them where they might need further expertise. We support the Government's initiative to retain and explain. As we have mentioned already, history is living history in these properties. We still live at Knebworth House and are the 19th generation to do so, so history evolves and it needs to be interpreted. It needs to be shared and we like to see engagement. That is what we try to support our members in ensuring that they are able to do.

Q60 Kevin Brennan: Do you think most of what Ministers say about all this is a bit silly, though?

Martha Lytton-Cobbold: I think it is an interesting situation, in that it is enabling more dialogue and engagement, and I think it is important that it is discussed. In this day and age that we are in now, working as we have been for the last 18 months or two years from our homes, people are looking into the internet, they are looking into history, they are trying to understand their own background and heritage. I see that as a positive: I think it is good to have dialogue and I think it is good to look at collections and chattels and to visit houses, estates and gardens to understand that. Local heritage is very important to us and I think from a sustainable way, if I can go back to your original question, it is a good question for these great big properties, because it is a difficult thing to address, but as Bernard already explained, we look at the holistic approach and how we can present, serve, maintain, restore these properties in a sustainable way.



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Q61 Julie Elliott: While it is not what I am going to ask about, I should place on record a declaration that I co-chair the All-Party Group on Northern Culture and I chair the All-Party Group on Digital Skills, the subject of which has been a substantial part of this session today.

Bernard, you praised Nigel Huddleston as being a passionate advocate and you called him the tourism Minister. Of course, Nigel was a member of this Committee in a previous iteration. Actually, we do not have a tourism Minister. We have an Under-Secretary of State, who is responsible for sport, tourism, heritage and civil society, so tourism is only a tiny bit of what Nigel very well looks after, but it could not be said that he is the tourism Minister. Do you think that the Government should have a person who responsible just for tourism, or should we make the Secretary of State responsible for tourism? What is your view?

Bernard Donoghue: It is a very good question. Prior to being at ALVA, I was at VisitBritain, so I have dealt with this particular question for about 20 years, so longer than "Brideshead". I do not think there is genuinely a neat answer to this. The tourism Minister—assuming that the tourism Minister is located in DCMS, or they could be located, as they have been in the past, in Local Government or in Business—has a convening power, because most of the things that affect tourism do not happen in DCMS. They happen in the Home Office or Transport or Business or Local Government, or wherever.

One of the most important things is that wherever the tourism Minister is located and at whatever ministerial level they are, they have a convening power to bring together the other Ministers from across Whitehall and, indeed, the devolved Administrations who can affect tourism policy for the whole of the UK.

One of the best things that happened, which was initiated many years ago by the then Secretary of State for Culture, Media and Sport, Chris Smith, was an interdepartmental Tourism Industry Council, bringing together all Ministers from across Whitehall. That has now been reinstituted under this Government, and the first departmental meeting of Ministers from across Whitehall was chaired by the current Secretary of State just a couple of weeks ago.

To briefly answer your question, I think tourism is the fifth biggest industry, the third largest employer, and deserves more profile than it gets. I think we have proved that we are resilient and that we have an importance to the country that is not just economic. When people were able to leave their homes after lockdown last year, the first places that they went to were gardens, parks, zoos, forests, coasts, stately homes and heritage properties. That gives us an indication of not just our economic importance, but the importance that we have to physical and mental wellbeing too.



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I am always delighted with the current Minister and always want them to shine and be the recipient of more money and political largesse from their masters.

Q62 **Julie Elliott:** Martha, I saw you nodding. Do you want to add to that?

Martha Lytton-Cobbold: No, I fully support what Bernard has been stating and would like to reiterate the importance of tourism for us. I agree that, in a situation of a pandemic, we were able to drive that industry by the skin of our teeth in most situations and through entrepreneurialism in finding ways to engage. Nigel has been exemplary in supporting tourism and heritage, and we were delighted when he was reappointed and we would love to see that opportunity not only focusing on tourism, but also seeing the de Bois report on DMOs realised and to see a greater conduit and portal of funding going into tourism.

Q63 **Julie Elliott:** We have mentioned the issues around Government messaging on immigration and around immigration, and perhaps Government messaging on immigration negatively impacts the concept of British culture. Do you think that is a problem and do you think that that needs to change? I will go to Bernard first, but I am conscious that we are going to Bernard a lot, so I will ask everyone to comment.

Bernard Donoghue: Yes. Vocabulary makes a difference and attitude makes a difference. I want to give two particular examples. The first is that there is something called the Nation Brands Index, which is undertaken every year. It is undertaken by a British consultant and it measures the brand of a nation around the world against a number of criteria. The criteria could be the attractiveness of the countryside, the stability of the Government, the stability of the economy, the importance of tourism, heritage and culture—there are a number of different criteria.

As the United Kingdom, we always do reasonably well. We are always in the top five of brands as a nation, and VisitBritain has lots of information about this and I am sure it would be happy to provide it to you. Where we have never done particularly well is around welcome. We are seen as an interesting place, a fascinating place, a country with lots of rich and diverse heritage, but we are not seen as spontaneously warm and welcoming, as for example—and there are distinctions here—the Scottish are seen as more welcoming than the English, and the Irish are seen as more welcoming than the whole of the UK, so there are different comparators here.

Vocabulary can make a difference. I will give you as an example when the Nation Brands Index of the United States was undertaken under President Trump, America's Nation Brands Index plummeted in comparison to when the Nation Brands Index was undertaken for the United States under President Obama, where it soared. That is not because Times Square had changed within that five-year period, or indeed the Grand Canyon. It was about how that country was perceived.



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To answer your point, vocabulary and attitude towards people who live overseas can make a difference to the perception of a nation.

Q64 **Julie Elliott:** Do you think it is at the moment?

Bernard Donoghue: I think it is a constant.

Q65 **Julie Elliott:** Does anybody else want to comment on that? Can I ask all of you, because we have mentioned various Departments during the course of this hearing today, is it clear who you need to lobby in Government to make changes in policy? Is it clear for whatever you are lobbying on, who you go to?

Caroline Cooper Charles: I think one of the interesting things that we have seen, partly as a result of the pandemic, is a cluster of representative groups from our industry, so BFI and PACT, all coming together around a central agenda. From our industry perspective, that conversation always feels like it is with DCMS, so I do not think that we ever have conversations within our industry about talking to anybody other than DCMS.

Q66 **Julie Elliott:** Although if it was relating to immigration, surely that would be a different Department? You wouldn't go to a different Department to lobby?

Caroline Cooper Charles: I think immigration is probably not having quite the same impact on our industry as the tourism industry, but yes, we would definitely see our first line of dialogue always being with DCMS.

Q67 **Julie Elliott:** What about you, Martha?

Martha Lytton-Cobbold: Yes, I think in general we do feel that we have a good roadmap for who we need to lobby, other than when there are Cabinet changes or alterations and an announcement has not been made yet. We are delighted to see Nigel Huddleston back in his seat.

Q68 **Julie Elliott:** I want to move on. Recent sessions that we have had on the Government's approach to major events has suggested that there should be much longer-term planning and much longer-term strategy for attracting major events. Do you think there is a need for a broad underlying strategy to use culture and heritage assets to promote the UK when we are talking about attracting big events?

Bernard Donoghue: Yes, absolutely. I am delighted that it was one of the recommendations of the Northern Culture report just three weeks ago. That is absolutely right, and culture and festivals need to be as important and to have as high a profile as sporting events, or indeed medical conferences. A number of years ago, I used to chair Visit Manchester, the DMO for Manchester, and we had a very sophisticated events strategy, which made sure that we worked very closely with the universities to enable their students and lecturers to be ambassadors for us to attract academic conferences to Manchester. That worked brilliantly well.



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I am really delighted that the Government have just strengthened the Events Industry Board and have just added culture and festivals to that board, so that we can see the UK's offer as an event hoster in the round, rather than just seeing it through business tourism.

I think there is more to do. I think we have often neglected business tourism and events tourism at our peril. A great place to visit for work is a great place to visit to stay and a great place to educate and study, so the more we can put financial and political investment—by political investment, I also mean Ministers supporting cases, writing bid documents, ambassadors writing in support of bids to host things in the UK from around the world in our embassies, consulates and high commissions—all of that would be really useful. I think we are not putting sufficient effort and money into that really important area.

Q69 Julie Elliott: Martha, if there was a major event wanting to engage with Knebworth House and the grounds you have here, how much time would you need to plan that into your programme of events? Is it six months? Is it a year? How much time do you need?

Martha Lytton-Cobbold: The shortest period for a large-scale event would be about nine months, and in general the lead time tends to be about two years. There is a lot of work that goes into planning, both locally and nationally. As before, we would work very closely with our local community to ensure that the greatest economic stimulation could be derived locally. We also have to work with transport and visas. Our promoter who is working with us for the Liam Gallagher concert in June is Live Nation. It is an international firm and there is a lot of play that happens with that, and also how it is broadcast.

As an example, when the previous show, the Oasis event, was relaunched with a film very recently, we saw engagement internationally. We saw billboards in Moscow that were promoting this new film, so there is a lot of interest and a lot of engagement that happens with these types of events. Likewise, I am delighted to see that we are beginning to get greater recognition, both here and other properties, with the Historic Houses Association.

Chair: Finally, Clive Efford.

Q70 Clive Efford: Very briefly, on the weather. In my conversations with people who are promoting tourism, particularly in the north of England, they complain about how the weather is portrayed as being dark and grey all the time. Do you think that locations get a raw deal with the way that that sort of humour just trips off the tongue of people who talk about the weather on the news and in our media?

Bernard Donoghue: Yes. I mean, no tourist board in the United Kingdom sells Britain as a sunny destination. We sell it as a fascinating destination full of stories and interesting people, and amazing pubs and heritage properties and all the rest of it, but we do not sell it on the basis



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of climate. Micro-broadcasting through radio stations to national networks really does make a difference. The odd throwaway comment, "It looks like it is going to be horrible today; best stay in," affects the bottom line of places like this. People making a decision when they wake up in the morning, "What's today going to be like?", has the most profound influence on whether people go out and spend their money.

Tourist attractions are not fundamentally in competition with each other. The competition for the leisure pound and the leisure hour is not between one stately home and a zoo, or a museum or a gallery. It is between Netflix and Amazon and B&Q and the sofa. When you are told by a weather broadcaster, "Best stay at home today," Britain's fifth biggest industry has just lost out on a contribution to its P&L, so a really good insight into meteorological broadcasting would be helpful. It is tough, goodness knows, but it is not as flippant as people might think. It has a real impact on the bottom line every day.

Clive Efford: I am glad I gave you the opportunity to get that off your chest.

Chair: I should not have said Clive Efford then; I should have said, "And now the weather." That concludes our session. I wish to thank Caroline Cooper Charles, Bernard Donoghue, Ralph Lee and Martha Lytton-Cobbold for your evidence today.