House of Commons

Digital, Culture, Media and Sport Committee

Promoting Britain abroad: Government Response to the Committee's Second Report

Fifth Special Report of Session 2022–23

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The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/dcmscom and in print by Order of the House.

Committee staff

The current staff of the Committee are Rosie Akeroyd (Committee Specialist), Andy Boyd (Committee Operations Manager), Joe Briggs (Committee Specialist), Dr Conor Durham (Committee Specialist), Ollie Florence (Senior Media and Communications Officer), Seb Newman (Second Clerk), and Ben Sneddon (Clerk).

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You can follow the Committee on Twitter using @CommonsDCMS.

Fifth Special Report

The Digital, Culture, Media and Sport Committee published its Second Report of Session 2022–23, *Promoting Britain abroad* (HC 156), on 24 October 2022. The Government response was received on 25 January 2023 and is appended to this report.

Appendix: Government Response

The Government welcomes the publication of the Committee's report and is grateful for the Committee's comprehensive inquiry into 'Promoting Britain Abroad'.

The Government shares the Committee's view that tourism is a cornerstone of the British economy - a significant economic, cultural and social asset to the United Kingdom. In 2019, tourism contributed £75 billion to the UK economy - 4% of the UK's total Gross Value Added (GVA) with the sector directly supporting 1.7 million jobs.

Although tourism has been severely impacted by the COVID-19 pandemic, there is cause for optimism. The latest inbound tourism forecast published by VisitBritain predicts a continued strong recovery in overseas visitor spending, giving a further boost to the industry. Nevertheless, there is a need to strengthen the resilience of the tourism economy: addressing structural weaknesses, encouraging more sustainable models of tourism development, and improving competitiveness.

As the sector continues to navigate these challenges amidst an uncertain outlook, the Department for Digital, Culture, Media and Sport (DCMS) has full confidence in the long-term strategic planning efforts of the Tourism Recovery Plan, which is set to keep tourism on a path to a more resilient, productive and innovative future. A number of government support measures have contributed to positive progress being made in recovery so far, such as the UK becoming the first G7 country to remove all health-related travel restrictions in March 2022. In addition to this, the new Electronic Travel Authorization (ETA) scheme for Gulf Cooperation Council (GCC) nationals, starting in 2023, will provide a boost in international tourism numbers. Furthermore, the £1.57 billion Culture Recovery Fund has protected England's main tourist draws, and continued to do so with a further £300 million allocated in 2021–22. As tourism policy holds interest across government, the Plan reflects cross-Whitehall efforts to ensure that tourism continues to thrive in an increasingly competitive landscape.

A full response to each of the Committee's recommendations is provided below.

Recommendation one: We recommend that the Government should work with the creative industries at a strategic level and establish a creative industries export office. This should be coordinated by the DCMS but involve officials from all relevant departments, such as the Department for Business, Energy and Industrial Strategy, the Home Office and the Department for Transport. (Paragraph 16)

Government response:

In light of a wide range of existing support, the Government does not see a case for the establishment of a separate creative industries export office. The Government will set out its ambition for the creative sector to 2030, including boosting growth and exports, in the upcoming Creative Industries Sector Vision, which will be published in early 2023.

The Government continues to support creative businesses and professionals exporting to Europe - and the world - with a range of export support programmes. In 2022/23, the Department for International Trade (DIT) provided funding through the Internationalisation Fund, the UK Tradeshow Programme and for music the Music Export Growth Scheme and the International Showcase Fund. DIT's Export Support Service has a policy hub which provides support for more complex business enquiries, including those relating to the creative industries such ATA carnets and temporary movement of creative professionals. Additionally, their Export Support Service has a policy hub which provides support for more complex business enquiries, including those relating to the creative industries such as ATA carnets and temporary movement of creative professionals.

Furthermore, the Government has committed £21 million over the next three years for the UK Global Screen Fund to ensure even more of our world-class independent screen content is reaching audiences around the world.

Nonetheless, DCMS consistently looks for new ways to promote the UK's exceptional cultural offer overseas - whether that is through working with the British Council on their extensive Seasons of Culture programme in priority countries, or the GREAT campaign on targeted efforts around changing perceptions of the UK overseas. Following on from a number of set piece events in 2022 which generated soft power, such as the Queen's Platinum Jubilee, 2023 will focus on several major events which demonstrate the power of DCMS's sectors in broadcasting positive perceptions and boosting growth. This includes the Coronation of King Charles III in May, and the Eurovision Song Contest being hosted in Liverpool on behalf of Ukraine. These events provide timely and valuable opportunities to promote Britain's welcome, creativity and ability to host events of the highest calibre.

Recommendation two: VisitBritain should continue its work with tourism providers to identify how best to showcase all regions of the UK, with a particular focus on addressing the travel barriers, both perceived and actual. The Government should expand VisitBritain's Business Events Growth Programme and indicate in its response to our report the level of additional funding and the date by which it will be awarded. (Paragraph 27)

Government response:

VisitBritain will continue to prioritise regional dispersion through the relaunch of their GREAT international marketing campaign, See Things Differently, targeted at key GREAT markets in the EU, US and the Gulf. This will promote messages of warm welcome and highlight Britain as a dynamic, adventurous and inclusive destination to stimulate inbound demand and drive the dispersal of tourists to the nations and regions. To increase domestic visitor numbers, their 'Escape the Everyday' campaign continues to encourage 25 to 34-year-olds to take a city-break. Partnering with the Family Holiday Charity, VisitBritain have supported over 800 families facing difficult challenges, including lower incomes and with caring responsibilities, to take a holiday in England - contributing to wider government objectives around levelling up. Furthermore, their Gateway Innovation Fund aims to provide financial assistance by way of a cash grant to a UK-registered Destination Management Organisation (DMO), UK based tourism supplier or transport carrier in order to deliver international marketing activity for a specific inbound gateway or region.

Although the Government does not presently intend to expand VisitBritain's Business Events Growth Programme (BEGP), we will continue to evaluate the case for expanding this as part of future DCMS budgetary planning. The Government recognises that VisitBritain's BEGP plays an important role in helping UK destinations to attract and grow international delegations at a range of valuable business events. In turn, these events have fuelled investment into UK growth sectors while propelling vital research and innovation.

VisitBritain received £500,000 for Business Events from DCMS in the last financial year (additional funding for business events was allocated from the VisitEngland core budget), and £340,000 was spent on the BEGP. Here, the BEGP supported 24 international events held or due to be held in all corners of the UK. In recent years, BEGP funding has helped London host the largest ever Sibos financial services event, Leeds to welcome this year's brand new UK Real Estate Investment & Infrastructure Forum and Glasgow to win this year's Euroanaesthesia Congress (set to attract over 8,000 delegates from more than 100 countries).

The Government also adds strength to UK event bids through embracing the advocacy strand of the BEGP. For example, three Secretaries of State provided letters of support for London's successful bid to host the EcoCity World Summit in 2023. While the event is predicted to generate a £877,000 delegate spend, it will more importantly further enhance the UK's reputation as a leader on clean growth following last year's COP 26 summit in Glasgow.

DCMS recognises that the business events sector is a powerful asset for the economy. The Department relaunched the Events Industry Board as a Tourism Industry Council Working Group to generate practical policy options to both support the sector's recovery and to maximise collaboration between industry, VisitBritain and the Government. Ministerial attendance at business events last year such as the World Travel Market, Global Offshore Wind, Farnborough International Airshow and London Tech Week demonstrates that the Government is prioritising the recovery of the sector, and will continue to explore ways to reconnect, rebuild and innovate the industry. These occasions, paired with appetite for more sustainable ways of doing business, are set to drive growth in upcoming years.

***Recommendation three: The Government should publish an assessment of the direct and indirect impact that withdrawing from the VAT Retail Export Scheme will have had on the inbound tourism sector. In all future decisions affecting the inbound tourism sector, the Government should conduct impact assessments not only of the direct consequences of a policy but of the indirect ones as well*.** (Paragraph 40)

Government response:

The independent Office for Budget Responsibility published their assessment of the withdrawal of the previous VAT-free shopping schemes in November 2020. This showed that the withdrawal of VAT-free shopping would raise a significant amount of revenue and have a limited behavioural effect on decisions to visit, or spend, in the UK.

The Government consulted widely on this change and specifically asked for evidence on the impacts of withdrawing the schemes. This evidence was assessed alongside the fiscal and economic impacts and balanced against the policy objectives in this area. The withdrawal of the VAT Retail Export Scheme was also part of a wider package of changes, with significant benefits for UK consumers - the reintroduction of duty-free sales for EU bound passengers and the quadrupling of inbound allowances for alcohol.

Nevertheless, the Government keeps all taxes under review and considers all available evidence as part of the tax policy making cycle.

DCMS will endeavour to consider the impact of future decisions affecting the inbound tourism sector, noting both direct and indirect consequences of a policy. This will be helped by ensuring that DCMS remains well connected with industry to attain a thorough understanding of the sector's progress. Particularly, the Tourism Industry Council working groups represent regular partnership between industry and government, and present an opportunity for DCMS to establish learnings from key intelligence and insights for future policy making.

Recommendation four: We recommend that the Government should allow children and young people under the age of 18, travelling as part of a supervised educational and/or cultural group visit, to enter the UK on a single group ID card. (Paragraph 48)

Government response:

There are currently no plans to change the Government's approach to under 18s travelling as part of an organised group. The UK's immigration system is global and applies to all regardless of nationality. All those visiting the UK, including on school visits or exchanges, are assessed against the same immigration rules which are available at: https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-v-visitor.

The Government stopped accepting EU, EEA and Swiss ID cards for travel to the UK by visitors in October 2021, and provided almost a year's notice to allow schools to plan ahead and ensure pupils obtain a passport - and visa - if they need to, before they travel.

We acknowledge the concerns raised by the sector around the repeal of EU ID cards. The Government will review mitigations through the Inter-Ministerial Group (IMG).

Recommendation five: We recommend that the Government should review entry requirements for visitors with a view to ensuring they match or surpass those of our competitors. It should publish the outcome of its review within 12 months. (Paragraph 56)

Government response:

As the UK keeps its visa system under regular review, the Government does not intend to publish the outcome of a review within 12 months. Decisions on changes are always taken collaboratively, and a range of factors are considered. These will vary globally, but often include security, compliance, returns and prosperity. Visit visas are an important part of securing the UK's border and are an effective tool for the UK in reducing illegal immigration, tackling organised crime and protecting national security.

The Inquiry compares Schengen non-visa national (NVN) status to a form of UK visa national (VN) status. In any such case, by definition, nationals of a country that enjoys NVN status for Schengen will have a greater ease of access there, if they remain a VN for the UK.

In order to compare like for like, the Home Office would highlight that there are numerous countries from where visitors do not require a visa at all, and that they can remain in the UK for visits of up to six months. The Schengen visit offer is for a total of 90 days in any 180 day period. The list of countries whose citizens require a visa can be found online at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1116163/UK_Visa_requirements_Nov_2022.pdf. Citizens of other countries may visit the UK for up to six months without obtaining a visa.

The UK visa system referred to is the Electronic Visa Waiver (EVW) programme. This only applies to 6 countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and UAE, which is not specified in the document. Nationals of these countries can obtain an EVW (at a cost of £30) for a single entry into the UK for up to 6 months without a visa. Should nationals wish to enter and exit the UK several times over a six month period, a standard visit visa may be more cost effective, as it offers unlimited entries to the UK over a period of 6 months.

In relation to the 6 countries that benefit from EVW, while Qatar has recently become a NVN for Schengen, the 5 remaining countries all still require visas to enter Schengen (which only offer a stay of up to 90 days) at a cost of £73; whereas nationals of these countries can travel to the UK for up to 6 months at a cost of only £30. Additionally, the UK has publicly announced its intention to move all of the 6 countries in question to NVN status, as the first beneficiaries of the Electronic Travel Authorisation (ETA) scheme, once it rolls out. Designed to be price competitive and consumer friendly, this comes as part of the 2025 UK Border Strategy, which will deliver a world class border that makes travellers' journeys smoother and more secure.

The UK has already operated a visa pilot with China since 2016 (still ongoing), which offers a 2-year multi-entry visa as standard. This already provides an enhanced offer for Chinese nationals over the standard 6-month visa offered to all other VNs.

Recommendation six: We recommend that the Government should negotiate an agreement with the EU to provide a single-entry document for performers to submit to any EU country they wish to visit. (Paragraph 57)

Government response:

The Government believes that the proposal of an EU-wide visa waiver is unviable. The EU did not offer a visa waiver for paid activities during the Trade and Cooperation Agreement negotiations. Instead, a reciprocal visa waiver agreement was offered, covering all current and any future Member States for short stays, for example, as a tourist. This remains incompatible with the Government's manifesto commitment to take control of our borders, and nor would it meet the sector's needs.

The Government recognises that the way creative workers work in the EU has changed, and the sector will need to adapt to new requirements now we are no longer a Member State.

Committed to supporting the sector to adapt to these new arrangements, the Government has worked extensively with the sector and directly with Member States to clarify what creative workers need to do to help them resume touring with confidence.

The UK took an ambitious approach during negotiations with the EU that would have ensured that touring artists and their support staff did not need work permits to perform in the EU, for up to 90 days in 6 months, and that event hauliers could move freely. Regrettably, our proposals were rejected by the EU.

The Government's trade deal with the three European Free Trade Association (EFTA) countries (Norway, Iceland and Liechtenstein) ensures that touring artists and their support staff do not need work permits. This demonstrates that the offer made to the EU by the Government is workable.

Following engagement by the UK Government and the sector, almost all EU Member States have confirmed that UK musicians and performers do not need visas or work permits for some short-term touring. This includes the UK's most important touring markets, such as France, Germany and the Netherlands; and also Spain, which introduced 90-day visa- and work permit- free touring in November 2021.

Regarding EU citizens coming to the UK, the UK's rules for touring creative professionals are comparatively more generous than in many EU Member States. The UK's domestic rules allow musicians, entertainers and artists (and their technical staff) from non-visa national countries, such as EU Member States and the US, to perform in the UK without requiring a visa, and the UK does not have work-permits. Ultimately, only Member States can change their visa rules beyond what is required of their membership of the Schengen Area. If Member States are willing to change their rules to more closely reflect the UK's arrangements, the Government would encourage them to do so.

Recommendation seven: We recommend that the Government should introduce a temporary recovery visa for industries where there is clear evidence of labour and skills shortages. (Paragraph 63)

Government response:

It is not the intention of the Government to introduce a general immigration route allowing recruitment at, or near, the minimum wage with relatively short work-based training requirements - nor to institute a 'recovery visa' of a similar nature.

The Home Office are equally clear that, whilst the immigration system needs to continue to provide the economy with access to the skills and talent it needs to grow, the system should not be seen as an alternative for employers to avoid improving pay and conditions for its workforce – which the Government views as the key long-term and sustainable solution for sectors looking to fill labour gaps.

Nonetheless, the Government recognises that labour and skills shortages, coupled with pent-up demand, pose a threat to wider recovery efforts. There are a number of measures in place to mitigate this risk and address the existing gaps in knowledge. For example, the Government launched the Hospitality Sector Council to oversee the delivery of the Hospitality Strategy in July 2021. The Government engages regularly with hospitality businesses and organisations to understand the pressing issues and challenges that they face, including labour market issues such as staff vacancies, wage levels, and migration issues. The Hospitality and Tourism Skills Board is the main forum under the Sector Council leading this work, in partnership between business and government.

While the unprecedented circumstances posed by the pandemic left the sector facing many challenges, DCMS will continue to work with industry and across departments to encourage the transition from recovery through to resilience.

Recommendation eight: The Government should increase VisitBritain's marketing budget to match more closely those of our nearest competitors. VisitBritain should ensure that much of this increase in funding should be ringfenced to promoting regional destinations. (Paragraph 68)

Government response:

The Government does not intend to increase VisitBritain's marketing budget at present. VisitBritain operates in a competitive environment, where they are majority funded by a grant-in-aid from central UK Government - receiving £18.73m in 2022–23 from the GREAT campaign, while VisitEngland/VisitBritain core funding is £83.2m over financial years 2022–23, 2023–24 and 2024–25 (£27.5m, £27.8m and £28m respectively). As such, the Government has ensured that funding is effectively budgeted to promote regional and seasonal spread, attract inward investment, and rebuild international visitor value.

VisitBritain is prioritising the promotion of regional destinations through a number of measures. Last year's National Lottery Days Out Campaign encouraged day trips to attractions around the country during the shoulder season, where over 200,000 vouchers were redeemed. This year, VisitBritain will host educational visits that will see international buyers visiting regions across the UK and learning more about what the UK has to offer. Furthermore, VisitBritain will host ExploreGB Virtual 2023 - their flagship global event bringing together global hand-picked buyers and the best of the UK leisure travel trade. Especially designed for UK travel trade suppliers interested in international development opportunities, this virtual event is free of charge to attend and will allow suppliers to engage with international key buyers specifically interested in leisure tourism products/experiences, and in expanding their UK portfolio.

Recommendation nine: We recommend that the Government should complete the pilot to a swift timescale and commit to implementing the de Bois recommendations in full. (Paragraph 75)

Government response:

The Government announced in November 2022 that the NewcastleGateshead Initiative in the North East has been chosen to lead a Destination Development Partnership (DDP) pilot with Visit Northumberland and Visit County Durham tourism boards, working across seven local authority areas with a commencement date of 14th November 2022.

Tourism boards, known as Destination Management Organisations (DMOs), help businesses and visitors find out about an area and often lead the development of the local tourism sector. However, de Bois's independent review into DMOs found the landscape is overcrowded and fragmented.

As part of plans to overhaul the current DMO landscape, in addition to the accreditation scheme, which will be rolled out across the Nation in 2023, the DDP pilot will receive £2.25 million across three years to promote more strategic, consumer focused development of the visitor economy to help successfully develop and market the region as a must-visit destination while attracting further private investment and driving growth.

Funding will be focused on activities that ensure their destination remains sustainable, competitive and responsive to strategic challenges identified by the Government such as those around sustainability, skills, inclusive tourism and levelling up. The aim of the pilot is to attract more investment, welcome more sporting, business and cultural events, support business growth, create new jobs and boost domestic and international tourist numbers.

By working in partnership, tourism boards will be able to attract new hotels, develop major attractions, build on local heritage and cultural assets through the likes of UNESCO World Heritage bids, grow the food and drink offer and maximise the potential of the region's natural assets, including its dark skies, beaches and national parks.

Instead of rolling out funding across the Nation, the Government decided to pilot the DDP approach first to be able to collect evidence to understand the most effective way of delivering the DDP approach on the visitor economy of the area. If the pilot is successful, this will inform future spending review bids and the aim is to then roll out the DDP model to other regions across England.

Recommendation 10: We recommend that within the next three months the Government should negotiate with VisitBritain a rise in its PASS approval threshold. (Paragraph 90)

Government response:

The Cabinet Office advertising, marketing and communication (AMC) spending control plays a crucial role in safeguarding public money. It assures the efficiency and effectiveness of government communications and reduces duplication between central government organisations. However, we also recognise the importance of proportionality and look to continuously improve our processes.

As part of wider reforms of Cabinet Office controls, the AMC spend control will adopt a more streamlined and agile approach, with assurance targeted to where it is needed the most. This will mean that fewer cases will need to be submitted to the Cabinet Office and faster decisions on those that do. Cabinet Office will also apply earned autonomy principles, including increased thresholds for high-performing organisations. As such, the Government will continue to evaluate the case for a rise in VisitBritain's PASS approval threshold as part of future operational planning.

Recommendation 11: The Government should use a lighter touch with VisitBritain regarding operational decisions and campaign messaging. Any feedback should be considered as advisory only and given to VisitBritain within one month. (Paragraph 92)

Government response:

The Government Communication Service (GCS) in the Cabinet Office has reduced the approval requirements for government marketing materials. Only new master creative for major government campaigns is submitted to GCS for approval, with any feedback provided promptly and within seven days.

Recommendation 12: The Government should make the Tourism Minister a full-time position. We are open-minded as to which department the minister should be placed in, but it is crucial that their views should carry significant weight across all relevant departments, particularly the Home Office, HM Treasury and the Department for Transport. (Paragraph 99)

Government response:

The Government has a full time Minister responsible for tourism, within a broader portfolio. Tourism is a significant contributor to the UK economy, with inbound travel and tourism being the UK's third largest services export in 2019. As such, ambitions to promote growth and improve the productivity of the sector are reliant on agreement from a number of Ministers, supported by government officials and representatives from industry.

The Inter-Ministerial Group (IMG) on the Visitor Economy, chaired and championed by DCMS's Secretary of State, provides an established governance mechanism across government. Attended by 11 government departments, the IMG facilitates wider discussions to find solutions that help support the Visitor Economy, which in turn can help support the objectives of other departments and convene cross-government interests on foundational matters such as levelling up and growth.

Furthermore, the IMG is supported by the joint public/ private sector Tourism Industry Council, which is supporting the Government in delivering the Tourism Recovery Plan. The Council and its four working groups collectively consider the challenges and opportunities presented by the Visitor Economy. Thematically, these groups hold discussions around Accessibility and Inclusion, International Competitiveness and Demand, the Events Industry, and Sustainability, as well as live issues facing the sector. These issues are then taken forward for discussion with Ministers at the IMG. In this way, strategic advice is considered by government officials and used to support decisions made by the Minister.