

## **Written evidence submitted by the Save Future Travel Coalition (AAS0014)**

### **Introduction**

1. The Save Future Travel Coalition is made up of 16 leading travel bodies and campaign organisations which together represent the vast majority of outbound and inbound organised travel to the UK. They are:

ABTA – The Travel Association

AITO – The Specialist Travel Association

Advantage Travel Partnership

African Travel & Tourism Association (ATTA)

Association of Northern Ireland Travel Agents (ANITA)

Association of Touring and Adventure Suppliers (ATAS)

The Business Travel Association (BTA)

Caribbean Tourism Organisation UK & Europe

Cruise Lines International Association UK & Ireland (CLIA)

Keep Travel Alive

Latin American Travel Association (LATA)

Pacific Asia Travel Association (PATA UK & Ireland)

Scottish Passenger Agents' Association (SPAA)

Seasonal Businesses in Travel (SBIT)

The Travel Network Group (TTNG)

UKinbound

2. It is crucial that policymakers recognise that travel is a broad and interconnected sector, which extends far beyond airports and airlines. The Save Future Travel Coalition's collective membership plays the vital role of putting people on planes, ships, coaches, and trains, across outbound, inbound and domestic travel, and covering both the leisure and business travel sectors. Together the businesses that make up our Membership are fundamental to maintaining the UK's international and regional connectivity. Putting in place the right policies now, to support the future of the travel industry, will be best not only for businesses, but also for consumers, the thousands of people who work in travel, and the wider UK economy.

### **Recovery of the UK aviation sector**

## Short and long-term effects of the coronavirus pandemic on the UK aviation and travel industries

3. Summer 2021 failed to deliver a meaningful restart for travel agents, tour operators and other businesses within the UK that are reliant on international travel. While the UK Government has led the way globally in rolling out COVID-19 vaccines, international travel policy has failed to keep pace. An overly complex and extremely cautious approach, involving multiple tests, form filling and negative messaging around travel from Ministers, has combined to undermine consumer confidence and damage recovery. As a result, international travel to and from the UK has fallen behind that experienced by our European neighbours, even though in many cases their vaccination rates have lagged those in the UK. For example, data from IATA shows that international flights to and from the UK remained at 27% of 2019 levels in July, meanwhile equivalent figures for France, Germany, and Spain were at 46%, 55% and 56% respectively.
4. Following a survey of ABTA<sup>1</sup> Members in early September, which asked businesses to report on the impact of COVID-19 during July and August 2021, findings highlighted that new bookings taken during the critical summer period were just 17% by volume of those taken in the same period in 2019, and 16% by value. Furthermore, 53% of businesses reported that they would run out of cash within six months, if further financial support was not forthcoming.
5. The Government's recent announcement about changes to international travel policy, which came into effect on Monday 4 October, are significant, and warmly welcomed by the Save Future Travel Coalition, but they do not represent reopening for the entirety of the sector. Neither will they be enough, in the absence of tailored and targeted government assistance, to undo 18 months of damage to the UK's international travel industry. For example, travel agents only earn revenue close to the departure date of the customer, but the next major departure point for volumes is now Easter 2022. We are also clear that this must be regarded as a starting point and not an end state, especially as the current regulations still carry significant additional costs, are uncompetitive, and will continue to have consequences for both inbound travel and business travel, as well as the outbound sector.

## Effect of the end of the furlough scheme

6. An estimated 43% of jobs have been lost across the travel industry since March 2020, with 35% of the sector having been made redundant because of the pandemic.<sup>2</sup> The higher figure of 43% indicates that redundancies are only part of the story in terms of the jobs lost across the sector, and are likely to be as result of other factors, including the UK's departure from the EU, and individuals choosing to leave the sector as a result of uncertainty about the future of the industry. Overall, we estimate that 95,050 direct jobs have been lost in the outbound travel industry since March 2020.
7. If the same pattern of job losses was extrapolated over the wider industry, including supply chains, this would equate to an estimated 226,180 jobs lost in the wider travel industry. Furthermore, at the beginning of September, travel businesses reported that 45% of their staff remained on furlough (including flex-furlough), and 7 in 10 businesses with staff remaining on the furlough scheme were considering further redundancies as the Coronavirus Job Retention Scheme comes to an end.
8. When asked in September 2021 what the impact of the end of the furlough scheme would have on current staffing arrangements, 57% of respondents to an Advantage Travel Partnership survey stated that they had come to an agreement with staff that were currently on reduced hours/pay to keep this arrangement for the time being, in order to save their jobs in the long run.<sup>3</sup>

## The importance of supporting the wider travel sector for the UK's economic recovery after the coronavirus pandemic

9. In ordinary circumstances outbound travel is a vital part of the UK's vibrant tourism mix. In 2019, the Office for National Statistics found that direct expenditure related to international travel in the UK was worth more than £80 billion – both from those visiting the UK from overseas (£28.4bn – our fifth biggest export earner), and UK residents prior to travel abroad (£53bn). The industry is also responsible for around 1 million jobs across the country.

10. The sector also plays a critical role in sustaining the UK's extensive aviation networks, with those travelling overseas for leisure and business vital to the viability of many air routes, enabling UK inbound tourism, as well as underpinning the UK's international trading partnerships, inward investment and regional connectivity.
11. Supporting the recovery of the travel industry is a win-win scenario, which will benefit businesses, their employees, their customers, and the taxpayer. The Exchequer would also benefit from a quicker recovery, through direct and indirect tax revenues raised by the sector, which amount to more than £11.5 billion a year in ordinary times.

Potential merits of Government a) financial, b) regulatory and c) other support

12. Business rates relief and grant support are two areas which could make a significant difference to travel businesses across the country over the coming months. In relation to the former, the industry is eagerly anticipating an update following the Chancellor's announcement on 25 March 2021 regarding an additional £1.5bn to provide targeted support for businesses who have been unable to benefit from the existing business rates relief.<sup>4</sup> The travel industry urgently needs confirmation as to when this funding will be released to local authorities, and that all travel businesses will be eligible for this rates relief. We would also urge HM Treasury to consider extending rates relief in the longer term for the travel industry, until businesses are properly able to get back on their feet.
13. In relation to travel businesses' need for short term liquidity, we also note that the Government has published data on Additional Restrictions Grant (ARG) funding paid to local authorities up to 29 August 2021. At the time the data were collected, the total distributed by local authorities to businesses represented a shortfall in council spending of over £310m. We understand that the Government currently does not have any plans to increase the pot of funding allocated to local authorities for this scheme, and that it is scheduled to end on 31 March 2022. Our concern is that councils are nervous about running out of funding over the coming months, as we head into Winter and the nature of the pandemic and future restrictions remain uncertain. However, by sitting on this grant funding, and in the case of some councils, very significant amounts of cash, travel businesses which so desperately need

support now are missing out. The various locally-led ARG schemes are also a postcode lottery, with some councils appearing to close down the scheme well before its deadline, despite still having funds in reserve. We would ask the Committee to urge ministers in the Department for Levelling Up, Housing & Communities, to write to local authorities to ask them to prioritise travel businesses for financial support, and to clarify the ARG scheme guidance going forward.

14. Releasing both the additional rates relief and unspent discretionary grant funding – neither of which would be new policy announcements – would go a long way to support travel businesses as they slowly begin to get back on their feet, and help to keep businesses on the brink of collapse, afloat. We would urge Ministers to consider travel businesses as a priority for these funding schemes.
15. In the long run, the recovery of the international travel industry will be vital to support the Government’s vision of achieving a truly Global Britain, and we would also ask the Treasury to consider using all the levers at its disposal to foster an environment conducive to the re-growth of our sector. The UK currently levies one of the highest departure taxes in the world and this is one of very few levers available to the Government to stimulate demand for air travel. It is essential that the Government avoids any tax increases (including APD) which might harm recovery in the short-medium term.
16. Customers booking travel arrangements covered by the Package Travel Regulations already have significant levels of financial protection if their travel company is declared insolvent, but the same protections do not apply in other sectors of the aviation and travel industries (for example, single element sales of a flight or hotel room). We would urge the Government to take a comprehensive approach to consumer rights and consumer financial protection reform, including an examination of refund obligations and timelines for travel businesses across the supply chain.

### **The traffic light system for international travel**

Operation of the Government’s ‘traffic light’ light system, including decision making, evidence base, effectiveness and transparency

17. Stability is critical to deliver recovery of the UK's world-leading travel industry. We know that appetite for travel remains strong, but only with a predictable and stable system in place (comparable with that of our most notable competitors) will consumer confidence return to get people booking and travelling again in sufficient volumes. The Government's recent shift in emphasis, with a clear objective of restoring international travel, whilst maintaining certain policies to protect public health, is part of adapting to the next phase of the pandemic – learning to live with COVID – as is now the Government's stated focus for domestic policy. This approach is also consistent with guidance from the World Health Organisation that has made clear governments should not be treating international travellers as a COVID risk by default.
18. In the absence of vaccine-evasive variants, which are not already dominant in the UK, there is no clear rationale for constraining international travel between the UK and most international destinations and source markets. Day two PCR testing of UK travellers has provided a wealth of evidence to demonstrate beyond any reasonable doubt that there are minimal risks involved to the UK public in facilitating travel, with an extremely small percentage of variants detected through the regime,<sup>5</sup> and it is right that a permissive approach to travel is adopted as standard, applying to all countries except for a very limited number of countries that have very high levels of priority variants.
19. The Save Future Travel Coalition recognises that the pace of vaccine rollout around the world is very different and acknowledges that some processes that have been adopted for the pandemic, such as the Passenger Locator Form, which records information on arrivals into the UK and supports enforcement, are likely to be retained for the foreseeable future. Similarly, the industry supports the retention of tight controls for a small number of countries and territories where there are known variants of concern that pose a risk to the effectiveness of the UK's vaccination programme (see below paragraph 18 for further information).

### Tackling barriers to recovery

#### *Revising the UK's red list*

20. We welcomed the changes made on 7 October to reduce the 'red list' of countries and territories, but it is important that the UK Government maintains this approach moving forward, and is not tempted to adopt a knee jerk reaction of re-imposing significant destination restrictions as we head into the winter months.
21. Other countries were more advanced in revising their risk assessments for international travel. For example, the German Federal Government, which uses advice from the world-renowned Robert Koch Institute to underpin their country assessments, recently removed all countries from the equivalent of their red list ("virus variant areas"). German residents arriving from those destinations that are categorised as "high risk", the second category within the German system, are required to either provide a negative test prior to arrival, demonstrate that they are fully vaccinated or provide evidence of recent recovery from infection with COVID-19 to avoid the requirement to self-isolate upon arrival into the country.
22. It is also notable that the UK's Joint Centre for Biosecurity (JBC) has recently moved to a system of categorising variants of concern (VOCs) and variants of interest (VOIs) into either very high priority, high priority or standard, depending on the risk that those variants are expected to pose to the UK population. This would appear to be indicative of an acceptance that strains such as the Alpha variant and Delta variant, which have been or are dominant within the UK, no longer pose an equivalent risk to the UK population as other variants such as the Lambda variant. It is important that this approach continues to develop, with a view to removing from the red list any country that has only known variants that are considered by the JBC not to pose a risk to the UK's vaccination programme. The Government must also avoid placing countries on to the red list for reasons that do not relate to variants of concern, but only to prevalence.

#### *Removing three-weekly review cycles*

23. As referenced above, the UK travel industry requires stability to rebuild consumer confidence and kickstart the industry's recovery. Travel businesses have reported that the impact of the current regular country list reviews has been to encourage a very short-term appetite for booking holidays amongst consumers, with many people waiting until

the last minute and booking within three weekly booking windows to avoid the risk of changed assessments that might occur at the next review period. This has a serious commercial impact on travel businesses and will harm the ability of UK travel companies to compete if it becomes a longer-term phenomenon. UK tour operators require predictability around their future demand levels when contracting accommodation and other suppliers in resorts, and if this is not possible, they will suffer a competitive disadvantage vis-à-vis their European and international competitors. The industry is hopeful that changes made to the red-list and the latest review of the Global Travel Taskforce, which saw the removal of the amber list, will lead to a more stable environment in the coming months. It is vital country list changes are only made where there is scientific evidence to support those changes and a clear risk to UK nationals or the UK's vaccine rollout.

#### *Foreign Commonwealth and Development Office travel advice*

24. The Save Future Travel Coalition also welcomed the FCDO's announcement on 6 October that it would remove advice against all but essential travel for 32 countries and territories, and the subsequent announcement on 8 October of a further 51 countries having similar advice removed. Many travel insurance companies use FCDO travel advice as a reference point in their policies – typically excluding cover for places where government advises against essential travel, and people will now be able to purchase travel insurance for a wider range of destinations across the globe.
25. We have been urging the Foreign, Commonwealth and Development Office (FCDO) for some time to review and remove the general use of FCDO travel advice for all but essential travel restrictions due to COVID risks now that the UK has successfully rolled out the vaccine programme and the risks are better understood by individuals. The default position should be that the FCDO does not issue advice against all but essential travel to destinations in relation to COVID, but instead should provide a clear narrative in the country specific travel advice, so that individual travellers can make informed choices based on their own circumstances and risk appetite, as they currently do for other risks. We understand that in rare circumstances, the FCDO might have legitimate concerns about the ability of UK nationals to access medical care in destination (for example, constraints on a country's healthcare system, or broader

public health restrictions that may impede access), and this might lead to an assessment that the risk to UK nationals is unacceptably high. However, we would expect this to be the case in a very limited number of destinations.

*Clear communications, clarity of criteria and an open and transparent approach to data*

26. A major challenge to rebuilding consumer confidence in travel and getting the recovery of the sector underway has been the confused, and often negative, communications that have emanated from Government. For example, within just a few weeks of the establishment of the traffic light regime, first published on 9 April 2021, the Government was already advising against travel to amber countries, despite the presence of mitigation measures, including enhanced testing and self-isolation requirements that were designed with the involvement of public health professionals and were specifically designed to ensure travel could proceed across all categories. In addition, Ministers have issued repeated warnings about the risk of long queues at airports and there has been a lack of a clear coordinated and consistent approach between the DfT's traffic light system and the FCDO's Foreign Travel Advice.
27. The confusion caused by this communication has been further exacerbated by the nature of the announcements around three weekly reviews, which have been haphazard and poorly managed – leading to many days of media speculation about coming changes that serve to destroy demand for travel to and from the destinations and source markets concerned, often without any good reason. This situation is largely due to the lack of an open and transparent approach to the data and criteria being used to make country assessment decisions.
28. The combined effect of poor communication and a lack of transparency around criteria and decision making has been to significantly undermine the industry's attempts at recovery throughout most of the summer season, resulting in many businesses across the sector operating at levels below 25% of 2019 volumes and, in some cases, not witnessing any improvement on the short summer season of 2020 – in the immediate fallout of the pandemic and before the UK's successful vaccine rollout.

29. The UK hosts significant events in 2022 (Her Majesty the Queen's Platinum Jubilee, Festival UK 2022 and the Commonwealth Games in Birmingham). The key booking period for international visitors for these events will be from November 2021 to March 2022; in order to realise the economic, cultural and social benefits of these events, the Government must signal now that the UK is safe, open and welcome.
30. It is vitally important that Ministers ensure a more coordinated, and open approach in future – including placing more trust in travel industry associations and organisations as valued and engaged stakeholders.

### **The cost of international travel**

#### **Price and effect on demand of PCR and antigen testing in the UK**

31. The Save Future Travel Coalition welcomed the UK Government's announcement that fully-vaccinated travellers will no longer have to take PCR tests when returning or travelling from low-risk countries. We await confirmation of the date this policy change will be implemented, and we urge the Government to do all it can to have this in place before October half-term. We have raised repeatedly with Government the fact that high PCR charges are one of the main barriers to overseas travel and it is good to see them respond to these calls. The removal of the need to take a pre-departure test for this group will also help bring much-needed confidence to the market and further reduce costs for travellers. A large proportion of our competitors in Europe do not require post-arrival testing for fully vaccinated travellers from countries considered safe (e.g. France) putting the UK at a significant disadvantage; similarly the price of lateral flow tests overseas is significantly below that of the UK. More generally, it is important that focus is maintained on continuing to drive down the cost of tests, including privately provided lateral flow tests.

#### **Cost and effectiveness of hotel quarantine in the UK**

32. The current hotel quarantine policy in the UK requires travellers returning from "red-list" countries to pay £2,285 for a stay of at least ten-days in a dedicated quarantine hotel (note that this cost increased on 12 August 2021, from its original cost of £1,750). During the hotel stay, quarantining guests are required to take additional tests on day 2

and day 8, as well as to provide a negative test on their final day before departure. Any failed tests would result in a further period of isolation and potentially further costs. If the current hotel quarantine policy is retained, the threat of any destination being re-categorised and added to the “red-list” at short notice, while travellers are in destination, will remain as a significant deterrent and a handbrake on recovery.

33. It is worth noting that Ireland recently removed its own hotel quarantine policy, and we would encourage the UK Government to follow suit. Evidence from Day two testing of UK travellers has provided a wealth of evidence to demonstrate that there are minimal risks involved to the UK public in facilitating travel, with an extremely small percentage of variants detected through the regime, and it is time that a permissive approach to travel is adopted as standard. In the longer-term hotel quarantine will also not be a viable way forward.

34. We would suggest in the short term that restrictions on travel to and from areas of concern could remain in place, and the legal requirement for self-isolation and additional testing could be retained but with the expectation that people will isolate at home. In such circumstances, as a minimum, we would ask for the adoption of a protocol that creates a transition period for returning travellers already in destination, utilising mitigations including pre-departure testing and additional tests, after arrival into the UK whilst avoiding full hotel quarantine.

### **Border readiness and international cooperation**

#### **Facilitation of effective, efficient and proportionate checks at the border, including passenger waiting times and passenger locator forms**

35. There have been concerns within Government about the ability of UK Border Force to cope with significant volumes of travel over recent months, which has led to unhelpful messaging and policy decisions that have suppressed consumer demand for travel. For example, throughout summer 2021, the industry has seen repeated messages from Government warning people about the risk of queues at borders. We have also seen policy decisions that appear to have no logical explanation other than to be an attempt to suppress demand for travel, such as the decision to issue advice against travel to and from amber destinations ahead of the May 2021 restart of international travel, while

legislation prohibiting travel was lifted, and the traffic light system contained relevant mitigation measures to reduce the risk of importing COVID. It is critical, if the industry is to be enabled to recover, that Border Force should be managing capacities in accordance with Government targets. Border Force must be adequately resourced, and investment should be made to ensure the full digitisation of border processes, including enabling all e-gates to access information held in the Passenger Locator Form and meeting the Border Force target of 50 per cent of eligible passengers using automated gates.

### Vaccine certification and recognition

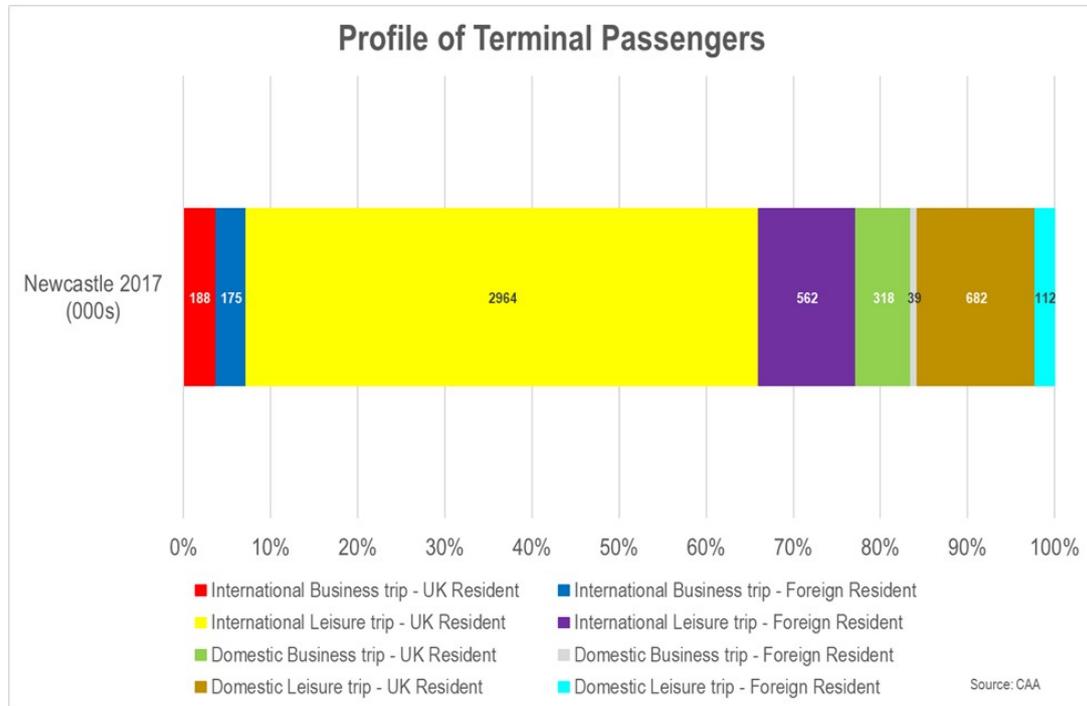
36. The UK must work with overseas governments to ensure a consistent approach to international travel. It was positive to see that the Transport Secretary Grant Shapps chaired a meeting of G7 ministers last month to discuss cooperation on international travel<sup>6</sup>, which is an important step, as well as the progress made in recent weeks by the Government on the mutual recognition of vaccination certificates with some of our key trading partners, including the USA and the UAE. We hope that this will be the beginning of an ongoing and productive conversation with destinations and source markets around the world. In that regard, we would highlight the WHO approved vaccines list, which is broader than the current list of vaccines recognised by the UK Government.<sup>7</sup> Ensuring not only the short term, but also the longer-term ability of UK residents to travel overseas, and overseas residents to travel here, with minimal disruption, will be of vital importance as travel finally begins to restart.

### Regional and global connectivity

#### Re-establishing global connectivity to support the Government's Global Britain agenda

37. In the long run, the recovery of the international travel industry will be vital to support the Government's vision of achieving a truly Global Britain, and we would also ask Ministers to consider using all the levers at its disposal to foster an environment conducive to the re-growth of our sector. 89% of all outbound air trips are for holidays or to visit family and friends; route viability and UK connectivity depends on this traffic. Similarly, inbound tourism that drives so much of the regional economies is dependent on regional air access.

38. The image below shows the importance of leisure travellers to Newcastle airport, for example, demonstrating the vital role leisure travel, especially outbound, plays in underpinning regional connectivity.



## October 2021

### Endnotes

<sup>1</sup> ABTA is the largest travel association in the UK, representing over 4,300 consumer brands – approximately 90% of the package holiday industry.

<sup>2</sup> ABTA Member survey (September 2021).

<sup>3</sup> The Advantage Travel Partnership is the UK's largest independent travel agent group. The Advantage Member survey ran from 9-14 September 2021.

<sup>4</sup> <https://www.gov.uk/government/news/business-rates-relief-boosted-with-new-15-billion-pot>

<sup>5</sup> <https://www.gov.uk/government/publications/weekly-statistics-for-nhs-test-and-trace-england-16-september-to-22-september-2021>

<sup>6</sup> <https://www.gov.uk/government/publications/g7-high-level-principles-for-a-safe-and-sustainable-resumption-of-international-travel>

<sup>7</sup> <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/covid-19-vaccines>