

Paper on Competitiveness

Following the last Board meeting I was asked to prepare a summary of the findings from both our own Working Sub Group on Competitiveness and the relevant findings from the BVEP Subvention Report 2016. Our goal is to make recommendations to ministers on what steps can be taken to enhance the competitiveness of the UK as a destination for business events.

This paper is being circulated in advance of the board meeting for colleagues to discuss and decide what further work may be needed before making representations to ministers. I am sure evidence to support any final recommendations will need to be sourced.

The BVEP subvention research made a number of recommendations which also relate to the points raised by the EIB working group. I have therefore listed combined recommendation from both groups underneath the findings from the EIB working group.

Please note: Not all recommendations are in the gift of government, but have been included to demonstrate that where industry can act it is prepared to do so.

A round table is planned for November to meet with key international buyers to gather evidence on what steps need to be taken to ensure the UK remains a competitive destination of choice. More details of the proposed date and venue will be circulated shortly should you wish to attend.

I would be grateful if members could come to the board meeting with comments and recommendations on the contents of this paper.

Findings from EIB Working Group

1. Cost as a barrier to competitiveness

UK locations are viewed as more expensive than counterpart European countries. Specifically: Hotels, Venues, Restaurants, Transport. In addition the wider cost of doing business was comparatively high with APD, Visa Costs, and general Taxation levels. At the time of these recommendations

exchange rates were also identified as a barrier, but since then there has been a 16% devaluation against the dollar and 18% against the Euro.

Recommendations –

- a. Reduce VAT on conference services (for international visitors) and/or provide tax incentives for hosting overseas buyers and conference attendees, where events are designed to create and secure export led opportunities. events. ***(EIB to consider whether to make representations in this regard as part of the government’s review of fiscal measures to stimulate the economy post Brexit)***
 - a. Reduce Air Passenger Duty
 - b. Provide easier, better value, online visa applications for short stay. Ideas include a 30 day conference visa for attendees or introduce special event visas for attendees of business events and conferences where there are over 2,000 overseas delegates.
 - c. Introduce an accommodation charter for forward booking accommodation for large events

2. Subvention as a barrier to competitiveness

UK offer packages were not considered comprehensive or sufficiently attractive when compared to other locations where evidence showed offers were seemingly financially more attractive and fully integrated. Feedback from those consulted by the working group focussed on making locations more attractive rather than a direct subsidy to an organiser. Those consulted felt there should be consideration city owned venues FOR program development, NTP/DMO funding for planning, and or marketing support.

Recommendations -

- a. Joint sharing of marketing costs with city venue owners
- b. Encourage local authorities to provide city wide logistical support – security, infrastructure, accessibility and integrated transportation packaged for event attendees.
- c. Members note that the Event Support Program is receiving financial subvention requests

3) Government support as a barrier to competitiveness

The UK was universally considered well behind other competitor destinations across the international events stage. A stronger level of support from government was urgently required to strengthen bids including bid support letters, dignitaries at events, access to ministers and facilitating knowledge sharing were amongst the chief observations of those consulted.

Recommendations –

- a. Government minister or appointed government Czar to execute the events sector support requirement across government
- b. Ensure a more strategic approach to target industrial economic sectors, including working with delegates and ambassadors to optimise the sharing of knowledge and leaving a legacy and social benefits to the local community
- c. National program across event support sector on quality, cleanliness, welcome across Restaurants, transport, accommodation. Recognise the scope for improvement of service levels and conference and hotel facilities. Work with industry to improve skill levels and quality control (championed by government)

4) Infrastructure/Venues availability as a barrier to competitiveness

Consultees identified that the UK only has 2 venues of “scale” which during prime time are almost completely booked. The consensus was that this limited the opportunity for the UK to win and expand our international base of exhibitions and congresses at peak times. This is replicated amongst hotel room availability. Competitor countries are investing in new space, both in well-established event destinations and new emerging destinations.

- a. Review the need for investment in additional and extended venue facilities – larger exhibition spaces and a bespoke International Convention Centre with associated conference style hotels.
- b. Increase private sector investment by relaxing planning regulations and ensure current policy to free up public land is mixed between housing **and** local economic drivers including allow multi event venues.
- c. Examine feasibility of permitting wider use of fixed term temporary structures
- d. Encourage expansion of existing venues
- e. Please note identifying capacity is WIP

5) Destination Marketing as a barrier to competitiveness

Feedback to the working group highlighted that successful destinations were often those with a clear destination strategy for all the key ingredients of the sector – e.g. exhibitions, congresses and conferences and were subsequently more effective at producing a co-ordinated, comprehensive and integrated offering to potential customers. Similarly, it was felt that there was a limited buyer knowledge outside of London and the core cities and buyer confusion around where to seek support when contrasting National v Local government, NTO's v CVB's

- a. Encourage a co-ordinated, joined up, destination stakeholder approach combined with a passion to win the business.
- b. Carry out an assessment of the quality of Ambassador Programmes and support provided to them. Share best practice.
- c. Review the consistency and quality of UK Convention Bureaux/DMOs and their approach to bid processes, procedures, materials, resources and commercial contacts. Share best practice.
- d. Introduce referral scheme from destination to destination
- e. Make available, in one place or portal, more information of where support can be accessed

6) CONNECTIVITY as a barrier to competitiveness

The working group heard representations on the transport infrastructure, particularly ; air road rail to core cities; and city transport systems, cost and availability.

- a. The government should maintain an ongoing focus on core infrastructure projects including Crossrail, HS2, Air capacity
- b. A ongoing investment in new routes and city planning.

