ALL PARTY PARLIAMENTARY GROUP

UK EVENTS INDUSTRY

Inquiry Report into the
‘International Competitiveness of the UK Events Industry’

May – August 2013
Introduction by Nick de Bois MP, Chair of the All Party Parliamentary Group for Events

Last year the UK hosted, to international acclaim the two largest events on the planet; the Olympic and the Paralympic Games.

The Games provided a much needed boost to the economy, they spurred national pride, they stimulated business and created an almost two month long advert to visit Britain. The UK became the first host nation to not only sell out the Olympic Games, but also the Paralympic Games as well. We told the world how passionate we are about sport, about people, and that we are a truly big thinking, international people.

Following on the heels of this major sporting event we will see the Rugby League World Cup in 2013, Ryder Cup and Commonwealth Games in 2014 and the Rugby Union World Cup in 2015.

My fear is that whilst such unique global opportunities will not present again for some time, that the ingenuity and expertise demonstrated almost on a daily basis by the events industry at business and leisure tourism events will be seen as having peaked in this brief three-year period. Instead, 2012 must represent a new catalyst for exceptional new opportunities and times in which government may not only have now recognised the UK’s predominance, but joins with industry to help stimulate a new era of growth and partnership.

Business and leisure events are won on infrastructure, access and accommodation; in essence the nation’s product for event organisers. It is also won on emotion, the welcome, the people, service, organisation, personalities, creativity and innovation. How strong are we in the UK really on these points, and how much stronger could the sector be?

This inquiry was set out to investigate how competitive the UK is for the events industry to win business within an increasingly competitive global market place. I hope it will prompt the change to ensure that the mutually matched objectives of the events industry and UK plc can be met.

November 2013
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1. About the All Party Parliamentary Group (APPG)

The All Party Parliamentary Group for Events

The function of the group is to provide a dialogue between government and the organisations, associations and businesses that make up the wide scope of the UK events industry. The APPG represents the interests of the industry through the achievement of:

- Greater support for marketing and bidding for more international events to be held in the UK
- Promotion of the value of export earnings created by the industry
- The importance of greater engagement with national and local politicians
- Support for a new all-embracing Event Industry Safety Guide to include operational guidelines
- Ensuring that the Events Sector achieves a lasting legacy from the 2012 Olympics

Over the last five years, with the arrival of the 2012 Olympic and Paralympic Games, the Queen’s Diamond Jubilee celebrations, the increasing popularity of outside events and festivals and the forthcoming arrival of the Commonwealth Games, the Group has worked with the industry to best confront the opportunities and challenges it faces, and to determine how government can support its growth in line with its own Growth Agenda.
Membership (at time of inquiry)

* Denotes inquiry panel member

Officers:
Nick de Bois MP (Chair) *
Don Foster MP
Steve Brine MP *
Paul Uppal MP *

Additional Members of the Group
Esther McVey MP	Karen Lumley MP* 	Kevin Brennan MP
Andrew Bingham MP* 	Adrian Sanders MP 	Emily Thornberry MP
Laura Sandys MP 	Jack Dromey MP 	John Cryer MP
Mark Menzies MP 	Michael Dugher MP 	Stephen Timms MP
Caroline Dinenage MP 	Tom Greatrex MP * 	Anas Sarwar MP
Richard Harrington MP 	Ian Murray MP * 	Fiona Bruce MP*
Steve Rotheram MP

Declarations of interest
Please refer to Member of Parliaments declaration of interests listed in the House of Commons members’ register of interests.
Secretariat

This inquiry has been supported by the APPG Secretariat Events Industry Forum, and additional support from International Confex and Davies Tanner / Britain for Events.

Davies Tanner / Britain for Events
Britain for Events is the most inclusive self-promotional campaign for the UK events industry and represents every sector of events, from festivals and sporting events, trade exhibitions and fairs, to business conferences, incentive travel, live and brand experiences.

The campaign is implemented by Davies Tanner, a specialist PR & Communications company specialising in travel, tourism and events. It is also financed by destinations, venues and suppliers to the events industry who should also be recognised for their contribution to making this inquiry possible - www.britainforevents.co.uk/supporters

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International Confex
International Confex is the leading exhibition for the UK events industry and consists of destinations, venues, suppliers and event organisers, all with a vested interest in the UK events industry. The show takes place at London Olympia, 12\(^{th}\) - 13\(^{th}\) March 14 and has been a fixture of the UK events industry calendar for the past 30 years. It also holds one of the largest and most respected educational conferences of its kind, supplying professional development for the industry.

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2. Executive Summary

A business that stands still is a business that will most likely fail. In a fast changing world there is little time to reflect on achievements before progress and innovation drive new threats as well as new opportunities. For the wide spectrum of specialists that make up the events industry this is equally true, and for the UK, after the successful 2012 Olympics and Diamond Jubilee the same is most certainly also true.

Against this background, the APPG for Events undertook an investigation into the international competitiveness of the UK events industry as it faces new and emerging competition from destinations around the world.

Notwithstanding the impact that the Olympics and Diamond Jubilee had on the public and audiences from around the world, these events do not represent the wide diversity of events that take place on a daily basis; managed by professionals and attended by visitors and delegates from across the world. Nothing we found from the inquiry challenged or undermined the claim of the UK’s reputation to be the world leader in the creation, staging, and production of events, be they business (brand activations, conferences, conventions, large meetings, exhibitions), cultural and music festivals, sporting events or other indoor and outdoor public events and fairs.

The inquiry did challenge notions and perceptions long held across the industry. This was done by interviewing witnesses from both associations representing different industry sectors and key decision makers in the purchasing process for international destination events. At this point it is worth noting the committee’s disappointment that international representatives from competitor countries did not participate with either written or verbal submissions. This is understandable given the competitive nature of the inquiry and the reluctance to discuss commercially sensitive matters. Equally, although the quality of written and verbal submissions from participators within the UK events sector was extremely high, it is regrettable that there were only 21 submissions. Whilst the trade associations represent a considerable number of members, the strength of a report is nevertheless based on both the quality and level of submissions.
Key Findings

- The industry recognised that it could be a key driver of the governments “growth agenda” by attracting high growth industries to the UK and stimulating the discussion as to why the UK is open and hungry for business. The government could, it was determined, help the UK events industry to achieve its aspirations of growing from its present £36bn to a projected £48.4bn by 2020. In return this sector could help fuel the wider growth agenda for the nation by engaging with the key business sectors through staging of international events.

- The majority of evidence given from within the industry was not asking for financial support for the sector but the reduction of interventions that decrease its international competitiveness.

- Barriers to growth were exacerbated by the poor positioning of the business events industry within many sectors of government and, that whilst industry itself was effectively representing itself to government where it was possible to do so, it still operated in silos and a more coherent industry effort was also needed.

- Notwithstanding the committee receiving evidence of subvention by international competitor destinations, it was clear that the UK product is so strong and attractive to international event organisers that despite the lack of this subvention funding, and the obvious competitive disadvantage this creates, the UK continues to win major business.
Key Recommendations

Government

- A cross departmental approach should be established to represent the best interests of the UK events industry. Its home should remain within Tourism at the Department for Culture, Media & Sport (DCMS), but it will also have representation from the Department for Business, Innovation & Skills (BIS). A principal function of BIS is to break down the barriers created by unintended consequences of legislation or regulation. DCMS should chair a formal sub-committee with invited stakeholders from Home Office, BIS and Department for Communities and Local Government (DCLG).

- That a special ‘Events Visa’ is created, that will provide a more positive welcome to influential event parties travelling internationally into the UK and provide pre-approved business travellers and ‘event tourists’ with a more pleasant entry into the UK. This has been authorised for the Commonwealth Games but should be extended to international trade shows, consumer and business-to-business events.

- A feasibility study is set up to review if the tax raising powers of local government to raise income for capital expenditure, that demonstrates a net benefit return for the local community, with the support of the local community by democratic consent, are sufficient to meet industry objectives.

The Localism Act 2012 allows councils to raise funding from local tax payers subject to approval by local referendum. It is not clear whether these powers would include major infrastructure projects however the principal is clearly positively established by government. A feasibility study should determine the scope of the economic impact of any investment and therefore the practicality of raising public funding across more than one jurisdiction for example.

- The treasury should include, within future economic impact studies, the impact of taxation within the events industry and specifically, but not exclusively:
  - The impact of APD on travel to major business and consumer events
  - The impact of VAT on business event success
• The Business Visits & Events Partnership (BVEP) and the Britain for Events campaign is fully recognised by government as the central and fully representative voice of the UK events industry. That representatives from country level DMO’s, along with VisitBritain, be included on the partnership to share learning and best practice across UK destinations alongside the industries many trade associations

• That local authorities / DMOs work closely with businesses and organisations concerned with the events industry to develop a region specific approach to subvention not limited to purely fiscal support but providing a long term and sustainable support for returning events business

• That a communication programme e.g. conference is produced and delivered in partnership with the events industry and aimed at local authorities to promote the benefits of the events sector in local destinations, and to provide information and advice on subjects such as e.g. licensing and regulation, health and safety etc
Industry

- Sharing best practice across the sector was not evident within the inquiry. Destination success stories should be shared throughout the UK events industry so that others can benefit. This could be coordinated through e.g. BVEP / Britain for Events and/or country level DMOs, and could include:
  - Scottish Exhibition + Conference Centre (SECC), Glasgow City Marketing Bureau (GCMB) and VisitScotland
  - International destination successes e.g. Vienna, Barcelona, Lisbon

- Industry regional partnerships should be formed with local and regional authorities. Whilst there is evidence that forward thinking local authorities have examined the return on investment (ROI) of investing in the events industry and subsequently invested where appropriate, such engagement with the industry is patchwork across the country and often on an informal basis. This will also help drive inward investment to areas in line with the growth agenda

- Industry to fully embrace the Ministerial Support Bid initiative and closer relations with UKTI, including the newly formed UKTI Events Alliance, to ensure stronger pitches for meeting and convention business

- Sustainability and apprenticeships are both a key part of the government agenda, both as a stakeholder to the industry, but also as potential buyer. These areas should therefore be more widely embraced by the events industry

- A single professional organisation, funded by the industry, with representatives from leading bodies could help ensure a unified, coherent and consistent relationship is built with government, local authorities and regulatory bodies. This could be a better resourced BVEP to ensure the industry speaks with one voice
3. Structure of the Inquiry Report and Acknowledgements

This is a report of an inquiry into the international competitiveness of the UK events industry as it faces new and emerging competition from destinations around the world. Following a brief introduction, the report covers the terms of reference of the inquiry and the key questions it asked of those organisations and professionals submitting evidence. It then outlines the key conclusions and recommendations from the report, with supporting evidence submitted – both written and verbally – that informed them.

We would like to take this opportunity to thank the many organisations that took time to submit evidence and that contributed to educating the inquiry. We would also like to thank the executives that took time out of their busy schedules to come in and submit oral evidence to the group (for a list of these organisations and individuals see Annex 1). We are also grateful to the Members of Parliament who took time to listen to evidence and contribute to the recommendations included in this report.
4. Terms of Reference: To what extent is the UK events industry internationally competitive?

The UK events industry is currently worth £36bn, in terms of visitor expenditure, with aspirations to grow to £48.4bn by 2020*.

The UK’s reputation in the creation, staging, and production of events**, be they business (brand activations, conferences, conventions, large meetings, exhibitions), cultural and music festivals, sporting events and other indoor and outdoor public events and fairs is unparalleled.

Even before 2012, with both the Olympic and Paralympic Games, the Cultural Olympiad and the Queen’s Diamond Jubilee Celebrations, projecting the UK’s event expertise to the forefront of global event excellence; the UK event industry had already been recognised as one of the most creative, diverse, and professional sectors in a global market place.

The industry’s reputation is built around: the quality of our creative industries; the diversity of our venues; our alignment with industry – financial, medical, environmental, sporting or digital; and the global expansion of our events and exhibition industry.

Events have so much to offer UK plc. They support the industrial strategy of the UK by positioning Britain as a centre of commerce, attracting companies and industries to do business in our country. They are also an ever-increasing export opportunity as they grow into new territories, creating inward investment opportunities, selling UK skills, expertise and products abroad.

As an industry, events lead to the provision of over 530,000* (full time equivalents) jobs from apprenticeship level upwards. They stimulate thought leadership through the sharing of knowledge, research and intelligence that progresses scientific and technological understanding and innovation. They also bring communities together, whether they are united by a common geography, interest, cause or belief. Finally, events attract international audiences to the UK, who buy our products and services and, in many cases, return with their families boosting and complementing the UK tourism industry.

Most importantly, the industry’s aspiration to expand by £12bn by 2020 supports the growth agenda for the UK.
This inquiry has been established to explore and understand how competitive the UK is internationally and to provide recommendations to government on the steps it can take to increase its share of the global events industry.

* Source: Britain for Events Report
** The word event is representative of any event, including but not limited to: meetings, exhibitions, conferences, corporate hospitality, sporting, and festivals, live events, experiential, product launches both indoor and outdoor etc.

**Questions**
- How would you define the events industry?
- In your opinion, where does the UK rank in global events excellence and in which territories and market sectors does it have most success?
- In which markets and sectors is the UK behind its competitors and why?
- What are the barriers to growth for your business / organisation and the wider UK events industry? (UK organisations only)
- What inspiration can the UK market learn from your experience with international competitor markets? (for companies and organisations operating abroad)
- What inspiration can the UK market take from your own organisation / industry’s success? (international organisations only)
- How important is subvention and destination / venue support in increasing competitiveness?
- How can the industry better support education, employment, apprenticeships and training?
- How well does the UK event industry embrace sustainability issues and is this a factor in its international competitiveness?
- How can the UK events industry become more internationally competitive and what can we learn from our competition?
- Where can government play a part to assist in this process?
- What more can the industry do to help itself?
5. Supporting Conclusions

It is clear that UK events, whilst often the victim of economic trends, is an industry that holds global respect for its creativity, people and the quality and uniqueness of its venues and destinations. UK event and exhibition agencies have grown internationally and represent success stories for the exportation of the UK creative sector.

There can be no doubt that the Olympic and Paralympic Games, alongside the Queen’s Diamond Jubilee celebrations contributed to this reputation as will the forthcoming Commonwealth Games 14 and Ryder Cup 14 in Scotland next year.

Balanced against this positive reputation comes a negative perception of cost and all evidence given by event organisers cited price as a key issue in not selecting the UK over other international destinations.

In short however, this is a competitive industry and the question should therefore be, how can it be made more competitive and how can government support its growth. It should be noted that the role of local authorities here is paramount. This is a ‘destination’ led industry and whilst national representation creates cost effective and coherent umbrella support for local DMOs, it will be the individual and more localised destinations which gain most from increased activity in this industry.

Prospects of the Growth Agenda
Evidence given to this inquiry demonstrated that events play a role in the growth agenda of this government. Events impact on UK tourism, they place the UK as a centre of business excellence, scientific knowledge and research and development.

A strong example given was the arrival of The European Society of Cardiology to London in 2015, bringing 35,000 delegates to ExCeL London. Not only will this impact positively on local business, it positions the UK as a central European authority on the subject.

From an infrastructure point of view, this industry also benefits from private investment as well as public, and much of the developments of venues have not impacted on the public purse.
Government Intervention
Much of the discussions that took place within this inquiry looked to focus on how government could support the industry to achieve its aspirations of growing from its present £36bn to a projected £48.4bn by 2020.

The majority of evidence given from within the industry was not asking for financial support for the sector but the reduction of interventions that reduce its international competitiveness. This included uncompetitive rates on VAT for international businesses bringing large events to the UK, to APD and cost implications for delegates and event tourists. The subject of the Schengen Visa was also raised in terms of providing a barrier for major international delegations arriving from China.

However, it should also be noted that whilst this inquiry fully accepts the disadvantage of taxation and visa restrictions, the UK tourism economy remains vibrant and in growth. Evidence given by Michael Hirst, Chairman of the BVEP and the Tourism Alliance, underlined positive figures from the tourism industry and the impact of business tourism in this growth. However, it was also evidenced that business tourism and events have the opportunity to continue to grow regardless of changes in these areas.

Evidence also pointed at areas where government could support the industry, by using ministerial and civil servant time and energy to lend support to the winning of international event business to the UK and that, through local authorities, could contribute to a better ‘welcome’ to the UK. The inquiry accepts that practical rather than fiscal measures have both the best chance of success and can be implemented quickly with more instant effect for the industry. It was commented by both Caroline Mackenzie (Congrex / Contendam), and Jennifer Jenkins (MCI), that infrastructure developments would be as welcome as financial incentives.

Where Does the Industry sit within Government Departments?
One of the areas identified as a barrier to this growth was within which sectors of government the events industry should sit and which departments should carry responsibility for the industry. At the moment, business visits and events sit within Tourism in the Department for Culture, Media & Support. However, given the contributions the industry makes to business, education, research and development, a strong argument was presented for it to sit within other areas of government.
Raised within this dialogue however was the need for the industry to have a natural champion and the danger that it would sit between too many different sectors.

**How Does the Industry Represent Itself?**

It has to be noted that it is in this area where the events industry is most inconsistent. The UK events industry is vast and covers a wide range of different kinds of events, across a myriad of different sectors. It was challenged that the industry needs to represent itself more cohesively to ensure it presents a united voice to all its stakeholders, not just to government.

In previous years this coherent voice was covered by VisitBritain and the BVEP (for governmental communication) however as a result of the Comprehensive Spending Review (CSR) in 2009, the organisation pulled out of business tourism and no longer represents the sector in any meaningful way.

This inconsistency was further demonstrated through evidence submitted by John Penrose MP who raised the subject of the Ministerial Bid Support initiative where the DCMS put in place a resource for event organisers to request ministerial support for major event bids. Since its introduction in 2011, only one official request had come from the industry.

**NB. Subsequent to the inquiry it has been noted that this has recently been rectified with VisitEngland taking responsibility for the initiative and claiming good early success (two pieces of confirmed business and increased industry requests for ministerial support).**

It was agreed that the existence of the Business Visits & Events Partnership was a positive move for the industry but that more organisations should support, provide greater resource and actively engage in the partnership.

**Consistency of the UK Event ‘Product’**

One of the areas that caused interest amongst the inquiry was that of the differing level of understanding, interest and quality from destinations across the UK. Whilst the UK does lose out to international destinations for major events businesses, it was interesting to see Glasgow and Edinburgh cited by panellists as excellent examples of best practice, whilst other destinations were not so sophisticated. Simon Hughes (Eventia) cited the strength of the Scotland product, whilst Caroline Mackenzie (Congrex / Contendam) underlined the
challenges faced by London in terms of the size of the convention bureaus service and staffing.

**Green and Sustainability Issues**

It was also noted by the inquiry that outside of evidence submitted by a particular organisation, there was very little mention of the sustainability and environmental impact of the industry.

This is despite the UK positioning itself as global leader in this area on the back of the 2012 London Olympic & Paralympic Games. The UK established the ISO20121 accreditation that is being exported to the Games in Brazil, again underlining the global respect for the UK industry.

This is an area the industry needs to address quickly. The very essence of face-to-face marketing encourages people to travel both domestically and internationally, and the industry should make steps to present a sector that is aware of both its negative and positive impacts on the environment.

**Subvention**

An area discussed at length during the inquiry was subvention; the act of supporting major event bids by purchasing venue space, ancillary services, entertainment or travel for delegates as part of an incentive package from destinations to major event organisers. The inquiry found that this is an area where the UK is uncompetitive and that other international destinations (Paris, Vienna, Lisbon) are able to ‘buy’ event business ahead of the UK.

Regardless of this, evidence submitted to the inquiry suggests that the UK product is so strong and attractive to international event organisers that despite the lack of this subvention funding, the UK continues to win major business. In fact, it was commented by Jennifer Jenkins (MCI) that subvention monies would be better spent, for example, building a central London ICC instead. It was also suggested during the inquiry that the act of subvention was a risky one in the long term, as government money was not always guaranteed and that taking away such support would impact immediately on bid wins.

*NB. It should be noted that tourism in the home nations is a delegated power (VisitScotland and Northern Ireland Tourist Board) and in Wales, the tourist board is now a function of the Welsh Government. In England, VisitEngland is the primary delivery body for tourism policy*
and advises DCMS on all issues impacting on the visitor economy. VisitEngland is also working with other arms-length bodies and national England agencies to ensure a joined up approach to policy development. The Mayor of London also has delegated powers for tourism set up under the 1999 GLA Act within the Greater London Authority area.
6. Summary of Evidence

The following summary is based on both the written and verbal evidence taken during the inquiry. The structure of each of the sessions differed, so the summary is based on the broad areas discussed through the inquiry.

Q. In your opinion, how would you summarise the state of the UK events industry and in particular what our witnesses agree is business tourism?

The majority of correspondence painted a picture of a robust and thriving sector, boosted by the recent arrival of the London 2012 Olympic & Paralympic Games that showcased its qualities. Witnesses also cited the importance of the industry in boosting other areas of the economy.

The Britain for Events Report and the Opportunities for Growth report, submitted by the Business Visits & Events Partnership, quoted the UK events industry at £36 billion, and with aspirations to grow to £48.4bn. The figures submitted were not government quoted sources but the most credible available from the industry.

Additional evidence quoted the International Passenger Survey that showed ‘business visits’ as one of the fastest growing sectors of the tourism economy, outperforming leisure tourism.

There was also consistent praise for the quality of the UK events product; from the quality of our destinations, the excellence of our organisers and support services and the range and quality of our infrastructure (venues and accommodation).

Reference was made by a number of witness statements to one particular event – The European Society of Cardiology – that was recently secured by London for 2015. This event alone will bring in over 35,000 delegates to the country, all contributing to the local, regional and national economy. The event demonstrated the onward benefits of winning major events to the UK.

It was suggested that the arrival of this major event in the UK represented a massive opportunity to market Britain as a centre of event excellence as well as Cardiological knowledge.
Evidence also showed that the event industry is fragmented, crossing many other areas of the economy as well as representing a wide range of different types of events, from conference and exhibitions to festivals and major sporting events. It was established that events, due to the fact that the industry crosses so many different sectors, suffers as it does not have a natural home in government structures.

Q. In which market sectors is the UK behind its competitors and why and what are the main barriers to growth?

Evidence fell broadly into two camps with regards to the response to this question. The first was predominantly by witnesses with the responsibility of choosing where to host major events around the world. Here, overwhelmingly the response was based on cost. This included but was not limited to; travel (particularly the impact of Air Passenger Duty), venue and hotel accommodation, support services such as restaurants, taxi or event coffee shops. One senior buyer conducted research that showed competitor destinations up to 57% cheaper from a city-to-city comparison. Much of the discussions about cost were based around London, however it was established as a UK wide issue.

The second barrier to growth evidenced by witnesses from destinations, venues and associations concerned with business tourism and events, was taxation and red tape. This included Air Passenger Duty (APD), uncompetitive rates for VAT on ‘tourism related products’ and visa controls that limit the ability of international delegates to travel easily into the UK. Witnesses focused on existing visa controls restricting travel from emerging markets, and particularly the Schengen visa which calls on Chinese visitors needing a specific visa to travel to the UK as opposed to a general European visa that covers most of Europe but not the UK.

The debate on taxation and APD was built around the idea of Britain being a ‘welcoming’ destination for event organisers and their delegates. Evidence from a UNESCO tourism report was submitted that placed the UK 136 out of 139 countries as the most welcoming process of entry. This welcome was placed in high regard by witnesses as a key differentiator in attracting major events business.

Q. Which UK and international destinations lead the way in the industry and can provide a benchmark for this inquiry?
Evidence in this area was diverse, from specific evidence submitted that compared London with Lisbon (see Annex 5), to individual destination examples cited such as Hong Kong and Vienna. What was equally intriguing was the mention of Scotland, Glasgow and the SECC as examples of private / public partnerships that are working to attract major international and domestic events to the destination. It was commented on that the industry should share such best practice if it contributed to a better UK wide product in alluring international events.

Q. Why does this industry require government support and why is subvention important in your opinion?

Testimony gathered within the sessions also uncovered that whilst the UK events product is internationally competitive, its ‘support’ for the winning of major event bids was not. This support was defined mainly in the form of subvention; the practice of destinations – either funded by the local authority or local commercial partnerships – and local venues and accommodation providers incentivising new event business by ‘gifting’ certain aspects of the event. This could include discounted venue space, hotel bedrooms, transport, local attractions or even direct payments to the event organising company.

Some evidence leaned towards the need for the UK to be more competitive in its subvention contribution and cited the success VisitScotland had had through its own funding in this area. Other testimony advised against the use of subvention payments on the basis that this money is often funded by local authority contributions that would not always be available. Discussion moved towards issues within the US events industry, where venues and destinations have educated event organisations that budget decisions could be made based on this contribution, and that as local authorities pulled the funding, the destination was left exposed and vastly uncompetitive.

It was also discussed in the sessions that the UK continues to win business based on the brand strength of the country and also on its unique event product and that a focus on marketing this quality could work as well as investing in incentive payments. Additional contribution from event organisers also underlined the importance of government support at the point of bid, for example through ministerial endorsement, support or presence during the bid process.
Testimony from London & Partners picked out Tourism Improvement Districts (TIDs) as a possible answer to ensuring tax revenue raised by events were invested back into the industry.

**Q. How does the industry embrace sustainability and apprenticeships?**

There was a notable lack of representation during the inquiry on apprenticeships and only one main contributor on the subject of sustainability. The inquiry received strong evidence from Positive Impact on the major breakthroughs the UK industry has made in sustainability, and the leadership it has shown to the global events community.

However despite this, there was a feeling that the industry is playing lip service to sustainable issues and that a genuine desire from the end buyer is yet to be established and that until it is, there will not be the volume of intention towards this area.

Apprenticeships were another area that received little interest or response. It was suggested by the inquiry that these areas would be valuable to the industry in winning more government business, but also endearing itself to government when asking for support.
7. Annex 1 – Organisations who Submitted Evidence

**Written Evidence**

Philip Atkins, International Special Events Society (ISES UK)
Rob Harrison, Managing Director, Congrex Group
TUI Travel & Sport
Business Visits & Events Partnership (BVEP)
Simon Hughes, Chairman, Eventia
Jennifer Jenkins, Managing Director, MCI Petersfield / London
VisitBritain
Fiona Pelham, Managing Director, Sustainable Events Ltd
Tracy Halliwell, Director of Business Tourism and Major Events, London & Partners
Jane Longhurst, Chief Executive, Meetings Industry Association (MIA)
Simon Gidman, Head of Business Visits & Events, VisitEngland
ExCeL London
Neil Brownlee, Head of Business Tourism Unit, VisitScotland
James Samuel, Event Director, International Confex
Queen Elizabeth II Conference Centre
Rory Sloan, Director RPM
Paul Bush OBE, EventScotland
Susan Spibey, Institute of Events Management
Association of British Professional Conference Organisers
Kerrin MacPhie, Director of Sales, ACC Liverpool
Core Cities
Culture Liverpool
Historic Royal Palaces
Verbal Evidence

5th June 2013
Michael Hirst OBE, Chairman, Business Visits & Events Partnership (BVEP)
Simon Hughes, Chairman, Eventia
Jennifer Jenkins, Managing Director, MCI Petersfield / London
Chad Lion-Cachet, Managing Director, Sports Division, TUI Travel Sport

14th June 2013
Sandie Dawe MBE, Chief Executive, VisitBritain
Fiona Pelham, Managing Director, Sustainable Events Ltd
James Morgan, Marketing Director, Crewsaders / Director of Education, International Special Events Society (ISES UK)
Caroline Mackenzie, Group Director, Business Development, Congrex Group
Tracy Halliwell, Director of Business Tourism and Major Events, London & Partners

John Penrose MP, former Minister for Tourism
The Economic Dimensions of Britain's Events Sector

- The sector is worth over £36 billion per annum to the national economy. Business visitors spend on average £131 per day – 72% more than the amount spent by leisure visitors on a daily basis, while visitors to UK exhibitions from overseas spend 193% more per day than leisure visitors to Britain.

- Non-discretionary business visits (e.g. trips by sales representatives to meet a client or by a lorry driver to deliver a cargo) are estimated to be worth at least £7 billion per annum.

- Additionally, trade transacted at exhibitions and other business events held in the UK is conservatively estimated to be worth over £100 billion.

Employment

- There are over 25,000 businesses in the sector including event organisers, venues, suppliers, destination marketing organisations (DMOs), destination management companies (DMCs), and others. The best estimates are that the sector sustains at least 530,000 full-time equivalent (FTE) jobs.

Export Earnings

- Events and exhibitions are important not just for the national benefits of expenditure generated and jobs created and sustained through activity here in the UK, but also for the ‘invisible’ benefits of their export earnings potential. Many of the leading exhibition organising companies operating globally are UK companies, leading the world in the development of cutting edge, business-to-business (B2B) and business-to-consumer (B2C) exhibitions and trade fairs. The profits generated from staging events across the world return significant export income to UK Plc.

- The event will provide an unrivalled opportunity to show the world just how good Britain is at planning and delivering major international events.

- One of the principal legacies of the Games is expected to be an increase in the volume of international conferences and exhibitions taking place in the years following 2012.

Investment

- Britain has an excellent track record of investing in its event facilities and supporting infrastructure.

London 2012 Olympic and Paralympic Games

- More than a fifth of tourism benefit from the London 2012 Olympic and Paralympic Games will come from additional business visits expenditure, equivalent to £433m at 2006 prices.

- The benefits of meetings and events are not just economic. Meetings and events have other positive impacts on society, contributing to health and wellbeing, education, social diversity, community spirit and cohesion, and civic pride. Events help to foster diversity in our local culture and heritage, providing opportunities for further destination expansion and growth.

The Value of Britain’s Events Sector - by segment

- Conferences and meetings - £18.8 billion*
- Exhibitions and trade shows - £9.3 billion*
- Incentive travel - £1.2 billion
- Corporate hospitality - £1 billion
- Outdoor events - £1 billion
- Festivals and cultural events - £1.1 billion
- Music events - £1.4 billion
- Sports events - £2.3 billion

** TOTAL for discretionary (ie. influenceable) events = £36.1 billion

* in terms of net revenue to venues and the wider economic benefit to destinations through expenditure by delegates on travel, entertainment, eating out, shopping, etc.
Changing Perceptions and the Profile of Business Events

- Meetings and conferences play a vital role in economic, professional and educational development. They should be thought of as a key component in the global knowledge economy, rather than as a branch of tourism.

- Events are still essential to communicate, educate, inform, to enable networking, to motivate teams and to achieve business objectives. The task is to demonstrate the absolute value of the meetings and live events industry as a quantifiable investment, not a frivolous cost.

Opportunities to Increase Association Conventions

- The demands made upon conference venues catering for national association conferences will continue to grow, both in the provision of electronic communications technology but also in requirements for space (e.g. increasing use of syndicate/breakout rooms, greater need for exhibition space), better accessibility for disabled delegates, and for higher levels of security.

- Organisers are likely to seek more integrated infrastructures with high quality transport systems to and within a destination, plus venue, accommodation, restaurants and attractions in close proximity.

- Winning and hosting key international conferences is seen as a major economic boost to the host city and many cities use the conference sector to support and facilitate urban renewal and regeneration.

- The national and international association conference segments also provide continuous economic benefit in times of recession, either local or worldwide. While corporate events diminish at such times, association events continue, although delegate numbers may be less than when economies are buoyant.

Benefits of Exhibitions and Similar Live Events

- Exhibitions play a vital role in the UK economy in generating exports. Many exhibitions held in the UK have established themselves as a strong base for international trade.

- Recent research confirms that, before an exhibition or similar live event, 36% of people say attendance makes it easier to decide to buy, but this rises to 76% after experiencing an event.

- New technology is used to enhance, not replace, exhibitions, as there is no substitute for the face-to-face contact, customer interaction and the ability for the customer physically to feel, see, taste, smell, test and try the product.

- More organisers are looking to increase the number of public shows. Public shows are seen as being informative, as well as providing marketing and sales opportunities, brand building and entertainment, all of which add to customer value and experience.

- The exhibition industry is continually endeavouring to increase the ‘internationality’ of its shows in order to enhance the opportunity for exhibitors to increase their export markets.

Incentive Travel and Performance Improvement

- The London 2012 Olympic and Paralympic Games provide a great opportunity to showcase Britain as an incentive destination and to grow inbound incentive trips for Britain after the Games.

Corporate Events

- There is no doubt that events are now seen as a powerful communication medium that can change perceptions, attitudes and behaviours and create genuine brand experiences.

- In common with the rest of the B2B sector, corporate events and corporate hospitality are increasingly being required to prove their worth with client companies under pressure to demonstrate return on investment.

Outdoor Events

- The world of outdoor events has developed into a highly professional and high quality industry.
Music Events and Festivals

- The music and festivals market will grow significantly in future years. Although the recession has had an impact on some events, particularly some of the smaller festivals that do not always have the resources behind them to underwrite difficult years, the long term trends towards greater leisure time and demand for entertainment are positive.

- The UK’s strong musical and festival heritage also makes this a potentially strong market for attracting visitors to the UK.

- As well as generating significant employment in the UK, festivals and events can make a considerable contribution to the wider economy in areas where they take place, drawing in visitors to use local facilities.

- The impact of this can be seen from research carried out by the Association of Festival Organisers which found that the value of folk festivals alone was some £76.98 million.

- Music festivals are attractive to major companies and brands. The challenge is to ensure that any sponsorship and on-site marketing is authentic and credible.

Sporting Events

- Sport helped to attract more than three million visitors to Britain in 2008, nearly one in ten of all visitors, with a spend of £2.3 billion, approximately 14% of total inbound visitor spending in 2008. This annual spend is estimated to support more than 50,000 jobs across Britain.

- The total economic benefit of hosting the Rugby World Cup in 2015 will be up to £2.1 billion while, if England’s bid to host the Football World Cup in 2018 is successful, this could attract three million international visitors and add £3 billion to the UK economy.

Event Service Suppliers

- The UK has a strong infrastructure of highly experienced and professional suppliers to the events sector.

Subvention

- VisitBritain does not have a subvention fund to provide support for international event bids, a factor which puts Britain at a competitive disadvantage in many international event bids.

Event Sector Qualifications and Professional Development

- In order to ensure that there is clear progression into and across the sector, available qualifications will be matched against specific job roles and their individual needs.

- There has been considerable research and time spent on exploring the feasibility of an Institute of Event Management. This will be established in 2011 as an autonomous body to accredit the education offerings of educational institutions, trade associations and private training providers.

- Given the lack of focused information on career opportunities in the events industry, there is an opportunity to produce a dedicated guide that outlines the range of careers opportunities, including entry and development routes and snapshots of those already working in the sector.
Recommendations

1. Recognise and expand the contribution that the Events Sector makes economically, socially and culturally to Tourism, Trade and Creative Enterprise.

2. Britain should do more to utilise its strengths, especially its established network of world-renowned university and college venues to influence academic conventions to come to the UK.

3. Working together across destinations, best practice and resource-sharing would help the UK to raise standards and enjoy an increased market share.

4. There should be a greater focus on attracting and staging international exhibitions and events in the UK, supported by the development of a national subvention fund, possibly in conjunction with UK Trade and Investment, to strengthen Britain's bidding capabilities.

5. Align international exhibitions, conferences and events held in the UK with the Government's priority sectors for the national economy.

6. The economic importance of conferences to a country is far more recognised by the UK's main competitor countries than it is in the UK. Obtaining governmental support for a conference bid is still difficult and slow - it needs to be made easier and bids need to be processed more expeditiously.

7. The whole business events sector should support the comprehensive study into the value of the UK meetings and incentive segments planned for 2011.

8. Appropriate support for attracting more international events to be held in Britain should include the reinstatement of allowances on activities that seek to bring business and events to Britain to include Inward Missions, bidding for major events, and entertaining to grow exports.

9. There is a need to ensure more co-operation between event organisers, local authorities and the local tourism sector to include: accommodation, transport, tourist information and restaurant operators and to make the most of domestic and international promotional opportunities. Local authorities need to be made more aware of the benefits that accrue from events, economically, socially, culturally and to destination place marketing.

10. Government bodies and local authorities should recognise, even more so during this time of fiscal restraint, the immense value of live events as a highly efficient and productive platform for communication, motivation and education, and therefore ensure appropriate support is given to this activity.
Opportunities for Growth in the UK Events Industry
Roles & responsibilities

A report to the All Party Parliamentary Group for Events

Presented jointly by the
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   1.2 The legacy from events
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2.0 Strategic Aims for the Industry
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   2.5 The role for National Government
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3.0 Competitive landscape and opportunities

4.0 Supporting organisations

5.0 Britain for Events
1.0 The UK Event Industry

1.1 The opportunity to be the global destination of choice

The UK events industry presents an opportunity for the UK to be the global business destination of choice and at the same time, create real growth for UK events by generating business opportunities for local firms leading to the formation of vital international business and research networks. The UK enjoys a hard-earned global reputation, and leaders from industries around the world want to hold their events here in the UK.

1.2 The legacy from events

When the Olympic and Paralympic Games take place in London next year and the Commonwealth Games come to Glasgow and the SECC in 2014, the world will watch but the legacy will remain. By attracting events from around the world, delegates not only bring economic benefits vital to our economy, they also bring global leaders and thinkers to discuss, debate, learn and share. They engage with our own leaders and institutions in their particular fields leaving an invaluable legacy of knowledge behind and making connections that will last for decades.

1.3 Defining the value to the UK

Annual income from events:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Estimated value in 2010 (£ billions)</th>
<th>Estimated value in 2015 (£)</th>
<th>Estimated value in 2020 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conferences and meetings</td>
<td>18.8</td>
<td>21.8</td>
<td>25.2</td>
</tr>
<tr>
<td>Exhibitions and trade shows</td>
<td>9.3</td>
<td>10.8</td>
<td>12.4</td>
</tr>
<tr>
<td>Incentive travel</td>
<td>1.2</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Corporate hospitality</td>
<td>1.0</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Outdoor events</td>
<td>1.0</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Festivals and cultural events</td>
<td>1.1</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Music events</td>
<td>1.4</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>Sports events</td>
<td>2.3</td>
<td>2.8</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>TOTAL for discretionary events</strong></td>
<td><strong>36.1</strong></td>
<td><strong>42.2</strong></td>
<td><strong>48.4</strong></td>
</tr>
</tbody>
</table>
Other statistics:
- No. of businesses in the sector = 25,000
- No. of people employed = 530,000 full time equivalent (FTE) jobs

1.4 Invisible benefits
The sector also provides an ‘invisible’ benefit in its export earnings potential. Many of the leading global exhibition organising companies are UK based, and they lead the world in the development of cutting edge, business-to-business (B2B) and business-to-consumer (B2C) exhibitions and trade fairs. The profits generated from staging events across the world return significant export income to UK Plc.

1.5 Prospects for music events and festivals
The music and festivals market will grow significantly in future years. Although the recession has had an impact on some events, particularly some of the smaller festivals that do not always have the resources behind them to underwrite difficult years, the long term trends towards greater leisure time and demand for entertainment are positive. The UK’s strong musical and festival heritage also makes this a potentially strong market for attracting visitors to the UK.
- 7,000 major outdoor events held each year, 700 folk festivals held each year in the UK
- No. of music licences issued up by 10% to just under 100,000p.a.
- Between 2005 and 2009 there was an average annual increase of more than 1.64 million adults attending outdoor festivals and events in the UK
- More than 50,000 (2008) people employed in the UK’s live music industry

1.6 London 2012 legacy
London 2012 will provide an unrivalled opportunity to show the world just how good Britain is at planning and delivering major international events and provide an increase in the volume of international conferences and exhibitions in the years following 2012, but the events industry is not just a branch of tourism.

20% of the benefits from London 2012 Olympic and Paralympic Games will come from additional business visits expenditure = £433m at 2006 prices.
2.0 Strategic aims for the industry

- To promote Britain as a leading global destination for business, cultural, leisure and sports events building on the established creative and logistical expertise of the industry
- To increase the UK slice of the world market share of international events and deliver long term jobs from multiple disciplines located across key regions in the UK and deliver a greater share to the country’s GDP

2.1 Roles and responsibilities
To achieve this will require a partnership between industry, parliament, local and national government that will embrace the growth agenda. Listed below is a summary of the key goals from each of the partners.

2.2 The role for industry:
- Use the expertise within the events sector to develop Britain’s creative enterprise
- Maintain long-term support for those agencies which promote and invest in the future of business visits and events
- Encourage policies that optimise trade development, information exchange and research and development (conferences, exhibitions, festivals)
- Embrace the government’s apprenticeship ambitions
- Secure events which augment and support key industry sectors. Support the roll-out of the Accredited in Meetings (AIM) quality standard across all event venues and encourage government support for their exclusive use
- Engage with industry leaders in supporting a sector quality, skills and qualifications strategy and implement a programme to include an Institute of Event Management to provide continued professional development, establish industry-accredited qualifications (apprenticeships) and Further and Higher Education programmes in Event Management.

2.3 The role for Parliament:
- Create an All-Parliamentary Group for Events – (Already done)
• Ask Members of Parliament with constituencies that have a reliance on business
visitors and event activities to play a prominent role in the annual National Meetings
and Events Week (October)

2.4 The role for Local Government:
• Encourage local authorities to recognise the impact events have on local economies
• Initiate a national programme to better inform local authority managers of how
events can promote their destination’s image and prosperity
• Encourage local authorities to invest in event facilities and adopt an Events Plan
• Encourage local government to open public buildings for event use

2.5 The role for National Government:
• Procure letters of bid support from government departments and ministers in the bid
process
• Involve ministers in welcoming overseas organising committees and attendance
at opening ceremonies
• Encourage government and local departmental spending on communications,
training, information exchange and policy development through the use of live
events
• Provide a flexible, cost effective employment environment for employers in the
sector who employ a combined total of 530,000 people
• Appoint a government minister to engage industry leaders and establish a national
events programme
• Maintain long-term support for those agencies which promote and invest in the
future of business visits and events
• Encourage policies that optimise trade development, information exchange and research and development (conferences, exhibitions, festivals)

• Improve the co-ordination of policies for the sector across Whitehall departments, especially DCMS, Treasury, Trade and Transport

Trial ‘Daylight Saving’ to produce lighter evenings all year round which would benefit outdoor events resulting in longer opening hours and increased business.

2.6 Fiscal measures:

• Implement fair fiscal and taxation measures that encourage the growth of business visits and events, and ensure that the sector’s 25,000 businesses, comprising mainly small businesses, operate in a supportive and competitive environment

• Reinstate corporate hospitality allowances on activities that seek to bring business and events to Britain and help to grow exports

• Reform the Tour Operators Margin Scheme (TOMS) to reintroduce a B2B opt-out option

• Adjust VAT on accommodation, conference and event services in line with European levels to create a level playing field with key competitors

• Reintroduce investment allowances to hotels, convention centres and event venues

• Establish National Subvention packages for UK destination bidding processes to compete with competitor countries (EU compliant)

2.7 De-regulation:

• Reform The Package Travel Regulations to remove B2B transactions with large corporate customers

• Reform ATOL licensing to create a level playing field between tour operators and airlines and to exempt transactions between event management companies and large corporate clients

• Support the development by the industry of a new Event Management Guide which will cross-reference additional guidelines developed by the industry in consultation
with, and endorsed by, government departments to the health and safety guidelines being produced jointly with the Health & Safety Executive

- Encourage a more welcoming and more efficient Visa processing system for business and special event visitors, artists and entertainers

- Trial ‘Daylight Saving’ to produce lighter evenings all year round which would benefit outdoor events resulting in longer opening hours and increased business

### 2.8 Strategic planning:

- Improve infrastructure and transport by offering incentives to airlines to increase access to major cities, increase investment in rail networks, especially to and from airports to major event destinations e.g. Leeds, Belfast and Edinburgh which have no rail links from the airport to the city centres

- Support the creation of world class conference, exhibition and event facilities, improve and monitor the quality of welcome for inbound visitors including the provision of efficient transfer, better information and bespoke signage and initiate better data collection and coordination, coordinate with DCMS and government agencies to produce an economic impact study of the events sector, encourage competitiveness
3.0 Competitive landscape and opportunities

This submission is founded by recognising that the UK as an event destination is substantive, but faces inherent disadvantages compared to other major destinations. Many of these hurdles can be eased through a partnership of industry and government founded on the mutual desire for significant growth.

The UK is considered generally to be an expensive destination with a fragmented convention industry but we should seek to build on the key strengths that are inherent in the UK events industry. These include geographic location, quality and variety of venue with exceptional green credentials, the English language and the strength of British science and medicine pedigree.

However, the UK is not able to offer large-scale public subvention of conferences, venues or delegates, as in other cities around the world.

The economic importance of conferences to a country is far more recognised by the UK’s main competitor countries than in the UK.

The intellectual capital that follows major international business conferences is well established and the UK is presently only touching the surface when compared to the US, Germany, Hong Kong and Singapore. The events themselves will derive long term benefits, but will also establish the UK as a country of choice for permanent investment. Similarly, our tourism industry receives a massive injection of visitors from musical and cultural events and yet again, whilst our prospects are encouraging, we can do so much better.
4.0 Supporting organisations

This report was presented jointly by the Events Industry Forum and the Business Visits & Events Partnership using material collated from the Britain for Events Report, compiled by Tony Rogers of Tony Rogers Conference & Event Services, together with extracts from the Business Visits & Events Partnership’s Manifesto. Both documents can be found on the Partnership’s website: www.businessvisitsandeventspartnership.com

The Events Industry Forum is an informal body which meets twice a year to provide a gathering where events industry trade associations and similar bodies can meet to discuss issues of common interest.

Member & Associate Organisations

- The Event Services Association
- National Outdoor Events Association
- Association of Festival Organisers
- Local Authority Event Organisers Group
- Business Visits & Events Partnership
- Centre for Crowd Management
- Rugby Football Union
- Performance Textiles Association
- Portable Sanitation Europe
- UK Crowd Management Association
- National Catering Association
- Production Services Association
- Independent Street Artists Network
- Institute of Sports & Recreational Management
- Event Hire Association
- Association of Show and Agricultural Associations
- The Concert Promoters Association
- Hire Trade Alliance

The Business Visits & Events Partnership’s aim is to lead the way in supporting a competitive, high quality and more profitable business visits and events sector in Britain. The Partnership seeks to provide a cohesive industry voice and works with government departments and agencies to influence and develop policies and practices favourable to the growth of tourism, trade and creative enterprise.

Members:

- Association of British Professional Conference Organisers
- Association for Conferences and Events
- Association for Events Management Education
- Conference Centres of Excellence
- Eventia
- Events Industry Alliance
- Events Industry Forum
- Hotel Booking Agents Association
- International Congress & Convention Association
- International Special Events Society
- London & Partners
- Meetings Industry Association
- Meeting Professionals International
- National Outdoor Events Association
- Northern Ireland Tourist Board
- Visit England
- Site Global
- Visit Scotland
- Visit Wales

Supporting Government Bodies:

- Department of Culture, Media & Sport
- UK Trade & Investment
- VisitBritain
5.0 About Britain for Events

Britain for Events is an annual campaign designed to promote the value of event tourism to the British economy and celebrate the creativity of those organisations within it.

Endorsed by the Minister for Tourism, John Penrose MP, the Business Visits and Events Partnership and national tourism body VisitBritain, the campaign also has the support of the regional tourism bodies from England and Scotland, along with a number of high profile industry and corporate brands.

The campaign will run until March 2012, with extensive PR and marketing activity which continues to position Britain as a world class destination for events of every kind. It will focus on every aspect from live music and sport, festivals and cultural events to meetings and conferences, exhibitions and trade shows and is a valuable way for businesses to align themselves with this £36 billion industry.
10. Annex 4 – Subvention Report: Executive Summary

**Introduction**

This paper, commissioned by the Business Visits & Events Partnership, examines current practices in the UK and globally adopted by destinations, venues and professional conference organisers/event management agencies in the process of bidding and tendering for major conferences and events. It includes a detailed perspective on the issue of ‘subvention’ (defined by the Oxford Dictionary of English as a ‘grant of money, especially from a government’), and the forms and sources of monetary and in-kind support that subvention can take. Subvention is recognised nationally and internationally as the single most important factor for attracting many types of conferences, in particular those affiliated to international associations.

The paper is informed by research undertaken among UK destinations and venues; overseas destinations and UK-based professional conference organisers and event management agencies, and outlines the views and ideas submitted by survey respondents.

The extent to which the UK and UK destinations may be placed at a competitive disadvantage because of the levels of support offered by key competitors when bidding to attract major international events is assessed together with an indication of the costs and missed opportunities resulting from failed bids. It also includes industry and stakeholder recommendations for how the UK could/should respond to such competitive challenges through new policies and types of practical support that would help UK destinations and venues to increase their success ratios from international event bids. It provides important guidelines and case study examples of how to develop a cohesive approach to event bidding by local and central government agencies.

The key objectives and uses for subvention would be as follows:

1. To attract high yield, high spend international conferences linked to UK areas of expertise in industry, commerce or science and medicine, to boost the economy and benefit inward investment;
2. To enable UK cities and destinations to be competitive within the international conference market;
3. To attract additional international conferences that may not be attracted without subvention, thereby boosting UK levels of international conferences to be more in line with those of other major European and international destinations.

**Conclusion**

It is clear from our research that the UK and UK destinations are at a competitive disadvantage when bidding for major international conferences and related events. Competition from new and emerging destinations, as well as from existing key competitors, will only increase in the years ahead. If we are to arrest and reverse the UK’s slide down the league table of top international conference destinations, we must face and address the commercial and competitive realities in ways that enable us to maximise our chances of success.

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This is not just a question of money (subvention). We can and must:

- improve the other forms of support that we offer to international associations
- be innovative and creative
- adopt a more effective joined-up approach
- and demonstrate a real hunger to win more international conference and events business.

The legacy from staging such events is not just in the direct and immediate economic impact generated. It is also in the longer-term benefits they provide in their ability to position the UK at the very forefront of knowledge exchange in the emerging knowledge economy, in professional development and technical advancement, in employment creation, and in new investment, innovation and technology transfer.

We also know from earlier research that up to 40% of business visitors to the UK can be expected to return, often with their families, as leisure visitors, extending and increasing the economic benefits arising from their initial experience as a conference visitor.

The need for action

The top countries and top cities for international meetings are shown in the tables below. Just 3% of the conferences in Europe in 2010 were held in the UK. Apart from London, no other UK city features in the top 30. It can be seen that since 2008 no UK city has made it into the top ten. 2009 was the first year since 1885 that London did not feature in the top ten cities. In addition to London, Edinburgh, Glasgow, Liverpool and Manchester have all been able to significantly increase their proportion of international events through proactive bidding, yet provision of conference subvention would increase their success rate substantially. It remains a major factor that is clearly inhibiting the UK's ability to compete internationally.

### Top ten countries for international meetings 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of meetings 2010</th>
<th>Percentage of all meetings 2010</th>
<th>Number of meetings 2009</th>
<th>Percentage of all meetings 2009</th>
<th>Number of meetings 2008</th>
<th>Percentage of all meetings 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>906</td>
<td>8.1%</td>
<td>1085</td>
<td>9.4%</td>
<td>1079</td>
<td>9.73%</td>
</tr>
<tr>
<td>Japan</td>
<td>741</td>
<td>6.5%</td>
<td>689</td>
<td>6.0%</td>
<td>797</td>
<td>7.19%</td>
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<tr>
<td>Singapore</td>
<td>725</td>
<td>6.4%</td>
<td>632</td>
<td>5.5%</td>
<td>637</td>
<td>5.75%</td>
</tr>
<tr>
<td>France</td>
<td>686</td>
<td>6.0%</td>
<td>555</td>
<td>4.8%</td>
<td>577</td>
<td>5.19%</td>
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<tr>
<td>Belgium</td>
<td>597</td>
<td>5.2%</td>
<td>533</td>
<td>4.7%</td>
<td>467</td>
<td>4.21%</td>
</tr>
<tr>
<td>Spain</td>
<td>572</td>
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<td>470</td>
<td>4.1%</td>
<td>440</td>
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<tr>
<td>Germany</td>
<td>499</td>
<td>4.3%</td>
<td>458</td>
<td>4.0%</td>
<td>428</td>
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<tr>
<td>Korea Rep</td>
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<td>421</td>
<td>3.7%</td>
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<td>391</td>
<td>3.4%</td>
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<tr>
<td>Austria</td>
<td>362</td>
<td>3.1%</td>
<td>365</td>
<td>3.2%</td>
<td>349</td>
<td>3.15%</td>
</tr>
</tbody>
</table>

Source: Union International Associations

*In 2009 the UK hosted 353 meetings, 3.1% of the total percentage worldwide.

### Top ten cities for international meetings 2010

<table>
<thead>
<tr>
<th>City</th>
<th>Number of meetings 2010</th>
<th>Percentage of all meetings 2010</th>
<th>Number of meetings 2009</th>
<th>Percentage of all meetings 2009</th>
<th>Number of meetings 2008</th>
<th>Percentage of all meetings 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>725</td>
<td>6.5%</td>
<td>689</td>
<td>6.0%</td>
<td>632</td>
<td>5.75%</td>
</tr>
<tr>
<td>Brussels</td>
<td>486</td>
<td>4.4%</td>
<td>395</td>
<td>3.4%</td>
<td>419</td>
<td>3.76%</td>
</tr>
<tr>
<td>Paris</td>
<td>394</td>
<td>3.6%</td>
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<td>2.70%</td>
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<tr>
<td>Vienna</td>
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<td>2.7%</td>
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<td>1.6%</td>
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<td>1.5%</td>
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<td>1.35%</td>
</tr>
<tr>
<td>Tokyo</td>
<td>190</td>
<td>1.7%</td>
<td>170</td>
<td>1.5%</td>
<td>125</td>
<td>1.13%</td>
</tr>
<tr>
<td>Geneva</td>
<td>189</td>
<td>1.7%</td>
<td>159</td>
<td>1.4%</td>
<td>116</td>
<td>1.00%</td>
</tr>
<tr>
<td>Madrid</td>
<td>175</td>
<td>1.6%</td>
<td>151</td>
<td>1.3%</td>
<td>104</td>
<td>0.94%</td>
</tr>
<tr>
<td>Berlin</td>
<td>165</td>
<td>1.5%</td>
<td>148</td>
<td>1.3%</td>
<td>103</td>
<td>0.90%</td>
</tr>
</tbody>
</table>

Source: Union International Associations (change due to subsequent change in reporting format)

The most recent research from ICCA (International Conventions and Congress Association) shows that international meeting delegates spend an average US$2,655 per meeting. With an average of 571 delegates attending international meetings, the UK is clearly missing out on significant economic benefits. In addition it is missing the opportunity to showcase British expertise on the international stage in subjects that are of great importance to the growth of the economy in future. The top subjects for these meetings including medical sciences, technology, science, industry and education are all areas with major export and inward investment opportunities. Appendix C provides a detailed list of the potential growth sectors for the UK economy.