



Cities Restart

Rebuilding Urban Society

The Importance of International Conferences and Business Events to Restarting City Economies

How supporting the international conferences and business events sector is vital to a successful post-Covid post-Brexit economic recovery plan

Kindly supported by:



Advisory Panel

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While we must make clear that the Advisory Panel members are not responsible for the contents of the report, we would like to thank and acknowledge them for all their thoughts, insights and valuable expertise.

The members of the panel included:

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1. Introduction

Britain has a long and proud history of being an events-orientated nation and the home of great events, such as the Great Exhibition of 1851, the Festival of Britain in 1951 and the Millennium Experience in 2000. It includes sporting events like Wimbledon, the London 2012 Olympic Games, Royal Ascot and the recent Euros Football Championship. As well as cultural events like the Brit Awards, Chelsea Flower Show, Edinburgh Festival, Glastonbury Festival and Manchester International Festival.

However, whilst not always as publicly celebrated or recognised, we are equally renown for our excellence in delivering world-class international conferences, trade shows, summits and a plethora of other business events. These include the Farnborough Air Show, World Travel Market, ICE Totally Gaming, Good Business Festival in Liverpool, G7 Summit in Cornwall and the UN COP26 Climate Summit in Glasgow due to take place in November 2021.

No wonder then that before the onset of the COVID-19 pandemic, the events industry as a whole was one of Britain's biggest economic success stories. A world-class sector estimated to be worth £70bn, employing around 700,000 people and accounting for half of all spend in the visitor economy.¹ Yet the impact of the pandemic on the events sector has been devastating, with the vast majority of events grinding to a halt for the first time in our nation's history. With large numbers of employees under 'work from home' orders throughout most of the pandemic, coupled with travel restrictions, the international conferences and business events sector has been one of those hit the hardest. With nearly all major business gatherings and meetings cancelled.

Britain's events industry
is a world-class sector
estimated to be worth

£70bn
employing over
700,000
people

¹Business Visits and Events Partnership 'BVEP Events Manifesto (2019)'

Despite the crippling impact of the pandemic on their businesses, many event venues around the country rose to the challenge and played their full part in responding to the crisis, by repurposing their facilities as Nightingale Hospitals and mass vaccination centres. Including the flagship Nightingale Hospital hosted by ExCeL London. We now need to make sure the sector gets the full support it needs, so that it is once again firing on all cylinders.

The focus of this report and the associated economic impact analysis conducted by Tourism Economics is on the economic impact and importance of the international conferences and business events sector. We look back at the economic state of the sector in 2019, the impact of lockdown, as well as provide forecasts for the sector's economic recovery following the pandemic through to 2026. Indeed, our research has found that spending on international conferences and business events for the UK as a whole, was estimated to be worth £19.4bn in 2019 and by 2026 it is forecast to be worth £27.6bn, a 43% increase. Although at the low point of the lockdown period spending plummeted by around 80% of 2019 levels.

As our research clearly demonstrates, business events are a huge economic catalyst for jobs and growth across the whole of the UK, including our major cities. But they do not only add significant value in terms of their direct economic contribution, just as important they make a significant indirect economic contribution. The fact is international conferences and business events support an interconnected economic eco-system. People attending these events, also spend money on travel, hotels, bars and restaurants, as well as in shops and on leisure facilities during their stay. So, supporting the swift recovery of the business events sector is vital to ensuring that our hospitality, aviation, tourism and retail sectors don't just survive, but thrive once more.

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While outside the scope of the economic impact analysis we commissioned, in the context of this report, it is worth noting that business events are a huge catalyst for international trade and investment. They drive billions of pounds worth of import, export and foreign direct investment activity and support the Governments' Industrial Strategy. Crucially, in the future, they will play an important role in helping to showcase 'Global Britain' as a great trading nation to the rest of the world in the post-Brexit economic era, as well as support the Government's Tourism Recovery Plan ambition to make the UK the world's meeting place.

Restarting international conferences and business events, is also vital in ensuring the rapid economic recovery of London along with other key cities across the nations and regions of the UK, thereby supporting the levelling up agenda. Our cities have been disproportionately impacted by the lack of business events taking place during the lockdown period, because a majority of business events take place in cities. The hundreds of thousands of people that attend business events contribute to the buzz and vibrancy of our city centres, helping to support the viability of many additional hospitality venues than would otherwise be economically possible. Improving the quality of life for the people that live in those cities by enriching their cultural and social experiences, as well as supporting thousands of extra jobs and livelihoods in the process.

Nevertheless, despite the myriad of economic and social benefits, the international conferences and business events sector is not forecast to recover to above 2019 levels until around 2023, indicating a slower recovery than what is predicted for the wider economy. Underlining the need for ongoing support measures from Government, particularly those aimed at boosting confidence and attracting delegates back to these events. Along with measures to support the long-term growth of the business events sector going forwards.

Importantly, our research highlights a potential golden economic opportunity on the horizon. With inbound delegates to international conferences and business events being significantly more lucrative, than domestic delegates. In 2019 the value of an average inbound delegate was £864, whereas the value of an average domestic delegate was worth only £154. By 2026 this is forecast to increase to £1078 for an average international delegate versus £180 for an average domestic delegate. Meaning international delegates will then be worth around six times their domestic counterparts.



In 2019 the value of an average inbound delegate was £864, whereas the value of an average domestic delegate was worth £154. By 2026 this is forecast to increase to £1078 for an average international delegate versus £180 for an average domestic delegate.

Yet at present these inbound delegates only make up around 6% of those attending business events in UK cities. Highlighting this as an area for future growth, and the need for the Government to introduce measures that go above and beyond in attracting more of these high-value international delegates to attend our world-class business events.

Furthermore, if we don't act immediately to support the sector, there is a risk to our international competitiveness. Despite ongoing uncertainty about the months ahead, European countries on our doorstep like Germany and the Netherlands reopened their business events sectors some time ago and have got on and implemented numerous support measures to boost the sector post-Covid.

This includes announcing substantial and comprehensive event reinsurance schemes and cancellation funds, long before the recent UK Government announcement of its plans for a reinsurance scheme. Furthermore, while the UK Events Reinsurance Scheme is said to be worth £750m, Germany's Events Cancellation Fund is said to be worth €2.5bn. At the same time global cities like Amsterdam are investing millions in acquiring international conferences that might otherwise be hosted in London, Birmingham, Manchester, Liverpool or other cities in the UK. There is a real risk that in a post-Covid post-Brexit economic era we could lose out on this opportunity.

The message is clear, if we are to effectively enable the rapid economic recovery of our cities, then we must ensure we have a thriving business events sector once more and capitalise on the opportunities they present, particularly in terms of attracting more international visitors.





2. Methodology and about the research

Cities Restart commissioned Tourism Economics (an Oxford Economics company) to undertake an economic impact research study to quantify the value of the international conferences and business events sector. The analysis looks at the value of the sector for the UK as a whole, as well as the value for a sample of fifteen key UK cities. Our sample group of cities included Belfast, Birmingham, Brighton, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Nottingham, Sheffield and Southampton/Portsmouth.

The economic impact analysis by Tourism Economics provides a quantitative assessment of the short-term impact of the coronavirus pandemic on the UK meetings and conferences sector and the medium-term implications of reasonable recovery scenarios for the UK and its cities.

The first step of this assessment was to quantify the size, in terms of visitors and associated expenditure, of the sector as of 2019. This provided a highwater mark for the sector and gives a historical point with which to compare the future performance of the sector.

Following this, Tourism Economics estimated the losses of the sector in 2020 and developed a “baseline” forecast to assess the most likely continuing impact of the coronavirus crisis and shape of the recovery.

However, given the high level of uncertainty around how this crisis will continue to unfold over the coming months the probability of the baseline scenario occurring is lower than for a more typical forecast. Therefore, the final step of this assessment was to develop a range of alternative scenarios, to be considered alongside the baseline, to reflect alternative profiles of recovery from this crisis.

Specifically, the study examines the value of “MICE” events. This definition includes:

- **Meetings:** a gathering of at least 10 people from corporate organisations in one place.
- **Incentives:** Corporate-sponsored trips for employees, distributors or clients to reward performance, motivate work effort and create company loyalty.
- **Conferences:** Meetings of hundreds or thousands of individuals belonging to a single profession, cultural or religious group or with another common interest.
- **Exhibitions:** Professionally organised events where products and services are displayed, and which facilitate the meeting of buyers and sellers.

In the context of the report when we talk about the value of international conferences and business events, we are talking about the value of the meetings and conferences elements of the MICE definition. This is a commonly recognised method of defining and calculating the business events industry, and comparable with other European research studies of this kind.

For more detailed information on the research study methodology and assumptions a version of the final report and analysis produced by Tourism Economics is available to download on the Cities Restart website.



3. Key Findings

UK saw a
80%
drop in
spending
due to
COVID-19

- ✓ At the low point of the lockdown period, the UK as a whole saw around an 80% drop in spending associated with international conferences and business events due to COVID-19.
- ✓ It will take until 2023 at the earliest before spending on international conferences and business events is above 2019 levels, indicating a slower recovery than what is predicted for the wider economy.

Business
events
accounted
for
26%
of business
travel
spending

- ✓ In 2019 spending on international conferences and business events in the UK accounted for around 26% of total business travel spending.
- ✓ Our forecasts suggest that Northern cities like Liverpool, Newcastle and Manchester, which are less reliant on international delegates, will lead the way on recovery, with spending on international conferences and business events in these cities forecast to be 40% higher by 2026.
- ✓ Those cities that rely more on international delegates, such as Brighton, London and Edinburgh, are likely to lag behind.

£27.6bn
by 2026
which is **43%**
higher than
in 2019

- ✓ By 2026 spending on international conferences and business events is forecast to be significantly above 2019 levels. Total spending on international conferences and business events in 2019 was forecast to be £19.4bn. By 2026 this is forecast to be £27.6bn, 43% higher than in 2019.

London accounts for

40% of all spending

on international conferences and business events. This means strong recovery in the capital, is vital to the recovery of the sector as a whole, along with the many jobs and livelihoods that depend on it.

- ✓ There is great potential for UK cities to better harness inbound international delegate opportunities over the longer-term. The value of international delegates is vastly more than for domestic delegates. In 2019 the average international delegate spent £864, whereas the average domestic delegate spent £154. By 2026 that is forecast to be £1078 for an average international delegate versus £180 for an average domestic delegate. Meaning an international delegate will be worth around six times more than their domestic counterparts.

Of a sample
of 15 cities
94%
of delegates
were
domestic

- ✓ However, at present the sheer volume of domestic activity (in terms of number of delegates) means a majority of spending on business events is

domestically driven. For the sample of fifteen cities we examined as part of the study 94% of delegates were domestic, accounting for 89% of nights stayed and 79% of overall spend. Meaning at present international delegates only account for 6% of delegates in these cities. Highlighting a potential growth opportunity and identifying a largely untapped market.

- ✓ In the context of these findings, it is important to note that London accounts for 40% of all spending on international conferences and business events. This means strong recovery in the capital, is vital to the recovery of the sector as a whole, along with the many jobs and livelihoods that depend on it.

4. The economic contribution of the business events sector to the UK economy in 2019 and recovery forecasts to 2026

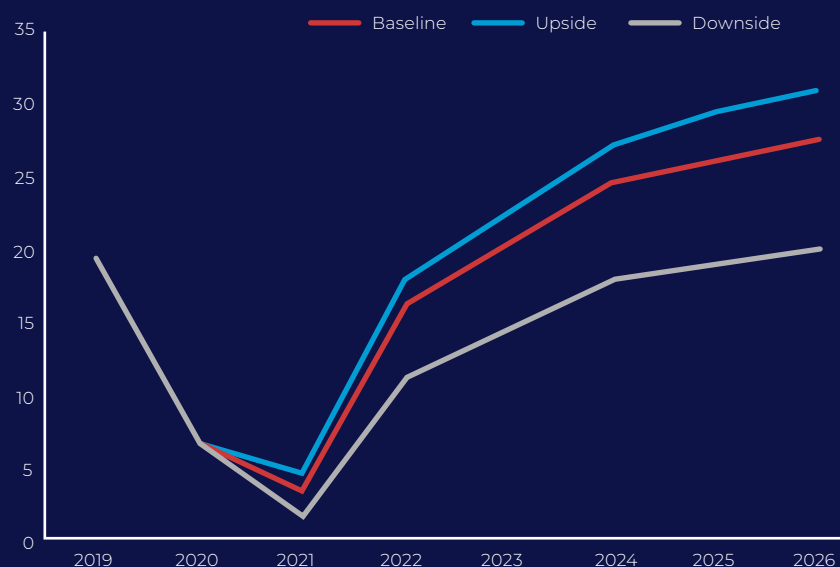
The international conferences and business events sector makes a significant economic contribution to UK GDP. In 2019 spending on business events is estimated to have been £19.4bn.

At the lowest point of the pandemic period and associated lockdown restrictions, it is estimated that spending on international conferences and business events plummeted by around 80%. There has never been a period in living memory when the vast majority of business events have ceased altogether. For context, even during the challenging years of the Second World War business events still carried on. The pandemic has therefore had a devastating impact on the sector and is unprecedented. Rather than an immediate bounce-back, the economic forecasting by Tourism Economics would suggest a somewhat slower and more gradual recovery for the business events sector.

In the central 'Baseline' forecast, the United Kingdom recovers 2019 volumes of spending by 2023. Domestic spending exceeds its 2019 level in 2023 while inbound meetings and conferences spending recovers in 2024. The 'upside' scenario also sees spending return to 2019 levels by 2023, while the 'downside' scenario sees no return to 2019 levels until 2026 with inbound spending not recovering within the forecasting period in that scenario. By 2026, baseline forecast total spending is expected to be £27.6 billion, which is 43% higher than in 2019.

Figure 1: United Kingdom Meetings and Conferences Spending 2019 - 2026

Amounts in £ billion per annum





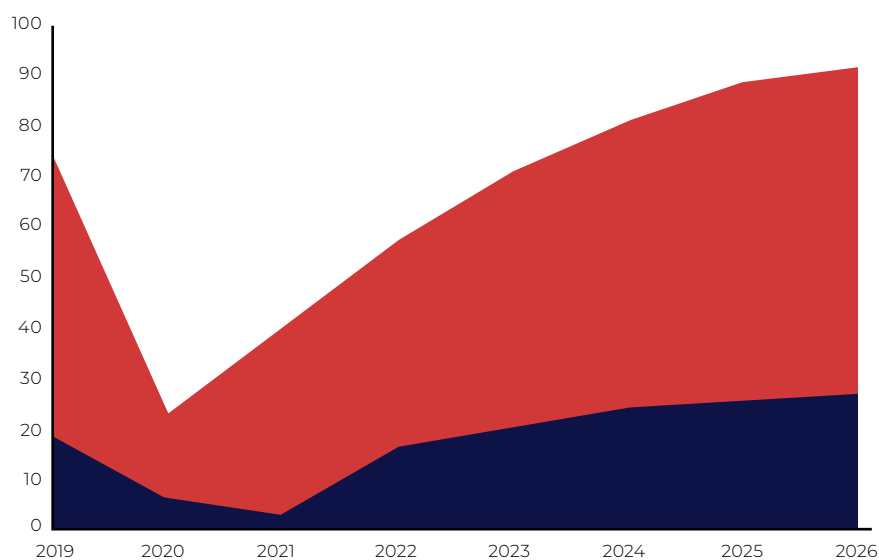
Our research suggests that spending on business events makes up a significant share of all business travel spending. In 2019 spending on business events was forecast to make up over a quarter (26%) of all business travel spending in the UK. Accounting for £19.4bn of a total £74.5bn business travel spending.

Figure 2: United Kingdom Meetings and Conferences spending as a proportion of business travel spending 2019-2026

Amounts in £ billion per annum

■ MEETINGS AND CONFERENCES SPENDING

■ OTHER BUSINESS TRAVEL SPENDING



5. The economic contribution of the business events sector to key UK cities and recovery forecasts to 2026

The international conferences and business events sector is vital to the economic success of our major cities. The vast majority of international conferences and business events are hosted in cities. This means that our cities have been disproportionately impacted by the lack of business events taking place during the lockdown period. For the purposes of our research, we examined the economic contribution and impact for a sample of fifteen key cities across the nations and regions of the UK. These cities included Belfast, Birmingham, Brighton, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Nottingham, Sheffield and Southampton/Portsmouth. In 2019 the economic contribution of international conferences and business events to this group of cities is forecast to have been £14.9bn, or around 77% of the UK total.

The research demonstrates that the pandemic has negatively impacted spending on business events more severely for some cities than for others. As we highlighted previously, for the UK as a whole, at the lowest point of the lockdown period, spending on business events plummeted on average by around 80%. However, for some individual cities it was by as much as almost 90% i.e. Glasgow. Perhaps reflecting the more stringent lockdown restrictions imposed on that city by the devolved Scottish administration.

In 2019 the economic contribution of international conferences and business events to this group of cities is forecast to have been

£14.9bn

**77% of the
UK total**



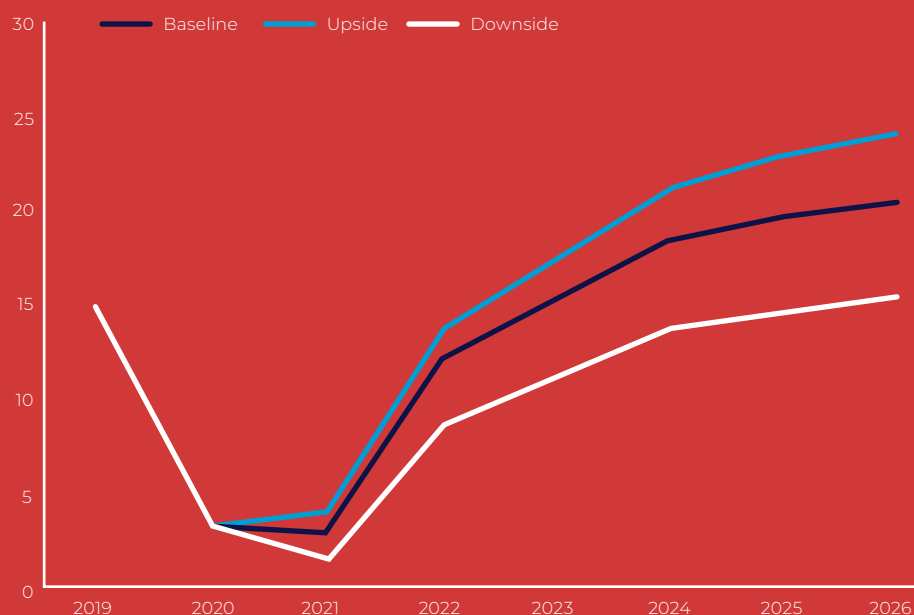


In the central 'Baseline' forecast, UK cities surpass 2019 spending levels by 2023. Domestic spending exceeds its 2019 level in 2023 while inbound meetings and conferences spending recovers one year later in 2024. A similar pattern is seen in most of the individual UK cities.

The 'upside' scenario also sees spending return to 2019 levels by 2023 (but with a stronger out-turn), while the 'downside' scenario sees no return to 2019 levels until 2026 with inbound spending not recovering within the forecasting period in that scenario. By 2026, baseline forecast total spending is expected to be £20.6 billion, 38% higher than in 2019.

Figure 3: United Kingdom Cities Meetings and Conferences Spending 2019 - 2026

UK Cities – including London - Amounts in £ billion per annum



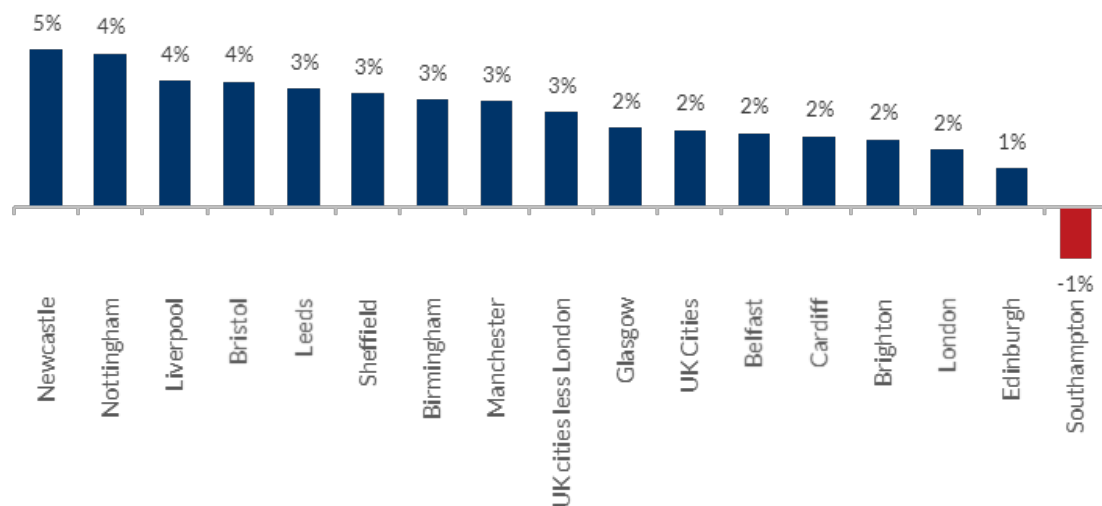


In our baseline forecast, by 2023 all but one of our sample of UK cities is above 2019 spending levels. But those with large inbound meetings and conferences elements tend to fall behind those cities that are more reliant on the domestic market.

This means cities such as Newcastle and Nottingham can expect the fastest recovery, helped by domestic activity. On the other hand, cities more reliant on inbound meetings and conferences spending – such as Brighton, London and Edinburgh – are likely to see slower growth over the near term and Southampton / Portsmouth will still be beneath 2019 levels in 2023.

Figure 4: Change in Meetings and Conferences spending to 2023 for United Kingdom Cities as a % of 2019

By UK city

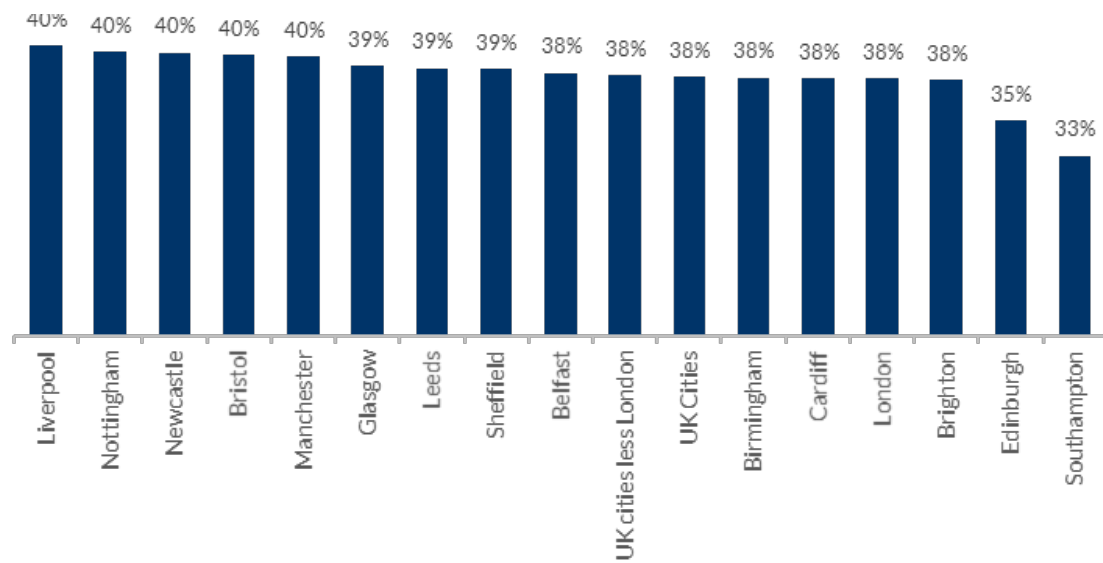


While this suggests a gradual recovery for the UK cities to 2023, by 2026 all of our cities are forecast to have increased spending on business events at a considerably higher level than in 2019. Overall recovery continues more strongly between 2023 and 2026, although the forecasts suggest that inbound international delegate spending, will continue to lag that of domestic spending.

This means that mainly Northern cities like Liverpool, Newcastle and Manchester, that are less reliant on international delegates, are likely to lead the way on recovery, with spending on business events in these cities likely to be 40% higher in 2026. However, on the flipside those cities more reliant on international delegates, are likely to see spending grow less strongly, including London, Brighton, Edinburgh and Southampton.

Figure 5: Growth in Meetings and Conferences spending to 2026 for United Kingdom Cities

By UK city



Source: Tourism Economics



In the context of the research study, it is also important to highlight that London accounts for around 40% of all UK spending on international conferences and business events. This is driven by London's position as the UK capital city, being a leading global city in its own right, and an international business and financial hub. London also houses a large number of purpose-built venues, including world-class international convention centres and exhibition halls, such as ExCeL London. Indeed, it is estimated that ExCeL London alone is responsible for delivering £4.5bn in economic impact for London, supporting 37,600 jobs and driving a quarter of London's inbound business tourists². Therefore, the recovery of the business events sector in London, is critical to ensuring the strong recovery of the sector as a whole.

²ExCeL London 'Making a Difference (2018)': <https://www.excel.london/uploads/csr-brochure-aw-2018-v2.pdf>



In our central 'Baseline' forecast, London recovers 2019 volumes of spending by 2023. Domestic spending exceeds its 2019 level in 2023 while inbound meetings and conferences spending recovers in 2024. The 'upside' scenario also sees spending return to 2019 levels by 2023, while the 'downside' scenario sees no return to 2019 levels until 2028 with inbound spending not recovering within the forecasting period in that scenario.

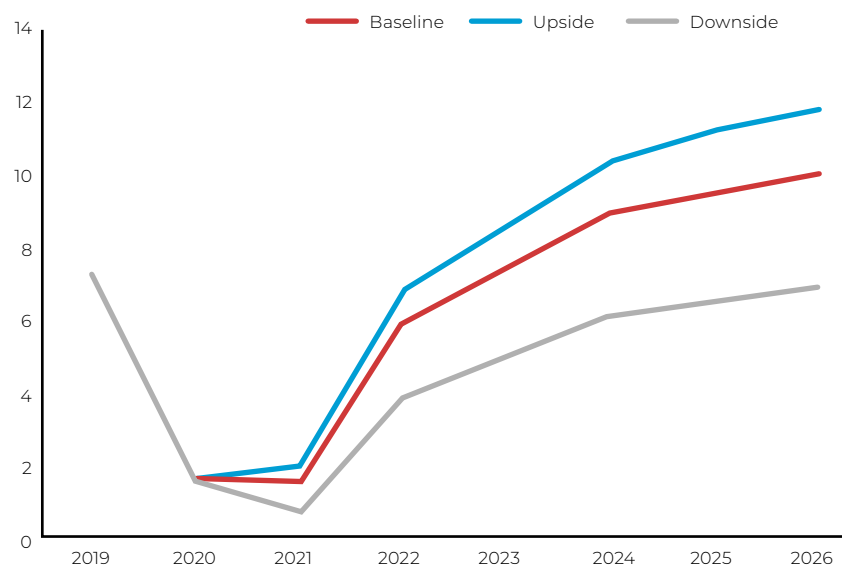
This potential worst-case scenario for London once again highlights the need for the sector to receive appropriate support from Government to help ensure such a scenario is avoided and the associated economic risks minimised.

With London being one of those cities that is more reliant on the inbound international delegate segment of the market, it would particularly benefit from measures designed to attract more of those international delegates to attend London-based business events.

However, if the worst-case scenario is successfully avoided, the positive news is that by 2026, baseline forecast total spending is expected to be £10.0 billion, which is 38% higher than in 2019.

Figure 6: London Meetings and Conferences Spending 2019 - 2026

London - Amounts in £ billion per annum



6. International delegates ‘v’ domestic delegates

The economic forecasts suggest that the post-pandemic recovery of the business events sector is likely to be primarily driven by domestic activity, with the inbound market forecast to lag behind and take longer to recover.

As we have seen from the forecasts those cities less reliant on inbound international delegates and more reliant on domestic delegates, are therefore likely to see spending on business events grow more strongly and at a faster rate, than those cities that are more reliant on inbound international delegates. By and large this is likely to benefit Northern cities at the expense of cities in the South, with the exception of Edinburgh, which will also lag.

Although it is important to note that even before the onset of the pandemic the vast majority of business events were driven by domestic delegates, as opposed to inbound international delegates. For the sample group of key cities we examined as part of the study 94% of delegates were domestic, accounting for 89% of nights stayed and 79% of overall spend. Meaning at present international delegates only account for 6% of delegates in these cities.

However, inbound international delegates are worth significantly more per head, than for domestic delegates. In 2019 the value of an average inbound delegate was £864, whereas the value of an average domestic delegate was worth £154. By 2026 this is forecast to increase to £1078 for an average international delegate versus £180 for an average domestic delegate. Meaning international delegates are forecast to be worth around six times more than their domestic counterparts.

Because the inbound international delegates only account for around 6% of delegates attending business events, this suggests that there is great potential for UK cities to better harness inbound international delegate opportunities over the longer-term.

We believe these figures highlight a potential golden economic opportunity on the horizon, if the Government chose to pro-actively intervene with economic support measures designed to boost the inbound international delegate market. In turn, this would help those cities whose business events sector is forecast to recover less strongly, because of their reliance on the inbound element of the market. Although overall, all cities would of course benefit from attracting more high-value inbound delegates.

6x More Value

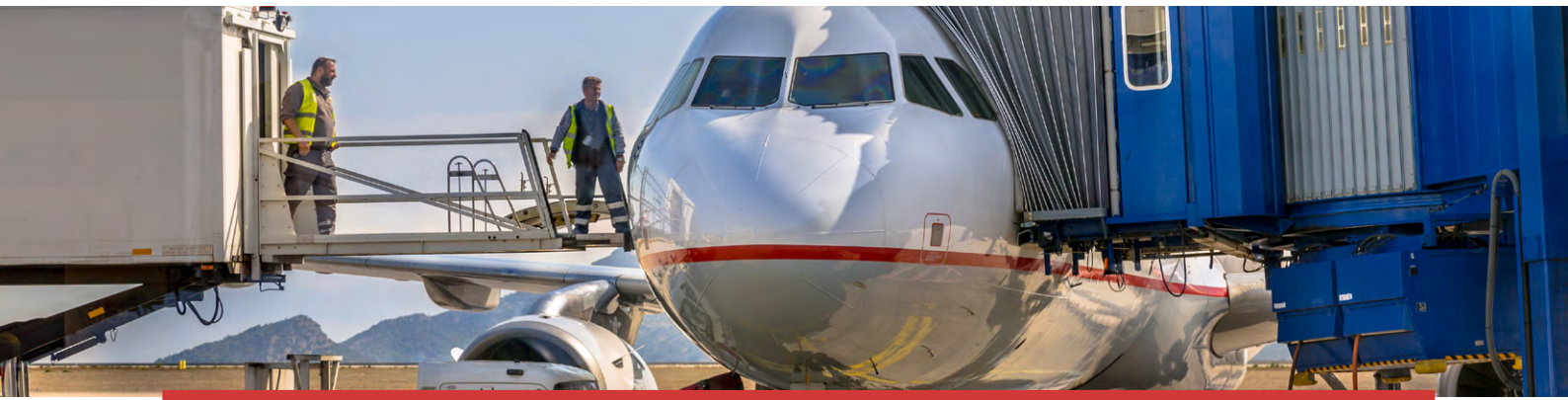
**Value of an average
inbound delegate
was £864**



Inbound delegate

Domestic delegate

**Value of
an average
domestic
delegate was
worth £154**



7. The catalytic economic multiplier effect

As we have seen international conferences and business events make a significant economic contribution to the UK economy, including helping to drive our city economies. This amounted to £19.4bn in 2019.

However, another important aspect of the business events sector's economic value, is the other sectors that these events help to support and make economically viable. Business events are a critical component of an interconnected economic eco-system. The hundreds of thousands of people that attend business events each year, help to support aviation, rail and other modes of transport, hotels and accommodation, restaurants, bars, retail outlets and leisure facilities.

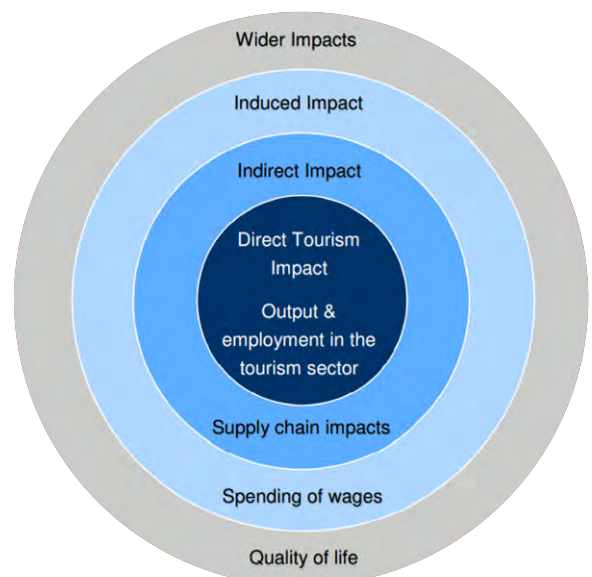
This helps to create a 'halo' or catalytic economic multiplier effect and means that jobs are not only created in the business events sector itself by this activity, but they support many additional jobs in other industrial sectors too. This can help to aid economic diversification and fuel economic resilience.

Delegates who attend business events in our major cities contribute to the buzz and vibrancy of our city centres, helping to support the viability of many additional hospitality venues than would otherwise be economically possible. Improving the quality of life for the people that live in those cities by enhancing their cultural and social experiences, as well as supporting thousands of extra jobs and livelihoods in the process.

A further benefit is that business events help to fill spare capacity outside of the main tourism peak season. Providing a boost to hotels, restaurants and venues during the quieter periods of the year. Some of the people that attend these events on business, then return with family and friends on future leisure trips.

Prior studies show that destinations with a higher concentration of visitor-related industries have tended to grow faster than average over the past decade; employment shifts in the visitor economy are followed in subsequent years by sustained changes in growth in other sectors of the economy³. Furthermore, the tourism sector tends to generate more jobs than other sectors.

It is therefore imperative that the Government support measures to restart and boost the virtuous economic circle of jobs and growth that business events help to drive.



³ 'Destination promotion: an engine of economic development – how investments in the visitor economy drive broader economic growth', Oxford Economics (2014).

8. What our international competitors are doing

Countless countries and global cities around the world are already getting ahead of the curve in restarting and supporting their business events sectors. This is in part because many countries value their international conferences and business events sectors as an integral part of their industrial strategy. They recognise the vital role that business events play in driving jobs, growth, trade and investment and are therefore providing significant economic support measures and incentives to help the sector to get going again. In many cases this goes above and beyond the support that is available here in the UK. There is therefore a risk of the UK falling behind our competitors. In particular, there is a risk of London and other major UK cities, losing out to other global cities, thereby damaging our international competitive edge.



Australia

In April 2021 **Business Events Australia** received an additional **AUD \$3m in funding for its Bid Fund Programme**, which is designed to secure new international business events to Australia by providing financial support for the bidding stage.

Australia has also announced an **Exhibitor Grants Programme**, which is paid for from the Australian Federal Government's AUD \$50m Relief and Recovery Fund. Eligible exhibitors at approved business events throughout 2021 will be able to apply for upfront grants that will cover up to 50% of their exhibiting costs ranging from grants of AUD \$10,000 to AUD \$250,000. Businesses are being encouraged to attend events, trade shows and conferences within Australia using these grants to help cover the cost of exhibiting.



In addition to this, various Australian cities have announced their own support measures for business events. Business Events **Sydney** has made available up to AUD \$90,000 per event which is available through their Kickstart 2021 **Sydney Business Events Fund**. In total, the New South Wales Government has allocated AUD \$5.5 million to directly fund business events. Business Events **Perth** is offering up to AUD \$25,000 to help secure keynote speakers for national business events. The cash incentive is designed to help business event planners lock in an outstanding speaker and boost delegate registrations for their business events. Similarly, **Melbourne** is offering up to AUD \$25,000 to business event organisers towards the costs for hosting their event. This includes accommodation, venue hire and other costs.



Germany

Germany is already one of the three leading exhibition markets in the world (along with China and the USA). In early July 2021 all German federal states were allowing trade fairs to be held again. Major business events already taking place include the “Trendset” show in July in Bavaria, as well as the IIA Motor Show for the first time in September in **Munich**. To provide confidence to event organisers and help them to plan for the second half of 2021 without the financial risk posed by a potential Covid outbreak, the German Government has announced a **€2.5bn event cancellation fund**. In May 2021 **Berlin** announced the **Berlin Congress Fund** designed to restart the city’s event industry. Organisers can get funding that amounts to up to €60 per delegate.



The Netherlands

In the Netherlands the Government has already announced details of an **event cancellation fund**. Confirming it has earmarked €385m for the fund to cover events between 1st July and 31st of December 2021. In addition to this **Amsterdam** has announced a new conference plan, involving the city **investing €3.7m in the acquisition of conferences** over the next four years.



United Arab Emirates

Even before the onset of the COVID-19 pandemic, **Abu Dhabi**, which markets itself as the fastest growing business destination in the Middle East, had already announced **an AED 600m “mega-fund”** aimed at attracting more international conferences and business events to the city, launched by their Government’s Department for Culture and Tourism.

9. The role of international conferences and business events in showcasing a Global Britain and the economic opportunity of boosting the business events sector

Showcasing a Global Britain post-Brexit

International conferences and business events have a vital role to play in show-casing Global Britain as a great trading nation in the post-Brexit economic era, along with supporting the Government's Tourism Recovery Plan ambition to make the UK the world's meeting place.

This includes driving trade and investment in major industrial sectors as part of the "Build Back Better" strategy, including science, technology, fintech, aviation/ aerospace, financial services, pharmaceuticals, the motor industry, biosciences, the creative industries, our emerging green industries and many more besides. Using business events as a platform for marketing and innovation for these key industries of the future.

Business events should be recognised far more as an important component of the UK's industrial strategy in a post-Covid post-Brexit economy, particularly as we seek to forge free-trade deals with the rest of the world and do more business with non-EU and fast-growing emerging market economies.

Following the UK's withdrawal from the EU business events also have a critical role to play in enhancing our soft power on the global stage and showcase our place in the world, helping to ensure we continue to punch above our weight. The G7 Summit that was held in Cornwall, along with COP26 in Glasgow are both good examples of this.

Supporting a rapid economic recovery plan

Because business events have a catalytic economic multiplier, or 'halo' effect, kick-starting the business events sector will immediately create rapid job opportunities, both in the business events industry itself, along with the interdependent wider hospitality and tourism industries too. In particular, this has the potential to create rapid job opportunities for young people working in business events, along with those from deprived and diverse backgrounds who are more reliant on employment in service-related industries. The fact is hospitality and other sectors like tourism and transport, will not get fully back on their feet, until business events are properly restarted.

However, with the right Government support business events provide a huge opportunity to rapidly upscale the economy and deliver jobs and growth right across the nations and regions of the UK, supporting the Government's levelling up agenda in the process.



10. Eight-point Plan for supporting international conferences and business events



1. The events reinsurance scheme must be comprehensive and provide event organisers with a high level of coverage, including for a broad range of scenarios that impact the commercial viability of business events

The Government-backed reinsurance scheme for live events announced on the 6th of August is welcome news. Such a scheme is long overdue with many of our European competitors having already announced events reinsurance schemes and cancellation funds long before the UK, helping their business events sectors to get restarted more quickly. It is also worth noting that while the UK events reinsurance scheme is said to be worth £750m, Germany's event cancellation fund is said to be worth far more at €2.5bn.

Fundamentally, for the UK events reinsurance scheme to be meaningful and achieve the desired outcomes, the Government must ensure that the events reinsurance scheme is comprehensive and provides coverage to event organisers for a broad range of Covid-related scenarios. So, as well as covering event organisers in a scenario where events cannot take place at all because of a full national lockdown, or where there is a complete ban on events meaning they need to be cancelled, the scheme should also provide some level of coverage in a scenario where there are legal restrictions that impact the commercial viability of events. For example, in a scenario where venues are only legally allowed to be at partial capacity and would therefore render some events commercially unviable, meaning they would need to be cancelled for financial reasons.

It must also cover a broad range of business events, in order to fully benefit the business events sector specifically.

Without a comprehensive events reinsurance scheme that is flexible, provides a high-level of coverage and covers a broad range of scenarios and types of business events, there is still a risk that some business events may not go ahead, as it still leaves event organisers exposed to a significant level of financial risk. Particularly in a scenario where the Government introduces interventions that could limit the commercial viability of an event.

In addition to this the Government must ensure the commercial insurers involved in the scheme, offer competitively priced and affordable policy premiums, particularly given the potential cancellation of events due to COVID-19 will now be underwritten by HM Treasury.

With so much uncertainty in the market, a wide-ranging and comprehensive events reinsurance scheme that provides a high-level of coverage is vital to give event organisers sufficient confidence, help bridge recovery in 2022 and beyond, as well as avoid the worst-case recovery scenarios outlined in this report playing out.



2. Remain committed to the use of vaccine certification for large business events, but also be prepared to deploy pre-event testing so that these events can go ahead in all scenarios

The Government must remain committed to the use of vaccine certification for large business events. In addition to this the Government must ensure that there are provisions in place for the deployment of pre-event testing as an alternative measure to vaccine certification, should new variants emerge that reduce efficacy or evade current vaccines.

This would mitigate the risk of the Government needing to impose any further restrictions on the sector in the future. Providing much needed confidence and assurance to event organisers that however this crisis unfolds in the months ahead, business events will be able to go ahead in whatever scenario, providing a greater level of certainty. This would also help to provide confidence to delegates attending these events that they will be able to do so safely in whatever scenario.



3. Launch a Government-backed confidence building programme for business events

Just as Government has played a key role in publicly encouraging people that it is safe to return to offices and other activities, the business events sector would equally benefit from a similar confidence building programme.

Ministers should assure people that it is safe for them to resume attending conferences, meetings and other business events and encourage them to do so.



4. Accelerate efforts to reopen international travel using Covid vaccination certification and testing

In order to kick-start the high-value inbound international delegate market, the Government must accelerate efforts to reopen international travel using Covid vaccination and testing. While it is welcome news that the Government has now waived quarantine for travellers who have been fully vaccinated from Europe and the USA, more can and must be done to reopen

international travel to and from other key markets around the world. Specifically, the Government should redouble its efforts to work with our international partners to agree on a globally recognised International Covid Health Passport scheme, using common standards.



5. Create 'Business Events UK': do what other countries have done and create a dedicated and focussed strategic delivery body for the industry on a par with UK Sport and Arts Council

The Government should commit to establish a dedicated strategic delivery body for the business events industry, on a par with UK Sport and the Arts Council. This could be called 'Business Events UK'. This is a natural extension of the work of the existing Events Industry Board which is presently an advisory body to Ministers. The new strategic delivery body would however have a proactive role in executing policy and delivering on a growth plan for the sector.

Business Events UK could also have representation based in our major cities and work closely with Metro City Majors and their administrations, along with core city Destination Marketing Organisations, to attract major events to those cities. Thereby ensuring a strategic and joined-up approach across the nations and regions of the UK and supporting the Government's levelling up agenda.

The body would be responsible for marketing the UK as a world-class destination and centre of excellence for international conferences and business events, as well as supporting bids to attract major international events to the UK. This would embrace VisitBritain's existing remit for business events.

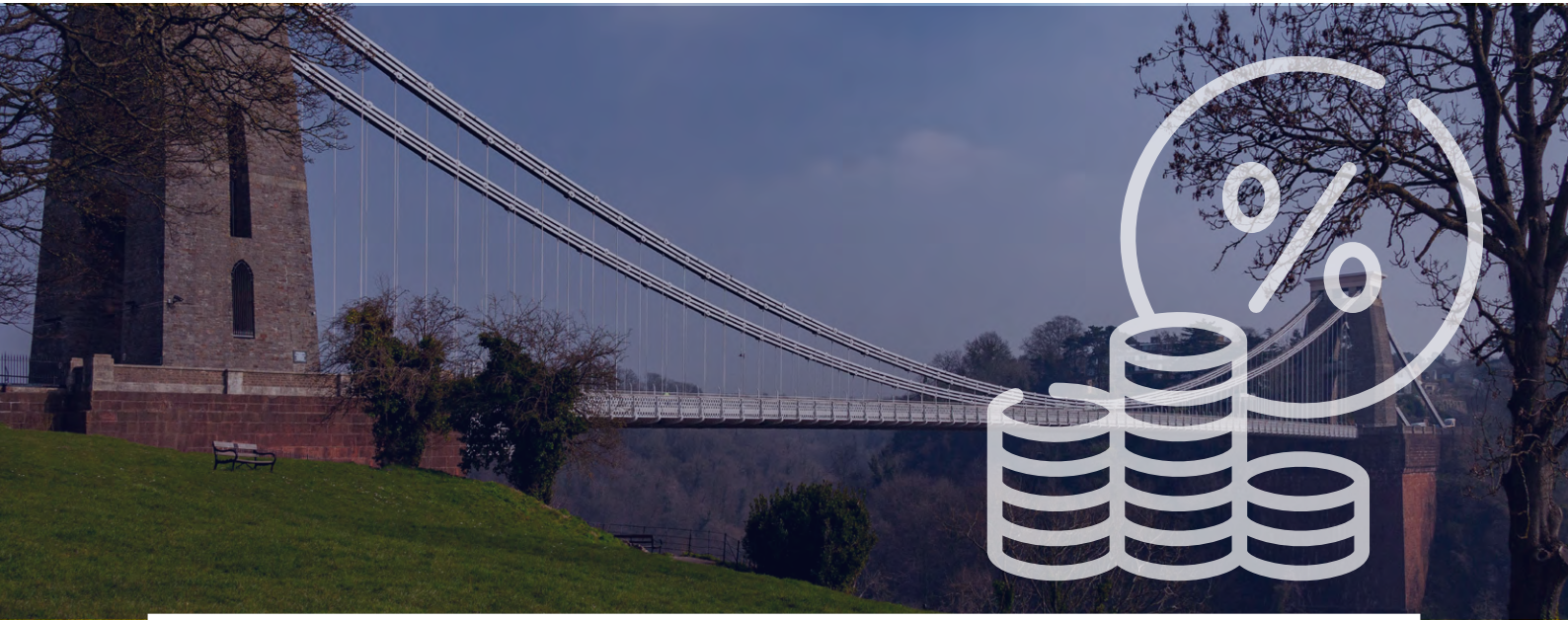


6. Make more marketing and BID funding available to attract major international conferences to the UK alongside a major enhancement of the Ministerial advocacy programme across government departments

The Government must invest more in marketing and BID funding to help attract more major international events to the UK, as well as retain the ones we already host. Doing far more to market the UK as a world-class destination for international business events. If the Government fails to invest there is a risk that other global cities like Amsterdam and Sydney will acquire business events that could be hosted in the UK. For example, at present Visit Britain's Domestic Support Fund, designed to kick-start the return of domestic business events only has total funding of £100k, and the Business Events Growth Programme designed to attract, grow and develop international business events to the UK only

has £400k. This level of financial support is very modest compared to the significant investments being made by our international competitors.

Advocacy is critical to winning international business events. This should include Ministerial letters of support, welcoming visiting buyer missions and attendance at key events. The Tourism Recovery Plan commits UK Government Ministers to deliver keynote speeches on a regular basis. However, such soft power support should be extended to ensuring that all Government Departments identify key business events that can advance their policies and objectives and take a lead role in the successful delivery of these events.



7. Ensure that responsibility for the benefits and outputs of business events is clearly assigned and coordinated across Government

Business events create many valuable outputs, driving visitors to the UK, generating trade and exports, attracting inward investment and providing a platform for business growth and scientific and industrial innovation. Consequently, several Government Departments have a direct interest in the success of the sector and a joined-up approach across lead Departments is essential. Presently the greatest support for business events is exercised by the Department for Culture, Media and Sport (DCMS) under the Minister for Sport and Tourism, recognising the significant spend within the visitor economy.

However, as business events are also a key component of our industrial strategy and international trade, it is essential that a Minister within the Department for Business, Energy and Industrial Strategy (BEIS) and a Minister within the Department for International Trade (DIT) are also assigned responsibilities for optimising the sector's performance in regard to business and trade growth. DCMS have established a cross Whitehall Working Group where such a joined-up approach can be achieved across Government at senior official level. However, it is essential that Ministers from DCMS, BEIS and DIT also meet on a regular basis to have oversight of marketing and BID activity for business events, as well as the work of the new strategic delivery body.



8. Introduce tax relief for new business events

Given their myriad economic benefits, the Government should look to introduce a tax relief for new business events, to cover upfront production and start-up costs. This could be modelled on the existing Theatre Tax Relief which was introduced in the Finance Act 2014, which provides a tax break for production companies working on qualifying theatre productions. This could be called Business Events Tax Relief.

Start-up costs of major international conferences or business events can be very expensive and therefore prohibitive, so such a tax-relief will help to encourage innovation and support new events establishing themselves in the market. However, given the catalytic economic multiplier effect of business events, it is likely that any tax-relief would pay for itself, in terms of the additional economic activity it would help to stimulate.

About Cities Restart




Cities
Restart

Rebuilding Urban Society

Cities Restart's purpose is to help our cities restart during and after COVID-19 so that we can rebuild urban society.

Our goal is to build an international network of leaders who share a commitment to restarting more activity in cities responsibly and sustainably. Part knowledge hub, part campaign, part network, we produce events, run workshops and deliver new analysis with recommendations to help us get back on our feet.

We are politically neutral, fully independent and funded primarily through sponsorship by supportive businesses, not-for-profit organisations and entrepreneurs.

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