

UPDATE 29 October 2021

(The TIER updates are not as frequent now.)

Tourism Alliance Updates – 29th October

Coronavirus related updates

- **Wales To Increase Covid Pass Requirement**

After its regular Covid review, the Welsh Government has announcement that the country will be remaining at Covid Level Zero for the next three weeks but that they will strengthen protective measures by making the Covid Pass a requirement for entrance to cinemas, theatres and concert halls from 15 November, subject to a debate and vote in the Senedd. <https://gov.wales/written-statement-review-health-protection-coronavirus-restriction-no5-wales-regulations-2020-15>

- **Supply Chain Issues**

In order to better understand problem that tourism businesses are facing regarding Supply Chains issues, DCMS is asking for feedback on any issues that your members are currently experiencing or are expecting to experience over the next few months. Specifically, they are after any evidence, information and examples (including any figures or data) of how supply chain issues are affecting your members, including:

- Energy price impacts
- Semiconductors & chip shortages
- Construction (including materials)
- CO2
- Water treatment & chemicals shortages
- Automotive
- Butchers
- Food & Farming
- Manufacturing
- Warehousing
- Shipping containers & costs
- HGV drivers
- Fuel
- Ports
- Retail
- Labour Market, Apprenticeships & Skills

If you can let me know of any feedback and evidence that you are getting from your members by next Thursday, I will collate this for DCMS

- **International Travel Update**

Here's a link to a Statement from the Transport Secretary to parliament regarding the changes to the Red List and the countries whose vaccination programmes are recognised by the UK. There is nothing new in it but it does have a handy list on the countries that are being added to the inbound vaccination policy list.

One issue that has come up to be aware of is that although the Inbound Vaccination Policy states that visitors from these countries "will be treated the same as those vaccinated in the UK", the test and trace guidance states that the exemption from self-isolation that applies to

people fully vaccinated under the NHS vaccination programme does not apply to people who have been vaccinated overseas. I'm trying to get clarification on this at the moment.
<https://www.gov.uk/government/speeches/international-travel-update>

- **Updates To CJRS Guidance**

While the scheme ended on 30 September, it is important for businesses to be aware that the guidance continues to be updated regarding issues such as when businesses must get a payment reference number and pay HMRC back.

<https://www.gov.uk/guidance/pay-coronavirus-job-retention-scheme-grants-back>

And how to make late claims

<https://www.gov.uk/guidance/make-a-late-coronavirus-job-retention-scheme-claim>

- **Free face Coverings For Transport Operators**

As the scheme has been extended to 31 December 2021, DHSC has published a new policy paper on the free facemask scheme for transport operators which includes coach, possibly heritage rail operators, ferries and PHV operators for use by passengers and transport workers.

<https://www.gov.uk/government/publications/free-face-coverings-to-transport-operators-scheme/free-face-coverings-to-transport-operators-scheme>

- **R Number and Growth Rate**

This week's R Number and growth Rate are, respectively, 1.1 to 1.3 and +1% to +3%. This almost the same as last week so is not the significant increase that was feared.

<https://www.gov.uk/guidance/the-r-value-and-growth-rate>

Other Tourism Alliance Update

Latest IPS Figures

ONS has published the Q2 IPS figures and they make for pretty grim reading - although it must be recognised that, being for the April – June period, they are while the UK was in Steps 2 and 3 of the Roadmap and there were limited opportunities to fly in or out of the UK. Nevertheless they demonstrate the size of the task in rebuilding the UK's international tourism industry. The key figures are:

- Overseas residents made 277,000 visits by air to the UK in Quarter 2 (April to June) 2021; this was 97% fewer than Quarter 2 2019 as travel continues to be restricted because of coronavirus (COVID-19).
- Overseas residents spent £386 million on their visits to the UK in Quarter 2 2021; this was 94% less than in Quarter 2 2019.
- UK residents made 1 million visits abroad by air in Quarter 2 2021, which was 95% fewer than Quarter 2 2019, attributable to coronavirus.
- UK residents spent £1,122 million on visits abroad in Quarter 2 2021; this was 93% less than in Quarter 2 2019.

<https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/bulletins/overseastravelandtourism/apriltojune2021>

The following is VisitBritain's analysis of the Q2 IPS figures

- **VisitBritain's Analysis on Q2 IPS Data**

During the first half of 2021 (January to June 2021), the IPS survey was operational at UK airports only. In ordinary times surveying would also be conducted at UK tunnel terminals (Eurostar and Eurotunnel) as well as some UK sea ports (e.g. Dover), but this was not possible during this period. Therefore, the data presented below and elsewhere on our website for Q1 & Q2 2021 is for **air passengers only** and is not comparable with historical UK total data. The comparisons made below compare April-June 2021 air data to April-June 2019 air data only as no equivalent is available for 2020. The sample for this period is very low so extreme caution should be used when interpreting results.

Please find Q2 2021 data below and on our dedicated [2021 quarterly webpage](#) where there is additional detail on year-to-date figures.

Visits, spend and nights (air passengers only)

Total	Q2 2021	% change vs. Q2 2019
Visits	277,000	-97%
Spend	£386 million	-94%
Nights	13.0 million	-78%

- There were 277,000 inbound **visits** to the UK in Q2 2021 – down 97% compared to Q2 2019.
- **Spend** was down 94% on Q2 2019 with visitors spending £386 million in the UK during Q2 2021.
- In total, 13.0 million **nights** were spent in the UK by inbound visitors during Q2 2021, down 78% on Q2 2019.
- The **average spend per visit** in Q2, amongst those who departed the UK via an airport was £1,395 (vs £747 in Q2 2019).

Visits and spend by journey purpose (air passengers only)

Journey Purpose	Visits Q2 2021	% change vs. Q2 2019	Spend Q2 2021	% change vs. Q2 2019
Holiday	13,000	-99.6%	£21 million	-97%
VFR	173,000	-93%	£156 million	-94%
Business	44,000	-97%	£74 million	-78%
Study	18,000	-87%	£91 million	-85%
Miscellaneous (Excl. study)	29,000	-93%	£44 million	-88%

- All journey purposes were a fraction of normal levels in Q2 2021. The table above shows the impact that restricted international travel has had on the UK's inbound **holiday** visits with just 13,000 visits registered.
- Visits to **friends and relatives** accounted for the majority of inbound visits in Q2 2021, representing 62% of all inbound visits by air and 40% of spend.
- **Study** visits were the least impacted in Q2 2021 although visits were still down 86% on two years previous, contributing £91 million to the UK inbound AIR expenditure.

- There were 44,000 **business** visits in Q2 2021 which accounted for 16% of all visits. Business spend was the least impacted and represented one fifth (19%) of inbound AIR spend.

Visits and spend by global region (air passengers only)

Total	Visits Q2 2021	% change vs. Q2 2019	Spend Q2 2021	% change vs. Q2 2019
Total Europe	183,000	-96%	£190 million	-92%
→ EU Total	157,000	97%	£156 million	-92%
→ EU 15	115,000	-97%	£112 million	-93%
→ Other EU	42,000	-94%	£43 million	-89%
→ Rest of Europe	26,000	-95%	£34 million	-91%
North America	45,000	-97%	£60 million	-95%
Rest of World	49,000	-97%	£136 million	-94%

- Across all regions, AIR visits to the UK were down between 94% and 97% when compared to Q2 2019.
- **'Other EU'** (which consists of Bulgaria, Estonia, Poland, Romania – amongst others) showed the strongest resilience with visits down 94% and spend down 89% compared to Q2 2019.
- Visits from the **EU** accounted for 57% of all inbound AIR visits but a smaller 40% of spend during Q2 2021.
- The **Rest of World** region accounted for 18% of visits but nearly double the proportion of spend (35%), in line with the 2019 trend.

It is worth noting that VisitBritain's central scenario forecast for the full year is for 7.4 million visits and £5.3 billion spend.

<https://www.visitbritain.org/2021-tourism-forecast>

TIC update 29.10.21

Autumn Budget and Spending Review 2021

The Chancellor of the Exchequer presented his Autumn Budget and Spending Review to Parliament on Wednesday. Please find the full documentation [here](#) and below for some of the key headlines for our sectors. We welcome any feedback from your sectors and please do get in touch if you'd like to discuss in more detail.

- To support local high streets as they adapt and recover from the pandemic, the government is introducing a **new temporary business rates relief** in England for eligible retail, hospitality and leisure properties for 2022-23, worth almost £1.7 billion. Over 90% of retail, hospitality and leisure businesses will receive at least 50% off their business rates bills in 2022-23. We will seek clarity on the extent to which this covers the tourism sector.
- The government is introducing a package of **Air Passenger Duty (APD)** reforms that will bolster UK air connectivity through a 50% cut in domestic APD, and further align with UK environmental objectives by adding a new ultra-long-haul distance band. The new domestic band for APD is set at £6.50. The rate will apply to all flights between airports in England,

Scotland, Wales and Northern Ireland (excluding private jets). As a result, around 9 million passengers will pay less APD in 2023-24.

- **Relating to supply chains:** The government is investing £32.5 million in roadside facilities for HGV drivers on the road; investing in new skills bootcamps to train an additional 5,000 drivers; increasing the number of HGV driving tests available by up to 50,000 each year; freezing vehicle excise duty (VED) for HGVs and suspending the HGV road user levy for another 12 months from August 2022; relaxing cabotage rules temporarily for international HGV journeys within Great Britain to provide greater resilience for supply chains; issuing up to 5,000 short-term temporary visas for food and fuel haulage drivers to work in the UK.
- **Total spending on skills will increase over the Parliament** – by £3.8 billion by 2024-25 – equivalent to a cash increase of 42% (26% in real terms) compared to 2019-20. Investment of over £900 million for each year of the SR on work coaches who will help job seekers on Universal Credit move into work and progress once in work, and support for older workers via an enhanced 50+ offer. The government is increasing the National Living Wage to £9.50 an hour from April 2022, and is reducing the taper rate in Universal Credit (UC) from 63% to 55%, as well as increasing work allowances in UC by £500 a year. The Government is also continuing funding for Help to Grow, which provides small and medium sized enterprises with support for digital skills and adoption.
- £1.7 billion worth of projects to upgrade local infrastructure through the first bidding round of the £4.8 billion **Levelling Up Fund**, and announcing the first 21 projects to benefit from the £150 million Community Ownership Fund – which will help communities across the UK protect and manage their most treasured assets. Funded projects include developments at Twycross Zoo and upgrades to coastal attractions at Southend-on-Sea.
- DCMS' settlement will grow the UK's world-leading culture and heritage sectors, building on unprecedented government support during the pandemic. For example, by **investing over £850 million over the SR21 period for cultural and heritage infrastructure** to safeguard national treasures and boost culture in local communities and on high streets and temporary rate uplifts to the Museum and Galleries Exhibition Tax Reliefs.

The settlement also includes a 5% annual increase above inflation to the DCMS budget, with £300m extra for our arm's-length bodies, including VisitBritain and VisitEngland. We are awaiting final details of the GREAT marketing budget.