



House of Commons

Digital, Culture, Media and  
Sport Committee

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# The potential impact of Brexit on the creative industries, tourism and the digital single market

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**Second Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

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## The Digital, Culture, Media and Sport Committee

The Digital Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

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Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

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The current staff of the Committee are Chloe Challender (Clerk), Joe Watt (Second Clerk), Josephine Willows (Senior Committee Specialist), Andy Boyd (Senior Committee Assistant), Keely Bishop (Committee Assistant), Grace Camba (Sandwich Student), Lucy Dargahi (Media Officer) and Janet Coull Trisic (Media Officer).

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## Summary

The UK has a dynamic and highly competitive presence in the creative and digital technology sectors, including telecommunications, and our tourism industry is one of the largest and most innovative in the world.

These are by no means the only sectors which fall under the ambit of the new Digital, Culture, Media & Sport Department, but they form the focus of this report, as these are the industries within its responsibility which have expressed the most wide-ranging concerns about the challenges posed by the country's proposed withdrawal from the European Union.

With regard to the UK's creative industries, London—Europe's most visited city—is likely to be sufficiently well-established to withstand challenges from other potential European creative 'hubs', although other major European cities—including Berlin, Paris, Amsterdam, Barcelona and Dublin—do have ambitions of their own, which should not be under-estimated. A large percentage of the workforce supporting the creative industries and tourism is made up of EU nationals, however, and the overwhelming message from businesses and organisations across these sectors was to retain the free movement of people, thereby protecting access to talent. This underlines the need for reliable data now about the workforce and possible skills gaps. Clarity of proposed revised immigration rules and processes is essential to businesses in the creative industries to allow them time to prepare for any new Brexit environment.

EU funding has been important across these industries as a catalyst to unlock other forms of funding, whether public or private. Current uncertainty over the nature of long-term funding would be assuaged by a Government mapping exercise setting out precise streams of existing, direct European funding for creative and cultural organisations, and an overview of future funding.

Brexit presents major challenges for all these industries because of the uncertain nature of the future regulatory environment, and the over-riding concern during the inquiry was for a level playing field. The Government should set out as a matter of urgency those areas where it believes that Brexit offers an opportunity for beneficial regulatory reforms, and how it intends to capitalise on any such opportunities, and where it believes that maintaining equivalence would be the most favourable outcome, for the industries and consumers alike.

In the telecommunications sector, for instance, particular uncertainty exists around possible price hikes for UK mobile phone customers using mobile data in the EU post Brexit. The Government must be open and honest about the latest predictions regarding data roaming charges.

The regulatory system for data protection has been led by the UK. This hard work must not be lost. A Government action plan describing how UK policy development on data protection will take place after Brexit is now a priority.

A strong foundation for copyright protection underlies the success of our creative industries and again the UK has been at the forefront of this aspect of the regulatory

environment. If we are to cease formally to be a member of the EU, the Government must, therefore, set out its intentions for co-operation with our European neighbours in this respect, too, including enforcement actions—not least as the digital single market develops without us.

In the broadcasting sector, the EU's 'Country of Origin' rules are especially important, as these allow television companies to broadcast from the UK across the continent. Ofcom, indeed, licenses more than half of the 2,200 channels broadcast EU-wide and many operators have chosen London, in particular, as their base. To address profound industry uncertainty, therefore, the Government must as an urgent priority state its negotiating intentions with respect to the Country of Origin rules framework and set out its contingency plan, should the rules cease to apply after Brexit. In addition, the Government should make clear whether the audio-visual sector will form part of the formal trading negotiations with the EU.

In the tourism industry, visitor numbers to the UK are closely linked to access to the single aviation market. It is important that the Government sets out progress on these negotiations, and reassures the tourist industry that contingency plans are being made in the event of no deal.

Across the industries discussed in this Report, an honest assessment of likely outcomes—whether pertaining to regulatory equivalence or divergence, the workforce or the effects of losing direct EU funding—is needed from the Government.

The risks of exiting the EU are significant, and it is imperative for the Government to negotiate arrangements across creative, digital and tourism sectors that will be beneficial to both the UK and our European neighbours.

Whilst this is possible, to track progress towards this objective, we expect the Government to produce a timetable outlining the steps that will need to be taken to reach agreements in each key area. In addition, the Government should publish a quarterly update, outlining progress and future objectives.

This Report has been prepared on the assumption that the UK will cease to be a formal member of the European Union and, in doing so—after a transition period or not—will also cease formally to be a member of the Single Market and Customs Union. All these issues are, of course, still hotly contested.

In compiling the Report, to inform us as to latest Government thinking, we sought access to the relevant sector analyses produced by the Department for Exiting the European Union. After a formal request, in December 2017, Committee Members—but not staff—were given access to the reports, but only for one hour, during which electronic devices were confiscated. Given the immense importance of Brexit, we found these arrangements highly unsatisfactory.

On 21st December, these 'Sector Reports' were subsequently published by the Brexit Select Committee, but with one key omission: the Committee could not command a majority to publish the concluding 'Sector Views' sections of the Reports. This, too, is unsatisfactory.



We cannot understand why setting out of the views of businesses and industry in the public domain—as we do here in this Report—should be so controversial and we call on the Government to publish all the ‘Sector Views’, in the public interest, without delay.

# 1 Introduction

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## Tourism, creative industries and the digital economy

1. Tourism, the creative industries, and the businesses that make up the digital economy form the backbone of the UK's economy. Travel and tourism is the fourth largest industry in the UK, its contribution to the economy is “in excess of £130bn”, and the sector employs approximately 3 million people.<sup>1</sup> Moreover, the British tourism industry is one of the largest in the world:

In international terms, the UK tourism industry is the sixth largest in the world based on value, contributing £25.4bn per annum to the UK economy in export earnings, and eighth largest based on inbound visitors (36m per annum).<sup>2</sup>

2. In 2015 the creative industries employed 1.9 million people across the UK and in 2014 the value of their exports was worth £19.8 billion.<sup>3</sup> British creative output does not just bring about economic benefits, but shapes international perceptions of the UK and is a central element of ‘soft power’ and wider global influence. Creative skills are not limited to one part of the British economy; one million people with design skills are employed in non-design industries.<sup>4</sup> It is telling that CBS Studios International, which is part of the US CBS corporation, said:

The UK has the most successful creative industry in Europe at all levels: creators, producers, directors, distributors and world leading platforms and broadcasters are all based and working here.<sup>5</sup>

3. In a similar vein, the US-based IT firm, Dell EMC, described the technology and digital sector in the UK as a “success story.”<sup>6</sup> The UK has 1.56 million people employed in tech and digital—the highest proportion of any G20 nation.<sup>7</sup> The development of the sector outpaces many other parts of the UK economy and has proved attractive to international businesses, as Dell EMC told us:

Last year the sector grew 32% faster than the rest of the economy, boosting GDP by around £145bn a year. Britain is now leading the way in driving business innovation, for example in fintech and blockchain technologies. A thriving digital economy in the UK has created a sound footing for US-based companies like Dell Technologies to build a base for European operations from the UK.<sup>8</sup>

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1 [IOB 023](#) para 1.2

2 [IOB 037](#) p 1

3 [IOB 122](#) paras 1, 10

4 [IOB 077](#) para 7

5 [IOB 127](#) p 2

6 [IOB 129](#) p 1

7 [IOB 036](#) para 20, [IOB 129](#) p 1

8 [IOB 129](#), p 1

## Our inquiry and report

4. In the Autumn of 2016 our predecessor Committee launched an inquiry examining the impact of Brexit on the creative industries, tourism and the digital single market, and the priority issues to be addressed by the UK government in its negotiations with the European Union. The Committee took evidence across five sessions. It received over 150 submissions of written evidence. This included taking evidence in Belfast to look at the specific challenges faced by the creative industries and tourism businesses in Northern Ireland. The Committee also visited Berlin and Barcelona, as alternative centres for digital and creative businesses in Europe, to consider whether or not there is a significant risk that jobs in these sectors could move away from London as a result of Brexit.

5. In general, the evidence gathered reflected the deep concern held by representatives of all industries and sectors. We found little in the way of optimism as witnesses tried to assess the impact Brexit will have on their access to workers, funding and EU markets. However, it was felt that London's position as a global centre for the creative industries, and Europe's most visited city, meant that it was unlikely that any other centre in Europe could challenge it directly, at least in the short term. Other UK cities without London's critical mass might not be as resilient. However, as with the financial services sector, there is a danger that some jobs could be lost to other European cities. Some, but a minority of, witnesses believed that Brexit may present an opportunity to develop more favourably aspects of the regulatory environment and kick-start a reformed approach to non-EU immigration. For the most part, such potential opportunities were regarded as dependent on the outcome of the negotiations between the UK and EU. Notwithstanding these observations, the overwhelming message was that businesses and organisations across these sectors wanted to maintain the free movement of people, access to funding and markets, and a level regulatory playing field, once the UK has left the EU. They have also asked that the Government maintain the existing tax incentives to support foreign investment in the UK creative industries.

6. The purpose of this report is not to debate the benefits or otherwise of Brexit, but simply to highlight concerns and opportunities that must be addressed within the negotiations, and to identify risks that the Government must mitigate after March 2019. These risks, clearly, involve possible disinvestment, as businesses make contingencies to move parts of their business to bases within the European Union; threats to future investment in a UK outside the EU; and the potential impact, therefore, on employment. With Brexit yet to happen, however, these areas are very sensitive and companies are, understandably, wary of publicising any plans they may have. In this report, therefore, we focus our attention on three core areas where witnesses expressed particularly strong concerns: issues relating to the workforce, the potential loss of direct EU funding and the future regulatory environment.

## 2 Workforce issues

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7. Much of the evidence we received focused its attention on the impact that Brexit may have on the workforce within the industries under examination, their future ability to recruit, and their capacity to deploy staff flexibly.

8. Across all sectors, witnesses highlighted the importance of retaining their EU staff and maintaining access to talent and future workers. The Museums Association said in their written evidence that “uncertainty faced by EU nationals who work in museums is substantial” and

possible new immigration rules and the tone of debate on immigration are damaging museums’ ability to attract and retain staff from across the world at all levels of employment.<sup>9</sup>

The Publishers Association said “EU workers are highly valued, with almost a third of publishing houses saying that retaining freedom of movement is their top priority post-Brexit.”<sup>10</sup> The British Fashion Council warned that “it is an essential aspect of UK based designer businesses to be able to source from the EU for both students to train and skilled workers to employ.”<sup>11</sup>

9. Nicola Mendelsohn CBE, Vice President, Europe, Middle East and Africa, Facebook and Co-Chair, Creative Industries Council told us:

Access to talent is a key issue for us and that is where we share the same challenges that the Creative Industries Council and all the 280,000 businesses that are looking to access talent from across the waters face as well. We would seek reassurances both for the people who are already here, but also for the people we might want to hire in the future, that they will be able to live here and so will their [ ... ] families.<sup>12</sup>

John Kampfner, Chief Executive of Creative Industries Federation (CIF), described a meeting convened between a broad range of CIF members, and members of the Exiting the European Union Select Committee. Mr Kampfner said that the aspect of the discussion which “was interesting was that everybody had their opportunity to speak, about 30 over a couple of hours. About three-quarters of the conversation was on access to talent.”<sup>13</sup>

10. Discussing the impact of the outcome of the referendum on the tourism and hospitality industry, Ufi Ibrahim, Chief Executive of the British Hospitality Association, also made the point that businesses and workers were already experiencing a negative impact in terms of recruitment as a result of Brexit-related uncertainty and a feeling that EU workers were not welcome.<sup>14</sup>

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9 [IOB 095](#) para 1

10 [IOB 083](#) para 12

11 [IOB 065](#) para 10

12 HC 690 Q3

13 Q3

14 Q42

## Role of EU staff

### *'Locals selling to locals'*

11. Sir Peter Bazalgette, then Chair of the Arts Council England, said that it was important to access a diverse international workforce to enhance the commercial success of British businesses:

There is a phrase people like to use, “Locals selling to locals”. It does not matter whether it is the box office or the Royal Opera House or whether it is the distribution department of a television company selling finished programmes or formats, you need multilingual, multicultural teams to sell great British content around the world or to sell great British culture to tourists who come.<sup>15</sup>

12. This point was reflected in evidence which discussed the needs of tourism in the UK. Deirdre Wells, Chief Executive of UKinbound, the trade association for businesses focussed on inbound tourism, described the circumstances of a UK business called JacTravel which, she noted, employed:

70% EU nationals in their London office so they can communicate with the outbound operators in Germany, France and Italy and create those sorts of business deals in their own languages—that is still primarily how business is done. They need those language skills with skilled operations staff who can work with their clients overseas to be able to put these packages together.<sup>16</sup>

13. The importance of international knowledge and skills to harness commercial success within the UK was not confined to the tourism and hospitality industry. The Royal Institute of British Architects said in its written evidence that the “ability to recruit and retain staff with experience of working in foreign markets helps make the UK more competitive.”<sup>17</sup>

### *Language skills*

14. The need to employ staff with sufficient language skills was emphasised in the oral evidence heard by our predecessor committee. Sally Balcombe, CEO of VisitBritain, said:

I can give a clear example where I have had cruise companies pulling off ports in the UK because they cannot find language speaking guides. I am not talking about Mandarin or whatever else but about German. There is an absolute lack of German guides for us at the moment.<sup>18</sup>

15. Hilton, the hotel chain, described the risk that losing easy access to EU staff poses to the standing of the UK’s tourist industry:

They bring valuable language skills and international experience, helping us to welcome European guests who make up 63% of inbound holidaymakers

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15 Q7

16 Q63

17 [IOB 088](#) para 8

18 Q43

to Britain. [ ... ] Our role as ambassadors for the UK is now of strategic importance as we deliver the GREAT welcome to leisure and business travellers.<sup>19</sup>

Whilst the UK remains a very popular tourist destination, surveys of visitors show that we are regarded as “less welcoming than our competitors” and visitors from key EU nations tend to score the British welcome poorly.<sup>20</sup>

## Number of EU workers

16. The Government told our predecessor committee that:

The creative industries employed 1.9 million people in 2015. Of these, 115,000 were from other EU countries (6.2%), and 103,000 (5.5%) were from outside of the EU.<sup>21</sup>

Their evidence noted that “EU nationals form about 9% of the workforce and those from the Rest of the World account for 6%.”<sup>22</sup>

17. Evidence taken prior to the general election outlined the large numbers of EU staff working in tourism and the concern within the industry about the negative consequences of Brexit. UKinbound told us that:

30% of our members’ employees are EU migrants and many business owners have said that the loss of this highly valued workforce would be a body blow to the industry.<sup>23</sup>

18. Since we took evidence, the Department for Exiting the European Union’s (DExEU) report on the Creative Industries puts its EU workforce at 131,000—6.7% of the total, against a UK average of 7%. Within the sector, the employment rate of EU nationals is highest in publishing (9.8%) and architecture (9.2%) and at its lowest in the music industry (4.1%).

19. Similarly, DExEU says that of 1.5m people in the UK’s digital sector in 2016, some 98,000 (6.7%) were EU nationals and a further 95,000 (6.5%) came from outside the EU.

20. Citing latest data from the Office for National Statistics, the Department’s Tourism report estimated that EU nationals made up around 10% of the overall workforce in 2016—higher than the UK average, but significantly less than the figures for UKinbound’s members.

## Accuracy of Government estimates

21. The official figures illustrating reliance on EU workers were thought to be an underestimate by witnesses from range of sectors. Ufi Ibrahim said of the tourist industry:

19 [IOB 124](#) para 2.6

20 [IOB 006](#) p 1

21 [IOB 122](#) para 1

22 [IOB 122](#) para 2

23 [IOB 006](#), p 2

If we look at the estimates, for example of the Migration Observatory at Oxford University, which put the volume of EU migrant workers in our industry at 15%, and extrapolate that back to the 4.5 million people employed in hospitality and tourism, that gives you a figure of around 700,000 people. We think that is very conservative as a number, particularly in areas such as London and the south-east, where the percentage jumps to in excess of 40% as an average.<sup>24</sup>

22. Discussing estimates for the creative industries, John Kampfner said:

I am not casting aspersions on DCMS figures—6% of EU workers in the creative industries. We think that is a huge underestimate. Our absolutely incomplete evidence-gathering from our members puts the figure at somewhere between 10% and 40%, more usually hovering around the 25% to 30%. The highest we have heard is an architect’s practice at 60%, one fashion house at 50%, quite a lot in the 40%.<sup>25</sup>

Furthermore, Nicola Mendelsohn cited the example of one agency in the advertising industry which had “on average 20% of the company’s workforce [ ... ] made up of non-British EU [citizens].”<sup>26</sup>

23. The Museums Association said that collection of data in relation to the nationality of workers is incomplete, observing in its evidence that there is “little data” because “current employment law does not require organisations to document the nationality of EU employees.”<sup>27</sup> Despite this limitation, the National Museum Director’s Council provided evidence that “for some museums—particularly larger nationals—up to 15% of the workforce are EU nationals.”<sup>28</sup>

24. Fifteen percent of museum and galleries staff being of EU origin stands in clear contrast to figures quoted by NESTA, a charity dedicated to driving creative innovation, which suggested an average of only four percent.<sup>29</sup> These figures are by no means incompatible, but this one sector illustrates the wider point that there is little certainty as to the extent to which creative organisations rely on EU workers.

25. Responding to these concerns, the then Secretary of State, Rt Hon Karen Bradley MP, said that the Department for Digital, Culture, Media and Sport (DCMS) and the Home Office would measure reliance on EU workers within each sector in order understand the needs of the labour market:

The Migration Advisory Council [Committee] are looking at the overall UK labour market and how many of those jobs are currently filled by EU nationals, how many are filled by non-EU nationals that are not UK nationals.<sup>30</sup>

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24 Q43

25 Q19

26 Q19

27 [IOB 095](#) para 2

28 [IOB 096](#) para 3.2

29 [IOB 042](#) para 11

30 HC 361 Q90

The Secretary of State added that the focus of this effort would be to ensure that “we have the right numbers of people and that we have the right skills.”<sup>31</sup>

### **Regional concentration**

26. Evidence gathered during the inquiry showed that EU workers in the creative industries and tourism are largely concentrated in London and the South East. Ufi Ibrahim said:

In London and the South East the truth is that we are very close to full employment. There just are not the British workers available and easily accessible to be able to employ in the United Kingdom and we have learned this over the past three years.<sup>32</sup>

27. Ms Ibrahim added that she was aware of some London-based businesses where 90% of workers were drawn from the EU.<sup>33</sup> Although the greatest concentration was London and the South East, it was noted that there are other parts of the UK where EU migrants compensate for the dearth of domestic workers:

It is not only London and the South East because you have anomalies. For example, in Llandudno in north Wales in one of our member businesses 67% of their workforce are EU nationals. It is not just London; Guildford, and many other areas across the country I can name, are heavily reliant on the EU workforce.<sup>34</sup>

### **Shortage of domestic workers**

28. A commonly reported complaint among many organisations that submitted written evidence was that recruitment of foreign workers, both from the EU and farther afield, was a consequence of a shortage of skills within the domestic workforce. An example of this was provided by the British Fashion Council:

There is a real shortage of skilled workers in Britain, forcing companies to recruit from the EU in order to source the highest quality candidates.

Many businesses look first to the UK, however the skills at the level required aren't currently available.<sup>35</sup>

29. Organisations from a range of sectors including the performing arts, tourism and tech made similar cases. The Royal Opera House said, in cases where an artist is required at very short notice, they are “rarely able to secure cover from the UK and are therefore dependent on the ability of EU nationals to immediately board a plane.”<sup>36</sup> Without this instant source of talent, the Royal Opera House warned of a detrimental impact on the quality of performances and the possible “cancellation of a performance.”<sup>37</sup>

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31 HC 361 Q89

32 Q43

33 Q51

34 Q51

35 [IOB 065](#) paras 10–11

36 [IOB 046](#) para 9

37 [IOB 046](#) para 9



30. UKIE, which represents the UK digital games sector, underlined the critical relationship between attracting the requisite skills and commercial success. They described a “war for talent” and reported that 70% of games firms believe that “access to talent is “critically” important to the industry.”<sup>38</sup> This, UKIE said, is because there is a “critical skills shortage in the UK.” Dell EMC, the American IT firm, echoed concerns about skills in the wider tech sector arguing that businesses “already face an acute challenge in hiring digital talent.”<sup>39</sup> It is telling that the Government has already responded to such fierce competition for talent by doubling to 2,000 per year the “number of visas available to the brightest and best talent from around the world” under the tier 1 exceptional talent route.<sup>40</sup>

31. Visit Britain emphasised the dearth of language skills available to tourism and hospitality businesses and compared the lack of skills affecting tourism with the IT skills required by the wider business community:

In a 2013 survey of businesses by the Confederation of British Industry only 36% were satisfied with their employees’ language skills, compared with 93% who were satisfied or very satisfied with school and college leavers’ skills in the use of IT.<sup>41</sup>

## Conclusions

32. **The UK creative, tech and tourism industries need sufficient access to talent to continue as world leaders. That is self evidently in the nature of being a global centre of excellence in these areas. The then Secretary of State, Rt Hon Karen Bradley MP, said that Brexit is an opportunity to think about “how we can upskill our native workforce”, but this alone will not address the challenges that businesses face today particularly in an increasingly globalised and international sector. Brexit will place a greater urgency on developing the skills of the domestic workforce, but we cannot allow a skills gap to occur which could create shortages of essential workers for businesses in the UK as a result of our departure from the EU.**

33. **The then Secretary of State’s assertion that analysis of the workforce must be completed on a sector-by-sector basis is a sensible approach. However, the lack of detail regarding precise numbers is problematic. There is a lack of clarity about reliance on EU workers. For instance, figures cited to us for the number of people working in tourism ranged from 3 million to 4.5 million.**

34. **It is imperative that any analysis examines regional demand for staff and the operational requirements of businesses and organisations, ranging from very small start-ups to international corporations. Effective policy cannot be developed if the Government underestimates the extent to which these thriving industries depend on staff drawn from the EU. It is essential, therefore, that the Government and its advisory bodies—including the Creative Industries Council, the Tourism Industry Council and the Migration Advisory Committee—take these considerations into account in their analysis of the impact of Brexit on the UK’s future labour market.**

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38 [IOB 022](#) p 4

39 [IOB 129](#) para 4

40 <https://www.gov.uk/government/news/government-doubles-exceptional-talent-visa-offer>

41 [IOB 027](#) p 6

## Future immigration arrangements

### *Bureaucracy*

35. Discussing the operation of our future immigration arrangements with the EU, the Creative Industries Council's Nicola Mendelsohn emphasised that many businesses in the creative industries would not have the capacity to manage a burdensome bureaucratic system:

With 90% of companies in the creative industries employing fewer than five people, the bureaucracy that we already see when people are trying to obtain visas from other parts of the world is a challenge and can stop business. [ ... ]

When you think from a creative industries perspective about what it means for an orchestra from Leeds to go on a tour of Europe, you might have two or three people pulling that together and you do not want them to be bogged down in endless amounts of paperwork and bureaucracy that is going to stop that collaboration from happening.<sup>42</sup>

36. Festivals Edinburgh echoed this concern and said that a more restrictive system of allowing EU performers into the UK could diminish the diversity of Edinburgh's festivals.<sup>43</sup>

37. John Kampfner, Chief Executive of the Creative Industries Federation, said that replicating the existing visa system for EU nationals would be damaging but observed that Brexit provides an opportunity to design a useable system that does not disadvantage SMEs:

The large arts organisations, your BBC, your Tate, your ITV or whatever, have large HR departments. They can do all the visa applications, as any large company or even large/medium-sized company can do. For particularly the small ones, if we introduce a visa regime that is similar to the one we have now for non-EU foreign nationals, it [ ... ] will cause a lot of economic damage, both in terms of the medium-term and the short-term applications for jobs. That will obviously cause direct economic damage, so this is an opportunity to start from scratch.<sup>44</sup>

38. The timeliness of a new system which allows for the swift movement of performers was stressed by Nicola Mendelsohn:

One of the other differences about our industry is the fact that a lot of people have time-limited activities. They cannot wait months and months to get the visas.<sup>45</sup>

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42 Q7

43 [IOB 039](#) para 9

44 Q7

45 Q7

### *Salary as a proxy for the value of employees*

39. The existing arrangements which use salary levels as the measure by which non-EU migrants are eligible for tier 2 visas were also thought to be inappropriate. John Kampfner noted that the arts and creative industries share many traits with parts of the tech and digital sector in that skilled posts are not necessarily well remunerated:

In other sectors—financial services, IT, whatever—there is a pretty strong read-across between earning potential and value. How much is a top oboist worth or a great poet or a great photographer or a start-up games developer? The tier 2 starting rate is £30,000 and that will be a stretch for quite a lot, particularly the not-for-profit arts sector, but also for start-up commercial creative industries companies. If we are, as it seems we are, going to introduce a visa system, I would recommend some sort of caveat in determining value that does not always have to use earning potential as the single criterion.<sup>46</sup>

40. Representatives of the fashion and tourism industry made similar points. Adam Mansell, Chief Executive Officer, UK Fashion and Textile Association, described significant reliance on EU seamstresses and cutters in the fashion industry. He argued that a visa system structured around salary requirements would not complement the way in which the sector operates.<sup>47</sup> Ufi Ibrahim provided some context around the existing visa system as it related to tourism:

On the tier 1 and tier 2 structure, there was a tier 3 structure that was originally proposed but it was never really enacted because it was felt that the EU would provide the tier 3, which was a lower skilled volume of migrant workers.<sup>48</sup>

Ms Ibrahim also said that losing access to the relatively low-paid EU workforce would be damaging to SMEs. She noted that eight out of ten businesses in the sector “employ fewer than 10 people” and many could be “pushed over the edge” if EU labour is “cut off”.<sup>49</sup>

### *Future options*

41. Designing a system based on seasonality in order to meet the demands of the tourist industry was not regarded as an entirely viable option by Ufi Ibrahim. She said that such a scheme:

might help in areas such as north Wales or coastal communities, but in areas such as London and the South East tourism is now 365 days a year, in many cases now almost around the clock, 24 hours a day. In those areas a seasonal solution would not help. It would help in other areas, as I said, such as coastal areas.<sup>50</sup>

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46 Q7  
47 Q201  
48 Q82  
49 Q52  
50 Q52

These comments reinforced the written evidence submitted by the British Hospitality Association which noted that “90 per cent of tourism workers are permanently employed.”<sup>51</sup>

42. As noted above, the then Secretary of State emphasised in her evidence that determining the future arrangements will require sector-by-sector analysis. NESTA, however, noted in their evidence that the existing migration system does not support this approach:

The migration system as a whole is not set up to cater for specific industry sectors, and as such, high skill, high growth sectors like the creative industries will suffer disproportionately from changes to policy, and from migration rules as they currently stand.<sup>52</sup>

43. Witnesses from all sectors agreed that a simple replication of the existing system would not allow them to maintain their existing levels of growth. NESTA acknowledged that the Government has provided “positive reassurances” but warned that a change in the status of EU migrants “would disproportionately affect creative service activities like Advertising, Publishing and Design which all employ around 10 per cent of their workforce from Europe.”<sup>53</sup>

44. Examining options for how a new system could operate, the London Borough of Camden submitted written evidence welcoming the concept of regionalisation of visas which could create a “London Work Permit”.<sup>54</sup> Hilton’s evidence suggested that there is potential for “targeted use of work permits for priority sectors.”<sup>55</sup>

45. A more restrictive immigration system for EU workers was described as “a non-tariff barrier” by PACT, the trade association for independent TV and film producers. Echoing Nicola Mendelsohn’s evidence, they concluded that the success of the industry could not have been realised “without the reciprocal ease of movement between the UK and EU for time-limited activities.”<sup>56</sup> Furthermore, the Royal Opera House recommended that a new system for EU migration to the UK could be “an online process for same-day applications and/or an audited system that relies, in the first instance, on an organisation’s judgement.”<sup>57</sup>

## UK workers in the EU

46. The reciprocal aspect of future arrangements is of fundamental importance to large swathes of the tourist and creative industries. The Motion Picture Association told us that the Government should prioritise as an outcome of the negotiations an agreement ensuring that “UK production crews can work in the EU and vice-versa.”<sup>58</sup> Just as the Royal Opera House had highlighted concerns that they may not be able to bring in EU artists at late notice, the British Film Institute said that British workers in film production

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51 [IOB 099](#), para 2.1.1

52 [IOB 042](#) para 4

53 [IOB 042](#) para 13

54 [IOB 060](#) para 3.17

55 [IOB 124](#) para 2.8

56 [IOB 070](#) para 1.2

57 [IOB 046](#) para 11

58 [IOB 091](#) p 4

often take posts in the EU in short timeframes. They said “the introduction of a UK-EU visa regime might impact the ability of highly-skilled UK based operatives to take up opportunities in a timely fashion.”<sup>59</sup>

47. During the Committee’s visit to Belfast, witnesses from the film and television industries impressed on us the importance of this free-flow of people across borders, if the success of Northern Ireland is to be maintained in attracting big budget productions from overseas producers, including those from the United States. Scenes from the *Game of Thrones*, for instance—the set of which we visited in Belfast—are filmed in several European locations.

48. During our visit, a number of witnesses expressed concerns that Dublin—which is already attracting other industries, including financial services—might otherwise benefit at Belfast’s expense if the current workforce flexibility was not maintained after Brexit.

49. During the Committee’s visits to digital and creative business centres in Berlin and Barcelona, it was clear that these cities are already attractive to UK entrepreneurs and are actively developing strategies to woo more UK businesses after Brexit. At our meetings both at the Barcelona Tech City, and at G-TECH [the German Tech and Entrepreneurship Centre] in Berlin we were told that the main language for doing business in digital clusters such as these is English. The cost of doing business is lower than in London, and it has been made easy and attractive for people to relocate there. Paris, with its new ‘Station F’ centre in a converted rail freight depot, also has ambitions to attract new digital start-ups and Amsterdam—which has already secured the European Medicines Agency—is seeking to lure cross-border broadcasters from London, too. The opportunity to be able to move both people and businesses easily between different European cities is clearly greatly valued. Whilst there is a danger that some people could move their firms to other creative cities within the European Single Market post-Brexit, it was also clear that no other city in the EU can match the size of the creative and digital sectors in London. Again, this does not mean that other UK cities will have the resilience to withstand this. In addition to this, London provides unrivalled access to finance, and other legal and professional, services. Some entrepreneurs the Committee met both in Berlin and Barcelona stated that they will still want to access these services after Brexit, and that a tech business based in Europe looking to complete a significant funding round would be much more limited in its ability to do this, without access to the London financial markets.

50. A key aspect of The British Fashion Council’s evidence was the importance of reciprocal free movement in developing the talent of British workers at the highest levels of the fashion industry:

Free movement also allows British talent the opportunity to establish themselves within EU businesses. For example, the Creative Directors of Chloé, Louis Vuitton Menswear and Loewe are British designers. The global reach of British talent that encourages international investment in British talent will be further impacted by potential changes to free movement policies.<sup>60</sup>

59 [IOB 121](#) p 4

60 [IOB 065](#) para 12

51. Pronounced and immediate concerns also exist within the outbound tourist industry, which structures many products around the presence of British staff at holiday destinations. Alan Wardle, CEO of ABTA–The Travel Association,<sup>61</sup> highlighted the importance to tour operators of British staff being able to continue to work in the EU.<sup>62</sup> Stephen D’Alfonso, Group Head of Public Affairs at Thomas Cook, noted the importance of the future relationship with the EU allowing the easy movement of staff employed by a UK-based business:

Ultimately, we want to be able to move our people around. We have 22,000 employees across 16 source markets. We don’t want barriers to that and short-term visas, for example, is a very important element in that respect.<sup>63</sup>

## Conclusions

52. Irrespective of Brexit, the Government should overhaul the existing visa system for non-EU nationals, who also make a valuable contribution to the UK economy, including our creative, technology and tourism industries. These industries rely on EU workers, and their commercial success is built on having a diverse workforce. The Government must heed warnings that SMEs across creative industries and tourism will not have the capacity to manage a new system that foists additional bureaucracy upon them.

53. *Brexit provides an opportunity for the Government to overhaul the existing visa system. We believe that salary levels are a crude proxy for value and fail to recognise the central role that workers from the EU and beyond play in making British businesses successful. We recommend that the Government explores ways in which commercial value, and value to specific sectors of the economy, can be factored into the UK’s post-Brexit immigration system.*

54. *Simplicity should be a key feature of the future migration arrangements that the UK will agree with the EU. In particular, the creative industries and performing arts need a system which complements the spontaneity that defines live performance. We believe, therefore, that the Government should seek to retain free movement of people during any transitional period after the UK formally ceases to be a member of the EU in March 2019. If the visa system is to change subsequently, an intensive and detailed process of consultation with all those affected will need to begin as soon as possible.*

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61 For brevity ABTA–The Travel Association will be referred to as ABTA

62 Q101

63 Q105

### 3 Direct EU Funding

55. As well as securing investment from companies using the country as a gateway to the European Single Market, the UK receives appreciable direct EU funding, which benefits among others the creative, cultural and tourism industries.

56. Since concluding our evidence, for example, we have already seen how one such source of funding has now dried up owing to Brexit: UK cities cannot now participate in the European Capital of Culture programme, which benefitted Glasgow in 1990 and Liverpool in 2008.

#### Creative Europe

57. To an overwhelming extent, the evidence submitted from organisations within the creative industries called for the UK to maintain participation in the Creative Europe funding programme. The Publishers Association, the Museums Association, the British Council and PACT all emphasised the benefits that membership of Creative Europe has brought to the UK.

58. Creative Europe Desk UK (the information and promotion office for Creative Europe in the UK) outlined the operation of the system:

Creative Europe was established by the European Commission in 2014. It builds on two previous programmes: MEDIA, supporting the audio-visual industry, and the Culture Programme supporting cultural and creative sectors. The current round has a budget of €1.46 billion over seven years (2014- 2020).<sup>64</sup>

59. Their evidence added that in many sectors British projects are disproportionately successful in applying for funding and that demand from other EU organisations to work in partnership means that “the UK has been involved in 44% of projects.”<sup>65</sup> They reported that the outcome of the referendum had not curtailed applications from UK-based projects or dampened enthusiasm for cross-border partnerships.<sup>66</sup> In addition they provided an overview of the funding UK organisations had received:

Between 2014 and 2016, Creative Europe supported 283 UK cultural and creative organisations and audiovisual companies, as well as the cinema distribution of 115 UK films in other European countries. With grants totalling €57 million, this meant the UK benefited from 11% of the entire €520 million Creative Europe budget allocated in this period.<sup>67</sup>

60. The Art Fund, an organisation which provides grants to museums and galleries across the UK, illustrated the significance of partnership working in its written evidence:

As well as offering essential funds to enable the development of projects, Creative Europe encourages museums and galleries to share their skills,

64 [IOB 113](#)

65 Creative Europe Desk update p 2

66 Creative Europe Desk update p 1–2

67 Creative Europe Desk update p 1

ideas and talent across the EU through its partnership requirement for funding. For instance, the Sharing a World of Inclusion project included collaboration between 11 EU partners.<sup>68</sup>

61. The Museums Association, however, said that partnership working had been disrupted by the outcome of the referendum:

UK partners in joint projects have been asked to leave or to cease taking a leadership role in projects that would otherwise have benefited the cultural and tourism sectors in the UK.<sup>69</sup>

### **Economic impact**

62. Witnesses to the inquiry were keen to demonstrate that securing funding from Creative Europe has been a catalyst for unlocking further private investment in projects. Creative Europe Desk UK said that the funding has enabled beneficiaries to secure substantial additional investment:

Creative Europe funding has proved critical in helping to secure additional investment for over half (52%) of MEDIA beneficiaries and over two thirds (68%) of Culture beneficiaries. [ ... ]

Based on the co-financing figures provided by the Executive Agency, Creative Europe's Culture sub-programme beneficiaries were estimated to leverage match-funding worth 114% of the amount of their Creative Europe grant: an additional €17.2 million. MEDIA sub-programme beneficiaries in the UK were able to leverage match-funding worth five times the amount of their Creative Europe grant from 2014 -2016. This amounted to €108m of additional funding.<sup>70</sup>

### **Future arrangements**

63. In oral evidence, Sir Peter Bazalgette described the impact that Creative Europe funding can have in relation to the arts and outlined the broad decisions that will have to be made by the Government. He highlighted the fact that EU membership is not a pre-requisite of participation in Creative Europe:

Creative Europe brought £11 million into arts and cultural organisations in 2014–15, which in the shape of things may sound like a small amount of money; in the arts world that is a large amount of money and it does a very, very large amount of good. Creative Europe can have countries that are not in the EU taking funds from it. Are we going to stay subscribing to Creative Europe or are we going to leave that system and are we going to replace the money?<sup>71</sup>

64. Citing the examples of Iceland and Norway as nations outside the EU, both the Art Fund and the National Museum Directors' Council urged the Government to retain

68 [IOB 078](#) para 6.4

69 [IOB 095](#) para 7

70 Additional submission p 2-3

71 Q4



membership of Creative Europe.<sup>72</sup> Equity, however, noted in its evidence that there had been limitations to the extent of participation in Creative Europe for some nations outside the EU:

Switzerland lost all access to funding schemes in 2014 after imposing restrictions on EU citizen mobility and while Norway pays into and can access schemes, they have no say in their development.<sup>73</sup>

65. The then Secretary of State said that the Government is “looking carefully at the areas in which it is important that we continue membership” but did not commit to continued membership or a timeframe for a decision.<sup>74</sup> Ms Bradley did say, however, said that she would “not expect our membership or otherwise of the EU to result in a reduction, necessarily, of funding from Creative Europe.”<sup>75</sup> Writing to the Committee subsequently, she clarified her remarks, stating clearly that continued participation would be subject to negotiation with the EU.<sup>76</sup>

### Conclusion

66. **The tone of the then Secretary of State’s comments implied that there is good reason to believe that the UK will seek to participate in Creative Europe post Brexit. Ms Bradley’s optimism may, however, have been the consequence of misapprehension as to the origin of the programme and the Government’s later correspondence underlined that that the UK’s negotiations with the European Commission will determine our future involvement in Creative Europe.**

67. **The ability to utilise Creative Europe to secure additional sources of funding, combined with the freedom it gives to British organisations to lead projects with partners from across the EU (and outside the EU), means that there are clear incentives to maintain our participation.**

68. **If the UK were to depart Creative Europe, this would represent a significant blow to the performing arts, museums, galleries, publishing and many other sectors in the creative industries. The limitations of participation experienced by other non-EU members illustrates that reaching agreement may not be straightforward but, equally, neither the UK nor EU member states will benefit from the UK’s departure.**

69. **As the Government seeks to build a new and unique relationship with the EU, it should commit to making it an objective of negotiations to secure the UK’s ongoing participation in Creative Europe.**

### Additional EU funding streams

70. The Government has sought to provide assurance that the broad range of funding sources available across all sectors will not simply disappear when the UK exits the EU. DCMS told us that all European Structural and Investment Funds (ESIFs) projects

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72 [IOB 078](#) para 6.4, [IOB 096](#) para 5.4

73 [IOB 011](#) p 3

74 <https://goo.gl/FWewwv>

75 Q126

76 Letter from Rt Hon Karen Bradley MP, then Secretary of State for Digital, Culture, Media & Sport, to Damian Collins MP, Chair of the Digital, Culture, Media & Sport Committee, 25 October 2017

signed or with funding agreements in place before the Autumn Statement, would be fully funded, even when those projects continued beyond the UK's departure from the EU.

In October 2016, this guarantee was extended to ESIF projects signed after the Autumn Statement and continuing after the UK has left the EU. The Chancellor was clear that funding for these projects would be honoured by the Government, if they met the following conditions: that they were good value for money and in line with domestic strategic priorities.

It was also announced in August 2016 that, where competitive bid funding was awarded directly from the Commission to UK bodies before exit (covering funds including Creative Europe), the Treasury would underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU.<sup>77</sup>

71. Equity's written evidence explained why the Government's guarantee is of such significance to the creative industries and tourism:

Across the creative sector, 46% of UK bids for European funding are accepted, second only to Germany. The UK also receives 24% of all European Research Council grants. 1.5-2% of £258bn European Structural and Investment Funds for the period 2014–2020 will go to the cultural sector and in the period 2014–2020 The European Social Fund and the European Regional Development Fund will invest £8.66bn across the UK—targeting disadvantaged areas in particular.<sup>78</sup>

### **Regional investment**

72. The Creative Industries Federation's 2016 Annual Report emphasised the broad nature of EU funding mechanisms. Building on the commentary provided by Equity, the Federation highlighted the regional significance of these various sources of funding:

The European Regional Development Fund has helped to rebalance the discrepancy between capital and regional funding—investing in cultural projects including Sage Gateshead, Manchester's HOME and Falmouth University.<sup>79</sup>

73. Cornwall Council's written evidence said it was “vitaly important” for employment within the creative industries in Cornwall and the Isles of Scilly to replace “even a proportion” of EU funding.<sup>80</sup> Its submission outlined the relationship between funding streams that may not be specifically dedicated to the creative industries and the development of a creative workforce within the local area:

EU investment has been critical in enabling the evolution of a University campus at Falmouth, enabling a growth in arts graduates who have been able to stay in Cornwall and provide innovative business start ups and

77 [IOB 122](#) p 6

78 [IOB 011](#) p 3

79 The C Report, 2016–17, Creative Industries Federation [https://www.creativeindustriesfederation.com/sites/default/files/2017-07/C\\_Report\\_2016-17\\_optimised.pdf](https://www.creativeindustriesfederation.com/sites/default/files/2017-07/C_Report_2016-17_optimised.pdf)

80 [IOB 014](#) p 3

development. There is a fear in the cultural sector that any withdrawal from the pace of investment will once again lead to a ‘brain drain’, with all the consequent impacts that would have.<sup>81</sup>

### ***Creative funding and tourism***

74. The creative industries and inbound tourism are in many cases interlinked. The Museums Association said in written evidence that the loss of EU funding would affect “museum projects as well as undermining local tourism initiatives.”<sup>82</sup> The importance of the relationship between EU funding and tourism was emphasised by UKinbound which described the importance of EU funding in driving partnerships and private investment:

Many Destination Management Companies have benefitted in recent years from EU funding. [ ... ] By its very nature, EU funding necessitates collaboration between Member States and is therefore extremely relevant in developing tourism business between EU partners. Uncertainty about the future of this funding will be extremely damaging for Destinations—particularly as it is often a catalyst for private sector funding which may otherwise not be forthcoming.<sup>83</sup>

75. The Art Fund provided a specific example of where EU regional development funds had been central in securing wider investment for a creative project designed to drive tourism:

We are concerned that [ ... ] cultural successes such as HOME in Manchester, Sage in Gateshead and the Museum of Liverpool that also received EU funding, could not have been completed without the contribution of EU funds, and fear that the future development of the arts and museums sector could be inhibited by the loss of access to these funds. Sharon Granville, the Executive Director, collections and estate at National Museums Liverpool said “the Museum of Liverpool benefited from more than £10m in investment from the European Regional Development Fund (ERDF). It was this funding that unlocked the rest of the £70m funding package. It would be impossible for us to deliver that today with the triple whammy of the loss of the ERDF and Regional Development Agency funding, and the uncertainty in the regional corporate sector that exists post-Brexit.”<sup>84</sup>

### ***Mapping EU funding***

76. The wide variety of funding sources was underlined by the Association of Leading Visitor Attractions which noted that the Common Agricultural Policy-funded Rural Development Programme “includes £20m specifically targeted toward rural tourism promotion.”<sup>85</sup> Discussing the example of the Sage centre in Gateshead, John Kampfner of the Creative Industries Federation emphasised the fact that funding that supports creative projects would not necessarily be classified and recorded as arts funding:

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81 [IOB 014](#) p 1

82 [IOB 095](#) p 4

83 [IOB 006](#) p3

84 [IOB 078](#) para 6.6

85 [IOB 081](#) para 2.5

To cite one example, the Sage in Gateshead was constructed using nearly £6 million [£5.6 million] of ERDF funding that was used to detoxify the land before construction. That would not come into any arts reckoning. It is not something one would imagine DCMS or the Arts Council or anyone else would keep figures on.<sup>86</sup>

77. Explaining the challenge this presents in terms of understanding what the total sum of EU investment is, and where it originates from, Equity said in their written evidence that “DCMS and DExEU should undertake a thorough mapping exercise of existing European funding streams for cultural organisations.”<sup>87</sup>

## Conclusion

78. **A key component of access to EU funding has been its importance as a catalyst to unlock other forms of funding, whether public or private. The Chancellor’s assurance that structural funding will be maintained is welcome, but the government would need to provide long-term certainty as to the nature of public investment in tourism and creative projects. Furthermore, the Government’s guarantee does not address concerns that EU partners do not currently wish to partner with UK organisations such as museums. Consequently, British institutions are already missing out on funding.**

79. *The Government should publish a map of all EU funding streams that support tourism and creative projects, whether dedicated to this specific purpose or not. This mapping exercise should:*

- *spell out where previous EU funding has, directly or indirectly, benefitted these sectors;*
- *indicate those streams that will need to be replaced;*
- *provide an overview of the total sum of funding that the UK government will provide to cover these costs; and*
- *clarify the role of the devolved administrations in the present arrangements and their proposed role in the future in the eyes of the UK Government.*

*In addition, the Treasury and DCMS should illustrate how ‘value for money’ will be measured in any assessment of those EU funds that will be honoured by the Government’s guarantee.*

86 Q5

87 [IOB 011](#) p 3

## 4 The regulatory environment

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### Background

80. Tourism, the creative industries and the digital tech sector all operate under the umbrella of EU regulation. Which? noted that that travellers benefit from consumer protection measures such as “flight rights and protection for package holidays”, all of which are a consequence of EU regulation.<sup>88</sup> The Design Council identified “unique policy frameworks or cross-border agreements that stem from the European Commission.”<sup>89</sup> UKIE summarised how the regulatory environment provided a commercial foundation for the British digital games sector:

Harmonised rules, for instance on data protection, copyright and VAT, have enabled games businesses based in the UK to seamlessly export digital goods and services throughout the EU.<sup>90</sup>

81. Examining the EU regulatory underpinnings of the digital single market that apply in the UK, BT Group said that, overall, they were satisfied with the current regime:

The existing UK regulatory framework—largely a product of the DSM [digital single market] which was driven by successive UK Governments—works well for the most part and has been highly successful in delivering effective competition in the UK across a wide variety of markets.<sup>91</sup>

### Opportunities

82. BT Group’s written evidence explored in some depth how the UK’s regulatory system could be developed to support the commercial development of digital businesses once the UK has left the EU. They said there is an opportunity to “take advantage of Brexit” and the Government should:

espouse data free flow and open effectively regulated reciprocal trade in services (including communications services) in trade agreements with other nations or blocs.<sup>92</sup>

Nevertheless, the first principle that BT wanted the Government to apply to the UK’s negotiations with the EU was aligning where possible:

to tried and tested regulatory principles, or agree to continue to operate within the existing framework as part of any negotiated settlement with the EU.<sup>93</sup>

83. The Radiocentre, which represents commercial radio stations, is campaigning for an alteration in the regulatory environment, particularly as it relates to advertising. They wish to see the requirement to include ‘quick talking’ terms and conditions at the end of

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88 [IOB 137](#) para 4

89 [IOB 077](#) para 9

90 [IOB 022](#) p 6

91 [IOB 075](#) para 17

92 [IOB 075](#) para 5 b

93 [IOB 075](#) para 5 a

radio adverts removed. The requirement exists because it is mandated in the Consumer Credit Directive and although some progress was being made at EU level they said because of Brexit “there will almost certainly be scope for the rules to be reviewed.”<sup>94</sup>

84. Similarly, Visit Britain argued that recent amendments to the travel package directive, which are burdensome for accommodation providers, could be revised once the UK has left the EU.<sup>95</sup> They did not, however, explain how the UK could achieve regulatory freedom in this regard whilst also maintaining regulatory equivalence for visa free travel and continued participation in EU arrangements such as the single aviation market.<sup>96</sup>

85. In some cases, witnesses regarded Brexit as an opportunity for the UK to develop relationships with markets which, as a member of the EU, would have been determined by the EU’s common commercial policy. Ozwald Boateng emphasised the importance of extending our trading relationship with Commonwealth nations to further develop markets for the high-end fashion industry.<sup>97</sup> Mr Boateng told us that while the EU market offers approximately 400 million consumers, the Commonwealth market offers as many as 2.3 billion; developing a coherent, renewed strategy about how the fashion industry can better reach the Commonwealth market and exact its potential could help to mitigate any potential loses as a result of Brexit.<sup>98</sup> Equally, fashion production chains—many of which rely on countries like Italy, Portugal and Turkey—could then be on-shore, but Mr Boateng remarked that this could only become a reality if the Government provided the appropriate strategy, including financial support.<sup>99</sup>

86. Other witnesses argued for policy changes which could be implemented even if the UK had voted to remain in the EU. The Airport Operators Association, which is campaigning for a reduction in Air Passenger duty, said Brexit was the UK’s opportunity to “bring UK aviation taxes in line with Germany.”<sup>100</sup> They called for regulatory simplification, but accept that this would be dependent on the UK’s final agreement with the EU.<sup>101</sup>

## Conclusion

**87. Common rules, standards and regulation form part and parcel of the UK’s membership of the EU and its Single Market and Customs Union. Some argue that Brexit may provide opportunities to tailor our regulatory systems more closely to the needs of British businesses across tourism, the creative industries and the digital economy. Whether opportunities present themselves, however, will depend on the detail of the UK’s final agreement with the EU. We found little appetite amongst**

94 [IOB 013](#) p 4

[Note by Radiocentre: We wanted to clarify that Radiocentre is seeking to reform the EU legislation which requires advertisements to include lengthy terms and conditions in order to better protect consumers, not remove requirements entirely. As Radiocentre set out in their written submission to the inquiry, they believe there is an opportunity for the Government to ‘make positive steps to review and implement better regulation with regard to terms and conditions’. While this may seem like a small issue we believe this is an important distinction to make, as our campaign is focussed on reforming terms and conditions, not removing them, in order to make them easier to understand for radio listeners and better protecting UK consumers.]

95 [IOB 027](#) p 7

96 [IOB 027](#) p 5

97 Q195

98 Q195

99 Q198

100 [IOB 112](#) para 25

101 [IOB 112](#) para 26

witnesses to surrender the benefits of a uniform and open European marketplace and regulatory system in favour of domestic regulatory changes that may not be consistent with the rest of the EU.

88. Some businesses, in the fashion and textiles sector, for instance, do see opportunities to improve trade links beyond the EU post-Brexit, and to develop strategies to support more UK-based production. The Government should, therefore, set out more clearly how this might be achieved—and what it will do to support this—and what the counter-vailing harmful effects are likely to be of leaving the Single Market and Customs Union.

89. *The Government should set out as a matter of urgency those areas where it believes that Brexit offers an opportunity for beneficial regulatory reforms and how it intends to capitalise on any such opportunities.*

## Digital single market

90. Outside the US technology giants, the UK has the most developed digital technology sector of all the members of European Union. It has had, therefore, the most to gain from the developing digital single market—and has, therefore, potentially the most to lose in the future, should we not negotiate mutually beneficial arrangements following Brexit.

91. In this section, we address two concerns over which our enquiry received considerable evidence: the future of data roaming in the telecommunications sector; and data-sharing and protection, which affects a broader swathe of UK industry. Issues of copyright protection and those affecting broadcasting in the context of the digital single market we address in the Creative Industries section below.

### Data roaming

#### Surcharge free roaming

92. In June 2017 mobile roaming surcharges for customers travelling within the EU were abolished in an initiative known as Roam Like at Home (RLAH). The House of Commons Library Briefing notes that the abolition of retail roaming charges for customers depends on a regulation which caps the wholesale prices that mobile operators in EU countries are allowed to charge when their customers roam on each other's networks.<sup>102</sup>

93. The House of Commons European Scrutiny Committee (ESC) has examined the implications of Brexit for UK-EU mobile roaming as part of its ongoing scrutiny of European legislative proposals.<sup>103</sup> In correspondence with the Committee, Matt Hancock MP, then Minister of State for Digital and now the Secretary of State for DCMS, said that the European Union (Withdrawal) Bill—then known as the Great Repeal Bill—would allow the Government to retain the current roaming arrangements after it had left the EU:

102 For more information see House of Commons Library Briefing Paper 8034, "The abolition of mobile roaming charges and Brexit" (6 July 2017)

103 House of Commons, Digital Single Market: Wholesale Roaming, report chapters published on 14 September 2016, 18 January 2017, 8 February 2017, 29 March 2017, 25 April 2017

The Great Repeal Bill will end the authority of EU law. The same rules and laws will apply on the day after Brexit as they did before, including for roaming.

94. However, in April 2017 the ESC concluded that it was not persuaded by his argument that the same rules would apply after Brexit by virtue of the EU (Withdrawal) Bill, because the wholesale roaming market was cross-border, and the Government would not be able to require mobile operators in other countries to cap the wholesale charges they applied to UK operators when UK customers used their networks:

The cross-border nature of roaming itself [ ... ] means that, post-exit, even if the Government chose to retain the same EU rules in domestic law through the Great Repeal Bill, those rules would not have the same effect as at present (in the absence of a bilateral agreement with the EU27).

The Government would be able to cap the wholesale roaming charges that UK-based operators could impose on EU operators for using their networks, but could *not* [their emphasis] require EU-based operators to reciprocate when UK consumers used EU networks. EU operators would, in consequence, be free to charge UK operators higher wholesale roaming charges if they wished, which would quickly have the effect of rendering surcharge-free roaming services commercially unviable for UK networks.<sup>104</sup>

95. Analysis undertaken by the House of Commons Library concluded that, although the Repeal Bill could prevent UK-based mobile operators from applying surcharges, that this would not apply to wholesale caps.<sup>105</sup> Moreover, the Library paper observed that “the 2015 Government described the wholesale price caps as “a key enabler for the abolition of roaming charges”—calling into the question of retaining a ban on retail roaming charges in the absence of an agreement with the EU to continue to cap the wholesale charges incurred by operators.<sup>106</sup>

### *Costs to consumers*

96. Which? said in their written evidence that roaming charges were one of the most significant post-Brexit concerns for consumers.<sup>107</sup> Ofcom’s written evidence reflected concern that Brexit will ultimately result in increased costs to British mobile customers:

Roaming charges are being reduced for mobile phone users across the EU, and this progress must be reflected in agreements between the UK and EU member states. Otherwise our mobile operators may be exposed to unfair costs, and UK consumers and businesses could end up paying more than our European neighbours.<sup>108</sup>

97. Analysis by the legal firm Clifford Chance, however, suggested that market pressures may mean that consumers in the UK may not be adversely affected by no longer falling

104 <https://publications.parliament.uk/pa/cm201617/cmselect/cmeuleg/71-xxxv/7109.htm>, para 14

105 <http://researchbriefings.files.parliament.uk/documents/CBP-8034/CBP-8034.pdf>

106 House of Commons Library, The abolition of mobile roaming charges and Brexit, Number 8034, 6 July 2017, p 20 <http://researchbriefings.files.parliament.uk/documents/CBP-8034/CBP-8034.pdf>

107 [IOB 137](#) para 9

108 [IOB 147](#), para 29



under the auspices of the EU regulations. Their analysis noted that, if Ofcom took a more interventionist stance in relation to retail markets, then the regulator may be able to drive down any initial hike in data roaming charges:

Ofcom's Sharon White has argued to retain the current limits on roaming charges. Even in the absence of such agreements, competitive pressures may well force operators in both the UK and EU to limit roaming charges. Depending on its post-Brexit powers, Ofcom might also be in a position to drive down retail roaming charges charged by UK operators if these appear to be unfairly punitive for UK consumers.<sup>109</sup>

98. BT's written evidence, however, indicated that, because UK-based operators are likely to be exposed to uncapped wholesale costs, it may not be straightforward to limit roaming charges in line with the EU roaming regulation post Brexit:

While it requires EU mobile operators to offer 'roam like at home' services from June 2017, UK mobile operators will only be in a position to offer such services to their customers when roaming across the EU if they can also benefit from regulated wholesale access charges from operators based in other EU Member States. For example, customers of Swiss mobile operators face significantly higher roaming costs than customers of EU operators as the Swiss operators do not benefit from regulated wholesale rates. It is therefore important that this issue is covered as part of any new trading agreement between the UK and EU.

99. It should be noted, however, that DCMS analysis found that the cost to mobile operators of implementing the ban on surcharges was assessed to be between £110 and £200 million.<sup>110</sup> The European Scrutiny Committee concluded that "non-participation in the EU initiative to abolish roaming charges will save UK mobile operators a significant amount of money" and highlighted independent analysis of the cost to mobile customers which reported that "retail roaming prices are typically a large mark-up on the equivalent wholesale charge that underpins the service."<sup>111</sup>

## Conclusion

**100. The end of mobile roaming surcharges within the EU is a significant benefit to UK consumers and is put at risk by Brexit.**

**101. We accept the European Scrutiny Committee's conclusion that, after the UK leaves the EU, it will not be possible for the Government to legislate domestically to ensure that UK mobile operators are protected by the EU cap on wholesale roaming charges, due to the reciprocal, cross-border nature of the measure. It is therefore a matter for negotiation.**

**102. If the UK ceases to be protected by the wholesale roaming cap, EU-based mobile operators will be free to apply higher charges to UK operators when their customers**

109 <https://talkingtech.cliffordchance.com/en/tmt/telecoms/brexit-impact-on-the-telecoms-industry--a-regulatory-perspective.html>

110 House of Commons European Scrutiny Committee, Thirty-Seventh Report of Session 2016–17, HC 71-xxxv, para 6.29

111 HC 71-xxxv, para 6.29

use EU networks. Some mobile operators have already indicated that, if the wholesale roaming cap ceased to apply to them, they would be unable to continue to provide surcharge-free mobile roaming services to their customers, meaning the return of roaming surcharges.

103. After the UK leaves the EU, the Government may, in principle, be able to retain the ban on UK mobile operators surcharging their customers when they use roaming services within the EU. However, in the absence of an effective cap on wholesale prices, the commercial sustainability of this approach for operators appears highly suspect. The 2015 Government acknowledged that the wholesale roaming rules were a “key enabler” of the abolition of roaming surcharges.

104. *To protect consumers from the reintroduction of roaming charges, we urge the Government to ensure that provisions which continue to cap wholesale roaming charges are included in any future UK-EU trade agreement. The Government must prioritise this as a first step in protecting consumers from a post-Brexit price hike. Following the UK’s departure from the EU, the Government and regulators should also act to prevent UK mobile operators from reintroducing and increasing retail roaming charges for UK customers.*

## **Data-Sharing and Protection**

### **Background**

105. The 1995 Data Protection Directive (95/46/EC) formed the basis of EU data protection law. The 1998 Data Protection Act incorporated the directive into UK law, but in 2012 the European Commission proposed new legislation to address fundamental technological change and divergence in the way in which member states had enforced data protection law.<sup>112</sup> The new General Data Protection Regulation (Regulation 2016/679, the ‘GDPR’) came into force in May 2016 and member states had two years to transpose it into domestic law.

106. Giving evidence to the House of Lords Select Committee on the European Union in February 2017, Matt Hancock MP, then Minister for Digital and Culture, said the GDPR was a “good piece of legislation”. The Queen’s Speech of 21 June 2017 included a Data Protection Bill to transpose the directive.

### **General Data Protection Regulation (GDPR) and Brexit**

107. The importance of keeping the UK in step with EU data protection law after Brexit was highlighted by several witnesses. The Advertising Association said the UK must ensure that the UK maintains equivalence with the EU because the “transfer and use of user data across borders is a vital element in running successful digital advertising campaigns; online content knows no borders.”<sup>113</sup> BT Group said:

112 <http://researchbriefings.files.parliament.uk/documents/CBP-7838/CBP-7838.pdf>

113 [IOB 105](#) para 28

The UK should remain aligned with EU data protection legislation, including the new General Data Protection Regulation, and in particular ensure that it retains an adequate level of protection for personal data so that data can continue to be exported from the EU to the UK.<sup>114</sup>

108. Dell EMC made similar remarks in their written evidence but also said “it is important to have a wider review of the new regime, to see if there are any aspects that the UK would want to amend without compromising standards.”<sup>115</sup> UKIE also addressed this point, but emphasised that in any consideration of reform of UK data protection legislation the balance must be struck in favour of maintaining continuity with the EU legislative framework:

Other non-EU countries, such as Switzerland and Norway, have managed to obtain the necessary free movement of data in a variety of ways, and the UK should seek to achieve the same outcome in the Brexit negotiations.<sup>116</sup>

Matt Hancock said in March 2017 that he was “keen to secure the unhindered flow of data between the UK and the EU post-Brexit”.<sup>117</sup>

109. Once the UK leaves the EU, the UK will be classified by the EU’s data protection framework as a “third country”. Maintaining the free flow of data and personal information across borders will only be possible if the UK can demonstrate to the EU that data will be protected in a manner that they deem to be adequate. The Institute for Government provided some context to adequacy agreements:

Currently, the Commission has recognised 12 countries or territories, including Argentina, Israel and New Zealand as providing fully adequate data protection.

The USA and Canada have been deemed to provide only partially adequate protection.

In Canada, only private organisations that use the data for commercial activities have free access to EU data.<sup>118</sup>

110. In its description of the proposed Data Protection Bill, DCMS said that the UK’s regulation will differ from the GDPR in some respects:

The Bill is a complete data protection system, so as well as governing general data covered by GDPR, it covers all other general data, law enforcement data and national security data. Furthermore, the Bill exercises a number of agreed modifications to the GDPR to make it work for the benefit of the UK in areas such as academic research, financial services and child protection.<sup>119</sup>

114 [IOB 075](#) para 45 C

115 [IOB 129](#) p 2

116 [IOB 022](#) p 8

117 Select Committee on the European Union, EU Home Affairs Sub-Committee, Corrected oral evidence: The EU Data Protection Package, 1 February 2017, Q1

118 <https://www.instituteforgovernment.org.uk/explainers/data-adequacy>

119 Data Protection Bill, Factsheet – Overview

### *Achieving an adequacy agreement*

111. Reporting in July 2017, the House of Lords EU Home Affairs Sub-Committee on Brexit “said it was ‘struck by the lack of detail’ on how the Government plans to deliver the unhindered flow of data after Brexit.”<sup>120</sup> The Lords Committee concluded that adequacy decisions from the European Commission would be the “least burdensome” way for Government to achieve this goal.<sup>121</sup>

112. The Committee emphasised the importance of transitional arrangements to protect data flows in relation to policing, security and commercial interests if an adequacy arrangement cannot be established prior to the UK’s exit from the EU:

Adequacy decisions can only be taken in respect of third countries, and there are therefore legal impediments to having such decisions in place at the moment of exit. In the absence of a transitional arrangement, this could put at risk the Government’s objective of securing uninterrupted flows of data, creating a cliff-edge. We urge the Government to ensure that any transitional arrangements agreed during the withdrawal negotiations provide for continuity of data-sharing, pending the adoption of adequacy decisions in respect of the UK.<sup>122</sup>

113. Whether the Government will seek an adequacy agreement is not yet certain. The Minister said in October 2017 that the Government would seek “something akin” to an adequacy deal that would secure the free flow of personal data.<sup>123</sup> Explaining why he used this specific terminology Mr Hancock said:

We want to make sure that the flow of data is unhindered, so we effectively seek an adequacy deal, but that is currently scheduled to be negotiated as part of the future relationship. Whether it is enacted through the formal EU mechanism of an adequacy deal or as part of the negotiation is, in a sense, immaterial. What matters is the unhindered free flow of data between the two regimes.<sup>124</sup>

114. In oral evidence, the then Secretary of State confirmed that the Government’s broad intention is to “achieve adequacy with the European Union as part of our negotiations leaving the EU.”<sup>125</sup> When challenged that an adequacy agreement could only be put in place once the UK is no longer a member of the EU, she said that the implementation phase of any deal post 2019 would enable this to happen:

We cannot enter into any free trade arrangements, or anything else with the EU, until we have actually left the EU, which is why we need to have an implementation period. [ ... ]. We would expect to be able to continue with compliance with EU law, and maintain adequacy through the implementation period until we can sign any formal arrangements to have adequacy for the UK.<sup>126</sup>

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120 <https://publications.parliament.uk/pa/ld201719/ldselect/lducom/7/7.pdf>

121 <https://publications.parliament.uk/pa/ld201719/ldselect/lducom/7/7.pdf>

122 Brexit: the EU data protection package

123 Hansard, Leaving the EU: Data Protection, 12 October 2017, Volume 629, Column 499

124 Hansard, Leaving the EU: Data Protection, 12 October 2017, Volume 629, Column 500

125 Q201

126 Q206

### *Maintaining the UK's international standing*

115. Matt Hancock said that “the UK has been a world leader in data protection for a long time”<sup>127</sup> and that:

the Government is determined to ensure that, after our exit from the EU, the UK remains a global leader, promoting both the flow of data internationally and high standards of data protection.<sup>128</sup>

116. However, House of Lords EU Home Affairs Sub-Committee on Brexit concluded that, to maintain adequacy in the long term, the UK may be compelled to “continue to align domestic data protection rules with EU rules that it no longer participates in setting.”<sup>129</sup>

### *Conclusion*

117. **The success of the UK's digital economy is underpinned by ongoing data transfer across the globe and particularly within the EU. In order to preserve the UK's policing and security arrangements, and to maintain commercial confidence, the Government must aim to deliver certainty from March 2019 onwards.**

118. *It is important to recognise that Brexit creates a potential risk that the UK's ability to transfer data across borders will be limited. The Government said that the risk will be mitigated during the post March 2019 implementation phase of the final UK–EU deal as this will allow for an adequacy agreement to be developed. We believe it is essential that the transition period is constructed to maintain existing levels of data transfer, and that an adequacy agreement is reached at the earliest opportunity within the transition phase.*

119. **The conclusions of the House of Lords Committee expose two key concerns. Firstly, leaving the EU may not give the UK the flexibility to develop data protection law in the manner called for by witnesses such as Dell EMC. Secondly, once we leave the EU, our influence over the development of the legal framework that will guide UK law will be reduced, undermining our ability to agree structures and exemptions for the UK, and diminishing our role as a world leader in data protection law.**

120. **Brexit puts at risk the UK's position as a world leader in developing and implementing the regulatory system for data protection. To address this concern, the Government should lay before Parliament an action plan which describes how, post-Brexit, the UK will be able to develop policy on data protection to support businesses and protect consumers, in order to keep pace with the demands of fast moving and developing technologies.**

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127 Hansard, Leaving the EU: Data Protection, 12 October 2017, Volume 629, Column 499

128 Hansard, Leaving the EU: Data Protection, 12 October 2017, Volume 629, Column 499

129 <https://www.parliament.uk/business/committees/committees-a-z/lords-select/eu-home-affairs-subcommittee/news-parliament-2017/data-protection-report-published/>

## Tourism

### *The Single Aviation Market*

121. The UK has the third largest aviation network in the world and it is Europe's biggest, serving 250 million passengers a year and contributing at least £22 billion to the economy in 2015. The industry also underpins the UK's involvement in international trade, as well as the country's tourism industry. Of overseas visitors to the UK, according to the Government's latest statistics, 73% come by air and, of these, 61% were from other EU countries.

122. In this section, therefore, we focus on the two areas—apart from workforce issues considered earlier—where concerns were greatest in evidence submitted to us: maintaining the Single Aviation Market and tourist access to the UK, through its visa regime

### *Background*

123. The single market allows any UK airline to fly from any EU airport to any other EU airport, including domestic flights, and any EU airline to do the same within the UK. UK airlines also have access to the EU-US open skies agreement and all other EU multilateral aviation agreements.

124. Nations outside the EU have some access to the rights of full EU member states. Norway, for example, has single aviation market access but does not have access to the EU-US Open Skies agreement. Switzerland has similar access but does not enjoy cabotage rights (the right to fly domestically within an EU country).

125. In oral evidence Tim Alderslade, Chief Executive of Airlines UK, explained why EU aviation agreements are regarded as crucial:

We are by far and away the largest aviation market in Europe. Since we joined the single aviation market in 1992, we have seen prices come down, huge numbers of new entrants into the market, an increase in destinations. [ ... ] But also the EU has negotiated air services agreements with seven countries outside the EU, including the United States, which is an incredibly important market for us.<sup>130</sup>

### *Relationship with tourism*

126. Sally Balcombe of Visit Britain said that access to the single aviation market was essential to retaining visitor numbers to the UK.<sup>131</sup> Conversely, the Airport Operators Association noted that the EU represents “the UK's single biggest destination, accounting for 49% of passengers and 54% of scheduled commercial flights”.<sup>132</sup> Their written evidence described how EU aviation agreements underpin the travel of most people entering and leaving the UK by air:

The top ten inbound markets by volume are all, except Australia, countries with which the UK has an EU-level air services agreement with, and this

130 Q91

131 Q78

132 [IOB 112](#) para 5

applies to seven of the top ten inbound markets by value (exceptions are Australia, China and Saudi Arabia). In relation to outbound tourism, 76% of all UK holidays are in EU countries and the top five destinations are all countries with which the UK has an EU-level air services agreement<sup>133</sup>

127. Stephen D’Alfonso, Group Head of Public Affairs for Thomas Cook, said their “number one” priority is to “have the correct agreements in place to make sure that we can continue to fly to key destination markets.”<sup>134</sup> Developing an agreement at an early stage was emphasised by Alan Wardle of ABTA who noted in oral evidence that tour operators will soon be marketing packages for post March 2019 holidays.<sup>135</sup> Giving evidence in November 2017 to the House of Commons Transport Committee’s inquiry into Aviation and Brexit, Sophie Dekkers, UK Director for EasyJet, confirmed that charter airline flights are now available to book for the summer of 2019.<sup>136</sup>

### *Negotiating an agreement*

128. The Airport Operators Association outlined the possible consequences of failing to reach agreement with the EU. Their written evidence argued that aviation agreements should not be included in a wider trade deal:

The failure to agree a new air services agreement would seriously disrupt important tourism links for the UK, the EU27 and countries like the US. This is why aviation is treated separately from trade agreements: comprehensive air services agreements are the pre-condition for the success of trade agreements.<sup>137</sup>

129. Achieving agreement with the EU was thought to be vital, as falling back on WTO agreements was not seen as a viable option. The Airport Operators Association described the legal position:

While the UK has had bilateral air services agreements with most (but not all) EU27 countries, these date from a different era and are no longer fit for purpose. There is also a question over whether they are still legally valid since the creation of the Single Aviation Market superseded them. The same applies with the UK’s bilateral agreements with non-EU countries where there is now an EU-level air services agreement, like the US.<sup>138</sup>

130. Examining the possible outcomes of the negotiations, Tim Alderslade said the options, as he viewed them, were threefold:

The options that we have are that we remain a member of the single aviation market—which is probably unlikely given that we would then have to accept free movement of people, which the Prime Minister has said is not an option—or we can have a bilateral agreement with the European

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133 [IOB 112](#) para 5

134 Q90

135 Q90

136 Oral evidence to the Transport Committee, November 2017, HC 531 Q16

137 [IOB 112](#) para 17

138 [IOB 112](#) para 16

Union, along the lines of what the Swiss have, or we have a transitional arrangement in place until such time as we can work out what sort of deal we want moving forward.<sup>139</sup>

However, Mr Alderslade also said in evidence that the Government understands that the future of aviation is a “top priority” and he was “absolutely confident” that a deal would be put in place.<sup>140</sup> Mr Alderslade made the case that, post-March 2019, it is likely that the European aviation market will continue to function as it does today:

It is absolutely inconceivable that we are not going to secure market access both within the EU and with third-party countries. This is a technical issue. It is an important one but it is essentially a technical problem and we need to resolve it the best way we can. We have two years to put a deal in place and if we don't do that then I am absolutely confident that we would be able to get some transitional arrangements.<sup>141</sup>

### *The Government's position*

131. In answer to a written parliamentary question, John Hayes MP, then Minister of State, Department for Transport said:

it will be in the interests of all parties to maintain closely integrated aviation markets. The opening up of access to air services helps to deliver connectivity, choice and value for money that benefits consumers and businesses both here and abroad.<sup>142</sup>

In oral evidence, the Secretary of State noted that it is not DCMS that is leading on the negotiations in this area, but she said that there would not be a cliff edge in March 2019.<sup>143</sup>

### *Conclusion*

**132. It is very encouraging that the tourism and aviation sectors believe that existing aviation arrangements will be replicated once the UK has left the EU. Unfortunately, the then Secretary of State could provide very little detail as to the nature of the discussions, potential stumbling blocks and, crucially, the timing associated with reaching an agreement. The Government should recognise that it needs to provide certainty to an industry that is already marketing holidays for summer 2019, and for the consumers who will purchase them.**

**133. *We believe reaching an early agreement in relation to aviation is a key priority for the Government. Nevertheless, the Government must provide an assurance that contingency plans are being made in the event of no deal being agreed and provide more information as to what any contingency arrangements would mean for businesses and travellers.***

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139 Q93

140 Q94

141 Q105

142 HC Deb, 20 September 2017, cW

143 Q122



### **Tourist access to the UK**

134. Developing a new system for entry to the UK would have separate but highly significant implications for the tourist industry. When travelling to and from the UK, EEA nationals (and Swiss nationals)<sup>144</sup> are subject to a relatively light-touch system which is no different to that experienced by British passport holders entering the UK and is consistent with the principle of free movement. Consequently:

In 2015, 67% of visits to the UK and 44% of spend in the UK was from other EU member states; 8 of our top 10 and 13 of our top 20 inbound markets are EU member states.<sup>145</sup>

135. Both Cornwall Council and the London Borough of Camden told us that free movement of travellers was vital to their local tourist industries. UKinbound agreed:

We are extremely concerned that Brexit should not mean delays at the Border, or a reduction in our “Welcome” for this important market. More worryingly still, would be any thought of introducing Visas for visitors from the EU, just at the time when we had won some important concessions for existing Visa-markets such as China. Not only would this reinforce a message that the UK was becoming less welcoming to inbound visitors, but it would also put a further barrier in the way of tourism, add cost and bureaucracy to a destination that is, for many, already perceived as expensive.<sup>146</sup>

136. ABTA said in their written evidence that if a more stringent system was applied to EEA nationals it would “place significant strain on immigration services, and would likely lead to the necessary revision of current targets for processing people at UK borders.”<sup>147</sup> ABTA warned that at entry points such as the Port of Dover major delays would be inevitable.<sup>148</sup> In their written evidence, the Airport Operators Association added:

If free movement of people no longer applies, there would likely have to be a hard border check to determine the purpose of a traveller’s visit. [ ... ] Should this change go ahead, without a corresponding increase in Border Force resources, this could result in significant increases in queues at passport control. These would much more regularly than today breach the Service Level Agreement target of a maximum 45-minute waiting time for non-EEA international visitors and see a significant deterioration in the passenger experience.<sup>149</sup>

137. Several witnesses said in their evidence that, in response to Brexit, the Government should ease access to the UK for tourists from non-EU countries such as China and India. VisitBritain said that existing visa arrangements can act as a “barrier to visitors” and the Airport Operators Association called for the trial of a liberalised visa scheme for Chinese

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144 The EEA includes EU countries, plus Iceland, Liechtenstein and Norway, which are part of the Single Market. Switzerland is neither an EU nor EEA member but is part of the Single Market, allowing its nationals the same rights to work in and travel to the UK.

145 [IOB 027](#) p 2

146 [IOB 006](#) p 2

147 [IOB 023](#) para 3.22

148 [IOB 023](#) para 3.22

149 [IOB 112](#) para 22

visitors to be extended to people travelling from India.<sup>150</sup> Hilton’s evidence noted that the “UK China Visa Alliance suggests that the UK still underperforms in the number of Chinese visitors it attracts compared with other major European countries” and noted that the “Britain’s market share of India’s outbound tourists has halved since 2006, despite the market growing at 10% each year.”<sup>151</sup> The City of London Corporation attributed the UK’s relatively poor performance in attracting Chinese and Indian tourists to the fact that our EU competitors are within the Schengen free travel area, where “one visa is sufficient for 26 countries.”<sup>152</sup>

## Conclusion

**138. The development of a new system of entry to the UK for EEA visitors will be a key aspect of the UK’s relationship with the EU after Brexit. In its consideration of the implications of altering the principle of free movement, the Government must be aware of the detrimental impact this could have for the UK as a tourist destination. Businesses and organisations within the tourist industry are understandably concerned and we believe that the Government should be cautious about taking any steps which could harm the ‘welcome’ the UK provides to tourists.**

*139. Given the potential benefits to the British tourist industry, while the Government is grappling with the challenges posed by Brexit, it would be wise to design a new system also to encourage more tourism from non-EU markets. We recommend that the Government publishes an analysis of how the visa system could be developed to boost inbound tourism by visitors from beyond the EU.*

## Creative industries

140. The Creative Industries are a distinctive, important and growing sector, employing around 3 million people in all (9.3% of the UK total) and contributing £87.4bn to the UK’s economy in 2015. They account for 9.4% of all services exported from the UK, worth £21.2bn, with 45% going to the EU; and for 5.2% of all goods’ exports, another £14.7 billion in 2015.

141. Covering nine sub-sectors in all—advertising and marketing; architecture; crafts; design (products, graphic and fashion); film, TV, video, radio and photography; IT, software and computer services, including video games; museums, galleries and libraries; music; performing and visual arts; and publishing—they touch on all aspects of British cultural and business life and, naturally, our inquiry received evidence from all aspects of the creative industries.

142. This evidence highlighted several important concerns relating to the UK’s exit from the EU. In particular, the creative industries are concerned about the future of existing Intellectual Property (IP) provisions, including specific EU initiatives like the Country of Origin principle, the Unregistered Community Design Right, and Artists’ Resale Rights, as well as the much broader obligations of copyright law. Various aspects of UK IP law

150 [IOB 112](#) para 24, [IOB 027](#) p 5

151 [IOB 124](#) paras 3.3, 3.4

152 [IOB 123](#) para 16

derive from EU Directives, posing a difficult challenge should existing EU legislation not be fully transposed into domestic law before the UK's departure. Equally as important, crucial areas of IP enforcement rely on cooperation with EU countries.

143. Organisations across the creative industries sector have called on the Government to protect the current IP and copyright regime. This would include a commitment to preserving relevant EU Directives currently transposed into UK law, and ensuring that IP issues form a central part of any future trade relationship with the EU. Organisations that provided evidence to us also called for a guarantee that any new copyright legislation will be reinforced by a strong enforcement framework. Those from the creative sector who provided us with evidence state that these steps, combined with others mentioned in the following sections, will help to create a legitimate marketplace where the creative industries can continue to thrive.

### **Intellectual Property**

144. The Alliance for Intellectual Property, which represents 23 trade associations from across the creative, branded and design sectors, described IP to us as “the bedrock of creative industries”.<sup>153</sup> Current IP protections drive investment, productivity, employment and prosperity in the creative sector, in the process safeguarding the UK's soft cultural power throughout Europe and the wider world.

145. The current IP framework in the United Kingdom is underpinned by various international agreements, but is fundamentally determined by a combination of EU Directives (transposed as UK law) and UK case law.<sup>154</sup> The Government has yet to fully outline the future application of the provisions of UK IP law that constitute the implementation of European Directives, and has been unclear about whether secondary legislation implementing EU Directives would continue to apply following any repeal of the European Communities Act 1972.

146. The Incorporated Society of Musicians, which represents an industry particularly vulnerable to the consequences of IP theft (in the second quarter of 2016 alone, 78 million music tracks were accessed illegally online), told us that the Government must outline its stance on transposed EU IP regulations.<sup>155</sup> The Alliance for Intellectual Property stated that the Government must ensure that historic decisions concerning pertinent EU law will continue to be binding in the UK following Brexit.<sup>156</sup>

147. With the UK likely to be removed from the process of determining EU law following its planned departure from the EU, the Creative Industries Federation told us that the Government could “further develop its network of IP attachés in priority countries” to ensure that future EU IP laws are not detrimental to the UK creative sector. Such a solution may help to address another acute concern of the sector: that once outside of the EU, the UK will lose its ability to shape the IP laws that govern one of our biggest external markets.

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153 Alliance for Intellectual Property (IOB0067) para 5

154 Incorporated Society of Musicians (IOB0089) para 22

155 Creative Industries Federation, [Brexit Report](#) (October, 2016), p 60

156 Alliance for Intellectual Property (IOB0067) para 7

## Copyright legislation

148. Paired with their concern about the future of IP law, a considerable number of organisations from across the creative sector expressed specific fears about the copyright regulatory framework. Copyright, a subset of IP law, ensures that the work of the UK creative industries is protected in both the domestic and global marketplace. According to the World Intellectual Property Organization, copyright enables creators to derive financial return for their work while simultaneously providing an incentive for businesses to invest in creative content.<sup>157</sup>

149. At the moment, the UK currently provides a high level of protection for copyright works, the provisions of which are enshrined in the Copyright, Designs and Patents Act 1988. However, while the basic concepts of copyright have been agreed at a global level through the Berne Convention, TRIPS<sup>27</sup> and the WIPO<sup>28</sup> Internet Treaties, many provisions of UK copyright law derive from European Union Directives.<sup>158</sup> With the Government yet to outline how transposed EU law will operate within the UK after Brexit, the fate of the current copyright regulatory environment remains unclear.

150. The creative industries are seriously concerned by this lack of clarity, and offered several possible solutions for protecting the UK's strong copyright regime. Articulating a common position, the British Copyright Council told us that the UK's copyright framework must continue to protect the interests of copyright holders and owners of related rights by transposing existing EU Directives fully into UK law.<sup>159</sup> This approach would provide an element of stability both before and after the UK's departure from the EU, allowing organisations in the creative industries, many of whom rely on copyright licensing to service global markets, to continue to work without detrimental disruption.

151. 'The Authors' Licensing and Collecting Society (ALCS), which represents 90,000 authors, told us that, following the so-called 'Hargreaves Review', UK copyright law had already introduced aspects which go beyond harmonised EU provisions, in a process that was heavily influenced by the technology sector. It highlighted several safeguards for authors in the Draft EU Directive on the digital single market, including the right to proper information over exploitation of their works and the right to extra, fairer remuneration over future use of such works. It is also, therefore, concerned over the UK's possible loss of influence as the Draft develops, as well as UK authors being excluded from any beneficial final provisions. 'Any Brexit strategy must develop fair safeguards for authors and performers in the UK in line with those previously developed in the EU and announced in the EU Draft Directive on the digital single market,' the organisation told us.<sup>160</sup>

152. Creative organisations were equally as supportive for inclusion of copyright protections into new trade deals following Brexit, with the Creative Industries Federation stating:

Strong protection for copyright should be incorporated as a key principle into any new trade agreements to provide certainty for UK creators,

157 World Intellectual Property Organization, [What Is Intellectual Property?](#) (2011) p 20

158 Creative Industries Federation, [Brexit Report](#) (October, 2016), p 59

159 British Copyright Council (IOB0028) para 2

160 [IOB0030](#) p 2

publishers, performers and rights holders and ensure that we can maximise the opportunities to build our presence in new markets over the coming years.<sup>161</sup>

By enshrining copyright provisions in any future trade agreements with the EU and elsewhere, the UK can continue to ensure that its creative output does not fall out of step with its current economic and cultural contributions.

153. The Incorporated Society of Musicians offered a further means of ensuring a strong, robust copyright environment for the UK creative sector after Brexit: membership of the digital single market. In evidence submitted to our inquiry, the group told us:

We support the UK joining the digital single market as a way of protecting copyright from platform interests and international companies which seek to undermine the value of intellectual property through the promotion of “fair use” and other damaging doctrines.<sup>162</sup>

154. Membership of the digital single market would allow the UK to continue to exert a degree of influence over the future of the EU copyright framework, while simultaneously guaranteeing a single standard of copyright protection in both the UK and the EU.

### **Copyright enforcement**

155. Protecting the legislative framework of the UK’s future copyright environment is crucial for the creative industries, but evidence we received also stressed the need for accompanying enforcement mechanisms. UK Music told us:

To support the copyright framework we expect strong enforcement of the law from the UK Government. Creating a legitimate marketplace increases our capacity for growth and supports overall economic wellbeing [ ... ] We would like to see the UK Government continue to work within the EU in relation to commercial-scale infringements (the “follow the money” approach) and specific action regarding cross-border enforcement.<sup>163</sup>

The Creative Industries Federation echoed the need for effective enforcement mechanisms, calling on the Government to provide a clear regulatory framework for the “strong enforcement of Intellectual Property rights, including copyright and trademarks.”<sup>164</sup>

156. While the Government’s failure to lay out such a strategy has caused concern about the future of copyright enforcement after Brexit, the likely break from EU-directed legislation provides a window of opportunity for improving the current enforcement system. The Publishers Association outlined several enforcement areas that could be improved. These include requiring search engine companies to clamp down on websites that illegally pirate copyright material;<sup>165</sup> a study by the Motion Picture Association found that 74% of people accessing pirate sites for the first time did so via a search engine.<sup>166</sup> Search engines could also be reprimanded for directing users to illegal content, which could occur by

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161 Creative Industries Federation, [Brexit Report](#) (October, 2016), p 61

162 Incorporated Society of Musicians (IOB0089) para 23

163 UK Music (IOB0024) para 19

164 Creative Industries Federation (IOB0106), para 2

165 The Publishers Association (OB0083) para 24

166 The Motion Picture Association, [Understanding the Role of Search in Online Piracy](#) (September 2013) p 8

the ranking of search engine results. This focus on intermediaries of copyright crime could be coupled, the Publishers Association states, with continued funding for the Police Intellectual Property Crime Unit.<sup>167</sup>

157. However, the Government must also acknowledge that Brexit poses significant challenges for enforcement. The current EU copyright enforcement framework relies heavily on Europol to conduct investigations and reprimand offenders, but the UK's membership of Europol following Brexit is currently unclear. Were the UK to opt out of Europol, its ability to enforce penalties for copyright regulations in EU territories could significantly diminish. In turn, the Publishers Association called on the Government to sign a cooperation agreement with Europol, allowing the UK to operate closely with its European partners on tackling Intellectual Property infringement.<sup>168</sup>

**158. *Preserving a strong, robust Intellectual Property framework is crucial for the continued success of the creative industries after Brexit. As such, the Government should clarify its position on whether EU Intellectual Property transposed into UK law (via secondary legislation or otherwise) will continue to apply after Brexit, and if not, what contingency plans the Government has in place to ensure that the current level of Intellectual Property protection remains following the UK's departure from the EU. At the very least, the Government should commit to ensuring that the current level of Intellectual Property protections offered by EU and UK law, including those that are vital to the success of the Creative industries, will remain unchanged.***

**159. *Equally, the Government should clarify how it intends Intellectual Property enforcement to operate after the UK has left the EU. The Government should lay out its plan for cooperation with EU states after Brexit on Intellectual Enforcement Property matters, and outline what improvements, if any, it intends to make to the current enforcement framework.***

### **The Unregistered Community Design Right**

160. Within the UK there are five different Intellectual Property protections which can be used to protect designs.<sup>169</sup> The trade association, Anti-Copying in Design, told the Committee that EU regulations are generally harmonised with domestic law but in the case of unregistered designs this is not the case.<sup>170</sup> Therefore, the potential loss of the EU Unregistered Community Design Right was identified by a large number of witnesses as having the potential to leave a gap in protection for the UK's design and fashion businesses. The Alliance for Intellectual Property described how it provides benefits that go beyond those available in UK law:

The EU unregistered design regime (although only lasting three years) is more favourable to designers as it allows protection to be claimed for all aspects of a design under one right such as surface decoration and colour combinations which the UK design laws do not. UK unregistered design right only offers protection for the shape and configuration of a 3D design.<sup>171</sup>

167 The Publishers Association (OB0083) para 26

168 The Publishers Association (OB0083) para 27

169 [IOB 057](#) p 3

170 [IOB 057](#) p 3

171 [IOB 067](#) p 3

161. Olswang LLP, a legal firm that works for clients within the British fashion industry, said in its evidence that they:

routinely send cease and desist letters on behalf of our clients in the fashion industry to assert and enforce such rights. The vast majority of the legal cases that have been brought before the UK Courts relating to fashion designs over the last few years have invoked Community rather than UK rights.<sup>172</sup>

The purpose of cease and desist letters is to stop production before an infringement is taken to court. Anti-Copying in Design's evidence highlighted the significance of protection for unregistered designs, noting that "most of the 1,000's of settlements on behalf of ACID members have been based on recorded evidence of unregistered EU or UK design rights."<sup>173</sup>

162. Caroline Rush CBE, Chief Executive Officer of the British Fashion Council, outlined the commercial implications of losing the protection afforded by the Unregistered Community Design Right:

At the moment, that allows for you to disclose your design within the EU, which is quite often done at trade fairs or at London Fashion Week itself. The EU registration covers not only specifics of design but surface pattern as well, which is very important particularly in the designer sector. This has to be disclosed first within the EU and our deep concern is that post exiting the EU those rights will not be recognised and if you were to disclose your collection at London Fashion Week, for instance, those rights will not be protected. All of the copyright issues that tend to arise, particularly through the high-end designer sector, will not necessarily be protected. That means it is a real challenge for London Fashion Week because everyone is going to want to be able to protect their designs as best they possibly can.<sup>174</sup>

163. The British Fashion Council's written evidence described how London Fashion Week is central to the commercial success of the British Fashion Industry:

London Fashion Week is an important platform for our country as it positions us as a global leader in fashion alongside New York (USA), Milan (Italy), Paris (France). This has immediate benefit to the British economy in terms of spend, it further attracts inward investment in terms of international retailers, but the most important is arguably the reputation which enables a £28billion industry to be competitive.<sup>175</sup>

They concluded that, if the UK were to sit outside of the EU's unregistered design regime, businesses and designers would want to retain the protection of the UCD within the rest of EU, "effectively closing down London Fashion Week as a platform to promote British businesses."<sup>176</sup>

164. Looking to the UK's post-Brexit future, witnesses from across the fashion industry called for, at the very least, a revision of the UK's existing protections for unregistered

172 [IOB 021](#) p 1

173 [IOB 057](#) p 3

174 Q192

175 [IOB 065](#) para 25

176 [IOB 065](#) para 25

design. Olswang LLP said that within UK law there should be an “automatic protection for all new designs including those for surface decoration which would, at a minimum, mirror the scope and 3-year term of protection.”<sup>177</sup>

165. Anti-Copying in Design echoed the call for an extension of UK law to cover all aspects of design and explained why UK law, which provides a minimum of ten years’ protection, is preferable to the three-year limit within the EU system:

The current 3 year EU term gives nothing more than a first to market advantage and as an intellectual property right is not in keeping with the purpose of such rights which allow a return on the investment made by a designer in creating new products.<sup>178</sup>

166. Witnesses, however, did not believe that simply updating the UK unregistered design right would be sufficient to protect British designers and the commercial interests of the industry. Olswang LLP explained why a continuation of reciprocal rights with the EU will be necessary:

Currently, the Community design is such a powerful right because the owner can use it to ask a Court to grant an injunction which stops a copycat product from being sold anywhere within the EU. Post Brexit, UK fashion brands will no longer be able to obtain the same pan-European relief, which significantly increases their legal costs as they would be forced to commence litigation in each of the EU member states where the copycat product was being sold. We therefore believe that these rights can only adequately be protected if the UK government negotiates a mutual recognition treaty with the EU so that UK Courts will recognise and enforce Community designs when they are proven to have been copied in the UK and EU Courts will recognise and enforce British designs within the EU, ideally on a pan-European basis.<sup>179</sup>

167. Caroline Rush described the approach that the British Fashion Council hoped the Government would take to maintaining the EU regime within the UK:

What we are going to be seeking with Government is to understand how legally you can show as part of London Fashion Week but be seen to disclose those designs maybe digitally within the EU so that those rights are protected and they are recognised on both sides.<sup>180</sup>

Similarly, the Design Council argued in its written evidence that losing the EU protection would create a “gap’ in coverage for UK designers” and they noted the significance of the Intellectual Property Office in shaping the UK’s Brexit negotiations so that “UK designers are not unfairly disadvantaged, and that appropriate transitional arrangements are in place.”<sup>181</sup>

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177 [IOB 021](#) p 1

178 [IOB 057](#) p 3

179 [IOB 021](#) p 1–2

180 Q192

181 [IOB 077](#) para 22



## Conclusion

168. Witnesses were unequivocal in stating that losing the protection of the Unregistered Community Design Right would be hugely damaging to the design and fashion industries within the UK. Operating outside the EU regime could mean that the UK loses first marketing protections, weakening the UK's competitive position and undermining major events such as London Fashion Week. The UK system does not provide sufficient protection on its own and it is evident that protecting the commercial interests of designers and maintaining the pre-eminent position of events such as London Fashion Week can only be achieved via a reciprocal system with comprehensive powers of enforcement.

169. We note that organisations such as the British Fashion Council are exploring ways that technology could be harnessed to access EU protections, but we believe it is imperative to negotiate a continuation of EU-wide protection for British businesses.

## Artists' Resale Rights

170. Artists' Resale Rights (ARR), introduced in the UK on a phased basis between 2006 and 2012, give creators of original works of art the right to receive a royalty each time one of their artworks is sold on the secondary market by an art market professional for more than €1,000.<sup>182</sup> ARR is an EU initiative, and it aims to give artists an on-going royalty stream for their work. Professional Advisors to the International Market (PAIAM) state that ARR is levied at 4% on sale prices (net of tax) between €1,000 and €50,000, with a sliding scale that reduces to 0.25% on prices of more than €500,000, and subject to a cap so that the total amount of the royalty due on the sale of an artwork cannot exceed €12,500.<sup>183</sup>

171. Analysis of ARR has revealed that the initiative has had both positive and negative impacts on UK artists. Early analyses of ARR argued that the initiative was likely to be damaging for the UK art sector. When the prospect of ARR first emerged in the mid-1990s, a 1996 Government study found that its implementation would lead to nearly a £70 million loss of earnings, incur administrative costs, diminish art dealers' margins and provide a maximum of £10 million to eligible artists.<sup>184</sup> The Intellectual Property Office's 2008 study of ARR found that the return paid to artists had been relatively modest, and that it had not benefited as many artists as planned.<sup>185</sup> Equally, according to PAIAM, a critical disadvantage of ARR is that, of the three main art market centres in the world (London, New York and Hong Kong), London is the only one in which ARR is levied, thereby putting the UK art market at a disadvantage.<sup>186</sup>

172. More recent studies, however, have demonstrated ARR's various positive impacts. A 2016 study commissioned by the Design and Artists Copyright Society (DACS) found no

182 Original works of art include paintings, engravings, sculpture and ceramics. "Art market professionals" includes, but is not limited to, auction houses, galleries and art dealers. Professional Advisors to the International Market, Memorandum: What impact might Brexit have on Artists' Resale Rights (August 2017), p 2

183 These figures are from August 2017. Professional Advisors to the International Market, Memorandum: What impact might Brexit have on Artists' Resale Rights (August 2017), p 2

184 Department for Trade and Industry, Explanatory Memorandum to the EU Directive: Artists Resale Rights (1996), Annex I

185 Katy Graddy, A Study Into the Effect on the UK Art Market of the Introduction of the Artist's Resale Right (January 2008)

186 Professional Advisors to the International Market, Memorandum: What impact might Brexit have on Artists' Resale Rights (August 2017), p 4

evidence to suggest that ARR had negatively impacted the UK art market, or that it had diverted sales to non-ARR markets, such as those in New York and Hong Kong.<sup>187</sup> The study also found that—contrary to earlier studies, which believed that ARR would only benefit well-known artists—a substantial part of ARR royalties have been generated by artists selling pieces in the lower price brackets, with PAIAM adding that “it is fair to assume that a lot of these works are by less-established and emerging artists.”<sup>188</sup>

173. In evidence provided to us, DACS were seriously concerned about the potential negative impact of opting out from ARR. They told us that:

ARR is not only valuable to British artists but also to public arts institutions as it continues to provide resources to artists and estates to contribute to their legacies and the collections of these institutions, preserving the UK’s cultural heritage for future generations.<sup>189</sup>

174. For UK artists, DACS stated, ARR is vital for income, as it helps them to reinvest in their practice and continue to drive up the value of their work that goes into the secondary market.<sup>190</sup> For estates, DACS said that “it supports the artist’s legacy by providing revenues to be used for managing the estate or foundation and for conservation”.<sup>191</sup> Collectively, according to DACS, the benefits of ARR contribute positively to the UK’s cultural heritage.<sup>192</sup> The Government, however, has yet to public articulate their stance towards the UK’s membership of ARR following Brexit.

***We call on the Government to explain whether they intend for the UK to retain its involvement with Artists’ Resale Rights after Brexit, and if not, what alternatives the Government has drawn up to provide identical financial support for UK artists and estates.***

### **Country of origin broadcast rules**

175. The EU’s ‘country of origin’ rules allow television companies to broadcast throughout the EU by complying with the rules of the EU country in which they are based. When establishing a European headquarters, broadcasters from outside the EU can choose the UK as their centre of operations. The Government’s written evidence noted that the “UK is an attractive prospect for US broadcasters, who utilise the pool of skilled production and broadcast staff to distribute services across the EU.”<sup>193</sup> In oral evidence John Kampfner added:

Ofcom in the UK licenses more than half of the 2,200 channels broadcast across the EU, and of that more than 1,100,650 are being broadcast out of the UK to other countries.<sup>194</sup>

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187 DACS, [Ten Years of the Artists’ Resale Right](#) (2016), p 8

188 Professional Advisors to the International Market, Memorandum: What impact might Brexit have on Artists’ Resale Rights (August 2017), p 4

189 DACS (IOB0051) para 3

190 DACS (IOB0051) para 5

191 DACS (IOB0051) para 5

192 DACS (IOB0051) para 3

193 [IOB 122](#) para 8

194 Q11 This number could not be verified but is what was recorded in the evidence session.

176. The country of origin (COO) principle is enshrined in the Audio-Visual Media Services (AVMS) Directive. The AVMS approach to regulation is widely supported across the broadcasting industry because it ensures that broadcast services need to be regulated only by the member state. Sharon White, Ofcom’s Chief Executive, told us that this is the “biggest issue for our sector”<sup>195</sup> and Ofcom’s written evidence emphasised the importance of retaining these arrangements post Brexit:

We believe the Country of Origin principle should endure in the UK after Brexit, so that media companies based here do not face new hurdles, or feel compelled to move their operations to another European country. We want to encourage, not undermine, the growth of our cultural and creative industries. The Country of Origin rule benefits member states and supports broadcasters, providing a mass audience, and promoting cultural exchange across borders.<sup>196</sup>

177. BT Group said that without a retention of the COO rules for the UK, content rights holders such as BT:

would only be able to offer portability to our customers by clearing rights in each individual EU Member State with potentially different rights-owners in each jurisdiction, which would be highly burdensome and inefficient.<sup>197</sup>

178. AETN UK, a joint venture between Sky Limited and A+E Networks LLC, the US-based studio and broadcaster, said in its written evidence that if the UK could not continue to participate within the COO framework—or a negotiated equivalent—it would reduce investment in the UK, lead to job losses and relocation of businesses.<sup>198</sup> The Advertising Association said “international channels established in the UK would have to re-license their services in an EU market, and move some, or all, of their workforce accordingly.”<sup>199</sup> Asked whether broadcasters were preparing to relocate from the UK, Sharon White said that plans were being prepared:

I think it is clear that there are a number of companies who have contingency plans. [ ... ] At the moment, my sense is that the plans are there and the question, I think a bit like financial services, is just watching to see whether the picture becomes clearer and more certain over the next few months.<sup>200</sup>

## **Future arrangements**

### *European Convention on Transfrontier Television*

179. The COO principle within the AVMS directive is not the only European television convention. The Council of Europe’s European Convention on Transfrontier Television (Convention) provides for “a limited form of COO”, but AETN UK did not believe that this

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195 The Work of Ofcom, HC 407, Q89

196 [IOB 147](#), paras 16

197 [IOB 075](#) para 29

198 [IOB 053](#) para 8

199 [IOB 105](#) para 22

200 The Work of Ofcom, HC 407, Q94

would provide a viable alternative to the COO rules because “it is deficient in a number of respects, not least because it only applies to traditional ‘linear’ broadcasts, not on-demand services.”<sup>201</sup>

180. Furthermore, the Advertising Association observed that the Council of Europe’s Convention was last updated in 2002 and “would only provide assurance of access to some but not all parts of the EU.”<sup>202</sup> The House of Commons European Scrutiny Committee agreed with this analysis and concluded that the Convention is severely limited and, perhaps most significantly, it lacks any form of enforcement mechanism.<sup>203</sup>

### *A new deal*

181. Working on the assumption that there are no sufficient fall-back options, it will be for the Government to negotiate a new arrangement with the EU. Sharon White said it was her view that there is a recognition within the Government of the importance of reaching an agreement that would retain the COO principle. Ofcom’s written evidence outlined the conditions that will exist as part of a new agreement:

Country of Origin cannot endure merely by virtue of existing in UK law. It will only continue to stand if the remaining 27 Member States continue to allow UK-based companies to broadcast to their markets under UK rules; and if the UK allows companies based overseas to broadcast here under EU rules, even though we would no longer have direct influence over these rules.<sup>204</sup>

182. It is likely, however, that negotiations designed to keep the UK within the COO rules would take place outside of those to agree an EU–UK trade deal. The House of Commons European Scrutiny Committee reported in its analysis of the directive that this is because:

Broadcasting is one of the least liberalised sectors in global trade, in terms of both World Trade Organisation (WTO) commitments and Free Trade Agreements (FTAs). This is because most countries insist that the particular nature and importance of culture means that it should not be treated like other commodities (“l’exception culturelle”).<sup>205</sup>

Maintaining the UK within the scope of the COO rules will, therefore, require a separate agreement, but this is far from assured. The European Scrutiny Committee noted that there “is no precedent for a third country securing Single Market-equivalent access for broadcasters.”<sup>206</sup>

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201 [IOB 053](#) para 5

202 [IOB 105](#) para 22 Denmark, Greece, Ireland, Luxembourg, the Netherlands and Sweden are not signatories to the agreement

203 House of Commons European Scrutiny Committee, HC 71-xxxvii, Fortieth Report of Session 2016–17, 25 April 2017, para 10.5

204 [IOB 147](#), paras 17

205 House of Commons European Scrutiny Committee, HC 71-xxxvii, Fortieth Report of Session 2016–17, 25 April 2017, para 10.4

206 HC 71-xxxvii, para 10.27

## Conclusion

183. Witnesses to this inquiry identified no benefits that could be derived by excluding ourselves from the AVMS arrangements that enshrine the Country of Origin principle. The European Scrutiny Committee reported in the last Parliament that alternative routes to market for UK-based broadcasters are unsatisfactory and we heard evidence that UK-based international broadcasters are already planning contingency arrangements which could see them moving abroad.

184. *If Country of Origin rules cease to apply after Brexit then we must expect this will have an impact on the broadcasting industry within the UK. The Government must set out the steps it is taking to avoid that outcome, explaining its negotiating objectives and the timescale for such negotiation. The Government should provide an update to the Committee on progress made in securing a deal by the end of May 2018.*

185. *The Government should also confirm as soon as possible that it intends for the United Kingdom to remain members of the European Single Market and under the terms of the current Country of Origin rules, for a transitional period after Brexit, until the end of 2020.*

## The Digital Single Market and Territorial Broadcast Licensing

186. While much evidence from the creative industries was in favour of many of the provisions of the current Draft Single Digital Market Directive, one aspect of the proposals was of concerns to the audio-visual sector, in particular: the extension of the ‘Country of Origin Principle’ to broadcasters’ ‘ancillary online services’, allowing them to make online ‘simulcast’ and catch-up services available in all EU countries, not just in the country for which the broadcaster has purchased the rights to a particular film, programme or event.

187. The Committee received substantial representations against this proposal—which would affect broadcasters’ existing territorial licensing arrangements—including from the Motion Picture Association, PACT and individual broadcasters such as CBS Studios.<sup>207</sup> Their evidence underlined the importance of the UK continuing to participate strongly in discussions over the Draft Directive, in order not to lose influence over its final provisions.

188. The Digital Single Market Working Group, an umbrella group from the audio-visual sector chaired by PACT’s Chief Executive John McVay, told us that:

the continued ability to license content on an exclusive territorial basis is fundamental to the sustainable financing and distribution models that underpin the commercial viability of audio-visual content, whether it be high-end scripted drama, independent films, US films or the broadcast of elite sport. Recent research demonstrates that undermining this long-established and fundamental principle of exclusive territoriality would have significant negative consequences for the industry and viewers.<sup>208</sup>

189. The European Commission, the Working Group said, has stated that broadcasters will not be required to make services available across borders and that rights holders will

207 [IOB0091](#), [IOB0070](#), [IOB0127](#)

208 [IOB0114](#)

still be able to license on a territorial basis, but this has not allayed industry concerns for many reasons to do with how licences are negotiated in practice and how loopholes could be exploited.

190. The Motion Picture Association was very forthright about the potential impact of the Draft proposals:

They threaten the competitiveness of the UK's film and television sector and will ultimately result in a negative impact for consumers. MPA members do not oppose the principle of removing barriers to trade across borders within the single market - but heavy handed, poorly targeted intervention of the kind currently proposed by the Commission, will result in economic harm to the audio-visual sector which, in turn, will negatively impact the industry's ability to invest in new film and TV content, thereby harming consumers and as well as jobs in the sector.<sup>209</sup>

### **Conclusion**

***191. The concerns of audio-visual sector, including broadcasters, producer and rights holders, over terms of the Draft Digital Single Market Directive which would affect territorial licensing are just one example as why it is crucially important that the UK needs to preserve its influence while Brexit proceeds. The Government should clearly spell out its strategy for doing so and how it proposes to embed its future participation in the widening of the digital single market in any Withdrawal Agreement.***

## Conclusions and recommendations

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1. The UK creative, tech and tourism industries need sufficient access to talent to continue as world leaders. That is self evidently in the nature of being a global centre of excellence in these areas. The then Secretary of State, Rt Hon Karen Bradley MP, said that Brexit is an opportunity to think about “how we can upskill our native workforce”, but this alone will not address the challenges that businesses face today particularly in an increasingly globalised and international sector. Brexit will place a greater urgency on developing the skills of the domestic workforce, but we cannot allow a skills gap to occur which could create shortages of essential workers for businesses in the UK as a result of our departure from the EU. (Paragraph 32)
2. The then Secretary of State’s assertion that analysis of the workforce must be completed on a sector-by-sector basis is a sensible approach. However, the lack of detail regarding precise numbers is problematic. There is a lack of clarity about reliance on EU workers. For instance, figures cited to us for the number of people working in tourism ranged from 3 million to 4.5 million. (Paragraph 33)
3. It is imperative that any analysis examines regional demand for staff and the operational requirements of businesses and organisations, ranging from very small start-ups to international corporations. Effective policy cannot be developed if the Government underestimates the extent to which these thriving industries depend on staff drawn from the EU. It is essential, therefore, that the Government and its advisory bodies—including the Creative Industries Council, the Tourism Industry Council and the Migration Advisory Committee—take these considerations into account in their analysis of the impact of Brexit on the UK’s future labour market. (Paragraph 34)
4. Irrespective of Brexit, the Government should overhaul the existing visa system for non-EU nationals, who also make a valuable contribution to the UK economy, including our creative, technology and tourism industries. These industries rely on EU workers, and their commercial success is built on having a diverse workforce. The Government must heed warnings that SMEs across creative industries and tourism will not have the capacity to manage a new system that foists additional bureaucracy upon them. (Paragraph 52)
5. *Brexit provides an opportunity for the Government to overhaul the existing visa system. We believe that salary levels are a crude proxy for value and fail to recognise the central role that workers from the EU and beyond play in making British businesses successful. We recommend that the Government explores ways in which commercial value, and value to specific sectors of the economy, can be factored into the UK’s post-Brexit immigration system.* (Paragraph 53)
6. *Simplicity should be a key feature of the future migration arrangements that the UK will agree with the EU. In particular, the creative industries and performing arts need a system which complements the spontaneity that defines live performance. We believe, therefore, that the Government should seek to retain free movement of people during any transitional period after the UK formally ceases to be a member of the EU*

*in March 2019. If the visa system is to change subsequently, an intensive and detailed process of consultation with all those affected will need to begin as soon as possible. (Paragraph 54)*

7. The tone of the then Secretary of State's comments implied that there is good reason to believe that the UK will seek to participate in Creative Europe post Brexit. Ms Bradley's optimism may, however, have been the consequence of misapprehension as to the origin of the programme and the Government's later correspondence underlined that that the UK's negotiations with the European Commission will determine our future involvement in Creative Europe. (Paragraph 66)
8. The ability to utilise Creative Europe to secure additional sources of funding, combined with the freedom it gives to British organisations to lead projects with partners from across the EU (and outside the EU), means that there are clear incentives to maintain our participation. (Paragraph 67)
9. If the UK were to depart Creative Europe, this would represent a significant blow to the performing arts, museums, galleries, publishing and many other sectors in the creative industries. The limitations of participation experienced by other non-EU members illustrates that reaching agreement may not be straightforward but, equally, neither the UK nor EU member states will benefit from the UK's departure. (Paragraph 68)
10. As the Government seeks to build a new and unique relationship with the EU, it should commit to making it an objective of negotiations to secure the UK's ongoing participation in Creative Europe. (Paragraph 69)
11. A key component of access to EU funding has been its importance as a catalyst to unlock other forms of funding, whether public or private. The Chancellor's assurance that structural funding will be maintained is welcome, but the government would need to provide long-term certainty as to the nature of public investment in tourism and creative projects. Furthermore, the Government's guarantee does not address concerns that EU partners do not currently wish to partner with UK organisations such as museums. Consequently, British institutions are already missing out on funding. (Paragraph 78)
12. *The Government should publish a map of all EU funding streams that support tourism and creative projects, whether dedicated to this specific purpose or not. This mapping exercise should:*
  - *spell out where previous EU funding has, directly or indirectly, benefitted these sectors;*
  - *indicate those streams that will need to be replaced;*
  - *provide an overview of the total sum of funding that the UK government will provide to cover these costs; and*
  - *clarify the role of the devolved administrations in the present arrangements and their proposed role in the future in the eyes of the UK Government.*



*In addition, the Treasury and DDCMS should illustrate how ‘value for money’ will be measured in any assessment of those EU funds that will be honoured by the Government’s guarantee. (Paragraph 79)*

13. Common rules, standards and regulation form part and parcel of the UK’s membership of the EU and its Single Market and Customs Union. Some argue that Brexit may provide opportunities to tailor our regulatory systems more closely to the needs of British businesses across tourism, the creative industries and the digital economy. Whether opportunities present themselves, however, will depend on the detail of the UK’s final agreement with the EU. We found little appetite amongst witnesses to surrender the benefits of a uniform and open European marketplace and regulatory system in favour of domestic regulatory changes that may not be consistent with the rest of the EU. (Paragraph 87)
14. Some businesses, in the fashion and textiles sector, for instance, do see opportunities to improve trade links beyond the EU post-Brexit, and to develop strategies to support more UK-based production. The Government should, therefore, set out more clearly how this might be achieved—and what it will do to support this—and what the counter-vailing harmful effects are likely to be of leaving the Single Market and Customs Union. (Paragraph 88)
15. *The Government should set out as a matter of urgency those areas where it believes that Brexit offers an opportunity for beneficial regulatory reforms and how it intends to capitalise on any such opportunities. (Paragraph 89)*
16. The end of mobile roaming surcharges within the EU is a significant benefit to UK consumers and is put at risk by Brexit. (Paragraph 100)
17. We accept the European Scrutiny Committee’s conclusion that, after the UK leaves the EU, it will not be possible for the Government to legislate domestically to ensure that UK mobile operators are protected by the EU cap on wholesale roaming charges, due to the reciprocal, cross-border nature of the measure. It is therefore a matter for negotiation. (Paragraph 101)
18. If the UK ceases to be protected by the wholesale roaming cap, EU-based mobile operators will be free to apply higher charges to UK operators when their customers use EU networks. Some mobile operators have already indicated that, if the wholesale roaming cap ceased to apply to them, they would be unable to continue to provide surcharge-free mobile roaming services to their customers, meaning the return of roaming surcharges. (Paragraph 102)
19. After the UK leaves the EU, the Government may, in principle, be able to retain the ban on UK mobile operators surcharging their customers when they use roaming services within the EU. However, in the absence of an effective cap on wholesale prices, the commercial sustainability of this approach for operators appears highly suspect. The 2015 Government acknowledged that the wholesale roaming rules were a “key enabler” of the abolition of roaming surcharges. (Paragraph 103)
20. *To protect consumers from the reintroduction of roaming charges, we urge the Government to ensure that provisions which continue to cap wholesale roaming charges are included in any future UK-EU trade agreement. The Government must*

*prioritise this as a first step in protecting consumers from a post-Brexit price hike. Following the UK's departure from the EU, the Government and regulators should also act to prevent UK mobile operators from reintroducing and increasing retail roaming charges for UK customers. (Paragraph 104)*

21. The success of the UK's digital economy is underpinned by ongoing data transfer across the globe and particularly within the EU. In order to preserve the UK's policing and security arrangements, and to maintain commercial confidence, the Government must aim to deliver certainty from March 2019 onwards. (Paragraph 117)
22. *It is important to recognise that Brexit creates a potential risk that the UK's ability to transfer data across borders will be limited. The Government said that the risk will be mitigated during the post March 2019 implementation phase of the final UK-EU deal as this will allow for an adequacy agreement to be developed. We believe it is essential that the transition period is constructed to maintain existing levels of data transfer, and that an adequacy agreement is reached at the earliest opportunity within the transition phase. (Paragraph 118)*
23. The conclusions of the House of Lords Committee expose two key concerns. Firstly, leaving the EU may not give the UK the flexibility to develop data protection law in the manner called for by witnesses such as Dell EMC. Secondly, once we leave the EU, our influence over the development of the legal framework that will guide UK law will be reduced, undermining our ability to agree structures and exemptions for the UK, and diminishing our role as a world leader in data protection law. (Paragraph 119)
24. Brexit puts at risk the UK's position as a world leader in developing and implementing the regulatory system for data protection. *To address this concern, the Government should lay before Parliament an action plan which describes how, post-Brexit, the UK will be able to develop policy on data protection to support businesses and protect consumers, in order to keep pace with the demands of fast moving and developing technologies. (Paragraph 120)*
25. It is very encouraging that the tourism and aviation sectors believe that existing aviation arrangements will be replicated once the UK has left the EU. Unfortunately, the then Secretary of State could provide very little detail as to the nature of the discussions, potential stumbling blocks and, crucially, the timing associated with reaching an agreement. The Government should recognise that it needs to provide certainty to an industry that is already marketing holidays for summer 2019, and for the consumers who will purchase them. (Paragraph 132)
26. *We believe reaching an early agreement in relation to aviation is a key priority for the Government. Nevertheless, the Government must provide an assurance that contingency plans are being made in the event of no deal being agreed and provide more information as to what any contingency arrangements would mean for businesses and travellers. (Paragraph 133)*
27. The development of a new system of entry to the UK for EEA visitors will be a key aspect of the UK's relationship with the EU after Brexit. In its consideration of the implications of altering the principle of free movement, the Government must be aware of the detrimental impact this could have for the UK as a tourist destination.

Businesses and organisations within the tourist industry are understandably concerned and we believe that the Government should be cautious about taking any steps which could harm the ‘welcome’ the UK provides to tourists. (Paragraph 138)

28. *Given the potential benefits to the British tourist industry, while the Government is grappling with the challenges posed by Brexit, it would be wise to design a new system also to encourage more tourism from non-EU markets. We recommend that the Government publishes an analysis of how the visa system could be developed to boost inbound tourism by visitors from beyond the EU.* (Paragraph 139)
29. *Preserving a strong, robust Intellectual Property framework is crucial for the continued success of the creative industries after Brexit. As such, the Government should clarify its position on whether EU Intellectual Property transposed into UK law (via secondary legislation or otherwise) will continue to apply after Brexit, and if not, what contingency plans the Government has in place to ensure that the current level of Intellectual Property protection remains following the UK’s departure from the EU. At the very least, the Government should commit to ensuring that the current level of Intellectual Property protections offered by EU and UK law, including those that are vital to the success of the Creative industries, will remain unchanged.* (Paragraph 158)
30. *Equally, the Government should clarify how it intends Intellectual Property enforcement to operate after the UK has left the EU. The Government should lay out its plan for cooperation with EU states after Brexit on Intellectual Enforcement Property matters, and outline what improvements, if any, it intends to make to the current enforcement framework.* (Paragraph 159)
31. Witnesses were unequivocal in stating that losing the protection of the Unregistered Community Design Right would be hugely damaging to the design and fashion industries within the UK. Operating outside the EU regime could mean that the UK loses first marketing protections, weakening the UK’s competitive position and undermining major events such as London Fashion Week. The UK system does not provide sufficient protection on its own and it is evident that protecting the commercial interests of designers and maintaining the pre-eminent position of events such as London Fashion Week can only be achieved via a reciprocal system with comprehensive powers of enforcement. (Paragraph 168)
32. We note that organisations such as the British Fashion Council are exploring ways that technology could be harnessed to access EU protections, but we believe it is imperative to negotiate a continuation of EU-wide protection for British businesses. (Paragraph 169)
33. *We call on the Government to explain whether they intend for the UK to retain its involvement with Artists’ Resale Rights after Brexit, and if not, what alternatives the Government has drawn up to provide identical financial support for UK artists and estates.* (Paragraph 174)
34. Witnesses to this inquiry identified no benefits that could be derived by excluding ourselves from the AVMS arrangements that enshrine the Country of Origin principle. The European Scrutiny Committee reported in the last Parliament that

alternative routes to market for UK-based broadcasters are unsatisfactory and we heard evidence that UK-based international broadcasters are already planning contingency arrangements which could see them moving abroad. (Paragraph 183)

35. *If Country of Origin rules cease to apply after Brexit then we must expect this will have an impact on the broadcasting industry within the UK. The Government must set out the steps it is taking to avoid that outcome, explaining its negotiating objectives and the timescale for such negotiation. The Government should provide an update to the Committee on progress made in securing a deal by the end of May 2018. (Paragraph 184)*
36. *The Government should also confirm as soon as possible that it intends for the United Kingdom to remain members of the European Single Market and under the terms of the current Country of Origin rules, for a transitional period after Brexit, until the end of 2020. (Paragraph 185)*
37. *The concerns of audio-visual sector, including broadcasters, producer and rights holders, over terms of the Draft Digital Single Market Directive which would affect territorial licensing are just one example as why it is crucially important that the UK needs to preserve its influence while Brexit proceeds. The Government should clearly spell out its strategy for doing so and how it proposes to embed its future participation in the widening of the digital single market in any Withdrawal Agreement. (Paragraph 191)*

# Formal Minutes

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## Members present:

Damian Collins, in the Chair

Julie Elliott	Chris Matheson
Paul Farrelly	Brendan O'Hara
Simon Hart	Rebecca Pow
Julian Knight	Jo Stevens
Ian C Lucas	Giles Watling

Draft Report (*The potential impact of Brexit on the creative industries, tourism and the digital single market*), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 191 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Second Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 30 January 2018 at 10.00 a.m.]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 31 January 2017

**Sir Peter Bazalgette**, Chair, Arts Council England, **John Kampfner**, Chief Executive, Creative Industries Federation and **Nicola Mendelsohn CBE**, Vice President, Europe, Middle East and Africa, Facebook and Co-Chair, Creative Industries Council [Q1–41](#)

### Tuesday 21 February 2017

**Deirdre Wells**, CEO, UKinbound, **Ufi Ibrahim**, CEO, British Hospitality Association, and **Sally Balcombe**, CEO, VisitBritain [Q42–82](#)

**Alan Wardle**, CEO, ABTA, **Jeremy Osborne**, CEO, TUI (Thomson Holidays), **Tim Alderslade**, CEO, Airlines UK, and **Stephen D'Alfonso**, Group Head of Public Affairs, Thomas Cook [Q83–107](#)

### Tuesday 28 February 2018

**Richard Williams**, CEO, Northern Ireland Screen, **Brian Dolaghan**, Director, Technology and Services, Invest NI, **Claire Patterson**, Business, Research and Development Manager, Belfast City Council, and **Clare Mullen**, Tourism, Culture and Arts Manager, Belfast City Council [Q108–140](#)

**Shane Clarke**, Director of Corporate Services and Policy, Tourism Ireland, **Susie Brown**, Director of Corporate Development, Tourism NI, and **Ciaran O'Neill**, President, Northern Ireland Hotels Federation [Q141–190](#)

### Tuesday 18 April 2018

**Caroline Rush CBE**, Chief Executive Officer, British Fashion Council, **Ozward Boateng OBE**, fashion designer, and **Adam Mansell**, Chief Executive Officer, UK Fashion and Textile Association [Q191–252](#)

**Alan Vallance**, Chief Executive Officer, Royal Institute of British Architects, **Sarah Weir OBE**, Chief Executive Officer, Design Council, and **Stephen Woodford**, Chief Executive Officer, Advertising Association [Q253–293](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

IOB and BXT numbers are generated by the evidence processing system and so may not be complete.

- 1 ABTA - The Travel Association ([IOB0023](#))
- 2 Advertising Association ([IOB0105](#))
- 3 AETN UK and Sheridans ([IOB0053](#))
- 4 Airbnb ([IOB0110](#))
- 5 Airlines UK ([IOB0130](#))
- 6 Airport Operators Association ([IOB0112](#))
- 7 Alex Monroe Ltd ([IOB0165](#))
- 8 All Party Parliamentary Group for Design and Innovation and Design Business Association ([IOB0043](#))
- 9 Alliance For Intellectual Property ([IOB0067](#))
- 10 ALMR ([IOB0115](#))
- 11 Anti Copying in Design (ACID) ([IOB0057](#))
- 12 Art Fund ([IOB0078](#))
- 13 Arts Council of Wales ([IOB0072](#))
- 14 Association of Authors' Agents ([IOB0055](#))
- 15 Association of British Orchestras ([IOB0018](#))
- 16 Association of Leading Visitor Attractions ([IOB0081](#))
- 17 Authors' Licensing and Collecting Society (ALCS) ([IOB0030](#))
- 18 Bacta ([IOB0087](#))
- 19 Bath Spa University ([IOB0032](#))
- 20 Bournemouth University, International Centre for Tourism and Hospitality Research (ICTHR) ([IOB0025](#))
- 21 Bowns ([IOB0169](#))
- 22 BPI ([IOB0120](#))
- 23 Brighton and Hove Arts and Creative Industries Commission ([IOB0049](#))
- 24 BRITDOC FOUNDATION ([IOB0131](#))
- 25 British Copyright Council ([IOB0028](#))
- 26 British Council ([IOB0118](#))
- 27 British Entertainment Industry Radio Group ([IOB0109](#))
- 28 British Fashion Council ([IOB0065](#))
- 29 British Film Institute ([IOB0121](#))
- 30 British Screen Advisory Council ([IOB0019](#))
- 31 BritishAmerican Business ([IOB0125](#))

- 32 Brook Lapping Productions ([IOB0126](#))
- 33 BT Group ([IOB0075](#))
- 34 CBS Studios International ([IOB0127](#))
- 35 Central Saint Martins ([IOB0164](#))
- 36 City of London Corporation ([IOB0123](#))
- 37 COBA ([IOB0026](#))
- 38 Compact Media Group ([IOB0104](#))
- 39 Cornwall Council ([IOB0014](#))
- 40 Crafts Council ([IOB0020](#))
- 41 Creative England ([IOB0117](#))
- 42 Creative Europe Desk UK ([IOB0113](#))
- 43 Creative Industries Federation ([IOB0106](#))
- 44 Creative Network South, Digital South and Hampshire Chamber of Commerce ([IOB0029](#))
- 45 Creative Scotland ([IOB0068](#))
- 46 Creative Skillset ([IOB0116](#))
- 47 Culture Counts ([IOB0056](#))
- 48 DACS ([IOB0051](#))
- 49 DELADA ([IOB0142](#))
- 50 Dell EMC ([IOB0129](#))
- 51 Department for Culture, Media and Sport ([IOB0122](#))
- 52 Design Council ([IOB0077](#))
- 53 Dezeen Limited ([IOB0074](#))
- 54 Digital Catapult ([IOB0103](#))
- 55 Digital Single Market Working Group ([IOB0114](#))
- 56 Directors UK ([IOB0069](#))
- 57 Discovery Communications ([IOB0093](#))
- 58 Drapers ([IOB0107](#))
- 59 Electrolight ([IOB0017](#))
- 60 Equity ([IOB0011](#))
- 61 Euclid International ([IOB0090](#))
- 62 European Documentary Network ([IOB0136](#))
- 63 Federation of Entertainment Unions ([IOB0135](#))
- 64 Festivals Edinburgh ([IOB0039](#))
- 65 Framestore Limited ([IOB0094](#))
- 66 Galley Beggar Press ([IOB0003](#))
- 67 Guardian Media Group ([IOB0119](#))
- 68 GuildHE and ukadia ([IOB0071](#))



- 69 Hilton ([IOB0124](#))
- 70 Historic England ([IOB0058](#))
- 71 Historic England ([IOB0132](#))
- 72 Historic Houses Association ([IOB0062](#))
- 73 HMKM ([IOB0102](#))
- 74 HOCKIN ([IOB0148](#))
- 75 Ilse Crawford ([IOB0084](#))
- 76 Incorporated Society of Musicians (ISM) ([IOB0089](#))
- 77 Independent Cinema Office ([IOB0086](#))
- 78 Independent Film & Television Alliance ([IOB0098](#))
- 79 Independent Publishers Guild (IPG) ([IOB0047](#))
- 80 Innovate UK ([IOB0036](#))
- 81 Johanne Mills ([IOB0143](#))
- 82 LIFT ([IOB0092](#))
- 83 London Borough of Camden ([IOB0060](#))
- 84 londonprintstudio ([IOB0016](#))
- 85 Mantis World ([IOB0145](#))
- 86 Maureen Duffy ([IOB0168](#))
- 87 Miss Yvonne Gold ([IOB0156](#))
- 88 Motion Picture Association ([IOB0091](#))
- 89 Mr Jonathan Meth ([IOB0082](#))
- 90 Mr Nick Knight ([IOB0155](#))
- 91 Mr Rich Mellor ([IOB0005](#))
- 92 Ms Amanda Leveté, (AL\_A) ([IOB0097](#))
- 93 Ms Isabel Serval ([IOB0001](#))
- 94 Museums Association ([IOB0095](#))
- 95 National Museum Directors' Council ([IOB0096](#))
- 96 Nesta ([IOB0042](#))
- 97 New Art Exchange ([IOB0052](#))
- 98 News Media Association ([IOB0085](#))
- 99 North East Culture Partnership ([IOB0044](#))
- 100 Northern Film & Media Ltd ([IOB0031](#))
- 101 Ofcom ([IOB0147](#))
- 102 Olswang LLP ([IOB0021](#))
- 103 One Dance UK ([IOB0054](#))
- 104 Pact ([IOB0070](#))
- 105 PRISM London LTD ([IOB0160](#))
- 106 Professor Alison Harcourt ([IOB0066](#))

- 107 Radiocentre ([IOB0013](#))
- 108 Rare Corporate Design Ltd ([IOB0004](#))
- 109 Royal Institute of British Architects ([IOB0088](#))
- 110 Royal Opera House ([IOB0046](#))
- 111 Sapient ([IOB0009](#))
- 112 Satellite Information Services Limited ([IOB0080](#))
- 113 Scripps Networks Interactive ([IOB0050](#))
- 114 Shakespeare Birthplace Trust ([IOB0034](#))
- 115 Sheffield Doc/Fest ([IOB0134](#))
- 116 Siberia Europe Ltd ([IOB0101](#))
- 117 Sky ([IOB0041](#))
- 118 Society of British Theatre Designers ([IOB0033](#))
- 119 Southbank Centre ([IOB0040](#))
- 120 Studio Felicity Bell ([IOB0063](#))
- 121 Supreme Songs Limited ([IOB0012](#))
- 122 Tamara Cincik ([IOB0171](#))
- 123 Tank Publications Ltd ([IOB0151](#))
- 124 techUK ([IOB0073](#))
- 125 Teledwyr Annibynnol Cymru (TAC) ([IOB0108](#))
- 126 The British Association of Leisure Parks, Piers and Attractions (BALPPA) ([IOB0015](#))
- 127 The British Hospitality Association ([IOB0099](#))
- 128 The Law Society ([IOB0111](#))
- 129 The Publishers Association ([IOB0083](#))
- 130 The Society of Authors ([IOB0076](#))
- 131 Tourism Alliance ([IOB0037](#))
- 132 TUI Group - UK & Ireland ([IOB0064](#))
- 133 UK Music ([IOB0024](#))
- 134 UK Screen Association ([IOB0038](#))
- 135 UK Theatre ([IOB0079](#))
- 136 Ukie ([IOB0022](#))
- 137 UKinbound ([IOB0006](#))
- 138 VisitBritain ([IOB0027](#))
- 139 Watershed / Europa Cinemas ([IOB0035](#))
- 140 Which? ([IOB0137](#))
- 141 Creative Europe Desk UK (supplementary written evidence) ([BXT0001](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

First Report	Appointment of the Chair of Ofcom	HC 508
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