



**UK TRADE & BUSINESS
COMMISSION**

MUSIC & TRAVEL INDUSTRIES

EVIDENCE IN BRIEF



MUSIC & TRAVEL INDUSTRIES

The UK Trade and Business Commission's hearing on the music and travel industries took place on 21st July 2022.

Introduction

The UK Trade and Business Commission took evidence from a series of expert witnesses across the music and travel industries about the challenges they face in the wake of Brexit.

With travel chaos at airports hitting headlines, and with touring musicians facing unprecedented difficulties in order to tour in Europe, it is clear that these industries face challenges both now and in the future.

Witnesses highlighted the overlapping and interrelated issues facing both sectors, exploring problems with visas, increased red tape and detailing the ways in which those working in these industries have been affected by post-Brexit changes. This report will explore key findings from both sessions and the evidence offered by our witnesses.

About the UK Trade & Business Commission

The UK Trade and Business Commission (UKTBC) is a cross-party, cross-sectoral commission established to scrutinise and recommend improvements to our trading and business relationships with both European and global trading partners in the aftermath of the UK's departure from the EU.

Key Themes

- 1 Problems with labour mobility
- 2 Red tape and employment barriers
- 3 Industry and cultural costs

SESSION WITNESSES



Simon Calder

Travel journalist and broadcaster



Nigel Milton

Heathrow Airport



John Geddes

Menzies Aviation



Luke Petherbridge

ABTA



Stephen Maddock

City of Birmingham Symphony Orchestra



Naomi McCarthy

Incorporated Society of Musicians



Dave Webster

Musicians' Union

1 PROBLEMS WITH LABOUR MOBILITY

The UK's exit from the EU brought an end to Freedom of Movement for British nationals travelling to the EU. Likewise, EU nationals can no longer travel to the UK freely. This change has exacerbated staffing shortages currently being felt in the aviation sector, where skilled roles and roles that need extensive training are taking a long time to fill.

In the music industry, musicians looking to tour the UK as part of a European tour are finding themselves unable to easily add UK locations to their performance schedule. UK musicians looking to tour Europe are experiencing visa difficulties as well and both

individual freelancers and larger musical outfits are experiencing these problems.

The travel and tourism industry has been significantly hit by the loss of workers from the EU in the wake of Brexit. Despite a willingness from the industry to propose solutions, such as by expanding the shortage occupation list, it faces significant challenges to overcome labour shortages.

Our experts shed light on the situation on the ground, highlighting the need for the UK Government to listen to industries themselves and respond to staffing and other pressures with flexibility.

KEY FINDINGS

Smaller labour pool: The combined impact of the Covid-19 pandemic and Brexit has caused a significant drop in the number of EU workers now working in the UK. The post-Brexit barriers to recruiting EU workers continues to drive labour shortages in the travel and tourism sectors.

Operational uncertainty: Musicians looking to tour the UK from Europe, as well as those working and operating in the travel and tourism industry, are faced with considerable uncertainty as to whether they will be granted a visa.

Complex application processes: Where visa routes are available, the application process in both directions is slow, complicated and costly.

Ignoring solutions: Both the music and travel sectors highlighted that despite attempting to engage with the UK Government on ways to overcome barriers, such as by expanding the shortage occupation list to recognise the skilled nature of the work, no industry proposed solutions have been taken seriously.

Smaller labour pool

The combined impact of the Covid-19 pandemic and Brexit has caused a significant drop in the number of EU workers now working in the UK. The post-Brexit barriers to recruiting EU workers continues to drive labour shortages in the travel and tourism sectors.

Luke Petherbridge: *"We do commission research regularly on the travel and tourism labour market in the UK. We last did that in 2019. At that point on average across the travel and tourism industry it was 9% of all workers that were EU nationals, 13% non-UK nationals, but 9% of the total EU workers. Now that varies a bit between the three sectors, so inbound it's about 11%, outbound about 8% and domestic about 8% as well. But clearly within individual businesses and individual sectors within the travel and tourism industry there are a number that have far higher levels of workers, so hotels for example, many of those would say that over half of their staff are EU nationals for example. So that's the average kind of across the board."*

Simon Calder: *"So much of the outbound and inbound tourism industry was staffed by people from the European Union, many of them went home during Covid and have not returned because of course the paperwork is much more difficult, and you can talk to anyone from hoteliers in Scotland to the ground handlers at the UK's airports and they will say something to the effect of, yes, somewhere between 25-50% of our staff were EU workers, we've still got some but actually the labour pool is much smaller than it used to be."*

Operational uncertainty

Musicians looking to tour the UK from Europe, as well as those working and operating in the travel and tourism industry, are faced with considerable uncertainty as to whether they will be granted a visa.

Nigel Milton: *“But most importantly, the issue I’d most like to flag to the Committee is the visa categories, the current visa categories don’t allow for some of the critical roles at the airport. These roles, such as security officers, baggage handling, they’re not viewed as being skilled but they do require extensive training, they do require people to, they are key links in the chain and those are also the roles that looking across the industry at the moment are, you know are the ones that are most under-resourced and therefore needing to you know the type of caps and capacity constraints that we’re seeing across UK and indeed the EU airports.”*

Luke Petherbridge: *“In terms of the visas point, clearly the industry did ask for aviation critical roles to be added onto the shortage occupation list, the Government wasn’t willing to do that so I think we would say that there are visa routes that could be explored that would help to alleviate some of the immediate challenges we’re facing. But for our part of the sector actually, the intermediary part of the sector, tour operators in particular, this is about labour mobility generally and it’s actually the ability to move staff in both directions between the UK and the EU that’s a big problem.”*

Complex application processes

Where visa routes are available, the application process in both directions is slow, complicated and costly.

Naomi McCarthy: *“Taking it more widely to the people, the visa nationals that actually have to get visas, you’ve probably all seen in the press the huge, huge delays that have been going on with this. It’s been taking 6-8 weeks to get a visa; it should be 2-3. There are many people coming in for the summer festivals are risking not being able to come if they can’t get their visa. And last just a point I wanted to make, there’s a perception*

of Home Office hostility, I think understandably, which means that people are actually more reluctant to apply in the first place for visas.”

Nigel Milton: *“The points application system is still overly complex in our view, visas are still expensive and can be cost prohibitive for both sponsorship and for the costs themselves.”*

Ignoring solutions

Both the music and travel sectors highlighted that despite attempting to engage with the UK Government on ways to overcome barriers, such as by expanding the shortage occupation list to recognise the skilled nature of the work, no industry proposed solutions have been taken seriously.

Luke Petherbridge: *“The government needs to look again at labour mobility between the UK and the EU. There are some things that can be done within the current political priorities, for example proposing an extension of the youth mobility scheme to EU countries on a bilateral basis. You could do that now, it doesn’t go beyond the agreement, it doesn’t give a right to remain. We would like the government to engage with us on this.”*

Nigel Milton: *“The visa categories don’t allow for some of the critical roles at the airport these roles such as security officers and baggage handling are not viewed as being skilled...they do require extensive training, they are key links in the chain.”*

John Geddes: *“We pleaded with the Government to do something at the end of GRS and that fell on deaf ears and we are unfortunately reaping the consequences, because even though we’re starting to recruit people*

now, whilst people think just loading bags on and off is a hump and dump job it really isn’t, it’s quite skilled and it’s quite ... you know the ballet of having, you know what we do is not petrochemical engineering but having the right people in the right place at the right time is quite difficult because planes are supposed to take off and land as they are scheduled but they sometimes don’t and if a plane lands 20 minutes later than it’s supposed to then your rostering is thrown off. So, you have to have dynamic rostering systems and getting the right people with the right skills, so yeah, it’s a global issue at the moment, or sorry I’d probably say it’s a major hub issue at the moment, but in the UK it’s definitely worse.”

“It’s been taking six to eight weeks to get a visa; it should be two to three.”

Naomi McCarthy

2 RED TAPE AND EMPLOYMENT BARRIERS

Witnesses highlighted that obtaining visas is not the only issue for those looking to visit or work in the UK from Europe or vice-versa. Since Brexit, even those who manage to access visas are encountering red tape, despite this being something that the UK Government promised Brexit would eliminate.

Witnesses highlighted that increased red tape in the travel and music sectors requires increased resources to handle it. For example, musicians looking to bring along equipment are finding that the transport of often valuable instruments is difficult

due to a requirement for carnets for certain types of instrument transport. In some cases there is a lack of understanding by border officials about what types of transportation permits are required.

Those looking to work in the UK are encountering red tape associated with the process of applying for visas and our witnesses suggested that this was likely to put off potential workers - exacerbating skills shortages and, in the music sector, leading to a cultural deficit for Britain.

KEY FINDINGS

Increased administrative burdens: The increase in red tape following Brexit creates a barrier to attracting skilled workers to the travel industry. Witnesses highlighted the urgent need to streamline the process.

Transporting equipment: For musicians, transporting equipment is proving just as difficult as transporting themselves.

Additional barriers for employers and employees: British nationals are losing out on work and opportunities on account of not having the freedom to move around the EU - across both the travel and music sectors.

Consultation with industry: Key players in both industries highlighted the limited engagement from the UK Government, both at the consultation stage with UK Government negotiators ahead of the Brexit negotiations with the EU, and now post-Brexit.

Increased administrative burdens

The increase in red tape following Brexit creates a barrier to attracting skilled workers to the travel industry.

John Geddes: *“Labour mobility and less red tape, the red tape is killing our industry, Nigel touched on it. If we want to employ a baggage handler, before we can apply for an airside pass, we need to get a five-year employment check. At the moment if you write to somebody and say did Joe Bloggs work for you three and a half years ago and were they a nice chap, you don’t get a reply. People are too busy. We need to change that. Our regulations are tougher than the rest of Europe and I don’t understand why.”*

“The red tape is killing our industry.”

John Geddes

Transporting equipment

For musicians, transporting equipment is proving just as difficult as transporting themselves.

Stephen Maddock: *“Because we left the customs union, we are now on a temporary export licence. On our first European tour post-Brexit, our truck had to turn around, it was refused because the paperwork was signed in a way which customs did not like. It is an additional cost between £3000-5000.”*

Dave Webster: *“We said that the spectre of carnets and musical instruments and equipment would be a real issue for musicians...The amount of red tape that we were promised would all go is enormous for musicians.”*

Naomi McCarthy: *“We heard a story about the Czech Philharmonic where they brought in a bunch of CITES musical instruments...they’d done all the correct paperwork but they were told wrongly at Heathrow that they needed a carnet for their hand-carried CITES items - not true - and they also needed export licences for the higher value items - not true - and they are understandably very nervous about coming back.”*

Additional barriers for employers and employees

British nationals are losing out on work and opportunities on account of not having the freedom to move around the EU - across both the travel and music sectors.

Luke Petherbridge: *“At the moment, taking the example of coach drivers...our coach operators say that typically their staff will spend upward of 200 days a year conducting tours with UK nationals. If you’ve got a limit of 90 days of 180 days of the year you can be in Europe...that isn’t going to work and it’s certainly not going to work once the EU introduces automated entry and exit checks...their choices are going to be: hire more staff, take less trips which obviously then increases costs, OR hire EU workers only to fulfil those journeys into Europe...my concern is that the natural outcome is that UK nationals are excluded from many of these*

roles going forward and that EU nationals that don’t have these limits placed on them take their place.”

Naomi McCarthy: *“Quite a lot of audition notifications...actually now will say for EU citizens only...which debar our musicians unless they have dual citizenship.”*

Naomi McCarthy: *“There was a leader of a baroque European orchestra and they told her they were really sorry but it was just too complicated. They were going to have to not hire her for that season and she lost that entire season’s work.”*

Consultation with industry

Key players in both industries highlighted the limited engagement from the UK Government, both at the consultation stage with UK negotiators ahead of the Brexit negotiations with the EU, and now post-Brexit.

John Geddes: *“To give you an example, it was very difficult for ground handlers even to get onto some of these meetings that Nigel talks about, it’s all about airlines and airports. But then when I got on to represent the whole ground handling industry, I think there were what I would describe as six or seven real people in the industry, but there were 49 people on that call. And most of the outcomes were let’s have a committee to look into this. You know we need decisions now. But it was a very, very frustrating process.”*

Nigel Milton: *“The Department for Transport does chair an industry forum that involves colleagues from Whitehall but let’s, how can I put it diplomatically, the engagement from some of the other Whitehall departments is not what we would want it to be.”*

Stephen Maddock: *“The issue around cabotage had not been consulted on at all [in the TCA]...and it had simply not occurred to Government negotiators that this would be an issue.”*

“On our first European tour post-Brexit, our truck had to turn around, it was refused because the paperwork was signed in a way which customs did not like. It is an additional cost between £3000-5000.”

Stephen Maddock

3 INDUSTRY AND CULTURAL COSTS

Smaller industry players are less likely to be able to absorb the additional costs or increased administrative burden brought about by increased red-tape, in-turn placing strain on their operations.

Witnesses in the music session noted that high profile musicians were unlikely to be disadvantaged by the new rules for visas, but that smaller players and lesser known freelancers were likely to face the brunt of the difficulties.

Travel experts noted that issues with the aviation industry would also have a knock-on effect on other aspects of the wider travel and tourism ecosystem, with potential job losses in intermediary sectors.

KEY FINDINGS

Smaller industry players will pay the price: While larger artists and operators may be able to absorb additional costs, smaller players and freelancers are hardest hit.

Cost to consumers and culture: Failure to consider the impact of current labour policy will be felt by the UK economy and by consumers. Current UK Government policies do not recognise the international nature of these valuable sectors here in the UK.

Decreased investment in cultural sectors: Britain may start to see less investment in its cultural sectors if it loses visibility as a result of musicians being able to tour Europe less frequently.

Knock-on impact: The wider ecosystem of industries affected by crisis conditions needs to be considered by the UK Government.

Smaller industry players will pay the price

While larger artists and operators may be able to absorb additional costs, smaller players and freelancers are hardest hit.

Stephen Maddock: *“I think less trade and less international work means less work for freelancers...I know what tended to happen with big rock and pop concerts is that they would come to the UK, do their first concerts here with a big UK crew and then take that crew around Europe with them...they can no longer do that.”*

“Less trade and less international work means less work for freelancers.”

Stephen Maddock

Dave Webster: *“What’s changed for the smaller artists? Well pretty much everything - what was once an expense-free, paperwork-free, pain-free ability to earn a living in what was once the UK’s back garden is no longer.”*

“Quite a lot of audition notifications...actually now will say for EU citizens only.”

Naomi McCarthy

Cost to consumers and culture

Failure to consider the impact of current labour policy will be felt by the UK economy and by consumers. Current UK Government policies do not recognise the international nature of these valuable sectors here in the UK.

Simon Calder: *“There is an enormous amount of consumer detriment going on at the moment because of the labour shortage, because of the skills shortage and that aviation absolutely desperately needs to be added to the list of industries for which relaxed rules need to apply, and that doesn’t matter for whether it’s the EU or anywhere else in the World, we just need people here to deliver the great service that we did until 2019 in the aviation industry.”*

Simon Calder: *“Brexit, it means that the costs are going to be disproportionately high because the labour pool is much lower than it was up until 2020. So there will be an effect but I mean what the passenger really wants they don’t mind what nationality the people handling their bags are, they just want their bag to arrive and they want to arrive on time and they’re going to have to get used to paying a bit more for it, which I think would be a reasonable bargain.”*

Decreased investment in cultural sectors

Britain may start to see less investment in its cultural sectors if it loses visibility as a result of musicians being able to tour Europe less frequently.

Stephen Maddock: *“We know other trade sectors in manufacturing have been already hit very, very hard, less trade means less influence means less visibility which is bad for inward investment.”*

“So, they are definitely looking to those of us who can work internationally to help spread the right message, which we are trying to do. But it all becomes harder because of these restrictions.”

“Speaking from the city centre in Birmingham here which is about to host the Commonwealth Games and has been a permanent building site for about the last ten years, has had massive overseas direct investment, the people here are really, really worried about that. Really worried about whether the European and indeed further afield investment is still going to happen in the same way.”

“Less trade means less influence means less visibility which is bad for inward investment.”

Stephen Maddock

“Brexit, it means that the costs are going to be disproportionately high because the labour pool is much lower than it was up until 2020.”

Simon Calder

Knock-on impact

The wider ecosystem of industries affected by crisis conditions needs to be considered by the UK Government.

Luke Petherbridge: *“Some of the structures of Government need to be looked at so that the wide ecosystem is heard as well. Many of the tickets distributed in the UK are done through tour operators and travel agents and we weren’t always part of that discussion. We lost 49% of the industry staff during the crisis. It isn’t only airport and airline roles that have been affected, we’ve also seen a loss of travel consultants, tour operation staff, customer service staff and we’ve seen that playing through.”*

“There is an enormous amount of consumer detriment going on at the moment because of the labour shortage, because of the skills shortage and that aviation absolutely desperately needs to be added to the list of industries for which relaxed rules need to apply.”

Simon Calder



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