Beyond the horizon

A London First discussion paper on the urgency of strategy and support for the UK's international connections

LONDON FIRST

"A hugely important year for Global Britain"

The Prime Minister's new year message on 1 January 2021 was unequivocal. This will be "a hugely important year for Global Britain." Having departed the European Union and with the roll out of the Covid-19 vaccine going according to plan, the UK must return to some of the big questions that the pandemic has put on pause.

High on this list of issues to be resolved is the need to define Global Britain. As a geographically small nation, we can only thrive through our international connections. The UK does not have the physical scale to compete with the USA, China, India, or Brazil with our domestic resources alone. As an island nation, these connections have historically been dominated by the sea.

Since the advent of the jet age, the UK has taken strategic advantage of our location to become one of the world's leading aviation hubs. This has allowed us to maintain and develop our place in global trade because the places where people meet to exchange goods, services, and ideas are the places that flourish.

As a result, if Global Britain is to be more than just a slogan, we must pay attention to the physical infrastructure that connects Britain to the globe. In the short-term, that means providing the support necessary to ensure that our aviation, maritime, and rail links don't emerge from the pandemic critically weakened. That is the task for the Chancellor in next week's Budget.

In the medium term, it means that the successor to the Global Travel Taskforce must report no later than 12 April and set out a clear and transparent framework for unlocking international travel. And longer term, the Government must consistently and unambiguously show that it understands the inextricable link between Global Britain and Britain's global connections – that means backing growth in these sectors and making it a clear objective to maintain Britain's leading position in the global connectivity rankings.

Our continued success in rolling out the Covid-19 vaccines is one pre-condition for looking to the future and seizing the opportunities that come from writing the next chapter in the history of Global Britain. But we also need to lift our eyes beyond the horizon and ensure that the UK has the strategy and the support in place to secure and enhance our international connections.

More than just airlines

For many, international travel is primarily about their holidays. Commentary following the first lockdown was focused on whether or not we would be allowed a summer getaway. The Government's unlocking plan has led to similar speculation. But even the ecosystem that supports leisure travel – the airport, the baggage handlers, the airline caterers, the aircraft manufacturers and engineers – is only a fraction of the economic impact of the UK's international connectivity.

Over 1.5 million jobs across the UK are supported by international travel and aviation alone directly contributes £22bn each year to the economy, with more than 40% of our non-EU trade travelling by plane. For every 10% increase in our international connectivity, UK GDP grows by 0.5%.

Scottish salmon farmers use Heathrow's global reach to get their fresh fish to markets in the far east. Our world-class universities receive £6.9bn each year from international students. Inbound tourism accounts for more than 7% of the UK economy. And 9.5m people living in the UK were born overseas.

Our economic and social recovery for the pandemic will not be possible without flourishing international connections.

London is the front door for the UK

When international tourists, talent, and trade reach London – by air or by rail – they reach the UK. And half of all trips to the UK include a visit to the capital. London is both one of the UK's key attractions and the front door by which visitors and investors explore the rest of the country.

According to IATA, in 2019 London was the most connected city in the world. It has since fallen to eighth place and is in danger of losing its crown to international competitors. While others have invested in infrastructure for the future and supported their industries through the current crisis, our privatised industries have fallen victim to their own success with little short-term public sector support and no long-term government-backed strategy.

London falling down the rankings will not benefit Plymouth, Manchester, or Derby; but Paris, Madrid, and Dubai. The UK aviation market sinks or swims together. Our international connectivity is an ecosystem that enables great British enterprises in every nation and region of the UK to reach their markets. International travel has long been a great British success story – inspired by our island history. We thrive when we are at the heart of global trade. Our global connectivity must be at the heart of our post-Brexit, post-pandemic, plan.

A year without strategy or support

On 17 March 2020, the Chancellor of the Exchequer promised to discuss a sector specific Covid-19 support plan for airports and airlines with the Secretary of State for Transport. On 23 March 2020, the Foreign Secretary advised all British nationals to return to the UK and against all but essential travel abroad. Since then, the Government has failed to deliver sufficient support for the industries most affected but, equally important, the inconsistency and lack of clarity has prevented individuals and businesses from planning or acting with any confidence.

- 22 May – 14 day quarantine for all arrivals and passenger locator form announced

- 8 June – 14 day quarantine for all arrivals introduced

- •29 June – Travel corridor policy announced

- 3 July – First list of 59 travel corridor countries/territories announced (Corridors exist for 199 days, with 28 announcements of changes including 44 territories being added and 65 being removed)

- 7 September – Islands policy introduced

- 7 September – Testing arrivals acknowledged as potentially an option

- 7 October – Global Travel Taskforce established to examine options for testing

- 24 November – Test-to-release system announced

- 14 December – Quarantine period reduced to 10 days

- 15 December – Test-to-release system goes live

- 24 December – South Africa travel ban starts

- 9 January – Southern Africa travel ban expanded

- 15 January – Travel ban extended to include South America and Portugal

- 15 January – Pre-departure testing required

- 5 January – Travel corridor suspension announced

- 18 January – All travel corridors suspended

- 27 January – Full travel ban

- 27 January – Hotel quarantine announced for red list arrivals

- 15 February – Hotel quarantine introduced

- 9 February – Post-arrival PCR tests required on days 2 and 8 of quarantine

- 22 February – Unlocking plan announces a successor to the Global Travel Taskforce to look at how to unlock international travel, due to report on 12 April

February 2021 - the peak of our isolation

As the vaccine rollout gives hope that we will soon be able to move into social and economic recovery, businesses and individuals need to see a clear strategy for Global Britain – including both the short-term plan for unlocking international travel and the longer-term vision for the infrastructure and connections to support our place in the world. The change of tone signalled in the Government's unlocking plan is welcome. A clear objective "to see a safe and sustainable return to international travel" must now be backed up with action in both the Budget and through the recently announced successor to the Global Travel Taskforce.

The reconstituted taskforce must publish their report no later than 12 April, and preferably in March. Businesses and individuals need time to plan for unlocking. The Government's indication that if all goes according to plan then at least some international travel may be permitted by mid-May is positive, but allowing barely a month to go from policy recommendations to reality is ambitious. Whilst decisions must not be rushed, there is a clear path to a safe and proportionately managed reopening of international travel in the second quarter of this year. In the meantime, the Chancellor must use the Budget to deliver additional support for the businesses hit hardest by the current government restrictions.

February 2021 must be the peak of our global isolation. And the government must consider the sectoral support and the international travel unlocking strategy as urgent priorities.

Immediate support is needed in the Budget

Almost a year on from the indication of a sectoral support package, the Budget must show that the Government understands the impact that the pandemic has had on those companies most directly affected by the restrictions on international travel, and signal that it sees the UK's international connectivity as a critical part of the country's post-Brexit, post-pandemic success.

The need for a sector specific support package is no longer debateable. There are a number of steps that can be taken immediately such as providing business rates relief for airports and allowing international rail operators access to the same financing options as airlines. The extension – both in terms of timings and severity – of travel restrictions necessitates financial action from government if the UK is to emerge from the pandemic without having created an avoidable economic impairment that will limit our ability to recover and thrive.

However, with a full recovery in international travel not expected for at least three years, it is expected that the current total of 30,000 jobs lost to the pandemic in the UK aviation industry will grow. Whilst the furlough scheme should continue for as long as government mandated travel suppression (including travel bans and passenger quarantine) remains in place, it cannot continue indefinitely.

The decision to end furlough support for these sectors should recognise the unique dynamics of these industries. Many businesses will make a loss during the winter season and cover the costs during the summer peak. This means that restrictions and uncertainty through summer 2021 cannot begin to be made up until summer 2022. Equally important is ensuring that before job support is phased out, retraining and reskilling support is phased in.

A transparent framework is needed from the reconstituted Global Travel Taskforce

Businesses recognise that uncertainty remains about the course of the pandemic and that precludes certainty about precisely when it will be appropriate to lift each specific restriction. This is particularly true when it comes to international travel as the government in unable to control events overseas and, in many cases, may not have access to all the necessary data. This makes transparency about the metrics and decision-making processes all the more important.

As we enter the unlocking phase, businesses and individuals will need to make plans despite this uncertainty. In order to enable this decision making, the government must publish the criteria and processes for assessing, removing, and where necessary reintroducing, restrictions on international travel. A clear and transparent framework will allow businesses and individuals to make plans that align with their own financial risk appetite and minimise uncertainty about when or why decisions will be taken about restrictions from becoming a drag on the social and economic recovery.

The framework should build on the travel corridors policy to create a risk-based, tiered structure of location-specific travel restrictions that are reflected across all areas of government – from FCDO travel advice to arrival protocols and quarantine requirements. This framework should be as granular as possible and recognise the significant disparities in health risks that can exist within countries – for example, between different states within the USA.

This framework is likely to form the basis of travel advice and policy for a number of years, as the vaccination programme is rolled out globally. The lowest level of restriction – for example the passenger locator form – would apply to arrivals from the lowest risk countries. And the framework should be clear that the most significant restrictions – travel bans and quarantine – will be required in as few cases as possible. For each tier of restrictions, clear thresholds and data points should be publicly available.

Testing must form the backbone of the UK's ongoing health defence and the Government's recent commitment "to lead global efforts to adopt a clear international framework with standards that provide consistency for passengers and industry alike" is incredibly welcome. Both pre-departure and post-arrival tests are likely to form part of an evidence-led and proportionate response to medium risk locations. Action must now meet rhetoric, and the framework developed by the new Taskforce should provide the basis for progress at pace. Delivering this vision will only be possible through cooperation with both industry and international partners. Few, if any, countries in the world wish to keep their borders shut indefinitely on the basis of potential threats.

| Tier	Indicative restrictions
5	Travel ban and hotel quarantine
4	Self-quarantine, enhanced testing, and locator form
3	Enhanced testing and locator form
2	Testing and locator form
1	Locator form only
0	None

Vaccine SHOT OR SHOW a negative test

In an industry that is inherently international, cooperation between countries is critical. A combined vaccination and testing regime – and the documentation to support it – must transcend borders. Whatever path the UK chooses domestically, British travellers will increasingly be required to prove they've had the vaccine shot or show a negative test result before they are allowed to enter other countries.

The private sector is already working on this and the government must engage constructively with the industry and internationally – starting with our closest trade and travel partners – to support and develop these solutions. Solutions such as the IATA Travel Pass and the Verifly app are already being trialled. Travel Pass, for example, builds upon the existing technology used by airlines to ensure that passengers have met visa and entry requirements before boarding.

The government should lead the way in encouraging common standards to be adopted internationally – including ensuring that there is a testing option for those unable or unwilling to have the vaccination. This will support the social and economic recovery by removing unnecessary complication and confusion for those crossing international borders.

It is also important that the public has confidence in the restrictions that do exist. To achieve this the government must ensure that they are adequately staffing the UK border. This includes public recognition that as international travel recovers additional requirements – such as checking passenger locator forms – will require additional resourcing. A commitment to lower waiting times at the border than were deemed acceptable pre-pandemic will be necessary in order to facilitate social distancing within constrained infrastructure.
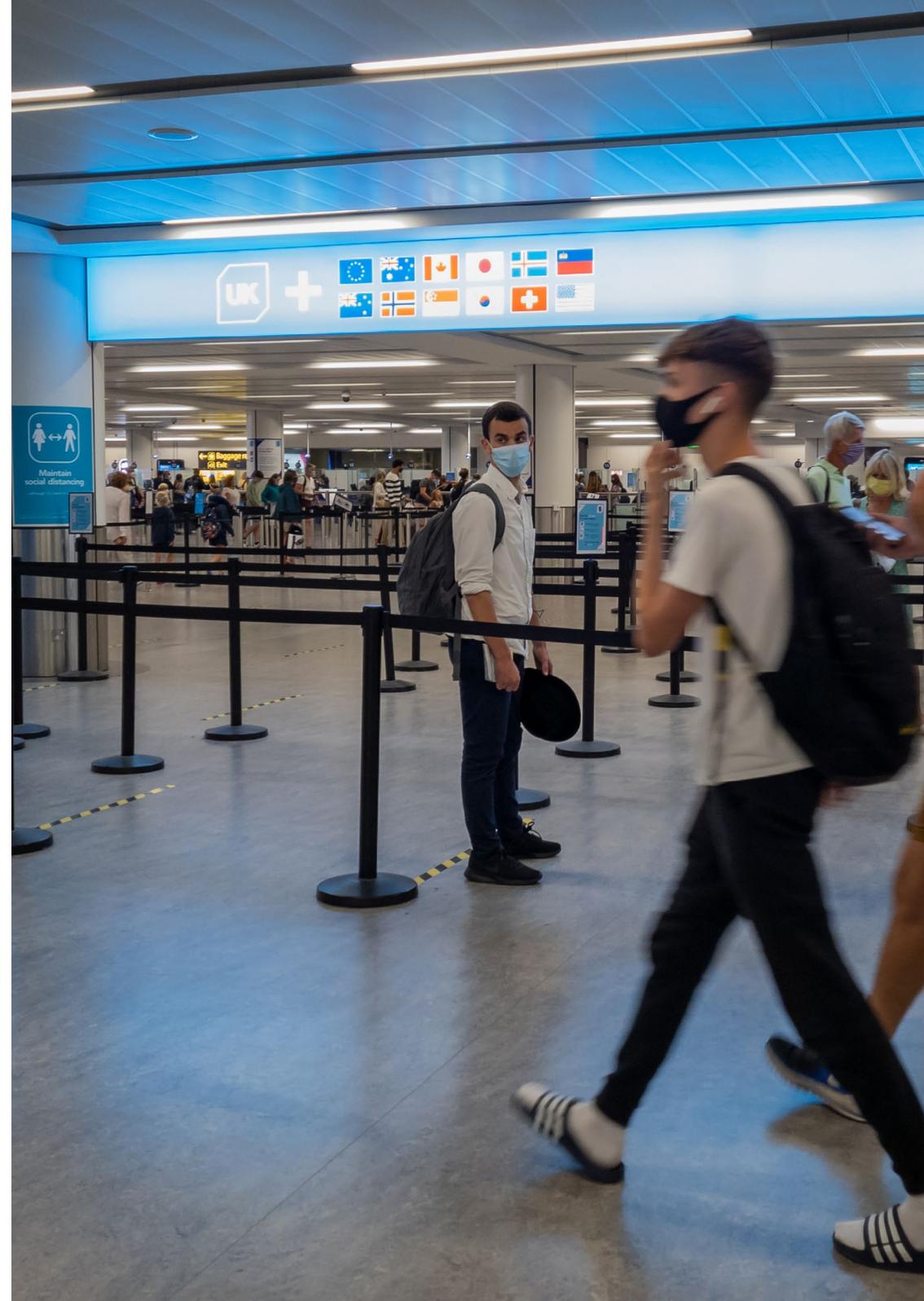
Commit to our connectivity

Unfulfilled promises of support during the pandemic have been layered on pre-pandemic hesitation to offer full-throated endorsement of growth in the UK's international connections. This has generated concern that the Government is willing to discard one of the UK's key competitive advantages. Within Europe, Heathrow has lost its crown as Europe's busiest international airport to Paris, with Amsterdam and Frankfurt not far behind. The government must send a clear message that they will not allow this decline to continue once we have been vaccinated. Regaining top spot in these rankings must be a fundamental policy objective for the UK, and a key pillar of our Global Britain strategy.

Two immediate indications of this commitment would be for the Government to reverse the damaging post-Brexit changes to tax-free shopping (an important aspect of the UK's attractiveness to high-value visitors), and to signal a desire to ensure that our long-term regulatory framework is designed to react to major shocks such as future pandemics. It would be welcome to see the likes of the Civil Aviation Authority and the Office of Rail Regulation making appropriate adjustments to the regulatory settlements of infrastructure providers.

Another clear area in which the government should signal its determination to be an international leader – particularly in the run up to COP26 – is in the field of sustainable aviation. A good start has been made through the Jet Zero Council, and there is huge potential for the UK to make a virtue of necessity. The UK should build on a decades-long reputation for world beating international connectivity and ensure that we are ready to lead the way in this latest technological revolution. Further commitments would only serve to reassure both industry and consumers that the Government understands their needs and the scale of the opportunity.

Beyond the immediate horizon

The notion that geography is destiny can cut both ways. For the UK, being a physically small, island nation leads to a fundamental choice. Either we allow these physical boundaries to define the limits of our ambition, or we choose to lead the world in our ability to reach beyond such obstacles.

Leaving the European Union provides the opportunity to redefine our relationships with the rest of the world. But it comes with the unexpected challenge of a global pandemic. Covid-19 may well turn out to be one of the turning points of history. At the very least, it will accelerate a number of pre-existing trends. Either way, the decisions we take as we unlock in the coming months – not least through the Budget and the work of the reconstituted Global Travel Taskforce – will have outsized influence on our future.

The Government must demonstrate that it will neither countenance nor permit a future of isolation. Instead, we must look past our physical boundaries, lift our eyes beyond the immediate horizon, and secure and expand the foundations for a truly global Britain.

LONDON FIRST

Our mission is to make London the best city in the world in which to do business.

London First was set up by business leaders with the belief that by harnessing business assets we can drive positive change. We operate as a business campaigning force, with around 200 members, and are uniquely placed to champion the city:

- We've done it before: back in the 1990s, London's prospects looked bleak. Business leaders came together to lead when others wouldn't;

- We've achieved a lot: over the past three decades, we've campaigned for the creation of the office of London Mayor and Transport for London, for Crossrail, for congestion charging and for expansion at Heathrow; we incubated Teach First and created the UK's largest annual jobs and careers fair for school leavers, Skills London;

- We give London's employers a powerful voice, prioritising the critical interventions needed to keep our capital competitive and connecting with allies to create solutions that help our country succeed as one.

In response to the pandemic, we're stepping up once again. With our members – and the millions of people they employ in the UK – we are pursuing an agenda that will keep London at the forefront of global business, working with and for the whole UK.

You can also find us on Twitter @London_First or at

londonfirst.co.uk