

**House of Lords Select Committee on Communications**  
**UK advertising in a digital age**

**Government response**

We are grateful to the Committee for conducting this timely and valuable inquiry into online advertising.

We have addressed in this response those of the Committee's conclusions and recommendations for which the Government is directly responsible - Recommendations 2, 4-6, 9, 12-13, 18-21, 23-24, 26-30

**Recommendation 2**

**It is in the interests of the whole industry to take greater steps to self-regulate through independent third parties such as JICWEBS. We think that the largest industry bodies should commit to signing up fully to JICWEBS. We recommend that the industry should give these bodies greater powers to create and enforce rules establishing robust industry standards on measuring effectiveness and third-party verification. If businesses fail to do so, the Government should propose legislation to regulate digital advertising. (Paragraph 56)**

**Government response**

We welcome steps that the industry has taken towards further self-regulation of online advertising through, for example, the Digital Trading Standards Group. In recent months, we have also seen advertisers withdraw from platforms they do not feel adequately protect their brand, when these platforms place their adverts alongside harmful content. We hope that this action from advertisers will encourage platforms to embed safety considerations into every level of their business.

At the same time, the Government recognises the highly complex nature of the online advertising industry, and the regulatory challenges posed by the sheer scale of the sector. In the light of this, as part of the Digital Charter work programme, we are working with a range of stakeholders, including regulators, platforms and advertising companies, to ensure that the principles that govern advertising in traditional media also apply and are enforced effectively online.

With regard to legislating in this area, the Government will publish a White Paper later this year which will set out plans for upcoming legislation specifically focusing on online harms. In this context, potential areas where we might consider legislating include online advertising.

As a matter of principle, the Government prefers effective self-regulation over statutory regulation. In the case of the advertising industry, the system of self-regulation for non-broadcast advertising, as set out in the Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code), is enforced by the Advertising Standards Authority.

The CAP Code has been evolving to take into account changing technologies and emerging platforms that have provided advertisers with new avenues to promote their products and

services. The Code is reviewed from time to time, for example the Committee of Advertising Practice are currently carrying out a review of the rules introduced last year on the advertising of high in fat, salt or sugar products to children in non-broadcast media (which includes online).

#### **Recommendation 4**

**The lack of transparency in the digital media advertising market hinders the ability of advertisers to ascertain whether they receive value for money. This is in part caused by the superfluity of ad tech intermediaries, but Google alone has control at all levels of the market. We recommend that the Competition and Markets Authority (CMA) should conduct a market study of digital advertising to investigate whether the market is working fairly for businesses and consumers. (Paragraph 76)**

#### **Government response**

Government recognises the highly complex nature of the online advertising industry and as part of the Digital Charter's work programme we are keen to gather more evidence on the business models in the digital media advertising market. This is also of central importance to the Cairncross review into the sustainability of the press, which was launched in March 2018 and will report its findings and recommendations in early 2019.

The CMA is the independent competition authority that investigates competition issues across the UK. Ministers do not have statutory powers to direct the CMA to undertake particular investigations, other than in exceptional circumstances.

#### **Recommendation 5**

**As the UK leaves the EU, we call upon the Government to ensure that the CMA is properly resourced to take on the burden of cases that would otherwise be dealt with by the European Commission. (Paragraph 77)**

#### **Government response**

The Government is confident in the CMA's readiness for EU exit. HM Treasury, the Department for Business, Energy and Industrial Strategy, and the Department for Exiting the European Union are working closely with the CMA on EU exit planning.

The Chancellor of the Exchequer has already committed over £250m of additional spending in 2017-2018 to allow all departments and partner bodies, including the CMA, to prepare for our exit from the EU. As part of the recent Spring Statement, the Chief Secretary to the Treasury announced that the CMA has been allocated with an additional £23.6m in 2018-2019 to prepare for EU exit.

## **Recommendation 6**

**Consumers do not pay for free online services, but in exchange they must give up their data. The dominance of Google and Facebook leads us to question whether current competition law is adequate to regulate the 21st century digital economy that is increasingly driven by personal data rather than money. We recommend that the Government should use the Digital Charter to gather evidence on this issue. (Paragraph 78)**

### **Government response**

A key priority for the Digital Charter is to ensure digital markets work well for everyone. Effective competition in these markets leads to the greatest benefits for consumers, driving business to innovate and giving consumers better products, cheaper prices and greater choice.

The Competition and Markets Authority (CMA) is the independent body which has been given powers by Parliament to make sure that competition works across the economy. Our competition tools are designed to be sufficiently flexible to tackle competition issues across the economy.

However, digital services – particularly those that are free-to-use and funded by advertising – pose challenges to our existing competition frameworks. As set out in the *Modernising consumer markets* green paper, the Government will review the UK's competition tools in the context of digital markets to make sure the powers are effective in responding to the new digital challenges. This will form part of our overall competition law review, which will be completed by April 2019.

Access to data is a key factor in supporting innovative new technologies and facilitating easier consumer decision-making, which in turn are important tools in making online markets more competitive. The right to data portability, introduced in the Data Protection Act 2018, gives individuals the right to request access to and move certain types of personal data between organisations. The Smart Data review, announced in the Consumer Green Paper, is looking at how to ensure data portability is implemented in a way which supports consumers to get better deals in regulated markets, building on the approach pioneered by Open Banking.

As set out in its terms of reference, the Cairncross review into press sustainability will consider the current and future market environment facing the press and high quality journalism in the UK. This will include the particular role and impact of digital search engines, social media platforms and other digital content aggregation platforms with regards to press sustainability. Issues concerning the transparency of data will play a part in the review's considerations.

## **Recommendation 9**

**As we await the implementation of the General Data Protection Regulation, we remain concerned that many businesses exploit users' data without informed consent. Nonetheless the ability to transfer data to and from the EU is essential for the advertising industry. We recommend that the Government should ensure that the UK maintains regulatory alignment with the EU on data protection. We are concerned that Brexit will cause the UK to lose its influence in setting EU rules for data protection which the UK is likely to remain aligned with post-Brexit. We recommend that the Information Commissioner's Office has a position on the European Data Protection Board. (Paragraph 96)**

### **Government response**

The Government takes both the protection of personal data and the right to privacy extremely seriously. The UK demonstrated this commitment with the successful passage of the new Data Protection Act 2018, which implements and transposes the GDPR and Law Enforcement Directive respectively in UK law. The new laws make our data protection laws fit for the digital age, giving people more control over use of their data, and provide new rights to move or delete personal data. Consent is one of six lawful bases for processing as set out in Article 6 of GDPR. GDPR sets a new (higher) standard for consent.

Our data protection laws will therefore be fully aligned with the EU's at our point of exit. The Government agrees that the continued free flow of data is crucial to underpin the wider future UK/EU relationship. In a globalised digital economy, data flows envelop all trade in goods and services as well as other business and personal relations. It is critical for both sides in a modern trading relationship.

We want to secure an agreement with the EU that provides stability and confidence for EU and UK business, public bodies and individuals to achieve our aims in maintaining and developing the UK's strong trading, economic and security links with the EU. That is why we are seeking to build on the standard adequacy model and want to secure ongoing regulatory cooperation between the UK and EU data protection authorities. The exact basis of this will be a matter for negotiations, but we are clear that an ongoing role for the ICO would offer mutual benefits by ensuring future regulatory cooperation and the protection of collective interests.

## **Recommendation 12**

**We recommend that the Government undertake a review of skills needed by the future economy and whether the education system reflects the needs of growing sectors, such as advertising and the creative industries. This will be increasingly important in the face of rising automation. In particular, the Government should review whether it is still appropriate for young people to specialise in either arts or science subjects at an early stage. Subjects should be introduced that blend arts and sciences for this fusion of skills is essential for the economy. (Paragraph 113)**

### **Government response**

There is already much work underway to ensure a full picture of the skills needs of different sectors of the economy and different parts of the country.

DfE's focus is on establishing the architecture that allows the post-16 education and training system to respond rapidly and accurately to skills shortages and changes in the labour market – whatever the driver of that change.

We are fundamentally reforming the post-16 education system to ensure that it can meet the needs of the labour market. A key principle of the reform agenda is to put employers in the driving seat of the skills system, as employers are best placed to determine the skills businesses need. We are therefore making our education system more responsive to the needs of business and employers, who are, for example, leading on designing apprenticeship standards and are key to developing new T levels.

We are also launching Skills Advisory Panels, which will provide a conduit for national-level analysis of labour markets and skills needs to inform local decisions about skills mix – complementing information held by individual employers and helping providers to support better local growth. These panels will bring together local representatives; including businesses, training providers, colleges and universities, to identify local skills needs and employer demands.

We have recently conducted the latest Employer Skills Survey, which provides robust assessments of skills shortages across the UK by region and by sector. The results of this survey will be published later in 2018 and will provide insight into different industries' skill needs.

And through the Review of Post-18 Education and Training, the Government will be assessing the best ways to support educational outcomes that deliver our Industrial Strategy ambitions and the skills our country needs.

At the same time, to raise educational standards, it is important that all pupils are taught a broad, knowledge rich, and academic curriculum which enables pupils to progress and succeed in their education.

Our reforms to GCSEs – including the sciences, maths, Design and Technology and computer science – have been designed with employers in mind. These qualifications are underpinned by more rigorous content, preparing pupils for future careers in the industries that Britain needs. The new science GCSEs now include space physics and the human genome and the new Computer Science GCSE now includes a greater focus on programming.

The Government has always recognised the importance of both STEM and Arts subjects. In the national curriculum, science and mathematics are mandatory subjects for pupils from age 5 to 16; and the arts are compulsory from age 5 to 14 with a requirement for Arts subjects to be offered as an option to age 16.

We have also funded programmes focused on promoting STEM and the Arts. These include Maths Hubs and the Stimulating Physics Network, as well as offering generous bursaries to attract high quality subject specific teachers. Mathematics is now the most popular subject at A level, and 2017 data shows entries to science A levels (physics, chemistry and biology) have increased by 11 per cent since 2010. In April this year, the Government announced £96 million to support talented music, drama and dance pupils in their career in the arts. This

funding supports a wide variety of cultural education programmes, ranging from introducing young people to film making to improving their skills with the National Youth Dance Academy to exploring different art materials at national art and design Saturday clubs. This additional £96 million takes the total level of support for arts programmes to £496 million since 2016.

We have also provided further funding for a number of 'In Harmony' projects with the aim to inspire and transform the lives of children and families in deprived communities through the power and discipline of ensemble music.

Ensuring that all children have the digital and computing knowledge and skills needed for the future is also a key priority of this Government. We are investing £84m over the next four years to improve computer science teaching and increase participation in computer science, particularly among girls. This will involve establishing a National Centre of Computing Education and at least 40 school-led hubs, which will provide training and resources for teachers.

### **Recommendation 13**

**We recommend that the English Baccalaureate must include the measurement of one arts subject. This will ensure that the arts are properly recognised both by schools and the school league tables. (Paragraph 114)**

#### **Government response**

The subjects included in the EBacc are those which, according to the Russell Group, at A level open more doors to more degrees. The Sutton Trust has found that pupils in schools that increased their EBacc entry from a low rate are more likely to achieve good English and maths GCSEs, more likely to take an A level, or equivalent qualification, and more likely to stay in education.<sup>1</sup>

The best schools in the country combine excellent cultural education as a complement to excellence in core academic subjects. The EBacc was designed to leave room in the curriculum for pupils to study other subjects, including the arts.

Arts GCSEs already attract credit in the school performance tables. They count towards the Progress 8 performance measure<sup>2</sup>, the headline indicator of school performance determining the floor standard.

### **Recommendation 18**

**We recommend that the industry should continue to show leadership and improve representation at senior levels. This is critical to embedding throughout the industry recognition that—as its business is to understand and influence citizens of all kinds—there are no barriers to success for people of all kinds. We therefore recommend that**

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<sup>1</sup> Sutton Trust, Dr Rebecca Allen and Dave Thompson, Education Datalab, 2016, Changing the Subject. The study looked at a set of 300 secondary schools that had increased the proportion of pupils entering the EBacc from 8-48% between 2010-2013. They compared these schools to a set of schools with similar characteristics.

<sup>2</sup> DfE, 'Secondary accountability measures (including Progress 8 and Attainment 8)' [www.gov.uk/government/publications/progress-8-school-performance-measure](http://www.gov.uk/government/publications/progress-8-school-performance-measure)

**barriers to entering the industry such as informal recruitment procedures need to be removed. The Government should clarify, if necessary through legislation, that all internships and work experience programmes of more than four weeks should be remunerated and Her Majesty's Revenue and Customs should take enforcement action against non-compliant businesses. The industry should develop and implement best practice such as 'CV-blind' recruitment processes, and encourage outreach and mentoring programmes. (Paragraph 146)**

### **Government response**

We agree with the assertion that the industry should continue to show leadership and improve representation at senior levels to ensure there are no barriers to success for people of all kinds.

That is why we commissioned and are supporting independent reviews such as the Hampton-Alexander Review who have set challenging targets for FTSE 350 companies for both women on boards and in their leadership teams, the Parker Review into ethnic diversity in the boardrooms of Britain's leading companies and the McGregor-Smith Review into black, Asian and minority ethnic (BAME) participation and progression in the workplace. Existing legislation sets out that anyone working should be paid the National Minimum Wage (NMW) – and that includes interns.

Current legislation is clear that an individual's entitlement to the minimum wage depends on whether or not they are a "worker" for minimum wage purposes. Where they are, their employer must pay at least the NMW, including when the worker is labelled as an 'intern' or on 'work experience'.

To raise awareness of these existing rules, this Government has committed to updating public guidance on internships and engaging with employers directly about the matter. Matthew Taylor's review into modern employment practices agreed that no future legislation was necessary in this area.

We do, however, also continue to invest heavily in minimum wage enforcement, increasing the budget to £26.3 million for 2018/19, up from £13 million in 2015/16. HM Revenue and Customs (HMRC) follow-up every worker complaint it receives and conducts proactive, targeted enforcement in sectors or areas where there is a higher risk of workers not being paid the legal minimum wage.

### **Recommendations 19-21**

**Professional careers advice is crucial to ensuring that the advertising industry has access to a diverse talent pool, including young people with digital skills.**

**Comprehensive careers advice and employer interactions should start in every primary school and continue throughout pupils' school careers. This will ensure that children and young people are fully aware of the range of advertising and creative industry roles available to them. We welcome the Government's commitment to providing resources for careers advice at all levels of education. (Paragraph 158)**

**We recommend that the Government must provide more resources to deliver sufficient careers advice and employer interactions for all communities throughout**

**the UK. The Government must also provide more resources to ensure greater employer interactions with primary school pupils and young people who have not yet chosen their GCSEs. In return, the industry should step up its campaigning efforts to promote advertising as a career to communities around the UK. The advertising industry must also provide more learning tools to schools with a view to introducing pupils, parents and teachers to the roles available in the industry. This learning provision should be supplemented with more visits to schools by advertising practitioners. (Paragraph 159)**

**We recognise that there are great time pressures on school timetables. We recommend that the Government should encourage schools to make time for employers to interact with children by taking account of such interaction activities when measuring school performance. (Paragraph 160)**

### **Government response**

The Government wants all young people and adults to have the information, advice and guidance they need to make an informed choice about a range of careers, including those in the advertising and creative industries. The Government's careers strategy, published in December 2017, sets out a long term plan to help young people and adults choose the career that's right for them. We are using the Gatsby Foundation's eight benchmarks to set a standard of excellence for career advice in secondary schools and colleges and have updated our guidance to help them achieve these benchmarks. We are also funding training for 500 careers leaders who are responsible for the careers programme in their school or college. We want pupils from an early age to develop positive attitudes towards going to work and having a successful and fulfilling career. To achieve this, we are investing £2m specifically to support primary school career focused initiatives. We are also working with the Careers and Enterprise Company to test approaches in primary school to gather evidence on the most effective interventions.

The Government wants schools and employers to work together to provide young people with a better understanding of a variety of careers. This can broaden horizons, challenge stereotypes and raise aspiration. The Government's careers strategy sets out the expectation that all secondary schools should provide pupils with at least seven employer encounters over the course of their education (years 7 to 13). The Careers & Enterprise Company will support secondary schools and colleges by providing them with access to an Enterprise Adviser by 2020 and through a £2.5m investment fund to support employer encounters. Since January this year, schools have a statutory duty to allow schools, colleges and independent further education providers of technical education and apprenticeships in to talk to pupils about these routes.

Ofsted will continue to hold schools and colleges to account for the quality of careers provision. Careers is already considered under three of the four areas evaluated as part of school inspections. And since January 2018, Ofsted must comment in college inspection reports on the careers guidance provided to students.

And the recent Creative Industries Sector Deal includes a specific commitment to take forward an industry-led creative careers programme that fits with the broader strategic aims of the Government's careers strategy.

The programme will aim to improve awareness and understanding of the range of occupational roles available in the creative industries, including advertising. The programme is expected to include for example materials for students, parents and schools and facilitation of encounter events with businesses. Government is providing up to £2 million to support some elements of the sector deal aimed at helping ensure a strong, sustainable and diverse talent pipeline for the creative industries. This includes start up funding, subject to business case, for the creative careers programme which will be more than matched by industry contributions.

#### **Recommendations 23-24**

**We welcome the willingness of the advertising industry to use apprenticeships to improve diversity. However, the Government's apprenticeship scheme is not appropriate for the advertising industry or the wider creative sector. It is failing to provide courses of adequate quality. The slowness in approving apprenticeship standards is limiting the scheme's usefulness. Many small businesses lack the means to utilise the apprenticeship scheme properly. The inappropriateness of the levy for the creative industries was also noted in our previous report on skills training for the theatre industry. (Paragraph 181)**

**We recommend that the Government should undertake a comprehensive review of the apprenticeship scheme to ensure that it is suitable for the creative industries. Under the review, the Government should investigate how the period for the approval of training standards could be reduced and whether small advertising businesses could pool resources into a shared apprenticeship levy account. (Paragraph 182)**

#### **Government response**

New, high quality apprenticeship standards, across all sectors of the economy, are being designed and driven by employers to meet their needs; creating higher quality training with proper assessment at the end. Our reforms are making apprenticeships longer – lasting at least 12 months, with more off-the job training and proper assessment at the end so that apprentices are competent in their chosen occupation.

The Institute for Apprenticeships is a crown non-departmental public body, whose core function is to ensure the quality of apprenticeships, and provide advice to Government on future funding provision for apprenticeship training. New apprenticeship standards are being developed by employer groups themselves, known as Trailblazers, creating higher quality training that will lead to a more productive economy.

Responding to feedback from employers about the length of time it was taking to approve new apprenticeship standards, the Institute published its Faster and Better programme in February 2018, to simplify aspects of the standards development process. The number of apprenticeship standards approved for delivery has increased considerably in the first half of this year, with 61 standards approved to date, the highest number of standards approved in any half-yearly period. More detail can be found on the Institute's website at: <https://www.instituteforapprenticeships.org/about/faster-and-better/>

with 14 approved in the creative industries since 26 January 2018 to date:

<https://www.instituteforapprenticeships.org/apprenticeship-standards/?routes=Creative-and-design&includeApprovedForDelivery=true>

More detail can be found on the Institute's website at:

<https://www.instituteforapprenticeships.org/about/faster-and-better/>

As part of the Creative Industries sector deal, Government has also committed to work with industry and the Institute for Apprenticeships to prioritise apprenticeship standards development in the creative industries in areas where they are experiencing skills gaps and are identified as Industrial Strategy priorities.

We recognise the vital role that smaller employers play in providing apprenticeship opportunities. Most smaller employers do not pay the apprenticeship levy, and instead benefit from generous co-investment with 90 per cent of apprenticeship training and assessment costs provided by government. For the smallest employers, those with fewer than 50 employees, 100 per cent of the cost of training is paid for apprentices who are 16 to 18 years old, 19 to 24-year-old care leavers, or 19 to 24 year olds with an Education, Health and Care Plan.

Levy-paying employers can already work together to use their levy funds locally, and connected companies can 'pool' their levy funds for the benefit of the whole organisation. However currently employers cannot jointly fund an apprenticeship with another levy payer, or pool funds in a sector or region. However, we have now introduced the flexibility for levy payers to transfer up to 10 per cent of funds to another employer, including smaller employers in their supply chain. This means that smaller employers who may have previously felt that employing an apprentice was beyond their reach, will now have the opportunity to do so.

Once we understand how employers are using the transfers' service, we will consider other flexibilities in how employers can use transfers, which could include allowing levy-paying employers to 'pool' funds in a different way.

The government will continue to work with employers to ensure that apprenticeships work effectively for industry and meets the goals of the apprenticeship reform programme. DfE continues to work closely with DCMS to understand the impact of the apprenticeship reforms on the creative industries.

The Creative Industries Sector Deal, announced on 28 March 2018, contains a number of commitments shared by government and industry to help make sure the apprenticeship reform programme is working effectively. This is published at:

<https://www.gov.uk/government/publications/creative-industries-sector-deal>

The final deal includes the following commitments:

- Government will work with employers to monitor the impact of the apprenticeship levy and continue to analyse all apprenticeship starts (by place and subject area), assessing the impact against other types of employer investment.

- Government and industry will work with the Institute for Apprenticeships to prioritise apprenticeships standards development in the creative industries in areas where they are experiencing skills gaps and are identified as Industrial Strategy priorities.
- As part of our package of support to help strengthen and sustain the talent pipeline DCMS will provide funding to support employers to develop around 20 of these critical standards.
- Additionally, considering views from the Creative Industries Council, the government commits to ensuring that an employer representative from the creative industries sits on its Apprenticeship Stakeholder Board.

### **Recommendation 26**

**We recommend that Tier 4 visas should be extended to allow all students to work in the UK for at least two years after graduation. (Paragraph 217)**

#### **Government response**

The Government welcomes international students and provides a strong offer to graduates who wish to remain in the UK to work upon completion of their studies. There are four visa categories available to non-European Economic Area (EEA) graduates of UK universities wishing to remain in the UK to work:

- Those with an offer of a graduate-level job, paying an appropriate salary, may take up sponsored employment through Tier 2.
- Those who have been identified by their higher education institution or Department for International Trade can stay on for up to two years to develop their business in the UK under the Tier 1 (Graduate Entrepreneur) category.
- Graduates wishing to undertake a period of professional training or a corporate internship related to their qualifications can do so in Tier 5.
- PhD students can stay in the UK for an extra year, under the Tier 4 Doctorate Extension Scheme, to look for work or start their own business.

The Tier 4 visa pilot, for Masters' students at 27 participating universities, helps to support students who wish to switch into a work route and take up a graduate role, by extending the leave period following the end of their study to up to six months. Once evaluated, we will consider whether to introduce the offer being tested with the pilot into the Immigration Rules and make it policy.

There are currently no plans to extend Tier 4 visas for two years after graduation, and no plans to reintroduce a Post-Study Work route.

The Post-Study Work route under Tier 1 was closed in 2012. The decision to close the route was supported by evidence that it was open to abuse, and that many using the route were unemployed or engaged in unskilled work. This undermined work migration routes and damaged the reputation of our education system.

### **Recommendations 27-30**

**The UK advertising industry is a global leader because it has access to talented individuals from around the world, including the EU. These workers provide the cultural, creative, digital and languages skills which enable the UK to win advertising accounts from multi-national companies for global campaigns. The creative industries including the advertising industry are largely project-based which requires the rapid recruitment of freelance staff from the broadest field of talent. This type of recruitment is not possible under the UK visa system which is slow, expensive and restricted. (Paragraph 223)**

**As the UK leaves the EU, the Government must develop an immigration policy that works for businesses. We recommend that the visa system must be made easier and cheaper to navigate for both individuals and companies. (Paragraph 224)**

**We recommend that the Government should allow foreign nationals to work in the UK following an offer of permanent employment contract by a UK advertising employer. In negotiating the terms of free trade agreements with the UK's trading partners, the Government should seek reciprocal arrangements for UK citizens wishing to work in those partner countries. (Paragraph 226)**

**We recommend that the Government should introduce a creative industries' freelancer visa on the basis of reciprocal agreements with nations around the world. This will allow foreign freelancers to work in the UK and grant UK freelancers the right to work abroad. (Paragraph 227)**

### **Government response**

The Government continues to welcome highly skilled and talented migrants to the UK – including those working in the creative, cultural and the digital technology sectors – and we are in no doubt of the contribution that they make to our economy and to our society. We are clear that the UK is, and will remain, open for business. As the Committee will be aware from the evidence we provided as part of the Committee's inquiry on the advertising industry, we recognise that access to talent after the UK leaves the EU is a crucial issue for businesses and new and innovative industries, including in the creative sector.

We are currently developing options for the future immigration system which will be designed to continue to serve the national interest. However, decisions about the final arrangements – including whether or not to offer visas for individual sectors – are still under consideration. We have always been clear of the importance we attach to making decisions which are informed by evidence. That is why we look forward to receiving the final report of the independent Migration Advisory Committee's review into EEA migration in September, which will allow us plenty of time to consider their recommendations ahead of implementing a new system in 2021.

In the meantime, the UK immigration system already offers, as part of a comprehensive package of measures, a number of routes for those working in the creative and innovate industries. Highly talented migrants who are endorsed by one of five endorsing bodies, including Tech Nation and Arts Council England, can apply for a visa on our Tier 1 (Exceptional Talent) route. This route provides for an attractive and flexible offer and

individuals do not need to be employed to apply for this route (as they do under Tier 2). On 15 June, we actively demonstrated our commitment to the creative sector specifically by expanding the remit of the Arts Council to include the British Fashion Council so that international fashion designers, from 6 July, will be able to be endorsed on the route. As part of a wider package of measures we introduced earlier in the year, we also doubled the size of the Exceptional Talent route, and now offer 2,000 visas a year. We continue to encourage further uptake of the available visas in this route and work closely with the endorsing bodies to promote its attractiveness.

The Exceptional Talent route is just one of a number of routes we offer to creative migrants. Creative and innovative businesses can attract the international talent they need by recruiting employees under Tier 2, which enables them to recruit migrant workers with specific skills to fill posts which cannot be filled by resident workers. Migrants on this route can be sponsored for up to five years and the route can lead to settlement. In recognition of the need to ensure that the system responds flexibly, on 15 June, we laid amended Immigration Rules in Parliament which will provide for nurses and doctors to be exempted from the Tier 2 (General) cap of 20,700—recognising the current pressures facing the NHS – but this change will importantly free up hundreds of places for other sectors and occupations within the economy.

There are around 27,000 licensed Tier 2 sponsors, the vast majority of which are small and medium-sized enterprises. Sponsorship is straightforward and can be done online and the duties we ask of sponsors are not onerous – they are in line with normal practice by good employers.

The Government is also clear that we want to create an environment which supports those looking to establish new businesses in the UK. That is why, on 13 June, we announced that we would be expanding the successful Tier 1 (Graduate Entrepreneur) route into a new and reformed 'Start Up' visa route. This announcement, which builds upon the wider changes we have made to the non-EEA system over the last year, will ensure that a wider pool of business people, beyond graduates, can be considered for the route. It also demonstrates our commitment to making the UK a dynamic, open and globally trading nation at the centre of the world's innovative industries.

Other visa categories that the creative industries and businesses can take advantage of include:

- **Standard Visit Visas** which allow artists to give performances, take part in competitions or auditions, make personal appearances or take part in promotional activities. Technical or production staff may support the activities above. This can include film crew, producers or directors. Holders cannot spend more than 6 months in the UK.
- **Permitted Paid Engagement** allows a professional artist, entertainer or musician to carry out any activity directly relating to their profession for up to one month, if they have been invited by a creative organisation, agent or broadcaster based in the UK.
- **A Tier 5 Temporary Worker Visa** is valid for up to 12 months, falls under the Points Based System and requires a licensed sponsor. Employment must adhere to relevant Codes of Practice, which can be found in Appendix J of the Immigration

Rules and are designed to consider the needs of the resident labour market.<sup>3</sup> No definitive list exists for roles which qualify for the Tier 5 creative route. Examples include performing and technical roles in music, film, television and the fashion industry. The Tier 5 Temporary Worker category also includes specific provision for the admission, for up to 6 months in any 12-month period, of contractual service providers employed by overseas advertising businesses, where they are coming to in connection with the supply of a service to a UK client. The latter provision implements the UK's commitments relating to advertising services pursuant to the WTO's General Agreement on Trade in Services and other bilateral services agreements concluded by the EU with third countries.

We keep all our non-EEA immigration routes under review.

In negotiating free trade agreements, it has so far been the UK's approach to take commitments on the temporary entry of businesspersons (business visitors, intra-company transfers, contractual service suppliers, etc) in the context of the supply of services and investment rather than to bring wider immigration matters (labour market access, permanent migration) within the scope of such agreements. The Government will wish to continue to negotiate trade agreements which support the export of UK services by ensuring that UK businesses are able to deploy their employees overseas in order to supply services (including advertising services) to overseas clients.

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<sup>3</sup> Gov.uk, ['Immigration Rules Appendix J: codes of practice for skilled work'](#)