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Dear Kelvin,

5th November 2018

I promised to write following your debate on the impact on the arts of the UK's withdrawal from the European Union on 11 October 2018, in order to answer some questions raised.

I would like to begin by addressing Baroness Warwick's question: whether I "agree that the arts can help articulate who we are as a country, both to ourselves and beyond, as we negotiate our new place in Europe?" My answer is that I certainly do agree with her on that point, and by way of an answer would like to refer to the words of the Bishop of Chichester. He perhaps answered this question best during the debate, when he said that the arts are "a muse that can continue to inspire us as a nation to be more expansive, inclusive and creative - and more fully alive."

Visas, Immigration, and Mobility

During the debate, many Lords raised the issue of visas, immigration and mobility. Questions arose on both negotiations with the EU, and the UK's future immigration system, with queries about how it will affect the arts, including arts education. I feel confident that I provided answers for the majority of these questions, but I am aware that there were a number of detailed questions that I did not have an opportunity to address. Lord Berkeley asked about the status of a dedicated desk for the cultural and creative sectors at the Home Office. Although no such desk currently exists, Home Office continues to engage closely with the creative sector to better understand their needs. An extensive engagement programme will be launched to support publication of the Government's proposal for a Future Border and Immigration System.

Lord Bilimoria asked about European rules for repatriation of EU citizens from the UK. First, the Prime Minister has been clear that Free Movement will end as we leave the EU.

As to the current system, Lord Bilimoria asked for my reassurance that the government is aware of the relevant rules, and I can certainly give this. EU citizens and their family members have the right to enter and live in other Member States. These rights are set out in the Free Movement Directive (Directive 2004/38/EC), which all Member States are bound by. The UK has implemented the Directive through the Immigration (European Economic Area) Regulations 2006 ('the EEA Regulations').

Where admission is permitted, an EU citizen may remain in the UK for up to three months from the date of entry, provided they do not become a burden on the social assistance

system of the UK. Under regulation 14 of the EEA Regulations, those EU citizens wishing to stay beyond three months can only do so where they are exercising a Treaty right. Exercising a Treaty right in this context means they must be working, self-employed, self-sufficient or a student.

The Government does not tolerate abuse of free movement and is clear that EU citizens who benefit from the right to Free Movement must adhere to the responsibilities this brings with it and abide by our laws. If an EU citizen does not meet one of the requirements for residence set out in the Directive then they will not have a right to reside in the UK and may be removed. I hope this answer is useful clarification for peers on this feature of the Free Movement system.

Lord Wallace asked what progress is being made on our negotiations with the EU regarding reciprocal mobility arrangements. I can now refer him to the Prime Minister's statement in the House of Commons on 22nd October, when she said that there was "broad agreement on the structure and scope of the future relationship, with important progress made on issues like security, transport and services." Peers will I'm sure be aware that the UK will make a sovereign choice to seek reciprocal mobility arrangements with the EU in a defined number of areas, and that this is subject to negotiation.

Finally, Lord Foster asked me to consider the benefits arising from not only the skills, but also from the different cultural background that visitors and immigrants in the cultural and creative sectors bring. We have always been clear that the UK will remain open for business and that we will continue to welcome overseas workers who make a valuable contribution to the UK, while remaining committed to reducing net migration to sustainable levels.

European Funding

A number of peers asked about funding - including capital funding, and negotiations for future participation in funding streams. Lord Bilimoria, in particular, asked a range of questions about European Funding streams. First, I would like to address his question as to whether the Creative Europe scheme had been a catalyst for private investment. Last year, the UK received approximately €16.5 million from the Creative Europe programme, which supports the cultural and audiovisual sector through a number of different funding streams. In the case of Creative Europe, for example, cultural cooperation projects require a level of match funding as part of their grant agreements. The government is aware of the range of benefits that arise from European Funding streams, including those that are structured in such a way as to encourage private investment.

Second, Lord Bilimoria asked about small and medium sized enterprises ("SMEs"), and government support for these. SMEs figure importantly in the government's "Industrial Strategy" white paper, and I hope that Lord Bilimoria was encouraged by the policies announced there. Also, as peers will no doubt know, the vast majority of businesses in the arts are not only SMEs, but "micro" businesses, with staff of fewer than 10 people (the figure from the DCMS Sectors Economic Estimates for 2017 is 95% for the Cultural Sector). With this figure in mind, I hope it goes without saying that all government support in this sector is mindful of the needs of SMEs.

Lord Bilimoria and the Earl of Sandwich also asked how the UK would fund any replacement schemes, if the UK is no longer a participator in Creative Europe and other European programmes at the end of negotiations. The government is evaluating the case for participation in all programmes that may offer benefits, and where mutually beneficial will discuss options for participation with the European Commission. For any EU programmes where the UK does not continue to participate, decisions on domestic replacement will be considered in the round alongside other spending commitments at the Spending Review in 2019.

Finally, Lord Foster asked about future capital funding. The Government continues to work on the design and priorities of the UK Shared Prosperity Fund (UKSPF), a domestic programme of investment after leaving the EU. DCMS has strong representation in work across government to inform plans for the UKSPF. The Government will consult publically on the design and priorities of the UKSPF later this year, as announced in the Industrial Strategy white paper.

Intellectual Property

The Earl of Clancarty asked a question about the future of the Proposal for a Directive on Copyright in the Digital Single Market, and in particular on the provisions on transparency and the so-called bestseller clause. The draft directive is still under negotiation, and the final scope of the proposals mentioned is unknown. It is unclear when the Directive will finally be agreed, or what its transposition deadline will be - whether this directive will be applied in the UK will depend on the terms of our withdrawal from the EU (including the implementation period), and the timing of the transposition deadline for the directive.

Cultural Education

Finally there were a range of questions about cultural education. Lord Foster asked me to explain a statement from the Department for Education on the proportion of pupils taking arts subjects as GCSE. The statement was derived using entry data between 2010-2018 for the following GCSEs: art & design, applied art & design, dance, drama, media/tv/film studies, music, and performing arts. Whilst using the data in this way does not allow us to take into account the variation of the cohort size from year-to-year, it does enable us to compare over time the proportion of pupils entering at least one arts GCSE. Using this metric the entry rates in 2018 (44.3%) are similar to those recorded in 2012 (44.7%) and 2013 (44.8%), over this time period the rates can be considered broadly stable. I hope that clarifies the statement to Lord Foster and other peers.

I hope this answer has been useful. I will place a copy in the House of Lords Library and send a copy to Lord Ashton of Hyde, the Minister for Arts, Heritage and Tourism and to all Peers who spoke in the debate.

With best wishes,
James Younger

VISCOUNT YOUNGER OF LECKIE