



**All Party Parliamentary Group for Events
Events Industry Evidence Session
18th January 2021**

SESSION NOTES

APPG Chair: Rt Hon Theresa Villiers MP

The Chair opened the meeting by welcoming the Officers and Members of the APPG to the session and thanked them for their attendance. The Chair then welcomed those representatives from across the events industry who were providing evidence today on behalf of specific industry sectors and thanked them for their attendance.

- The UK Events Sector: Simon Hughes, Chair – Business Visits & Events Partnership
- The Conference & Meetings Sector: Jane Longhurst, CEO – Meetings Industry Association
- The Exhibition & Trade Show Sector: Chris Skeith, Director of the Events Industry Alliance and Chief Executive of AEO
- The Outdoor Events Sector: Susan Tanner, CEO – National Outdoor Events Association and Steve Heap, Chair – Events Industry Forum
- The Experiential & Brand Events Sector: Rick Stainton, Founder - One Industry One Voice initiative

The Chair then welcomed and introduced three Observers to the session, who were representing the key UK Advisory Boards and thanked them for their attendance;

Michael Hirst OBE: Representing the UK Events Industry Board

Neil Brownlee: Representing the Scottish Events Industry Advisory Group

Jill Manley: Representing the Event Wales Industry Advisory Group

The Chair then invited each of the industry representatives to present their evidence:

Overview of UK Events Industry

Simon Hughes, Chair – Business Visits & Events Partnership

Many people have described COVID-19 as a massive disruptor and unlike many other sectors its impact on events was immediate and likely to remain in place for many more months to come.

Prior to the pandemic business visits and events contributed £70 billion to the UK economy in terms of visitor spend, representing over 50% of all tourism spend. In additional economic impact over £165 billion in respect of trade was transacted at business events. Estimates based on BVEP research suggested that the industry employed over 700,000 people.

However, it was clear from the impact of the first lockdown and the necessary national restrictions that impacted across the events industry that a broader coalition of organisations, associations and businesses would be required in order to create and support a much more consistent and co-ordinated dialogue within the industry and with government. One Industry One Voice led the creation of a coalition of various campaigns that are now working together to support the industry.

In a unique development we now have all the sectors of the UK event industry brought together in one place to pool information, share data, identify key issues and provide support to each other.

An example of how this has been working in practice would be the weddings sector – not represented here today as they are meeting with a BEIS minister who has been supporting their development of a taskforce to help the sector survive. Last year 220,000 weddings were postponed, and latest research shows that 74% of wedding businesses reported losses of 76%-100% in turnover since the first lockdown. Weddings alone contributed £14.7billion in direct spend in 2019 – to put that in context that is three times more than arts and cultural events.

Obviously, major activities across the industry have been severely curtailed by COVID-19 and due to an almost total lack of ability to operate since the start of the pandemic, annual revenues will be down £55billion and it is anticipated 434,000 jobs will also be lost.

Despite having no prospect of being able to earn any income for 12 months, businesses and people working in the industry have also had limited access to the government's support schemes, due to the fact that many businesses operate in the events industry without fixed premises and the sector employs a large number of freelancers.

The very nature of events is to set up operations on a temporary basis in a temporary location, thereby making the current schemes relating to rateable value premises and fixed employment contracts irrelevant to much of the Industry.

I know that my colleagues today will be putting forward reasons why sustaining the industry through the pandemic is vital in order to protect business events. These showcase Britain's industrial, scientific and innovative skills to international markets and also drive trade, exports and inward investment. Cultural events project Britain's creative energy and educate and entertain communities across the UK and are critical to place making and regeneration. Additionally, both business and leisure events add significantly to the value of the visitor economy, productivity and the levelling up agenda.

When we look at the city region of Liverpool and the impact that the International Festival of Business series of events had on improving infrastructure, the quality and variety of accommodation and both full time and part time employment opportunities that were created, you can see how events can galvanize a local and regional economy – again something I’m sure we’ll hear more about later.

We’ll also hear about the need to build in some lead-time and acknowledge that events of all types will need time to plan ahead of re-opening. There is currently no indication when events will be able to reopen. Even if a start date is announced in early spring, the time needed to organise activities and take forward booking means that trading is unlikely to commence prior to Q3 2021. Recent research indicates that 76% of all event businesses only have resilience left until the end of February so it is critical that tailored government measures are put in place specifically for the Industry.

We have recently submitted some measures for the event industry to the Treasury as part of their budget consultation process. More information on this can be found [here](#).

The Outdoor Events Industry has also made proposals to the Treasury to support the cash flow requirements of its businesses. Event Organisers will need access to cash flow funding to pay suppliers, particularly where they have already taken out CIBLs/Bounce Back loans and may not be able to borrow further commercially. This will be particularly important in 2021 as suppliers are unlikely to be able to obtain invoice discounting insurance and ticket agencies are likely to withhold advance payments to organisers in view of the refund risks. The seasonality of our outdoor sector is a critical factor in this.

It is estimated that Government funding of around £152million would ensure that the outdoor events industry remains in a position to get through the Winter and to be ready to deliver real benefits to the economy as the UK comes out of the pandemic.

In addition, a similar support package for businesses engaged in business events would indicate that a further £225million would be required. In total this would mean allocating £377million to an Events Recovery Fund, which would significantly improve the prospects of the events industry to chart a course back to profitability by Q3 2021. That feels a long way off for many businesses and people in the event industry, as research commissioned by One Industry One Voice has clearly indicated.

The survey of event owners, organizers, agencies, suppliers and freelance workers laid bare the impact of two lockdowns and other restrictions as more than one in three have seen every scheduled event cancelled since the coronavirus outbreak:

- 71% of companies have seen their turnover drop by 60%-100%
- 33% have only enough capital to last for up to three months and a further 39% can only last for up to six months
- 64% of organizers cannot run any of their events sustainably under current restrictions and only 6% can make a profit
- 22% of companies have reduced their headcount by more than 40% since March 2020

The findings also threw into sharp focus the role of freelancers in the events industry with 84% expecting to earn less than £20,000 this year and 49% earning less than £10,000. Almost one in two say they had been unable to access any government support except for Universal Credit.

We have been working with the government on a roadmap for the return of live events, outlining a comprehensive series of safety measures that have been put in place, going beyond mandatory protocols and utilising the latest technology, including touch-free registration on arrival, one-way systems, rapid testing and air filtration to create bio-secure venues. The MIA, the AEO and EIF have been directly involved in developing the official guidance and continue to work on many different aspects in the complicated pursuit of re-opening events safely and securely.

For all of those efforts many in the industry still feel that there is a systemic problem that means that we are frequently overlooked – we want to ensure that this is not the case and that we are genuinely recognised as being a growth sector in the economy.

When and how we re-open is dependent on many different factors – many of which we have no control over – but we are agile, creative problem solvers with a world class reputation for creating great events and managing organised audiences safely. We really value the support of this APPG and will do everything we can to keep the dialogue going so that we can help re-build and re-invigorate the economy across the UK. Just one small example of that would be the estimated economic benefit of £50million to the local economy in St Ives where the G7 has been scheduled for July. Events of all types are critical drivers of economic activity – let us get back to work when it is safe to do so and we will deliver.

The Conference & Meetings Sector

Jane Longhurst, CEO – Meetings Industry Association

The Meetings Industry Association represents a portfolio of members who between them are responsible for around 280,000 sector jobs. As businesses they cover most aspects of our diverse industry. I will focus on our venue members although we do have members across the whole sector covering all aspects of the events business. And for further background all members of the Meetings Industry Association have a sharp focus on business meetings and business events – supporting other sectors which is now key to business recovery.

When most people are asked to consider what a venue is, they will immediately envisage one of the national conference and exhibition centres or perhaps a music venue. Certainly, these would be correct assumptions. However, a venue can be anything from a purpose built conference centre ranging through hotels, university lecture theatres, private members clubs, sporting stadia and livery halls.

It's an endless list of venue types and sizes but each and every venue is critical to the local economy, to local jobs and in the case of university venues to education and university funding. This is why a 'one size fits all' approach by Government to this sector isn't the right approach. If Government want to ensure the continuation of a sector that facilitates in excess of £165 billion in trade through business events, and a sector on which local economies rely then Government must start viewing the sector as a critical economic driver that must be protected. In the past 10 months the sector has been devastated.

The sector employs thousands of local people many of whom are low skilled and to date, just across our own membership base our recent research has indicated that on average 38% of employees have already lost their jobs that's over 100,000 jobs. And this is simply because organisations are facing huge financial losses many in excess of £5 million to date with an average reported in our recent survey of £3.5 million. The same survey, and I will be very happy to share the survey results with you after this meeting, has shown us that on average there is only 7.5 months left between now and complete business failure for 90% of them. They are haemorrhaging money – for one of our members it is costing £500,000 a month to stay closed and he has just £2.8 million of available funds left to him.

When it becomes safe to re-open the sector it's not going to be instant recovery and so business losses will continue for many months – this is a low margin sector so turning us back on for limited numbers with social distancing in place will not move most venues into profit, but it will at least start us on the journey to recovery and will help some reduce their monthly losses to ensure they have a chance to re-build their previously viable businesses.

It will take many months to re-build and that's assuming that buyer confidence is there – it won't be as you know – so what we do know for certain is that the very best forecast for venue operators is a return to profitability by the Q3 2022. To help them survive the 18 months between now and Q3 2022 we need positive and targeted action to protect businesses in the sector. That protection needs to come in the form of a desire from

Government to protect a revenue generating sector that impacts on thousands of other sectors.

There is one word that distinctly describes this sector and that is symbioses. Think sector and I can promise you whichever you think of they will be in the business of events whether that is the next gathering of pharmaceutical experts to discuss protecting the nation from future pandemics, the next gathering of bankers, veterinary surgeons, local council leaders or for that matter world economy leaders at the next G7.

Think local economy and consider the impact on local food suppliers and growers, laundries, local restaurants, hotels, pubs, shops and ultimately thousands of jobs if their town is no longer in the business of hosting conferences – G7 for instance will reportedly benefit the St Ives local economy by £50million.

And think professional associations and charities the majority of which are reliant on their ability to generate income from fund raising events, conferences and training and I think Government will start to understand why it is totally critical that they support this sector now and in the longer term to ensure so many interdependencies are protected.

The sector has benefitted from some support and we are grateful for that but in real terms much of that support doesn't touch the sides when it comes to maintaining a closed venue and doesn't help us address the future of such a critical sector, so we need recovery plan steps to be put in place by Government immediately a plan that considers:

- The impact of business rates when they re-start in April. For just one of our members a continuation of the business rate holiday would represent just under 1 million pounds.
- The impact on jobs when the furlough scheme ends at the end of April.
- The Impact of business interruption loan repayments starting. Many venues are facing the inevitability of these lifesaving loan repayments starting in May and with no income being generated they, as previously viable businesses are likely to be immediate defaulters to the Governments detriment.
- The need for a Government backed confidence campaign – it has already been highlighted and I am aware it has already been raised, but the best way to give confidence is a Government backed events insurance scheme.

And there is one core ask from the Meetings Industry Association and a key action we hope for the APPG and that is to recognise this sector as a key economic driver, cross cutting and supporting business recovery from health to banking and investment and all sectors in between and in recognising that to ensure we are represented within the business portfolio of BEIS where we truly belong.

- ***The Chair thanked Jane for her evidence and commented that the message is coming across very clearly that many employees within this sector have missed out on benefits such as furlough and understands that there will be a long delay on conference and events to restart after the pandemic.***

The Exhibition & Trade Show Sector

Chris Skeith, Director of the Events Industry Alliance and Chief Executive of AEO

The exhibition and tradeshow sector plays a huge part in the UK Business Events industry and generates around £40billion each year, with trade and consumer exhibitions contributing around £11billion. The sector supports around 180,000 businesses who rely on the sector as a trading platform. The UK hosts around 1,000 trade and consumer shows every year which serve every sector.

The UK is also home to a number of world leading event organisers. We are home to seven of the top 20 event agencies and indeed three of the top four. However, we are losing our international competitiveness – two of those top three agencies have redefined their UK boards with CEO redundancies, and realignment of the business responsibilities outside the UK. Furthermore, two of those agencies are reporting a 70% drop in turnover.

As you are aware, there been a savage job loss across the events industry, and this is also felt across the exhibition sector. Around 44% of permanent employees and 84% of zero-hour contractors have already lost their jobs, which equates to a £152million loss to the Treasury in National Insurance and income tax. To enable the industry to recover we need to look ahead and envision what the pandemic will look like. We know more about the virus every day and we know things will look very different in the months ahead.

As my industry colleagues have already discussed lead times are key, most events have lead times of around six months and upwards. It really is great timing for the organisers of the G7 Summit, they know the event will happen, so they are able to organise and plan in advance ahead of the event starting on the 11th June. Confidence in planning is key. Getting a go date for the industry is so important. As the restrictions of lockdown 2.0 were eased we were able to open up some of our sector (with capacity limits). It gave confidence to the venues to be able to sell events in Q2/3/4 2021.

We have proven that the sector can operate safely with government approved guidance. We have already held a number of pilot events, which have ticked all of the boxes to be able to run.

I'd urge the Government to keep up in the tiered system as we emerge from lockdown 3.0 as event lead times are around 6 months and onwards and there is a real risk that those events pushed into H2 won't be possible without a go date now, and lead in time.

- ***The Chair thanked Chris for his evidence and said that obviously there is confidence in the sector following the pilot events, and that the one thing that is coming across clearly is that we need to focus on pandemic insurance so we can start to unlock the sector.***

The Outdoor Events Sector

Susan Tanner, CEO – National Outdoor Events Association

Our membership is comprised of event suppliers, event production, event organisers, local authority events departments, venues, universities and freelancers.

Recent research into the outdoor events industry found that –

- Some 141million people attend outdoor events annually
- Spending £39.5billion
- Creating £30.4billion GVA Gross added value to the economy

I would like you to see the events industry as something that isn't financed from the top down (concept through to production), but from the bottom-up production feeding into events. E.g., Glastonbury Festival do not own those stages, lights, trackways, temporary structures, they are owned by SME businesses. If we consider this, we understand that there are a huge amount of SME's that make up events, and they are vastly different from other SME's and many do not have the ability to diversify.

Our bell curve is also very, very small; we make 90% of our money between May and September. The rest of the year we work, but we only get the money in this period:

- Many had their last income in October 2019 and Suppliers rely on deposits in January, February and March for cash flow but that isn't happening this year
- A lot of these suppliers are working from home due to Covid-19 to save money. They have given up offices, so any grants from local authority based on rateable value rules out probably right now 50% of the supply chain.

Events need a longer lead time we are not like pubs that can open and close quickly and you cannot easily defer dates for outdoor events. You can't just shift a large agricultural show from the summer to November it just doesn't work! So, if this summer is missed that will mean two and a half years without any income.

This means:

- No summer events programme, no supply chain, no events industry
- No repayments of outstanding debt to those that we owe
- We need to treat these SMEs with specific packages that understand the seasonal high-risk nature of their work

87% of people in our research attended outdoor events for the entertainment but some 82% attend events so they can meet up with friends and family. The one thing that our industry is so good at doing is making people smile and goodness we need those smiles soon.

Steve Heap, Chair – Events Industry Forum

I find it very worrying that we are losing businesses and our colleagues with essential experience and skills. When the industry does begin to recover, I feel we may be short in the skills department.

I have worked my entire life in the festival sector, and I know we can claw our way back we just need to desperately know a go date. Perhaps we can ask the Government scientists to help us with this.

What percentage of the population do they need to have fully vaccinated before we get back to events?

I know we won't expect much to happen until June 2021 but what we do know is that local economies who depend on festival and events to go ahead have REALLY suffered.

We are resilient, enthusiastic and highly skilled professionals.

- ***The Chair thanked both Susan and Steve for their evidence and said that while it was good to hear the outdoor events sector is so resilient, there is a clear need to increase pressure to give an indication of when events may be able to start again and I will definitely take this away from the meeting.***

The Experiential & Brand Events Sector

Rick Stainton, Founder - One Industry One Voice Initiative

I'm Founder of One Industry One Voice, and also of Smyle, a leading creative agency in the industry, as a record 7 times winner of Event Agency of the Year including in 2020 and on both the Sunday Times Fastrack 100 and International 200 lists in each of the last 3 years.

The reason I reference these elements, is agencies like Smyle are among the leading lights in generating the global competitiveness drive for the UK Events industry – our agency peers in B2B and B2C sectors deliver strategic experiences including conferences, product launches and experiential activations around the globe, for the biggest companies and organisations in the world – all FTSE 100, Fortune 500 businesses etc – all use UK companies – these agencies are like the global leader organisers in exhibitions that Chris referenced, or the promoters and other organisers in the sport or music sectors. Occasionally in partnership with leading venues and regional destination offices, these are the UK event businesses driving the event solutions and securing the contracts, that take the risk, invest and go out around the world pitching to attract the global brands, sports/music rights holders and international association events to the UK, winning against other international competitors and rival destinations.

In the 25 years I've been in the industry, and the message I have been given more recently through One Industry One Voice supporters, is historically these businesses have been the least appropriately represented in this sort of engagement with government. This is why my involvement representing them has been a long time coming and a welcome move forward for this Group becoming more relevant and aligned with the fundamental make-up and future of our industry.

1. So, a few cross industry specific points I wanted to make – I strongly support all the points my colleagues across the sectors have made – I'd like to propose a few positive opportunities for the APPG to action, that look to a brighter future – we are after all a dynamic, problem solving industry – one of the best positioned to help the recovery of the domestic economy and exports.

Please can government start to consistently reference the words 'events industry' in government comms when the content released relates to the events industry – over the past few years, hospitality, travel are mentioned frequently as specific sectors and we seem to get swallowed up in that and also the media follow suit - sometimes festivals or events have been mentioned more recently in relation to the covid issues ... and a few MPs have brought it up in the Commons debates/questions – including a recent tweet from DCMS on support for Vaccination centres by event venues, but that's about it generally. DCMS over the weekend tweeted re the G7, promoting Cornwall as a holiday destination but with no mention of the events industry actually delivering this global event on the ground.

If 'the events industry' was mentioned as its own sector, the government would show the 1.5 million event professionals spread across all UK regions appropriate respect, for their £84bn contribution to the economy.

This would be - simple but symbolic, a positive kick off win to show a shift in government sensitivity and understanding of our sector.

2. As Simon has mentioned, since I set up One Industry One Voice in August, it has clearly been given a unique mandate by its broad range of supporters, showcasing cross sector engagement and collaboration never seen before in our industry, and as such should be the vehicle to unite us as an industry – it has been needed for decades. Its outputs are already in evidence – Simon has mentioned many of the industry survey data across all sectors we've collated to date - another of which was wecreateexperiences - a positive campaign aimed at corporate organisers across broadcast, print and social media in December 2020 with messages looking forward, showcasing our global leadership and safety expertise in delivering B2B events, as well as the unique Power of Events to Inspire, Celebrate, Support Society and Grow businesses and the Economy. It has many high-profile celebrity supporters such as Harvey Goldsmith, Tim Peake, Jonny Wilkinson, Clare Balding and CEO's of major UK charities – its main campaign video had approx. 300,000 views and B2C campaign aimed at the wider public is currently being planned for the Spring.

Working with us will give you the most relatable input, data and holistic issues from the wider industry, a much needed cross sector perspective for the first time that is able to compliment and work alongside my sector specific colleagues here today - we are here to help and work in partnership to actually make things happen, for the better, for the wider industry across all regions of the UK.

3. Business rates relief – as briefly flagged earlier, this can be the simplest and fairest way to support event businesses that have effectively had no people in their offices /warehouses for months, unable to trade – other sectors have had this such as hospitality and retail that have been 'officially' told to close, unlike our sector. It's creating great upset as the industry is experiencing a few minority local councils seeming to approve it at their own discretion and rules interpretation, whilst the vast majority of neighbouring councils aren't. A consistent unilateral approval across the country's councils is needed now – we have been asking for this for 9 months – Please help us on this now for another quick, fair win.
4. Finally, a Minister for the Events Industry – currently the Hospitality sector are doing a campaign for a Minister of Hospitality – called seat at the table– but as mentioned already, we're not really Hospitality and that would likely fall under DCMS.

Almost all events are currently meant to fall under DCMS ministers but there is no specific mention of events industry in their terms of reference. Only half of the

sectors of our industry really should – sport, music, outdoor, cultural etc clearly linked to its dept title.

Therefore, BEIS should hold the other half of the events industry from the other sectors (weirdly only weddings currently are) – I’m talking about the business orientated events - conferences, brand activations, conventions, exhibitions etc.

Scotland has a Minister with Events specifically included in his portfolio.

So, can we have a Minister in BEIS with business events referenced specifically in his or her portfolio?

If this was to happen, it would show that this APPG can deliver tangible progress – to the more sceptic, it will show a commitment to listening and understanding our industry make-up, delivering real positive change for it – a very appropriate dynamic in the recovery era we are all working towards.

- ***The Chair thanked Rick for his evidence and then opened the meeting to questions from the Officers and Members of the APPG.***

After a short discussion, the Chair once again thanked everyone for their attendance and contributions, at which point the meeting was formally closed.

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Additional information about the work of the APPG for Events can be found on the official APPG website <https://appgevents.inparliament.uk> and via Twitter @appgevents

For questions or further information, please contact; appg@daviestanner.com