

Events Industry Alliance
119 High Street
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19th February 2021

The Rt Hon Boris Johnson MP
The Prime Minister
10 Downing Street
London
SW1A 2AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
11 Downing Street
London
SW1A 2AA

Dear Prime Minister, Dear Chancellor,

Proposal for Events Industry Short Term Support and Reopening Roadmap

The Events Industry Alliance (EIA) represents the UK's event organisers, venues, and suppliers - a sector that prior to the Covid-19 pandemic was generating £11bn in economic activity and supporting 114,000 jobs.

We welcome the proactive stance the Government has taken to support the broader UK economy during the unprecedented challenges of the last 12 months and the introduction of support measures that have aided many of our members.

However, unlike many other parts of the UK economy, the exhibitions industry has been effectively shut since March 2020 due to national Covid-19 restrictions and faces additional unique challenges to resuming operations once restrictions are eased. As a result, the sector requires both time-limited targeted government support to ensure it is able to survive the current period of national restrictions and a clear roadmap to reopening to allow it to plan for the resumption of activities when the time is right.

Prior to the pandemic Britain's events sector employed around 600,000 people, with the exhibitions sector alone supporting some 114,000 of those jobs. Before national restrictions on its activities were introduced, the events industry was a vibrant, growing sector, contributing some £70bn of economic impact to the UK, with trade shows and consumer exhibitions accounting for some £11bn. The sector also supports a further 180,000 businesses, many of whom are SMEs, who rely on exhibitions and events to meet customers and generate sales across every market and industry sector.

Ensuring individual companies in the sector, particularly smaller suppliers and organisers, are able to survive during the current restrictions is essential to protect the integrity of the wider sector. In addition, targeted measures will be needed to address specific barriers to exhibitions resuming once a go-date has been issued by the government.

The EIA asks that the following package of measures is considered for the sector in the forthcoming budget and in wider planning related to the resumption of mass gatherings and currently restricted business activities:

Publication of a roadmap and detailed guidance for the reopening the exhibitions sector as current national restrictions are eased

We welcome indications that the Government will take a data-led approach to reopening currently closed activities such as exhibitions and we look forward to details of this being published in due course. We have delivered a successful test events with DCMS last year that demonstrated the steps needed to resume exhibitions in a controlled, Covid-secure manner and will urgently work with the Government on any further test events required to collect additional data.

However, given that the lead times for planning and staging exhibitions is on average around six months, the sector faces distinct challenges related to reopening that are not necessarily faced by other sectors such hospitality.

It is therefore crucial that clear guidance, specific to the exhibitions sector is issued in the near term by the Government. This should detail the criteria which will determine which type of events may take place, the point at which Covid-secure events may be able to be held as the vaccine rollout progresses and national restrictions are lifted and also what additional testing and public health measures may be required within events.

The ability of the exhibitions sector to operate was clearly set out in the previous regional tier system and it is essential that similar clear guidance is contained within any new national system. Detailing in advance a potential future go-date for Covid-secure exhibitions to take place, as well as clearer guidance on how future decisions will be made, would be a significant confidence boost for companies in the sector and would enable planning and preparation to commence.

Extension of furlough scheme for 12 months and inclusion in an extended business rates relief scheme

Although nearly 60% of events and exhibitions businesses have benefitted from the Government's job retention scheme, its scheduled cessation will leave the sector, its employees and the communities in which it operates in uniquely exposed, given the sector has been closed for the last 12 months and faces at least several more months of restrictions.

As a result, the EIA is asking the Treasury to extend the existing job support scheme for a further 12 months for sectors such as exhibitions that have been subject to lengthy and ongoing restrictions on their activity due to national Covid-19 restrictions.

In addition, suppliers, organisers and venues across the exhibitions sector will shortly be receiving business rates bills for the forthcoming financial year, despite most of them being unable to generate revenues for the preceding 12 months and facing similar restrictions until the second half of this year at the earliest. In many cases, these rates bills will make the difference between an individual company's ability to continue operating and its insolvency.

We therefore urge the Treasury to extend the current business rates holiday that is due to expire on 31 March and ensure that exhibition suppliers, organisers and venues are eligible for relief under the scheme.

A Government backed insurance indemnity scheme to enable activities to resume once restrictions are lifted

The vast majority of existing commercial insurance schemes used by the sector will not cover risks related to further Covid-19 lockdown restrictions being imposed or restrictions resulting in cancellations. The EIA and other industry representatives have been in discussion with Treasury Officials, BEIS & DCMS about the potential provision of a Government backed indemnity insurance scheme to underwrite risks related to upfront event investment costs.

In addition, due to changing Covid-19 measures put in place by government over the last 12 months, many exhibitions have been rescheduled three or even four times. As such, confidence of exhibitor businesses to commit costs for future exhibitions is at an all-time low, yet the industry is seeing definitive signs of pent up demand as they are desperate to return to the trading platform of exhibitions and events. A Government-backed insurance scheme would provide confidence for those businesses to commit and invest in future events, stimulating trade, and kick starting many businesses within the industry.

The introduction of a Government backed indemnity insurance scheme is a critical pre-requisite to events resuming, particularly as the lead time for exhibitions can be in the region of six months and such a scheme would enable effective planning and commitment by firms in the sector. Precedence for this measure exists in the form of a similar indemnity scheme introduced by the United States Government after the 9/11 terrorist attacks, which crucial in enabling large-scale events in the country to resume. In addition, several of our European competitors have introduced cover of this nature to enable their exhibitions and events to resume when their Covid-19 restrictions are lifted.

An Event and Exhibitions Recovery Fund to sustain the cash flow of impacted businesses

As a result of ongoing restrictions to their activities the majority of companies in the exhibitions sector face significant cash flow challenges. We are therefore calling on the Treasury to consider introducing an Event and Exhibitions Recovery Fund, similar in nature to £1.57 billion Cultural Recovery Fund for the arts and creative industry sectors.

We estimate that a support package targeted at business events and exhibitions would cost approximately £225 million, based on research undertaken in November 2020 with DCMS and the Industry, using a range of operating costs from £25k pcm for small event agency/agent businesses to £450k pcm for larger conference and event venues.

Action to address the uneven implementation of existing business support measures

In addition to the above proposals, it is also vital that existing government financial support measures are properly implemented, with funds being made available to eligible businesses without unnecessary delay.

In January, the EIA revealed the uneven implementation of the **Additional Restrictions Grant (ARG)** across many local authority areas, despite the scheme being announced in October 2020. As you will be aware, the ARG, which could be worth up to £3,000 per month per company, provides funding for local authorities to support businesses that have been forced to close because of national Covid-19 restrictions, and represents a critical amount for many smaller exhibitions suppliers and organisers.

A subsequent Freedom of Information (FOI) request submitted to all English councils by the EIA has worryingly revealed that local authorities have so far only paid an average of 16.3 per cent of ARG funding they have received from central Government. Although the data we have received to date only represents a proportion of all English local authorities, it includes a representative sample of councils from across the country and highlights a potential worrying trend of slow payments to businesses urgently in need of support.

If the responses we have received are representative □ and we have no reason to believe they are not □ it is likely that around £1.3bn of ARG funding remains to be paid to eligible businesses four months after the scheme was introduced, which represents an unacceptable delay, despite the clear need for local authorities to undertake thorough assessment of all applications.

We call on the Treasury and Local Government Association to urgently investigate this matter and ensure that councils are reminded of their obligations to disburse these funds swiftly or are given additional assistance to enable them to process claims.

The UK exhibitions industry is a hugely viable sector and simply requires support to survive until the time is right to resume events, at which point we can return to our role of driving growth in the wider economy.

The sector is proud of the role it is playing to help the Government deliver the G7 Leadership and COP26 summits scheduled for later this year. These events illustrate the complex situations and supply chains the sector helps manage, as well as the need for clarity and guidance to be issued to enable future commercial events to take place.

The sector is also a vital contributor to the UK's economic competitiveness, and acts as the UK's shop window to the world, enabling companies from a wide range of sectors to meet prospective customers, generating sales and driving UK exports. Many suppliers, organisers and venues are subject to intense international competition and risk losing market share if the sector does not receive the support and the certainty around future reopening that has been provided by other governments. On the flipside, if the UK suitably supports this industry there could be an opportunity to attract additional investment to the UK.

We are confident that UK exhibitions can take place safely when the time is right to resume them and the sector will be able to deliver Covid-secure organised gatherings. We already have government approved guidance in place, using dynamic risk assessments to create Covid-safe environments for our customers as demonstrated with the government approved test exhibition undertaken last September.

However, vital parts of the ecosystem needed to resume events in the UK will not survive the coming months unless targeted, time-limited government support is given and a clear roadmap to reopening the sector is issued.

We hope that you will look favourably on our proposals.

Yours Sincerely,



Chris Skeith
CEO
Association of Event Organisers



Rachel Parker
Director
Association of Event Venues



Andrew Harrison
Director
Event Supplier and Services
Association

CC:

Kwasi Kwarteng, Secretary of State for Business, Energy and Industrial Strategy

Oliver Dowden, Secretary of State for Culture, Media and Sport

Mark Lloyd, Chief Executive, Local Government Association