HOUSE OF COMMONS

Public Administration and Constitutional Affairs Committeev

Oral evidence: Data Transparency and Accountability: Covid-19, HC 803

Wednesday 16 December 2020

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Watch the meeting

Members present: Jackie Doyle-Price; Rachel Hopkins; Mr David Jones; Karin Smyth; John Stevenson.

In the absence of the Chair, Mr David Jones took the Chair.

Questions 177 - 234

Witnesses

I: Emma McClarkin, Chief Executive, British Beer & Pub Association; Julian Bird, Chief Executive, Society of London Theatre and UK Theatre; Bill Sweeney, Chief Executive Officer, Rugby Football Union; and Andrew Goodacre, Chief Executive Officer, British Independent Retailers Association.

Written evidence from witnesses:

– Society of London Theatre and UK Theatre

Examination of Witnesses

Witnesses: Emma McClarkin, Julian Bird, Bill Sweeney and Andrew Goodacre.

Q177 **Chair:** Good morning and welcome to a hybrid public meeting of the Public Administration and Constitutional Affairs Committee. I am in a Committee Room in the Palace of Westminster with a small number of staff required to facilitate the meeting, suitably socially distanced. The witnesses and other colleagues are in their homes and offices across the country. The Chair of the Committee, William Wragg, is unable to attend today's meeting and I am deputising for him.

The Committee is continuing its inquiry into data accountability and transparency in relation to the Covid-19 pandemic. I am very grateful to all the witnesses who have given up their time to attend today. Could I ask them to introduce themselves for the record, please?

Julian Bird: Good morning. Thank you for inviting me here today. I am Julian Bird, the chief executive of the Society of London Theatre and UK Theatre, which are the two bodies that co-ordinate everything to do with theatre and performing arts in the UK. As all of you will know, the UK leads the world in this field, with more people attending the theatre here in the UK than any other country in the world, and indeed more physical theatres and production companies than any other country in the world as well.

Andrew Goodacre: Good morning, everyone. Andrew Goodacre, chief executive of the British Independent Retailers Association. We represent 4,000 or more independent retailers throughout the UK. We range from a small shop on the corner to a big independent department store, so we have a very wide insight into all retail sectors.

Emma McClarkin: Good morning, I am from the British Beer & Pub Association. We represent over 20,000 pubs in the United Kingdom as well as 90% of those who brew beer here in the United Kingdom. It has been a very challenging year for our members, as I am sure you are all aware. We have had some support throughout this period of time. We are hoping for more, and we hope that the evidence and data that the Government are using to make these decisions is the true data and that it is necessary. We support over 900,000 jobs in this sector and £23 billion in terms of our contribution to the economy, so there is an awful lot at stake. We hope that the great British pub, with a global reputation, will continue to survive post the pandemic.

Bill Sweeney: Good morning. I hope all of you and your friends and families are well during this difficult time. My name is Bill Sweeney; I am the CEO of England rugby. We are a membership organisation. We are defined as a co-operative. We look after the interests of 1,300 clubs around the country and we have roughly half a million players involved in the game.

Q178 **John Stevenson:** Mr Sweeney, Premiership Rugby resumed on 14 August. How was that decision made and what scientific advice did you receive from the Government?

Bill Sweeney: We had a great deal of collaboration with Government, starting very soon after lockdown on 23 March, to look at both the professional game and the community game. A medical working group was pulled together very rapidly, which comprised DCMS, Public Health England and the chief medical officers from various different sports across the country, with involvement also from Sport England. From that was formed a team sport risk exposure framework.

The professional game probably had the most accelerated headway to begin with. The medical working group had advice from SAGE, the Scientific Advisory Group for Emergencies, and we were given information on the current state of the pandemic and the impact on sport. Probably the most important aspect of that is the fact that it was collaborative, so the chief medical officers of the various different sports were able to work

together with Government authorities to work out a roadmap for both the professional and community games to start.

The professional game season had finished; it was terminated earlier. Through the identification of certain protocols and a five-stage process for the return of the professional game, from individual training to group training to the resumption of matches in August, it came about as a result of those protocols. It was a very open process, a very transparent process, and a good deal of collaboration on both sides. As you say, it saw the Premiership, the professional side of rugby, resume play on the weekend of 14 to 16 August.

Q179 **John Stevenson:** Obviously, quite a lot of co-operation was going on there, but what specific provisions had to be put in place to enable Premiership Rugby to return?

Bill Sweeney: A lot of the science at that stage was obviously in its early stages and we were dealing with a lot of unknowns, but the key aspect was around testing. Dealing with a smaller population of professional players as compared to the community game, the only way they could resume play was to have a very clear testing protocol in place, additional support and medical protocols around temperature testing and frequency of PCR testing, and also having in place a robust track and trace mechanism should there be any degree of outbreak.

Q180 **John Stevenson:** Was there anything else that the clubs specifically had to do?

Bill Sweeney: The clubs were involved. We have a professional game board, which comprises the RFU, Premiership Rugby, Championship Rugby and various other stakeholders. Through the professional game board everybody was consulted and they were able to have full input into that process.

Q181 **John Stevenson:** Interestingly enough, the Football League started earlier. Were you satisfied that you came slightly later? Did that concern you at all?

Bill Sweeney: No. Maybe with the scale of football as a sport within the country it was probably to be expected that they would perhaps take the priority and make the initial running. We certainly had conversations with football just to understand what process they are going through but, no, we were not overly concerned with that. Our main focus was on making sure that we had the right processes and the right protocols in place to enable a safe return for professional rugby.

Q182 **John Stevenson:** I notice a different approach was taken to Championship Rugby and women's elite rugby. Could you explain why?

Bill Sweeney: There were two very different circumstances at play there. Let me take women's rugby first. The Premiership obviously has greater financial resource and, therefore, in terms of funding testing it was an easier task to take on—not easy but easier. We simply did not have the funds available to have a fully comprehensive testing protocol in place for

the women's game. But it was important for the women's professional game to resume as they could safely, given that a Rugby World Cup is taking place next year for the women's game.

Therefore, the route we went down with women's rugby was to have an adaptation of laws, which reduced the prevalence of scrums, reduced the prevalence of mauls and reduced the physical interaction. It reduced the incidence of scrums by about 72%. We needed to get approval from World Rugby to put that in place, which we were able to do. Because again the elite women's game is dealing with a smaller population of players, we were able to put medical protocols around them in terms of temperature testing and tracking and tracing to make sure we had a safe approach, but we could resume play for the women's game without testing under those measures. That was discussed with Government. It just took a bit longer to do because of the complexities involved, which is why the women's game started later in September.

As far as the Championship is concerned, it is a different challenge with the Championship. One of the reasons why the Premiership needed to get back as soon as possible was because of commitments to broadcasters and the economic impact of fulfilling broadcast agreements. In the Championship's case, they do not have a meaningful broadcast agreement in place and, therefore, that commercial prerogative was less of an issue. They do pay players, but they rely very heavily on fans returning to stadiums and that was not going to be the case this side of Christmas in the Championship game. They also had a very clear preference not to resume play with adapted laws. They wanted to go back, when they do go back, with full contact rugby. We are working hard with them at the moment to try to resume the Championship game, we expect, in the middle of January.

Q183 **John Stevenson:** Turning now to community rugby, you have effectively changed the nature of the game. Could you explain why?

Bill Sweeney: Yes, in parallel with the professional game, we also had the team sport risk assessment framework. We were working on a return to play for community rugby. I would say the professional game took the majority of the medical and the science approach in the initial stages. It was not until later that that medical knowledge—and I would say great involvement from Jenifer Smith, Public Health England senior lead working on sport all the way up to Jonathan Van-Tam in terms of the Government, but also James Calder, who was seconded into this work. It took us a bit longer to get that medical and data approach across into the community game as well.

Our submission into Government at that stage was for a return of full-contact rugby in the community game. To go back a bit, our consultations with the community game were quite similar to the Championship in the sense that they only really wanted to see a return to community rugby under full contact. They said that was the true nature of the game and they did not want an adapted version. As time went by and months slipped by and economic factors and the opening of clubhouses and the approach of the start of the season in September started to get closer, in our

discussions with the game it became very clear that they were prepared to accept adaptations to the laws of the game in order to get some format of the game up and running.

Q184 **John Stevenson:** Who finally made the decision to do it in that way?

Bill Sweeney: We have a network of constituent bodies that we consult with, and they are the voice providing us input from the community game. I personally travel around the country. You cannot cover all 1,300 clubs, but you get a sense of the mood out there. We were in a regular dialogue. Under these new situations we can reach people direct through digital media much easier.

Through those dialogues it was becoming clear that the mood was changing to wanting to have some form of the game to be played. In conversations with Government, it became more obvious that the Government felt uncomfortable with the resumption of the community game with full contact because of the numbers of players involved.

Q185 **John Stevenson:** Was the decision really a Government decision rather than your decision in terms of changing the way that community rugby is played?

Bill Sweeney: No, it was a combined effort. We had a direct conversation with Jonathan Van-Tam on the situation. In addition to being a very senior medical officer in Government, he also understands sport. He is primarily a football person but he understands rugby and he explained to us in some detail his concerns around the close proximity of a scrum, which gets defined as a microenvironment of low ventilation, which is a new term we had not come up with. He explained his concerns around the physical proximity of scrums and mauls, and said that, with the prevalence of infection rates and likely going into a tiering situation, if we wanted to resume community rugby we had to rethink our submission in terms of reducing that physical proximity. Hence we put in a new submission that—

Q186 **John Stevenson:** Sorry to interrupt. Do you think the scientific evidence justified the decision?

Bill Sweeney: I think so because, again, we were working with imperfect science. The two areas that Government were most concerned about was any degree of less than 1-metre contact for a greater duration than 15 minutes. That was one issue. The other issue was called non-fleeting, so more than three seconds, face-to-face contact. If you have more than 10 occurrences of that, under the risk assessment framework they were deemed to be high-risk situations as opposed to medium.

Was the medical knowledge and science available perfect? Probably not, but under the circumstances I think they were reasonable measures to be put into place. On the basis of that, we then changed our submission and have now taken the scrum and the maul completely out of the game, which allowed rugby to start along with other team sports on 3 December.

Q187 **John Stevenson:** Finally, rugby has a certain attraction for the physicality of the game, et cetera. Do you think these changes have spoiled the game

slightly at the community level?

Bill Sweeney: No, I think that was their nervousness in the early days at the beginning of the process. Some parts of the community game perhaps felt this was the thin end of the wedge and we were trying to change the nature of the game for good, but that was not the case. On the community side, it is purely about being able to open clubhouses. Particularly, and maybe most importantly, we were very concerned that we were potentially losing a whole generation of young players who were moving into sports that were still being played, whether that was football or other sports, and we needed to have some version of the game available to make sure we could continue to stabilise and grow our participation base.

Q188 **Rachel Hopkins:** This is mainly for Andrew on businesses. How clear is the UK Government's definition of a non-essential shop in England, and how easy was this for retailers to understand?

Andrew Goodacre: The definition is based on type of shop. In the first lockdown back in March a list of shops was drawn up that was deemed to be essential based on the products they provided to the public. It obviously focused on food and then it broadened out to pet shops, hardware stores providing trade, et cetera. Back in March there was wide acceptance that Covid was a new scenario, a new situation, and an unknown entity to many of us. We had already seen in Europe many, many closures across the continent. Back in March there was a general acceptance of what was essential and what was non-essential.

In the latest lockdown that covered most of November, the same rules were largely applied. There was then a more ambiguous context or definition put in about how to deal with general retailers, because what has happened in retail is that there are many, many specialist shops. There are also large general retailers such as The Range or Wilkinson who will sell an amount of food, maybe an amount of hardware items, but also a huge array of general items that would be classed as non-essential. The definition suggested that a retailer, to be open, had to sell a substantial amount of essential items. I do not think that was ever really challenged or ever really quantified. How do you measure substantial? It is a wonderful world for the legal people. That caused ambiguity and increased tensions at a crucial time of year for retailers.

So we had that situation, and then to compound the definition of ambiguities, "essential" had a different definition in Scotland and a different definition in Wales. From the perspective of an association that covers the whole UK, it is incredibly hard to help a member in Newcastle understand why his situation is very different from someone in Berwick. It was a very challenging time for everyone back in November.

Q189 **Rachel Hopkins:** Do you think the evidence on how Covid-19 spreads in indoor spaces justified the decision to close non-essential shops during national lockdowns?

Andrew Goodacre: The first time around, yes, because it was new and we did not know too much about the virus. The second time around, no. I

say that based on factual evidence. A shop today is very different from what it was back in February or early March in that it has plenty of Perspex screens and protection for employees. There are safe social distancing measures in place. There is hand sanitiser everywhere you go and face coverings were made mandatory back in the summer. It feels to me that a shop is a very safe place to be. SAGE itself has issued a report saying that closing non-essential shops will make very little difference to the spread of the virus.

We know, because of general scientific evidence that has been released, that the virus thrives in crowds and in enclosed spaces. It felt to us and to many of our members that closing down a wide network of small businesses would disperse crowds. You are herding people into large stores. It is not a question of the size of the shop; it is the amount of people per square foot of trading space. Supermarkets were struggling to keep up with their protocols, I am sure, and towards the end of November, towards the end of the lockdown, supermarkets were identified as one of the hotspots for potentially spreading the virus. That is simply because people were being forced to do essential shopping, for this time of year anyway, in supermarkets and other large stores.

Q190 **Rachel Hopkins:** You have touched on the final point I was going to ask, but I will ask it and you might want to elaborate. Non-essential retail is currently allowed to remain open in all tiers in England. Do you think the Covid-secure measures in these spaces are enough to keep customers and staff safe?

Andrew Goodacre: I really do. It is because of the lack of evidence indicating that retail is a cause of the spread. Even in the current increase in cases that we have, there is a natural perception, I guess, that because there are larger crowds on the streets for Christmas shopping in December—it is still 30% lower than we might normally expect at this time of year—this recent increase is down to that wave of shopping.

I do not think it is. I think the shops are safe because of the measures I focused on earlier. Each time a business reopens, it re-implements those measures. It goes the extra yard again to be extra safe, so I am convinced that shops are safe, and closing down simply creates pent-up demand so that when shops reopen you get another wave of people. Instead of having a stable demand in a place, a stable number of people, we end up with surges. It is those surges that create crowds and then create a potential for the virus to spread.

Q191 **Chair:** Emma McClarkin, pubs serving food are now allowed to open in tiers 1 and 2, with restrictions. What evidence have you seen of the effectiveness of measures such as the wearing of masks or social distancing?

Emma McClarkin: Undoubtedly, the tier system has come with huge challenges for the beer and pubs sector. While it is good that we have some opening of pubs within tiers 1 and 2, we have to acknowledge that only 40% reopened in December and over half of those felt that the conditions

upon which they were allowed to trade were unviable and that they would likely close. It is an extremely difficult situation that we find ourselves in.

We know the Government have had to take decisions to protect lives and to safeguard jobs and businesses, but the introduction of these restrictions, I have to say, is extremely damaging to our business model and we feel that the pub itself has been singled out to do this. The evidence and the data that they have claimed or used to make these decisions has sometimes not even been there. It is more based on perception or a gut feel. As we heard on things like the curfew, for example, it was a policy decision that was not based on any evidence.

Our staff have created, I have to say, amazing Covid-secure environments. We have invested as a sector over £500 million in making sure all the equipment is there for our staff: the face masks; they had visors to begin with; there are Perspex screens inside our venues. We have also created one-way zones, travel zones inside, hand sanitisation, everything. Table service has been introduced and it has made incredibly secure and safe areas to socialise in, and I think that needs to be recognised.

What feels very difficult for them is that, having done all that mitigation, it is not taken into consideration with the evidence that apparently underpins the new tiering system that we see in the United Kingdom, which does not take into consideration anything that we have invested in, very similar to what Andrew was saying for retail. It is very, very difficult. Of course, we are a safe, regulated environment to socialise in, as opposed to private households mixing, which we are seeing, where we know the transmission is going up.

In recent months we have also seen Public Health England, with its national influenza and Covid-19 reports that are published weekly, consistently show that hospitality is responsible for only 2% of outbreaks. It does feel disproportionate, as the Prime Minister has acknowledged, and unfair almost that, being at the lower end of transmission scales, we are still being targeted and singled out. Our own surveys among our members have shown that only 1% of venues have been contacted by NHS Test and Trace.

Q192 **Chair:** Could I interrupt you there? I was just about to ask what evidence you have seen. Have the Government shown you any data, or what data have you collected yourself? Were these data exchanged before the current tiers were announced?

Emma McClarkin: No, we had no evidence shared with us, with the sector, prior to that. It was released after the tiering system had been announced, and that was several days.

Q193 **Chair:** So I can clarify that point, you have seen data but it was not shown to you before the tiers were imposed; it was shown to you since. Is that right?

Emma McClarkin: The evidence upon which they based their decision making for the new tier regulations was shared publicly with people after they had announced the tier system, and not prior to that. That is the

evidence that I say does not take into consideration the £500 million that we have invested as the beer and pubs sector, nor any of those mitigation measures that we have implemented inside our venues.

Q194 **Chair:** Sorry to interrupt again, but I would like to turn to tier 3. Do you think the decision to keep pubs in tier 3 areas closed is justified, given the evidence you have seen either from the Government or have produced yourselves?

Emma McClarkin: Of course, we recognise there comes a point where public health has to come first and foremost. If it has been advised that they need to do that and limit social interaction, okay, we will recognise that role. But they also have to recognise the damage it is doing to our sector by being closed. We are seeing great swathes of England being put into tier 3 for phenomenal amounts of time. We hope they will be reviewed again today, but the reality is that when we were locked down in March we were given the level of support that was necessary for us to get through this. We were given grants of £10,000 and £25,000.

Currently, we are seeing grant levels produced for pubs that are in full basic lockdown, which is in tier 3, of £1,300 a month. That is simply not enough to cover even our fixed costs. We recognise the role we play in the fight against coronavirus. We have closed our businesses, which costs us £4,000 to £8,000 every single time depending on the size of your business, yet we see ourselves not now being supported at the same levels that we were in the first lockdown.

Q195 **Chair:** Thank you. I would like to turn to Mr Bird now. Mr Bird, have you seen any data from Government about, for example, the effectiveness of wearing masks indoors, and did you have any discussions with the Government before decisions were made about tiers?

Julian Bird: Let me wind back a tiny bit in answering that question. In order to open venues, seated venues, across the UK, we worked with the Government on a five-stage reopening plan, not too dissimilar to sport. In August we reached stage 4, which allowed indoor venues to open with a socially distanced audience, in other words with set gaps between people sitting in seats and with very careful regimens around one-way systems, compulsory mask wearing, temperature checking, all of which is codified in around 55 pages of the performing arts guidance, a collaborative process with multiple working groups with the Government, and a very successful opening happened from mid-August.

The new tiering system that has come in takes very little account of all the work that has happened. For example, in tiers 1 and 2 we now find that caps, or capacity caps, have suddenly been applied, and we have not seen any evidence as to why that has happened. That effectively rips up all the work that had been done before.

Evidence is that people are wearing face covering indoors, people are abiding by the one-way systems and what they are asked to do. I have personal evidence for that having been in theatres in the last week or so. The one thing that audiences very much told us is that they want to

understand what venues had put in place themselves, so we created a Kitemark, a badge for theatres to sign up to called See it Safely. That has been used widely all over the country, and audience feedback on that is incredibly strong. People feel very safe and secure in that sort of environment, where they are sitting in one place and not moving around. In terms of why capacity constraints are put in place at tier 2 and why theatres and venues have to close in tier 3, we have not seen any evidence for that.

Q196 **Chair:** To clarify, you have seen no evidence, you have had no data produced to you at all, is that right?

Julian Bird: That is correct as we sit here today. Every sector is different, but as I sit here today we are not aware of a single issue of Covid spreading within an auditorium, in the theatre. There has been nothing through track and trace, nothing through Public Health England. I would like to stress, a bit like Emma, this is in no way a competition about who has the lowest rates. We recognise this is a pandemic and we recognise that measures have to be taken. What we question is the disproportionality of measures being applied and venues and businesses being closed.

Q197 **Chair:** On that specific point, do you think the decision to keep theatres closed in tier 3 is justified, given the evidence you have seen?

Julian Bird: That is where it is hard to say. We have not seen any evidence that having people seated in a very fixed environment in a theatre has led to Covid being spread. There is no scientific evidence for that. The only scientific studies that have been done so far on the performing arts were to do with the risks of singing and playing certain instruments—woodwind and brass instruments—and a fear that those activities might disperse the virus more as an aerosol.

Those scientific studies over the summer were found not to be the case and, therefore, there is no additional restrictions around those activities. As I said, we have not seen any evidence of Covid being spread within the auditoriums among theatre or concert attendees. Therefore, it is hard for us to understand why theatres are included within tier 3 restrictions and have to close, with the consequent impact on all the businesses and the thousands of freelancers who are engaged at the moment.

Q198 **Chair:** Thank you for that. Mr Goodacre, how easy has it been for retailers to adapt to provide Covid-safe environments, and what financial consequences has this had?

Andrew Goodacre: During the first lockdown there was some excellent consultation between ourselves, various other retail associations and groups and the Government plan for business. We were heavily involved with creating the guidelines for safer workplaces, both from an employee perspective, an owner perspective and, importantly, for the customers as well. We were also given advance notice of when we expected shops to open. The original date was 1 June and it got moved to 15 June, but we knew in advance when it was coming. The shops knew what they needed

to do. We were able to agree the guidance in advance, share that with our members and with the wider retail world, and ensure that they were ready.

There then came a pressure point in terms of getting the materials in place. Perspex screens went up in price because everyone wanted Perspex screens to protect the till area or wherever it may be. Generally speaking, they were able to make sure they were ready and maintain their readiness all the way through.

In terms of cost, I believe the large chains have talked about millions of pounds being spent. For an individual independent retailer you are talking about thousands. The cost of screens was often about £250 or £300, and then there was the cost of fitting and the cost of PPE around that. There was also money spent behind the scenes to make the stockroom or the work area safe for the employees who work in those businesses. I would say it is thousands for each individual retailer that opened.

Q199 **Chair:** Thank you. Ms McClarkin, only household groups, including bubbles, are allowed to mix indoors in tier 2 in England. Based on the experience of your members, would you say that people are abiding by these rules when they go to the pub?

Emma McClarkin: Yes, the vast majority are abiding by those rules. That is pubs and pub-goers. I am sure you would have heard the chief medical officer only last week praising hospitality for the work it has been doing in this sector. We absolutely support enforcement measures. If pubs are flouting those rules, they should have action taken against them because they are undoing the absolutely sterling work that the majority of pubs are doing. But inevitably we will rely on the information we are given by our customers and their ability and desire to want to comply with the rules. The majority, I have to say, are sticking to them. As a practice, when they come through the door and even when they make bookings on the telephone, we are proactively asking for their details to ensure they are not from different households.

There has to be a degree of trust between the venue and the customer. We are publicans, we are not policemen, and that is what we want to do, to build the trust in that relationship and make sure we are getting the right balance.

I have to say, and it would be remiss of me not to say this, that the ban on household mixing inside our venues in tier 2 is absolutely devastating for the pub sector. It is absolutely what we do. We bring people together. We are a community centre, a community hub, and we have invested millions to make them Covid secure. It is making a mockery by banning us from allowing people to meet and mix together when the Government have now introduced a Christmas plan that allows them to do that in private, unregulated, unsafe settings where all bets are off. Pubs are making a huge sacrifice, and that needs to be acknowledged by the Government.

Q200 **Chair:** You mentioned the practical difficulties of enforcing or policing the rules on not mixing. Has any guidance been given as to how landlords

should do that?

Emma McClarkin: Yes, we have been asked to ask the question upon booking, be that by telephone or when they arrive. If we are unhappy with the answers we are given, or we do not believe they are true, we advise our members to decline taking those customers. The vast majority are abiding by those rules and participating within it.

The guidance in not only this area but many others could be an awful lot clearer. There are definitely interpretations of that by local authorities, and even by police forces that are going into venues and saying we should be demanding passport checks, for example. That is simply not within our power and not within the interpretation of the guidance as we have been advised by the Government.

Q201 **Chair:** The tiers are to be reviewed, as you know, today. How much responsibility do you think the restaurant and pub trade must bear if areas are moved from tier 2 to tier 3 and there is evidence of not enforcing these rules?

Emma McClarkin: We already have 21,000 pubs in tier 3. That is a de facto lockdown. You are looking at half the pubs in England unable to trade themselves into any kind of stability to survive through this crisis. We hope we will be able to get some movement within the tier review today, based on the benchmarks they have previously used of infection rates, but we feel that perhaps decisions are being made in view of the Christmas plan, and knowing what is coming with that private household mixing in the Christmas plan, rather than based on the infection rates that we have at the review point today and moving forwards.

It is going to be extremely difficult if more of the country does not see a move down after months of being in tier 3. Similarly, it is going to be very hard for us to recover any trade at all in this Christmas period, where we would be expecting to make the majority of our profits for the year within this one month, and the majority of our beer sales also.

Q202 **Chair:** You say the majority of your profits. What sort of percentage are we talking about?

Emma McClarkin: We are talking about 30% of our profits would be made in the month of December alone within the festive period. As I said, the majority of our beer sales by volume, the biggest month is December. Our brewers are already looking at being down on their value, and their trading value is 50% to 70% down this year. They have received no support at all throughout this crisis, so we also desperately need to see an extension into the supply chain and our brewers to make sure they will also be able to survive throughout this crisis.

Q203 **Chair:** Thank you. Mr Bird, how are theatres in tier 2 enforcing the rules on not mixing households?

Julian Bird: The first thing to say is that people going to the theatre or to any sort of venue are booking ahead. Therefore, this is not a scenario where people are turning up and you do not know who they are. Our

processes start at the point of booking, in terms of getting people to positively validate when they are booking that they are only booking for their household or support bubble.

Then there is the information that goes to people with their tickets. The vast majority of theatres have moved to electronic tickets that get delivered to your mobile device. There is an option for people for whom that is not an option to have a physical ticket instead. With those tickets goes an awful lot of information, and every theatre does that differently. One is able to continually reinforce the message around, "Don't turn up if you feel unwell, make sure you are only sitting with your social bubble or your household." Thus far we believe that has worked incredibly well. Giving clear, concise information to people is the thing that we believe is working.

Q204 **Karin Smyth:** Mr Bird, do you think the information and guidance from Government has been sufficient to support theatres opening?

Julian Bird: Just like in rugby, it has been a collaborative process in drawing up that guidance. The officials at DCMS have done an excellent job around that, but the vast majority of it has been driven by the industry itself, then being endorsed by scientific and medical experts and signed off through the Government triple-lock process. The vast majority has come through the work of the industry itself. As I said, there is some 55-odd pages, if you were to print it out, of performing arts guidance, which of course has changed, has been elaborated and has been adapted as the months have gone on.

One of our roles as an organisation or organisations is to hear the feedback from the theatre sector itself and to adapt the guidance and to try to help people with what they have discovered as they have started having audiences in. Thus far we believe the guidance is working well. As I said, it is the changes that have come over and above the guidance in terms of the new tiering system that do not necessarily mesh with the work that had been done.

Q205 **Karin Smyth:** Does that guidance, as is true in other sectors, all come back out the same 55 pages and you have to trawl through it to see what is different, or has it been easy to follow the changes each time it has been reissued?

Julian Bird: Yes, I have one brilliant person who works for us who literally on a daily basis is going through it and checking for the changes. We have a communication mechanism at least twice a week out to the entire industry where we are able to point out to them any changes that have happened so that we try to help our industry with that.

I believe it is the way that the system is set up in terms of the Government website that it does not flag the changes very easily. We have done something to try to help that for our particular sector. This is complex, and small changes can have an enormous impact on the viability and profitability of organisations. One example is around the service of alcohol, which is permitted within theatres to a limited extent. The rule that was

brought in was very difficult for us. We were able to agree a very slight tweak. That one change would not have been noticed in the guidance unless we had managed to point it out to everybody, but it has made a fundamental difference in terms of people's—I would not say profitability because every theatre is running effectively at a loss at the moment even if they are open at a very limited number of capacity. But it has at least enabled them to bring in a little bit of revenue.

Q206 **Karin Smyth:** Do you think theatres are able to make assumptions about when they might be able to open or asked to close based on the data that is available about Covid?

Julian Bird: The simple answer to that is no. We understand that decisions have to be made quickly as prevalence and case numbers change. I know you are from a constituency in Bristol. With the Government's encouragement, 10 or 11 pantomimes were established across the country under Operation Sleeping Beauty, with the Secretary of State's endorsement and involvement and with the support of the National Lottery, one of which was in Bristol. That show was announced on sale, with a cast in full pre-production. Then when Bristol suddenly moved into tier 3 that production had to be cancelled. That has been mirrored, by the way, in Manchester, Nottingham and Stoke-on-Trent, among other places.

I am afraid that the sudden changes of tiers and the sudden changes that we are seeing do not allow for long-term planning. To get a production up in a major theatre, you are talking about hundreds of thousands if not millions of pounds of up-front investment. If the production then cannot open, that money is completely lost. There is no income against it to make that money back. I think producers and theatres are very wary now of how much to go forward, how much to think about opening or reopening or re-reopening, as we are now in London, for the fear of even more money being lost.

Q207 **Karin Smyth:** That lends to my next question, that uncertainty. You have highlighted some of the implications of this uncertainty for theatres. Are there other factors you would like to add to that?

Julian Bird: Many. I am sure we will come on to talk a little about workforce, but the theatre industry or the performing arts industry has a roughly 70% freelance workforce. That compares to something like 15% in the economy at large. The vast majority of freelancers get money when there is work on stage, in other words—I cannot use the word "employed"—when they get engaged. We now have a situation across the country in tier 3 areas where those freelancers were being engaged and now find they are not being, suddenly, because theatres and productions have closed down.

The supply chain has already been mentioned by Emma. In the theatre world the supply chain is enormous. It is not just the actors and the people you see on stage, which is what I think the public associate with theatre or the arts; it is the tens of thousands of people in the supply chain behind, whether it is our world-leading expertise in the UK in things like costume making, set design, production, lighting and sound. The list just goes on

and on. The entire supply chain, there is no money for that either if there are no tickets being sold, if the venue is not open.

Q208 **Karin Smyth:** We are certainly missing our sport, our retail and our theatres in the city. I think the supply chain, for most MPs, is a really important issue. We have all had many constituents in the supply chain contacting us on a regular basis. Thank you for that.

Ms McClarkin, when pubs have had to close as local or national restrictions change, has there been enough notice for those venues to make plans?

Emma McClarkin: It goes without saying that breweries and pubs are not easy places to switch off and switch back on again. It is not as simple as closing the door and turning on the tap. I have already mentioned that the cost for a pub is anything between £4,000 and £8,000 to close and reopen every time. It is very, very difficult for us to respond.

We recognise that in March we had to close, and very quickly. That came at an absolutely huge cost the first time around. The wastage of beer was over 70 million pints. It was a Herculean effort to negotiate with the water companies and the Environment Agency for the safe disposal of that beer, and you cannot brew overnight. It takes three weeks, and then more time is needed for the distribution of that product.

We asked in the first lockdown if we could have three weeks' notice to allow us that brewing time. We did not quite manage to secure that throughout May and June, but we got around two weeks' notice that we were going to open on 4 July. That is definitely changing now. With the new tier system and the fortnightly reviews, we are looking at perhaps getting 48 hours' notice to close. That is simply not enough, particularly in the festive period. London received less than 36 hours' notice of having to close. The amount of product that we would have put in for this period of time where we would expect to see a more increased level of people coming in, that wastage is huge and the Government need to take that into consideration with any compensation that is going to be coming down the road.

We absolutely need to have more notice, and that is the one thing we have been very clear about as the BBPA, and communicating, that if you do not understand how our business operates, we can tell you. We can help you. We can help you with that guidance, we can help you make it clear to people to implement. It has been quite frustrating at times not to be privy to the data that they are making their decisions on and not to have been involved in the drafting of some pieces of guidance, because then it comes out and it makes it even harder for businesses that are moving up and down tiers to understand the regulatory framework they are operating in.

It is exhausting for our brewers, our publicans and our staff to continually have to understand how they are operating and changing their work environments. I put on record the huge resilience of our sector in attempting to do so, but it is going to take its toll physically and emotionally on people working in our sector.

Q209 **Karin Smyth:** Yes, it is very wearing, a point well made. Given the

complexity, which we all acknowledge, and given the different prevalence of the disease in different parts of the country and the spread of your industry, realistically could you respond to the Government on that basis, differentially across the country, with different data? That is if you had to.

Emma McClarkin: We are happy to share any of the data that we have with the Government across the country. As you say, we are in every town and city in every part of the United Kingdom.

Q210 **Karin Smyth:** Sorry, I have not been clear. If the Government came to you with the differential prevalence of the disease and the differential ways in which the disease spreads—transmission does seem to be different in different parts of the country as well—would you have the flexibility as an organisation to be able to respond differentially to represent the people you represent? It is the other way around.

Emma McClarkin: Yes, I think so, based on my understanding of your question. We are able to move, and we believe that blanketing the country into these zones is going to be holding back a lot of areas that could be opened, and opened very safely, with much lower infection rates. We would be prepared to work with the Government to illustrate and make a more localised system work to allow more of our sector to be open, and allow more parts of the country to come back to some kind of normality.

Q211 **Chair:** Thank you. Mr Goodacre, were non-essential retailers able to plan ahead for potential closures on the basis of information provided by the Government?

Andrew Goodacre: In March, no. The Prime Minister made a statement to the country on a Monday night and shops were closed on the Tuesday. It was impossible to react at that point. Then for the November lockdown starting on 5 November, I believe the announcement was made on 31 October, so there was some more lead-in there and that did help.

It helps to know when you have to close, but it does not necessarily make it any easier to close, because there is the supply chain. If you take the November lockdown, businesses will have been ordering stock in advance because you are approaching the festive period so you have to order the stock probably in the spring or the summer. It is very difficult to stop that supply chain coming through to you with only three or four days' notice at most. The uncertainty is a real challenge, whether you are in hospitality, in retail or in theatres, and I am sure in sport as well, because it takes some planning to close down and to manage the consequences of that closedown, while limiting the damage to your business at the same time.

Q212 **Chair:** What are the consequences of uncertainty for the sector that you represent?

Andrew Goodacre: It is really about planning, whether a business is large or small, and most of our businesses are on the smaller side. They still need to plan ahead. We have seen the furlough scheme come on, go off, come back on again. That is one area. We have seen grants being made available, but not at the level they were previously. It is difficult to know

what income is coming in, if you are closed, in order to plan ahead for your business.

Most businesses believe that they can trade through this, or want to try to trade through it, at the very least. When you are looking ahead—and it is not just about what has happened in the past but looking ahead now—we are in a situation where businesses will start thinking, "Can I get through this current period?" From a retail perspective, we are lucky that we are open at this moment in time, compared with other sectors. We accept that. We have an advantage.

It is a busy month. It is always the busiest month and we want to take advantage. It is that money that allows them to trade through the quiet months of January and February. If that money is not coming in, they need to know what will help them trade through, from a cashflow perspective, in January and February, which are known to be quiet and are often the most prevalent time for business failure in any case at any time, let alone a Covid period.

They need to know about business rates, they need to know about the other burdens that are being relieved at the moment but are expected to come back at the moment in April. All those decisions are absolutely necessary to know now, as soon as possible, so businesses can plan accordingly, because they are making decisions now on uncertainty and that is not ideal for any business, no matter how big or small you are.

Q213 **Chair:** You mentioned the cost of installing PPE and personal protection, and obviously there has been a loss of trade. Has there been any other financial consequence to the events of the last nine months or so?

Andrew Goodacre: It is stock, really. Emma talked very well about the visual cost of pouring beer down the drain. That is a very strong visual image, and very, very true. In our sector it is about clothing. Fashion has been particularly badly hit. Shops were closed in March. They had their spring range in, from a clothing perspective. They opened up again in the summer; it was summer, so they had to completely change their stock, knowing that they cannot sell what they had in stock. They cannot return it. That ties up cash and that is a cost to a business because it means you have to find a way of bringing cash into the business, if you have it tied up in stock that you would not normally do. You get closed down again and now people have Christmas stock. Because they have missed November, the chances are that they will not sell all the stock they have ordered because they missed their key trading month.

Then there is a fear that another lockdown will occur in January because of the trends that we are seeing at the moment, so they could be left with stock that ties up cash. It is not a visual aspect that you might associate with hospitality, but it is a very real cost to a business because cash is king and cashflow or lack of it is the cause of most business failure.

Q214 **Karin Smyth:** Mr Sweeney, in Bristol we are very much missing our football and our rugby and outside sports. In tiers 1 and 2, crowds have

recently returned. We spoke about this a little earlier. Are you satisfied that this is the right decision and that it happened at the right time?

Bill Sweeney: Yes, Bristol is a great rugby city and current holders of the European Challenge Cup. Congratulations on that.

Karin Smyth: In my constituency, yes. I do not declare an interest.

Bill Sweeney: Do we think it was the right decision?

Karin Smyth: And that it happened at the right time.

Bill Sweeney: It would always have been nice had it happened earlier, but at the same time we realise that we are dealing with a very difficult situation. As I mentioned earlier, there has been a high degree of collaboration and co-operation with the Government in terms of how quickly we could return to play and also ensure it was safe.

The community game probably felt the highest levels of frustration because the return to play for the Premiership and the professional game was very high profile and was able to return relatively quickly because of the smaller nature, the smaller population of the players involved. I think there is a higher degree of frustration at the community level at whether we were doing enough as a governing body. Were we in contact with the Government? Was it being pressed enough, was it urgent enough? We had to communicate with the community game on a regular basis to say, yes, that is what we were doing.

Of course, community rugby clubs are more than just rugby clubs. They are community hubs in many ways and they are a network of small businesses. Regardless of whether it is in season or out of season, they exist and they survive around things such as food festivals, wedding parties, you name it. All sorts of different activities happen outside of the rugby season. From their situation, from their perspective, soon was never soon enough and we just had to communicate with them and make sure they realised everything possible was being done.

Q215 **Karin Smyth:** Are you satisfied that the scientific advice underpinning the restrictions on spectators is good enough, including the capacity issue and social distancing?

Bill Sweeney: It is something we had a lot of conversations about quite early on in March and April. At the time the social distancing measure was 2 metres, and we were also tracking guidelines and policies in different countries. Many countries were talking about a 1-metre social distancing measure. For us and for everybody that means an awful lot. If you take a stadium like Twickenham with 82,000 fans, 2-metre social distancing means capacity is about 9,000 by the time you have put in the traffic flows and the controls that are necessary. If it is a 1-metre distancing regulation then you are closer to 25,000, which from an operational point of view means we are getting to breakeven.

We had a number of conversations with Government about what the rationale was behind 2 metres and 1 metre and how that was likely to

evolve. Then it moved to what was called 1-metre-plus. Again, people were working off imprecise data and science at certain stages. It was such a new issue, and we had to keep in constant dialogue on what we are able to do and how we could respond.

For us there are also many other implications in terms of public transport. In a situation like Twickenham, it is not just the stadium itself; we rely heavily on the rail link from London, from Waterloo down, and social distancing has a pretty dramatic effect in terms of the capacity on railways. We had a lot of conversations with South Western Railway in terms of what was happening there, what we could do and how we could reduce the reliance on public transport. Yes, quite a complex series of conversations and discussions.

Q216 **Karin Smyth:** Do you think that home grounds in tiers 1 and 2 have a home advantage with fans being present?

Bill Sweeney: It is a difficult one. There have been quite a lot of studies done recently showing that the home-field advantage goes away with no fans in stadiums. If that is the case, you would think the adverse would also be applicable. If you are going to a stadium with fans and you are going into tier 1, and if you cannot have home fans in tier 3, rationally you would probably extend that and say there is a home-field advantage.

In general terms, everybody was just happy to have fans back. We saw it in the recent game against France at Twickenham. It was only 2,000 fans but both sides got an equal lift from that, and it went right down to the last kick of the match. I think the overriding factor is that both sets of teams perform better and enjoy the experience more if there is any level of fans.

Q217 **Karin Smyth:** You perhaps well averted a very difficult political question. You touched on the breakeven point, but do you think the return of some spectators is enough to give clubs a financial boost?

Bill Sweeney: It depends at what level you are talking about, and it depends on what level of rugby you are talking about. If you are talking about levels 3 and 4, which are just below the professional game, you need something like between 600 and 1,000 fans coming in for them to be able to make the money necessary from hospitality to see a benefit. When you go higher up in the levels, we are like any other rugby club, just with a lot more scale and a lot more zeros added to it.

For us our breakeven is somewhere around 25,000. Strangely enough, having 2,000 fans in the stadium is more manageable for us and more cost-effective for us than 10,000 fans. With 10,000 fans, the additional stewarding, the additional controls needed in place, while at the same time not generating the necessary revenue to break even, means that we make a bigger loss at 10,000 than 2,000. Having said that, we would welcome any chance to do that because, in terms of a step towards full capacity, it is the right direction to go.

Q218 **Karin Smyth:** That is a point in time, isn't it, that stepped-up-ness, if you like, and what that means for clubs?

Bill Sweeney: We are very heavily involved in that. We work with the SGSA, the sportsgrounds association. We are very actively involved in that. We are also in the newly formed Sports Technology and Innovation Group, which is looking at the roadmap for the return of fans to the stadium. That is a combination of clinical passports, testing protocols, track and trace, and so on.

We have coined a phrase for ourselves within the organisation, which is that we just have to get comfortable being uncomfortable. The moment you set a target or make an assumption that things will resume in a certain month, there is absolutely no guarantee of that taking place. For the Six Nations, which occur in February and March of next year, we are planning on behind closed doors. We are planning for the worst-case scenario for us, which is no fans there. If we are able to have fans there, that will be an added bonus to us. It depends entirely on how we emerge out of Christmas and new year, how we emerge out of the break and what the situation is with prevalence and infection rates.

Q219 **Jackie Doyle-Price:** This is a question for each of you. When you have discussed your sectors with Government, to what extent have they understood the complexities and the features of your industries, and did they have relevant data to make informed decisions about what should close and what could remain open?

Emma McClarkin: We have received support from the Government. From their initial response and the initial grants, that absolutely saved jobs and pubs from closure. Moving forward from that, we have consistently as the BBPA explained how our industry works and how our sector is very intertwined with the brewing sector. Seven out of 10 alcoholic drinks sold in a pub are beer, and you need to have a consideration of that supply chain within it, but our brewers are not classified as hospitality. Trying to explain how symbiotic they are has been quite challenging at times, and they are still not covered by many grants across the United Kingdom. We need to have a fuller picture of understanding how our businesses operate and what we have done above and beyond that, at their request, to make these Covid-secure environments.

I do feel that there is an understanding of it, but they now need to really understand the economic impact it has had on us. You can make a decision in a moment and think you are closing again as though it is the first time, but this is month on month of stress and strain and challenge to businesses that needs to be taken into fuller consideration and the impact that it has had.

On information use, I cannot in all good conscience come to the conclusion that decisions have been made using the best information available. I know these are extremely challenging and difficult times, and decisions will not have been made and taken lightly. Equally, pubs and brewers are beginning to feel that they are perhaps being thrown to the wolves to a certain extent. Where is the logic, for example, that pubs are banned from selling alcohol without a substantial meal but you can go and have a pint served at the bar within a music or sporting venue? There is no logic there.

They are creating double standards, and that cannot be based on the right information.

Singling out our sector, which has created these Covid-secure environments and has invested millions of pounds to do so, and stopping us being able to host people within our Covid-secure venues at Christmastime, I do not understand where the two combine. We have the winter plan but then it is overruled by the Christmas plan, but you cannot come out and celebrate with a Covid-secure environment that is regulated.

I think we can do better. We need to be looking at how we are basing our decisions, the Government are basing their decisions, and sharing more of that information upon which they are before they announce these measures.

Q220 **Jackie Doyle-Price:** My constituency has just gone from tier 2 to tier 3. Could I invite your feedback on that? Speaking to MPs who represent Kent—they went to tier 3 two weeks ago—the impact on businesses that are going into tier 3 this week, this close to Christmas, this close to the festive period, when there are bookings and, as you say, investment in stock, to what extent do you feel the Government have taken that into consideration? Be as frank as you like.

Emma McClarkin: I think it is a decision they have to take. If that is expediential, they do that. But at this moment in time, with such a short timeframe and notice to close down, at Christmastime, as I mentioned earlier, we will have invested, we will have taken bookings, we will have ordered food, we will have ordered in the beer. That would already be in the lines. The wastage that is happening and occurring will be greater in December than in any other month of the year because they will have prepared for that. It will come as a great shock to those pubs in that sector, and those brewers, that they will find themselves with product that they will now have to throw away and waste, again carrying a greater economic impact. They will have invested their cashflow in that. Our publicans said to me during the crisis, "I have more money in my cellar than I have in my bank account, and I am having to throw it away."

Q221 **Jackie Doyle-Price:** That is exactly it, yes. Thank you for that. Mr Sweeney, do you feel the Government properly understand the nature of sporting industries and how income is generated? Have you understood the data on which they have made their decisions?

Bill Sweeney: I think they do. We were quite a high-profile case in the early stages and it was widely reported the amount of lost revenue that we would suffer as a result of this. If you go to the sport winter survival package and the six-month duration from 1 October through to the end of March, our estimated reductions in revenue are about £135 million. Against our normal revenue base, that is something like a 70% drop. Those kinds of figures were already known back in March/April when we first had to confront the economic impact and the repercussions of Covid.

I think the Government grasped that pretty quickly and understood the nature of the situation. We also had a number of conversations. We went

through our own particular business model. For us, 65% of our revenue is driven by hosting matches at Twickenham. When you close that opportunity down, it is no surprise in terms of the economic impact that comes about as a result of that. We are not a commercial entity or a private entity, we are a co-operative membership organisation. All of that money we earn is invested back into the community game and the professional game. I think there was a realisation that even if we could stand on our own two feet and remain solvent and be a going concern, it would dramatically impact on our ability to invest in the community game. That was understood relatively quickly.

I would also say that there was a gratifying level of understanding of not just the hard economic aspects of this but also the softer elements in terms of who we are as a sport and what it means to be representing 1,300 clubs around the country and the immediate problems that those clubs are facing. For us, a real lifeline in the early stages was the business rates holiday and Sport England's community emergency fund. We had something like 245 clubs benefit from that emergency fund from Sport England.

I would say, yes, we have had open, honest and transparent conversations about our situation and what we need to continue to do well, but I do believe there was an understanding from the Government in terms of our situation.

Q222 **Jackie Doyle-Price:** Thank you. Mr Bird, earlier you mentioned the extensive supply chain involved in theatre. It feels to me sometimes that DCMS understands the outputs of the arts and creative industries but less so the supply chain. Do you feel the Government have the right data and a good understanding of the entirety of your business?

Julian Bird: You put it very well. They are very good on the outputs and probably less good on what goes to make it up. Maybe that is because we have been too good as an industry at disguising it and knowing that what people want to see is what is on our stages. Of course, as you say, the supply chain that goes behind it is enormous.

At the start of this, Government had little understanding of the complexity of our sector. That has hugely increased. It is substantially better. We have all played an enormous role in getting everybody up to speed in terms of our gathering data extensively for the Government at different times to try to educate decisions.

We still have enormous gaps there, back to the issue about the workforce. Despite extensive data gathering and evidence being given, there is still a lack of understanding of the workforce in our environment. Your colleagues on both the DCMS Select Committee and the Treasury Select Committee have raised the issue about the excluded group in the UK, this group of freelancers who have not had access to any Government support through the self-employed scheme or the furlough scheme, the JRS. That is particularly acute in a sector where 70% of the workforce is freelance. We have a huge number of people who are genuinely living off charity now in

order to pay their bills, and that is pretty much a tragedy and that data point still needs to be understood.

In terms of the supply chain, the business rates holiday, the business rates relief, was brilliant but in our sector it only applied rigidly to the theatres themselves, to the actual theatre building, and to none of the supply chain. Often people not just in Government but in general, when they think about theatre and the performing arts, think about actors, musicians and those creative types of employment. What they do not realise is that theatre employs brilliant carpenters who have transferable skills and could work anywhere else. Nowadays we need super-efficient IT skills not just to run our ticketing systems but to run all the automation, the lighting and the visualisations you see on stage. It is those completely transferable skills that are not well understood yet.

Finally, the theatre industry is incredibly successful worldwide, particularly on our commercial side, with exporting licences and productions touring the world. We are net exporters in this field. The commercial element of our sector has been little understood. The Culture Recovery Fund, the £1.57 billion—which has not just gone to the theatre but to the whole of arts, culture and heritage to help organisations—is hugely welcome and hugely part of the data collection and the evidence that we were able to put in. I do thank Government for that. But it is clear a little of that money has gone to the commercial sector, which is now bearing the brunt particularly of these tier 3 closures across the country and incurring enormous losses, and once again the freelancers are not getting much support.

It is a mixed picture. Data was poor to begin with. It is clearly much better and much better understood than it used to be.

Q223 **Jackie Doyle-Price:** I am glad you raised the issue of the Culture Recovery Fund because it certainly felt to me, looking at some of the grants, that public sector organisations have been better at getting grants rather than commercial ones. Was there an issue there with regard to how you apply for those grants and how you were able to navigate the public sector's way of dishing out money?

Julian Bird: That is possible. What is clear is there were clear criteria around the grants and people's perceptions of those criteria. One of the key criteria was that you would run out of money from March next year, or have less than eight weeks' reserves in March 2021. Different people account in different ways. Major commercial productions are their own entity. Because of the way the process was enacted, you had to have a year's worth of audited accounts at least. That does not necessarily apply in the commercial sector when you are setting up a major theatre production. I could speak for a long time around why.

But there is another round of money to come, around £300 million that is left from the pot for the whole of arts, culture and heritage. They are making announcements about that this week, and that money will be distributed around the end of January. We hope that some of the glitches,

if you like, in that first application system will be corrected so that those who have particularly been affected by the tier 3 lockdowns will stand a real chance of being able to apply successfully into that fund next time.

Q224 **Jackie Doyle-Price:** We just heard from Ms McClarkin about the Government not really appreciating the difficulty of stop-start when it comes to opening and closing pubs and that there needs to be some preparation to do that. Is that also true of theatre?

Julian Bird: Enormously. I mentioned Operation Sleeping Beauty and the big 10 pantomimes championed by DCMS. The best example of the stop-start is perhaps the pantomime at the Palladium, which the Secretary of State visited on Friday at the dress rehearsal. It opened to the public on Saturday and closed last night. The millions of pounds that that show has cost to get up on stage in the Palladium is now lost. That show cannot come back, it is a Christmas show and, along with it, the employment of several hundred people. It is not just the people on stage, it is the ushers, it is bar staff, it is everything else. The simple answer is that the stop-start is incredibly difficult.

Since the announcements of London moving into tier 3, I have spent a lot of time talking with different theatre owners and producers. Their confidence in even contemplating activity for the next few months is very, very low. We have fed very clearly into Government that we need understanding as to why decisions are made to move into tiers, what the frequency of those decisions is and, crucially, what the data points are.

We understand there are five elements, five bits of data that they look at in terms of making decisions around what tier an area should be in, but there is a complete lack of clarity as to what the benchmarks are. In other words, if your area is rising in infection rate at this percentage, that puts you at risk. If you have a prevalence of so many 100 per 100,000, that would put you at risk. But because those data points are not published and understood, people are in the dark even when they look at the published data to understand how it is going to be interpreted and how the decisions are going to be made.

Q225 **Jackie Doyle-Price:** Of course, so many productions are touring productions. It is not just making a judgment about where the show is at any moment in time. West End shows are West End shows and stay there for a considerable amount of time, but many tour and you just do not know what is going to happen. It is going to be a big risk for producers.

Julian Bird: A big risk, and the touring market will not come back quickly until those risks are eliminated. If I might just say on that, the different approach in the four parts of the UK leaves a huge issue for theatre in particular. The major tours tour all four nations, and those tours cannot get up and running unless there is some form of consistency between the four parts. That is an issue we face at the moment as well.

Once again, those major touring productions are the ones that fill the big venues and the medium-sized venues all over the country and bring economic benefit into the areas and encourage people into the city centres,

into the town centres, for all the other businesses that surround them, from the pubs, to the restaurants, to the hotels, to everything else. We have major challenges ahead.

Q226 **Jackie Doyle-Price:** Thank you. Mr Goodacre, how well or otherwise do you feel the Government understand the economics of retail these days?

Andrew Goodacre: In fairness, I think they tried really hard to listen to large and small retailers. The Department for Business, and the Business Minister in particular, are holding weekly retail panels, of which I was part, and the BRC and the large retailers are in there. We were all listened to. Whether or not action was taken on what we said may be a different challenge, but there was a real effort by the Minister, civil servants and everyone else in BEIS to understand retail and how it works.

That was great and there is evidence of that in the way the planned reopening was put together back in June. There was a good collaboration. There are lots of nuances they were able to include, for instance, around changing rooms or whatever the case may be. We all felt that was very positive and very productive. That level of communication has continued.

In terms of understanding the economics of retail and the decision making, that is a different question. In some ways, if you look at the latest lockdown that occurred in November, there is a very strong argument—and it is not just with hindsight. You could have looked at this and seen what was happening. That lockdown could have happened in October, which would have been a less damaging month for retail because November is a busy month for retail. Christmas does not just start in December; it is very much a November effort. All the signs were that we could have linked a firebreak, as they did in Wales, for instance, around the half term, extend it for another week and you might well have alleviated or got shops open at some point in November instead of early December. I think in understanding the economics you have to look at the retail calendar, and that includes when they are busy and when they are not busy.

In terms of the support, we have had good support. We would always like more, because it is imperative. I think the loan system, the Business Interruption Loan Scheme, was not for the small retailer. We gave that feedback. The Secretary of State listened and we had the bounce back loans come in, which were far more appropriate to the small businesses, and that really helped.

The furlough scheme helped from an employee perspective, but it applied to only 20% or 25% of independent retailers because of the way they structure their business. They may be directors, they may pay themselves by dividend, so they do not qualify for any support. They have missed out on that side. There have been some wins and some losses in terms of that support.

What we need now, though, is looking forward and asking what happens in January and February, what happens in that all-important first quarter. Cashflow will be crucial. On the grant scheme, as Emma mentioned earlier,

£1,300 for a closed business is not enough. It barely covers costs, whether you are a pub or a retailer. It does not cover your outgoings. That needs work if we are going to see businesses survive and look forward with cautious optimism to spring. That means greater consumer confidence and so on, but the first quarter is absolutely crucial and we need Government, civil servants, Treasury and the Department for Business to understand how best to support all our businesses through that first quarter.

Q227 **Jackie Doyle-Price:** I have always seen November and December as absolutely crucial for the long-term sustainability of the retail sector in high streets, particularly with the move to online. Supermarkets now have such a diverse product range, and they were able to stay open during the lockdown. What is your estimate of the impact on smaller retailers of the advantage they had?

Andrew Goodacre: People did not stop shopping in November, let's face it. If you are looking for cards and you might normally have gone to a card shop, that transaction occurred in the supermarket. If you are looking for presents or gifts, you might normally have gone to a gift shop or a major bookshop. Those transactions are happening in the supermarket, WHSmith or somewhere else. They were not happening in the independent stores, specialist stores.

They have lost their second busiest month, probably 25% of their profitability, by being closed in that month, so it is of significant impact. We think that could have been avoided because all the signs were that the lockdown was coming. Maybe with a bit of hindsight but also a bit of foresight, we could have seen that limiting damage in November would have been better by closing in October.

Q228 **Jackie Doyle-Price:** Yes, that is a point we will take up. Certainly, when I heard about the lockdown, my view was that we have given Christmas to Amazon.

Andrew Goodacre: Yes. There is a danger. I have heard this—I have not heard it from Government Ministers, I will be honest, but I get a sense that, "Well, retail will go online, it is okay, just sell online." It is that word "just", because it is a different skillset, it is a different entity. It is dominated by the likes of Amazon, eBay and the large retailers. It is down to how much money you can spend on the paid-for advertising to appear on page 1 of Google, for instance.

Online is a solution in the future, but we are playing a huge game of catch-up from an independent, smaller retailer perspective. I do not know any that would say they have replaced everything they sold in the shop by moving some of their business online. It has helped where they have done some of it, but it has not replenished what they have lost by being closed.

Q229 **Jackie Doyle-Price:** It is also the case—and you alluded to it there with a reference to advertising—when independent retailers sell through those kinds of gateways, there are quite big transactional costs taken by these retailers, aren't there?

Andrew Goodacre: Huge, yes, there are. It can range up to 30% of the transaction cost, and that is a lot of their profit margin gone straightaway. A lot of retailers use those large aggregated marketplaces like Amazon as extra sales, to sell off some of the stock they have not sold through their shop at lower margin, but the bulk of their business profitability has still gone through their shop.

Again, we have encouraged our members—a lot of independent retailers trade in local areas. They are not city-centre traders, these guys. They do not have shops in city centres or shopping centres because it is too expensive. They trade in their local communities, the suburbs, the small towns, the higher visitor economies. They have done well at connecting with their communities, offering click and collect or deliveries, but they have stayed in touch with their customers, they have stayed in touch with their communities through social media, with a hope that people will hold on and come back to them when they reopen. To an extent, what we have seen in December suggests that some of that has happened.

The resilience of an independent retailer is there and it is their business. They will do what they can to keep it going. They will adjust their business model as they have done with movements online, movements to click and collect, movements to themselves doing deliveries, but entering that field will not replace what they are losing in the shop.

Q230 **Jackie Doyle-Price:** No. It feels very glib, "Move to online, move to click and collect." I have to say, though, that the retail sector has been fabulously innovative in adapting to those things.

Andrew Goodacre: Yes, I agree.

Jackie Doyle-Price: It had had to be, frankly, because it has been a very challenging environment for physical retail for quite some time. Obviously, you have this dialogue with Government Ministers and you are getting good feedback. Do you think there is a better understanding now than there was in March?

Andrew Goodacre: Yes, absolutely. When you are working in business, and they are dealing with all businesses, of course, they have now had a chance to see what it is like in retail, not just the large retail chains. We all know about the large chains and the problems many of them have had. But they have forced themselves and been willing to listen to the smaller voices, whether it is through us or other retail associations like the Booksellers Association, et cetera. There is a much better understanding. We are pleased with the quality of communication and the quantity of communication we have.

Our frustration, like everyone else on this panel shares, is that despite that quality of communication, sharing ideas, doing what we are asked to do to make places Covid secure, it seems inevitable that we cannot avoid lockdowns. No matter what we do and how much advice we follow, it seems inevitable that lockdowns occur. My view—I have no other evidence of this, it is just a personal opinion—is that what is happening over Christmas and the Christmas relaxation will result in a lockdown at some point in the new

year, because trends are heading that way again. For retail that is an expensive price to pay for a few days at Christmas. I do not think many businesses would swap that.

Q231 **Jackie Doyle-Price:** We have had a number of areas going to tier 3 this week. What would be the impact on your sector if non-essential retail had been included in tier 3 restrictions?

Andrew Goodacre: We did some research with members in April when they were closed, and 20% indicated they may not reopen. We then commissioned research with a local data company. They are specialist retail researchers, they have people who visit towns and cities and villages around the UK. They did a sample of 90,000 shops that were open at the beginning of March, and 24% of them were not open again in August. So in that lockdown we lost 24%. That is a very broad range of retail, it is not just shops and commodities and comparison retail, it included an element of service retail, hairdressers, and hospitality in terms of cafés and so on. It was a very broad definition they have, but 24% closed, 21,000 out of 90,000.

The impact of closing in November, even though it is only four weeks compared with the previous 13 weeks, because of the importance of November, we will see the impact in January and February. We do not have research on this yet, but our fear is that it could well be a similar type of scenario with many businesses closing down.

It would have been a lot worse if non-essential businesses had been closed in tier 3. It would have been so much worse because they would have missed out on the two months of the year in which they did not make any money. We were seeing definitely at least 20% more closed but probably a lot more. I would wager you could probably double it as well. It is going to be hard enough as it is, and we count ourselves fortunate not to be included in tier 3. Having said that, the scientific evidence supports the shops being open, so hopefully that will continue.

Q232 **Chair:** Mr Goodacre, you mentioned that you had carried out some research. Would you be able to share that with the Committee?

Andrew Goodacre: Yes, absolutely. It is independent research. I will send it to Claire, I guess, who contacted me about this meeting. We will happily send it through. It is broken down by all parts of the UK and regions as well so you can see different parts of the country having different impacts.

Chair: Thank you very much.

Q233 **Karin Smyth:** Mr Sweeney, are you satisfied that the Government understand the wider impact of stopping sports—we talked a little about community sports—on people's health, team sports particularly?

Bill Sweeney: There has been a lot of commentary in the media and a lot of discussions between ourselves on what the positive impacts of sport are. We all know that sport has very beneficial impacts across a range of areas. It is not just physical and mental wellbeing, it is about social cohesion, it is about community service and linkage.

I believe that the Government did understand that, and they were faced with that difficult decision of at what point you allow community sport to continue and at what point you have to lock it down because of prevalence and infection rates. Throughout this whole process I believe they have had an understanding of what sport means to society and what it means to communities.

Q234 **Karin Smyth:** The recent package for rugby, the £135 million, is primarily for Premiership clubs. Is that right, and will enough of that money reach those smaller and community clubs to keep them afloat?

Bill Sweeney: The prevalence is not Premiership clubs. If you take £135 million, £59 million goes to the Premiership clubs, £9 million goes to the Championship, which is the level below, and £23 million, which is in the form of grants, is going directly into the community game. The £44 million that is allocated to the RFU is not to prop up or support the RFU business model. That money will flow through us and back into the community game. If you take the £44 million and the £23 million, that is £67 million that is going to the community game, which is more than went into the professional game.

It is not allocated yet but it is earmarked, and it was a very detailed and two-way process in terms of the submissions and the questions that were asked back. It happened over a relatively short period of time, but in essence we did receive what we asked for in that submission. So, no, the community game will be getting the majority of that funding. We are now in the process of working out how that is allocated, how we apply for it and what the balance and mix is between loans and grants.

Chair: Thank you. That concludes this session of the Committee. I thank all the witnesses for coming today and for giving their evidence so clearly. Mr Goodacre, you have kindly said that you will share some research that you have done in support of your evidence. Similarly, if any other witnesses have any research they would like to produce to support the evidence they have given today, it would be very welcome.

Thank you once again for attending. I also thank my colleagues for attending from all parts of the country. I thank the Committee staff, particularly the broadcasting staff who are working hard to ensure that we have a seamless experience.