

Written evidence submitted by NCASS (National Caterers Association)

What is the economic and cultural contribution of the UK's festival industry?

[The Political Economy of Informal Events](#), 2030 a whitepaper that was curated and published by leading industry media title, Access All Areas (Mash Media), We are the Fair and The NTIA states that at the time of writing, the informal events industry, namely festivals outdoor attractions, festivals, cultural events and musical performances is said to be worth £5.7bn.

Below is an excerpt from the whitepaper:

'The total of about 33,000 enterprises in B2C events compares with about 170,000 VAT- and/or PAYE-based enterprises in what the Office for National Statistics (ONS) describes as UK 'arts, entertainment, recreation and other services. So: events enterprises in performing arts and sport make up a respectable 18 per cent of enterprises in arts, entertainment, recreation, and the like. On top of the enterprises mentioned above, there are thousands of enterprises which don't quite put events on but support them. So: to the 33,000 firms directly in events can be added nearly 12,000 event caterers and suppliers to performing arts.'

It is these thousands of businesses that supply and support the festival and events industry that we work with day in day out.

The experience economy in recent years has prompted an upsurge in the festival experience, it grew enormously between 2010 and 2019 and will have continued to diversify and flourish this year. In 2019 Barclaycard reported that consumers were choosing festivals over holidays.

"Festivals are environments where connections and friendships are born - festivals are experiences that stay with audiences and although many other sectors have tried, aren't easily replicated in other environments."

Festival audiences are part and parcel of the stakeholders that make up the industry that give arts and culture and SMEs a platform. This is made up of tens of thousands of small businesses who all contribute to a festival experience – be that of an artist on stage, a production manager, infrastructure supplier or caterer; in short, festivals are the reason why many businesses are formed and it is down to the sheer dedication, hard work and creativity of these entrepreneurs that the sector has grown.

What has been the impact of cancellations on local economies and those who derive income from festivals during 2020?

NCASS is a membership organisation that represents over 6000 micro and small independent food & drink business across the UK. 75% of these members are mobile, event, function, and festival traders.

We work with stakeholders, Government departments, trade associations in the F&B and events and festival sectors. We work with hundreds of festivals and many of our members rely solely on this sector. Part of what we do is to share work opportunities with members, most events and all festivals were cancelled in 2020 and there was a 62% decrease in work opportunities across markets, street food events etc. In addition to this, many traders have moved their deposits for pitches in 2021 but if they are trading for a reduced audience there's nothing to say they will get that pitch fee at a reduced rate, especially if they've already paid.

We sent out a number of surveys over the course of this year to members and are able to share some of this data with you below:

Members were first asked what kind of business they ran, the top 3 were street food / mobile, event caterer and festival caterer with the largest proportion being street food / mobile (66%) who do event and festival catering (81%).

We then asked what kind of settings they worked in prior to Covid-19, 65% said private and corporate events, 53% said festivals and 69% said street food markets & events.

Of these settings, private and corporate events provided 33% of their revenue, festivals 25% and 23% street food markets & events.

When asked at what capacity compared to a 'normal' year have you been able to trade during the pandemic

- 57% responded by saying at less than 10%
- 19% at between 10 and 25%
- 9% at between 25 – 50%
- 5% at 50%
- 6% at between 50-75%
- 4% at 75-100%

When asked what Government support has helped you through Covid-19, the top three responses were Bounce Back Loans (43%), The Furlough Scheme (33%) and unfortunately 27% reported by that neither the business rate grants, discretionary grants, VAT cut, Furlough, Self Employed Income Support Scheme, Loans or the Eat out to Help out Scheme had helped them – That's 27% who have not had any financial support at all.

In terms of estimated business costs for the next 12 months, this ranged from £575k and £2k with the average being £105,292.12

When we asked how much money they had tied up in pitch fees, the largest amount was £30k

In terms of turnover lost since March 2020, the largest loss was £2m and the average loss was £133,836.62

When asked what would make the biggest positive impact on your business now in order of importance, events sector reopening was deemed the biggest impact, sector specific grants was the second and the next was the return of the private events sector such as weddings, after this more places to trade as a mobile caterer.

What are the risks to festivals taking place in 2021 and beyond, and how can these be mitigated?

- A proportion of the money needed to deliver festivals and events is provided by concessions, food and alcohol being the main revenue drivers. These businesses have not traded since 2019 and the vast majority have received no financial support from the government.

- Social distancing requirements will significantly increase costs for events and all contractors to the sector but will also limit capacity and the potential to put on an inspiring show.
- Festivals cannot take out insurance against Covid-19 closure and as such the risk is likely to be too great as seen in the case of the last-minute closure of the Southampton Boat Show. This also saw over-zealous public health officials' gold plating rules.
- The industry could collapse due to the levels of debt accrued if debts need to be repaid too early.
- A lack of customers - with the economic collapse expected to hit young adults hardest, this could affect consumers' ability to pay for tickets, food drink etc.
- Key skills, infrastructure and hardware could be lost if companies fold, leading to problems putting on events, for example if a staging company for a festival goes bust after a stage contract has been paid.
- Government communication in relation to safety, specifically in terms of the events and hospitality sector; the messaging must change to support public confidence.

What measures are needed for audiences to attend festivals without social distancing, and how realistic are they?

- A vaccine & a largely vaccinated population.
- A well-run testing regime may offer an alternative to this, which would involve excluding access to those who return a positive test. How accurate are the tests?
- Many festivals could operate without social distancing - they are highly controlled sites and festivals organiser hold safety at the heart of their planning and delivery.

What has been the impact of the temporary VAT cut and Culture Recovery Fund on festivals and their supply chains, and what else can the Government do to secure their futures?

- It has not supported the festival and events supplier chain that our members form part of. Despite working with government all year to find ways to re-open, there has been very little support for festival and event caterers.
- The VAT rate came in after ticket sales had closed and will be gone before they re-open. Mobile event and festival caterers received no benefit as they were not able to trade.
- They were also unable to benefit from licencing changes, planning changes, hospitality grants or eat out to help out. Most have been unable to access furlough.

How has the structure of the UK festivals market evolved over recent years, and what has this meant for consumers, artists and the wider industry? What further changes might be anticipated?

- The industry has seen a wave of innovation, growth, and independence, however, in recent years, two or three industry players have developed near monopoly control over the sector.
- Business failure due to Covid-19 will likely lead to further consolidation by the big players affecting value for money, quality, and difference.
- Independent festivals need more support from Government.
- There needs to be a more uniform approach across Local Authorities in relation to the working with festivals, specifically when it comes to licensing - the councillors involved should be experienced in the sector.

How can festivals be supported to reduce their environmental impact and tackle the dangers of illegal drug use?

Festivals and outdoor events are/were a large and growing industry. March 2020 saw the devastation of the sector for 2020 with a complete destruction of the industry.

As it seeks to rebuild from 2021, there is an opportunity to transform the model of encouraging mass travel to participate in large-scale, once-off experiences, contributed more to a culture of disposability rather than sustainability.

Nearly two thirds of respondents to Ticketmaster's 2019 audience survey said they wanted to see increased eco-friendly measures at festivals. Event organisers are paying attention: more than 100 festivals/events have made the Vision:2025 pledge to support a 50% reduction in the environmental impacts of the events sector by 2025.

What is lacking is not interest but specific knowledge & strategic skills to implement change. By developing new environmental & business sustainability education programme for festival managers & outdoor events coordinators we can attain broader forward-looking approaches to sustainability in the supply chain, communications and crisis management business skills.

As a result, festival sector workforce would have the environmental knowledge and business skills to radically reduce the environmental impact of their events without compromising but boosting the profitability of their business in a renewed post Covid-19 model.

In relation to the question on illegal drug use, this is not an issue that is directly relatable to festivals and should be addressed across society as a whole.