

Written evidence submitted by Production AV Ltd

DCMS Call for Evidence – Impact of Covid 19 on DCMS Sectors

Production AV is an Audio Visual equipment hire and associated services supplier based in Cheltenham Gloucestershire. We employ a total of 5 full time Employees and 1 part time, operating from a warehouse of 10,000sqFt across the UK and into Europe. Our turnover prior to Covid-19 was circa £750,000. We provide equipment and services to exhibitions, conferences, live music events, tours to both businesses and private individuals, so operating in the Leisure and Hospitality sectors.

We also rely heavily on a skilled and experience base of Self Employed contractors to help us deliver our projects. We are able to contract individual suppliers with the specific skillsets for each project as required. Over busy periods we may have up to 20 individual freelance contractors working for us for periods of several hours to several weeks depending on the nature of the projects.

The effects of Covid-19 started to be felt in mid February when exhibitions such as Mobile World Congress started to be postponed or cancelled. We had cancellations of projects already dispatched, as well as those under planning.

Through February and to mid March our forward order book was slowly decimated, to the point that between the 20th of April and Mid September we do not foresee any revenue from any of our usual revenue streams.

We have been amongst the first businesses to be impacted, and will likely be one of the last to recover to pre Covid-19 Levels.

Government Support.

At the time of writing We have furloughed 4 of our full time employees, leaving the Managing Director and Accounts Manager to undertake work necessary to effectively mothball the business. We anticipate them being furloughed for the duration of the scheme.

We have been successful in applying to be included by Cheltenham Borough Council within the Retails Rates Holiday and thus the Grant. This represents a boost to our cashflow of £44,000.

We are currently in the process of applying for a Coronavirus Business Interruption Loan to enable us to survive until work returns to normal levels.

Current anecdotal evidence suggests that we may start to see a limited return to events from late September/October onwards. We are planning however that this could be much longer – currently forecasting that we may only be at 30% of current workload up to next April.

However this return to normal will very much be limited by the ability for people to gather, and stakeholders perceived risk to holding gatherings.

We will likely be the last area that returns to normal as restrictions remain in place.

Areas where further support or clarification is needed.

The main areas that we will need further support or clarification:

- That the Events Industry and related supply chain be specifically recognised within the wider Leisure and Hospitality industries. As a sector we bring circa £70Bn of the UK Economy
- That the issues of social distancing and restrictions on Gatherings will cause hardship for many businesses in the sector.
- That the Retail, Leisure and Hospitality Rates Relief be clarified to cover business such as ours within the Events Industry and thus Leisure and Hospitality Supply chain. We know of several similar businesses that have not yet been able to claim the rates holiday and Grant in different council areas.
- Furloughing of staff: We will likely require the ability to Furlough a portion of our staff until social distancing measure and limits on gatherings are removed. It is unlikely that this period will extend beyond June, and we would ask for an extension until October for businesses of our nature.
- Additional Support for the Self Employed contractors. These Self Employed contractors have struggled due to the current nature of the support for the Self Employed, and have been hit hardest, with many suffering from cancellations from Mid February and facing no bookings until the Autumn.

Pete McCrea
Managing Director
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