

Written Evidence submitted by #WeMakeEvents

#WeMakeEvents welcomes the opportunity to respond to the Committee's call for evidence for their inquiry on the Culture Recovery Fund. The key points we seek to make are as follows:

- *The Covid pandemic and subsequent lockdowns have devastated our industry as we have been effectively unable to operate for over a year now*
- *The CRF was an initiative we welcomed, but CRF1 almost completely failed to support the supply chain*
- *DCMS and ACE have recognised this shortcoming and CRF2 has seen an increase in the share distributed to the supply chain*
- *However, challenges still remain for the supply chain in accessing the scheme on an equitable basis – in particular, the “cultural value test” continues to bar some applications and manufactures are almost entirely excluded*
- *CRF3 provides an opportunity to redress the situation, and we would urge the Committee to consider making recommendations to the Government on this issue*
- *In addition, we have a specific concern about due process that we would also urge the Committee to investigate*

About #WeMakeEvents

#WeMakeEvents (<https://www.wemakeevents.com/>) is a voluntary organisation consisting of the supply chain to the live events industry. Most of these companies and freelancers work across multiple sectors, including theatre, music, corporate events and almost any form of organised gatherings. Since the start of the Covid-19 pandemic we have been working with Government to identify the issues facing our industry, and help find creative solutions.

Consultation response

The damage of Covid-19

Before the Government social distancing restrictions came into effect in March 2020, the UK live events industry brought in over £70 billion a year. The sector supports over 700,000 jobs, many of those are highly-skilled freelance or self-employed roles in the live event supply chain – for example, research by UK Music shows that 72% of their sector works as self-employed.

A survey we conducted at the beginning of this year revealed the devastation reaped on our sector by Covid-19

- 93% of individuals and businesses in the live event supply chain have seen their income fall dramatically as a result of the pandemic – 65% have seen a fall of over 50%, and 30% a fall of over 90%.
- Yet, 34% of individuals and businesses have received no Government support – either through loans, furlough, local or national grants.

- As a result, 50% of individuals have had to take work outside of live events to supplement their income. A third have been forced to leave – or are considering leaving – the sector.
- On top of that, 43% of live event supply chain businesses say they don't have the resources to last until 1 June.

The importance of the CRF

Overall, we welcome the Culture Recovery Fund. Live events have been all but unable to operate since March 2020, and the Fund was a meaningful step to address the financial issues this has created for the sector.

Issues with the CRF

However, it has been frustrating that few of the grants and loans have, thus far, gone to the live event supply chain. Indeed, despite assurances that our sector would be recognised, our analysis found that in the first round under 3% reached freelancers and businesses working in the supply chain.

The failure for the supply chain was inevitable as DCMS and ACE designed CRF1 to support culturally significant organisations – judging applications by what is known as the “cultural value test” and tailoring questions to not-for-profit organisations – rather than seeing CRF1 as a scheme to support the whole cultural live event sector while it is unable to operate. Therefore, distributions in CRF1 were skewed towards not-for-profit organisations that could demonstrate direct cultural value to England.

However, laudable as the cultural value test was in theory, in practice it missed that the sector is an ecosystem that relies on a supply chain. While the supply chain is commercial and focused on equipment and services, it makes cultural live events possible - and therefore is as essential as any venue or production company is to the cultural wellbeing of our country. Indeed it is completely normal for the same freelancer or supply company to work on a theatre production one week, a music event the following week, and a corporate event or TV show the week after.

We have worked with DCMS on this issue and they recognised this shortcoming in CRF1. We were extremely pleased to see this reflected in CRF2 where we estimate grants to the supply chain grew to approximately 12%, from under 3% in CRF1.

However, some challenges remain, which we urgently want to ensure are rectified for CRF3. Anecdotal evidence suggests that manufacturers were almost all unsuccessful – despite the fact that many of them are specialist, niche businesses that exclusively work for the cultural sector. In addition, a survey of our supporters found that the majority of supply chain applications that were unsuccessful were still due a to failure to meet the cultural value test. To this end, we have been clear that we would be happy to work with DCMS and Arts Council England in preparation for CRF3 to address these specific issues that are holding back supply chain applications.

Furthermore, we hope that DCMS and ACE will set out a more realistic timeline for CRF3. CRF2 asked for applications (which had to be submitted in January) to demonstrate the funding was essential to survival through to June. However, the grants were only confirmed at the end of March, meaning organisations had to be just months from collapse to be successful – this creates incredible challenges for organisations and a longer view for CRF3 would enable organisations to plan far more effectively.

An additional point on due process

In addition to the overall question about fair distribution, we have an additional specific concern about due process for declined applications – which, in our view, represents a major flaw in the scheme.

We became aware through the experience of one of our members, who found that there was no appeals process for applications to CRF1 that were refused – and no other practical means to ensure due process. This seems to remain the case for CRF2. This seems an extraordinary state of affairs given that it is taxpayers money that is being spent. Indeed, we are not aware of any other publicly-funded grant giving system where applicants wouldn't have a right of appeal.

To briefly summarise our member's experience: he was faced with a situation where his application for a grant was refused, and yet a neighbour in an almost identical situation was successful. So patently unjust did this seem (and, therefore, assuming this must have been an error), he contacted ACE to appeal. Astonishingly, the response was to be advised that the only recourse was to write to the Parliamentary and Health Service Ombudsman.

What was additionally concerning, was that he was allowed no feedback on why his specific application was refused, despite him requesting this. This means that there is absolutely no way to scrutinise or question ACE decisions. They can seemingly refuse an application without having to give any reason why, meaning no scrutiny of their decision can take place, through formal or other channels.

At the same time we heard about other companies (e.g. Broadwick Live) having decisions overturned so that they became successful.

In our view, it is extraordinary that this level of public funds is being distributed by a QUANGO with no way for applicants and the wider public to scrutinise their decision making.

Furthermore, we were shocked to discover that some applicants who had had their application declined had this decision overturned – despite ACE advertising no channel to do this. The opaque nature of who could appeal and could not seems fundamentally against the ethos of a public grants programme.

Conclusion

We are grateful to the committee for looking into this issue, and for giving us the opportunity to respond. We remain hopeful that the final round of the Culture Recovery Fund – CRF3 – will address some of the inequities we saw in the first two, and we are grateful for anything you can do to ensure this is the case.

We would be very happy to provide any further details that might assist you in your enquiry, and look forward to reading your findings and recommendations.

April 2021