

Written evidence submitted by Souvenir Scenic Studios

Impact of Covid-19 on DCMS sectors – Manufacture of scenery and props

What has been the immediate effect of Covid-19 on the sector?

Immediate shutdown of all theatres on 16 March and all contracts for upcoming productions were cancelled, consequently most businesses in the supply chain had to close.

Paris Fashion Week was the last of the runway seasons – all menswear presentations for June have been cancelled or will be virtual showrooms. Numerous trade events are cancelled.

For Souvenir Scenic Studios Ltd:-

Cancellation on 14 February for a large event in March (value £1.2M).

Fashion event in Shanghai cancelled (value £500K).

Fashion event in Old Billingsgate cancelled (value £900K).

Harry Potter Toronto production (value £1.2M) postponed until August 2021.

Dreamgirls UK Tour (value £250K) postponed indefinitely.

Bat Out of Hell Tour (value £250K) postponed indefinitely.

& Juliet (Toronto – value £500K) postponed indefinitely.

Immediate suspension of 20 staff on 25 March and indefinite suspension of freelance workers.

What are the likely long term impacts on the sector and what support is needed?

Social distancing requiring theatres to remain closed and then with reduced audiences well into 2021.

West End theatres alone contribute £800M revenue annually and creative industries account for £111 billion annually.

Rate relief should be extended and corporation tax reduced for the upcoming 19/20 and 20/21 periods.

Reduce the financial burden of running a business by offering other forms of recovery grants on cost of commercial rent, lease payments, insurance and business rates, tax breaks and request the banks give longer mortgage holidays to businesses in our sector. The Government needs to understand offering loans is not enough as there is no certainty.

Allow extension of the Furlough Scheme, which has been an essential lifeline for us and all employers in our sector to retain highly skilled staff, and which should remain for companies in sectors where the recovery is in the longer term, such as the Events, Performing Arts, Entertainment Technology, TV & Film Sectors.

Extend the term of support for self-employed subcontractors. Our sector's workforce is made up of 72% self-employed freelancers and without the right support, we are in danger of losing our workforce to other sectors, widening an already apparent skills gap.

What lessons need to be learnt?

Rate relief for the supply chain has been ignored and should be added to the list of qualifying businesses. Private landlords have escalated costs of rental property in London due to a shortage caused by redevelopment of industrial property for housing. Few leases are offered with security of tenure under the Landlord and Tenant Act. There should be a fairer system of setting rents and spurious service charges other than Landlords' speculative demands.

How might the sector evolve?

Virtual events and on line events such as National Theatre at Home will fill the temporary void caused by extended social distancing. However, the whole value of any theatrical event, whether fashion or traditional, is the shared aspect and virtual replacements can only downgrade the overall experience.