

Written evidence submitted by The Really Useful Group Ltd

This note forms The Really Useful Group Limited's response to the call for evidence by the Department for Digital, Culture, Media and Sport ("DCMS") as regards the impact of the current Covid-19 epidemic.

The Really Useful Group Limited ("RUG")

RUG is an entertainment company based in London, owned and controlled by Andrew Lloyd Webber ("ALW"). RUG represents all of ALW's creative works globally, in addition to various other third party creative works. While RUG's primary business is live theatre and concert production it is also engaged in various other related activities including music publishing, music recording, film, TV and merchandise.

Industry Sector

Notwithstanding the above, the industry "sector" to which this response is primarily concerned is live theatre and entertainment and the impact thereon of the Covid-19 epidemic.

To put the live theatre and entertainment sector in context, more than 15.3 million people attended London theatres in 2019 – nearly 1 million higher than Broadway – equating to £799 million in box office revenue and generating £133 million of VAT. Of the £799 million generated, £523 million came from the box offices of musicals with the rest generated by plays, operas, dance etc. While the government mandated lockdowns of theatres and live venues are in place, this revenue has dropped to zero with no income available to cover running costs during the closure period or pay the vast numbers of people employed in the industry.

London theatres attract audiences not just from across the UK but from around the world. The West End and other London theatres are vital to the tourism industry in the capital and attract visitors who then go on to spend money in London restaurants, hotels, transport system etc. According to a 2004 academic research paper commissioned by Arts Council England from the University of Sheffield¹, the economic impact of West End theatres, including ticket sales, transport, food & drink and childcare, was £1.5bn and the economic impact of all theatres across the UK was £2.6bn.

According to the 2004 paper, the revenue generated by West End theatres at the time was only £330m compared with £799m in 2019. If we assume the economic impact of the theatre industry has increased proportionately with ticket sales then the current economic impact of London theatres is closer to £4bn.

¹ Economic impact study of UK Theatre (April 2004) Arts Council England, University of Sheffield
http://troyproctors.com/downloads/economic_impact.pdf

RUG's unique position within the industry

Within the theatrical and live entertainment sector, RUG's experience is unique, both in terms of sector roles and geographically. Amongst other roles, RUG operates as a theatrical rights holder and licensor, producer and investor in all territories throughout the world, with numerous major productions running in the UK, North and South America, South Africa, Europe, Asia and Australia simultaneously at any given time, resulting in considerable UK taxable revenue earned both domestically and from abroad. RUG's international status means that RUG's taxable income in the UK is exposed to global risks and is therefore affected by the measures being implemented both by the UK Government and by governments and organisations in all territories throughout the world in response to the Covid-19 epidemic.

Responses to the DCMS Consultation Questions

For ease of reference, this response adopts the same headings published by DCMS on its webpage (at <https://committees.parliament.uk/call-for-evidence/113/impact-of-covid19-on-dcms-sectors>) although responses within these headings have been partially collated where they concern similar or related enquiries.

1. WHAT HAS BEEN THE IMMEDIATE IMPACT OF COVID-19 ON THE SECTOR?

The most immediate consequence of the Covid-19 epidemic on the live theatre and entertainment sector has been the closing of theatres and live venues by the UK government and by governments around the world.

1.1. Effect on RUG's business

This has had a dramatic effect on RUG's business as 27 of the 31 productions and tours licensed by RUG and scheduled to be performed in 2020 across more than 15 countries have been cancelled or postponed since lock down measures were imposed. These closures equate to £6.15 million lost in box office sales each week the theatres remain closed, and a £240,000 loss in average weekly earnings for RUG. On an annualised basis this represents a loss of £320 million in box office and £12.5 million in income for RUG.

A list of those cancelled or postponed productions is set out in Annex A. The only RUG productions still scheduled to proceed as usual in the next few months are in Japan and South Korea which have successfully controlled the spread of Covid-19 and have the necessary measures in place to allow theatres to open.

As a direct consequence of the Covid-19 production closures, and the immediate loss of income to RUG, serious measures to reduce costs and manage cash flow have been implemented. RUG has required senior staff to take salary cuts of up to 20%, has negotiated and agreed material reductions in costs with all key service partners, is making use of the limited government assistance available through the Coronavirus Job Retention Scheme ("CJRS") and Time to Pay scheme with HMRC and is currently using cash reserves to cash-flow its business. Cash reserves are forecast to have been exhausted by the end of June 2020 and thereafter RUG will require use of bank credit facilities.

1.2. Effect on individuals working in the industry

These closures have had a considerable knock-on effect for everyone engaged in the Sector:

- a. Producers are having to permanently close shows resulting in considerable financial losses for both the producers and third party investors. Those shows that have not yet permanently closed are still incurring running costs during the closure period despite having no revenue, making it increasingly likely that these productions will also have to permanently shut down;
- b. Performers, musicians, production crew and theatre staff have been furloughed where possible, however, this is not possible for those working on a self-employed basis (which represents a large proportion of performers and musicians in the UK). In addition, many shows will not be able to re-open after the lockdown measures are relaxed or withdrawn and all of these workers are in danger of being made permanently redundant or having their contracts terminated;
- c. Theatres and other venues have no revenue to cover their outgoings and maintenance costs and are also having to lay-off large proportions of their workforce;
- d. Industry creatives such as writers, directors, choreographers and designers have lost current projects, and future projects have been put in jeopardy, due to uncertainty over when theatres and venues will be permitted to reopen;
- e. All royalties have ceased across the entire sector leaving creatives and rights holders without any income;
- f. All other entertainment companies whose revenues are dependent on or related to ticket sales (such as ticketing agencies, marketing companies etc.) have all had revenues cut to zero whilst still having to cover their overheads and office costs;
- g. Uncertainty over reopening of productions and cancellation of new productions has resulted in a decreased demand in products of theatrical supply chain businesses (e.g. workshops) resulting in immediate financial losses to those businesses, as well as a reluctance to take on new workers/apprentices. This will ultimately lead to a skills shortage in the future and the likely decreased/suppressed wages will restrict the diversity of the pool of people able to enter into this skills sector;
- h. Many other related businesses whose trades are dependent on or related to live entertainment (such as merchandisers) are suffering considerable reductions in revenue, thereby putting more jobs and businesses at risk; and
- i. Investment in theatre productions, largely drawn from within the sector, has all but disappeared.

2. HOW EFFECTIVELY HAS THE SUPPORT PROVIDED BY DCMS, OTHER GOVERNMENT DEPARTMENTS AND ARMS-LENGTH BODIES ADDRESSED THE SECTOR'S NEEDS?

The UK government has introduced a number of schemes intended to mitigate against the impact of Covid-19 across all industry sectors. While some of these schemes have been partially effective in countering the negative effects on the theatre and live entertainment sector, there are a considerable number of areas where the schemes have failed to provide adequate support.

2.1. Business Rates Holiday

The business rates holiday scheme introduced by the government is restricted to premises which are reasonably accessible to visiting members of the public. While theatres and venues are therefore potentially covered, this relief fails to recognise that theatrical and live entertainment companies are not generally run out of venues but are operated through offices and non-publicly accessible

premises. Such companies are therefore having to pay full business-rates notwithstanding that the closure of the theatres and venues has dramatically cut their revenues, in many cases to zero.

Extending the Business Rates Holiday to offices and non-publicly accessible premises occupied by theatrical and live entertainment companies would provide welcome relief to the industry.

2.2. Job Retention Scheme

The furlough scheme introduced by the government for the purposes of helping businesses avoid making its employees redundant has been partially effective in the sector. However there are a number of points of confusion around eligibility for the scheme coupled with the complication that a large number of individuals in theatre and live entertainment (including most actors who are members of the Equity actors' union, and musicians who are members of the Musicians' Union) are treated as self-employed for tax purposes and therefore not eligible for the furlough scheme.

The current term of the CJRS is due to expire on 30 June 2020. Lack of clarity around whether, and for how long, the scheme might be extended is inhibiting the ability of the sector to plan for the future. The availability of this scheme will be a critical factor in decision making about jobs and redundancies within the sector. Withdrawal of the scheme on 30 June 2020 will have a devastating impact on the ability of the sector to retain employees.

2.2.1. Re-hiring Employees

While the government is encouraging employers to re-hire ex-employees in certain circumstances for the purpose of granting those individuals access to the furlough scheme via their PAYE accounts, there is currently no guidance as to whether such individuals would acquire full statutory employment rights (including e.g. redundancy, maternity, holiday etc.) thereby deterring the employer from providing assistance and leaving such individuals unsupported. These measures also do nothing to assist individuals who have left previous jobs and who are now unable to take up new work due to Coronavirus but who are not permitted to be re-hired by their previous employer for the purposes of being furloughed.

In this respect, we note HMRC's recent confirmation that ex-employees from the recently closed West End production of "School of Rock" are not permitted to be re-hired by the company for the purposes of being furloughed. These individuals are unable to take up any new work as a result of theatres being closed by the Government and have no access either to the furlough scheme nor to the Self-Employed Income Support Scheme. This scenario is much more likely to occur in the theatrical sector where employment positions are often much shorter in duration and individuals are much more likely to have been between jobs when lockdown and social distancing measures were implemented.

Further guidance from the government on this point would encourage more employers to reemploy those employees unable to find work. In addition, if the government could take into account the number of individuals in the industry who are falling through the cracks and consider expanding the interpretation of the schemes to allow those individuals to access government support that would improve the prospects of many in the industry.

2.2.2. Requirement not to work

In addition to the above, the stipulation of the furlough scheme that requires furloughed workers not to carry out any work while furloughed fails to recognise that many theatrical and entertainment companies which currently have no revenue with which to pay their workforces nevertheless require

some work to be carried out during the furlough period in order to ensure that productions are ready to go up as soon as possible once theatres and venues are permitted to reopen. By requiring furloughed workers to refrain from any supporting activities of any kind while furloughed, the recovery of the sector is likely to be considerably slower than it otherwise would be if such workers were permitted to continue to provide support to their respective companies. Indeed, if this condition is interpreted too narrowly it may dissuade some companies in financial distress from accessing the scheme and accelerate the closure of companies and the redundancy of workers in the sector.

2.2.3. *Self-employed*

The sector's workforce is overwhelmingly made up of self-employed freelancers. Without the right support, we are in danger of losing our workforce to other sectors and widening an already apparent skills gap. The measures implemented for these self-employed workers are therefore key to the industry's prospects and ability to recover once the lockdown measures are lifted. We therefore ask the government to consider extending the term of support for self-employed subcontractors in the industry.

Although some performers and musicians who are self-employed are eligible for the Self-Employed Income Support Scheme, the often inconsistent nature of engagement for many individuals in the sector means that the rules of eligibility and method of income calculation results in no or inadequate support being available through this scheme. Productions are therefore having to provide financial support to their companies with little or no income with which to do so. Inadequate financial support is also likely to disproportionately affect certain minorities where there are a greater number of people with limited financial resources able to support themselves. As a result, recent efforts to increase diversity within the sector are at significant risk of being undone.

2.3. Government Strategy for Lifting the Lockdown

In addition to the shortfalls of the schemes introduced by the government, the overall lack of certainty and ambiguity in the government's approach to tackling the epidemic, in particular the longevity of the restrictive measures currently in place regarding social distancing and closure of public venues, has made it all but impossible for the sector to plan for its recovery.

Ambiguous statements (such as the recent comment from the Chief Medical Officer Chris Whitty regarding social distancing measures being in place for a year or more) made without any further clarification are creating considerable uncertainty within the industry. As a result, investors and producers are forced to withdraw funding from future projects, further inhibiting the recovery of the Sector.

2.4. Insurance

Although some businesses and productions have valid cancellation insurance policies that specifically cover pandemic/epidemic liability, insurance companies in the UK appear to be very slow to appoint loss adjusters, process claims and pay out or are not paying out at all. The cause of the delay of these payments is not clear.

This is in contrast to the behaviour of insurance providers in the US where RUG is aware of productions in New York, and on the US touring circuit, having already received pay-outs under insurance policies. RUG's production of *The Phantom of the Opera* at The Majestic Theatre on Broadway received an initial insurance payment for several million dollars in early May 2020.

The UK Government must put pressure on insurance companies to pay out on valid policies in order for businesses and productions to continue to support their workforces and enable them to survive until they are able to reopen again.

2.5. Other Government Support Measures

We have reviewed the other schemes made available by the government such as the Coronavirus Business Interruption Loan Scheme, Future Fund, Covid-19 Corporate Financing Facility and grants for retail and hospitality and small business. Unfortunately these are generally not appropriate for the companies that operate in the live theatre and entertainment industry.

Set out in Annex B is a list of the government support for business policies that RUG has considered. In each case we have indicated whether RUG was able to access the schemes and noted RUG's suggested additional support that would make the scheme more appropriate for the industry.

3. WHAT WILL THE LIKELY LONG-TERM IMPACTS OF COVID-19 BE ON THE SECTOR, AND WHAT SUPPORT IS NEEDED TO DEAL WITH THOSE?; WHAT LESSONS CAN BE LEARNT FROM HOW DCMS, ARMS-LENGTH BODIES AND THE SECTOR HAVE DEALT WITH COVID-19?; HOW MIGHT SECTOR EVOLVE AFTER COVID AND HOW CAN GOVERNMENT SUPPORT SUCH INNOVATION TO DEAL WITH FUTURE CHALLENGES

3.1. Long Term Impact of Covid-19

It is likely that the long-term effects of Covid-19 will be equally negative on the sector. Some of the anticipated longer term effects are that:

- a. A significant reduction in the generation of taxable income due to producers having to cancel future theatrical projects for the reasons set out above;
- b. There will be far fewer jobs available in the sector;
- c. The increased perceived risk in theatrical investment is likely to result in a general decrease in the availability of future third party investment thereby resulting in fewer overall theatrical projects;
- d. The general reduction in theatrical investment is likely to be disproportionately damaging to new and innovative projects which are likely to be overlooked in favour of more established and commercially proven (and therefore less risky) projects. This in turn is liable to result in a decrease in diversity of work and therefore audiences;
- e. Insurance coverage for Covid-19 and similar epidemics is likely to be prohibitively expensive and/or wholly withdrawn from policies, leaving the sector vulnerable to complete collapse in the event of any future outbreaks;
- f. Concerns regarding Covid-19 (or other epidemics) and the inconsistency of advice being given by governments around the world will result in increased public reticence to attend theatres and venues even after they are permitted to reopen, making it even harder for the sector to recover;
- g. There is a risk that the overall reduction in financially viable theatrical productions may result in the theatres themselves (both West End and regional theatres) having to endure increased dark periods without any programming and corresponding revenue. This in turn would result in a decrease in local employment (particularly in the case of regional theatres) and in some cases the possibility of theatres closing permanently or being sold for alternative uses.

For context, the cost of creating a new West End musical production can be as high as £7 million and even with high ticket sales often productions will not recoup that initial investment for three or more years. Due to these high initial upfront costs, investment is key to any production and without it the industry will see a steep decline in new productions, especially any innovative projects which may be seen as more risky.

3.2. Government Support to help mitigate the impact of Covid-19 on the industry

3.2.1. *Clarity on the timing for lifting the lockdown*

Although the most immediate action required to assist in avoiding the possible long-term negative impact of Covid-19 is increased clarity from the Government regarding the measures that are to be taken in bringing the country out of lockdown and permitting theatres and live entertainment venues to reopen, we realise that this isn't yet in Government's gift.

This industry needs to be able to plan and, in the absence of clarity about the end of lockdown and its permanency, West End theatre will soon be in a position where significant government support is required for its survival.

3.2.2. *Continuity of the government support measures*

As social distancing rules and sector reopening is likely to be done in stages, with theatres likely being amongst the last to reopen, the support measures put in place by the Government should also be removed in stages, with the theatrical sector continuing to receive support until it has shown signs of recovery. This is particularly important in respect of the Coronavirus Job Retention Scheme which has been an essential lifeline for RUG and all employers in our sector to retain highly skilled staff. The scheme 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.

Unlike many public-facing businesses, theatrical productions cannot reopen on short notice - time is needed to get shows back up, rehearse companies and build up adequate ticket advances before they can be opened to the public.

For a typical West End production, rehearsals must start at least three months before a production opens to the public and if any development work or set build is required this will need to start at least six months prior. An overview of the work that needs to be done before a production can open to the public is set out in Annex C.

It is also worth noting that productions running at the time of the Covid-19 closures will need to incur significant costs in order to remount the shows. These costs, while not quite as high as the costs of developing a new show which can be as high as £7m, will mirror the same spending pattern with equivalent amounts being spent on rehearsing and re-teching the theatres. In addition, the old productions may need to invest in marketing to the same extent as a new show in order to regenerate interest and ensure ticket sales are sufficiently high to cover weekly running costs. This could result in millions being spent by productions simply to get them back to the position they were in before the government lockdowns.

3.2.3. *Venue capacity and ticket prices*

Another industry concern is that in most cases significant audience attendances are required before theatrical productions are able to cover their weekly expenses meaning that some potential social

distancing rules (such as running venues at half capacity) are unlikely to be viable solutions for the theatrical sector.

For example, on average a West End musical requires 55% of the venue's tickets to be sold in order to meet the production's running costs. For more expensive shows such as *The Phantom of the Opera* this can be as high as 65% or more. For more than 30 years this has not been an issue for *Phantom* which typically has an average attendance over 95%. However, it is highly unlikely that once the lockdown measures are lifted we will see these levels of attendance.

The other key metric for theatres is the average ticket price ("ATP"). If consumer confidence is low when the theatres re-open then theatres may have no choice but to dramatically discount ticket prices, which puts immense pressure on the number of tickets sold. The inevitable consequence is that the production does not make enough money to break even, thereby rendering them financially unviable and producers may be forced to shut down permanently to limit loss.

3.2.4. *Successful measures implemented in other territories*

It is believed lessons can be learned from the management strategies that have been employed in other territories, such as the strategy of increased testing coupled with track and trace which has been employed successfully in South Korea and enabled its theatres and venues to largely remain open throughout the duration of the epidemic. As the producer of *Phantom of the Opera* in Seoul (one of the few first class theatrical productions in the world to still be operating) RUG has a unique insight into the effectiveness of the measures taken in South Korea.

Seoul, a major cosmopolitan city with a population of 9.87 million people offers a valuable case study for London with its population of 8.98 million people.

The theatre where the *Phantom of the Opera* is currently showing has a capacity of 1,600 and with staff this rises to just under 1800 people. The capacity of the theatre has not been reduced.

All measures have been drawn up in collaboration with the Korean Center of Disease Control (KCDC), the theatre and the Producers and it is a condition of operating that they are adhered to. These measures include:

- a. **Testing & Tracing:** First and foremost South Korea's government and the Korean Center of Disease Control ("KCDC") has made testing widely available (via their universal healthcare system) and returns results to people's mobile phones within 24 hours of testing. Authorities then support the testing by undertaking contact tracing and employ technology to help do so. People who have tested positive are asked to recall their recent movements, aided by GPS tracking and credit card transactions. In real time, the KCDC issues alerts to every mobile phone in the country about where infected persons have been. The KCDC alerts appear on people's phones in form of notifications and do not require people to open an app. The alerts do not reveal the individual's identity. This publicly available information allows businesses like theatres to engage with their patrons by setting up internal checks and systems.
- b. **Theatre checks:** This publicly available information allows businesses like theatres to engage with their patrons by setting up internal checks and systems.
- c. **Hygiene:** Businesses in South Korea including theatres and public venues have implemented protocols to ensure hygiene.
- d. **Temperature scanning:** Venue staff have been briefed on temperature scanning
- e. **Masks:** It is venue protocol that every patron and staff member must wear a mask.

- f. **Gloves:** All front of house staff must wear gloves.
- g. **Backstage protocols:** between the Company and the venue staff are in place
- h. **Venue Cleaning and Venue Specific Measures:** including a two-metre gap between the orchestra pit and the first row of audience.

The premise of the guidelines is simple yet effective. Adapt operating protocols to promote hygiene and vigilance to minimise risk of spreading Covid-19.

Additional detail about the measures implemented by the South Korean government and further background information is set out in Annex D.

3.2.5. Consistent approach to implementing safety measures

Upon the reopening of the theatres, the Government needs to provide a clear set of safety guidelines and procedures to enable a consistent approach throughout the industry. It is anticipated that a lack of such clear guidelines would result in varying measures and policies being implemented by different organisations, resulting in an increase in public confusion and a greater lack of confidence in attending live events.

3.2.6. Government investment in the industry

Finally, the Government should consider increasing its investment in the theatrical and live entertainment sectors and/or providing businesses with easier access to funding to mitigate the anticipated decline in private third party investment (for example through a scheme similar to the Government's new Future Fund). An increase in tax breaks and other financial incentives for potential investors similar to the Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) would also assist in countering a general overall reduction in available capital. The Government should also consider what measures can be put in place to make insurance coverage for Covid-19 and similar epidemics obtainable at an affordable price.

ANNEX A

LIST OF RUG'S CANCELLED OR POSTPONED PRODUCTIONS IN 2020

Below is a list of 27 of the productions licensed by RUG that were scheduled to run in 2020 but have been cancelled or postponed due to Covid-19.

	Production	Location
1.	CATS	International Tour
2.		USA
3.		Japan
4.		Vienna
5.		Hungary
6.	Cinderella	London
7.	Evita	Barbican - London
8.	Jesus Christ Superstar	USA
9.		Mexico City
10.		Netherlands
11.	Joseph	London Palladium
12.		Australia Tour
13.		Japan
14.		Hungary
15.	Love Never Dies	International Tour
16.	School of Rock	Mexico
17.		Argentina
18.		Australia & Asia Tour
19.	Starlight Express	Bochum
20.	Sunset Boulevard	Japan
21.	The Phantom of the Opera	Broadway
22.		West End
23.		UK Tour
24.		International Tour
25.		Sweden
26.		Prague
27.	Whistle Down the Wind	Japan

ANNEX B

Government Support for Business Policies

Set out in the table below is a summary of the government support for business policies available to companies in the live theatre and entertainment industry (the “Industry”), including The Really Useful Group Limited (“RUG”).

The table sets out whether RUG has been able to access each policy and our suggestions for how each policy could be amended to better support the Industry.

	Policy	Accessed by RUG	Suggested additional support for the Industry
1.	Coronavirus Job Retention Scheme (“CJRS”)	Yes	<p>Guidance on furloughing employees required to work: HMRC to provide guidance to companies in the Industry whose staff are required to work during this lockdown period when the companies are receiving no revenue in order to ensure productions can open as soon as the lockdowns lift.</p> <p>Guidance on the additional risk of re-hiring employees: Government to provide further guidance for employers who re-employ and furlough an employee who was previously made redundant and whether the employer would be liable to make additional redundancy payments at the end of the furlough period and/or pay for any maternity or other parental leave.</p>
2.	HMRC Time to Pay Scheme	Yes	<p>Extension of deferral: Government to consider extending the period of these deferrals for the length of the theatre closures and negotiating an appropriate payment plan after lockdown measures are lifted.</p>
3.	Timetable for lifting lockdown measures	No	<p>Clarity on the timing for lifting the lockdown: We ask the government to provide clarity as soon as possible on the strategy for lifting the lockdown measures.</p> <p>Continuity of government support schemes: If the government choose to lift lockdown measures in stages (i.e. sector by sector) then we ask that access to all relevant government support such as the furlough scheme and business rates holidays is managed using the same approach.</p> <p>Consideration of successful measures implemented in other territories: We ask that the government considers the lessons that can be learned from the management strategies that have been employed in other territories such as South Korea. For example, the strategy of increased testing coupled with track and trace which has been employed in South Korea and enabled its theatres and venues to largely remain open throughout the duration of the epidemic.</p>
4.	Business Rates Holiday	No	<p>Expansion of business rates holiday: If the buildings eligible for the Business Rates Holiday could include the offices and non-publicly accessible premises occupied by theatrical and live entertainment companies this would provide welcome relief to the industry.</p>
5.	Self-employment Income Support	No	<p>Government to consider extending the term of support for self-employed subcontractors in the industry</p>

	Policy	Accessed by RUG	Suggested additional support for the Industry
	Scheme ("SEISS")		
6.	Coronavirus Business Interruption Loan Scheme ("CBILS") / Coronavirus Large Business Interruption Loan Scheme ("CLBILS")	No	Expand the CLBILS to smaller businesses: We request that the government considers expanding the CLBILS to allow business with turnover under £45m to apply for these larger loans.
7.	Insurance	No	Government intervention: The Government must be willing to put pressure on insurance companies to pay out on valid policies.
8.	Future Fund	No	<p>New theatre productions require investment from third party investors, however, it is very unusual in the UK for those investors to be given equity in the production company. This scheme is therefore unlikely to benefit the Industry.</p> <p>Investment: If the government wishes to support new and innovative productions then we request that the government considers providing investing in productions that are unable to obtain financing elsewhere. This would give the government the benefit of receiving a return on such investment in the event the production is a success.</p>
9.	Covid-19 Corporate Financing Facility ("CCFF")	No	Most companies in the Industry will not be eligible for this scheme because they do not have an investment grade rating.
10.	Retail and Hospitality Grant Scheme	No	Many companies in the Industry will not be eligible for this scheme because their West End properties are too valuable.
11.	Small Business Grant Scheme	No	This is only applicable to companies in the Industry already in receipt of e.g. small business rate relief.

ANNEX C

PRE-PRODUCTION PROJECT PLAN

Set out below is an example of a typical pre-production project plan for opening a new West End professional musical production at the end of September 2020.

KEY DATES FOR OPENING
First Rehearsal: June 2020
Tech: August 2020
First Preview: end of August 2020
Opening Night: end of September 2020

DATE	ACTIVITY
March 2020	DEVELOPMENT WORK SESSION / STAGING SESSION
April 2020	SCENIC BID SESSION + SHOP BUILD
July 2020	REHEARSALS
August 2020	TECH - CAST ON STAGE
End August 2020	FIRST PREVIEW
September 2020	PREVIEWS
End September 2020	OPENING NIGHT - End SEPTEMBER

ANNEX D

SOUTH KOREA'S APPROACH TO COVID-19

South Korea has led the way in successfully containing the spread of Covid-19 and more specifically South Korea's capital Seoul, a major cosmopolitan city with a population of 9.87 million people offers a valuable case study for London with its population of 8.98 million people.

Transmission of Covid-19 in South Korea

South Korea reported its first case on 20 January and reached its peak on 29 February. At no point since the outbreak has South Korea imposed a lockdown and Seoul has **remained operational** albeit at a reduced capacity. To date South Korea's tested almost half a million people and has one of the lowest Covid-19 mortality rates in the world with a Covid-19 mortality rate of 2.29% resulting from 247 deaths of their 10,765 cases.

On 30 April South Korea reported zero local transmissions alongside increases in social activity at shopping centres, restaurants and sports clubs. This increased activity does not equate to complacency. Quite the opposite, the increased activity comes with a huge sense of collective and personal responsibility born from a position taken by the government to empower the public. Jerome Kim, the Director General of the International Vaccine Institute in Seoul said South Korea's approach has been characterised by "decisive and transparent leadership based on data, not emotion".

Mr Kim's statement cannot be underestimated. Throughout the course of the country's Covid-19 experience South Koreans have remained calm and in contrast have been perplexed by reports of panic buying, hoarding and drastic lockdowns elsewhere in the world. They have queued patiently to get tested, purchase masks and most recently participate in federal elections, which took place nationwide.

How is South Korea operating and containing the spread the Covid-19?

South Korea's strategy was two-fold, authorities: (i) empowered the public by sharing with them, the information and the basic principles in combating spread; and (ii) mobilised their public with simple instructions on how to adapt their daily behaviour to meaningfully minimise risk.

This approach formed the basis for the way in which The Phantom of the Opera is now operating in Seoul.

Measures adopted in theatres in South Korea

The theatre has a capacity of 1,600 and with staff this rises to just under 1800 people. The capacity of the theatre has not been reduced.

The below measures have been adopted at the theatre in which our production is playing. These measures were drawn up in collaboration with the Korean Center of Disease Control (KCDC), the theatre and the Producers and it is a condition of our operating that they are adhered to. These measures have been in place since we started work in the theatre in early March. As Covid-19 is an evolving situation, the KCDC has retained the right to make changes to protocol based on the most up-to-date information.

- (i) **Testing & Tracing:** First and foremost South Korea's government and the KCDC has made testing widely available (via their universal healthcare system) and returns results to people's mobile phones within 24 hours of testing. Authorities then support the

testing by undertaking contact tracing and employ technology to help do so. People who have tested positive are asked to recall their recent movements, aided by GPS tracking and credit card transactions. In real time, the KCDC issues alerts to every mobile phone in the country about where infected persons have been. The KCDC alerts appear on people's phones in form of notifications and do not require people to open an app. The alerts do not reveal the individual's identity.

- (ii) **Survey of audience:** This publicly available information allows businesses like theatres to engage with their patrons by setting up internal checks and systems. The theatre in Seoul has created an app (based on the KCDC guidelines), which assesses whether a patron may pose a risk to others in the theatre. A patron cannot enter the venue until they've filled out the theatre's survey made available on the app. If someone hasn't got access to the app to fill out the survey, the venue asks the patrons to fill out the survey manually upon arrival, which is assessed before they enter the venue. The app asks patrons to confirm whether they have visited an area with a confirmed case in the last fourteen days. If they have, the patron must advise if they've been tested. The app evaluates whether the patron is at high risk of being a suspected case, if the answer is yes then they're not permitted to attend the performance until they're cleared. The results of the survey have to be presented with your ticket before entering the theatre.
- (iii) **Hygiene:** Businesses in South Korea including theatres and public venues have implemented protocols to ensure **hygiene** - the most effective tool against the spread of the virus is promoted:
 - a. Non-touch sanitizer mist machines are located at the front of the theatre, each and every patron must sanitize their hands upon entry;
 - b. The venue has installed hand sanitizer dispensers around the foyer and bottles of hand sanitizer are available at key counters such as the box office and the merchandise kiosk;
 - c. Further to the above ushers, when checking tickets, provide every patron with hand sanitizer before entering the auditorium; and
 - d. Paper towel is supplied in the restrooms to promote thorough hand drying.
- (iv) **Temperature scanning:** Venue staff have been briefed on temperature scanning. Two forms of body temperature checks are in place at the venue:
 - a. Thermal cameras are used as people enter the venue;
 - b. Before entry into the auditorium ushers, when checking tickets, also check every patron's temperature with a **no-contact** thermometer used on the inside of the patron's wrist; and
 - c. In the event that someone's temperature is above 37.5 degrees Celsius, they are not allowed into the venue.
- (v) **Masks:** It is venue protocol that every patron and staff member must wear a mask. In the event that someone arrives at the venue without a mask, they are provided with a mask to wear. Much like ushers monitor audience members' phone use during the show, there is protocol in place to also monitor that people do not remove their masks during the show. The KCDC promotes the use of masks and purports the efficacy of masks in minimising risk of spread by offering a barrier between people.

- (vi) **Gloves:** All front of house staff must wear gloves.

Backstage Protocol:

The Company and the venue staff are briefed regularly and as required on Covid-19 measures. Briefings reiterate the principles of combating the spread and promote people to exercise common sense. The below offers additional and more specific measures implemented backstage.

- (i) **Self-reporting:** All backstage staff must report to their team leader whether they have travelled to an area with a reported Covid-19 case since last visiting the theatre. A decision as to whether someone should refrain from attending work is made based on the KCDC guidelines issued (these available via the public health alerts and on their website);
- (ii) **Hand sanitizer:** Hand sanitizer is available every five to ten steps in common spaces and in every dressing room. The only exception to this rule is the fire stairs;
- (iii) **Temperature scanning:** All backstage staff must have their temperature checked upon entry and re-entry to the building (temperature check upon re-entry is applicable to smokers);
- (iv) **Masks:** All backstage staff including crew must wear a mask except performers *during* the performance. Masks are supplied by the Producer for all backstage staff;
- (v) **Gloves:** Any and all crew required to handle props must wear gloves while doing so. Gloves are supplied by the Producer. Props must be sanitized before and after the show;
- (vi) **Wipes:** Every dressing room and work room is supplied with surface cleaning wipes and company members have been briefed to use wipes to clean their spaces regularly. The guide is to wipe down before the show, during interval and after the show;
- (vii) **Minimise unnecessary contact:** People are asked not to touch tools and equipment they are not required to touch e.g. backstage tool kits or props;
- (viii) **Sharing of personal items is banned:** i.e. do not share water bottles, food, personal make up brushes, personal make-up, lip balm etc.;
- (ix) **Non-essential contact is discouraged,** for example, no handshakes, kisses or hugs to greet others in the company;
- (x) **No visitors permitted backstage;**
- (xi) **No signings** at stage door after the show. An announcement is made at the beginning and end of the show to audience members advising that due to Covid-19 autograph signings are prohibited as advised by the KCDC. Venue staff help police this rule after the show by asking any fans who may arrive at stage door to disperse;
- (xii) **Alcoholic wipes** are provided to wipe down the water cooler tap after people have filled up their water bottles;
- (xiii) **Sanitizer fogger:** Company Management have been provided with a sanitizer fogger (similar to a leaf blower) to use in high traffic backstage areas before the show, during interval and after the show; and
- (xiv) **Self-reporting symptoms:** Anyone who is not feeling well for any reason whatsoever must call in sick to work. Unless the reason for feeling unwell is a pre-existing condition, the person is sent for testing.

Venue Cleaning & Venue Specific Measures:

- (i) There must be a two-metre gap between the orchestra pit and the first row of audience.
- (ii) The venue cleans the seats with a UV light after every performance.
- (iii) The venue is cleaned daily.

(iv) The venue receives a medical grade clean once a week.

The premise of the guidelines is simple yet effective. Adapt operating protocols to promote hygiene and vigilance to minimise risk of spreading Covid-19.