THE IMPACT OF COVID-19 ON SCOTLAND’S EVENT SUPPLY CHAIN
WAVE 2
DECEMBER 2020

Image Credit: VisitScotland/Kenny Lam
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THE IMPACT OF COVID-19 ON SCOTLAND’S EVENT SECTOR SUPPLY CHAIN
RESEARCH BACKGROUND

Following on from Event Industry Forums that were conducted during the end of April and through May, the fragility of the Events Supply Chain was identified as one of the key shared concerns across the sector. EventScotland is working with the events sector and Scottish Government to inform and shape a sustainable recovery plan.

EventScotland conducted a survey in June with the aim of understanding in more depth the impact of Covid19 on the Events Supply Chain with particular focus on the Scottish events sector. A total of 315 responses were received.

This research highlighted that:

- 57% of respondents were 100% reliant on the events sector for their business turnover, a further 26% were 61-99% reliant
- 27% had lost over a quarter of a million pounds in revenue by June, with 11% of those losing over £1m. Average revenue loss was almost £650K
- 43% of respondents stated they could remain trading between 1 and 6 months, and 25% were unsure of how long they can remain in business.
- 4% had already ceased trading
- 55% of respondents had staff furloughed. 93% of those that had accessed the furlough scheme indicated that extending it beyond October would have a helpful/essential impact on their ability to operate
- 9% had already made or expected to make redundancies with 16% of respondents expecting to making redundancies before Oct. 26% expected to make more redundancies post Oct if furlough was not extended
- 21% were not eligible or were unable to access any support funding
- 44% stated that income will not exceed expenditure until physical distancing restrictions are lifted
- 34% have been able to diversify their product or client base, into areas including digital events and Covid-19 protection measures

With the continuing impact of the pandemic on the Event sector, it was decided to run another survey in early December 2020.
Calling all Scottish events and festivals supply chain businesses! We’re conducting a second online survey of the events industry supply chain to gather further vital information on the ongoing impact of COVID-19 on the businesses within it. See more.

**DATA COLLECTION**

A 23 question online survey was launched by EventScotland via industry facing digital channels, such as EventScotland’s corporate website, social media and stakeholder e-newsletters. Survey responses could be submitted anonymously.

**SELF-SELECTING SURVEY**

As this is a self-selecting industry survey, there is a bias towards businesses that have seen and completed the link to the research. These results may not be representative of the Scottish Events Supply Chain as a whole.

**FIELDWORK PERIOD**

Data was collected between 7th and 15th December 2020. In total 248 submitted their feedback from a wide range of commercial categories and scale of business.
SAMPLE PROFILE: WHO RESPONDED TO THIS SURVEY

- Responses were received from across the supply chain with a focus on event organisers, venues, production services and equipment hire.
- 92% of respondents have their head office based in Scotland.

### Business Type

- Event Organiser/producer/promoter: 24%
- Venue: 11%
- Production Services for Events: 10%
- Equipment Hire: 8%
- Events Freelancers: 7%
- Catering: 4%
- Event and Production Crew: 4%
- Audio Visual & Technology: 4%
- Event Transport: 3%
- Tour Guide/Operator for event groups: 2%
- Activity Providers: 2%
- Venue Dressing: 2%
- Marketing and PR: 2%
- Event Merchandise: 2%
- Security: 2%
- Marquee Hire: 2%
- Health & Safety Provision for Events: 2%
- Other: 5%

### Head Office

- Scotland: 92%
- Rest of UK: 6%
- Outside UK: 2%

Q1) What is the nature of your supply to the events sector? (Please tick all that apply.) Base: N= 248
Q2) Where is your head office based? Base: N= 248
SAMPLE PROFILE: WHO RESPONDED TO THIS SURVEY BY BUSINESS SIZE/EMPLOYEES

- A third of respondents were from owner operated businesses with no staff, and most others were operating in small or micro businesses with only 3% employing more than 250 staff.
- Use of freelance contractors was common, with just a quarter saying they did not employ any.

Q4 On average, how many full-time equivalent (FTE) staff did your business employ in Scotland before the pandemic, i.e. 2019-2020?

Q5 How many freelance contractors did your business employ in Scotland before the pandemic, i.e. 2019-2020? Base: N= 248
SAMPLE PROFILE: WHERE DO YOU DO BUSINESS?

- Almost 4 in 10 respondents deliver business across the whole of Scotland. Glasgow and Edinburgh are also hubs for delivery of event services.
- 4% of respondents deliver most of their business outside of Scotland.

Q3) Which of the following council areas do you do most of your business in Scotland? Base: N= 248
SAMPLE PROFILE: WHO RESPONDED TO THIS SURVEY

- Reflecting the range of different businesses within the sample, turnover ranged from less than £5,000 to more than £10 million.
- Regardless of size of turnover, it is clear that respondents rely heavily on the events sector with almost three-quarters saying at least 80% of their turnover comes from this sector.

Turnover

Less than £5,000 1%
Between £5,001 and £10,000 2%
Between £10,001 and £30,000 12%
Between £30,001 and £50,000 10%
Between £50,001 and £100,000 9%
Between £100,001 and £250,000 12%
Between £250,001 and £500,000 16%
Between £500,001 and £1 million 12%
Between £1 million and £2 million 8%
Between £2 million and £3 million 3%
Between £3 million and £4 million 4%
Between £4 million and £5 million 1%
Between £5 million and £10 million 3%
More than £10 million 4%
Not sure 2%

% Turnover Reliant on Events Sector

Unsure, 2%
0% – 20%, 4%
21% – 40%, 8%
41% – 60%, 8%
61% – 80%, 7%
81% - 99%, 20%
100%, 52%

Base: N= 248

Q12 Approximately, what was your annual business turnover for the last financial year pre-covid (2019-2020)

Q13 What percentage of your turnover relies on the events sector?
**HEADLINE FINDINGS**

**248** respondents to self selecting online survey between 7th and 15th December 2020.

**33%** were sole traders, whilst **67%** were businesses employing staff. **39%** had less than 10 FTE staff.

**52%** of respondents are 100% reliant on the events sector for their business turnover, a further **27%** are 61-99% reliant.

**18%** have lost over £1 million pounds in revenue to date, with a further **41%** having lost between £100k and £1m.

**46%** of respondents stated they can remain trading between 1 and 6 months, with a further **23%** unsure of how long they can remain in business. **3%** have already ceased trading.

**83%** of businesses with staff had accessed the furlough scheme and **37%** of sole traders had accessed the self-employment grant.

**64%** of respondents were able to access additional support mechanisms such as the Coronavirus Bounce Back Loan, Events Industry Support Fund and Small Business Support Grant.

For the **36%** who were unable to access additional support mechanisms, the main reason was lack of eligibility.
45% of businesses with staff have already made redundancies with 22% expecting to make redundancies before March 2021. 45% said they will need the furlough scheme beyond March 2021 in order to retain staff.

68% of those still trading stated that their income will not exceed expenditure until physical distancing restrictions are lifted.

40% have been able to diversify their product or client base.
84% of respondents felt that Covid19 has had a severe impact (9-10) on their business financial situation.

No respondent reported that they had not lost any business. Almost a fifth (18%) estimated their lost revenue to date at over £1 million, while 41% reported losses of £100k-£1 million.

Q14) On a scale from 1 to 10, How would you rate the financial impact of Covid19 on your business to date?(1 being no impact at all to 10 being severe impact). Base: N= 248

Q15) Approximately how much revenue has your business lost to date because of COVID-19? Base: N= 248
IMPACT – BUSINESS TRADING

- A significant level of uncertainty exists, with almost a quarter saying they are unsure how much longer they can continue trading.
- 3% have already ceased trading, and almost half stated that they can remain trading between 1 and 6 months under current conditions.
- 1 of the businesses who have ceased trading has done so permanently, whilst 4 expect this to be temporary and the remaining 3 are unsure.

### Trading

- We have ceased trading already: 3%
- 1 month: 4%
- 2-3 months: 17%
- 3-6 months: 25%
- 6-12 months: 15%
- 1 year +: 13%
- I’m not sure: 23%

### Ceased Trading

- Permanent: 1
- Temporary: 3
- Not sure: 4

Base: N= 248

Q16) How long can you remain trading, taking account of current support measures and assuming physical distancing continues indefinitely?
Q17) You said you had already ceased trading. Is this permanent or temporary?
**IMPACT – REDUNDANCIES**

- 45% of businesses who employ staff stated that they had already had to make redundancies. The average number of FTE redundancies made across the sample was 21.1.
- 22% expected to have to make redundancies before March 2021, including a third of those who had already made redundancies. The average number of FTE redundancies expected was 4.6.

**Redundancies Already Made**

- **No, 55%**
- **Yes, 45%**

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<tr>
<td>2-5</td>
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<td>6-10</td>
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<td>51-100</td>
<td>4%</td>
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<td>101+</td>
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**Redundancies Expected Before March 2021**

- **No, 78%**
- **Yes, 22%**

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<tr>
<td>11-25</td>
<td>3%</td>
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<tr>
<td>26-50</td>
<td>3%</td>
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**Q9** Have you had to make any redundancies (FTE= Full Time Equivalent staff)? IF YES Please state the number of FTE redundancies already made.

**Q10** Do you foresee having to make any redundancies before March 2021? IF YES Please state the number of FTE redundancies that you expect to make before March.
IMPACT – SUPPORT MECHANISMS - FURLOUGH

- More than 8 in 10 of those with staff have accessed the furlough scheme, and 5% of this cohort have accessed the self employment grant.
- Amongst businesses with no staff, almost 4 in 10 have accessed the self employment grant.

Q6 Have you accessed the UK job retention scheme (furlough) and/or the self-employment support grant at any point since they were introduced?
**IMPACT – SUPPORT MECHANISMS - FURLough**

- Just over a quarter of those who accessed the furlough scheme have **all** staff currently furloughed, and a similar proportion expect this to remain the case until the scheme ends in March 2021.
- Only 11% expect to have no staff on furlough until the end of the scheme.
- Just under half say they will need the furlough scheme beyond March 2021 in order to retain staff, and a further 37% think this might be necessary.

**83%**

Of businesses with staff had accessed the furlough scheme

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**Q7** What percentage of your staff are currently furloughed?  
**Base:** N= 132 (those who accessed furlough scheme) 

**Q8** What percentage of your staff do you expect to be furloughed until the end of the scheme in March 2021?  
**Base:** N= 132 (those who accessed furlough scheme) 

**Q11** Will you need to access furlough beyond March 2021 in order to retain staff?  
**Base:** N= 166 (all with staff)
64% of respondents accessed additional funds with the Coronavirus Bounce Back Loan, Events Industry Support Fund and Small Business Support Grant, most widely accessed. Just under a third (30%) received £10k or less; 51% received between £10k and £100k and 17% received over £100k.

**Support Accessed**

- Coronavirus Bounce Back Loan: 32%
- Events Industry Support Fund: 24%
- Small Business Support Grant (£10,000 - £30,000): 20%
- CS Culture Organisation and Venues: 15%
- Local Authority grants: 15%
- Pivotal Enterprise Resilience Fund: 11%
- Small Business Bonus Scheme: 10%
- Coronavirus Business Interruption Loan Scheme: 9%
- Retail, hospitality and leisure sector: 8%
- Creative, Tourism and Hospitality: 7%
- CS Hardship Fund for Creative Freelancers: 3%
- Coronavirus Restrictions Fund: 3%
- Grassroots Music Venues Fund: 3%
- Support from your bank: 2%
- UK wide coronavirus financial support: 2%
- Other: 6%
- Not sure: 3%

**Total Value of Support**

- Less than £5,000: 5%
- Between £5,001 and £10,000: 25%
- Between £10,001 and £30,000: 18%
- Between £30,001 and £50,000: 11%
- Between £50,001 and £100,000: 22%
- Between £100,001 and £250,000: 13%
- Between £250,001 and £500,000: 3%
- £500,001 plus: 1%
- Not sure: 1%

Q18) Excluding furlough and self employment support have you been able to access additional Covid-19 funding support?
Q20) What support mechanisms have you been able to access? Please tick all that apply. Base: N= 158 (those who accessed additional support)
Q21) What is the total level of funds that you have received from these support mechanisms? Base: N= 158 (those who accessed additional support)
IMPACT - NO ADDITIONAL SUPPORT

- Just over a third of businesses were not able to access additional financial support. Not being eligible was the main reason, stated by over half.
- Lack of awareness of support options, not having applied and unsuccessful applications were also factors.

36% Were not able to access additional funding support

Reasons Not Accesssed Additional Support

- Not eligible: 56%
- Unaware of other support options: 16%
- Not applied: 14%
- Application unsuccessful: 11%
- Another reason: 3%

Q18) Excluding furlough and self employment support have you been able to access additional Covid-19 funding support? Base: N=248
Q19) Why have you not been able to access additional Covid-19 funding support? Base: N=90 (all who did not access further support)
IMPACT - BUSINESS OPERATION

- Two thirds of businesses do not expect income to exceed expenditure until after physical distancing restrictions are lifted.
- Just 5% expect to be profitable before the end of March 2021.

Q22) Assuming you are able to operate, when do you expect income to exceed expenditure?  Base: N= 240 (all except those who have ceased trading)
**IMPACT - BUSINESS OPERATION-DIVERSIFICATION**

- 4 in 10 businesses have diversified – either offering new products / services or selling to a different client base.
- Many of the examples of diversification include increasing digital offerings. However, a wide range of other examples were given, including outdoor events, specific Covid-19 related activities / products and selling to different industries / markets.
- 60% of respondents have not been able to diversify, and even amongst those who have, many of the examples are qualified by comments noting the income from diversification does not equal that lost from not being able to trade normally.

Q24) Have you been able to diversify your product offering and/or client base in the current climate? If so, could you please give us some examples of what you have done?

**Diversification of Product / Client Base**

- **Yes, 40%**
  - Same services, different industry
  - Increased our Digital events and Broadcast offering
  - Supply of AV equipment for socially distanced Drive in Entertainment events
  - Hosting all events online but they are all free of charge, whereas if physical events, we would have charged for them.
  - We have diversified to digital production, bespoke virtual platform development and in house studios
  - Moved from selling t-shirts, medals, event merchandise to selling PPE. Event sales have reduced 95% in last 6 months.
  - Portable toilets to National Park's to cope with the volume of numbers in the area, but this does not compare to the events that we would have done in 2020.
  - Our tents have been used as drive through test centres, small triage areas, outdoor clinics for flu vaccines
  - Our operations team linked up with foodbanks across Scotland and are managing the delivery of food parcels. Started tendering for work within the construction industry.
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For More Information Visit
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