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COVID-19 AND UK NIGHTLIFE

An inquiry by the All-Party Parliamentary
Group for the Night Time Economy



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Executive Summary

The Covid-19 pandemic has had a devastating impact on a sector that the Night Time Industries Association estimate contributes £66 billion per year to the UK economy, accounting for 1.3 million jobs and 8% of the UK's total workforce. Along with the nightclubs, pubs, bars, and live music venues that define British nightlife and usually drive so much economic activity, the night time economy creates vast and co-dependent supply chains of freelancers, sole traders and suppliers, and supports thousands of auxiliary businesses. Yet the sector's value to this country is far more than that which can be measured in GDP – music venues, nightclubs, bars, and pubs are areas for social as well as economic activity, and for so many people they are places that evoke strong memories of joy and a sense of community.

This inquiry has sought to examine the consequences of the absence of night time economy spaces, marketplaces, social hubs and cultural institutions on the people who make up this sector, on those who enjoy its custom, and on society more widely. The evidence we received revealed a picture of an industry on its knees, in need of urgent additional attention and support from Government if it is to avoid irreversible losses.

Amongst the key findings of the APPG:

- Without urgent government support, nightlife businesses face 'extinction' that will see urban centres become 'ghost towns' and hobble wider economic recovery.
- 85% of people working in the sector are considering leaving the industry.
- 78% of all employees in the sector had at some point been on furlough.
- Businesses in the night time economy had on average made 37% of their total workforce redundant - nightclubs: 51%; bars: 32%; pubs: 26%; live music venues: 36%; supply chain businesses: 40%.
- In the second half of 2020, businesses in the night time economy traded at an average of 28% of their annualised pre-Covid turnover - nightclubs: 20%; bars: 32%; pubs: 43%; live music venues: 28%; supply chain businesses: 19%.
- Only 36% of self-employed nightlife workers have been able to claim the Self Employment Income Support Scheme (SEISS).

The APPG learned just what these figures meant in personal terms, receiving countless pieces of moving testimony – much of which we have reproduced in full. Many were thankful for some elements of Government support – most commonly, the furlough scheme – but on the balance of evidence, the inquiry found the Government's support for the night time economy has been insufficient. The Prime Minister and Chancellor now need to take a series of measures if the sector is to have a chance of recovering to its pre-pandemic strength, thereby playing an integral role in our wider economic recovery. These measures include:

- Extending the furlough scheme until businesses can operate without restrictions, and extending VAT and business rates relief through 2021.
- Producing a roadmap for reopening late night venues based on the vaccination programme and mass testing.
- Expanding eligibility for the Culture Recovery Fund and proving a sector-specific support package for the sector.
- Providing a government-backed insurance scheme and a solution to spiralling commercial rent debt.
- Providing a Treasury-backed campaign to drive consumer demand in the sector when safe to do so.

Foreword



Jeff Smith MP, Chair of the All-Party Parliamentary Group for the Night Time Economy

The UK is internationally renowned for our night time industries. Our artists headline major festivals across the globe, our pubs are a beacon of our communities, and our towns and cities draw in millions of tourists per year in part as a result of this.

I was fortunate to spend a large portion of my career working in the night time economy sector. Before entering politics, I was self-employed as a DJ and events manager working on concerts, festivals and events around the UK. In doing so, I worked with a host of creative and skilled people, and have seen the amount of planning, talent and energy it takes to run a business in the night time sector. I know that these industries have been devastated by the Covid-19 pandemic and I also know that these are industries that bring hope, joy and entertainment to millions across the UK.

Returning to 'normality' may seem a long way off, but for those working in the night time economy, this is even more so. Nightlife businesses have been absent from lockdown exit strategies, and many in the sector have remained in the same, unchanged, closed position as they were in March 2020, with almost no indication of if, and when, the sector can reopen. The All-Party Parliamentary Group for the Night Time Economy was established to recognise this very fact: to note that this sector has been disproportionately affected by the pandemic and yet also had very little representation in Parliament. We launched this inquiry to produce industry-led recommendations, to harness the collective voice of the sector and to elevate the personal views, struggles and stories of those passionate about nightlife.

Let us not define arts and culture too tightly or traditionally, and remember that our world-leading music venues, nightclubs, bars and pubs are cornerstones of our communities.





Michael Kill, Chief Executive of the Night Time Industries Association

Nightlife has been decimated by the Covid-19 pandemic. Venues in our once viable, thriving and prosperous towns and city centres closed their doors to trade, and since then, have battled increasing uncertainty, financial hardship and desperation. We have lost livelihoods, a host of skilled workers and a year of memories yet to be made in cancelled events and projects.

The Night Time Industries Association is pleased to offer secretariat support to the All-Party Parliamentary Group for the Night Time Economy. Not long into the pandemic, it became clear that policymakers in Government were less familiar with the business models operating in our sector. Policy guidance has been muddled and confusing and there appears to be a lack of appreciation and understanding of the sheer size, cultural significance, and economic value of nightlife in the UK.

That is why the APPG inquiry into UK nightlife was launched. We wanted to help to showcase the stories of those working in the sector, those struggling to maintain their businesses, and those who can testify to the importance of the night time economy to communities across the country. We have been overwhelmed by the responses received and hope that this report can unearth just a fraction of the passion and enthusiasm shown in our sector by nightlife workers and the British public.

Our sector holds an immense wealth of talent from artists to engineers, bar staff to security, and production to promoters. These skilled and hard-working individuals underpin the strength of our sector; while we have faced unparalleled hardship, we have also shown great resilience. We have used this strength and creativity to adapt, to 'repurpose', and to survive in the limited way that we can. As a sector, we are keen to do more, to actively support the fight against Covid-19, and to uplift the public with our talent and our spaces. Without the right support, however, our commitment can only get us so far. We must now work to ensure that we protect this important industry and offer the right measures, resources, and assurances so that the sector can safely rebuild and help drive the UK's economic recovery in the post-pandemic world.



Methodology

The APPG for the night time economy was formed in December 2020 to recognise the specific challenges facing nightlife businesses as a result of Covid-19. The group brings together over forty parliamentarians from both the House of Commons and House of Lords and represents parties across the political spectrum. Each member believes that more must be done to safeguard nightlife businesses from collapse and to promote the value of nightlife in the UK.

It may be helpful first, however, to define what we mean by the night time economy. For the purpose of our inquiry, we have defined the sector as the broad ecosystem of businesses operating between the hours of 6pm and 6am. This includes the world-leading nightclubs, music venues, bars, pubs and entertainment industries that collectively form the UK's creative and cultural capital.

The night time economy can be further segmented by its primary, secondary and tertiary businesses. Primary businesses may be licensed hospitality premises trading only between the hours of 6pm and 6am. Secondary businesses can be characterised as those that trade throughout the day but are largely dependent on revenue occurring in the late evening. This may include restaurants, theatres and cinemas. Finally, any assessment of the night time economy must consider the broad spectrum of businesses operating in auxiliary to these primary and secondary businesses. Tertiary industries directly profit from the sector, and often would not exist without it. These includes taxis, transport services and hotels.

While the focus of our inquiry will centre predominantly on the primary night time economy, the APPG note that the secondary and tertiary segments of this sector are not only heavily reliant on nightlife, but are interdependent with it. The sector also fields a vast supply chain of sole traders and suppliers intricately connected to the operation of nightlife businesses and live events. These groups have been increasingly overlooked in the support packages provided to the hospitality sector thus far.

As such there can be no 'one-size-fits-all' approach to UK nightlife. The night time economy represents the hustle and bustle of our cities, the economic driver of our high streets, the magic of our festivals, and the source of many of our jobs. But it is also a sector that has been obliterated by the pandemic and one in urgent need of standalone respect, support, and recognition.

The purpose of this inquiry was to lay bare the crisis faced by nightlife business and to provide key recommendations to aid the sector's recovery post-pandemic. As part of our research, we conducted an industry-wide survey welcoming the views and experiences of nightlife businesses, employees and freelancers across the UK. We were keen to include a cross-section of views and voices, ranging from the UK's largest nightlife businesses to smaller independent venues across the nation. We also sought to showcase not only the economic importance of nightlife, but the cultural and societal value of the sector. Because of this, we asked the general public - all those who once enjoyed a night out in a pub, nightclub or live music venue - to share what nightlife industries mean to them, and to their local communities.

Our online survey opened for four weeks between the 11th January and the 7th February 2021. We received a total of 20,112 responses broken down as follows:

- **16,159 Consumers**
- **1,142 Businesses**
- **1,303 Employees**
- **1,508 Freelance workers**

The APPG is also grateful to a host of individuals, organisations, and local authorities which responded to our call for written evidence. We were pleased to receive submissions from REKOM UK, formerly the Deltic Group; UKHospitality; UK Music; Revolution Bars; #WeMakeEvents; The LIVE Group; Stonegate Group; and Hospital Records alongside many other industry bodies and representatives.

Sheffield City Council; the Greater London Authority; the City of London Corporation; Cheltenham Borough Council; Brighton and Hove City Council; Bristol City Council; and the Greater Manchester Combined Authority each contributed significantly to this report. These submissions helped to demonstrate the challenges facing nightlife businesses at the regional level and the intricate relationship between the nightlife sector and our local economies.

Finally, we are thankful to the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS) for their co-operation and input into our inquiry.

A full list of businesses and organisations that wished to be named as contributors to this report can be found in the Appendix.



Introduction

The ongoing coronavirus pandemic has had a devastating impact on many parts of economic and cultural life in the UK, but in few areas has the impact been as acute as in the night time economy. Since the first Government restrictions were introduced in March 2020, businesses from across the sector have faced conditions which have rendered profitable commerce all but impossible. Whether during periods of forced closure – as in the first, second and third national lockdowns – or at other stages that have still seen burdensome restrictions on the ability of nightlife businesses to trade, the damage to the sector has been unrelenting. Economics aside, the night time economy is the provider of significant social, health and wellbeing benefits to the people of this country, and is a key component in what marks the UK out as cultural superpower around the world. This inquiry has sought to examine the consequences of the functional absence of night time economy spaces, marketplaces, social hubs and cultural institutions on the people who make up this sector, on those who enjoy its custom, and on society more widely.

Across the economy, the UK Government has – as governments around the world have - taken steps to support and protect different sectors from the impact that the pandemic, and the corresponding restrictions, have had on businesses. The night time economy has benefited from wider Government programs – such as the Coronavirus Job Retention Scheme (furlough) – as well as more targeted support including the Culture Recovery Fund. The APPG received a joint submission from the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business Energy, and Industrial Strategy (BEIS) detailing the support provided to the sector to date:

- **Culture Recovery Fund** - a £1.57 billion package of grants delivered through the Arts Council England, the National Lottery Heritage Fund, Historic England, and the British Film Institute. Open to applications from organisations deemed to meet core eligibility criteria of cultural significance and financial viability and sustainability.
- **Support for jobs and incomes** - Businesses across the economy were eligible for the Coronavirus Job Retention Support Scheme, with the Government covering the cost of 80% of the wages of furloughed employees for hours not worked, and employers covering national insurance and pension contributions. The CJRS currently runs through to the end of April 2021. The Self-Employment Income Support Scheme (SEISS) has operated on a similar basis, running through a similar time period.
- **Business grants** - All businesses forced to close due to Covid-19 were eligible to claim grants via their local authorities, with the size of the grant linked to the rateable value of the business. In addition, retail, hospitality and leisure businesses were able to claim one-off grants from £4,000 up to £9,000 based on their rateable value, and local authorities in England have been provided with over £1.5bn of funding overall to support businesses on a discretionary basis. In December 2020, additional support of £1,000 was provided for all 'wet led' pubs, defined as making less than 50% of their turnover from food sales, to account for additional restrictions that restricted hospitality businesses from selling alcohol unless accompanied by a substantial meal.
- **VAT and business rates** - The Government introduced a temporary 5% reduced rate of VAT for food and soft drink supplies of hospitality, hotel and holiday accommodation, and admissions to certain attractions, which currently runs to 31st March 2021. In addition, the Government has put in place a business rates holiday for the retail, hospitality and leisure sectors in England for the 2020 to 2021 tax year.



- **Rent support** - The Government has placed a moratorium on the eviction of commercial tenants. This is currently in place until 31st March 2021.
- **Loan guarantees** - As part of the package of business support measures, the Government also provided a number of loan guarantees for small to large businesses.
- **Guidance** - The Government has produced Covid-secure Performing Arts Guidance.¹

In addition to shining a light on the impact of the coronavirus pandemic on the people and organisations that comprise the night time economy, the APPG inquiry has sought to make a judgment on the Government's efforts to support the sector based on the testimony of the sector itself. Ahead of the Chancellor of the Exchequer's March 2021 Budget, it makes recommendations as to what further support is required to ensure that the damage to UK nightlife is mitigated to the furthest extent possible. It also provides recommendations on what is needed from the reopening of the economy, starting with the Prime Minister's planned remarks on this subject, and the ongoing steps the Government must take to ensure the fullest and swiftest recovery possible for the night time economy.

¹ APPG submission by the Department for Digital, Media, Culture and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

The value of UK nightlife

The Night Time Industries Association estimate that the night time economy contributes £66 billion per year to the UK economy. This makes the sector the UK's fifth largest industry, accounting for 1.3 million jobs and 8% of the UK's total workforce.² With a vast supply chain of sole traders and suppliers, alongside supporting thousands of freelancers and auxiliary businesses, the sector is a core pillar of our economy. In fact, 60% of town centre revenue is generated after 6pm.³

A recent study by the Centre for Economics and Business Research substantiates these figures. For every £1 in turnover generated by the arts and culture industry, in which nightlife is a central part, it was found that an additional £1.17 in output is supported in the wider economy.⁴ UK Music also estimate that for every £10 spent in a live music venue, a further £17 is spent in the local community.⁵

Over 15,000 members of the public echoed these findings in our online survey. 58% of respondents stated that they would visit nightlife businesses between one and three times per week prior to the pandemic, and a further 16% would frequent a bar, pub, live music venue or nightclub more than three times per week. On an average night out, almost half (47%) of consumers would spend between £50 and £100, and further 18% up to £150, in total, per trip.⁶

The APPG was also reminded of the role cultural industries play in affording the UK a soft power status at the global stage. The UK's nightlife industries are not simply viable, but world-leading and famously so; a vibrant nightlife offer was repeatedly cited as a significant 'pull factor' for students and tourists. To quantify the enormity of this value, UK Music have calculated the total music tourism spend in each region across the UK, finding that up to £4.7 billion is generated by music tourism nationwide.⁷ This is particularly pronounced in London, but also across Scotland, the North West and South East.

Region	Music Tourist	Music Tourist Spend	Job Supported
East Midlands	516, 000	£208 million	2,106
East of England	596,000	£212 million	2,545
London	4.1 million	£1.5 billion	10,697
South East	1 million	£553 million	5,371
South West	1 million	£528 million	6,402
North East	242,000	£60 million	662
North West	1.5 million	£477 million	4,976
Northern Ireland	234,000	£81 million	901
Scotland	1.3 million	£453 million	4,757
Wales	440,000	£143 million	1,843
West Midlands	877, 000	£252 million	2,453
Yorkshire and Humber	754, 000	£264 million	2,918

² APPG submission by the Night Time Industries Association, January 2021.

³ APPG submission by UKHospitality, February 2021.

⁴ Centre for Economics and Business Research, 'Contribution of the arts and culture industry to the UK economy', presented to Arts Council England, October 2020 p. 8.

⁵ APPG submission by UK Music, January 2021.

⁶ APPG online survey, 'Covid-19 and UK Nightlife: Consumers', February 2021.

⁷ UK Music, 'Music by Numbers 2020', November 2020 p. 26.

As an export value, then, nightlife culture is immense. Yet the overwhelming majority of respondents also saw the value of nightlife beyond economic terms. Nightlife businesses were cited as vital community hubs, with 97% of respondents to our survey noting that these venues were ‘important’ for spaces to socialise outside of the home. Indeed, 88% of respondents believed that nightlife businesses were ‘very important’ to their local community and 85% considered nightlife industries as ‘important’ for their mental health.⁸

While nightlife is much-loved by those from a multitude of ages and social backgrounds, we found that this was particularly true for young people, and equally so for marginalised communities. Several responses noted the significance of safe nightlife spaces for the LGBTQ+ community, with one respondent stating that ‘venues are integral to our survival and wellbeing’.⁹ Others found that nightlife businesses ‘offer a place for all manner of people to come together as a community, supported by hardworking individuals, some of whom have given their lives to creating environments where people can enjoy themselves and feel included’.¹⁰ As creative spaces to grow talent and culture, night time businesses were unanimously lauded for their societal and emotional benefits.



⁸ APPG online survey, 'Covid-19 and UK Nightlife: Consumers', February 2021.

⁹ Ibid.

¹⁰ Ibid.



The impact of Covid-19 on UK nightlife

1.1 Trading Levels

Pandemic impact on trading levels and revenues

The pandemic has clearly had a severe impact on the ability of businesses in the night time economy to trade. There have been three periods of national lockdown – during which trading has not been possible for the vast majority of nightlife businesses. Even during other stages of the pandemic, the sector has faced a fast-moving and onerous regulatory environment utterly unlike pre-pandemic conditions. Specifically, the licensed hospitality trade has faced an array of varying restrictions, including curfews, requirements for a “substantial meal” with alcohol, reduced capacities due to social distancing and the loss of vertical drinking.

Evidence submitted to the APPG brought into focus the scale of the losses seen in the sector. Grassroots music venues had seen a precipitous 75% reduction in 2020 income on the previous year, with larger music venues seeing a similar 74.1% reduction.¹¹ The Musicians Union found that 70% of musicians had carried out less than a quarter of their usual annual workload, and 47% needing to take work outside of the industry to support themselves.¹²

During the first national lockdown (March 2020-July 2020) only around 11% of hospitality businesses remained open, mainly in the takeaway restaurant sector, contract catering and hotels.¹³ The Night Time Industries Association further note that large swathes of night time economy, such as nightclubs, have been unable to open since March 20th.

UKHospitality also provided the APPG with data from a recent business confidence survey, revealing the impact reduced trading levels has had on business prospects for the hospitality sector. Almost half (41%) of surveyed businesses suggested that their business would fail by mid-2021.¹⁴

¹¹ APPG submission by UK Music, January 2021.

¹² Ibid.

¹³ APPG submission by UKHospitality, February 2021.

¹⁴ Ibid.

Responses to the APPG survey revealed a similarly bleak picture. The APPG found the following for the different segments of the night time economy:

Nightclubs

- More than half (55%) have been unable to trade for the duration of the pandemic to date.
- 9 out of 10 (92%) had traded for 6 months or less during the pandemic.
- At present, nightclubs were on average trading at just 5% of their pre-Covid annual revenue.

Bars

- Around 3 in 10 (27%) have been unable to trade for the duration of the pandemic to date.
- Almost 9 out of 10 (88%) had traded for 6 months or less during the pandemic.
- At present, bars were on average trading at just 9% of their pre-Covid annual revenue.

Pubs

- Almost 2 in 10 (18%) have been unable to trade for the duration of the pandemic to date.
- At present, pubs were on average trading at just 11% of their pre-Covid annual revenue.

Live Music Venues

- More than a third (35%) have been unable to trade for the duration of the pandemic to date.
- At present, live music venues were on average trading at just 9% of their pre-Covid annual revenue.¹⁵

Government restrictions

Outside of the period of forced closure seen during the first, second, and third national lockdowns, nightlife businesses have faced significant costs and investments in adapting to new conditions, while also stymied by a lack of consumer demand and ever-changing government restrictions. All businesses within the hospitality sector have been trading sub economically even during open periods of trade. In only one week last year did the sector as a whole break even.¹⁶

This was reflected in the APPG survey. During the period July-December 2020, the level of pre-Covid annualised turnover for a range of nightlife businesses was as follows:



Nightclubs
20%



Bars
32%



Pubs
43%



Live Music Venues
20%

Furthermore, some late-night venues bank as much as 40% of their annual profits between Halloween and January.¹⁷ For these businesses, November and December were lost in their entirety due to restrictions. This has been particularly damaging for businesses in the late night time economy, such as the nightclub sector, which relies heavily on this seasonal trade.

¹⁵ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

¹⁶ APPG submission by UKHospitality, February 2021.

¹⁷ APPG submission by UKHospitality, February 2021.

Following the gradual easing of the first national lockdown, English businesses faced renewed constraints as a result of rising Covid-19 infections. These included:

- **4 July** - hospitality reopens in England.
- **14 September** - the "rule of six", limiting social gatherings above six people.
- **24 September** - the 10pm curfew, limiting the time venues could be open.
- **14 October** - the new three-tier system, introduced to manage local Covid-19 disparities.
- **5 November** - the second national lockdown, lasting for one month.
- **2 December** - end of lockdown, imposition of strengthened tier system, including:
 - Tier 1: restrictive capacity limits for indoor events and venues.
 - Tier 2: people not allowed to socialise indoors outside of their household or bubble. Addition of the "substantial meal" condition in connected to the consumption of alcohol.
 - Tier 3: hospitality closed, with the exception of sales by takeaway, drive-through or delivery.
- **19 December** - announcement of Tier 4 – 'Stay at Home' – alert level in response to new Covid variant.
- **6 January 2021** - third national lockdown comes into force.

The devolved administrations in Scotland, Wales, and Northern Ireland have each approached Covid-19 restrictions on a unique basis, although the pandemic has been similarly hard hitting throughout the UK. We provide here some key differences in restrictions and time of implementation for each of the devolved nations:

Wales

- **15 May** - traffic light approach to exiting lockdown announced, with different areas afforded the potential of different restrictions.
- **9 July** - beginning of phased reopening of hospitality (after England).
- **23 October** - two-week circuit-breaker lockdown announced.
- **4 December** - no alcohol to be served in bars and pubs after 6pm.
- **14 December** - change to four 'alert levels system', Wales subsequently moved to alert level 4 and hospitality forced to close.
- **6 January 2021** - third national lockdown comes into force.

Scotland

- **15 July** - hospitality reopens with restrictions.
- **14 August** - new regulations for hospitality, including the mandatory collection of contact details of customers, and a ban on music and television audio playing inside.
- **22 September** - new restrictions on household visits and a national curfew for pubs, bars and restaurants.
- **7 October** - new temporary measures restricting hospitality opening times to 6am-6pm indoors, with no sales of alcohol.
- **2 November** - five-level Strategic Framework comes into force.
- **10 December** - ban on background music in hospitality venues removed.
- **5 January 2021** - third national lockdown comes into force.

Northern Ireland

- **3 July** - Hospitality able to reopen.
- **16 October** - four-week circuit breaker lockdown starts.
- **20 November** - hospitality reopened after lockdown extended.
- **27 November** - two-week circuit breaker lockdown begins.
- **26 December** - further lockdown introduced.



"[The sector is] on its knees for businesses that are low-trading with no employees and run at a break even"

**The Comedy Cow,
Comedy Club, Milton
Keynes**

"The restrictions imposed have had a significant negative impact on trading. The imposed curfew saw immediate income drop of 78% compared to the previous year (Ifl). Social distancing reduced income by 67% due to reduction in capacity and the ban on wet sales meant full closure of our late-night venues bringing us to a trading halt resulting in zero income."

National pub chain

Each new band of restrictions can be traced to an increasingly negative impact on sector trade. Revolution Bars, a national chain of cocktail bars, told the APPG that the hospitality curfew depressed already-low sales by a further 20%, while the first and second 'Tier 2' restrictions halved even this level of income.¹⁸ UKHospitality data supports these findings, with each new restriction, from facemasks and table service to the hospitality curfew, shown to badly damage trading levels in the sector.¹⁹

Recommendation:

- Review the hospitality curfew and wet-led restrictions following the end of lockdown.

¹⁸ APPG submission by Revolution Bars, January 2021.

¹⁹ APPG submission by UKHospitality, February 2021.

Covid-safe changes to practices

Venues in the night time economy have likewise taken a range of measures to adapt their business practises to pandemic conditions. This has come at a significant cost in upfront financial commitment and in time spent training staff. Measures included:

- Health screening
- 'Family units' for staff
- Regular sanitisation of handles, touch points and surfaces
- Risk assessments and signage
- Daily briefing sessions
- Registering their premises with the 'Good to Go' accreditation scheme
- Reorganising the layout or 'repurposing' of venue
- Becoming 'cashless' and introducing app ordering

More than half (55%) of businesses in our online survey stated they had spent more than £10,000 adapting their working practices to make their venue Covid-secure.²⁰ The Hippodrome Casino, an entertainment complex in London's West End, told the APPG they had spent £150,000 overall to instigate a raft of measures directly approved by Public Health England following a site visit.²¹

Despite these commitments, businesses expressed frustration that there appeared no clear scientific basis for a number of restrictions. The hospitality curfew, most notably, was not a SAGE decision, and appeared only to drive members of the public to congregate in streets and continue socialising in unregulated and less secure environments. Several submissions to the APPG felt that 'illogical' restrictions fed the rise of illegal gatherings, where health and safety measures were not in place.



Many employers also felt they have been blamed for rising Covid cases despite taking necessary steps to put Covid-secure measures in place. When the sector can reopen, the Government must invest in clear protocols and guidelines to tackle suggestions of non-compliance. Rather than 'recommendations', any regulations must be straightforward and unambiguous, leaving little to interpretation. Allowing venues to pledge to a charter would help to instil confidence in the sector and provide businesses, many of whom may be wary of further investment, with the correct incentives to invest in ensuring their premises are Covid-secure.

Recommendation:

- Introduce a charter for businesses to pledge to, proving they are Covid-secure and tackling non-compliance.
- Support businesses with training and funding to help venues become Covid-secure.
- Ensure all guidelines are clear and not open to misinterpretation.

²⁰ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

²¹ APPG submission by Hippodrome Casino, January 2021.

Consumer confidence

After several months of Covid-restrictions, night time economy businesses faced dampened consumer demand. Many operators noted that 'repurposed' nightclubs and live music venues could not compete with pubs and bars more structurally suited to social distancing. This was particularly true in Scotland, where the ban on background music prevented venues creating atmosphere and ambience.

Responses to the APPG survey also indicated that for nightlife to once again thrive, confidence must be instilled in the public so that the sector is deemed safe, with one venue urging the Government to, '[Make] sure customers know that it is definitely safe for us to return to business.' Much of this can be achieved through the successful implementation of a roadmap to reopening coupled with clear Covid-secure guidance and practices as detailed above.

One measure raised consistently in both written and survey responses was the need for a campaign to drive people back out and into the night time economy. The City of London Corporation commented that a campaign must 'harness the power of FOMO' - the fear of missing out - to entice workers and visitors back to the City when restrictions ease.²² The APPG recommend that this is supported with a Treasury-backed scheme and communications campaign.

Recommendation:

- Introduce a government campaign to drive consumer demand when safe for venues to reopen.

"Pubs, music venues and nightclubs will be the last to open, [so] they will need continued support to get the businesses back open with customers wanting to visit. The help cannot just stop when we are able to open because I fear it will take time to get customers confident to return."

The Rifle Club, Live Music Venue, Portsmouth

²² APPG submission by the City of London Corporation, January 2021.

1.2 Employment

With as many as 1.3 million people across the UK employed in the night time economy, nightlife is a key component of our labour force. The size of the nightlife workforce is particularly high in large urban centres, but also spread across towns and smaller cities in the UK. In London, 37% of culture and leisure employees work during the night, and in both Bristol and Greater Manchester the sector represents over one third of the cities' overall jobs.²³

Responses to the APPG inquiry indicated that many businesses saw the Coronavirus Job Retention Scheme (furlough) as critical for keeping employees on their payroll. Many respondents felt that a number of jobs in their business would simply not exist if the scheme were not in place and have urged that the scheme is extended, not just beyond April, but until nightlife can reopen to full capacity.

Despite the furlough scheme, the APPG found that the pandemic was still having a severe impact on employment levels in the sector. This was in part because many businesses were unable to afford the cost of furloughing employees due to national insurance and pension contributions. It was also in part due to the Government's last-minute changes to the criteria of furlough and U-turn decisions to extend the scheme at short notice.

Many businesses stated that, had they known that the scheme would not terminate in October as initially and repeatedly stated by the Government, they would have been able to make more positive financial decisions and retain more staff.

REKOM UK, formerly the Deltic Group, is the largest specialist nightclub company in the UK. Peter Marks, Chief Executive of REKOM UK, told the APPG that the Deltic Group had lost three quarters of their workforce, before calling in administrators to rescue the company in December 2020. Saved only by Danish firm, REKOM, he writes that,

*'We spent money to become Covid-proof, continued to employ people, topped up their salaries if on furlough to 80% and continued to pay NI, holiday pay and burned cash in the expectation that July 4th was the start of general reopening and we would follow... We went bust December 17th.'*²⁴

Marks expressed frustration that his once profitable, British, and leading company, was denied sufficient Government support. He tells the APPG that '[the Government] obviously decided that I was beyond help,' and 'I was just sent to the mortuary'.²⁵

Responses to the APPG survey indicated there had already been considerable job losses in the sector. Just over 6 in 10 (63%) nightclubs revealed they had made redundancies, while half (48%) of bars, a third of pubs (33%) and half (50%) of live music venues had also reduced staff. On average, nightclubs had made around half (51%) of their total workforce redundant. Again, the figures for bars (32%), pubs (26%) and live music venues (36%) were less catastrophic but nonetheless severe.²⁶

Our survey of nightlife employees made for similarly grim reading. One quarter of all employees had been made redundant, and 77% had been placed on the furlough scheme at some point during the pandemic. Two thirds (66%) of respondents were currently on furlough, and half of those (33% in total) had been on furlough for longer than nine months.²⁷ The impact this had on the individuals who made up these groups was severe, and is detailed below in the many moving personal testimonies the APPG received, a small fraction of which we have reproduced in this report.

²³ APPG submission by the Greater London Authority, February 2021; APPG submission by Bristol City Council, February 2021; APPG submission by the Greater Manchester Combined Authority, February 2021.

²⁴ APPG submission by REKOM UK, January 2021.

²⁵ Ibid.

²⁶ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

²⁷ APPG online survey, 'Covid-19 and UK Nightlife: Employees', February 2021.



"I am constantly worried. Working in hospitality is my life, I love it, I am terrified by the thought of losing it due to the government not deeming it as necessary as retail. You can online shop, you cannot online order cocktails and dance with your friends/family at the bar or on the dance floor. Focus on people's mental well-being as well as physical well-being."

"I have worked my entire adult life in this industry in one form or another. Simply suggesting people 'retrain' and move into other sectors because of a temporary downturn is both insulting and demoralising."

"I was employed for a month and therefore couldn't qualify for furlough, leaving me with no income and forcing me to claim universal credit and consequently job hunt."

"My industry comprises educated, talented, hardworking people who want to work. Night time does not denote lesser work done by people on society's fringes and a recognition of that and the tax revenues our businesses generate would be good. Entertainment is serious business and something the UK has been good at."

"The lack of recognition from the government is frankly ridiculous. The sheer number of people within our industry that have been devastated by lack of support is incredible. The plethora of jobs made to feel left out in the rain by our government, not just employers and employees, but performers, artists, events managers and promoters. We are essential to the UK's economy and have felt the full brunt of this neglect."

"[I am] constantly living in fear of not knowing week to week if I'll have a job or whether my bar will even make it through."

"Millions of people including myself can't get on the property ladder without giving an end date [to the furlough scheme]. This puts life on hold to another degree."

"I'm depressed, struggling, and constantly anxious that I'll get a call being let go. I've been in this industry for 8 years now and a manager for 5 of those, and yet I could lose everything in the blink of an eye."

²² APPG online survey, 'Covid-19 and UK Nightlife: Employees', February 2021.

Perhaps most worryingly, the APPG found that 85% of employees were considering leaving the industry to work in more economically stable sectors.²⁸ In written evidence, respondents worried about what the drain of experienced and skilled workers would mean for the sector in the long-term. There were concerns that with talent and expertise deciding to move away permanently, the sector would struggle to ever recover to its pre-pandemic strength, with clear implications for the ability of the economy as a whole to recover. This migration of workforce could lead to long-term economic scarring and prevent a swift return to anything resembling full employment.

The APPG suggest, therefore, that a crucial way to prevent this damage will be a concerted effort to retain and deepen skills and expertise in the sector. This should involve a communications campaign encouraging people not to give up on a career they enjoy in nightlife, rather than a focus on retraining for different sectors. It should also involve investment in training to rebuild the skills and infrastructure lost with those who have already taken the decision to leave the night time economy workforce.

Recommendation:

- Introduce a government campaign to encourage workers to stay in the industry and support with training programmes following the loss of experience and talent.

Furlough ineligibility

The APPG also learned that a significant number of employees had faced barriers when attempting to access support through the furlough scheme.²⁹ 10% of employees (or former employees) had been denied furlough for one of a number of reasons including:

- a. That they were a casual or seasonal employee
- b. Their employer was denied furlough
- c. That they were employed after the furlough cut-off date
- d. They had lost their job before the announcement of the furlough extension and were unable to be re-added to their company payroll

The SubClub, a nightclub of over thirty years in Glasgow, were denied access to the furlough scheme due to an administrative issue with their HMRC RTI registration. After a lengthy appeal process, the club still faces uncertainty having been forced to fundraise via a community crowdfunding campaign to retain staff and stay solvent.

"I would like to see the Government help by offering employees incentives to stay in the hospitality industry as I feel that more employees will flee to other jobs after the pandemic is over in case something like this happens again and they can't provide for their family again!"

**Conor, Venue staff,
Belfast**



85%
of employees are
considering leaving the
industry for another
sector

"The SubClub has been fortunate to stay afloat thus far, thanks to the generous support shown by our very loyal fan base. Hundreds of nightlife venues across the UK will not have this same protection."

**SubClub, Nightclub,
Glasgow**

²⁸ APPG online survey, 'Covid-19 and UK Nightlife: Employees', February 2021.

²⁹ Ibid.

Our survey results also indicated some structural issues with the sector. Greater Manchester Authority revealed that Covid-19 had exacerbated problems of insecure work that were present even before the pandemic:

‘Around 21% of full time workers in the night time economy in Greater Manchester earn less than the living wage, compared with 14% for the wider economy. That number increases to 53% when looking at part-time workers.’³⁰

Furthermore, while many have remained on their company payroll, working hours have been slashed across the sector. This has been worsened by the imposition of the hospitality curfew – whether 10 or 11pm in England, Wales, and Northern Ireland, or as early as 6pm across Scotland’s central belt. In any case, reduced working hours coupled with lower payments under the furlough scheme has led to a severe impact on the livelihoods of many employed in the sector. The exacerbation of insecure work is something the Government should consider and address, as unemployment data is likely to mask the true scale of the crisis.

Prospect of further job losses

Ultimately, despite significant redundancies, many jobs retained in the sector remain in a perilous position. For example, one third of nightlife operators surveyed by the Greater Manchester Authority have said they will not be able to reopen fully to pre-pandemic levels, with 9% saying they will be permanently closing.³¹ The same survey found that two-thirds of businesses in the night time economy expect to make further redundancies over the next 12 months.

Again, this was reflected in responses to our survey, with 35% of nightlife businesses anticipating further redundancies between the time of asking and April 2021. This included 40% of nightclubs, 40% of bars, 36% of pubs and 37% of live music venues.³²

When the sector can reopen, and the terms on which it can trade when it does, will have a crucial bearing on ongoing employment levels. It is unlikely there will be any significant reopening before April and even then, there is an expectation that restrictions will apply. Trading will likely be depressed into early summer and employment support must be in place to reflect this. On this basis, the APPG is calling for the furlough scheme to remain in place for nightlife businesses until the sector is able to operate at full capacity in future.

Given the length of the current closure period for the night time economy, the APPG would also urge the Government to extend the eligibility period of the furlough scheme to allow those employed by the end of December to continue to be furloughed, and to consider uprating reference pay periods for those on or around minimum wage.

Even with a timescale for reopening, many venues will soon have been shut for over a year and nightlife businesses able to trade have been operating sub economically. It is imperative that a specific support package is brought forward urgently to ensure these businesses and the tens of thousands of jobs they support are not lost forever. This will be discussed in the next chapter.

Recommendation:

- Extend the furlough scheme and flexi-furlough for the sector until it can reopen in full capacity.
- Extend the eligibility period to allow those employed by the end of December to continue to be furloughed.
- Consider uprating reference pay periods for those on or around minimum wage.

³⁰ APPG submission by the Greater Manchester Combined Authority, February 2021.

³¹ Ibid.

³² APPG online survey, ‘Covid-19 and UK Nightlife: Employers’, February 2021.

1.3 Overheads

Standing costs

One of the most significant challenges facing nightlife businesses is the financial hardship brought by the twin threats of closures and overheads.

Despite widespread inability to trade, businesses operating in the night time sector have continued to pay significant standing costs, many of which they have been increasingly unable to afford. These fixed costs include but are not limited to rental payments, utilities, contracts and insurance. Businesses have also had to make contributions to staff furlough payments, with many topping up staff wages and all employers contributing to income tax, national insurance and pension payments. Now, through no fault of their own, nightlife businesses face thousands of pounds of debt and many are depleting reserves to stay afloat.

The APPG were grateful to hear from the Government outlining the range of schemes and measures in place to support businesses in this sphere. The Department for Business, Energy and Industrial Strategy (BEIS) noted that hospitality, retail and leisure businesses have received support via the Government's wider £280 billion support package, alongside the business rates holiday, a reduced rate of VAT and a series of grants available, via local authorities, to support with continued closures. The Government has similarly provided CBILS loans alongside funding for devolved administrations. Most notably, the Department for Digital, Culture, Media and Sport (DCMS) provided the £1.57 billion Culture Recovery Fund for venues of 'cultural and heritage' significance.³³

90% of businesses surveyed, however, felt that this support was insufficient, and does not match the realities of operating a closed or restricted business in the night time economy.³⁴ The Heart of London Business Alliance, for example, told the APPG that this is particularly true for venues operating in central London, due to higher levels of rent and wages. With the most recent maximum discretionary grant capped at just £9,000 for businesses with a rateable value of £51,000 and above, one business – paying £260,000 per month in rent – has found that this grant would barely cover one week's insurance.³⁵ The Alliance also note that,

*'Businesses do not feel they have assurance and are facing a cliff edge, as the business rates holiday, VAT cuts, rent moratorium all end in March 2021, with the commencement of Government loan payback and the Job Retention Scheme ending in April. This is a serious and existential worry to night time businesses who are well aware that some form of Covid restrictions will continue until significantly later in the year, and know that they will be among the last in the queue for reopening. For night time businesses in particular, support will be vital not merely until they are allowed to open up, but as long as there are restrictions in place which, for instance, prevent them from operating at capacity.'*³⁶

These sentiments were widely shared by numerous operators in the sector. Revolution Bars told the APPG that direct grant support received from the Government provided just two weeks full support of the 44 weeks lost from closures or trading under restrictions. They noted that the cost of maintaining the business in a closed state is up to £450,000 per week, and so grants provided by the Government have covered 3.8% of lost profit and just 0.9% of lost revenue.³⁷

³³ APPG submission by the Department for Digital, Media, Culture and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

³⁴ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

³⁵ APPG submission by the Heart of London Business Alliance, January 2021.

³⁶ Ibid.

³⁷ APPG submission by Revolution Bars, January 2021.



"Rates must be stopped for 2021. VAT cut. Corporation tax payment supported. Directors dividends supported... Doing this will protect tens of thousands of jobs and help the economy to bounce back faster. Support those of us who were truly very viable businesses."

Atlas Bar, Manchester

"Reduce business rates, taxes on the night time economy and push back VAT and tax payments. Relax licencing conditions and work with venues to help create and thriving and busy night out for everyone again."

William, Security Services, London

The Pot Still, a pub in Glasgow, reiterated the bleak nature of this crisis.

*'We had reserves earmarked for future projects we could fall back on. But they are not infinite. We had not projected to still be closed this long. The business is not profitable under restrictions and therefore our only cashflow is from reserves. When they run out, the assistance offered to the business apart from furlough is a drop in the ocean of fixed costs. If there is no extended and increased assistance, then there will come a point where the business will fold purely by dint of being without income for so long.'*³⁸

The APPG is therefore calling for a sector-specific support package tailored specifically to businesses operating in the night time economy, recognising that this sector has been both disproportionately impacted by the pandemic and has borne the brunt of Covid-induced restrictions. This bespoke package must fairly reflect the size and operating costs of each individual business and we estimate that this would equal up to 15% of annual turnover.³⁹

Any sector-specific financial support, nonetheless, must be accompanied by the extension of business rates relief beyond March 2021, alongside the further extension of the reduced 5% VAT rate and the deferral of VAT payments. We would also reiterate that for many businesses in the sector, and particularly so for nightclubs, the trading situation has remained completely unchanged since the start of the pandemic and so businesses are yet to reap the benefits of any reduction in VAT provided so far. With the burden of continued fixed costs, businesses in the sector will be largely unable to repay these tax bills in April – no matter how spread-out repayments may be – and especially so should VAT rates return to 20%.

Recommendation:

- Provide a sector-specific grant scheme for businesses in the night time economy relating to the size and operating costs of each business.
- Extend the business rates relief, VAT deferral and maintain the 5% VAT rate for businesses in the sector until 2022.

³⁸ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

³⁹ APPG submission by the Night Time Industries Association, January 2021.

Commercial rent

Commercial rent, no doubt, has been the largest fixed cost for nightlife operators. To protect commercial tenants from eviction, the UK Government and devolved administrations implemented a moratorium on evictions in March 2020.

DCMS tell the APPG that:

*'This is not a rental holiday and those who can pay should do so. The moratorium on commercial rent evictions is currently in place until 31 March 2021, and is currently under review. This sits alongside the Government's Code of Practice, published in June 2020, to encourage all parties to work together to protect viable businesses and ensure a swift economic recovery.'*⁴⁰

While the sector has expressed gratitude for the small relief granted by the moratorium, there was widespread anxiety that this provision offers only short-lived protection. Most notably, there has been no indication of any measures to support businesses with the mounting rental payments due the minute the moratorium is lifted. With no opportunity to open and trade, venues are collecting further debt month on month with no certainty of if, or when, they will be able to pay this back. UKHospitality describe this as an 'anvil around the necks of hospitality businesses'.⁴¹

In our survey, 80% of night time economy businesses leased a property as a commercial tenant. Over half of these businesses are now in arrears with their rental payments, including 60% of bars, nightclubs and pubs. 72% of impacted businesses are over two quarters behind on their payments, including 51% of nightclubs, and 32% of live music venues now three quarters in arrears.⁴²



⁴⁰ APPG submission by the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

⁴¹ APPG submission by UKHospitality, February 2021.

⁴² APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.



Prior to Covid-19, rental payments on average accounted for 17% of annual turnover. Now, with limited revenue, this has risen to one half of current annual turnover.⁴³ In essence, venues have gathered a debilitating level of debt, all by simply existing.

An answer to this commercial rent crisis must be twofold: as it is increasingly clear businesses will be unable to operate to full capacity for a considerable period, the APPG is firstly calling for an extension to the forfeiture moratorium. Secondly, the Government must provide a solution to alleviate the debt burden of backdated rental payments. These debts have been central to the anxiety and uncertainty facing nightlife operators and may be the distinction between a business that survives the Covid-19 crisis and one that is forced to close.

The APPG would recommend looking to models seen overseas to inform how to address these standing costs. The Night Time Industries Association point to the 'shared burden' model implemented in Australia in April 2020.⁴⁴ In a similar vein, arrears could be reasonably absorbed if divided equally by the Government, landlords and tenants respectively. This must be enforced by a government-backed code of practise, with mandatory elements, to alleviate the costs for both industry and landlords.

Recommendation:

- Extended the forfeiture moratorium and introduce a government-backed 'shared burden' solution to commercial rents, absorbing rental arrears between the Government, landlords and tenants.

⁴³ Ibid.

⁴⁴ APPG submission by the Night Time Industries Association, January 2021; National Cabinet Mandatory Code of Conduct, 'SME Commercial Leasing principles during COVID-19', April 2020. Accessed at: <https://www.pm.gov.au/sites/default/files/files/national-cabinet-mandatory-code-ofconduct-sme-commercial-leasing-principles.pdf>

1.4 Grant funding

In July 2020, the Department for Digital, Culture, Media and Sport (DCMS) announced the £1.57 billion Culture Recovery Fund, a rescue package allocated by Arts Council England for venues of 'cultural and heritage' significance. The first round of funding began in October, while applications for the second round were closed in January 2021.

DCMS tell the APPG that 88% of recipients of the first round of funding are small organisations, and over 70% of the fund has been distributed to organisations outside of London. DCMS note that £170m has been awarded to over 690 organisations classed as 'music', including £3.36 million shared among 136 venues across England who first applied for the Emergency Grassroots Music Venues Fund.⁴⁵

Despite this, there is widespread concern among the industry that the distribution of grant funding has been at best sporadic and at worst discriminatory. As we have seen, the overwhelming majority of businesses and employees in the sector feel that financial support has been insufficient, and many have now questioned the metrics used to determine which venues were eligible for support.

To be sure, the APPG has heard from a handful of businesses successful in their pursuit of the Culture Recovery Fund. Fabric, a London nightclub, for example, told the APPG that they were 'able to survive' because of funding received from Arts Council.⁴⁶ Ministry of Sound, however, noted that they too were 'only one of 12 [nightclub] venues out of more than 1,500' in the country to have received this funding.⁴⁷ Both Fabric and Ministry of Sound expressed further concern that venues are in danger after March 31st, even with the Culture Recovery Fund, if this funding expires without the prospect of safe reopening.

"We should be given as fair an opportunity as any other business to survive the crisis and not discriminated against because of the nature of our business."

**Camel Club, Nightclub,
Huddersfield**

"I feel like I am part of a seriously undervalued industry, even though the UK is associated with being at the forefront of the music industry since the 1960s."

Steve, DJ, Liverpool

"The grant process is not treating [the Night Time Economy] fairly when it forces us to compete with theatres and non-profit arts organisations. More specific funding is needed."

**Ridley Road Market
Bar, London**

"Having invested my entire life savings in setting up the business I would like support so I don't have to write off a once profitable venture."

Eagle, Bar, Cardiff

"[The Government] need to have an understanding of the hospitality industry and what it generates from a social standing and not embark on a discriminatory approach to our industry."

**The Vauxhall Tavern,
Cabaret, London**

"Treat us as a business. We were viable pre Covid. We had been in business since 1997 and we were a pillar of our community."

**Knightwood Leisure,
Nightclub, Salisbury**

⁴⁵ APPG submission by the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

⁴⁶ APPG submission by Fabric London, January 2021.

⁴⁷ APPG submission by Ministry of Sound, January 2021.

Our online survey found that many businesses in the sector felt that the process of applying for the Culture Recovery Fund was unclear and confusing. Employers expressed frustration that there seemed a lack of transparency or logic in the distribution of the fund, and many believed that this reflected a process which was somewhat elitist.

When asked to outline the metrics used to calculate which organisations would receive support from the Culture Recovery Fund, DCMS told the APPG that eligibility criteria rested on a number of core factors:

- That the organisation was viable pre-Covid-19.
- That the organisation was at risk of failure this financial year without support.
- That the organisation has exhausted other measures of government support.
- That the organisation has a clear plan to return to sustainability.⁴⁸

DCMS also told us that all recipients of the fund must be considered to have national significance within their sector or art form or be of local significance to the area in which they are located.

The APPG feel that these measurements mirror the somewhat arbitrary allocation of funding. It seems firstly unreasonable for businesses to be able to present a clear plan to return to sustainability when such 'roadmap' has yet to be provided by the Government, and it likewise seems fair to deduce that the large majority of businesses within the sector were both viable prior to the pandemic and are now at risk of financial failure. As we have also seen, thousands of members of the public expressed in our survey that their local nightlife venues are of great community importance.

Similar concerns were expressed by businesses across the UK, caught between a range of overlapping and perplexing support packages. In Scotland, one venue wrote that their businesses had been caught in a perverse situation, not knowing whether to 'stick or twist' when applying for oversubscribed funds listed as mutually exclusive. The Scottish Government's recent Strategic Business Framework Fund, furthermore, has defined nightclub venues as 'leisure' in contrast to previous classifications under 'hospitality'. This resulted in nightclub venues being unable to access the larger £25,000 support grant, and only receiving up to £9,000.

Issues with grants have been exacerbated by the fact that funding across the UK has been distributed at the discretion of local authorities, leading to patchwork coverage and regional disparity. The APPG would like to see greater efforts to standardise the criteria for financial support at both the central and devolved government level to ensure that funding is distributed fairly and clearly communicated to eligible businesses.

Beyond further sector-specific financial support, the APPG would therefore support any steps taken to widen the accessibility of such funds. We would like to see clear and transparent guidelines so that funding is available to all nightlife businesses, alongside organisations in the nightlife supply chain which have previously been excluded. Specifically, we would recommend the Government take active steps to assist businesses in the application process for funding, to ensure that grants are available to all, and not just those in the 'know-how' or fortunate in the post-code lottery of support.

Recommendation:

- Increase the accessibility and transparency of financial support for nightlife businesses by reviewing metrics used to allocate grants and supporting eligible businesses with the application process for funding.
- Work with devolved administrations to streamline the standardisation of funds across the UK to prevent regional disparity.

⁴⁸ APPG submission by the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

1.5 Insurance

While almost two thirds of businesses operating in the night time economy were insured for business interruption, just under 3% of businesses surveyed have been paid out by insurance providers.⁴⁹ This is typically the result of specific phrasing in established insurance policies: some policies have simply not listed Covid-19 as an eligible cause of business interruption, while others have specified that any health crises must occur specifically on the dancefloors and seating areas within nightlife premises. Small technicalities have since deprived thousands of businesses of the opportunity to receive a fraction of the insurance provision they believe they are owed.

The cost of insurance premiums has also risen exponentially, with many businesses in the sector facing a 300% increase on the insurance policies offered in 2019/20.⁵⁰

Consultations for the APPG inquiry ran in concurrence with the Financial Conduct Authority (FCA) Business Interruption Insurance case, taken to the UK Supreme Court on appeal in September. On the 15th January 2020, the Supreme Court substantially allowed the FCA's appeal, meaning that many thousands of small businesses are now entitled to claims made for Covid-related business disruption. The APPG hope that this process, already protracted by months of litigation, can be resolved in an expedited and amicable manner.

The APPG would additionally like to see Government take steps to ensure that insurance providers honour these agreements and compensate all eligible nightlife businesses as claimed. We would recommend that the Government fund a support service for affected businesses and seek to oversee that these claims are paid in the correct, timely and appropriate way.

Moving forward, the APPG would support further measures taken to future-proof the sector and assure businesses operating in the industry are prepared to stimulate the market post-pandemic. For live events, especially, this must take the form of a Government-backed insurance or indemnity scheme. Not only is this a prerequisite for businesses to plan events for the future, but also to boost consumer confidence. As Hospital Records have noted, the public are wary to book tickets for shows 'with no real clarity on if [they] will go ahead.'⁵¹ As many nightlife businesses need months to plan activities, a reinsurance scheme will be necessary to ensure that these events can operate as soon as conditions are safe to do so.

"Despite having a premium policy in place, the wording was highly specific as to what diseases the policy would respond to. With Covid-19 not one of those, we were left with absolutely no support from our insurer."

Fabric, Nightclub, London

"[We] didn't take the business over until 1 March 2020, so was too late to have insurance cover"

The Musician, Live Music Venue, Leicester

"The amount of time that it's taking to deliberate over and dispute claims has been dreadful. There should be more support for businesses from the Government in dictating a fixed period of time that claims should be approved or denied and following that a fixed period of time for insurers to actually pay out the claims."

Revolution Bars

⁴⁹ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

⁵⁰ APPG submission by Fabric London, January 2021; APPG submission by Revolution Bars, January 2021.

⁵¹ APPG submission by Hospital Records, February 2021.

Cancelled festivals, for instance, have already lost on average £375,000 in non-refundable costs.⁵² A Government scheme to underwrite insurance is therefore essential to give organisers and investors the confidence to fund festivals, live performances and events for the summer 2021 and beyond. This is particularly important to protect the industry from ever-changing lockdown measures that appear to be implemented with little to no notice.

The LIVE Group, a coalition of businesses and associations in the live music sector, told the APPG that,

'If the industry continues to be unable to generate income by booking shows, it will suffer a catastrophic loss of skills and infrastructure and HMT will face lost tax revenue, mass unemployment, and widespread insolvencies. A Government-backed insurance scheme will allow in excess of £2bn of business to go ahead, bridging the gap to recovery in 2022.'

A number of models for this insurance scheme have been proposed. Both UK Music and #WeMakeEvents point to the widely successful insurance scheme announced for film and TV production in July 2020, alongside the insurance arrangements seen for festivals and events in Germany and Austria. With a vaccination programme ongoing, and end date to the Covid-crisis in sight, a similar insurance scheme worth £500 million would allow for £2 billion worth of activity to go ahead.⁵³

Further models have been proposed by the Night Time Industries Association and NDML Insurance, with a focus on the long-term durability of the wider hospitality sector in the event of a future crisis. 'Crisis Re', formed from existing Pool and Flood Re, has been offered as one way to protect businesses from future 'crisis' scenarios in the UK. This £7bn insurance fund could sit alongside more traditional insurance covers in providing a financial safeguard for businesses in the event of exceptional circumstances as declared by the Government. NDML estimate that had Crisis Re been in place since 2010, the fund would have allowed every single hospitality venue in the country affected by Covid-19 a one-off payment of £56,038.⁵⁴

Recommendation:

- Provide a support service to assist businesses in claiming insurance entitlements from providers following the FCA Business Interruption Case. Ensure that all payments are received in an efficient and timely manner.
- Introduce a government-backed insurance scheme to prepare the sector for effective recovery when safe operation is allowed.

⁵² APPG submission by UK Music, January 2021.

⁵³ APPG submission by UK Music, January 2021; APPG submission by #WeMakeEvents, January 2021.

⁵⁴ APPG submission by the Night Time Industries Association, January 2021.

1.6 Freelancers

Beyond providing 1.3 million jobs, the night time economy is home to a considerable body of self-employed and freelance workers. This is notably so in the festival, live events and music spheres, with UK Music estimating that 72% of workers in the music industry operate on self-employed contracts.⁵⁵

Financial insecurity has been heightened for freelance workers who, throughout the pandemic, have struggled to claim the financial support afforded to PAYE employees through the furlough scheme. Some two months into the first national lockdown, the Government opened the Self-Employment Income Support Scheme (SEISS) for applications. This was designed to pay self-employed workers taxable grants worth 80% of their average monthly trading profits over the past three years. While a welcome step for the sector, there remain gaping holes in the support since provided.

In June 2020, the House of Commons Treasury Committee reviewed the economic impact of Covid-19 for self-employed workers. Here, it was found that millions of self-employed people had been unable to access financial support and the Government must 'adapt its existing schemes or develop new support mechanisms' to protect individuals from the impact of the pandemic.⁵⁶ Eight months later, and well in to the third round of SEISS applications, we find this picture largely unchanged.

Our survey of over 1500 freelance and self-employed nightlife workers revealed just 36% of respondents have been able to claim SEISS.⁵⁷ As in June, this was largely the result of four key factors:

- That they are newly self-employed.
- That they historically earned over £50,000 per year.
- That they draw a dividend instead of a salary.
- That less than 50% of their income is from self-employed work.

In each case, a multitude of hard-working and creative individuals had fallen through the cracks of income support based on a number of disqualifying factors. Directors of limited companies have been forced to claim the furlough scheme on the small PAYE components of their salaries; those only self-employed after April 2019 have been unable to substantiate their funding entitlements; and those previously earning over £50,000 per year have exceeded the Government cap on trading profits. Workers in the night time economy have been disproportionately affected by these factors, based on both the seasonal and short-term nature of contracts in the sector.

"During the start of the pandemic, I was yet to do my first tax return as a freelancer. Due to this, I received no support at all as I couldn't prove my earnings."

Rachel, Marketing Assistant, Bristol

"I've been running events for 12 years in London and around Europe. This has decimated my career and created a sense of anxiety I don't think I'll ever get over."

Nicholas, Events and Label Manager, London



64%
of freelancers have not been able to access SEISS

⁵⁵ APPG submission by UK Music, January 2021.

⁵⁶ House of Commons Treasury Committee, 'Economic impact of coronavirus: Gaps in support', June 2020. Accessed at: <https://publications.parliament.uk/pa/cm5801/cmselect/cmtreasy/454/45402.htm>

⁵⁷ APPG online survey, 'Covid-19 and UK Nightlife: Freelancers', February 2021.



"I have never felt so unimportant, forgotten or low in my entire life. My business has had no support, no hope of when we can return to some sort of normal. If music can't return, then my 20-year career, all my training and experience, is for nothing."

**Jay, Director of Events,
Newcastle**

"[We need] a clear path that allows for future plans rather than having to consider alternative professions in order to survive"

**Paul, Security
Officer, London**

In consequence, the nightlife sector faces a very real and existential threat to its workforce. As we have seen with a number of employees, 86% of freelancers in our online survey have felt that they may have to retrain to work in a different sector, with the average respondent making up just 23% of their annual income through government support.⁵⁸

With over half of respondents having worked in the night time economy for more than a decade, the sector risks an exodus of talent and experience essential to revitalising the industry post-pandemic. Indeed, a large number of workers have already migrated from the sector.

Freelance workers told the APPG that the top three challenges facing their businesses were: uncertainty about the future (95%), unclear communication from the Government (73%) and financial hardship (74%).⁵⁹ As such it is imperative that steps are taken to ensure all self-employed workers, who contribute as much to the night time economy as those on conventional contracts, are recognised and supported within government measures. This must incorporate both financial support, alongside wider clarity and communication for eventual recovery.

We recommend that the Government immediately address these gaps in support by reviewing the exclusionary clauses within the SEISS and assessing the scale of detriment to the sector, and to the wider economy, by this mass loss of talent. As with employees, we would propose that support measures are in place to encourage and nurture new opportunities within the night time economy post-pandemic.

Recommendation:

- Review exclusions in the eligibility of the SEISS.
- Provide training opportunities in the sector for freelancers post-pandemic

⁵⁸ APPG online survey, 'Covid-19 and UK Nightlife: Freelancers', February 2021.

⁵⁹ Ibid.

1.7 Supply chain

Businesses in the nightlife supply chain face many of the same issues as those in the primary night time economy resulting from drastically reduced trading levels. But they also face a number of distinct challenges that set them apart, and most notably a lack of government recognition of this impact.

The APPG received a wide range of evidence from a number of supply chain businesses including sound, lighting, and stage providers; equipment manufacturers; booking agencies; print and designers; security providers; ticketing platforms; beverage suppliers; PR, event marketing, and promoters; and catering staff recruitment services.

In written evidence, #WeMakeEvents, a campaign group seeking to highlight the impact of the pandemic on the live events sector, raised some of the unique challenges faced by businesses supplying the night time economy, suggesting the principal issue lay in the fact supply chain businesses were entirely dependent on trade in the sector, but that these businesses have yet to receive support commensurate with that fact. Specifically, because the Government still considers supply chain businesses 'able' to operate, they have not been eligible for 100% business rates relief, or the recent £9,000 grants for hospitality. The group warned that many businesses in the supply chain will not make it to summer without further support, placing the wider recovery of the sector in jeopardy.⁶⁰

SSE Audio, for example, an audio service provider for live productions and festivals, has witnessed a fall of almost 97% in revenue from April 2019 to present. Adlib, a sound, lighting and visual solutions agency based in Liverpool and Scotland, has similarly seen a 95% fall in revenue over the duration of the pandemic.⁶¹

These findings were reflected in our survey of supply chain employers. The APPG found:

- A quarter (26%) of supply chain businesses had been unable to trade at all.
- 60% of supply chain businesses had at some stage been unable to trade.
- On average, supply chain businesses were trading at only 14% of their pre-Covid annualised income, and for the period July-December 2020 this figure was 19%.
- More than half (53%) of supply chain businesses had made redundancies, while on average supply chain businesses indicated they had made a total 40% of their pre-pandemic workforce redundant.
- Nearly a third (30%) expected to make more redundancies before April 2021.⁶²

Survey responses also emphasised the specific ways in which government restrictions have affected supply chain businesses, and the need to provide support accordingly. For instance, many supply chain businesses have little or no rateable value, and have been totally unable to trade, so have not benefitted from government support on business rates and VAT. Tres

"In the live event supply chain, inadequate Government support for individuals and businesses has seen many already abandon the sector, with many seeing no way to survive until summer reopen."

#WeMakeEvents

"[Our] primary activity is ticketing for club nights, festivals and live concerts. With no events, there are no ticket sales. Since the onset of COVID we have seen an 82% reduction in ticket sales year-on-year. We have been open to trade to allow customers refunds and have still had to incur full operating costs."

Skiddle, National ticketing operator

⁶⁰ APPG submission by #WeMakeEvents, January 2021.

⁶¹ Ibid.

⁶² APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

Hombres, a customer service and security business, urged the Government to implement 'schemes to support small supply chain businesses that do not have rateable value', while MAV Music in London commented that they needed to be 'more grants for people with less conventional working environments'.⁶³

In a similar vein, many felt the Government must recognise that supply chain businesses will need support even if they themselves are not situated in areas with the toughest Covid restrictions. Respondents noted that previous financial support has been linked to the restrictions under each tier a business is situated. Yet in many cases, those that supply the night time economy were not eligible for the same level of support as the venues they supplied to, despite their de facto ability to trade having been restricted in the same way.

Indeed, less than 3% of Culture Recovery Fund financing went to supply chain businesses.⁶⁴ The LIVE Group noted that the criteria of the fund should therefore be reviewed to allow production suppliers and other previously excluded parts of the nightlife ecosystem access to support.⁶⁵

Recommendation:

- Officially recognise that the nightlife supply chain has been forced to close due to Covid-19 restrictions.
- Review eligibility of grant funding to allow supply chain businesses to access support.

"We elected to pull our city centre St Patrick's Festival (13-17 March 2020) in light of a growing crisis. This was done for the well-being of our guests. Cask conditioned ale has not been ordered by pubs since before that date."

**Dead Parrot Beer Company,
Brewery, Sheffield**

⁶³ APPG online survey, 'Covid-19 and UK Nightlife: Employers', February 2021.

⁶⁴ APPG submission by #WeMakeEvents, January 2021.

⁶⁵ APPG submission by the LIVE Group, January 2021.

1.8 Stop and start measures

Overwhelmingly, businesses, employees, and freelance workers told the APPG that government guidance reflected an ignorance to the operational structure of the sector. Namely, a critical lack of understanding for supply chain implications, market segmentation and basic obstacles to operating on a stop and start basis.

There has been widespread frustration that information has been drip-fed to the sector: leaked in unconfirmed newspaper briefings and announced at the eleventh hour in daily press conferences. Covid-19 may be unprecedented, they noted, but several months into the pandemic, with modelling of virus transmissions, scientific guidance and increased testing capabilities, there seems little excuse for erratic U-turns, mixed messages, and kneejerk reactions.


These measures have impacted night time economy businesses small and large. Hippodrome Casino told the APPG that one the largest challenges faced was,

*'The last-minute imposition of lockdown, tiering or amendments to trading hours (e.g. curfew), and at one stage on August 1, 12-hour notice that we would not be allowed to re-open after all, heavily impacted the economic fortunes of the business and impacted badly on staff morale, customer relations, our overall reputation and that of the wider West End... Uncertainty is a very expensive commodity and we have a lot of it.'*⁶⁶

Revolution Bars echoed these sentiments, writing that,

*'The shortest notice period was just seven hours of trading time before closure when at 3pm on the 30th of December we were told to close our English businesses by 10pm and not reopen. Whilst we understand the challenges the Government face, the lack of understanding demonstrated in their decisions around any kind of notice period... for hospitality has driven up both costs and waste without any kind of compensation.'*⁶⁷

At no time was this more so than New Year's Eve – one of the biggest trading nights for the night time economy in any given year. Business in Tier 2 areas spent thousands over the festive period in preparation for the evening - ordering stock, preparing staff, and booking entertainment - only to be told with seven hours' notice that they would be forced by law to close. Deposits were repaid to customers and unused food, drinks and perishables thrown away.



"[Our] main loss in income has been the short notice of closing and the frequency of it – as a food and drink business stock is perishable. With the ban on takeaway alcohol sales, [we] lost over £3,000 this lockdown alone in beer."

**The Roundhill, Pub,
Brighton**

⁶⁶ APPG submission by Hippodrome Casino, January 2021.

⁶⁷ APPG submission by Revolution Bars, January 2021.



While recognising that public health must be prioritised, many in the sector felt that issues with transparency, communication and continued uncertainty only prolonged the agony faced by employees and businesses alike. There was widespread concern that short-notice announcements were detrimental to personal wellbeing, inducing undue stress, financial cost and psychological harm to those working in the sector. Many also felt that the nature of the decision-making was an insult to hard-working operators who, as we have seen, have invested heavily in Covid-secure environments, followed all Government protocols, and worked closely with the relevant public bodies to operate in any way deemed safe and viable. A perceived lack of respect for this investment, both financially and emotionally, was a common grievance throughout our consultations. This has been further aggravated by the feeling that the sector has been berated and unfairly scapegoated for rising Covid-19 infections.

Because of this, a central ask of Government has been a 'roadmap' or guidance for recovery. This must be a moderate and transparent plan highlighting key metrics and steps for industry to follow for a safe and long-term reopening strategy. Quite simply, nightlife businesses, perhaps more so than any other sector, are not designed to be switched on and off at a moment's notice. The details of this roadmap, what it must contain and why, are outlined in the next chapter of this report.

Recommendation:

- Work proactively with industry to produce a clear and transparent 'roadmap' to reopening for the nightlife sector, with necessary steps and conditions detailed for safe and long-term recovery.

Re-opening and Recovery

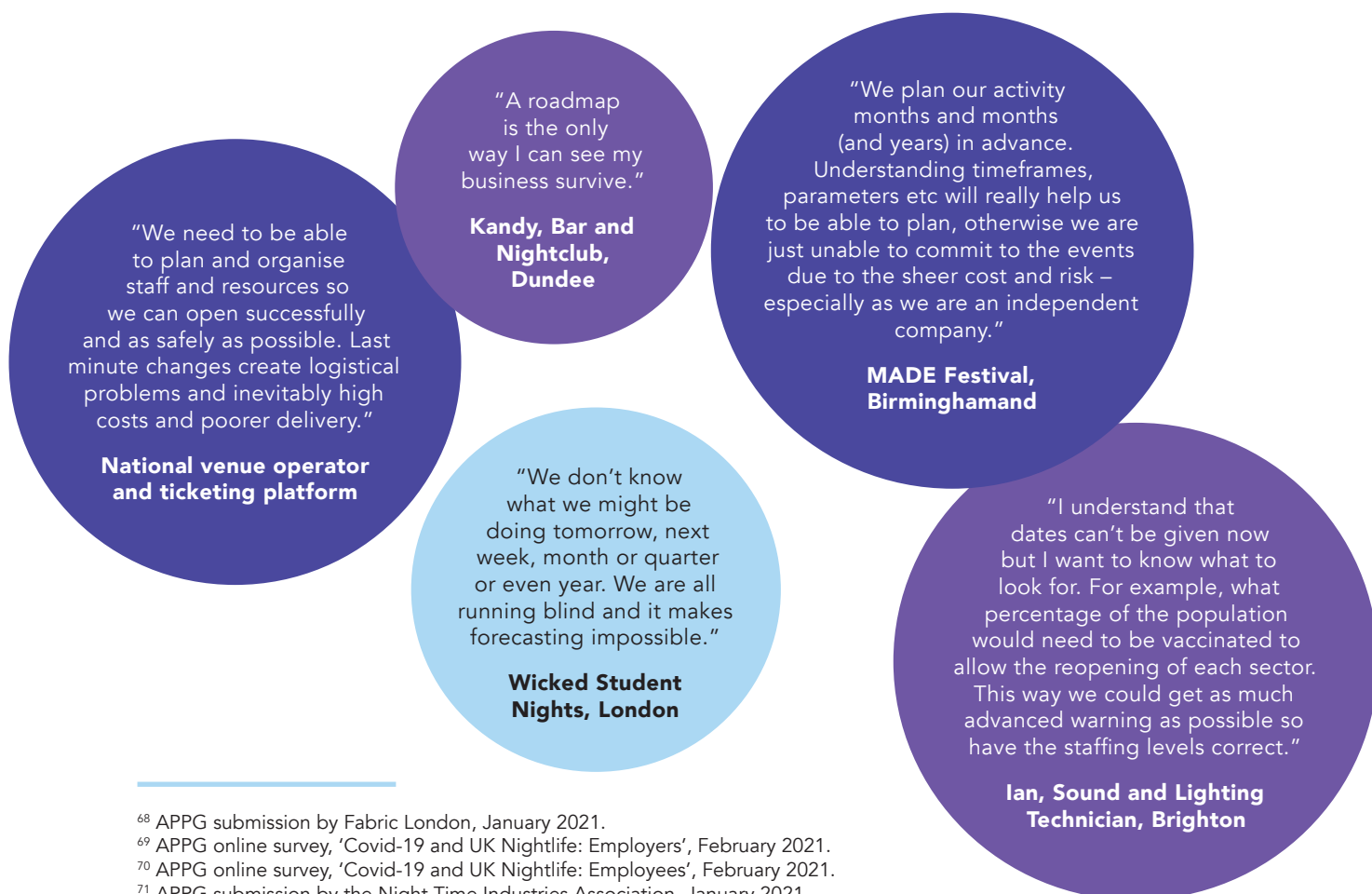
Roadmap

The LIVE Group tell the APPG that the lead-times for live events can be several months or longer. This is especially true for large events and festivals, but also for nightclub businesses and grassroots music venues. Fabric, a London nightclub, estimate that each clubbing event can take circa six months of planning. They write that,

*'Without even an understanding of which conditions we would be permitted to reopen, it is impossible to invest in reopening preparations... because it is not financially viable to prepare for reopening blindly, we will be handicapped if such information is provided on short notice as our business is reliant on availability of DJ talent to play at our venue.'*⁶⁸

LAB11, a nightclub venue in Birmingham, reiterated that nightlife businesses are incapacitated without any understanding of what form this roadmap will take. They tell the APPG that businesses need 'solid timescales and dates for the reduction of restrictions' as they 'can't plan accordingly without it'.⁶⁹ In any case, lacking even a 'direction of travel', night time economy businesses have been unable to forecast for the financial year – to calculate whether they can survive the pandemic or whether they will be forced to close their doors forever. This has understandably led to widespread financial insecurity, with 60% of employees surveyed feeling they may lose their jobs as a result of the pandemic.⁷⁰

Lack of logistical preparation likewise threatens the consumer experience. The Night Time Industries Association warn that if businesses are unable to prepare, operationally and financially, they may not be able to fully reopen even if health and safety conditions allow it.⁷¹ Losing this opportunity in the summer months could have catastrophic consequences for both the nightlife sector and the wider UK economy – in which nightlife plays a central part. Reopening venues safely and effectively, therefore, will be vital to revitalise the economy when safe to do so.



When asked what they would like to see in a 'roadmap', businesses and nightlife workers told the APPG that with a vaccination programme ongoing, indicative dates to reopening should be tied with key public health and safety metrics – for example, when the R rate falls below a set figure, or when certain proportions of the public have been vaccinated. Others noted the need for clear milestones to reduce restrictions – such as limits on capacity, wet sales and trading hours. These must be punctuated with timelines of financial support – continued up until nightlife businesses can trade freely at full capacity and without restriction.

As UK Music note, the seasonal nature of the virus means that the epidemiological position will improve as we head towards summer.⁷² With this in mind, any roadmap must feature clarity on timescales and on each type of business included in each stage of reopening. Nightclub businesses, for example, cannot be absent from exit strategies as seen throughout the duration of 2020.

With the Prime Minister set to announce a lockdown exit strategy later this month, the APPG hope that this will include nothing less than full transparency on timelines for each specific industry and key milestones to recovery. This is important, not just for the economic revival of the sector, but for the mental health and wellbeing of the workforce.

"We need a longer term plan to ensure the security of venues like mine across the UK... It will offer stability and peace of mind and get all stakeholders on the same page with regard to moving forward."

Sin City, Live Music Venue, Swansea

"[We need] to be able to plan, effectively without more wasted money, time and energy."

Snobs, Nightclub, Birmingham

⁷² APPG submission by UK Music, January 2021.



Reopening

Finally, the sector has appealed for a proactive approach from the Government with regards to the full reopening of nightlife. This includes both pilot schemes and models for returning to trade under Covid-related restrictions and maximum capacity events.

As several submissions to the APPG note, social distancing at events in live music venues, in nightclubs and at festivals is neither economically viable nor logistically simple. For the sector to return to any level of financial sustainability and independence, provisions must be made to explore routes to full capacity operation.

Recent scientific advancements have made this prospect more attainable: the advent of fast reliable mass testing lends itself to the provision of pre-event screening which, coupled with the ongoing vaccination programme, could allow the eventual reopening of nightlife without social distancing in safe and secure conditions.

The Music Venues Trust, for example, have prepared a series of pilot tests, while companies such as CleanAirSpaces and Biotech have offered the utility of air and cleaning surfaces. Similar models and schemes have been seen outside of the UK, such as the German Restart Project, and its replication would be welcomed by numerous domestic venues. Methods to raise hygiene standards, such as CDC approved UVGI/UVG systems, have likewise been proposed to deactivate viral pathogens, which could be embraced alongside the use of lateral-flow and mass testing facilities.⁷³

⁷³ APPG submission by UK Music, January 2021.

In July 2020, the Institute of Occupational Medicine (IOM) were commissioned by a range of stakeholders, including the Night Time Industries Association, Festival Republic and the Music Venues Trust, to research methods to mitigate risk in entertainment venues. The study listed a series of recommendations to manage the risk of Covid-19 in the sector. These included a range of controls and barriers to protect the public, such as the control of movement, cleaning regimes and ventilation measures.⁷⁴

For this to be effective, however, the sector must have the endorsement and recognition of the Government. The LIVE Group note that this could take the form of an incentive-based scheme, promoting an increased use of the NHSX trace app and raising participation rates for Covid-19 population testing.⁷⁵ UK Music add that if the Government were to work with industry to test and sanction new technologies, the sector as a whole can put together guidelines for running events and shows that are safe, secure and non-socially distanced.⁷⁶

In any case, the Government must recognise two key principles when navigating policy choices:

- That endorsement is needed from the Government to provide the confidence to explore pilot testing programmes.
- That until a full capacity return is achievable, the sector will continue to need sustained financial support.

As such, the APPG recommend that the Government engage with industry leaders to produce a series of protocols, specifically for the late-night sector, with the aim to pilot schemes for a full and safe reopening. This could be driven by an industry-led taskforce of nightlife operators and medical specialists. Until full capacity is safely achieved, it is absolutely necessary that comprehensive and long-lasting financial support is granted to businesses operating in the sector which will remain unviable under restrictions.



Recommendation:

- Create a taskforce within Government to advance the full reopening of nightlife.
- Sanction and support a series of scientific testing proposals and pilot schemes across the sector.
- Continue to support businesses financially until they can operate safely at full capacity.

⁷⁴ Institute of Occupational Medicine, 'Managing Covid-19 Risk in the UK Entertainment Industry', pp. 41-44.

⁷⁵ APPG submission by the LIVE Group, January 2021.

⁷⁶ APPG submission by UK Music, January 2021.

Recovery

Once safe reopening is achievable, the nightlife sector will be at the forefront of wider economic upturn. Even prior to the pandemic, 92% of England's councils thought that increased night time activity could help to rejuvenate their high streets.⁷⁷ The impact of Covid-19 on the sector has been felt broadly, but this means that nightlife's revival will support not only night time economy businesses but a multitude of tertiary industries as well.

As we have seen, the nightlife sector is increasingly symbiotic with the 'day time' economy. Emma France, a Business Tourism Manager in Sheffield, writes:

*'The Night Time sector is a crucial part of attracting businesses, students and residents (back) into the city... All of the sectors involved in hospitality and live events are interdependent so the success of the hotels in the city is dependent on the city having a vibrant product which attracts visitors to stay and spend.'*⁷⁸

This is particularly important given the recent collapse of large retailers such as Debenhams, Topshop, and Burton. These insolvencies have left the future of our high streets uncertain, leaving swathes of empty storefronts and thousands of staff redundant. Nightlife, however, is not so easily replicated in online alternatives; the lure of late-night venues can bring consumers back into our towns and city centres which, in turn, will rejuvenate the wider economy. From taxis to private hire operators, public transport, food outlets, hotels and accommodation, the revival of nightlife will act as an economic multiplier – with the infrastructure to support additional sectors and industries.

Cheltenham Borough Council, furthermore, note that rising numbers of youth unemployment can be improved by the safe recovery of the nightlife sector.

*'It is a well-known fact that young people have been particularly badly affected by the pandemic particularly in relation to unemployment and it is also the case that young people make up a high proportion of employees in the sector. The reopening of the Evening and Night Time Economy and wider hospitality sector will support local economic recovery by again providing employment and development opportunities for this demographic.'*⁷⁹

In any case, it is increasingly clear that while footfall in city centres remains low, a critical mass of business activity will be needed to build the economy to its pre-pandemic levels. Tim Feben, Director of Regather, warns that without a thriving nightlife offer, 'the learned trends of staying at home, online, local will solidify and the city centre could fall into a 'ghost town' status'.⁸⁰

The APPG were pleased that BEIS and DCMS seem to recognise this importance, writing in their inquiry submission that 'the hospitality sector was one of the first to recover following the 2007 financial crisis, which helped drive the UK's recovery more generally'.⁸¹

Time will tell if the Government take action that makes good on this recognition. What is needed now are concrete measures to demonstrate that it understands the value of this sector and considers night time economy jobs and industries as viable in the long-term. This means giving businesses the ability to make positive investment and staffing decisions, and affording those working in the sector the much-needed confidence not to seek employment elsewhere. With the right financial support, guidance, and a roadmap to reopening, nightlife will survive the pandemic and drive our cultural and economic recovery.

⁷⁷ APPG submission by the Greater London Authority, February 2021.

⁷⁸ APPG submission by Sheffield City Council, February 2021.

⁷⁹ APPG submission by Cheltenham Borough Council, January 2021.

⁸⁰ APPG submission by Sheffield City Council.

⁸¹ APPG submission by the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), February 2021.

Conclusion

Ultimately, the Covid-crisis has dealt a devastating blow to the night time economy, with a severe economic and human impact. We heard from a plethora of businesses, employees and freelance workers facing debilitating debts, financial uncertainty and job insecurity, alongside thousands of members of the public anxious to protect and preserve the community spaces they treasure.

Responses to our survey detailed a widespread feeling of frustration, a heavy-hearted acceptance that some restrictions have been needed, but a disappointment in the overall management of the crisis and the pittance of support provided. Businesses revealed the overwhelming financial cost of the pandemic, which has had a ripple effect on employment levels for staff and freelancers throughout the sector. Consultations also exposed a sheer lack of understanding and appreciation of nightlife - reflected in misguided policy advice and erratic trading restrictions. Moving forward, responses called for a clear and transparent strategy for recovery, the continuation of financial support measures and a desperate injection of grant funding to keep the sector alive.

As nightlife can play a central role in the UK's post-pandemic revival, the Government must look to safeguard our cultural institutions both now and in years to come. The appointment of a Night Time Economy Advisor, as seen in London, Manchester and Bristol, may be an important first step in demonstrating this Government's commitment to supporting nightlife industries. Indeed, with proposed planning changes to Permitted Development Rights, principles such as the 'Agent of Change' must be championed and protected to prevent our once vibrant towns and city centres becoming shadows of their former selves.



Recommendations

Trading

- Review the hospitality curfew and trading restrictions following the end of lockdown.
- Introduce a charter for businesses to pledge they are Covid-secure, drive consumer confidence, and tackle non-compliance.
- Introduce a government campaign to encourage consumer demand when safe to do so.

Employment

- Extend the furlough scheme/flexi-furlough for the sector until it can reopen at full capacity.
- Extend the eligibility period to allow those employed by the end of December to continue to be furloughed.
- Consider uprating reference pay periods for those on or around minimum wage.
- Introduce a government campaign to encourage workers to stay in the industry and support with training programmes following the loss of experience and talent.

Standing costs

- Provide a sector-specific grant scheme for businesses in the sector relating to the size and operating costs of each business.
- Extend the Business Rates Relief, VAT deferral and maintain the 5% VAT rate for businesses in the sector until 2022.
- Extend the forfeiture moratorium and introduce a government-backed 'shared burden' solution to the backdated payment of rent.

Grants

- Work with devolved administrations to streamline the standardisations of funds across the UK to prevent regional disparity.
- Increase the accessibility and transparency of financial support by reviewing metrics used to allocate grants and supporting businesses with the application process.

Insurance

- Provide an active support service to assist businesses in claiming insurance entitlements from providers.
- Introduce a government-backed insurance scheme to prepare the sector for effective recovery when safe operation is allowed.

Freelancers

- Review exclusions within the eligibility of the SEISS.
- Provide training opportunities for those in the sector post-pandemic.

Supply chain

- Officially recognise that supply chain businesses have been forced to close and provide the relevant financial support.

Roadmap

- Produce a clear and transparent 'roadmap' to recovery for nightlife, with necessary steps and conditions for safe reopening.

Recovery

- Create a government taskforce to advance the full reopening of nightlife, sanctioning a series of pilot schemes and models for full capacity restart.
- Appoint a Night Time Economy adviser to Government and protect the Agent of Change principle.

Appendix

The APPG for the Night Time Economy is grateful to a range of organisations and individuals who contributed to the making of this report. We thank the following organisations, alongside those who wished to stay anonymous, for their valued insights and support.

1703	Barlogic	Country House Inn	FLY EVENTS
#WeMakeEvents	Beatbox Leisure	Creative Community	FMLY Agency
1000 Trades	Beds and Bars	Croeso Pubs	Forty Eight
24hourlondon	Behind Closed Doors	Cup Aberdeen	Foxhills Club
2funkycomplex	Big Bang Ltd	Cwrw Da Cyf	Frame Artists
2Northdown	Big Easy Ltd	Damnably Records	Funky Fridayz
365 The World Ltd	Big Fish Little Fish Scotland	Dead Donkey Bar	Future Underground Nation
44 Group	Big Naturals	Dead Parrot Beer Company	FW Industries Group
54 Liverpool	Bishopsound Ltd	DECKS	Gallaghers Traditional Pub
57 Monkeys	BLOC+	Digital	Ganda Media
8 Ball and Arrows Sports Bar	Blue Ball Worrall	Disco Bowl Limited	Genre Music
Abz Musa	Bluebell Pub	DMX Productions	George Gawith Taxis
AGF	Bowling House Ltd	Dog & Gun Inn	GFERFRE
Ainsey's Entertainment	BOX-E	Dominion Hospitality	Gin & Juice
Alba Hire and Sales	Brighton Music Conference	Doncaster Warehouse	Global 2 Leisure
ALC Leisure	Bristol City Council	Dreamboys	GMG Events LTD
Alchemy PR	Cafe Artum	dusk	Go Secure It
ALEM LEISURE LTD	Camel Club	Eagle	Goo Goo Enterprise Limited
Allium	Castle Inn	eatmybeat	GoSa Events
Annabel's Cabaret & Discotheque	Central Wrexham	ECO PROPERTIES	Grand Sapphire Banqueting & Hotel
Apartment	Centrals Bar & Lounge	Eden Group	Greater London Authority
April to July	Centreglobal Ltd	Elite Security	Greater Manchester Combined Authority
Aquarium	Chadwick Arms	Entertainment Rescue	Groubook
Arcade Talent Agency	Chalk	Event Bars Lichfield	H.G. Stephenson Ltd
Art e Fect	Cheltenham Borough Council	Evolution Artists	Hampshire Boulevard
Ashwells Sports and Country Club	Cinema&Co	Evoque Nightclub	Harehills Labour Club
Atlas Bar	City of London Corporation	Fabric	Harts Group
Audioserv Ltd	Cloak & Dagger	Fire & Lightbox	Haverstock Tavern
The Pot Still	Club Tropicana & Venga Glasgow	Firewater	Heads Above
Back to the Dock	Commercial Inn	FirstMagic	Heart of London Business Alliance
Bar Bluu	Connect Security	Five Star Pubs	
Bar Pop		Flashlite Technical Services	
		Flex Nightclub	

Hedonist	LIVE Group	Parrjazz Ltd	Rose of Denmark
Heslam Park club	Live Here Now Limited	Peaks Catering	Safer Business Network
Hidden	Liz Hobbs Group Ltd	Peppermint	Saison
Hielan Jessie bar	LPH Concerts & Events	Phoenix Security	Salvation Night Club & Society Bar
Hippodrome Casino	MAC Artists Ltd	Pilgrim Bar	Sanctuary
Hoogah	Maccallums bar	Pink Nightclub	Sandman Signature Hotel
Horse and Jockey	MADE Festival	Pinnacle Protection Ltd	Scala
Hospital Records	Made it Happen	Pitch	Secret Events
Hothams Ltd	Magic Marquee Hire	Pitch Bar & Eatery	Secret Music Festival
Howl Bar Ltd	Manhattan Events	Pitchers Bar & Nightclub	Sesh Events Ltd
Husky Events	MBT building services	PJ's Nightclub	Seventh Heaven
Imperil	Medication	Platform Live Ltd / The Blast / Run	SF Leisure Europe Limited
Inchyra Events Ltd	Middlemansolutions	PLF Bars Ltd	Sheaf St.
Insanity Group	Ministry of Sound	Plonk Golf LTD	Sid's Bar
Invasion Angels	Mirage Parties	Poco Loco	Silver Grave Ltd
Jazz Music & Dance Co.	Mrs B's B&B Ltd.	Priory Inns North West	Sin City Swansea
Kained	Mustard Media	Private Eyes 1	Skiddle Limited
Kandy Bar & Nightclub	Nags Head	Promona Ltd	Skylight Rooftop Bar - Tobacco Dock
Karma Sanctum Soho	New Citizens LTD	Propaganda	Slim Jim's Liquor Store
Karooze limited	New World Fest	Proud Events Ltd	Smokey Joe's Cheltenham Ltd
Kings Arms Hotel	Next Gen Hospitality	Proud Group	SN1 Swindon Limited
KJM Studios Hereford Limited	NIGHT TALES	Public Bierhalle	Snuffy Jack's Ale House
Knife and Fork Food Ltd	Night Time Industries Association	Publicity & Display Ltd	Soho Spirits
KSG Acoustics Limited	Nocturnal Touring and Rooted Productions	Pulse 51	Solutions Audio Visual Ltd
LAB11	NosDa Hostel & Bar	Purslane Restaurant Ltd	Sorted Media UK LTD T/A FYI
Lambeth Street Pastors	NTRP	Quirky Ales Ltd	Sound Acoustic Productions
Lazco Limited	NUBU Nightclub	Radius	Sound Services Ltd
Leeds Irish Centre	Old Street Records	Regency Security Services	Spirited Nights Ltd
Leonidas Chester chocolate cafe	Orb	REKOM	SQP Live Ltd
Light Music	Oriental Express Restaurants Limited	Revolution Bars	St Leger Tavern
Lion Outside Bars	Out of Hand Ltd	Sticky Fingers Street Food	Stadium Management Ltd
Listen Up Music Promotions	Out on the Thames	Ridley Road Market Bar	
Little Lion Entertainment	Over Audio	ROCK DCM	
	Palagander Ltd		

Stew & Oyster	The Hare and Hounds	The Studio	Well versed events ltd
Stonegate Group	The ILL REPUTE	The Three Horseshoes	Wellington Club
SubClub	The John Harvey Arms	The Towpath Inn	Whiskey Bravo Productions Ltd
Sugar Leisure Limited	The Lambton	The Vanilla Alternative	Whitecart Group Ltd
Swanflightcom	The Lazy Dog	The Viper Rooms & Original Bierkeller	Wicked Student Nights
Swat Marketing	The Leadmill	The Westbourne	Woodstock Weddings and Events
TA ALT / Sound Circus	The Liars Club	The White Hart	Wortley House Hotel
Ten Cocktail Bar	The Library	The Workshop	YOYO
Ten87 Studios	The Light	The Yard	Zaranda
TGC Leisure Ltd	The Liverpool Pub	Three Crowns	Ziggy's South Shields
Tharavadu	The Lock Cocktail Bar	Three Six Zero	
The Angel Inn	The Ludoquist	TicketText Group	
The Arts Theatre Club	The Met Lounge	Titan Facilities Management (NW) Ltd	
The Beer Emporium	The Metal Monocle	TLT LLP	
The Beer Engin Micropub	The Molly House	Toptable weddings and events.	
The Boiler House/ Entice, Preston	The Monkey Suit	Tramps Nightclub	
The Bridge Inn	The Musician	Tres Hombres Customer Service & Security	
The Bureau Lichfield	The Nvisible Agency	Trilogy Leisure	
The Club	The Oddfellows Gastropub	Tropicana Venga	
The Cock Tavern	The Old Hellfire Club	Tyrant Productions Limited	
The Comedy Cow	The Oval Tavern	UK Events (NW) Group Ltd	
The Coopers Arms	The Palace Nightclub	UK Music	
The Cornubia Public House	The Pembury Tavern	UKHospitality	
The Criterion	The Pheasant Inn	Urban Tiger Gentlemen's Club	
THE CROOKED BILLET	The Pipeline	Vauxhall Tavern London	
The Crusader	The Powerline	VENUE38	
The Epic Group	The Red Lion	Vin Santo	
The Fan Club	The Rifle Club	Vodbull UK Ltd	
The Ferret	The Rising Sun	Walker Rose Solicitors	
The Flute and Tankard	The Rock	Waterloo Bar	
The Foresters Arms	The Rose	we are indigo	
The Grand	The Saxon Arms		
The Grapes	The Scotch of St James		
The Green	The Smugglers ltd		
The Gryphon	The Spread Eagle		
	The Star Inn		
	The Stirrup Tap		

