



mia

meetings industry association

UK Venue
Survey

18 August 2020

BACKGROUND

For three decades the Meetings Industry Association (mia) has been representing business meeting, seminar, conference and events venues alongside specialist sector-specific audio-visual suppliers, production houses and agencies, professional event organisers and equipment hire providers.

Our rapidly growing membership features 800+ venues including residential and non-residential conference centres, hotels with events space, large national exhibition spaces, sporting and academic venues, independents as well as corporate groups featuring a number of properties.

Together it is estimated that mia members employ in the region of 280,000 people who are not only crucial to the local economy throughout the UK but, are also economic and income generators for other sectors and essentially hubs for core business activity.

This report, which has been compiled following the latest industry insight request from the UK Government's Department for Digital Culture Media & Sport (DCMS), is based on the responses of 197 venue operators, who we estimate represent 36,628 employees.

EXECUTIVE SUMMARY

The business meeting and events sector has been completely knocked off of its feet and decimated by the impacts of COVID-19.

Huge financial losses, which are largely uncovered by insurance, have been endured by the industry. Over a third of venues (**34%**) are reporting values between **£1,000,000** and **£5,000,000** for lost business as a result of COVID-19, with the average venue reporting this figure at **£2,398,600**.

Scaling this surveys' findings to reflect the 700,000 employed within the industry, we estimate there has been **126,000** total job losses to date, with catering, front-of-house and events/account managers being the roles most severely affected.

And the impact has gone much further than just the venues. Almost half (**47%**) have had to reduce, or request more flexible terms with their suppliers, while **7%** are having to already source new ones because their regular pre-COVID-19 suppliers are no longer in operation.

Despite events now being permitted for up to 30 people in COVID-Secure venues, we are yet to see the green shoots of recovery. Both short and long-term business enquiries continue to remain well below pre-COVID levels. A decline in consumer confidence has seen a decrease in Q3 2020 enquiries for **97%** of venues compared to the previous year. On average, enquiries have decreased by a significant **78%**, with **94%** of venues also seeing a similar decline in Q4 2020, averaging a **75%** decrease.

And, with quarantine measures in place that are subject to change, it is unsurprising that very few international enquiries are being reported.

While business meetings of up to 30 are permitted, the majority of venues currently remain closed. Most are planning to reopen in late Q3 and Q4 – with just 15% opting to wait until 2021. Yet, the sector is ready and feeling confident that having meticulously planned, it can reopen and operate safely to support the economy.

The findings show how the sector has quickly responded by adapting its offering – achieving accreditations and investing a median of **£7,500** in safety measures that largely go above and beyond the government's requirements – to ensure venues are COVID-secure.

But it can't do this alone. To ensure the sector is able to survive and facilitate the £165 billion of trade that takes place through business events, it needs further support.

As the furlough scheme comes to an end before many venues are able to reopen in October, and it estimates that it could take at least 12-18 months, if not longer, for the sector to recover to pre-COVID levels, government intervention is urgently required.

Without an extension or a bespoke furlough scheme carrying through into 2021, job losses will continue. While almost a third (**31%**) state 0-5% of those currently on furlough will be made redundant if the scheme isn't extended, an average of **38%** employees are expected to lose their jobs come the end of October

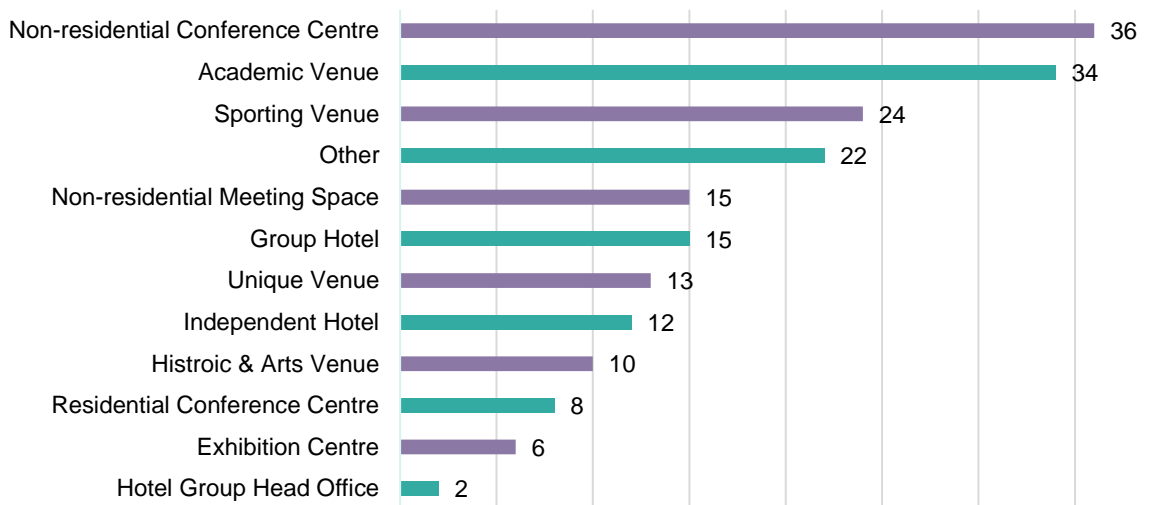
Satisfaction for the government's package of support has been mainly supportive and utilised by the majority of UK venues, with just over half (**51%**) showing their approval, but many would like to see further grants, business rates relief and clearer guidance to ensure its future viability. There's also huge interest in a government-backed scheme to help secure Coronavirus-related insurance to protect future events.

1 | PROFILING RESPONDENTS

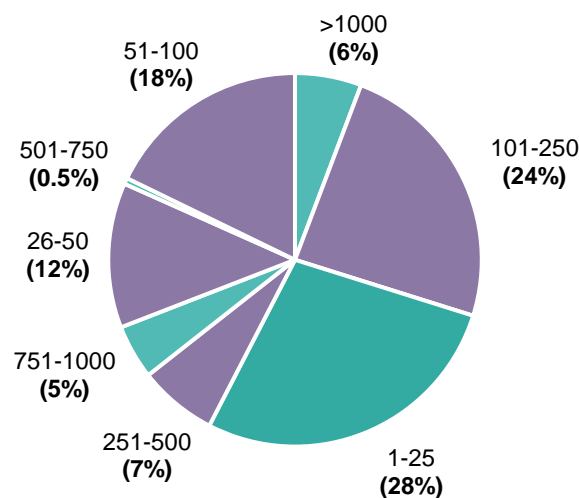
When evaluating the profiles of respondents, there is a range of venues being represented, with Non-residential Conference Centres, Academic & Sporting Venues accounting for almost half (**47%**) of respondents.

With a welcome range of venue sizes also making up the data sample, we can estimate from the median of ranges and number of responses that the presented findings represent roughly **36,628** employees.

Which of the following best defines your venue?



What is the approximate total number of full-time employees working within your organisation/wider group?

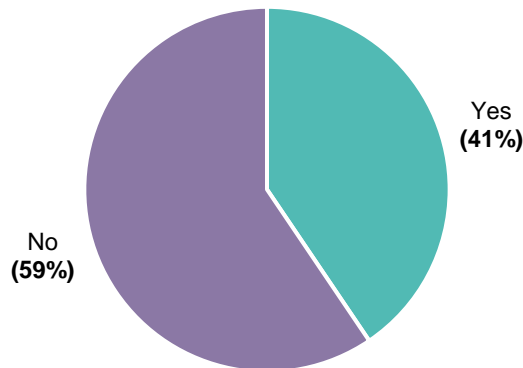


2 | REOPENING

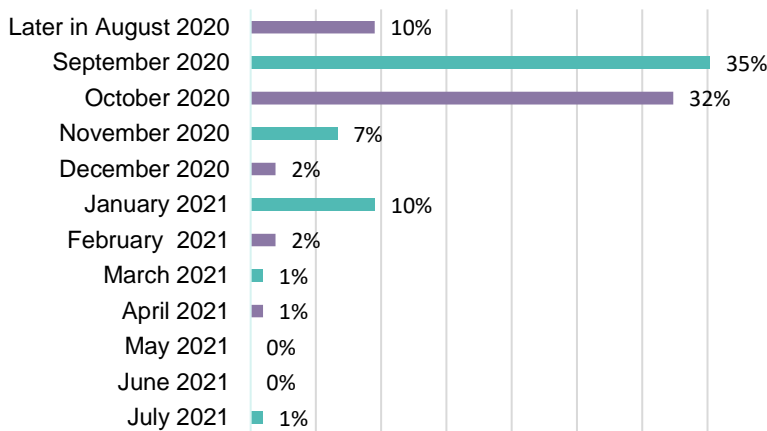
In line with recent government announcements, whereby permitted venues can reopen to deliver events for up to 30 delegates, the majority (**59%**) of responding venues remain closed for business at the time of data collection – ending 11 August.

While the reasons for such decisions will be explored throughout this report, it should be noted that 45 respondents (**23%**) represent Conference & Exhibition Centres who are not yet permitted to reopen for business.

Has your venue reopened for business meetings and events business?



When are you planning to reopen for business meetings and events business?

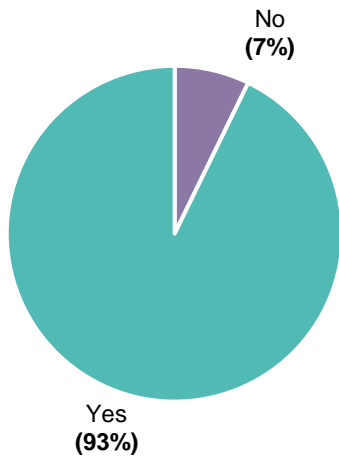


For the **59%** of respondents yet to reopen, most (**86%**) are planning to reopen within Q3 and Q4 of 2020, with the majority of Exhibition and Conference Centres (**79%**) planning to reopen prior to November 2020, as per recent government announcements that Exhibition and Conference Centre's can reopen for business from October.

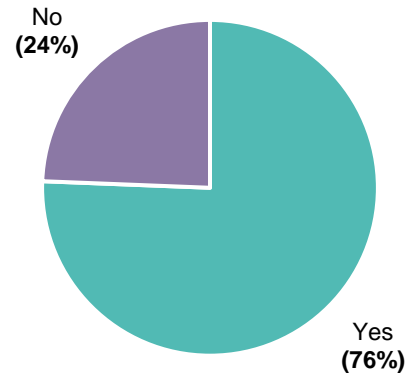
By contrast, **15%** of venues are now not expected to open until the new year.

Having meticulously planned, with many **(76%)** going above and beyond the measures outlined in the guidance, the sector is confident that it can reopen safely, with a median of **£7,500** spent on COVID-Secure preparations by UK Venues.

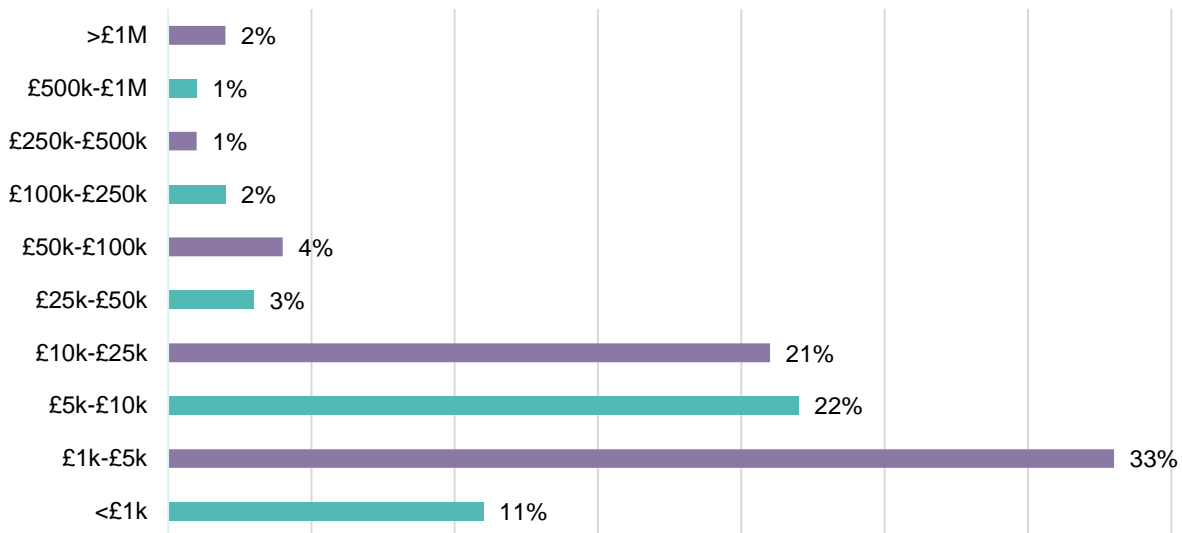
Are you confident that your venue is COVID-Secure?



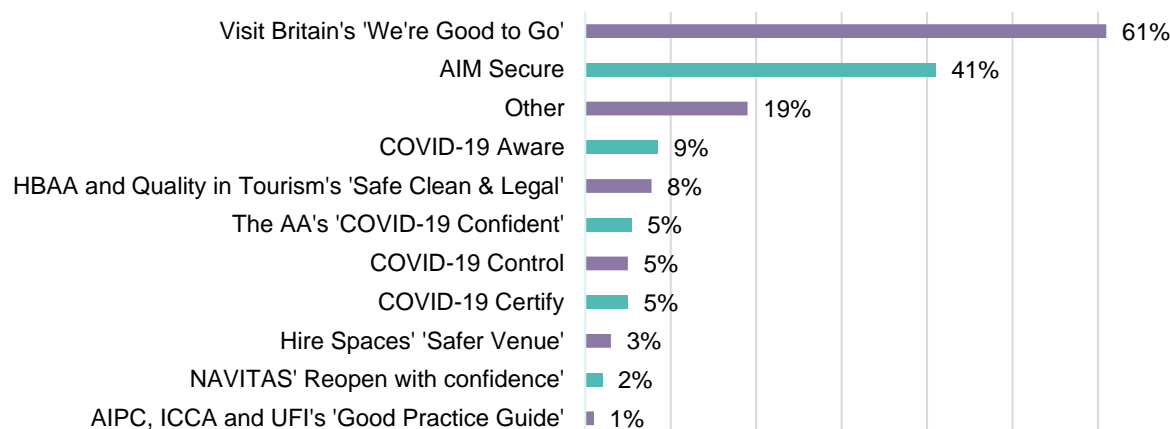
Do you feel your venue has implemented COVID-Secure measures that are above and beyond the guidance?



How much do you estimate your COVID-Secure preparations has cost your organisation?



Which COVID-Secure accreditations has your venue achieved to date?



3 | BOOKINGS AND ENQUIRIES

Despite all the necessary preparations conducted by UK venues to showcase that they are COVID-Secure, a decline in consumer confidence was forecasted, and has been demonstrated by a decrease in Q3 2020 enquiries for **97%** of venues when comparing on the previous year. On average, such enquiries have decreased by a significant **78%**, with **94%** of venues also seeing a similar decline in Q4 2020, averaging a **75%** decrease.

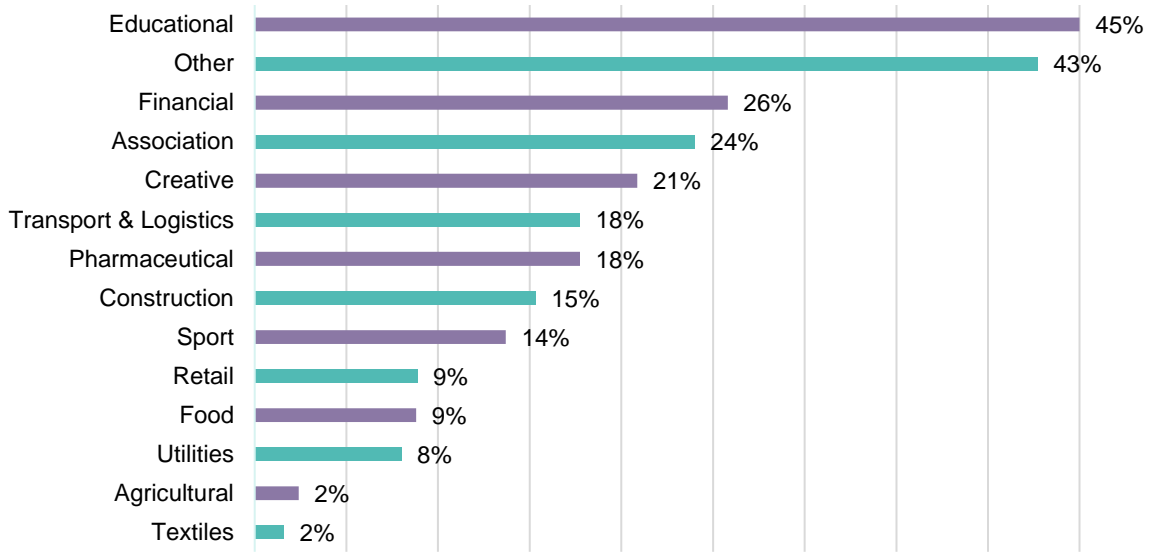
Many venues recently welcomed the government announcements that they can begin hosting small meetings and events for up to 30, however for many this has only reinforced concerns over the sectors survival, with **72%** experiencing no increase in short-lead time enquiries since the announcement. By contrast, since the announcement two-thirds (**66%**) have seen an increase on enquiries for larger events beyond the scheduled October re-start date, suggesting smaller, less-pertinent meetings and therefore smaller venues will suffer the greatest impact from the loss in consumer confidence. While these larger event enquiries may be welcomed by larger venues, they remain down for **95%** of venues compared with the same period in 2019, decreasing by **74%** on average.

Some sectors are found to be supporting business meetings and events business by placing bookings for 2020, such as Educational, Financial and other areas such as emergency services, government, council and charity, with the majority of venues (**64%**) continuing to honor the same DDR, despite the urgent need to compensate for severe loses in recent months.

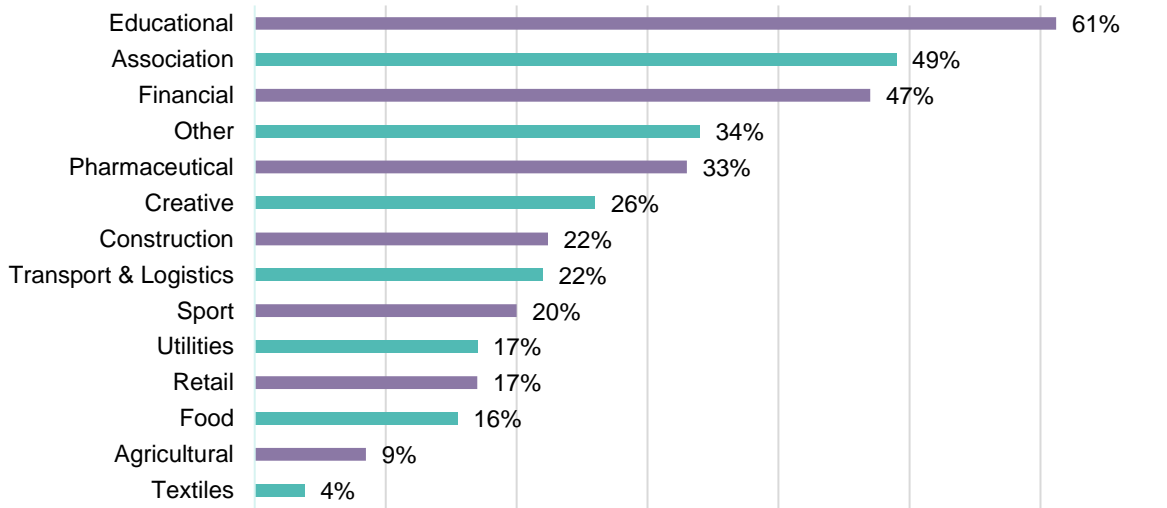
As many venues have looked to evolve their offering during the lockdown period, now providing virtual event solutions, **61%** of venues are receiving enquiries for hybrid events, representing an average **29%** of venues' event enquiries.

From changes in consumer confidence and booking trends, with a staggering **95%** of long-term enquiries now coming from domestic bookers, venues forecast a turbulent period of uncertainty, with almost half of venues (**48%**) expecting booking numbers to take between one year to 18 months to recover.

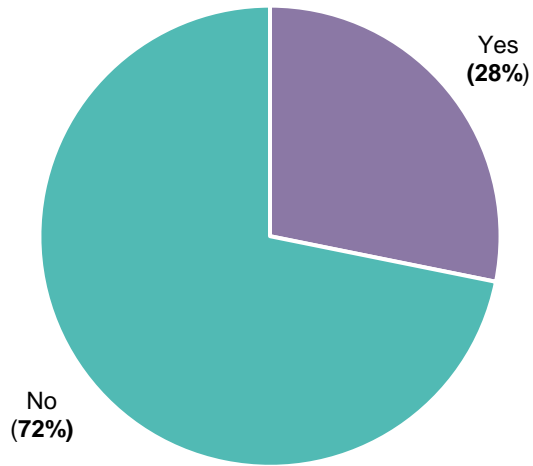
Which sectors are already placing their business meetings and events with you for 2020?



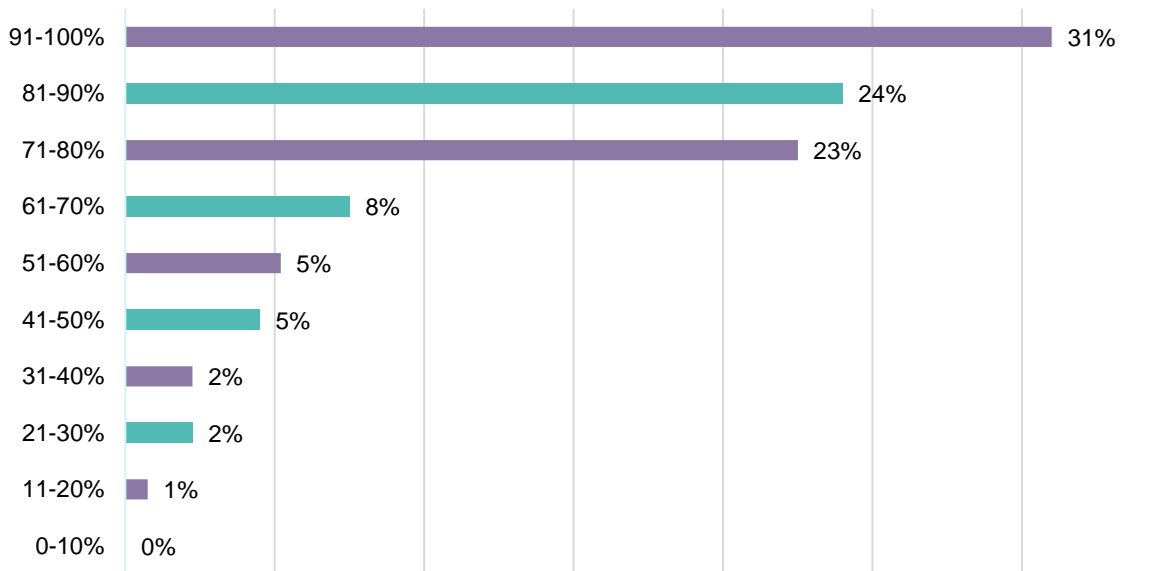
Which sectors are placing their business meetings and events with you for 2021?



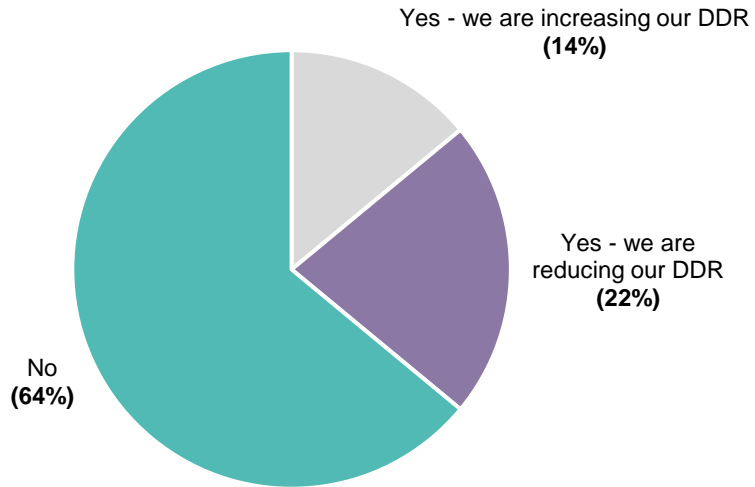
Have you seen an increase in short-lead time enquiries for business meetings and events for up to 30 people?



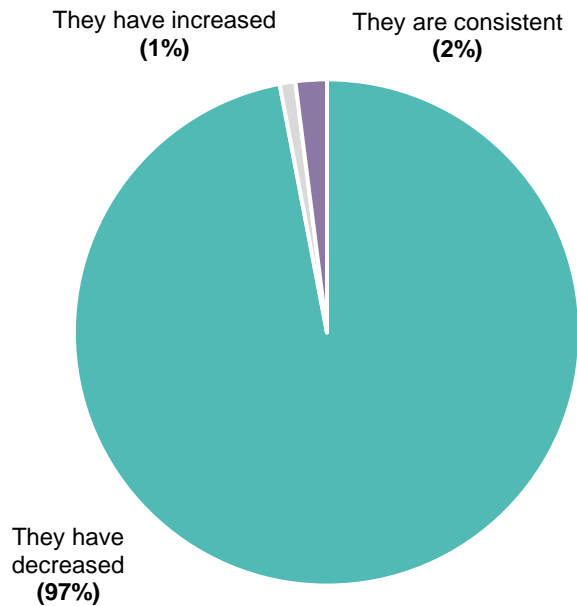
By what percentage are these down?



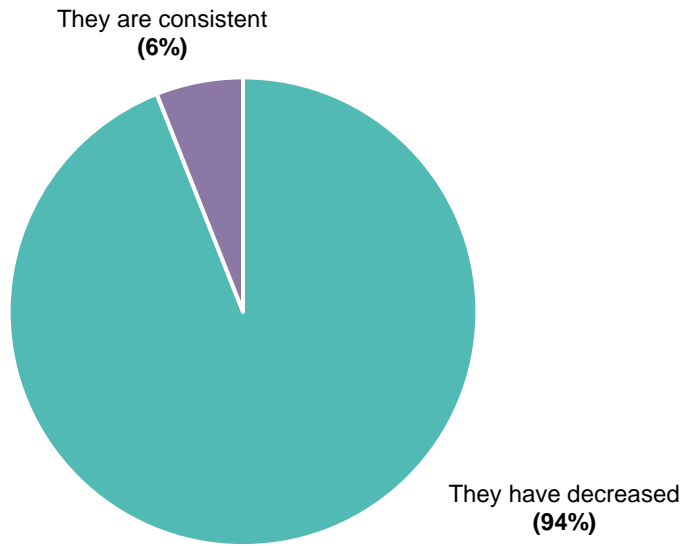
Have you adjusted your Daily Delegate Rate (DDR) as a result of COVID-19?



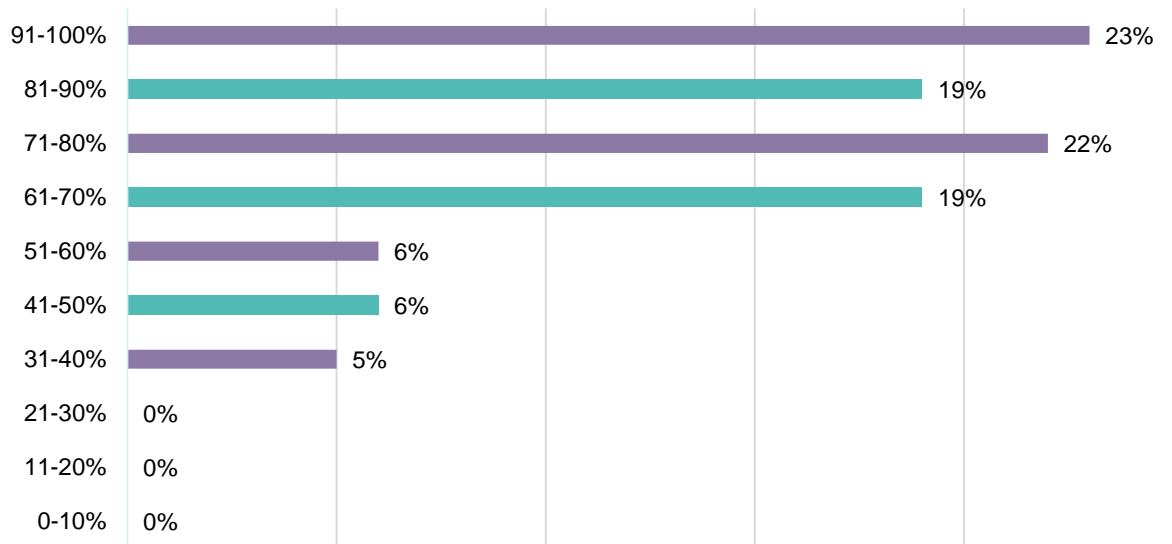
How do your current enquiry levels for Q3 2020 compare to the same period in 2019?



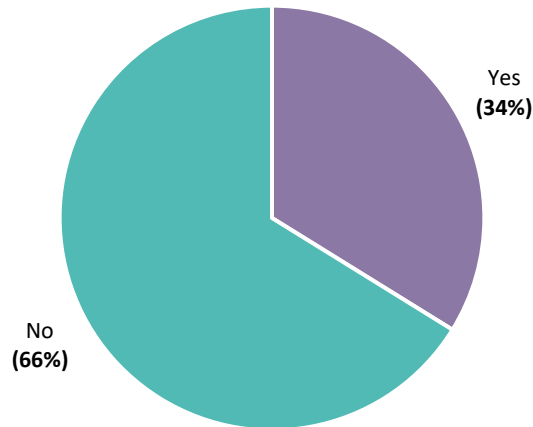
How do your current enquiry levels for Q4 2020 compare to the same period in 2019?



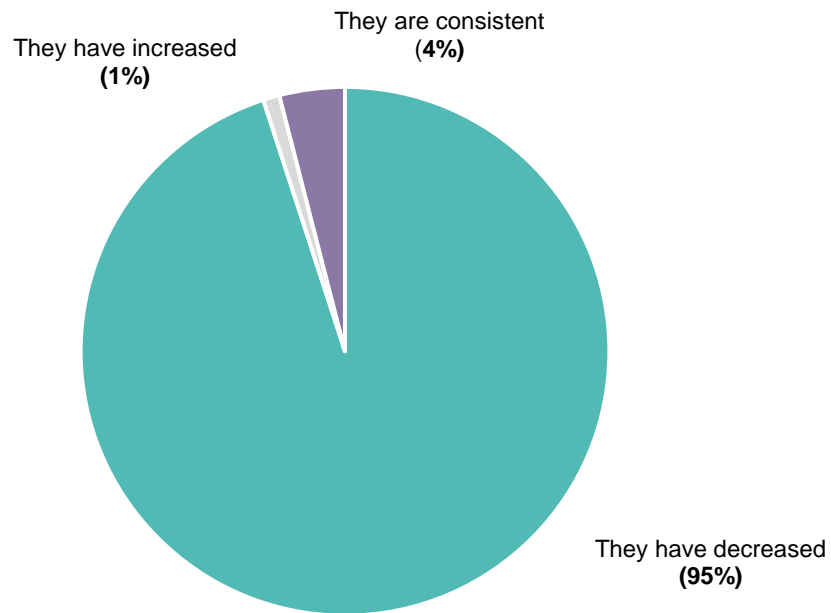
By what percentage are these down?



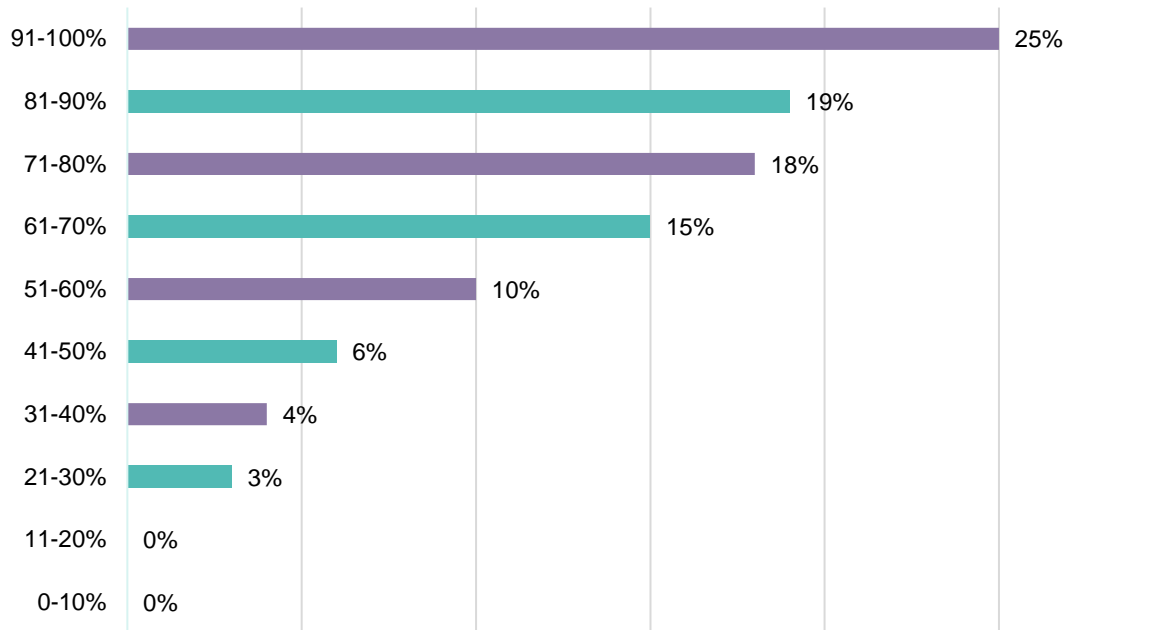
Now that there is further clarity on when large-scale events may be able to resume (subject to successful pilot events), are you receiving an increase in enquiries for physical live business meetings and events for over 30 people from October?



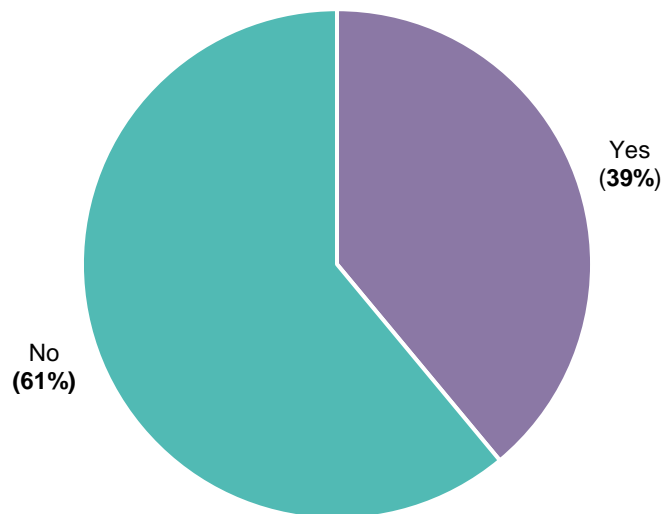
How do these enquiry levels compare to the same period in 2019 prior to COVID-19?



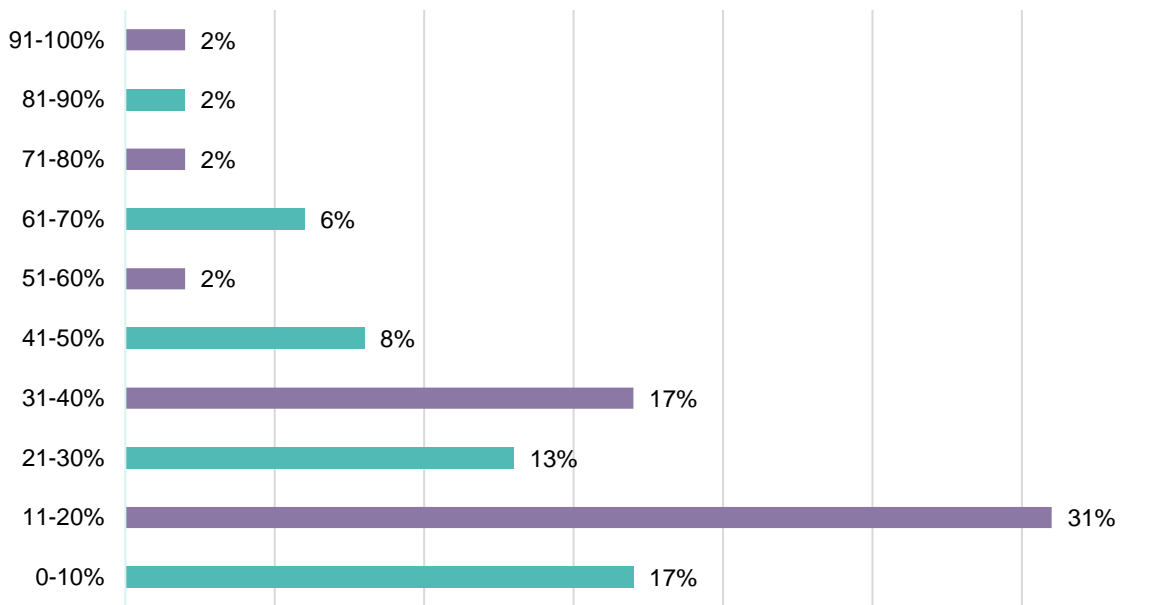
By what percentage are these booking enquiries down?



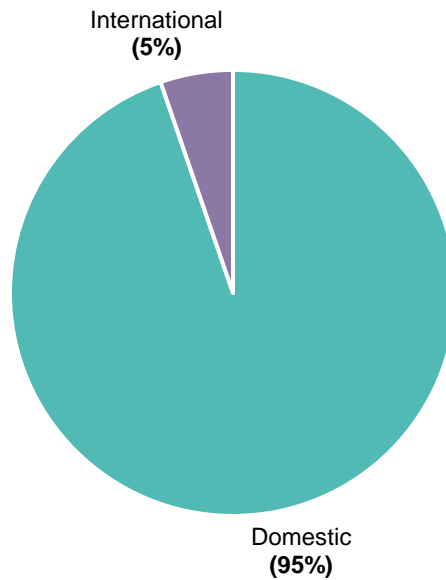
Are you receiving enquiries for hybrid events?



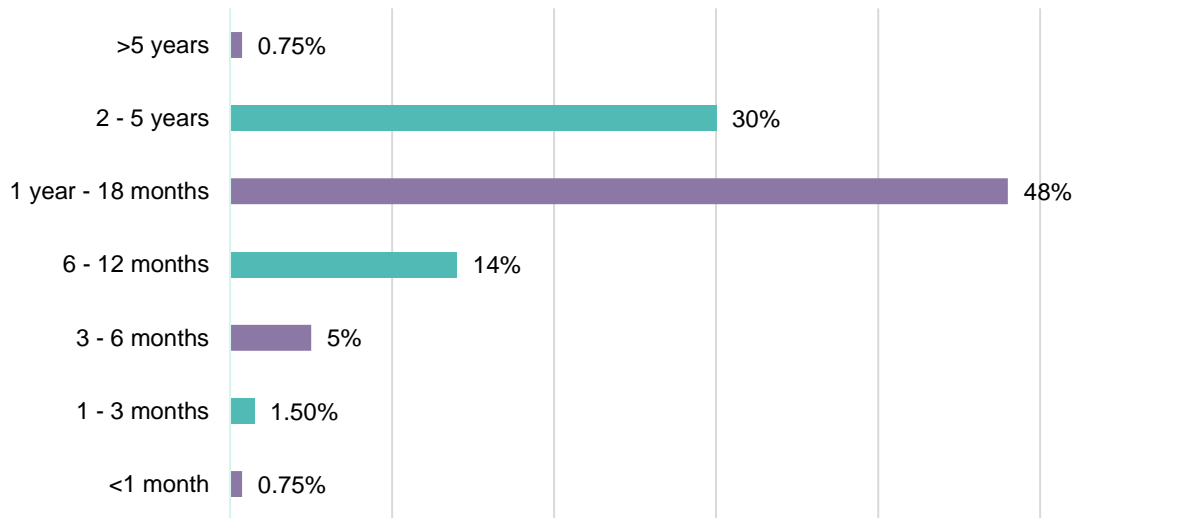
What percentage of your enquiries are for hybrid events?



Where are your long-term business meetings and events enquiries coming from?



Thinking about contracted bookings, in your assessment how long will it take for your organisation to recover to your pre-COVID numbers of business meetings and events?



4 | RECOVERY

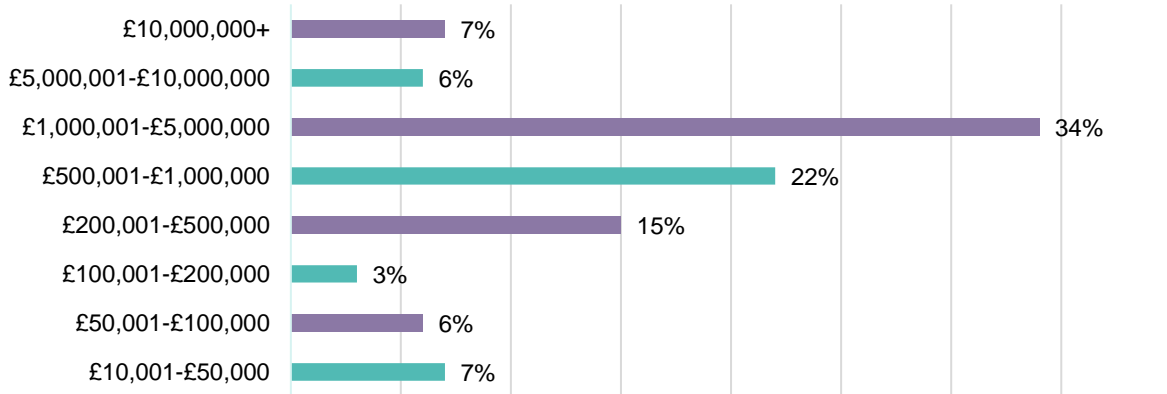
With substantial damage now widespread across the industry and most venues (**78.75%**) expecting bookings and enquiries to take beyond one year to recover, for many there is now a long road to recovery. Many venues (**34%**) are reporting values between **£1,000,000** and **£5,000,000** for lost business as a result of COVID-19, with the average venue attaching a **£2,398,600** value to this.

But how substantial is this? Unfortunately, this is only of little significance to a minor number of venues (**4%**), whereby such losses reflect less than 20% of their turnover. By contrast, almost a third (**31%**) recognise the value of lost business to equate to over 80% of their turnover, with the industry averaging a **65.5%** loss of revenue at the hands of COVID-19.

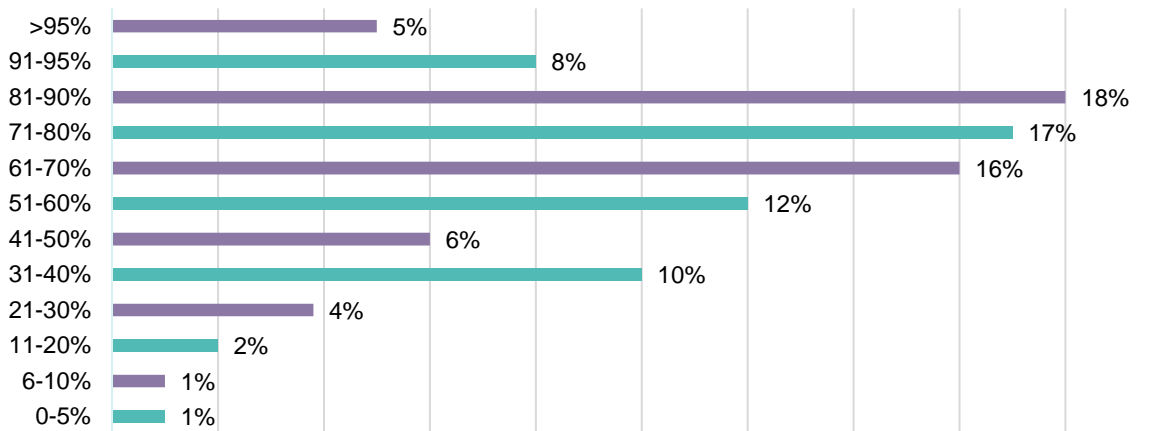
In response to such losses, many venues (**61%**) would welcome support to secure Coronavirus-related insurance for their business, with **92%** of venues stating that they had zero cover for their lost business.

Unfortunately, it is not just venues that have faced losses, nor the repercussions of venues' lost business either. The disruption COVID-19 has caused has been felt across the entire supply chain. Almost half of venues (**47%**) have had to renegotiate for more favorable contract terms. Most venues (**66%**) also recognise the role of other industry players and their need for further government support around insurance.

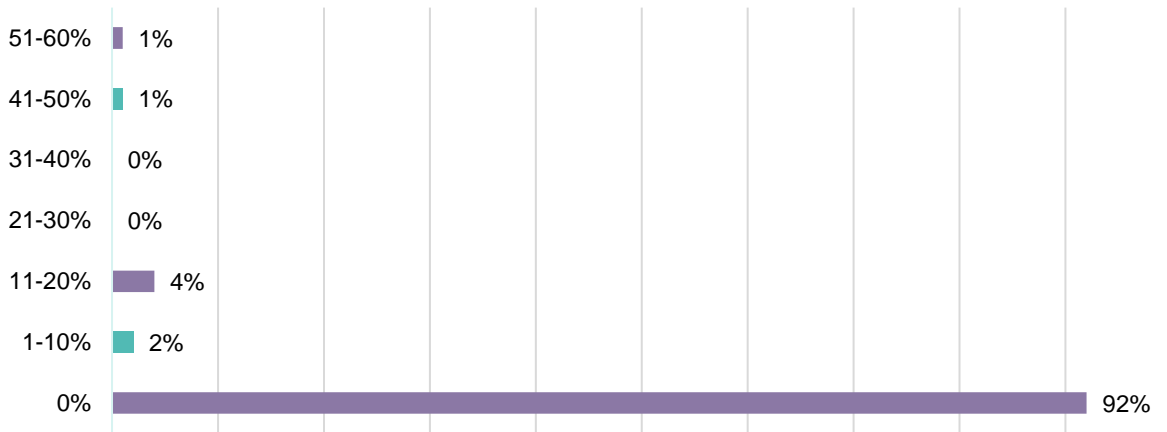
Thinking now about your financial year, what is the estimated total financial value of business that has been lost as a result of COVID-19?



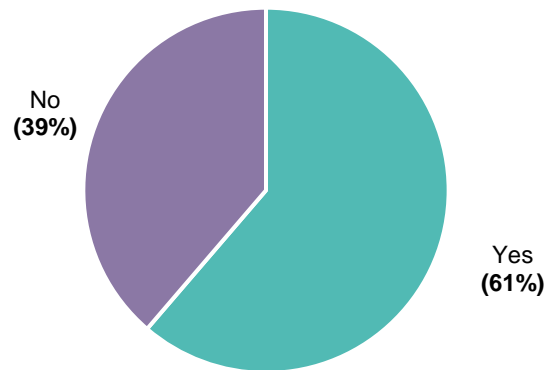
Again reflecting on your financial year, what proportion of your revenue does this lost business represent



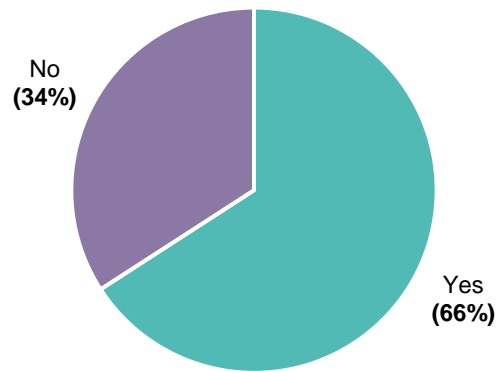
How much of this lost revenue, if any, was covered by your insurance?



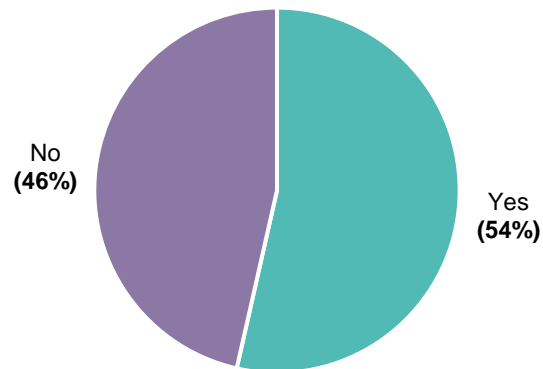
Would you like to have support to secure Coronavirus-related insurance for your business?



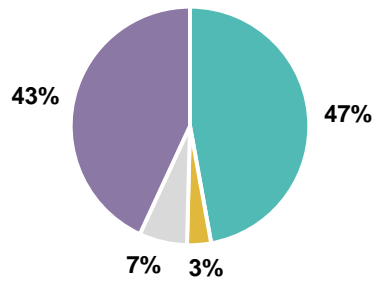
Would you like coronavirus-related insurance support for event organisers?



As a result of COVID-19, have you lost any international business meetings and events on rotation to the UK?



Looking at your supply chain, what impact has COVID-19 had on your suppliers?



- We have had to renegotiate contract terms to reduce or be more flexible with our commitment
- We have had to renegotiate contract terms to increase our commitment
- We are having to source new suppliers as they are no longer in operation
- There has been no change to our supplier contracts

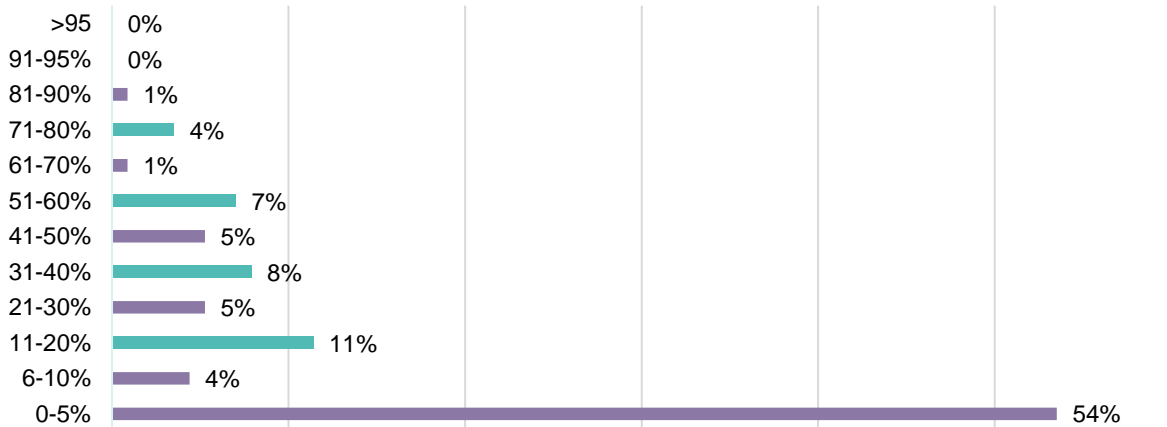
5 | STAFFING

In an industry full of exceptional talent, there has been great concern during the pandemic for the future of many roles, with the utilisation of the government's furlough scheme from **94%** of venues resulting in a lower level of redundancies to date. With barriers to business and any form of operation during lockdown, on average **72%** of venues' workforce were placed onto furlough, with **49%** expected to be on furlough until the end of October despite the current rephasing of events.

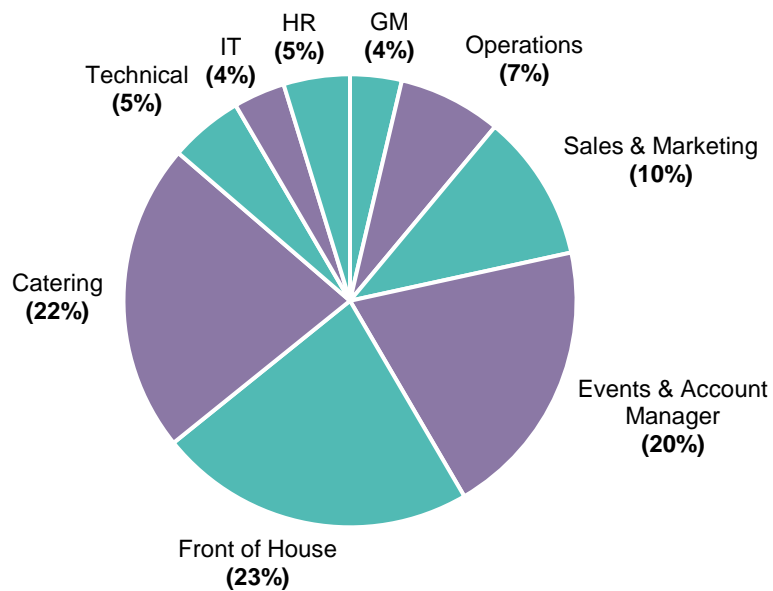
While this has been heavily welcomed support, **54%** of venues have still been led to make up to 5% of their staff redundant to date. With an average **18%** of employees having been made redundant already, of the **36,628** industry individuals this survey represents we can estimate **6,593** job losses to date. Scaling this up to reflect the 15,000 UK venues within the industry and its 700,000-strong workforce, that is **126,000** total job losses so far and unfortunately there is many more forecast.

The future of events is uncertain, and while almost a third of venues (**31%**) state up to 5% of their staff currently on furlough will be made redundant if the scheme isn't extended, an average of **38%** of employees are expected to lose their jobs come the end of October. In that eventuality, and again scaling this up to the 700,000 employees within the industry, that is a forecasted **266,000** job losses. With government intervention, including the extension of the furlough scheme and other support, **75%** of venues indicate that this figure would be drastically reduced, with **140,000** jobs across the industry expected to be saved.

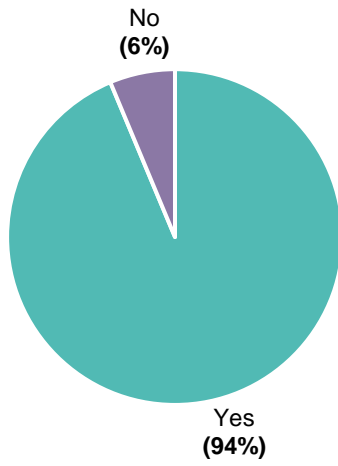
What percentage of your staff have been made redundant to date as a result of COVID-19?



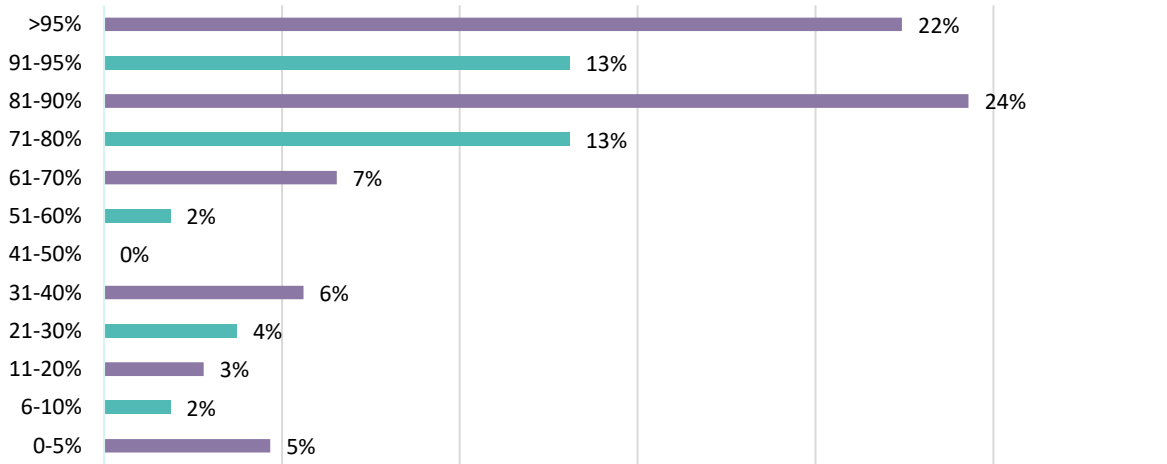
What roles have been made redundant?



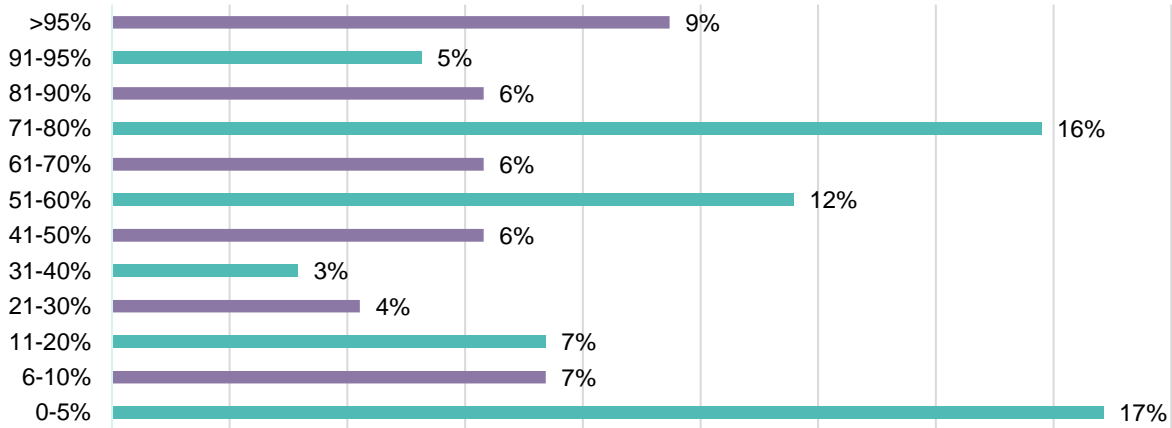
Has your organisation made use of the government's furlough scheme?



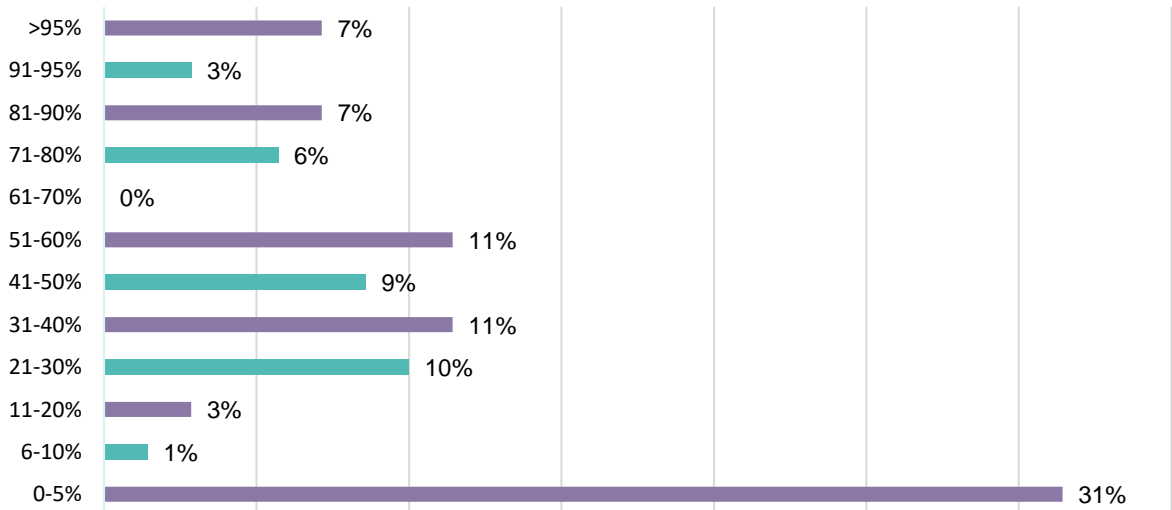
What percentage of your staff were furloughed?



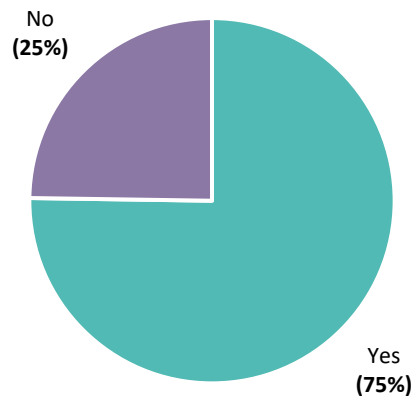
What percentage of those that were furloughed will be on the scheme until it finishes at the end of October?



If the government does not extend its furlough scheme, what percentage of those currently on furlough will be made redundant?



Would the number of redundancies reduce if the furlough scheme was extended beyond October?



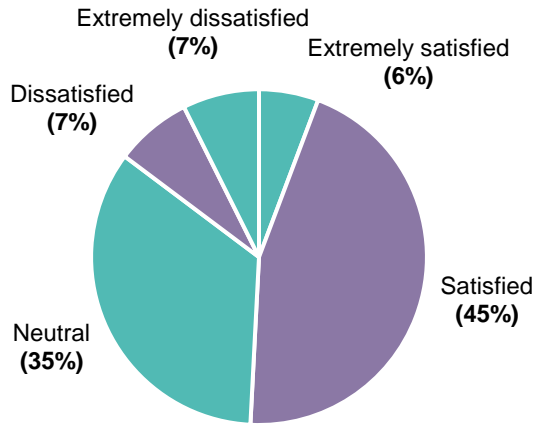
6 | GOVERNMENT INTERVENTION

Although predominant, it is not just the furlough scheme that has been utilised by venues, with VAT reductions (**31%**), deferments (**19%**) and business rate relief (**27%**) among other parts of the support package that have been welcomed.

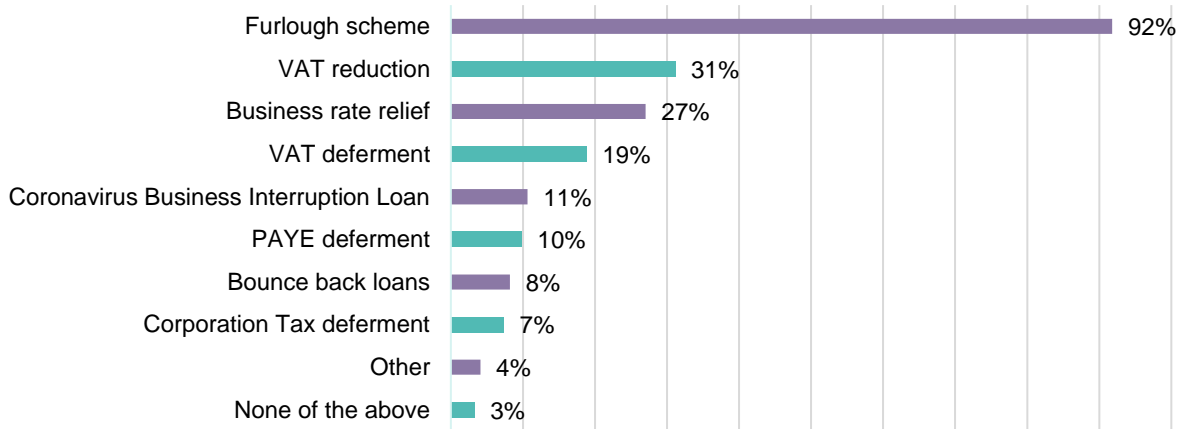
While just over half of venues (**51%**) have expressed their satisfaction with government, and **35%** holding neutral feelings over the package of support during the pandemic, most (**54%**) still recognise the need for more, urgent support, including:

- An extension of the furlough scheme
- Government subsidisation of necessary training and upskilling
- Greater and easier access to grants and business rates relief
- Clearer government guidance and definitions for the sector
- Greater confidence in events and their capabilities to operate safely, to support consumer confidence
- Grants to directly support COVID protection measures
- Grants and relief to businesses over the rateable value where operations cannot proceed

How satisfied has your organisation been with the government's package of support during the pandemic?



Which parts of the government's business support package has your organisation utilised?



Meetings Industry Association
Portland House, 1 Coventry Road, Market Harborough,
LE16 9BX

0345 230 5508
hello@mia-uk.org