

Wedding Industry Support Application - Summary for Taskforce Council

The Taskforce met with Paul Scully MP, Minister for Small Business, together with representatives of his department (BEIS), on 18th January 2021.

The hitherto resilient wedding sector is on the verge of collapse and entirely due to the unique challenges posed by the pandemic. There is no short-term structural challenge within the sector and hence the support we have asked for is genuinely needed as a result of the restrictions.

We can summarise the support we are seeking as four workable, affordable solutions that government can assist the sector with to get it to the other side of the pandemic. They work together, and offer the right solution NOW for the majority of the sector.

- a **cash grant** which will help 60,000 businesses – 38,000 of which need less than £10k to get them to Easter. But as this grant would not even touch the sides for the businesses with significant infrastructure, we are also seeking:
- **access to support grants already available to other sectors**, and an **extension to other measures** that wedding businesses have been accessing (and given the unique challenges faced by our sector)
- measures to **protect deposits**
- an **exit strategy**
- all the above are also aimed addressing rapidly waning consumer confidence

CURRENT POSITION AS OF JANUARY 2021

Weddings are for the majority a seasonal business, and the March 2020 pandemic struck at the end of the quietest period: the industry has now had 6 consecutive quarters of low or closed season business.

Instead of the expected 279,000 faith, belief and civil ceremonies held across the UK in a normal year, the reality is:

2020: 94% weddings didn't go ahead as planned

- 6% went ahead (£1.0bn)
- 15% cancelled (£2.2bn lost)
- 79% postponed into 2021 and 2022 (£11.6bn deferred)

2021: 475,000 weddings now in pipeline (Dec 2020 estimates - now more postponements for Qs1&2 and some Q3), including 196,500 postponed from 2020 (£25bn)

2022: 349,000 weddings scheduled, including 70,000 postponed from 2020/21 (£18.4bn)

UK WEDDINGS — TASKFORCE

The industry has been able to postpone the majority of its 2020 revenue. **This business is not yet lost, it is deferred.** The sector is therefore capable of bouncing back stronger and faster than most other sectors but needs a **support bridge** to get to April 1st **and a plan.**

THE DETAIL

1) £680m GRANT

The Taskforce survey identified that grants of up to £10k would support up to 38,000 wedding businesses to survive until 1st April, and grants of between £10k and £40k would support a further 22,000 – this is 43% of the grant received by the Arts which is less than half the size of the Weddings sector

2) ENHANCEMENT OF EXISTING GRANTS AND LOAN SCHEMES

- Enable access to an additional BBL equivalent to 50% of the initial amount
- Government intervention to encourage banks to assess wedding businesses as viable for CBILS
- Extend loan repayment to 10 years
- Additional 12 month deferment on interest and repayments
- Recognise all wedding businesses as LRS (closed) if weddings resume to fewer than 50 guests

VAT & BUSINESS RATES

- We support UK Hospitality's request for an extension to the VAT rate reduction, the business rates exemption and their time frames
- 5% VAT temporary reduction to be extended to all wedding businesses - including bridal retail and other wedding related retail
- Deferral scheme for 12 months to include Q3
- Business rates relief extended to March 2022

EMPLOYMENT

- Many businesses have been unable to fully furlough staff as they are required to manage cancellations and postponements (and re-postponements)
- Job Retention scheme to be extended to the end of July 2021
- SEISS to continue until end of July 2021
- Job Retention Bonus of £1k per retained employee reinstated
- JRS to extend to NI and pension payments
- Introduction of mooted scheme to cover directors' dividends lost due to Covid-19

3) LEGAL & COMMERCIAL

- The Minister's and BEIS support with the Taskforce's engagement with the CMA to urgently address a number of topics that require clarity

UK WEDDINGS

— TASKFORCE

- Government backed deposit protection scheme
- Insurance policy reform

4) EXIT STRATEGY

The Taskforce sought the Minister's commitment to working with us on a plan which we believe could open up the sector - safely - by Easter to 50+ guests. With the roll-out of vaccines and rapid testing, and given that we cannot simply ramp-up and open up overnight, we urgently require engagement over a workable plan (which we understand would come with caveats given no-one has a crystal ball):

- Clarity of a 'minimum viable wedding' with an agreed set of standard wedding activities
- Agreement from Government to provide additional resource working with us on a number of industry risk mitigating factors that in conjunction with an overall state of improvement of the pandemic would allow enhanced wedding activities and increased guest numbers, swiftly reaching normality
- The Taskforce relayed that the unique challenges faced by venues and suppliers who service larger wedding celebrations will not be solved if larger celebrations are to be prohibited as we enter summer. The Taskforce is doing some work around the worth of these sectors and

Wedding Sector Key Facts

Number of UK Weddings:

- 278,599 per year (source: Offices of National Statistics for England & Wales, Scotland & Northern Ireland (2017))
- circa 220,000 weddings postponed in 2020
- 74% of wedding businesses report losses of 76% - 100% of their turnover since the first lockdown (source: UK Weddings Survey of 3000 businesses, January 2021)

Wedding Industry Worth:

- £14.7bn estimated direct spend (50% more per annum than live sports events & three times that of arts & cultural events)
 - £9.4bn - on-the-day
 - £3.2bn - retail (wedding attire, rings and jewellery, gift lists)
 - £2.1bn - travel & tourism (pre-wedding events & wedding day related tourism)

Wedding Industry Businesses Workers:

- 60,000 businesses (estimated - with no SIC code there is uncertainty)
- 400,000 workers
 - 250,000 people on-the-day
 - 150,000 in support functions
- For every guest attending a wedding it is estimated that between 1 and 4 people are involved who earn less than £25k per year