

Venues and the share of supply test

1. Appendix A sets out our terms of reference, and paragraphs 3.16 and 3.17 of the provisional findings refer to our share of supply test in relation to indoor live music venues in London of over 1,000 capacity. Section 23(5) of the Enterprise Act 2002 provides that for the purpose of deciding whether the one-quarter share of supply test is met the decision-making authority shall apply such criterion (whether value, cost, price, quantity, capacity, number of workers employed or some other criterion, of whatever nature) or such combination of criteria, as it considers appropriate.

Criteria

2. Information is not available for all the relevant parties, ie including venues in London operated by other than the merging parties, in respect of commonly used criteria such as turnover or employment. The simplest and most practicable measure is that of the number of venues in London with a capacity over 1,000. That avoids complications such as trying to compare different venue configurations (seated, standing) or the use of a venue in full or reduced 'shorthall' capacity mode.
3. Table 1 in Appendix F lists all the venues in London with their capacity in each case. It shows that
 - Hamsard/Live Nation operates five venues—Wembley Arena, Hammersmith Apollo, the Astoria, the Forum, and the Mean Fiddler;
 - Academy operates two venues—the Brixton Academy and the Shepherd's Bush Empire; and
 - third parties operate or will operate fourteen venues—the O2 Dome (counted as two), the Royal Albert Hall, Alexandra Palace, Earl's Court, the Roundhouse, the

Coronet, Hammersmith Palais, Ocean Hackney, KoKo, La Scala, Electric Ballroom, the Barbican, ULU.

5. On this estimate, the merging parties account for one-third (seven of twenty-one) of venues of over 1,000 capacity and so the share of supply test is met.