



COVID-19: THEATRE & THE PERFORMING ARTS SECTOR, WHAT'S NEEDED FOR SURVIVAL & RECOVERY

The performing arts' contribution to the UK: economic & social

British theatre (from drama to musical theatre to opera to dance) is a world-class cultural and economic force with British theatrical productions filling cultural venues and theatres from Broadway to Beijing.

From small studios to big-budget stages, theatre and the performing arts are part of the fabric of British life. Towns, villages and cities the breadth of the UK have and use theatres for more than seeing a show – they are spaces for many different groups in community to come together to learn, socialise and create.

Across the UK theatre's workforce of 290,000 people includes 70% who are self-employed and move freely between scales and sectors. Its people – from actors to costumiers, technicians to producers – are the gold standard, often developing into world leaders in TV, film and digital arts.

As you know, the creative industries are a motor of growth in local economies from North to South Wales.

- As a result of Welsh Government support, the creative industries is one of the fastest growing sectors, with an annual turnover of over £1.9 billion. It employs over 58,000 people, 52% more than ten years ago. Whilst a large percentage of this is within the media industry, performing arts is a major part of this and Wales' global competitiveness in film and tv is threatened as a result of the absence of talent and script development that theatre provides.
- In Wales 75% of people attend or participate in arts culture or heritage activities three or more times a year.
- According to the Audience Finder Ticketing Data report 18/19 theatres and arts centres in Wales received £34,875,258 total ticket income
- In the same report it noted 3,101,588 attendees to performing arts activity (not including popular music / rock concerts and cinema).

The success of UK theatre relies on a complex ecosystem comprising of three main pillars (all pillars include both venues and production companies):

Commercial theatre; Not-for-profit companies who receive funding by the Arts Councils, Local Authorities, alongside philanthropic donations to supplement income from ticket sales; and Independent charitable trusts who receive no Government subsidy and rely solely on philanthropic donations and ticket sales. These three pillars are inextricably linked: an intricate cross-country network of collaboration that has evolved over the past 70 years.

Without support for each element, the entire ecosystem falls apart and cannot be rebuilt from scratch.

Data from the Theatres' Trust shows the huge range of theatre buildings throughout Wales. There are 63 theatres and arts centres in Wales. This breaks down to:

- Charity – 26
- Local Authority – 18
- Non-charity companies – 3
- Leisure Trusts – 5
- Universities and other HE – 4

British theatre is far more than entertainment. It is beneficial to mental and physical health; it informs and educates. Moreover, it exports British creativity to the world, with all the benefits to trade and tourism flowing from that global exposure.

The current situation – including fiscal damage to the sector

Theatres and performing arts venues across the UK moved rapidly in response to Government advice to protect public health with every UK venue now dark. COVID-19 has removed all the sector's trading income at a stroke and thrown business into crisis.

Overall, the impact has been immediate and devastating; the medium and long-term consequences see threats to economic, social and cultural wellbeing in communities all over the UK, including:

- With all theatres closed for over two months, **box office income and ancillary trading is at zero.**
- Fixed costs remain high, including listed building overheads at £70,000 to £100,000 on average per month. **70% of organisations will run out of cash by end of 2020** (across venues / producers)
- Theatres across the UK are **going out of business**, including venues in Leicester, Southampton and Southport
- The Job Retention Scheme has avoided large-scale redundancies to this point, and we welcome The UK Government's hard work on making this essential scheme available.
- Without intervention, **job losses** are likely to number over 200,000 (employed and freelancers).
- Loan schemes very challenging to access, for example because of charitable status restrictions and financial structures of commercial operators unable to accommodate debt
- **Loss to HMT of VAT payments** plus enormous economic impact on all related hospitality and related businesses – multiplier estimated at 5-6 times in major cities – if theatres are forced to shut down permanently. **Major risk to towns and cities around Wales** where investment in venues and jobs has led to regional job growth, economic impact and regeneration in the area such as Caernarfon, Bangor, Cardiff and Wrexham.
- **Major Risks** towards progressing the goals outlined in the Wellbeing of Future Generations Act 2015 – not least 'A Wales of vibrant culture and thriving Welsh Language'

The central issue

Following government/scientific advice on social distancing measures is crucial. However, for as long as social distancing measures rightly exist, for our sector this makes the prospect of reopening with any profitability impossible. Whilst many other sectors will be able to gradually reopen under current measures, theatres cannot. It would leave around 20% of our seats available, and with 50% to 70% occupancy typically needed to break even **theatres cannot operate**. It is not possible to increase this capacity whilst respecting essential social distancing rules and this threatens to damage theatre and cultural spaces across the UK.

Any sector-wide reconstruction would be far costlier than this rescue package and a managed recovery. We therefore ask the following are recommendations for Government to consider:

There are two groups of recommendations. The first is a new Emergency Rescue Fund and Long-term Loan or Cultural Investment Participation Scheme. This is absolutely critical. The

second is a collection of extensions or revisions to existing policy. These are also critical to keep the sector alive until the longer-term solution is in place.

Group 1

Safeguard the strength and UK-wide impact of the Sector through an Emergency Rescue Fund and a Cultural Investment Participation Scheme, and the protection of Local Authority Leisure Budgets.

Group 2

Sustain the workforce through a sectoral extension of the Job Retention Scheme at 80% until at least October; and an extension or replacement of the Self-Employment Income Support Scheme. This will also protect the wider ecology of theatre, and the thousands of small companies across the UK that allow the Sector to function.

Catalyse the recovery including temporary modifications to the Theatre Production Tax Relief for three years, and other measures which would ease the tax burden in the short-term and allow for a stronger return to an income generative position.

Review insurance and liability policy in light of the new risks of re-opening, to allow access by the Sector to appropriate insurance. Currently, only 12% of organisations in the Sector believe they would be able to secure insurance.

Overarching Issue	Detailed asks
Sustain the workforce during the crisis – we need to protect both the specialist staff on whose expertise the whole industry relies, and the vast freelance/self-employed part of the workforce (numbering around 70% of total workers, including all actor, musicians and most creatives) who create and perform work. We need two key components:	<p>1) The extension of the JRS to October at 80% but fully funded by the government at the 80% level as theatre organisations cannot afford to contribute with zero income for months¹. Depending on the progress within the “Entertainment and Events Working Group” on re-opening, the industry may need additional support on JRS, or an alternative scheme like short term wage subsidies, to allow planning for the gap between October and commercial reopening.</p> <p>2) A unified scheme to support and sustain the freelancers who create so much of our work must be identified. The theatrical benevolent charities are already reporting real need in this population, and this must be addressed swiftly either through an extension of the SEISS scheme, or through a new tailored scheme for this sector. We believe we could aid government in fixing the gaps that exist, for example by validating all those who graduated into our sector in summer 2019.</p>
Catalyse the recovery	<p>1) Temporary extension of Theatre Tax Relief. We believe a series of changes to existing tax rules, including a modification to the Theatre Production Tax Relief for two years, could aid recovery as the sector re-establishes</p>

¹ Announcement of JRS continuance in this way will need to be clarified soon otherwise many theatres will commence redundancy consultations with staff soon, and at the latest by mid-June, due to the laws surrounding staffing consultations.

	<p>2) Insurance and liability – our work with the insurance industry tells us that most venues and producers will NOT be able to access appropriate insurance to enable re-opening as the risks to organisations will be too high, and often unquantifiable. Indeed, from the recent SOLT & UK Theatre survey only 12% of organisations believe they will be able to get the insurance they need to re-open or produce new work. We have pulled together a working group on this, with a view to making proposals on how a national government-backed insurance scheme could solve this issue for the next few years.</p> <p>3) Support for the wider ecology of theatre – the thousands of small companies that form the bedrock of the industry (from producers' companies, to workshops, to costume and set makers, to agents and casting directors) as well as the major technical suppliers to the industry face many similar issues to theatre venues and productions – it is vital that any sector support applies to them as well. Crucial to this group is the JRS extension, the support for freelancers and that measures introduced to help theatres are extended to “theatre supporting companies”.</p> <p>4) Organisations will need to equip themselves for the revised ways of working to ensure COVID-19 secure venues, including potential capital investment on toilet facilities, temperature monitoring, and other related costs such as additional H & S precautions, PPE, increased costs of working, etc</p>
<p>Safeguard the strength and UK-wide impact of this vital sector – for many organisations, the measures above around workforce will not be enough to survive. In a sector where there is a high proportion of charities/trusts and where reserves are low, these reserves are rapidly being eroded in absorbing the costs of closure, and for many in the maintenance of our historic theatre buildings. These urgent needs, might be addressed by a combination of:</p>	<p>1) An Emergency Rescue Fund, that needs to work across all parts of the sector, and</p> <p>2) A new Cultural Investment Participation Scheme, available to both not for profit and commercial organisations. Existing loan schemes introduced by the government do not work for our sector for a variety of reasons. Our proposal is that an alternative investment scheme would ensure the swift economic recovery of the sector in the twelve-month period following the full re-opening of venues, with built-in incentives to private investors and philanthropists and whilst providing the government with in-kind social benefit and a potential financial return from the activities of both charitable and commercial organisations within the sector. This will allow companies to re-stabilise their businesses, giving them the necessary risk protection in the reopening period without fear of imperilling their financial future through long term loans. Boards of trustees or equivalent (for not for profit organisations) would be accountable for the decision to apply for such a scheme giving HMT/HMG assurance of the viability of each participating theatre.</p>

	<p>3) Local authorities (LA) – many regional theatres have some support from their LA, and in discussions with the Local Government Authority as well as local councils themselves, we are concerned that leisure budgets will be reduced leading to more income pressures for regional theatres.</p>
--	--

Examples of Welsh theatre's activities during lockdown

Digital

- The Sherman Theatre have commissioned and created ten plays by an exceptional line-up of emerging and established Welsh and Wales-based writers and are being self-filmed by a brilliant cast of actors. TEN is all about giving you a short theatre fix that you can fit into your day. They feature *MUM* and *DAD* by Gary Owen, performed by Lynn Hunter and Michael Sheen and *Who Runs Towards a Fire* by Owen Thomas performed by Rakie Ayola. TEN is made possible by a generous donation from an anonymous benefactor.
- RCT Theatres are creating online content in collaboration with their artist in residence.
- National Dance Company Wales have created a digital hub of resources and performances <https://ndcwales.co.uk/digital-hub>
- At Theatr Felinfach the Creative Team set up the '*Imagine*' project, with the aim of sharing various creative ideas and activities ranging from micro-plays to character makeovers, creating mini characters or masks out of cardboard as well as various games to play as a family

Examples of Welsh theatre response in helping the community during COVID-19

- The technical team at the Torch Theatre, Milford Haven, have volunteered their own free time to make face shields, so far, they have made over 300 face shields but due to demand they are keen to make even more. They are making these to support the local community; the nurses, the carers and support workers, to help supply them with the extra protection they require to continue providing care through this difficult time.
- Princess Royal Theatre in Port Talbot and Swansea Grand have given their venue to Welsh Blood Service.
- In Caerphilly the Blackwood Miners' Institute have been showcasing local artists and bands with their Sunday Sessions on Facebook.
- Also at Theatr Felinfach in between being creative with her colleagues, Sioned Hâf Thomas, their Dance and Theatre Officer has invested in a 3D printer and created protective face visors.

Case study - Theatr Clwyd (TC) response during the pandemic:

- TC have made numerous deliveries of their food stocks to the families identified as most in need by the social services team at LA. These have been very well received.
- TC have run a 'shoe box appeal' for the children of the same families to ensure they receive a little something special during such difficult times. Following an initial one day drop off at the theatre, they had to schedule a second day due to demand. Over 300 boxes have made their way to children of all ages with further drop offs planned for next month.
- TC have been one of the major centres for blood donations during this time, ensuring the NHS blood stocks are kept up to necessary levels. They have a third full week announced with future dates booked in.
- TC continue to deliver *Theatr Clwyd Together* – their online creative challenges – the response from Welsh communities has been beautiful and moving.

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth, cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

CWLC COV25

Ymateb gan Cyngor Bwrdeistref Sirol Conwy / Response from Creu Cymru and UK Theatre

- TC have moved all their weekly Creative Engagement sessions online for over 200 people – from the youngest in our youth theatre through to their most vulnerable individuals in *Arts from the Armchair* dementia NHS referral group.
- TC have been delivering specially tailored online sessions for '*the Mold Riots Girls*' who have encountered major challenges with their lives at home during lockdown– they are very vocal about what a difference these sessions are making to them – potentially lifesaving according to their alcohol and drug support workers.
- TC have been delivering creative packs to those members of their groups who don't have online access (*Arts from the Armchair* for example).
- TC have moved some of their music lessons online – delivering regular music education to over 800 families during lockdown
- TC are currently working with partners in their LA to support Key Worker family provision in the county during the summer – Theatr Clwyd buildings and teams are likely to be one of the key hubs if required.
- TC are exploring how they can support LA colleagues with staffing resource towards the Track, Trace and Protect scheme they are required to deliver on behalf of Welsh Government.