

Written evidence submitted by Imagine Theatre

Who are we?

We are Imagine Theatre, the second biggest pantomime producers in the UK. Imagine has produced more than 175 pantomimes across the length and breadth of the country, selling more than £50m worth of tickets and entertaining more than 4m people.

We sit within the commercial sector of the theatre industry and receive no subsidies or support from outside bodies. All our finances are raised through ticket sales and hires.

Why are we submitting evidence?

Imagine feels like it's fallen between a gap. With a rateable value of £64,500, we do not qualify for a rates holiday or any government grant, but with a turnover of only £3.5m, even though we have what is usually a very stable business, as we work in theatre, we are seen as high risk by the banks. Therefore we are stuck unable to access much help other than the Job Retention Scheme. We are predicting that our audience levels will drop off by around 30% over Christmas – which could prove catastrophic for us despite having been consistently profitable for the past 15 years' worth of accounts.

- **What has been the immediate impact of Covid-19 on the sector?**

We respond from our businesses own perspective of being a pantomime producer within the theatre industry.

Immediate impact – 1 month from now - there has been little immediate impact financially on our business, but our staff workload has plummeted. Therefore we have had to furlough around 50% of our head office staff so that we can keep our reserves for the inevitable challenges which lie ahead. The theatres we work with are all closed and we are unable to contact people to talk to them about plans.

Short term impact – 3 months from now - theatres we are working with are closed, their staff are furloughed and we are unable to make plans for the up and coming pantomime season. More importantly, sales of tickets have ground to a halt, meaning that there is no money going into the

theatres. Our staff will remain on furlough for as long as we can keep them there, to help us with cash flow later in the year. This does mean that our staff's workloads will be potentially unmanageable later in the year.

Medium term – 6 months from now – the lack of ticket sales we have been seeing means that box office pull downs are not possible, and guaranteed payments from theatres will not be forthcoming. This is the point at which our business will really start to feel the impact of this situation. We would usually start to see our finances ramp up ready for the financial demands and high expenditure of the panto season and we strongly suspect that exactly the opposite will happen. We have limited reserves, and without the payments from the theatres, how will we cashflow a pantomime season and pay staff on time? All of our income and business is done within an 8 week window from mid-November to the beginning of January.

Long term – 12 months from now – who knows! If panto season happens but audiences are down, no amount of reserves will help us as we will take a huge hit financially. If panto season doesn't happen, we may find ourselves with a long term layoff situation or even worse. It actually doesn't bear thinking about right now because we have to focus on keeping going in the short to medium term.

- **How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?**

Again, we respond from our own businesses perspective of being a pantomime producer within the theatre industry.

The job retention scheme (furlough) has helped to some extent – but for our company it's the only help we're going to get. Our turnover is only £3.5m but our warehouse and stores have a rateable value of £64,500 meaning we don't get a rates holiday or the £25k grant.

Therefore, the only help we are going to see is the limited period job retention scheme. This may not be enough to help us survive. Why wasn't the rates holiday also done within our industry based upon a business's turnover? Big premises does not mean big turnover. We have to have a large store because the pantomime related equipment we hold is big.

- **What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

Again, we respond from our own businesses perspective of being a pantomime producer within the theatre industry.

The pantomime production industry and the theatrical production industry as a whole is going to be decimated by this, there is no doubt. There is so much talk of helping theatres – but without production companies providing the shows that the theatres stage, there will be no theatre industry. The theatrical industry needs help at ALL levels and in all related businesses. Without help, there will be no theatre industry. The theatre world was the first to be locked down and will almost certainly be the last to unlock – we can't just reopen shows and theatres as we have to get the audiences back, and shows have to be re-rehearsed.

Theatre is not like other industries. We can't just restart. And we will need help to do that.

- **What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?**

Again, we respond from our own businesses perspective of being a pantomime producer within the theatre industry.

It very much feels like a 'one size fits all' approach and that just can't happen. There are so many different layers of companies that are involved in any industry, be it theatre, clothing, food, entertainment etc. Without the suppliers such as ourselves, there will be no theatre industry. One size cannot fit all as not all businesses are the same.

- **How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?**

Again, we respond from our own businesses perspective of being a pantomime producer within the theatre industry.

As things stand, we will be lucky if the theatre sector survives. One theatre said to me "we're fine while we can furlough – it's once we have to take the

salaries back that we have a problem and we may not be able to reopen our doors.” The Government needs to look past the IMMEDIATE and look to the short and medium terms. The theatre world will need help for at least a year and possibly beyond. Furlough for 3 months only just isn’t enough time for our industry and even then, we need access to financial help to allow for theatres to reopen and the cogs to start turning again.

Other ideas include

- Helping with investment in buildings – as we are getting no help with council tax holidays or grants so some form of help would be appreciated.
- An increase in the Theatre Tax Relief payments
- Accessible rates relief for premises