

**Written Evidence submitted by UK Theatre and Society of London Theatre's response**

**1. Why are we responding?**

- 1.1. We represent a broad range of members across the UK, many of which applied to CRF 1&2 and some that were successful. Our memberships are drawn from both subsidised and commercial theatre.
- 1.2. With a fund devised so quickly and in an emergency, there have of course been issues – but overall, we very much welcome the CRF and we are grateful for all the work the civil servants and Arts Council England (ACE) have done in such uncertain times to deliver this Fund.
- 1.3. We welcome the fact that the PAC is consulting on the Cultural Recovery Fund (CRF) and welcome the NAO's report findings to date, as we have a few observations and suggestions for a CRF 3 round. These are included in this response.
- 1.4. This response captures UK Theatre and SOLT's summary of the CRF, but also urges government to think of what interventions need to happen next to ensure the good work of the CRF is not in vain.

**2. About us**

- 2.1. [SOLT](#) and [UK Theatre](#) are the trade associations and members' organisations representing the interests of those engaged in the production and presentation of medium to large-scale dramatic and lyric theatre in the UK. Their memberships are drawn from both subsidised and commercial theatre.
- 2.2. SOLT represents approximately 230 London-based producers, theatre owners and managers, including all the major subsidised theatrical organisations in London.
- 2.3. UK Theatre represents approximately 240 theatres, concert halls, dance companies, producers and arts centres throughout the UK. UK Theatre also operates as a professional association, supporting over 1,400 individuals working professionally in theatre and the performing arts in the UK

**3. Impact of COVID on the UK theatre sector**

- 3.1. Overall, the impact of COVID-19 has been immediate and devastating to the theatre sector.
- 3.2. [UK Theatre and SOLT's One Year On Survey](#) revealed that over 95% of theatre organisations worse off due to Covid, and 1 in 4 freelancers are out of business.

- 3.3. Due to the Government's imposition of lockdown in response to COVID-19, the total closure of the sector was required, removing all the sector's trading income at a stroke and throwing the sector into crisis.
- 3.4. To give some context of the loss of income, in 2020 [Oxford Economics](#) said the theatre industry might lose £3bn in turnover compared to 2019 (-61%).
- 3.5. It has been a year of incredible challenges and would have been even bleaker were it not for Government support schemes including the Cultural Recovery Fund, JRS and SEISS.

#### 4. Communication / understanding

- 4.1. The theatre sector, although one sector, is often distinguished into two parts: the 'subsidised' and the 'commercial'.
- 4.2. We suggest that organisations that are not regularly funded by ACE and those in the commercial part of the sector need a portfolio manager who might act as relationship manager for such organisations. Once established this could then also build further understanding of this part of the sector.
- 4.3. UK Theatre and SOLT work hard to connect both parts of the sector and share news. However, the CRF process has highlighted that DCMS and ACE need to do more work to speak with parts of the sector who aren't National Portfolio Organisations or in receipt of funding grants of any kind. These groups were at risk of not being reached.
- 4.4. We understand that DCMS is looking at how they better understand the way the commercial sector works. We very warmly welcome this and we will continue to connect our commercial members into both DCMS and ACE so that a rigorous understanding of how the commercial sector works would benefit a CRF 3 and other policy making moving forwards.
- 4.5. The often late communication of changes to the process has led to organisations incurring extra costs, which could have been avoided.

#### 5. Eligibility

- 5.1. In the commercial sector it is usual practice for each show to operate as new individual company (because funding is raised on a per show basis), therefore the CRF eligibility requirement to have several years of company accounts made a significant number of shows ineligible.
- 5.2. **Dates:** We find it hard to understand the date requirements for eligibility. For example, why should a day's difference of how long a company has operated be a reason to be ineligible? These have been felt to be arbitrary and an unnecessary hurdle for some companies.
- 5.3. We understand the need to ensure applicants are 'real' but these shows were on sale and very real but ineligible for either grants or loans.
- 5.4. The minimum size of the loan meant that many companies who would have been interested could not apply.

#### 6. Use

6.1. The rules dictating on what and when money had to be spent have been seen as frustratingly rigid – which we understand led to many organisations not applying.

## 7. Process and language

7.1. The Grantium process and language used was much more in keeping with how not-for-profits run their businesses.

7.2. Many commercial operators have had to employ external advisors to help navigate the forms, especially in the preparation of budgets. For example - the term 'reserve' is felt to be a not-for-profit term. It has a different meaning and application in a commercially run business.

## 8. Uncertainty and planning

8.1. With CRF 2, as it stands, funds have to be spent by 30 June. But what isn't clearly understood is what restrictions are going to be in place leading up to that date and immediately after. This makes it very hard to make spending commitments with the lead in time required.

## 9. Monitoring

9.1. It would be good to see reports on monitoring against the criteria like inclusion and diversity.

## 10. What needs to happen next

### 10.1. CRF 3

10.1.1. We would welcome a CRF 3 because, despite a number of theatres and performing arts organisations having received loans these must be repaid with interest.

10.1.2. On the basis that theatres may be unable to re-open at full capacity until considerably later in the year, a CRF 3 is one of the additional interventions that is needed to sustain organisations and to generate employment for our freelance workforce – in person, online, and outside of the performance space through community and education activity.

10.1.3. For a CRF 3 we would suggest that there is more support for touring producers - enabling them to take risk on getting shows back on the road in autumn.

10.1.4. We would also like to see that the theatre supply chain is further supported through CRF 3.

10.1.5. Extend the period in which organisations can use their CRF grants to sustain their businesses whilst theatres await being able to reopen in full.

10.2. We look forward to continuing to work closely with government and industry partners, welcoming audiences safely back into theatres and playing a part in the national economic and social recovery. However, although CRF has been useful, we

request four main economic stimuli, which are investments and not funds - from government to aid the theatre sector's recovery:

**10.2.1. Government-backed insurance** is needed now to provide confidence to the sector to plan ahead and to enable large-scale and touring productions to resume performances once it is safe.

**10.2.2.** This insurance must be coupled with an increase in the rate of – or expanded definition of eligible costs for – **Theatre Tax Relief** to accelerate the rate at which productions resume at scale.

**10.2.3. Local Authority** support and further acknowledgement that theatre business can help reunite communities as well as bringing economic gains to an area. CRF has worked hard to keep theatre businesses open, now government must ensure they work with local authorities continue the good work at a local level. For instance, suggesting that parts of the Shared Prosperity Fund are ring-fenced for culture.

**10.2.4. Targeted support for freelancers**

**10.2.4.1.** As much as the whole sector was hit hard, freelancers felt it very hard. These self-employed people make up a large amount of the total workforce. Although we welcome the SEISS – many freelancers have and continue to slip through the gaps in policy.

**10.2.4.2.** We know the CRF is not designed to – nor can it – provide direct support for the freelance workforce, but government needs to provide financial support for those tax-paying self-employed people who have been unfairly excluded from the Government's COVID-19 package.

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