

## Written evidence submitted by the Theatre by the Lake

### Written evidence to the DMCS inquiry on the impact of Covid-19 on DCMS sectors

#### Our organisation

Theatre by the Lake is the one of the largest employers in Keswick, the only year-round producing theatre in Cumbria and one of the few repertory theatres in the country. It serves one of England's most rurally isolated counties and, with audiences of 120,000 annually, significantly contributes to the visitor economy and health and wellbeing of the county. In 2019 it celebrated its 20<sup>th</sup> birthday, had its most financially successful year to date, and appointed a new Artistic Director whose inaugural season included several world premieres, exciting partnerships and national tours. We are submitting this evidence to contribute our voice to the industry's call for support from the government, to protect the future of the arts in Cumbria, and safeguard the future of the UK Theatre Industry.

Covid-19 has had the following direct impacts on the organisation:

- Closure until at least the end of 2020
- Staff at risk of redundancy
- Emergency plan in place, led by a reduced staff team, who will need to manage the building and facilities, plan and fundraise for re-opening and deliver vital work in the community in the interim

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

- Immediate closure of the theatre and café, cancellation of all Spring and Summer resulting in significant sunk costs, with the potential refund of all advance bookings until Christmas 2020, as well as loss of all ancillary income. The closure of the premises and being unable to trade represents a loss of 80% of our income.
- On 16 June, we have had to notify a significant number of staff of the risk of redundancy.
- Though the company has an emergency plan in place to ensure it can survive this crisis, it will be an enormous challenge to raise the funds solely through our supporters to enable us to open in 2021.
- Our annual Christmas production has been cancelled, as we could not afford to make significant advance investment without the certainty of being able to open to sufficient numbers. The schools production is normally attended by approximately 6508 schoolchildren and 633 teachers from 77 schools across the county, including some schools from deprived areas. The Christmas production in 2019 was the most successful to date, and was attended by an audience 21,495 people.
- The cancellation of all the work on our stages includes events organised by community organisations and charities, who will struggle to survive without being able to use our venue to host events and fundraise.
- We host work from a diverse range of touring companies, and will not be able to make bookings until into 2021.
- Fundraised income has reduced: trusts/foundations are refocussing on other priorities or seeing their own decline in income, events have been cancelled and individual giving is dependent on audience loyalty/household finances.
- In recent years we developed new partnerships and arranged future co-productions

which are now under threat.

- The lack of any certainty on re-opening dates and regulations undermines all planning, financial decision making, contracts etc.
- Our engagement with the community (People with dementia and their carers; Youth theatre; storytelling sessions for early years; Elders company 55+; schools workshops) have all been cancelled for the foreseeable future. We also have a committed group of 200 volunteers, and a voluntary fundraising group. The venue is a crucial centre of congregation and social interaction. Its closure will impact upon the education/social/health/wellbeing of the local community, including vulnerable people.
- Tourism represents 70% of our audience over summer months, and 30% of our audience over winter. The Tourism industry has suffered a great deal, and there is concern as to how it will recover, and when visiting audiences will return in full
- Immediate cost in moving to home working: closing buildings, new IT etc.
- Investment, employment and support for freelance artists and practitioners has significantly reduced, affecting a large portion of our industry workforce and lifeblood.
- Loss of audience/consumer confidence – clear evidence that people will initially be reluctant to return, particularly older people. 50% of our audience is over 65.
- Successes in growing audiences and diversifying income over recent years has been undermined.
- Public funders have generally been very supportive but face significant financial pressures that could threaten investment in the arts/culture in future years.
- We have created a digital programme of activity which is soon to be launched, which has helped us to find creative ways to maintain contact with audiences and embrace working digitally. However, many of our communities are digitally isolated as well as rurally isolated, so this is a barrier to engagement for some of the communities we would usually reach

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

- Lack of clarity on theatre closures (PM's first announcement was phrased as advice) caused confusion and potential insurance issues. There remains no timeline for any effective re-opening planning; all scenarios are purely speculative.
- Job Retention Scheme prevented the company from making immediate redundancies, and has allowed us to save jobs and retain skills. However, the company can not afford either staff costs or redundancy costs beyond the end of the scheme. Therefore, we have had to put staff at risk of redundancy in June.
- The loans scheme are not a viable source of support – as they could increase debt that there will be difficult to repay on typical tight margins, never mind any future downturn in box office.
- Arts Council has been quick to respond for the sector overall, including valuable support for freelancers and non-regularly funded organisations.
- We have been able to apply for the Arts Council's Emergency support fund, designed to support NPOs who will run out of cash before 30 September. We do not yet know the outcome of this application. This will help in the short-term, but offers no funding to help the theatre re-open.
- The majority of Arts Council funds are allocated towards London, national and larger organisations. Smaller theatres, such as ours, have less means to "scale back" on overhead costs and evidence shows we also have less access to philanthropy and sponsorship. We operate in areas of deprivation and low wages. We face a different and harder route to recovery than larger organisations as the sole provision of our kind in a large and remote county.
- UK Theatre has offered good leadership, advocacy and kept the industry informed and

engaged.

- Emergency grants administered by local authorities have helped to support short-term cashflow

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

- Continued financial support from the Government will be essential to prevent the collapse of the industry.
- The early evidence shows a short to medium term loss of audiences who are reluctant to return to venues until they are assured it is safe. Then there is the loss of quality of experience: theatre is based upon a shared live event and a poor experience will not encourage people to return again. Evidence also shows audiences are far less likely to book in advance and will want more flexible booking/refunding policies. This will impact on cash flow as theatres rely upon advance box office sales.
- We will need a strong message from the Government that venues are/can be safe, and a standards/kitemark scheme that is consistent across the cultural/tourism sectors and gives assurance to the public that they can and should visit.
- Social distancing to 2 meter distances results in a maximum capacity of approximately 25% capacity. It is not financially viable to open with current social distancing measures in place.
- There will be one-off and ongoing additional costs due to Covid-19: cleaning, PPE, Perspex screens, technology infrastructure etc.
- Financial savings may reduce investment in productions, new work and/or force risk averse programming. If we are to rebuild our resilience, grow and diversify audiences that we have the means to continue broad, accessible and exciting programming that can engage everyone. Cumbria is 98% white British, and very remote. We have a responsibility to tell the stories of a diverse range of people that is reflective of the country as a whole, and to contribute to social cohesion and creating vibrant communities
- There is potential for greater local partnership working and for our company to play an even greater role in rebuilding local communities, contributing to improvements in health and wellbeing. We will deliver a programme of artistic and engagement activity to help us achieve this aims, and will explore how our theatre building could be useful to other groups and businesses whilst we are not staging productions.
- The work we do in the community over the next 6-12 months will be help us to address the isolation, emotional and mental health problems, and physical health problems that have built up during the pandemic. In 2017 the APPG on Arts, Health and Wellbeing published evidence that:
  - Arts and prescription can reduce GP consultations by 37%.
  - Hospital admissions by 27%.
  - 77% of people participating in the arts also increase their physical activity.

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

- Strong initial leadership from Arts Council has been welcomed and needs to continue into longer term support.
- There has been a great deal of communication across organisations and sectors, sharing best practice, and finding new ways to work together as a sector, advocate as one voice, and learn together.
- The DCMS needs to provide information on risk assessment, planning, and issues relating to Covid-19 that would help with future preparation.

- Potential for theatres be part of emergency response – offering skills, resources and creative solutions; and part-time of the long term response such as health and wellbeing projects that reduce demand on the NHS.

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- Only the two major national companies – the National Theatre and Royal Shakespeare Company – currently have the resources to create and distribute high quality online streams. Investment is needed for the rest of the sector to catch up and in doing so, being able to reach new audiences and also cope with any future “lock downs”.
- More demand for outdoor work, and support towards this form of theatre which is typically a higher financial risk.
- Greater understanding and advocacy by local and national government as to where arts and culture are playing leading roles in community partnerships and disseminating good practice.
- A Government strategy for the theatre industry to recover: this will take much longer than 31 October when all current support runs out.