



OPEN LETTER TO THE PM TO BE SIGNED BY MPS AND PEERS

The Rt Hon Boris Johnson MP
Prime Minister
Office of the Prime Minister
10 Downing Street
London, SW1A 2AA

May 2020

Dear Prime Minister

Subject: OPEN LETTER FROM MPS & PEERS: COVID-19: THEATRE & THE PERFORMING ARTS SECTOR, WHAT'S NEEDED FOR SURVIVAL & RECOVERY

Whilst we know you are considering how best to protect and support many areas of the economy, this letter summarises the current and future impact of COVID-19 on performing arts businesses around the UK and calls on you and your teams in DCMS, Treasury and BEIS to take action on what is needed immediately; and over the coming months to rescue the sector and allow theatre to contribute to the future success of the UK.

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.

As you know, the creative industries are a motor of growth in local economies from the South East to the North West, from Yorkshire and the Humber to the West Midlands.

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.

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.**

British theatre is far more than entertainment. It is beneficial to mental and physical health; it informs and educates. Moreover, they export 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 and London / rest of the UK)
- 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 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
- **Social-distancing measures will allow for only c.20% of capacity** – this is not an economic business model for the sector, where 50% to 70% occupancy is typically needed to break even and means **theatres cannot operate.**
- **Loss to HMT of VAT payments** (over £130mn for West End theatres alone) 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 the UK** where investment in venues and jobs has led to regional powerhouses of production, including regional strength for sector in North East, Manchester, Midlands.

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 government to consider the following recommendations:

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.

I have signed this letter to ask for fundamental and comprehensive action to be taken now, to prevent this this major part of the UK's global offer from being lost.

Signed:

Alison Thewliss MP
Andy Slaughter MP
Andrew Gwynne MP
Baroness Benjamin (Peer)
Baroness Brinton (Peer)
Baroness Brown of Cambridge (Peer)
Baroness Donaghy (Peer)
Baroness Garden of Frognal (Peer)
Baroness Goudie (Peer)
Baroness Hamwee (Peer)
Baroness Healy of Primrose Hill (Peer)
Baroness Harris of Richmond (Peer)
Baroness Jolly (Peer)
Baroness Jones of Moulsecoomb (Peer)
Baroness Kingsmill (Peer)
Baroness Kramer (Peer)
Baroness Lawrence of Clarendon (Peer)
Baroness Lister of Burtersett (Peer)
Baroness McGregor-Smith (Peer)
Baroness McIntosh of Hudnall (Peer)
Baroness Morris of Yardley (Peer)
Baroness Primarolo (Peer)
Baroness Warwick of Undercliffe (Peer)
Baroness Watkins of Tavistock (Peer)
Baroness Young of Hornsey (Peer)
Bell Ribeiro-Addy MP
Ben Lake MP
Bob Seely MP
Carol Monaghan MP
Caroline Lucas MP
Chris Bryant MP
Christian Wakeford MP
Christine Jardine MP
Claudia Webbe MP
Clive Lewis MP
Daisy Cooper MP
Dame Diana Johnson MP
Dame Margaret Hodge MP
Damian Collins MP
Damian Green MP
David Jones MP
David Morris MP
Debbie Abrahms MP
Douglas Chapman MP
Edward Davey MP
George Howarth MP
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Jane Bonham-Carter (Peer)
Jon Cruddas MP
John Cryer MP

Jonathan Gullis MP
Jonathan Lord MP
Julian Sturdy MP
Karen Buck MP
Kenny MacAskill MP
Kevin Brennan MP
Kim Johnson MP
Layla Moran MP
Liam Byrne MP
Lillian Greenwood MP
Lord Bichard (Peer)
Lord Birt (Peer)
Lord Black of Brentwood (Peer)
Lord Carrington (Peer)
Lord Cashman (Peer)
Lord Clement-Jones (Peer)
Lord Colgrain (Peer)
Lord Desai (Peer)
Lord Faulkner of Worcester (Peer)
Lord Fellowes of West Stafford (Peer)
Lord Foster of Bath (Peer)
Lord Freyberg (Peer)
Lord Glendonbrook (Peer)
Lord Harries of Pentregarth (Peer)
Lord Harris of Haringey (Peer)
Lord Hollick (Peer)
Lord Howarth of Newport (Peer)
Lord Hunt of Kings Heath (Peer)
Lord Inglewood (Peer)
Lord Kerlake (Peer)
Lord Kinnock (Peer)
Lord Knight of Weymouth (Peer)
Lord John Monks (Peer)
Lord Oates (Peer)
Lord Ramsbotham (Peer)
Lord Randall of Uxbridge (Peer)
Lord Ricketts (Peer)
Lord Russell of Liverpool (Peer)
Lord Sawyer (Peer)
Lord Smith of Finsbury (Peer)
Lord Stoddart of Swindon (Peer)
Lord Taylor of Goss Moor (Peer)
Lord Taylor of Warwick (Peer)
Lord Truscott (Peer)
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Sir Roger Gale MP
Stella Creasy MP
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