



# THEATRE

Secretariat: Society of London Theatre & UK Theatre

## Joint Theatre, Dance and Classical Music APPGs - Virtual Parliamentary Drop-in / Briefing (Brexit & CSR)

Tuesday 15 September 2020

### Parliamentarians in Attendance

Giles Watling - MP for Clacton and APPG Theatre Chair  
Lord Kerslake - Chair of Sheffield Theatres  
Simon Baynes - MP for Clwyd South  
Nickie Aiken - MP for Cities of London and Westminster  
Tracy Brabin - MP Batley and Spen and Shadow Minister for Cultural Industries  
Alison Thewliss - MP for Glasgow Central  
Barbara Keeley - MP for Worsley and Eccles South and Co-Chair of APPG for Classical Music  
Baroness Bonham-Carter - Liberal Democrat House of Lords DCMS Spokesperson  
Baroness Andrews  
Baron Aberdare  
Barone Berkeley

### Also in Attendance

Julian Bird - Society of London Theatre & UK Theatre  
Leo Thomson - Barbican Centre and National Theatre Wales  
Christopher Millard - LSO  
Helen Rynne - UK Theatre  
Cate Canniffe - Arts Council England  
Janthi Mills-Ward - Hull Truck Theatre  
Jon Morgan - Theatres Trust  
Charlotte Jones - ITC  
Kathryn McDowell - LSO  
Dafydd Rogers - Independent Commercial Producer  
Denise Rawls - National Theatre  
Hannah Gagen - UK Theatre / SOLT  
Emily Newton - National Theatre  
Jo Crowley - 1927  
Maggie Dunning - Arts Council of Wales  
Nazza Ahmed - Connect  
Claire Mera-Nelson - Arts Council England  
Beth Sidwell - Connect  
David Ward - Arts Council  
Ryan Pratt - Office of Lord Taylor

## **Meeting**

Confirmation that the discussion will be focused on the Brexit NCSR and CSR. This is the first major CSR since George Osborne 2010 so it's going to be very wide reaching.

## **Update from Julian Bird on the position of the theatre industry**

- The industry continues to follow the five stages of the performing arts guidance. Stage four, allowing indoor performances with social distancing, was allowed on August 15<sup>th</sup> 2020. Small activity has begun to take place and some theatres have announced their intention to commence activities in Autumn/Winter.
- Work continues on stage five of the guidance. DCMS have set up a venues steering group, which SOLT and UK Theatre help coordinate. There are other working groups on infrastructure, audiences, staff and touring. There have been no instances of COVID-19 being spread within a venue, so the industry is hopeful for a positive recommendation from the government to allow fuller auditoriums with appropriate mitigations in place. Perceived risks such as singing and use of musical instruments have been reduced following scientific and medical testing.
- Theatres and tours require a lead time of up to five months to prepare for full re-opening, so it is important to get the go ahead in October/November 2020. The industry must ensure it is in a good position so that medics are confident in recommending full reopening.
- The sector requires an insurance-backed scheme to cover interruption and local lockdowns. The insurance market is becoming reticent to write policies that cover the performing arts. It is hoped that ongoing discussions around Theatre Tax Relief will come to fruition in the Autumn.
- No real progress has been made on freelancers, who are in an increasingly desperate situation. The sector is campaigning for freelancer support and fundraising for emergency food. Unemployment in the industry has risen. The workforce is the top priority for parliamentary support.

## **David Ward, Arts Council England on the Comprehensive Spending Review**

- ACE are keen to give people more context and landscape, and the hope to achieve the best outcome for the sector. The Chancellor has announced that the work will take place over the summer and the result will be announced in the autumn.
- For funding context, there is a 1.84% inflationary uplift, which enabled them to give approx. £6.5 million additional programme funds to pass on to NPOs. With the COVID pandemic changing the landscape, £160 million has been directed to emergency response funds. The Government has also put in £1.57 billion. This is where the CSR comes in and the need to make a case to government. Work has started on business cases and submissions began during September. DCMS will submit its own case to government in October. In November, the budget in CSR will then come out with the final results.

- The Chancellor stated in the summer that they are focussing on jobs and skills, levelling up the regions and nations, agreement with public services, strengthening the UK's place in the world and restructuring government in the way it helps them deliver their priorities. There has been discussions as to how the sector can begin to hit those priorities. There are three areas where ACE believe they can make a difference and a contribution. Sustaining Arts Council's programme and admin funding would benefit audiences across the nation and provide jobs. The Arts Council is also making a case for further funding for communities outside London to hit the levelling up priority. It is also identifying capital funding that would help adapt and maintain venues in a way that will be necessary post-COVID so they can benefit audiences. To make the best case for the sector, we need to talk about three areas; investment in culture & investment in jobs, local high streets and Britain's place in the world and the sector being a world leader.
- The Arts Council have worked on webpages for the sector, which have information on how to contact the press and contact your MP etc. The sector should be should be talking about the positive contribution we can make to the Government's priorities so we can get the best result.

### **Further Discussion**

- Neil Darlison provided an update on the £1.57 billion fund announced by government. There have been two rounds of applications for the cultural renewal fund which have now closed and a scheme for loans which has also closed. The process of allocating that money has begun, starting with the organisations that have applied for £250,000 or less. Above that, organisations will receive an assessment and they will go to various panels up to £3 million, including The Arts Council's grant jurisdiction and then the loans will be administered and approved by the DCMS committee.
- It is important to make the economic case around the whole ecosystem and encouraged making a bigger economic lobby push to the Treasury. People should write individual letters to MPs about particular concerns in their area.
- The announced grant funds have been oversubscribed so it's likely that money will be distributed by the end of October. The loan scheme will be slower, because it requires more scrutiny. Once analysis is completed of the organisations that successfully applied and those that did not apply; there will be a conversation about the contingency. This is DCMS money, not Arts Council money.
- Theatres will need to rebuild their reserves in order to have cover against future events. If significant sums are to be invested they will need to have capacity to insure against risk, otherwise we may not see any activity.

### **Farooq Chaudhry on Brexit and Dance- Akram Khan Company**

- One of the benefits that dance has proved for the UK is international value and its image abroad of diverse culture. The Akram Khan company over the last 20 years has benefitted from its international profile. The success as of the organisation, is the capacity to take risks. 72% of revenue comes from international touring, which has built resilience in the business model and created reserves.

- Focusing on Brexit, over the last four years, the company has toured to 120 venues in Europe. 70% of turnover has come from Europe. 33% of staff are European. 22% of dancers are European. 60% of rehearsal directors are European. 43% of technical crew are European and 31% of collaborators are European. Without European talent and without the revenue, the capacity to be ambitious and drive artistic values forward will be affected.
- With Brexit, the anxiety is additional bureaucracy and what happens to taxation. Certificates of residency will be needed. European co-producers may find us too difficult to work with because of the additional paperwork. Visas are complex and the freedom of movement, particularly for a dance company, is essential. Currently, many countries have not confirmed their visa entry requirements which makes it difficult to plan. Freight is also impacted. This will eventually affect the business mode, finances and artistic ambitions.

### **Further Discussion**

- Kay Andrews confirmed parliamentarians have been discussing the impact on freedom of movement and the capacity of the arts to continue being effective. If many jobs are being lost as collateral damage, there is an argument that can be made.
- There is hope that there will be a visa system that allows the freedom of movement of artists to and from Europe, allowing businesses to flourish.

### **Leonora Thomson, Director of the Barbican Centre on Brexit and Theatre**

- A high proportion of the Barbican Centre's work is international. We need to show the UK is still a hospitable and desirable place for European artists to make their living in. Both salaried staff and freelancers are important. There is also an issue around inclusion and racism, with European staff noticing a higher degree of racism which should not be ignored.
- One of the top risks currently is movement of product. The carnet system is going to be extremely complicated. There will be higher freight costs and issues booking slots at Dover.
- There will be grants and funds that can no longer be applied for. There are also issues around medical and travel insurance.
- The possibility of some kind of international innovation fund was brought up, so that companies could bid for funding. People are likely to be taking less risks, so some additional funding for international work would be incredibly useful. Help is also needed with gaining certainty around the freight situation.
- There is a fear that touring companies being separate from the West End will end up being the collateral damage of the bigger narrative. There is hope that by being creative and giving the conversation depth, a long lasting solution will be found.

## **Kathryn McDowell, Classical music, touring after Brexit and Covid,**

- Soft power is important abroad, especially when negotiating trade deals. In the last year, British orchestras earned 23% of their income from abroad. In the LSO's case, that was 35% of total turnover earned abroad. 60% of that in the EU. Concern is increasing around the challenges presented by Brexit and Covid.
- If social security coordination across Europe ends, and the A1 certificate system is not replaced, staff and artists may face double taxation of social security. In the LSO's case, that could cost up to 25% of earnings between January and July of next year. That's almost £400,000 in unrecoverable tax. Work permits are also an issue- if there's not an EU-wide agreement to allow staff and artists to work across the EU, then we have to navigate that for each individual country. This will take time and effort, and may not be possible in some cases.
- Under the current situation with the Covid pandemic, they is inability to get the insurance cover for travel costs and expenses in the case of cancellation. Help is needed in getting some form of UK Government-backed travel insurance that not only deals with health issues. Quarantine is going to be a major limitation over the next six to nine months.

## **Further Discussion**

There is a possibility that top artists are not going to be attracted to visiting if they are going to be faced with some of the threats mentioned. Musicians need to move around Europe reasonably freely, they survive by being able to take a programme to Paris one day, London the next and so on.

## **Julian Bird on the work UKT and SOLT have been doing on insurance and Covid**

- UKT & SOLT are doing huge amount of work on insurance and are seeing big cost increases. Members will be aware that the film and TV industry has reached an agreement with Treasury on an underwriting scheme for insurance to enable filming to get back up and running. Similar schemes are being discussed for the arts with DCMS and Treasury.
- Adapting to the pandemic has meant a great deal of education and community work has gone online. That is going to have long-term benefits in this country and abroad as well. Overall, if the companies are not able to thrive, that work will be jeopardised. At a time when education needs support and opportunities for disadvantaged young people have been diminished, this is when the cultural sector can really make a difference.
- There's a link with the CSR here and it would be beneficial if there is a paper covering the range of higher risk and higher costs that the performing arts and theatres are facing. Unless the reserves of arts organisations can be increased, or there is government underwriting, the private insurance sector is not going to provide the cover at an affordable cost.