

## **Building Our Industrial Strategy Consultation - UK Theatre and Society of London Theatre's Response**

### **Who we are and what we do**

This submission is made on behalf of **Society of London Theatre ("SOLT")** and **UK Theatre Association ("UK Theatre")**.

SOLT and UK Theatre are the trade associations 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.

The combined box office income of SOLT and UK Theatre's membership was more than £1 billion across London and the rest of the UK, with 34 million tickets sold in 2015.

SOLT represents approximately 200 London-based producers, theatre owners and managers, including all the major subsidised theatrical organisations in London.

UK Theatre represents approximately 220 theatres, concert halls, dance companies, producers and arts centres throughout the UK. UK Theatre also operates as a professional association, supporting over 1,000 individuals working professionally in theatre and the performing arts in the UK.

### **Why we are responding**

The UK's creative industries continue to outgrow the rest of the economy generating £87.4bn during 2015<sup>1</sup>. Theatre and the performing arts contribute to a vibrant and thriving national identity and local environment, making areas richer culturally and financially.

SOLT and UK Theatre believe that the theatre and performing arts sector can continue to contribute much to securing Britain's future prosperity. Arts and culture, including theatre and the performing arts, make a powerful contribution to drawing creative talent to growth areas, and in making a place more attractive to live and work. However, it will only be possible if a coherent approach to workforce development with the right infrastructure, talent and skills pipeline and local growth accelerators is taken within the new strategy.

The Industrial Strategy provides routes to supporting growth and addressing inhibitors to productivity in the Creative Industries. The Creative Industries, unlike most other industries, are made up of substantially different businesses and sub sectors, one of which is theatre and the performing arts. As the sub sectors each have very specific challenges we submit this response as evidence of the specific challenges within theatre and the performing arts.

With this difference and complexity in mind, we welcome the Government's work to date on understanding and developing the sector, for example the creation of the Creative Industries Council. The Creative Industries span many government departments. We are encouraged that the introduction of an industrial strategy and the early sector deal for the Creative Industries recognises the role the creative industries can play in a long-term planning strategy, and represents a holistic approach to ensuring the future growth and productivity of one of the UK's success stories.

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<sup>1</sup> <http://www.thecreativeindustries.co.uk/uk-creative-overview/news-and-views/news-creative-industries-add-%C2%A3874bn-to-uk-economy>

We are also pleased to see that of the five early sector deals announced in the Green Paper is the Creative Industries, which in part will focus on the relationship between future prosperity through utilising and developing growing talent pipelines. We also welcome that it will be conducted by Sir Peter Bazalgette.

## **Theatre and the performing arts**

These skills and expertise that our sector fosters are an essential part of ensuring growth in the broader creative industries. Ours is a sector built on the creative, collaborative skills future generations will need to thrive in an increasingly automated and tech-driven world. In a post-EU Britain it will be vital for our sector to build on its success with 'home grown' talent and continued partnerships that will see us retain our world-leading reputation.

This will need a joined up local and national plan for encouraging growth in the arts through both local authority funding, central government funding, National Lottery money, private investment and new business models to generate earned income.

If we are to build on our strengths and extend excellence into the future, we must address gaps between place and people; improving the development and diversity of the theatre and performing arts workforce,

At the heart of these discussions sit the creative industries and performing arts organisations, contributing to an increasingly confident capital city region, celebrating its cultural assets and building jobs and prosperity in a thriving and innovative creative economy.

Theatres and performing arts businesses across the UK are in an extremely uncertain financial planning environment – and many are already operating on extremely tight financial margins.

The theatre and performing arts sector is currently financed through a complex mix of public funding, private sector investment, earned income and charitable or philanthropic donations. Some theatre and performing arts organisations receive public funding – which ensures that the industry is able to innovate and take risks. Many theatres and performing arts organisations are charities, or operate as independent trusts. SOLT and UK Theatre's members also work hard to generate earned income – through ticket sales and other sources.

Recent reductions in public funding, particularly from local authorities, has placed an increased focus on the need for a more entrepreneurial approach to funding by many organisations in the sector.

There is interdependency between theatre and performing arts across the country, and between the funded and commercial sector. SOLT and UK Theatre's combined support for theatre and the performing arts is for one UK-wide industry, encompassing London and the regions. Given the funding pressures on our industry we believe there is a need for better collaboration and exchange between the 'commercial' and 'funded' areas of the sector

Developing local skills is essential to driving success for creative industries across the UK. Regional theatres and performance spaces can play a big role in doing so. Apprentices and professionals employed by theatres are able to hone their skills and keep up to speed with the latest developments in the industry. Through this process, they not only help venues deliver high-quality productions, but broaden the benefit they are able to bring to future employers.

## **Our response addresses these key points**

A good arts education is the basis for the UK's success in the creative industries - it is the vital pipeline to our global success in the creative industries.

### **1. Skills Development and the talent Pipeline**

UK Theatre/SOLT recently commissioned a workforce review to enable the theatre and performing arts sectors to continue to build on their current world leading success well into the future. It is clear that there is need for a coherent and concerted response to skills development in our sector. Relevant findings from that research have been included in our response, including, apprenticeships, freelancers and networks.

### **2. Supporting Sector Growth**

Theatres and performing arts business across the UK are in an extremely uncertain financial planning environment – many are already operating on extremely tight financial margins. However Innovation is at the heart of the creative industries. The sector needs clear advice and support to become more business focused and to operate with new models of funding.

### **3. International**

Theatre and the performing arts and audiences across the country benefit from world class creative talent from the EU and further afield. Immigration and free movement play an important role in the make-up of the theatre sector, and in making our sector resilient, thought-provoking, relevant, highly skilled and entrepreneurial.

## **1. Skills development and the talent Pipeline**

### **1.1 Protecting our talent pipeline to the creative industries at its beginning – through schools - should be a priority within the industrial strategy.**

A good arts education is the vital pipeline to careers in our sector and, as said by Nicholas Serota in his first speech as the new Chair of ACE: 'We must unlock every child's creative potential'<sup>2</sup>. We must make sure that access to talent from all sectors of society and across the country is not compromised and that a good arts education is for all, and not the few.

We are deeply concerned by the implementation of the English Baccalaureate (EBacc). 'The Ebacc does not allow the talent pipeline to remain open'<sup>3</sup> - since the introduction of the EBacc, take up of arts subjects has declined in schools, which will have a serious impact on both the quality and diversity of applicants the sector is able to attract in the future. Often only those who are financially able can access extracurricular activities. This severely limits the socio-economic diversity of the sector.

A minimum of seven, narrowly defined, GCSEs leaves little room for pupils to study creative industry relevant subjects, narrowing a skills base in an area crucial to the success of dramatic and lyric theatre in the UK, and the creative industries as a whole.

Official statistics show that in 2016, the decline in students being entered for GCSEs in arts and creative subjects continued, with 8 per cent (46,000) fewer entries compared with the previous year. There are fewer GCSE exams being taken in art and design subjects, design

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<sup>2</sup> [https://www.thestage.co.uk/news/2017/new-arts-council-chair-nicholas-serota-must-unlock-every-childs-creative-potential/?utm\\_source=newsletter1&utm\\_medium=email&utm\\_campaign=newsletter1](https://www.thestage.co.uk/news/2017/new-arts-council-chair-nicholas-serota-must-unlock-every-childs-creative-potential/?utm_source=newsletter1&utm_medium=email&utm_campaign=newsletter1)

<sup>3</sup> Bacc For The Future (4/4/17) campaign update

and technology, drama, media film and TV studies, music, and performing/expressive arts.<sup>4</sup> This is in contrast to subjects that fall within the EBacc.

We are concerned that this Green Paper emphasises the importance of STEM, neglecting the vital role of arts and creativity that turns STEM to STEAM. Innovation is not the preserve of science and technology, and creativity not the only a strength to the creative industries – creativity needs innovation and science and technology need creativity. For example, our workforce research shows need for skills in areas such as engineering (automation).

A good cultural education also fosters creative and divergent thinking, which encourages young people to innovate and create in any field of expertise. Creative subjects foster communication, problem solving and collaboration, as expressed by Welsh Cabinet Secretary for Economy and Infrastructure Ken Skates:

*“...the new curriculum for Wales does not treat creative skills as a luxury or an added extra, but places it at the very core of a vibrant, broad and varied curriculum. Indeed, we want all our learners to come out of our education system as Enterprising Creative Contributors, able not only to access a rich world of media and culture, but also to find fulfilment and well-being in active expression.”<sup>5</sup>*

We understand that the new T-Levels will be phased in between 2018 and 2022. Before supporting the T-Level we require more information on the subjects they will cover, how and where they will be taught, and how they will be assessed. We would also need more information on the structure of the ‘high quality’ placements suggested, and their potential to attract students from across society to enter our sector.

## 1.2 Workforce Development

UK Theatre/SOLT commissioned a workforce review to enable the theatre and performing arts sectors to continue to build on their current world leading success well into the future. The work was delivered by Nordicity, in association with Alistair Smith of The Stage.

It explored; current and future skills gaps in the workforce, current provision of training, an easing of entry routes and in-career development pathways, an assessment of how educators’ provision meets the sector’s skills needs.

**It is clear that across the board, from education to leadership development, there is a need for a coherent and concerted response to skills development in our sector.**

Many of the challenges identified within our research echo similar concerns raised in previous investigations - notably *The Performing Arts Blueprint* (Creative and Cultural Skills, 2010) and *Understanding the future of productivity in the creative industries: Strategic Labour Market Intelligence Report* (Brighton et al, 2016).

The research identified the following inhibitors to growth, and potential solutions. SOLT and UK Theatre will work with industry leaders and with Government to determine a sector-wide approach to address these areas:

- **A skills gap**

The most significant skills shortages in theatre and the performing arts are in technical offstage roles, for example stage automation, sound, lighting and production. Several

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<sup>4</sup> <https://www.gov.uk/government/statistics/summer-2016-exam-entries-gcses-level-1-2-certificates-as-and-a-levels-in-england>

<sup>5</sup> <http://www.arts.wales/106929.file.did>

employers also reported difficulties in finding finance staff, specifically good book-keepers. There are also challenges in filling senior management roles.

Theatre and the performing arts needs to be seen as a viable career choice, and with this, it is vital that careers advice covers the breadth of professions within theatre.

**More could be done to provide authoritative information about the full range of offstage jobs available within the theatre and performing arts sector.**

SOLT and UK Theatre intend to work alongside the National Careers Service and closely with an employer-led consortium to address this. This advice would need to be channelled into education (schools, colleges, universities, conservatoires) and through Jobcentre Plus. We would also welcome working with governments across the UK on an awareness campaign highlighting the breadth of employment opportunities and jobs in theatre.

- **Improve the diversity of the sector**

For theatre and the performing arts to continue to thrive it is vital that its workforce becomes more representative of our society and includes more people from BAME backgrounds, who are disabled, and from low socio economic backgrounds.

Large parts of the wider population do not currently find working offstage in theatre an attractive career proposition and, or, are unaware of the breadth of opportunities available. This is a challenge to building a resilient workforce that can respond to the needs of a changing population. Theatre and the performing arts will struggle in the future if it only reflects the tastes of one section of society.

ACE's 2016 'Analysis of theatre in England' stated; 'Workforce diversity also remains a key concern'.

One focus group respondent said; *"The difficulty we face in recruiting across roles is not necessarily the lack of applicants but the relatively small pool of diverse applicants who are actively working at a particular level in the industry. This is particularly true of technical and creative team roles for main house productions, as the tendency to work with tried and trusted teams. This negates opportunities for others to expand their networks and skillset."*

While a number of initiatives such as Act for Change, Artistic Directors of the Future and Ramps on the Moon aim to improve representation in the sector **there is a need to tackle the prevalence of closed networks and closed recruitment as part of a systemic issue that prevents efforts to improve diversity in the sector.**

- **Improve entry routes**

Most of the key routes into the theatre and performing arts sector have quite high barriers to entry. More people are taking unpaid positions (volunteering, unpaid internships) as a route in, which limits the potential pool of applicants to those who are able to afford to work for free.

Contacts and networks are often perceived as being far more important than qualifications in making the next step in a career in theatre and the performing arts. For certain positions – specifically technical and creative roles – it is very uncommon for the post to be filled via an open recruitment process, instead it is undertaken almost exclusively through networks.

**For the industry to become significantly more porous open recruitment processes, including tailored recruitment to actively engage specific under-represented groups, should be adopted.**

- **Higher education**

Many of the workers in the offstage workforce are entering the sector directly from formal education in a theatre-related subject. However, there is a huge variety in both the types of course on offer and the perceived value of those courses by the industry. There is a division between pre-career training led by the education sector (e.g. degrees in technical theatre) and some by the industry itself (e.g. apprenticeship schemes, internship schemes, work experience).

It is not always clear to aspiring students which university courses will be most useful in preparing students for a career in theatre and there is a significant difference in the quality of training. Students are often not given a thorough grounding in the basics of working in theatre and so are not prepared for the reality of the workplace and early-career jobs.

One interview subject who regularly speaks at drama schools, observed: “Not enough are getting the basics. I was at a college a few weeks ago and was talking to the final-year students. I asked if any had actually worked in a theatre – it was only two out of 20. They’re not getting enough practical experience.”

The increasing cost of degree-level training also represents an increasingly high barrier to entry. Those entry points with the lowest barriers to entry (for example apprenticeships) are still in the minority.

The need for University-level training has also been questioned. Many in the sector would welcome a greater focus on skills based training.

**A one-stop-shop online resource detailing all available pre-career performing arts training, supported by an awareness campaign, could address this issue.**

**Employer accreditation of training courses** may also provide a solution. This would inform prospective students which courses employers believe will make them 'industry-ready'. This could be extended across different types of education – for example degree-level courses, apprenticeships, even work experience placements and internships.

- **Improve apprenticeships**

Apprenticeships are a growing area of technical theatre training, but there is widespread confusion around their implementation and little consistency in their application. There is a broad enthusiasm and buy-in from employers across the sector for apprenticeships. The new focus on employer-led courses and the potential for the new National College for the Creative and Cultural Industries to support them, could be effective at training offstage employees who are well prepared for the workplace.

Only 1 in 6 organisations surveyed don't currently offer apprenticeships and don't intend to in the future. A range of organisations currently offer apprenticeship schemes including the National Theatre, Royal Opera House, Chichester Festival Theatres, the Nimax Theatres Group and the Ambassador Theatre Group.

However, participants have observed major issues with apprenticeships since responsibility in government has transferred to the Department for Education. “*The whole thing has fallen apart,*” said one respondent, who was closely involved with a theatre

apprenticeship scheme. There is a widespread belief that the current government structure is letting the industry down.

The Government's aim to standardise all the categories of apprenticeships is proving unhelpful for the theatre sector and proposals from the sector have been rejected. *"Apprenticeships work, there's buy-in from the industry, but there is confusion around the government scheme which is not fit for purpose and there is concern that the industry won't get back what it has to pay in [to the levy] if things don't change,"* said a technical theatre employer.

**A sector-wide apprenticeship scheme could be developed with a recognised best-practice guide for schemes to follow.** The National College for the Creative and Cultural industries could bring a central oversight to ensure that the sector's overall needs with apprenticeships are being addressed. There is an opportunity to learn from successful schemes such as the Creative Apprenticeships programme implemented by the London Theatre Consortium over the last three years.

For some roles, apprenticeships may not be the most sensible route into a career in theatre. The same body that gives oversight to the apprenticeship scheme could take responsibility for other learning opportunities, for example by matching interns with organisations. This could help improve the diversity of those being offered internships and ensure good practice is followed by organisations.

- **Improve support for freelance workers**

A high proportion of staff in our sector is currently freelance. Our future workforce will be fundamentally freelance. Forbes estimates that by 2020 50% of the US workforce will be freelance. The Association of Independent Professionals and the Self Employed reported in 2015 that freelancer numbers have increased from 1.40m to 1.91m in the UK: a rise of 36% since 2008. It is the norm among many creative and technical roles. However, freelance workers are currently expected to take financial responsibility for their own training and development which, due to generally low rates of pay, is a significant challenge.

There is currently a perception that freelance workers are treated as a disposable resource. More paid-for support and training must be put in place to develop and support the freelance workforce.

- **Leadership**

There is a clear shortage when it comes to recruiting the next generation of executive leadership, especially outside London. More needs to be done to identify and develop the next generation of these leaders and to incentivise them to pursue careers outside London.

More also needs to be done to diversify the executive leadership of the sector, both in terms of demographic make-up and skills and experience.

- **Modernise HR practices**

We welcome the new commitment of working towards a 'joined-up authoritative view of the sector specific skills gaps that the UK faces now and in the future.' In our sector, there is a clear need to implement modern HR practice to the good running (and success) of theatre and performing arts businesses. The introduction of flexible working practices could have major benefits for employers and the sector as a whole, especially around retaining talent within the sector. Another issue in relation to broader HR in theatre of note

is the work of Parents in the Performing Arts (PIPA) who 'campaign for equal opportunities and access for parents and carers working in the performing arts.'<sup>6</sup>

## 2. Local Growth

### 2.1 Local authority funding

Local government remains the biggest investor in theatre and the performing arts, and the removal of funding from this source is by far the greatest threat to prosperity and growth in our sector. Local Authorities are finding it increasingly hard to maintain support for their arts and cultural provision – they have either cut investment significantly or withdrawn funds to our members completely.

As local authorities continue to manage the transition to the self-funding model cuts are likely to deepen, undermining the resilience of regional theatres, and with it the crucial work they do to engage with schools to inspire the next generation of workers and audiences, and develop skills at all levels. Smaller theatres are likely to be those most undermined through a loss of public funding. These organisations are often at the forefront of R&D and innovation in the theatre and performing arts sector, as well as facilitating entry level skills and experience development opportunities. .

Changes to business rates will also impact badly on our sector. As local councils look to retain 100% of business rates to meet the costs of services, many have begun withdrawing the 20% discretionary relief available to those of our members who are charities.

As our member theatres vary in size and scale, from SMEs to national organisations, the proposed changes to rateable value is a complex picture. Theatres – Scat Code 279 – are incorporated within the Valuation Office Agency's 'Other' category, the category with the highest overall percentage increase across the country. As the majority of theatres are in city centres, the rise will disproportionately affect London venues and those in regional urban areas.

Many theatres are working with local government and cultural institutions to negotiate new ways to maintain support for the arts and to put culture at the heart of local strategies. Birmingham's Cultural Investment Inquiry explored new approaches to finance, including public sector investment-linked models and alternative finance and new forms of social investment<sup>7</sup>. Some members are already employing these methods, such as The Bush theatre, Hammersmith, having successfully used Section 106 to provide investment in cultural infrastructure, providing the £1m needed to ensure that their redevelopment could be realised.

Moreover, The Creative Industries Council also recognises that the funding landscape within the creative industries is fragmented, and that: 'common to most creative industries subsectors there appears to be a gap in the provision of private funding and debt finance for business expansion and growth that goes beyond initial start-up or individual projects.'<sup>8</sup>

As culture and creativity also play an important role in attracting and retaining businesses and staff existing models of corporate giving, sponsorship and CSR could become more important elements in ensuring resilience.

The National Campaign for the Arts has launched a scheme to reward the innovative work of local authorities within arts and culture - the Hearts for The Arts Awards.

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<sup>6</sup> <http://www.pipacampaign.com/>

<sup>7</sup> <http://birminghamculture.org/files/BCIEFinal.pdf>

<sup>8</sup> [http://www.thecreativeindustries.co.uk/media/243587/cic\\_report\\_final-hi-res-.pdf](http://www.thecreativeindustries.co.uk/media/243587/cic_report_final-hi-res-.pdf)

**There is an urgent need to review the full impact of local authority funding for theatre and the performing arts.**

## **2.2 Culture at the heart of local strategies**

Theatres and performing arts organisations are often at the heart of regeneration strategies and contribute to the renewal of urban areas. SOLT and UK Theatre support initiatives to develop local growth through the ‘hub’ or ‘cluster’ approach.

The ability to share ideas, develop contacts and do business is a vital component of success in our industry, and leads to advantages for those organisations and the regions in which they operate. These benefits include ‘increased competitiveness, higher productivity, new firm formation, growth, profitability, job growth and innovation.’<sup>9</sup>

The development of regional employment hubs, for example the Northern Powerhouse, ACE’s proposal for three new ‘producing hubs’<sup>10</sup>, and the Great Place scheme announced in the DCMS White Paper are all examples of place-based approaches to developing and strengthening vibrant local theatre ecologies, also supporting employment and economic growth and education. We would like to see what benefits could be found in aligning ‘hub’ approaches to develop local areas of economic strength.

For example, Cardiff is Europe’s youngest capital city. It has a ‘population of 350,000 (and a wider city region of 1.4m people –nearly half of Wales’ entire population), it’s also one of the UK’s fastest growing cities. An impressive further growth of 26% is expected over the next 20 years.’<sup>11</sup> A £1.2bn Capital City Deal programme promises to deliver a Cardiff Metro service to augment travel to work opportunities in South Wales and to achieve that growth in a way consistent with the Council’s vision of Cardiff as the UK’s most liveable city.

A healthy labour market and economic growth also depends on better transport and planning. We would support action to understand and improve infrastructure challenges.

## **2.3 A joined up approach across the UK**

A truly national strategy for the UK would also see ACE, Creative Scotland, Arts Council of Wales and Arts Council of Northern Ireland work together to coordinate support for the arts and cultural sector in this country. This connectivity is important not only for cross-country relationships, but also for touring, both across geographical regions and across scales of production.

We would welcome an approach that saw the Scottish Creative Industries Partnership, Creative Industry Advisory Group and Creative Industries Strategy, working with the Welsh Creative Industries schemes alongside the Creative Industries Council in England.

## **2.4 Local Enterprise Partnerships**

The LEP model can work to integrate culture into local planning and the wider business community, helping arts and cultural businesses develop and stimulating local growth. Some LEPs have placed culture at the centre of their work. The New Anglia Local Enterprise Partnership invited cultural leaders across Norfolk and Suffolk to join an advisory board, including one of our members, The New Wolsey Theatre in Ipswich.

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<sup>9</sup> [http://archive.londonmet.ac.uk/www.citiesinstitute.org/library/b46466\\_3.pdf](http://archive.londonmet.ac.uk/www.citiesinstitute.org/library/b46466_3.pdf)

<sup>10</sup> <http://www.artscouncil.org.uk/sites/default/files/download-file/Analysis%20of%20Theatre%20in%20England%20report%20-%20Arts%20Council%20response.pdf>

<sup>11</sup> <http://creativecardiff.org.uk/young-and-vibrant-european-capital>

While some LEPs are paying attention to culture and the arts in their strategies we share NESTA's concern that not all LEPs are well resourced and that 'where the abolition of the RDAs and the slow emergence of some LEPs has left a vacuum in local economic policymaking'<sup>12</sup>. For instance, Leicester LEP (LLEP) has a creative industries sector plan, but states that 'ESIF and other funding is being sought to enable this to happen and the LLEP is supporting and enabling this work together with trying to influence national policies to promote growth.'<sup>13</sup> For example, organisations in Cornwall are working with local government there to address their significant geographical and transportation challenges. The Minack theatre has worked on a Landscape and Infrastructure plan to address (mainly traffic related) issues and also created a Passport to Porthcurno plan to try and better understand visitors' motivations and behaviour.

Hall for Cornwall (HFC) has been at the heart of development plans for the Truro area: HFC has an £18 million refurbishment scheme in the planning. The funding is a combination of Arts Council England, Heritage Lottery Fund, and Treasury money. In addition, European Regional Development Funds have been secured in conjuncture to an application pending to the LEP for Growth Funds. All this work is supported by Cornwall Council as a key partner. The capital project creates a better vision for arts and culture, and creates jobs and strengthens the night time economy in the region. There is collaborative partnership with Falmouth University to incubate digital companies to take to the market, having been groomed by the computer industry. This has to be part of the mix to persuade funders to buy into the scheme, when funds are so tight within the region. Work with partners at Isles of Scilly and Cornwall LEP has also been key to building a more vibrant economy and growth for Cornwall.

We also support the need for urgent expansion of better broadband across the country as a vital business and creative resource.

## **2.5 Partnerships with Higher Education**

In recent years, universities and business have begun to play increasingly important roles in collaborating with the cultural and creative industries in support of their own goals and with substantial benefits to the sector.

The HE sector has become an important funder and partner in the operation of theatres across the country. For example

- Home in Manchester: Artistic Director posts are part-paid by Manchester Metropolitan University as 'visiting professors'.
- The Pontio arts and innovation centre, which includes a theatre, is based on the site of Bangor University. This is a great example of a hub: 'Pontio Innovation is about equipping individuals and businesses with the tools they need to succeed in the modern economy. With a focus on transdisciplinary working and rapid prototyping, the Co-Lab, Media Lab, Hackspace and Fablab areas are equipped with cutting-edge technologies. It will boost the University's cross-disciplinary teaching programmes and encourage collaborative work between students, staff and local businesses'<sup>14</sup>
- Royal Welsh College of Music and Drama and the Opera School with Welsh National Opera: The opera school will enable emerging artists to train alongside some of operas' leading figures, and will provide a unique training environment for all opera

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<sup>12</sup> <http://www.nesta.org.uk/blog/getting-it-right-time-four-ideas-better-industrial-strategy?qclid=CLz018qmitMCFYkW0wodWewNDQ>

<sup>13</sup> [file:///C:/Users/hannahg/Downloads/LLEP\\_Creative\\_Sector\\_Summary\\_-\\_June\\_2016.pdf](file:///C:/Users/hannahg/Downloads/LLEP_Creative_Sector_Summary_-_June_2016.pdf)

performance and production disciplines from singers and instrumentalists to conductors

- Derby Theatre and Derby University: ‘Students study, work and perform in a nationally renowned producing theatre, and learn by working alongside professionals on top quality performances. Performing Arts students gain experience, which enable them to form their own theatre companies and pursue professional roles, emerging as new talent, mentored by Derby Theatre and the academic team.’<sup>15</sup>
- Octagon Theatre Bolton and Bolton University: Partnership on a degree in theatre which enables students to ‘study the critical and practical aspects of theatre in both university and professional settings.’<sup>16</sup>

## **2.6 New models of enterprise and investment**

By nature, those working in the arts and culture are entrepreneurs, risk takers, and often visionaries. Our sector would benefit from further support to translate this flair for innovation to test new business models or financial streams.

We have seen some examples:

- The Bike Shed Theatre in Exeter is using crowdfunding to fund an expansion project<sup>17</sup>.
- Bolton Octagon Theatre works alongside Bolton City Council’s Food Festival for mutual benefit. For the Octagon it was a great opportunity to discover and encourage new audiences and capture marketing data. For the Council it was a successful community engagement project that added a highly popular attraction to their flagship event.

We are also interested in the review into entrepreneurship as we believe the arts and cultural sectors are one of the gaps in current policy. Helping artists turn their ideas into business and profit making ventures, using new business models.

A good example of support for emerging business is Scotland’s Cultural Enterprise Office which has supported theatre group Capall Dorcha Theatre Company. It provides business support services to the creative industries. In England services such as the Arts Fundraising and Philanthropy scheme, and the business advice offered by organisations such as Creative United should be maintained. There is also an opportunity to extend subsidised training programmes to the rest of the UK to improve skills development and professionalisation of the workforce.

Our industry requires for better strategies to exploit the interrelation between the publicly funded work and commercial opportunities within our sector. Arts Council England’s [response](#) to its Theatre Analysis highlights some of the challenges of taking publicly funded work and finding the right mechanism to upscale, commercialise and exploit work. We need to find a way forward to boost the potential for the funded and commercial sectors to work together.

## **2.7 Public funding and Theatre Tax Relief**

We would welcome a constant understanding at the Treasury of the importance of continued public funding of our sector. Revenue support through the arts council bodies across the UK is a vital underpinning of success in our sector.

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<sup>15</sup> <https://www.derbytheatre.co.uk/learning/our-partnership-university-derby>

<sup>16</sup> <http://www.artspromotional.co.uk/magazine/280/case-study/entrepreneurial-new-partnership>

<sup>17</sup> <http://www.bikeshedtheatre.co.uk/the-boat-shed/>

The recent introduction of the Theatre Production Tax Relief has also been very successful, stimulating more touring, employment and innovation in theatre production across the country. We are encouraged by the take-up of the relief: Members report it has allowed them to extend tours and preserve high production values at a time when pressures on funding could have led to artistic compromise. The relief is being invested directly into producing exciting, innovative theatre across the UK to the delight of audiences, employment and sustainable growth of the sector.

### **3. International**

Without the right deal on movement of talent and skills we may be at risk of losing access to cultural funding streams and opportunities to access European markets. Also, and most importantly, European workers, long-standing relationships and networks.

Post referendum, we asked our members to tell us about their perceived impact of Brexit on theatre. Their concerns, like ours, focussed around:

#### **3.1 Relationships and Funding**

The paper sets out that there is an opportunity to build future trading relationships, and we welcome this, as an industry that relies heavily on international communities of artists and ideas.

Limiting programmes to only UK artists and companies, and losing opportunities for cultural and artistic exchange would undermine the UK's position as global leaders in culture, and London's reputation as a cultural capital.

We are concerned that once we have exited the EU, vital relationships that the theatre sector builds and uses for ideas, talent and product will be lost. For instance, our relationship and access to Creative Europe and Erasmus..

We would welcome urgent action from government in defining how the relationship with Creative Europe and other schemes will work.

#### **3.2 Imports and Exports**

'In 2011, 10 million inbound visits to the UK involved engagement with the arts and culture, representing 32 per cent of all visits to the UK and 42 per cent of all inbound tourism-related expenditure'.<sup>18</sup>

Presenting theatres are concerned about a drop in the product available (due to a lack of investment) and touring companies were concerned about a halt in their international touring work. For example NoFit State Circus' is concerned is around easy access to skilled staff and performers across the EU. We understand that employing someone from outside of the EU can add up to £1,000 to the cost of contracts to cover visas/health insurance. Moreover, NoFit State recently toured to the US and compared the costs associated with the same tour in the EU. The US cost £46k more to mount; £13,406 for visas, £9,834 for carnet, £4,250 insurance, £19,002 for extra certification required by New York City. None of these costs would apply within the current EU system.

There is a concern around whether EU nationals currently employed in the UK would fail to qualify for an appropriate visa without the freedom of movement framework.

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<sup>18</sup> [http://www.artscouncil.org.uk/sites/default/files/download-file/Value\\_arts\\_culture\\_evidence\\_review.pdf](http://www.artscouncil.org.uk/sites/default/files/download-file/Value_arts_culture_evidence_review.pdf)

As well as interest in importing and exporting artistic products with the EU, as a sector we are interested in the opportunities for the UK to trade with countries outside of Europe. Here are some examples of a growing market for the international export and import of theatre:

- Curve Theatre's recent export of their production of *Grease* to Dubai
- British productions going to Broadway, such as *Groundhog Day*, *Wolf Hall*, *The Audience*, *Skylight*, to name but a few
- The National Theatre's 'total audience outside of the UK was 1.2m. This was made up of 0.7m people who saw NT Live broadcasts in 55 countries around the world, and 0.5m who saw transfers of NT productions. The live audiences were made up of: *War Horse* in Holland: 60,156, *War Horse* in China: 137,319, *Curious Incident* on Broadway: 359,589'<sup>19</sup>
- Royal Shakespeare Company's tour in China: 'To mark the 400th anniversary of Shakespeare's death, [they] undertook a major tour to China in 2016 with Artistic Director Gregory Doran's acclaimed productions of Shakespeare's *Henry IV Part I*, *Henry IV Part II* and *Henry V*'<sup>20</sup>
- US shows imported to the UK, such as *Wicked* and *American in Paris*

It is also encouraging to see the Year Of Culture programme, and that countries such as India and China see the UK as a core part of their economic development.

We would urge government to include cultural businesses and relationships within any commercial relationships and frameworks. We would also like to see stronger relationships between cultural organisations and the Department for International Trade.

### 3.3 International Skills and Labour

Immigration and free movement play an important role not only in the make-up of the theatre sector, but also in making our sector resilient, thought-provoking, relevant, highly skilled and entrepreneurial.

If access to skilled labour from the EU is to be compromised, we are concerned about the sector's access to those skills on the shortages Occupation List'<sup>21</sup>

Many of our members host or produce international work (for example European festivals) and to bring European artists to the UK. There is a concern that artists will simply find it cheaper and easier to remain within the EU.

It is vital that the low cost of touring within the EU is protected. It is estimated that one visa application for a cultural organisation costs between £600 to £1000.'<sup>22</sup>

An increase in transaction costs, regulatory frameworks and administration could see people, innovation and investment 'drain away'.

## 4. Conclusion

At the heart of the industrial strategy sits a plan to ensure the UK is a country that is fairer, where 'future generations have the chance to do better than their parents and grandparents

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<sup>19</sup> <https://www.nationaltheatre.org.uk/about-the-national/key-facts-and-figures>

<sup>20</sup> <https://www.rsc.org.uk/about-us/our-work-in-china/touring-in-china>

<sup>21</sup> <https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-k-shortage-occupation-list>

<sup>22</sup> The Power of Creativity and Brexit, 2017, Liberal Democrat paper

today.’ As we have highlighted though, there are a number areas of concern around cultural education, skills gaps, access and diversity, combined with appropriate financing and funding models, that, if unaddressed, will mean fewer theatres for future generations to visit, and fewer opportunities and life chances for those wanting to work in theatre, both on stage and offstage.

We are concerned that villages, towns and cities, especially in the regions, will lose a vital part of their cultural offering and vibrant place making. We have shown throughout this consultation that theatre contributes to both national growth and also local growth, directly through employment, and through attracting visitors to areas which develop satellite businesses and infrastructure around theatres – including restaurants and transport.

It is vital to the long-term prosperity of the UK on an artistic global scale to ensure that we stay open to exporting and importing high-quality theatre talent, ideas, products and relationships. The hard work and success of the industry to date provides us with a creative competitive advantage that must be protected and enhanced for the future.

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