

## **SOLT and UK Theatre response to Provisional local government finance settlement 2016 to 2017 and an offer to councils for future years: consultation**

I write 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. SOLT represents approximately 200 London-based producers, theatre owners and managers. 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. Both memberships are drawn from subsidised and commercial theatre.

Combined annual attendance at our member venues exceeded 33 million people in 2013. This is more than the entire cumulative attendance at all English Premier League (13.6 million), English Football League (15.6 million) and Scottish Premiership (1.9 million) matches for the 2012/13 season.

Question 1: Do you agree with the methodology for allocating central funding in 2016- 17, as set out in paragraphs 2.6 to 2.8?

Question 2: Do you agree with the proposed methodology for calculation of the council tax requirement for 2016-17, as set out in paragraphs 2.10 and 2.11?

### **Question 3: Do you agree with the proposed methodology in paragraph 2.12 for splitting the council tax requirement between sets of services?**

Local Government plays a critical role in ensuring communities have access to high quality theatre and other cultural activities. The overall spend from local authorities on culture is tiny, just 0.6%, this is vital investment in a high performing sector.

Local theatres contribute to the development of places by attracting employers to an area, helping to retain graduate employment, and creating flourishing economies on local high streets. Theatres attract a wide range of people to towns and cities, keeping them friendly and welcoming for all.

While many Councils are working hard to protect this valuable investment, this will become increasingly hard as they manage their reduced settlement and make tough decisions on funding local services. Many Councils have already reduced or removed their grants to local theatres.

In 2009/10 the total amount Local Government spent in England on arts, theatres and museums was £510.2m. By 2013/14 this had dropped by 11% to £453.6m.

UK Theatre is concerned that overall pressures on local authority budgets will lead to further reductions, undermining the continued success of regional theatres.

As the Chancellor stated in his Autumn Statement, 'One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport. £1 billion a year in grants adds a quarter of a trillion pounds to our economy – not a bad return. So deep cuts in the small budget of the Department of Culture, Media and Sport are a false economy.'

As theatres across the country contribute to this success **UK Theatre asks that DCLG and individual councils recognise that investment in theatre leads to an increase in economic growth, so leading to an increase in business rate returns in local areas.**

It is encouraging to see "Performing Arts" named in the list of Services in each tier included as Annex A of the draft Local Government Finance Report, reminding all Lower-Tier (and Unitary) authorities that they are responsible for providing these services.

**UK Theatre asks that the Government adds 'Performing arts' to the Upper-Tier list of services in Annex A, providing further encouragement to Upper-Tier Authorities who otherwise see a reason to reduce or remove funding from these services.**

Question 4: Do you wish to propose any transitional measures to be used?

Question 5: Do you agree with the Government's proposal to fund the New Homes Bonus in 2016-17 with £1.275 billion of funding held back from the settlement, on the basis of the methodology described in paragraph 2.15?

**Question 6: Do you agree with the Government's proposal to hold back £50 million to fund the business rates safety net in 2016-17, on the basis of the methodology described in paragraph 2.19?**

UK Theatre welcomes and supports the continued 'safety net', and the retention of the system of top up and tariffs.

At a time when many local theatres are working with local authorities to find new ways to develop their contribution to places and local economies it is vital that local areas with less ability to generate business rates income are not disadvantaged.

The current system works with other Government measures to stimulate and develop arts and culture outside of London, not least the theatre tax relief scheme launched by the Chancellor of the Exchequer in autumn 2015, which is designed to encourage new productions and touring.

Question 7: Do you agree with the Government's proposed approach in paragraph 2.24 to paying £20 million additional funding to the most rural areas in 2016-17, distributed to the upper quartile of local authorities based on the supersparsity indicator?

Question 8: Do you agree with the Government's proposal that local welfare provision funding of £129.6 million and other funding elements should be identified within core spending power in 2016-17, as described in paragraph 2.28?

Question 9: Do you agree with the Government's proposal to include all of the grant funding for the Care Act 2014 (apart from that funded through the Better Care Fund) in the settlement, using the methodology set out in paragraph 3.2?

Question 10: Do you agree with the Government's proposal to include all 2015-16 Council Tax Freeze Grant in the 2016-17 settlement, using the methodology set out in paragraph 3.3? 29

Question 11: Do you agree with the Government's proposal to include all 2015-16 Efficiency Support Grant funding in the settlement and with the methodology set out in paragraph 3.5?

Question 12: Do you agree with the Government's proposal to include funding for lead local flood authorities in the 2016-17 settlement, as described in paragraphs 3.6 and 3.7?

Question 13: Do you agree with the Government's proposal to pay a separate section 31 grant to lead local flood authorities to ensure funding for these activities increases in real terms in each year of the Parliament?

Question 14: Do you have any views on whether the grant for lead local flood authorities described in paragraph 3.8 should be ring-fenced for the Spending Review period?

Question 15: Do you agree with the Government's proposal to adjust councils' tariffs / top ups where required to ensure that councils delivering the same set of services receive the same percentage change in settlement core funding for those sets of services?

**Question 16: Do you have an alternative suggestion for how to secure the required overall level of spending reductions to settlement core funding over the Parliament?**

UK Theatre welcomes the possibility of all councils being offered four year settlements. This will allow theatres and other arts organisations to plan more effectively for the long term, improving their business resilience and contribution to the economy and community. It will also allow them to use the security of a longer funding agreement to lever in private investment and develop their earned income, alongside the bedrock of support from public (national and local) sources.

Many theatres are charities and currently benefit from 80% relief on business rates. Many are also granted a further 20% discretionary relief by local councils. We are concerned that as local councils find it harder to meet the costs of services, 100% local retention may mean Councils withdraw this discretionary relief. This would increase the burden on already squeezed local theatres, and increase the possibility of undermining the clear benefits that they bring to local economies and communities, and in turn to business rates income.

**UK Theatre propose that cuts in discretionary rate relief would be a false economy, in the long term failing to make a contribution to the spending reductions required.**

In the future, post 2017-18, the proposal for the 100% retention of business rates in order to fully fund local authorities' public health spending from their retained business rates receipts could have a similar effect.

Question 17: Do you have any comments on the impact of the 2016-17 settlement on persons who share a protected characteristic, and on the draft equality statement published alongside this consultation?

**14 January 2016, Cassie Chadderton, Head of UK Theatre and Membership Development**

