



KEY ISSUES BRIEFING, APRIL 2024

For further details contact publicaffairs@soltukt.co.uk

Briefing contents

- 1. SOLT & UK THEATRE RESPONSE TO 2024 SPRING BUDGET**
- 2. KEY POLICY ASKS AHEAD OF GENERAL ELECTION**
 - a) Theatre for Every Child Campaign
 - b) Capital Investment in Theatres
 - c) Tax-Free Shopping
- 3. VALUE OF THEATRE TO THE UK ECONOMY**
- 4. IMPACT OF THEATRE TAX RELIEF**
- 5. BUSINESS RATE RELIEF**
- 6. SKILLS**
- 7. TICKET PRICES**

1. SOLT & UK THEATRE RESPONSE TO 2024 SPRING BUDGET

TTR Permanent Rates

- SOLT & UKT warmly [welcome the new permanent rates of TTR](#) (40% & 45%) announced at the Spring Budget.
- We are thoroughly delighted by the news and the investment opportunities it will generate in our world-class sector.
- The permanent tax reliefs will provide our members with much needed security and stability in a challenging economic climate, empowering them to forge ahead to create bigger and better productions, creating more jobs.
- Given the interconnected nature of our creative and cultural industries and the extent to which theatre thrives on a wide range of art forms, such as music and the visual arts, we also welcome the broader permanent creative industries tax reliefs.
- The positive response from SOLT & UK Theatre members to the new permanent rates has been strong and unequivocal.
- We will continue to measure impact of the reliefs to demonstrate their additionality.

Infrastructure Investment

- We also welcome the investment of £26.4 million in upgrading the National Theatre's stages and infrastructure and the £1.6 million for Theatr Clwyd in Wales.



- We look forward to exploring the potential for building on this capital investment for theatres across the country.

Local Authority & Levelling Up Funding

- We look forward to learning more about the £15 million investment that will be provided to the West Midlands Combined Authority for culture, heritage and investment projects and the deeper “trailblazer” [devolution deal](#) with the North East Mayoral Combined Authority. We have notified our members about these investment opportunities which are especially welcome in the context of cuts to local authority culture budgets.
- We also welcome the re-commitment of £100 million of Levelling Up funding for culture up to 2030.

Investment Zones

- We look forward to learning more about the six Investment Zones (IZs) [in Greater Manchester, Liverpool City Region, North East of England, South Yorkshire, West Midlands and Tees](#).

2. KEY POLICY ASKS AHEAD OF GENERAL ELECTION

a) Theatre for Every Child: Improving access to theatre for all children

- Every child has the right to enjoy our country’s culture and world-leading theatre, and to experience the joy and opportunity that it can bring.
- Evidence shows that children from low-income families are the [most likely to miss out on cultural education](#) because they are less likely to have access to cultural experiences outside of school.
- For a young person, a visit to the theatre can:
 - Provide cultural enrichment and educational benefits,
 - Build empathy and promote wellbeing, and
 - Highlight potential dynamic creative careers in a growing sector.

Policy calls:

- SOLT & UK Theatre are asking political parties to commit to providing funding and support for our aim in their general election manifestos: [that every child goes to the theatre by the time they leave school](#).
- In order to sustain our world-class reputation for theatre, we need to invest in our future audiences and workforce by ensuring every child has the chance to go to the theatre by the time they leave secondary school.

b) Capital Investment in Theatres

- Costs for the sector have risen dramatically since the pandemic while ticket prices remain stable.



- In addition to increases in labour costs, the sector has seen increases in transport costs due to fuel prices, material costs, which have risen between 30% and 100%, and energy costs, which spiked at between 350% and 500% for some theatres.
 - Research shows that 86% of theatres said finance was a major barrier to making energy efficiency improvements, with this figure rising to 92% for historic theatres.
 - Our 2023 Annual Member Survey showed that supply costs, energy costs and staffing costs were the biggest factors likely to negatively impact turnover in the next 12 months.
 - The survey also showed that, of those members that have reserves, almost half the organisations have a lower ratio of reserves to turnover than in 2019, making them less financially resilient.

Policy calls:

- Capital funding available to the theatre sector should be increased – potentially through a new fund or a boost to/extension of the Arts Council England Cultural Investment Fund to encompass theatres and to allow for a greater focus on environmental sustainability and net zero.
- SOLT & UK Theatre, in partnership with the Theatres Trust, have proposed a [Theatre Energy Efficiency Grant Scheme](#) to help theatres access the finance needed to make venues more energy efficient:
 - This initiative would provide theatres with capital to make immediate energy efficiency adaptations, such as the installation of LED lighting rigs.
 - The total value of the scheme would be £56.7m, and the grants would range from £50,000 to £300,000 depending on the size of the venue.
- The low-cost intervention would improve energy efficiency across the sector, and support HM Treasury’s aim to reduce energy consumption from buildings and industry by 15% by 2030.

c) Tax-Free Shopping

- The health of the inbound tourist economy is critical to SOLT and UK Theatre members.
- UK theatre continues to drive inbound tourism, with two times the number of visitors seeing a theatre production than see a sporting event.
- We therefore support the announcements made by the Chancellor in the Spring Budget to consider the findings of the OBR review of the costs of removing tax-free shopping. There is an opportunity here for partners to submit further evidence in support of the change.

3. VALUE OF THEATRE TO THE UK ECONOMY

- Theatre is an economic powerhouse, a source for transformative social good and embedded in communities up and down the country.



- Theatre is a vital part of our fast-growing creative industries. A recent study conducted on behalf of SOLT & UK Theatre suggests that the [UK theatre sector generates £2.39bn in GVA and supports nearly 205,000 workers](#).
- This is made up of just over £1bn of direct turnover in the UK theatre sector (e.g. from selling tickets for performances, licensing of production rights, managed tours), which generates £1.3bn worth of turnover in the broader economy.
- Theatre audiences also contribute additional spending to local economies when visiting a performance: For every £1 spent on a theatre ticket, an additional spend of £1.40 is generated in local economies, adding up to £1.94bn per annum of extra value added to local economies.
- For every £1,000 of turnover generated by the theatre ecosystem in the UK, there is a positive effect of £1,909 turnover in the rest of the economy.
- In 2018:
 - Thirty-four million tickets were sold for performances in SOLT & UK Theatre member venues.
 - 630,000 performances took place in SOLT & UK Theatre member venues.
 - £1.28bn was generated in box office sales at SOLT & UK Theatre member venues.

UK theatre continues to drive inbound tourism, with two times the number of visitors seeing a theatre production than see a sporting event. Nine percent of overseas visitors saw a theatre production in 2019, with visitors who plan a trip to the theatre likely to be higher spending than average.

4. IMPACT OF THEATRE TAX RELIEF

- The new permanent rates of TTR will provide welcome financial stability for the theatre sector.
- Since it was first introduced in September 2014, [Theatre Tax Relief \(TTR\) has been pivotal in supporting theatrical productions](#) across the UK. TTR is a relief against corporation tax that can be claimed against qualifying costs when developing and creating new shows.
- TTR supports the development of new and innovative productions, providing audiences with the world-leading creativity the UK theatre sector is renowned for.
- We estimate that at least £163 million was invested into theatrical productions in 2021-22, as a result of £38 million of Theatre Tax Relief. This is a return of over four-to-one to the public purse.
- Our members tell us that the higher rates of TTR deliver more and bigger productions, bolder programming that builds more robust talent pipelines and reaches more audiences.
- 83% of the sector say these higher rates enable both greater scale of productions and more employment. Read more about the impact of the higher rates of relief in our latest research report.



- 20,395 theatre productions across the UK have benefitted from theatre tax relief since its inception in 2014/15 up until the end of 2021/22. The latest data for 2021/22 highlights the range of scale of production supported. While 25 claims (3%) were for over £500,000, the majority (56%) were for less than £20,000.
- [Read more about SOLT & UK Theatre's work on this](#), including our latest report on the pivotal importance of the higher rates.

5. BUSINESS RATE RELIEF

Charitable relief

- Theatres that also are charities can take advantage of charitable relief on business rates. A statutory 80% relief is given automatically to those eligible.
- The rate of relief can be 'topped up' by local authorities, up to the remaining 20% of relief ('discretionary relief').
- With many local authorities facing economic hardship, and some filing section 114 notices (stating their inability to balance their budget), it is increasingly likely that councils will reduce the levels of discretionary relief, which is critical to the economic viability of theatres.

Retail, Hospitality and Leisure relief:

- Theatres unable to claim charitable relief, may take advantage of the Retail, Hospitality and Leisure relief, which was extended to 31 March 2025. This relief currently offers up to 75% off your business rates bills (up to a value of £110,000 per business).
- For those theatres making use of this relief, its potential closure in 2025 presents theatres with an economic cliff-edge that will diminish any impact gained from the increased rate of TTR.
- The UK Government must provide theatres accessing this relief with support and certainty beyond April 2025.

6. SKILLS

- In March 2024 SOLT & UK Theatre responded to the UK government's consultation on its proposals for a new [Advanced British Standard](#) (ABS), which aims to introduce parity of esteem between technical and academic qualifications.
- The ABS proposals would only be effective within the context of a broad and balanced curriculum prioritising both arts and STEM subjects, strengthened teaching capacity and good creative industries specific careers advice. [Read our response to the ABS consultation.](#)
- The theatre sector is facing [skills shortages and gaps](#) in technical, operational and production teams, including front of house, lighting, sound, rigging, automation, costume, wigs, hair and make-up, among others.
- We welcome the [announcement](#) made on 18th March of a reform package to boost apprenticeships and cut red tape for of small businesses.



7. TICKET PRICES

- In recent years there has been considerable coverage on the cost of theatre tickets.
- Mounting operational, labour, transport and energy costs compound the issue.

Data on ticket prices

- In London (these figures are based on all full/organisational SOLT members reporting):
 - Average price paid: £57.31 (+5.39% on 2022, -1.65% adjusted by inflation).
- Indicative figure for non-London UK Theatre members based on data from 31 venues is:
 - Average price paid: £28.80 for 2023 which is down -3% on 2022 average price paid.