

# **Zero-hours contracts: Supporting theatres to deliver for audiences in their communities**

## **Detailed briefing from the Society of London Theatre & UK Theatre**

*Society of London Theatre & UK Theatre represent 500 of the UK's leading theatre producers, venue owners and managers and performing arts centres*

### **Introduction**

**SOLT & UK Theatre, acting as employer representatives, have worked hard with the industry Trade Unions to foster collaborative and constructive employee relations over many decades.** This is demonstrated through numerous collective agreements covering venue staff, creatives, technicians, stage management, musicians, dancers, opera singers, performers and writers. The agreements provide minimum terms and conditions that are typically more generous than statutory employment rights and **accommodate the needs of the entire workforce**, including many self-employed, against the **unique requirements of theatrical work**. By acting as collective employers, our agreements ensure comparative terms and conditions for commercial and subsidised, producers and venues, West End and regional venues, and touring and non-touring productions alike.

The purpose of this briefing is to make clear the **reasons theatres across the UK rely on zero-hours contracts to deliver for audiences in their communities**. Measures set out in the Employment Rights Bill will require employers to offer qualifying workers guaranteed hours reflecting the hours they worked during a 12-week reference period. We believe that current proposals are unworkable in our industry which requires genuine two-sided flexibility to operate.

We are keen to work closely with the UK Government to ensure that theatre ecosystem is protected from damaging unintended consequences as a result of the Right to Guaranteed Hours which is included in the Employment Rights Bill.

To achieve this, we have:

- Provided background information on the theatre sector, its strong and healthy employment relations and the financial pressures it faces;
- Detailed the operational reasons that theatres rely on casual contracts; and
- Discussed the impact of guaranteed hours for a highly skilled, creative workforce

In addition to this briefing, SOLT & UK Theatre have prepared several briefings on areas where Make Work Pay and the associated Employment Rights Bill could create unintended consequences on theatres. You can read more about this on the [dedicated page on our websites](#).

## **Twelve Weeks in a Theatre**

**Regional theatres are community theatres at heart.** They deliver a wide variety of world-class productions to a diverse range of audiences in their communities. We want people to be able to access world-class live performance that interests them close to where they live. Theatres that host one long-running West End show are the exception, not the rule. More commonly, one local theatre could, in a single month, show one-nighters, small community and family productions, risky new writing, plays from local schools' curriculum and large commercial musicals. In a typical theatre, **the work in one 12-week period does not reflect the next twelve weeks.**

**Some of the work is seasonal, though "high" season differs across theatres.** For many regional theatres, takings during pantomime season allow them to operate for the rest of the year. For theatres in seaside towns, the summertime tourist population sustains them through the winter periods and their pantomime, while important to the local community, does not make a profit. No two theatres experience the same annual cycle.

**Some weeks, the theatre might be 'Dark' - which means no performances, no tickets sales and therefore no revenue.** Dark weeks are important to prepare for new productions, conduct equipment health and safety checks and perform essential maintenance to ensure the upkeep of venues which are often old, listed buildings. Even without considering large capital projects, gaps in programming are often unavoidable, particularly for presenting venues<sup>1</sup> which rely on producers to bring the work to them to present to audiences.

**Show cancellations, while rare, are not unheard of.** If a show is unable to take place, whether due to a tour falling through, sickness/injury of lead actors, or cancellation of a not-profitable show, it usually represents an unrecoverable loss of revenue. This is outside the control of the venues, although a show may still be liable for many of the same costs.

## **How ZHCs are used in Theatre**

Our zero-hours contracts are not exploitative. Staff are covered by generous, comprehensive collective agreements dating back over 100 years. The right to notice of cancelled shifts is already in our collective agreements. For example, **under the BECTU agreement, staff are entitled to 48 hours' notice of call cancellations;** otherwise, they receive a cancellation payment equivalent to four hours at the appropriate rate.

Staff on zero-hours contracts can expect **exactly the same terms and conditions as the many staff which we employ on full- or part-time contracts.** This includes generous terms including sick pay from day one, overtime payments on top of their hourly rates, specified call-times and a clear expenses policy. This applies to the whole theatre workforce who are all covered by collective agreements with Equity, Bectu and the Musicians Union.

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<sup>1</sup> See appendix for background on the theatre eco-system

However, theatres rely on an agile workforce, the ability to flex staffing levels to suit the various ebbs and flows of a dynamic business. **Theatres use casual, zero-hours or short, fixed-term contracts to employ numerous roles** including, but not limited to: ushers; bar-staff; box office staff; other front-of-house staff; back-stage crew; lighting, sound and automation technicians; security; stage dressers; performance-based wardrobe and costume staff; Wigs, Hair and Make-up artists.

**The theatre workforce is highly skilled and requires a level of specialism.** The skills of a sound engineer, or lighting technician are not comparable to performance-based costume/wardrobe fitter, or the skills of a stage manager. Different productions require different skills. These highly skilled technicians might not be required on a permanent basis and will be offered work when the performance requires their skills and will be free to work on other productions or in other venues when not required.

In reality, skills shortages in the creative industries mean that **workers with technical skills are in high demand.** They will, typically, move between various different theatres and producers to work on **different bespoke productions over the course of a year.** As the collective agreements provide such consistent industry standards, they enjoy a consistency of terms akin to being engaged by a single organisation. This prevents workers from being exposed to marked differences in terms between organisations that may arise in sectors without such robust collective agreements. Working for multiple employers enables them to continue to improve their skill as they learn and perfect different techniques, build their network within the industry and learn from mentors across many organisations.

**The staffing need for each production can substantially differ:** a family-friendly show or an accessible sensory performance with a closed circle and gallery (and therefore a smaller audience) will require far fewer ushers, bar-staff and security staff than a sold-out performance of a popular musical on a national tour. The number and price of tickets sold for a small show would not cover the costs needed to fully staff the theatre and a fully staffed theatre would be unnecessary for small productions which serve a specific audience and are unlikely to sell-out.

**In many locations there will be more work available during the twelve weeks that include panto than during the quieter summer months.** After panto season ends, there will be work available but fewer staff will be required on each shift. During dark periods, there is often no work for front-of-house casual staff or backstage crew to do.

In order to serve the community need, the theatre needs to be able to appropriately and sensitively scale-up and down the workforce according to the needs of the audience. We can't deliver varied and diverse programs without flexible contracts that work for both the employer and the employee.

## **What the Right to Guaranteed Hours means for Theatre**

The Government's intent with this legislation is to "encourage employers to plan ahead more, meaning that workers do not bear so much of the financial risk"<sup>2</sup>. **Theatre's take the financial risk of their workers seriously.** This is why the other two rights relating to zero-hours contract in the Employment Rights Bill: the right to reasonable notice of shifts; and the right to payment for shifts cancelled, curtailed, or moved at short notice **are already included in our Collective Agreements.** The only issue that we believe is unworkable in theatres is the right to guaranteed hours.

This is not because theatres don't plan ahead, or because they don't support their staff during occasional unforeseen circumstances, but because the planned programmes require the ability to flex up and down staffing as the business requires. Guaranteed hours simply do not allow theatres the agility that they need to operate.

The right to guaranteed hours has several implications that would be extremely challenging for theatres to adjust to:

- **Guaranteed hours for a high proportion of our casual workforce would add significant cost and additional risk to business operations**

A theatre could find itself in a position that after a full period of high-grossing, sold-out shows it had to guarantee the same number of hours to its staff *permanently*, despite e.g. the following few weeks including dark weeks for essential maintenance work or family shows with no need for bar staff. Guaranteeing hours for staff when there is no work available due to the type of performance currently showing, would add significantly to the staffing costs of smaller productions. Staffing costs are already the single biggest expenditure for theatres and therefore as a proportion of expenditure these increased wages could be damaging.

If theatres cannot scale-up and down their workforce depending on the business need then they will be unable to maintain manageable staffing costs for smaller productions which bring in smaller revenues. They will be unable to present slimmer seasons, and dark weeks used to perform essential maintenance and safety checks could be too costly. Many venues already operate with extremely tight profit margins, adding these additional costs could prove unsustainable.

- **As a result, theatres won't be able to take risks on programming and work will become more focused on commercial outcomes**

This significantly impacts the type of productions that regional venues can present. If, following a successful busy season, a high proportion of staff take up the right to guaranteed hours then this sustained increase in oncosts will mean that a theatre can take fewer risks. If a theatre needs to guarantee hours, then they will have to guarantee the audiences to match. This means programs will be filled with reliable productions which are assured to be commercially successful. The increased cost of permanently employing a large workforce will prevent them from taking on smaller shows which

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<sup>2</sup> [Zero hours contracts: Fact Sheet, Gov.uk](#)

require a smaller workforce or risky new work which could be extremely successful – or present a loss.

There are several examples of productions that wouldn't have been made if it weren't for taking a risk in theatre: *Baby Reindeer*, the popular Netflix miniseries, started out at Edinburgh Fringe before transferring to the Bush Theatre in Hammersmith; *Fleabag* was at the fringe in 2013; *Operation Mincemeat*, a show which started as an Arts Council funded show played in an 80-seat theatre, transferred to the West End in 2023 and is due to transfer to Broadway in 2025. Theatres need to be able to support upcoming playwrights, producers and directors in order to create important new work.

If venues can't afford to take risks because they have to offer guaranteed hours to staff, then they can't take risks on new, vibrant work.

- **Financial challenges facing theatres are rising**

Costs are rising across the board, including increasing employer National Insurance Contributions and business rates<sup>3</sup> and energy costs up 120% since 2019<sup>4</sup>. Funding is falling, with a 48% fall in Local Government Arts funding since 2009, and 18% fall in DCMS' core funding<sup>5</sup>. While some commercial theatres are thriving, many SOLT & UK Theatre members are extremely worried about their financial viability.

To make up this shortfall, theatres only have two levers to pull: staffing costs (which are the largest business cost to theatres) or ticket prices – they can't simply add more seats or present more productions. Venues want to keep theatre affordable for all audiences, and retain good terms and conditions for their staff, but difficult choices will have to be made if rising costs become unmanageable. Theatres are already operating with significant risk, asking them to shoulder more will be extremely difficult to endure.

- **Additional risk will stop necessary capital investment projects**

If theatres need to continue to pay staff for their permanent guaranteed hours, then they will not be able to afford weeks with no revenue. Without dark weeks, essential business maintenance will have to be paused – meaning theatres will not be able to future-proof their businesses, complete urgent repairs or ensure their buildings are eco-friendly and accessible to all audiences.

SOLT & UK Theatre survey reports that without significant capital investment in the next five years, nearly 40% of venues risk closure and 40% will become too unsafe to use<sup>6</sup>. Paying staff during periods of business closure could prove prohibitive to many of these essential capital works projects.

Without significant thought to the implications of hour guaranteed hours can be adapted to the live entertainment industry, the current proposals are extremely worrying for our members.

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<sup>3</sup> [Rapid analysis of Autumn Budget 2024 – UK Theatre](#)

<sup>4</sup> [Key issues briefing for September 2024 – UK Theatre](#)

<sup>5</sup> [The State of the Arts - Campaign for the Arts](#)

<sup>6</sup> [Investing in Theatre - UK Theatre](#)

## **What guaranteed hours could mean for our workforce**

Our workforce are theatre's biggest supporters and want theatre to succeed. Many of our front-of-house staff work in a theatre while pursuing their creative endeavours, they **value the ability to cancel shifts on short notice for opportunities like auditions or other freelance work**. Non-creative staff also appreciate the flexibility to balance their work with commitments such as studying or caring responsibilities. These are the staff that need the flexibility the most.

**The right to guaranteed hours also poses a risk to our flexible workforce.** If a significant proportion of the workforce accept guaranteed hours, then a two-tiered workforce could unintentionally materialise. When the staffing needs of the business are lower, such as in the period after Christmas or when the shows being presented are smaller, then those that have accepted a guaranteed hours contract will necessarily be offered shifts ahead of those that choose to remain on flexible contracts.

This could mean **fewer shifts available for those who require the most flexibility**. The impact of the regular ebbs and flows of the business would be shouldered by those staff who require flexibility the most. In some cases, it could mean that creative staff, who would otherwise have valued the flexibility of a zero-hours contract, would be driven to accepting guaranteed hours in order to receive any hours during quiet periods and could then miss out on creative opportunities due to their front-of-house contract with a theatre.

We expect that many of our workers will remain on zero-hours contracts by choice after the new legislation has been implemented. However, the uncertainty around the proportion of the workforce that will accept guaranteed hours rather than remain on a zero-hours contract means that business planning will be much more difficult. The additional uncertainty around the incentives for taking a guaranteed hours contract rather than a zero-hours contract when the right to guaranteed hours is implemented means that theatres will struggle to prepare for what their workforce will look like.

## **Conclusions**

Theatres already operate with high levels of risk. The right to guaranteed hours is set to significantly increase the risk placed on the industry. It will, far from allowing theatres to plan ahead, make planning for quiet periods much more difficult.

- Without quiet periods, theatres find it increasingly difficult to present:
  - Accessible, family friendly productions;
  - Vibrant, diverse new work by home-grown talent or;
  - Local community shows
- Without dark weeks, it will be difficult for theatres to make time for:
  - Health and safety procedures;
  - Essential maintenance work;
  - Capital investment projects to make venues accessible and environmentally friendly;
  - Preparations for a new production

Many regional theatres are already struggling financially and operate on extremely tight margins. They are already facing huge rising costs: staffing costs (including increasing Employer NI contributions); production costs (energy costs up 120% since 2019 in some venues); capital investment need (on old, listed buildings) all on a backdrop of falling arts funding. Losing the ability to scale up or down their staffing requirements due to the needs of the theatre could be the final straw. If theatres have to guarantee hours, and therefore pay for work that isn't necessary, the whole model becomes unworkable.

SOLT & UK Theatre collective agreements already provide security for staff when unavoidable, late-notice cancellation of shifts occur. We cannot see how guaranteed hours work for a dynamic, community-serving industry and we urge Government to consider the unique challenges facing theatres and other live entertainment venues as a result of this legislative change.

## **Appendix: Background on the Theatre Eco-system**

The theatre sector is a driving economic force, providing essential social benefits to communities across the UK, and serving as a cornerstone for the fast-growing creative industries.

**The industry is a delicate ecosystem with intricate interactions between its constituent parts.** The ecosystem is symbiotic, all parts of the industry rely on other elements to remain sustainable.

- The West End is unique, the original creative cluster, where visitors from around the globe come to watch world-renowned productions. Comparatively, regional theatres are cultural place-makers – often the only place for a local community to access live performance.
- Producers create works to be presented in venues, although some venues also produce work. The roles they employ have some crossover, but their workforces are substantially different.
- Many productions and venues are commercially viable, but others require Arts Council, Charitable Trust, private sponsor, or Local Authority funding to provide a diversity of cultural experiences and nurture creativity. Often new work is subsidised initially before becoming a commercially viable production.
- Some productions will run in a single location whilst others will tour to many regional venues. As the challenges facing the touring part of the industry mount; the symbiotic nature of the industry means the whole theatre industry feels the effects.

As the representative body for those who produce, present, own and manage theatre throughout the UK, SOLT & UK Theatre are particularly well placed to support the Government to deliver its missions. In particular, the missions to kickstart the economy and to break down the barriers to opportunity.

**British theatre is an economic powerhouse.** The sector generates a turnover of £4.4 billion per annum, contributes £2.39 billion in GVA, and supports 205,000 workers.

**Theatres play an essential role in local communities, delivering transformative social good.** In addition to providing entertainment and cultural enrichment, theatres strengthen our sense of community and belonging, cornerstones of the cultural placemaking agenda.

**But the British theatre sector faces significant risks.** Production costs continue to rise faster than inflation, over the past 14 years local authority funding has plummeted by 48% in real terms, and the Department for Culture, Media, and Sport (DCMS) has reduced its core funding to cultural organisations by 18%.<sup>7</sup> This has already resulted in some organisations reducing their programming activities.<sup>8</sup>

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<sup>7</sup> The State of the Arts, by Campaign for the Arts and the University of Warwick, 2024.  
<https://www.campaignforthearts.org/reports/the-state-of-the-arts/>

<sup>8</sup> Bristol Old Vic to review shows in 'fourth year of losses', 7 August 2024.  
<https://www.bbc.co.uk/news/articles/c4ng5p4xzjeo>



**Many productions are only marginally profitable and carry significant risk.** Touring productions and regional theatres in particular must balance a unique responsibility to provide affordable tickets for local cultural experiences whilst battling increased energy prices, maintenance of landmark, listed buildings and cuts to arts subsidies. Productions in not-for-profit venues are often loss leaders, supported by sponsorship, memberships and grant funding. Any further increases to production costs or additional periods of closure are likely to greatly impact the sustainability of the industry.

To unleash theatre's full potential, we want to work with Government to create the conditions for all elements of the theatre industry to thrive. You can read more about this in our [briefing for MPs](#).