

## **Spending Review Representation**

### **Executive Summary**

### February 2025

#### **Spending Review Proposals**

The Society of London Theatre & UK Theatre appreciate the opportunity to present our proposals for public spending in the 2025 Spending Review. We urge the UK Government to:

- 1. Restore Public Investment in the Arts
- 2. Invest £500 million in Performing Arts Infrastructure
- 3. Invest £1.5 million to Pilot the Theatre for Every Child Programme
- 4. Introduce a National Wealth Fund (NWF) Loan Guarantee Scheme for Energy Efficiency Adaptations
- 5. Implement Additional Mechanisms to Increase Capital Investment in the Performing Arts

#### **Proposal 1: Restore Public Investment in the Arts**

Public investment in the arts helped established the UK as a creative powerhouse. However, the UK now has one of the lowest levels of government spending on culture in Europe.

From 2009-10 to 2022-23, local government revenue funding for culture decreased by 29% in Scotland, 40% in Wales, and 48% in England.<sup>1</sup> Additionally, Arts Councils' core funding decreased by 18% in England, 22% in Scotland, 25% in Wales and 66% in Northern Ireland. These reductions have coincided with the marginalisation of arts subjects in schools and a decline in cultural provision.<sup>2</sup>

#### We call for a restoration of public investment in the arts to protect:

- **Cultural Richness**: Supporting creative risk-taking that promotes a rich and inclusive cultural landscape that enhances the UK's world-leading reputation for theatre.
- **Economic Growth**: Public investment attracts significantly greater additional support from sponsors, patrons, and commercial entities, facilitating increased productions, enhanced community engagement, and job creation.

<sup>&</sup>lt;sup>1</sup> https://www.campaignforthearts.org/reports/the-state-of-the-arts/

<sup>&</sup>lt;sup>2</sup> Ashton, H. and Ashton, D. (2022) Creativity and the curriculum: educational apartheid in 21st Century England, a European outlier? International Journal of Cultural Policy (published online 20th April 2022).



- **Civic Pride**: Theatres are vital community hubs that unite communities around shared cultural heritage.
- **Future Well-being**: Engagement in creative activities positively impacts young people's mental health and well-being.<sup>3</sup>

#### Proposal 2: Invest £500 million in Performing Arts Infrastructure

Research reveals that one in five venues requires at least £5 million each over the next decade just to maintain operations.<sup>4</sup> Without significant capital investment, nearly 40% of venues risk closure and 40% will become too unsafe to use.

Investment in infrastructure will also unlock other forms of finance to enable:

- **Job Creation**: 54% of our members could increase local employment.
- Enhanced Outreach: 62% would expand community engagement efforts.
- Sustainability: 100% of venues would improve their environmental sustainability.
- Accessibility: 100% of Victorian-era buildings would be able to enhance audience access.
- **Diverse Programming**: 57% would broaden their artistic offerings.

#### Proposal 3: Invest £1.5M to Pilot the Theatre for Every Child Programme

Despite the significant outreach and participation work of our members, both parents and teachers have reported a decline in school visits, which is disproportionately affecting schools in deprived areas with rising transport costs being an additional barrier to schools and families. In 2019/20 only 26% of 5-10 years old and 54% of 11–15-year-olds engaged in theatre and drama activities.

In October 2023, SOLT & UK Theatre launched the <u>Theatre for Every Child</u> Campaign with the aim of ensuring that every child attends a professional theatre production by the time they leave school. To secure improved access to our cultural capital and sustain our world-leading theatre reputation, we must ensure all children have the opportunity to experience theatre.

Our policy costing work suggests that to provide annual funding for approx. 800,000 children a year to visit the theatre, covering transport, theatre tickets and teacher supervision would cost a maximum of  $\pounds$ 42.33 per child, or a total cost of  $\pounds$ 34m<sup>5</sup> per year.

<sup>&</sup>lt;sup>3</sup> Children's views on well-being and what makes a happy life, UK: 2020 - Office for National Statistics

<sup>&</sup>lt;sup>4</sup> https://uktheatre.org/investingintheatre/

<sup>&</sup>lt;sup>5</sup> Based on 800,000 children a year visiting the theatre, including transport, theatre tickets and teacher supervision would cost

a maximum of £42.33 per child, or a total cost of £34m per year. This figure assumes that theatres charge £25 per ticket



We are proposing an affordable interim measure in the form of a £1.5 million pilot for our Theatre for Every Child programme in three areas of deprivation to support the Government to meet its commitment to increase children's access to culture and deliver on its mission to break down the barriers to opportunity.

We propose identifying three towns or communities with low levels of theatre engagement within three regional mayoral areas to act as pilot areas over the period of year at a cost of £1.5 million. This affordable interim measure in the form of pilot projects in three areas of disadvantage where children are less likely to participate in school theatre trips. This would test the viability of our plans and help develop a programme that could be rolled out nationally when economic conditions allow.

# Proposal 4: A National Wealth Fund (NWF) Loan Guarantee Scheme for Energy Efficiency Adaptations

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.<sup>6</sup> This proposal would provide theatres with capital to make immediate 'quick win' energy efficiency adaptations.

The NWF could act as a guarantor for 70-80% of loans provided by commercial banks to theatres. Venues would repay loans with interest, minimising the likelihood of government losses.

This scheme could be adapted to group venues according to age and type of maintenance need as opposed to which sector they fall within. Many of our members venues are Victorian, Post-War and Millenium era buildings and share many of the challenges faced by churches, town halls and libraries.

Previous research we have carried out suggests that the scheme would provide a 100% return on investment from between 9 to 13 years due to savings depending on energy price variation.

# Proposal 5: Implement Additional Mechanisms to Increase Capital Investment in the Performing Arts

A sustainable investment system for theatre buildings must address the full needs of the ecosystem. It should include tailored mechanisms for publicly subsidised, not-for-profit, and commercial venues to maximise the impact of investment while mitigating risks. We are therefore discussing a range of additional mechanisms to enhance capital investment in performing arts infrastructure with DCMS and other stakeholders.

<sup>&</sup>lt;sup>6</sup> https://www.theatrestrust.org.uk/latest/news/1626-more-than-1bn-needed-to-make-the-uks-theatre-buildi



#### Who We Are

The Society of London Theatre (SOLT) & UK Theatre are the membership organisations for the leading theatre producers, managers, owners, and operators in London and across the UK. This includes commercial organisations, subsidised organisations, and not-for-profit independent charities.

#### **Our Vision and Mission**

Our Vision, and the world we want to see, is a dynamic, sustainable and world class theatre sector. Our Mission, and what we do as an organisation, is to champion theatre and support our members to thrive.

#### **Contact Details and Further Information**

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