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Autumn Budget Representation - Summary

October 2025

Executive Summary

Theatre is one of the UK's most powerful engines of economic growth, regional regeneration, and creative innovation. It generates almost £2 billion in Gross Value Added (GVA) each year, supports more than 200,000 jobs, and underpins the creative talent pipeline that drives the UK's globally successful film, television, music, and gaming industries.[i]

Beyond its direct economic contribution, theatre anchors high streets, sustains the night-time economy, attracts tourism, and delivers significant social and educational value within every region of the UK. From the West End to village halls, the performing arts generate local pride, civic identity, and measurable economic return - for every £1 spent on a ticket, a further £1.40 is spent in the local economy.

As Government advances the Creative Industries Growth Strategy and the Arts Everywhere agenda, theatre offers a ready-made national network of creative infrastructure capable of turning modest fiscal incentives into private investment, employment, and community benefit. Yet rising costs, skills shortages, and uneven access to capital threaten the sustainability of that ecosystem.

This submission therefore proposes five low-cost, high-impact interventions that align with Government priorities for regional growth and fiscal responsibility:

1. **Make the 60% Theatre Tax Relief rate for touring permanent.**
2. **Correct inequities in TTR for touring opera and ballet.**
3. **Raise the RHL business-rates relief threshold to £750,000.**
4. **Establish a Cultural Investment Fund via the British Business Bank.**
5. **Introduce a UK Philanthropy Tax Credit to unlock private and corporate giving.**

These measures would support touring, protect regional access, stimulate private investment, and sustain theatres as anchors of local economies.

1. Increase Theatre Tax Relief for Touring to 60% on a permanent basis

Touring is central to regional cultural access. Outside London, touring can make up as much as 70% or more of programming for some venues. However, touring productions tend to incur lower upfront costs and high operating costs associated with touring. As a result, they often secure a low real-terms benefit from Theatre Tax Relief, even though they carry significant operating risk, particularly outside major cities.

With rising costs and falling local support, some organisations are already scaling back or cancelling touring. An increase in the rate to 60% would help reduce risk, enable a wider range of work to reach communities nationwide, and ensure audiences everywhere continue to have access to live performance.

The Ask:
Permanently increase the touring TTR rate to 60% to recognise the structural financial challenges touring faces.

Key Benefits:

- Protects cultural access in towns, cities, and rural areas
- Stimulates private investment and job creation
- Delivers regional economic returns (£1 ticket spend = £1.40 local spend)
- Supports touring's role in connecting communities with live performance

2. Address the structural inequity in TTR for touring opera and ballet

Large-scale opera and ballet companies tour nationally but fall between tax-relief regimes - unable to qualify for the higher touring TTR rate, nor Orchestra Tax Relief - despite transporting and housing up to 100 cast and crew per production.

The Ask:
Review and update HMRC rules so national touring opera and ballet can receive relief commensurate with their touring scale and cost.

Key Benefits:

- Ensures fairness within the tax-relief system
- Protects highly skilled employment and artistic excellence
- Sustains regional access to world-class opera and ballet
- Encourages innovation and new productions

3. Raise the Retail, Hospitality & Leisure (RHL) business-rates relief threshold to £750,000

Theatres deliver major public value but face high fixed costs and heritage-building maintenance obligations. Under the current planned threshold of £500,000 from 2026, a small number of the largest and most impactful theatres would lose relief entirely - creating a cliff edge that discourages reinvestment.

The Ask:
Raise the threshold to £750,000, with a tapered approach to avoid cliff-edge withdrawal.

Key Benefits:

- Supports capital and decarbonisation work
- Protects major regional employers and night-time economy anchors
- Encourages accessibility and safety upgrades
- Reduces costly VOA appeals caused by valuation anomalies

4. Establish a Cultural Investment Fund via the British Business Bank

A chronic lack of access to affordable capital limits productivity, audience development, and sustainable touring. A dedicated BBB-managed fund would address this market failure and leverage private finance into cultural infrastructure.

The Ask:
Pilot a £50m investment facility, scaling to £250m, to finance capital renewal, touring growth, and environmental upgrades through mixed-finance models.

Key Benefits:

- Unlocks long-term capital investment
- Drives regional regeneration and placemaking
- Strengthens creative and technical employment
- Enhances energy efficiency and financial resilience

5. Introduce a UK Philanthropy Tax Credit

Modelled on successful international schemes, a Philanthropy Tax Credit would stimulate large-scale private and corporate giving to cultural charities, addressing the capital shortfall that has left 1 in 5 theatres needing £5 million or more in capital investment.

The Ask:
Create a 60–65% Philanthropy Tax Credit for donations to accredited cultural charities, with an uplift for regions outside London.

Key Benefits:

- Mobilises new corporate and individual support
- Targets investment to under-funded regions
- Accelerates cultural capital renewal
- Reduces long-term dependency on public subsidy

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

Policy, Research and Advocacy Team: publicaffairs@soltukt.co.uk

Visit our websites: Advocacy Resources - UK Theatre & Advocacy Resources - SOLT
Follow us on socials: @soltnews @uktheatre #thrivingtheatres #theatreforeverychild

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[i] Economic-Impact-Assessment-of-UK-Theatre-Sector.pdf