



## **OPEN LETTER TO THE PM SIGNED BY 158 MPS & PEERS**

The Rt Hon Boris Johnson MP  
Prime Minister  
Office of the Prime Minister  
10 Downing Street  
London, SW1A 2AA  
cc: Julian Knight MP, Chair of DCMS Select Committee

11 June 2020

Dear Prime Minister

### **Subject: OPEN LETTER FROM MPS & PEERS: COVID-19: THEATRE & THE PERFORMING ARTS SECTOR, WHAT'S NEEDED FOR SURVIVAL & RECOVERY**

Whilst we know you are considering how best to protect and support many areas of the economy, this letter summarises the current and future impact of COVID-19 on performing arts businesses around the UK and calls on you and your teams in DCMS, Treasury and BEIS to take action on what is needed immediately; and over the coming months to rescue the sector and allow theatre to contribute to the future success of the UK.

The performing arts' contribution to the UK: economic & social

British theatre (from drama to musical theatre to opera to dance) is a world-class cultural and economic force with British theatrical productions filling cultural venues and theatres from Broadway to Beijing.

From small studios to big-budget stages, theatre and the performing arts are part of the fabric of British life. Towns, villages and cities the breadth of the UK have and use theatres for more than seeing a show – they are spaces for many different groups in community to come together to learn, socialise and create.

As you know, the creative industries are a motor of growth in local economies from the South East to the North West, from Yorkshire and the Humber to the West Midlands.

Theatre's workforce of 290,000 people includes 70% who are self-employed and move freely between scales and sectors. Its people – from actors to costumiers, technicians to producers – are the gold standard, often developing into world leaders in TV, film and digital arts.

The success of UK theatre relies on a complex ecosystem comprising of three main pillars (all pillars include both venues and production companies):

Commercial theatre; Not-for-profit companies who receive funding by the Arts Councils, Local Authorities, alongside philanthropic donations to supplement income from ticket sales; and Independent charitable trusts who receive no Government subsidy and rely solely on philanthropic donations and ticket sales. These three pillars are inextricably linked: an intricate cross-country network of collaboration that has evolved over the past 70 years. **Without support for each element, the entire ecosystem falls apart and cannot be rebuilt from scratch.**

British theatre is far more than entertainment. It is beneficial to mental and physical health; it informs and educates. Moreover, they export British creativity to the world, with all the benefits to trade and tourism flowing from that global exposure.

### **The current situation – including fiscal damage to the sector**

Theatres and performing arts venues across the UK moved rapidly in response to Government advice to protect public health with every UK venue now dark. COVID-19 has removed all the sector's trading income at a stroke and thrown business into crisis.

Overall, the impact has been immediate and devastating; the medium and long-term consequences see threats to economic, social and cultural wellbeing in communities all over the UK, including:

- With all theatres closed for over two months, **box office income and ancillary trading is at zero.**
- Fixed costs remain high, including listed building overheads at £70,000 to £100,000 on average per month. **70% of organisations will run out of cash by end of 2020** (across venues / producers and London / rest of the UK)
- Theatres across the UK are **going out of business**, including venues in Leicester, Southampton and Southport
- The Job Retention Scheme has avoided large-scale redundancies to this point, and we welcome The Government's hard work on making this essential scheme available.
- Without intervention, **job losses** are likely to number over 200,000 (employed and freelancers).
- Loan schemes very challenging to access, for example because of charitable status restrictions and financial structures of commercial operators unable to accommodate debt
- **Social-distancing measures will allow for only c.20% of capacity** – this is not an economic business model for the sector, where 50% to 70% occupancy is typically needed to break even and means **theatres cannot operate.**
- **Loss to HMT of VAT payments** (over £130mn for West End theatres alone) plus enormous economic impact on all related hospitality and related businesses – multiplier estimated at 5-6 times in major cities – if theatres are forced to shut down permanently.
- **Major risk to towns and cities around the UK** where investment in venues and jobs has led to regional powerhouses of production, including regional strength for sector in North East, Manchester, Midlands.

### **The central issue**

Following government/scientific advice on social distancing measures is crucial. However, for as long as social distancing measures rightly exist, for our sector this makes the prospect of reopening with any profitability impossible. Whilst many other sectors will be able to gradually reopen under current measures, theatres cannot. It would leave around 20% of our seats available, and with 50% to 70% occupancy typically needed to break even **theatres cannot operate**. It is not possible to increase this capacity whilst respecting essential social distancing rules and this threatens to damage theatre and cultural spaces across the UK.

### **Any sector-wide reconstruction would be far costlier than this rescue package and a managed recovery. We therefore ask government to consider the following recommendations:**

There are two groups of recommendations. The first is a new Emergency Rescue Fund and Long-term Loan or Cultural Investment Participation Scheme. This is absolutely critical. The second is a collection of extensions or revisions to existing policy. These are also critical to keep the sector alive until the longer-term solution is in place.

#### Group 1

**Safeguard the strength and UK-wide impact of the Sector** through an Emergency Rescue Fund and a Cultural Investment Participation Scheme, and the protection of Local Authority Leisure Budgets.

#### Group 2

**Sustain the workforce** through a sectoral extension of the Job Retention Scheme at 80% until at least October; and an extension or replacement of the Self-Employment Income Support Scheme. This will also protect the wider ecology of theatre, and the thousands of small companies across the UK that allow the Sector to function.

**Catalyse the recovery** including temporary modifications to the Theatre Production Tax Relief for three years, and other measures which would ease the tax burden in the short-term and allow for a stronger return to an income generative position.

**Review insurance and liability policy** in light of the new risks of re-opening, to allow access by the Sector to appropriate insurance. Currently, only 12% of organisations in the Sector believe they would be able to secure insurance.

I have signed this letter to ask for fundamental and comprehensive action to be taken now, to prevent this this major part of the UK's global offer from being lost.

**Signed:**

Alison Thewliss MP  
Allan Dorans MP  
Alyn Smith MP  
Andy Slaughter MP  
Apsana Begum MP  
Andrew Gwynne MP  
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Barbara Keeley MP  
Bell Ribeiro-Addy MP  
Ben Lake MP  
Bob Seely MP  
Carol Monaghan MP  
Caroline Lucas MP  
Chris Bryant MP  
Christian Wakeford MP  
Christine Jardine MP  
Claudia Webbe MP  
Claire Hanna MP  
Clive Lewis MP  
Daisy Cooper MP  
Dame Diana Johnson MP  
Dame Margaret Hodge MP  
Damian Collins MP  
Damian Green MP  
Dan Jarvis MP  
David Jones MP  
David Morris MP  
David Warburton MP  
Debbie Abrahams MP  
Deirdre Brock MP  
Diane Abbott MP  
Douglas Chapman MP  
Drew Hendry MP  
Dr Julian Lewis MP  
Edward Davey MP  
George Howarth MP  
Geraint Davies MP  
Giles Watling MP  
Grahame Morris MP  
Hilary Benn MP  
Jason McCartney MP  
Jon Cruddas MP  
John Cryer MP  
John Nicolson MP  
Jonathan Gullis MP  
Jonathan Lord MP  
Julian Knight MP  
Julian Sturdy MP  
Julie Elliott MP

Baroness Benjamin  
Baroness Brinton  
Baroness Brown of Cambridge  
Baroness Donaghy  
Baroness Garden of Frognal  
Baroness Goudie  
Baroness Hamwee  
Baroness Healy of Primrose Hill  
Baroness Harris of Richmond  
Baroness Jolly  
Baroness Jones of Moulsecoomb  
Baroness Kingsmill  
Baroness Kramer  
Baroness Lawrence of Clarendon  
Baroness Lister of Burtersett  
Baroness McGregor-Smith  
Baroness McIntosh of Hudnall  
Baroness Morris of Yardley  
Baroness Primarolo  
Baroness Warwick of Undercliffe  
Baroness Watkins of Tavistock  
Baroness Young of Hornsey  
Jane Bonham-Carter  
Lord Bichard  
Lord Birt  
Lord Black of Brentwood  
Lord David Blunkett  
Lord Carrington  
Lord Cashman  
Lord Clement-Jones  
Lord Colgrain  
Lord Desai  
Lord Faulkner of Worcester  
Lord Fellowes of West Stafford  
Lord Foster of Bath  
Lord Freyberg  
Lord Glendonbrook  
Lord Harries of Pentregarth  
Lord Harris of Haringey  
Lord Hollick  
Lord Howarth of Newport  
Lord Hunt of Kings Heath  
Lord Inglewood  
Lord Kerslake  
Lord Kinnock  
Lord Knight of Weymouth  
Lord John Monks  
Lord Oates  
Lord Ramsbotham  
Lord Randall of Uxbridge  
Lord Ricketts

Karen Buck MP  
Kenny MacAskill MP  
Kevin Brennan MP  
Kim Johnson MP  
Layla Moran MP  
Liam Byrne MP  
Lillian Greenwood MP  
Martyn Day MP  
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Michael Fabricant MP  
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Munira Wilson MP  
Owen Thompson MP  
Paula Barker MP  
Patricia Gibson MP  
Patrick Grady MP  
Pauline Latham MP  
Pete Wishart MP  
Peter Aldous MP  
Rachael Maskell MP  
Robert Goodwill MP  
Rosie Cooper MP  
Rushanara Ali MP  
Sarah Olney MP  
Sir Bob Neill MP  
Sir David Amess MP  
Sir Roger Gale MP  
Stella Creasy MP  
Stephen Farry MP  
Stephen Hammond MP  
Stephen Metcalfe MP  
Stewart McDonald MP  
Tim Farron MP  
Tim Loughton MP  
Theo Clarke MP  
Tom Hunt MP  
Tommy Sheppard MP  
Virendra Sharma MP  
Wendy Chamberlain MP  
Wera Hobhouse MP  
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Lord Russell of Liverpool  
Lord Sawyer  
Lord Smith of Finsbury  
Lord Stoddart of Swindon  
Lord Taylor of Goss Moor  
Lord Taylor of Warwick  
Lord Truscott  
Lord Warner  
Lord Willoughby de Broke  
Patrick Boyle, Earl of Glasgow  
The Earl of Lytton  
Viscount Chandos