



House of Commons  
Culture, Media and Sport  
Committee

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**Theatre**

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**Fifth Report of Session 2004–05**

***Volume II***

*Oral and written evidence*

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## The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Culture, Media and Sport and its associated public bodies.

### Current membership

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Mr Chris Bryant MP (*Labour, Rhondda*)  
Mr Frank Doran MP (*Labour, Aberdeen Central*)  
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### Committee staff

The current staff of the Committee are Fergus Reid (Clerk), Ian Cameron (Second Clerk), Grahame Danby (Inquiry Manager), Anita Fuki (Committee Assistant) and Louise Thomas (Secretary), with support from Jonathan Coe (Office Support) and Luke Robinson (Media Officer).

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## Taken before the Culture, Media and Sport Committee

on Tuesday 25 January 2005

Members present:

Sir Gerald Kaufman, in the Chair

Chris Bryant  
Mr Frank Doran  
Mr Adrian Flook  
Mr Nick Hawkins

Alan Keen  
Rosemary McKenna  
Ms Debra Shipley

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### Memorandum submitted by The Writers' Guild of Great Britain

#### ARTS DEVELOPMENT: THEATRE

For the past four hundred years, Britain has been at the forefront in the world with regard to new theatre writing, and it is to be remembered that this is as true at this moment in time as it ever has been. Today, British theatre writers are regarded with higher esteem abroad than they are domestically: truly, the world looks to Britain for what is new in theatre writing in the same way that the world looks to Britain for trends in contemporary music. British new theatre writing brings significant esteem and revenue to this country as a whole.

It is, therefore, dispiriting that while British subsidised theatre can make claims of significant investments in “new writing”, British theatre writers individually are really neither understood or encouraged to become career writers.

The basic TMA (Theatrical Managers' Association/building based regional theatres) or ITC (Independent Theatre Company/small scale and touring companies) commissioning fees hover around £6,000 and bears no relationship to the time and effort it takes an experienced or career playwright to produce a playscript which can easily take six months. It would take four or five of these per year for a writer to support him or herself, and no one has the opportunity or the ability to sustain this. The fee in Scotland is significantly higher (around £8,000) and is also a two-tier system (with a higher minimum for one's second commission).

Additionally, theatre writers are not culturally placed to have sovereignty over their own work, and quite individually fall between the cracks in a way. Even within the most enlightened strata of the funding system, we have doubts that the theatre writer's place is understood. A potter or a visual artist works alone. An actor or an orchestra musician works as part of a unit. The theatre writer does both with each new production and has very individual needs.

#### *The current and likely future pattern of public subsidy for the theatre including both revenue support and capital expenditure*

Last month's announcement by DCMS of the upcoming funding for ACE (Arts Council England) was distressing. While we neither could nor did expect figures approaching the wonderful uplifts of 2002, which were a real godsend, the new figures were a surprise, as we had been led by ACE theatre department members to expect increases which at least reflected “flat real” (ie in line with inflation but below cost of living, already in itself a loss). We were told in November that DCMS has already been notified of how much they would receive from treasury, but were in the process of divvying it up between ACE, museums, Olympic bid, etc. In the previous spending review, Treasury had earmarked funds for ACE, and it is a real loss that this was not the case this time.

All this is especially disappointing in light of the real difference that the Theatre Review and 2002 uplift did make. That forward initiative can still all be lost if it is not supported and built upon.

Bernie Corbett, the WGGB (Writers' Guild of Great Britain) General Secretary, wrote to Tessa Jowell on 14 December, protesting the cuts, and had an interesting reply from Phil Clapp of DCMS Arts Division in which he says “. . . we believe that there is considerable flexibility in the present system which can be used to maintain funding for arts organisations and artists in real terms”, and “. . . we believe that the measures outlined here would mean that overall the level of funding received by arts organisations and artists should be maintained in real terms”. We are beginning our own consultation with the nine regional ACE offices to see how they feel about this outlook, but we are not optimistic of this maintenance.

We would like the Committee to also bear in mind that a great deal of the 2002 uplift went to stabilisation of facilities. As Ian Rickson, Artistic Director of the Royal Court Theatre, has pointed out, the percentage of any theatre's total budget that actually goes onto the stage and into the creative elements of theatre vs into maintenance, marketing, light bulbs, etc, is constantly diminishing.

*The performance of ACE in developing strategies and priorities and distributing funds accordingly*

For many years, ACE was able to 'ring fence' certain funding to theatres specifically for new writing, but ACE has felt it can no longer dictate this on the basis that a specific theatre may also be getting funding from both the local authority and the European Union at the same time. This has been a real loss to our members.

Additionally, since all ACE institutional grants are now for 'capital funding', while a theatre may espouse a strong commitment to new writing in its application for core funding, there is no accountability or even monitoring (at this point) to see that new writing is indeed fully supported.

The restructuring of ACE, with all funding now going through the regions has meant that certain modest funds that were held centrally (for bursaries, residencies and translations) have been lost and have not been replaced. This has been a real loss to theatre writers.

While we encourage the aims of ACE to develop a central policy which should give playwrights across the country the same range of opportunities, we are deeply upset about the abolition of the New Writing Panel and the loss of involvement of practitioners in the decision-making process.

Grants for the Arts has presented a wonderful opportunity for artists to apply directly for money, but it has been our experience that the application process is cumbersome and alienating: there is one catch-all application form for both institutions and individual artists, and it simply is not user-friendly to playwrights. Additionally, writers often have their arms twisted to bend their applications to take on extra responsibilities (arranging their own productions, etc) that they do not wish to undertake. ACE has told us that theatre writers are underrepresented in the number of successful grants. Again, we wonder how much of this has to do with a lack of understanding among ACE decision-makers about the role and needs of theatre writers.

While we have been told by both Kim Evans and Nicola Thorold of ACE that experienced writers should feel free to apply for an above contract minimum fees for GfA, in practice, all writers we have spoken to have been thoroughly discouraged or refused by local ACE officers when they have attempted to do so, even nominally.

Finally, another concrete loss for writers is the virtual disappearance of the centrally funded bursary. A bursary by definition is to buy an artist time for free-thinking, creativity and inspiration, and there was no obligation to produce a "product" (ie a finished script) as part of the exercise. Career theatre writers may need this opportunity. While we are told that it is still possible to apply for a bursary, we have been told by staff at ACE that it is virtually extinct.

The other offshoot of this is that a bursary was historically not taxed because there was no finished product. Now, because GfA is very product-based (in line with government policy as a whole), even if an application for a 'bursary' should get through, it will be taxed, and the writer thereby gets 26% less money once tax is deducted.

*Support for the maintenance and development of: theatre buildings; new writing; new performing talent*

While the review and subsequent funding uplift undoubtedly saved as well as stabilised many theatres—and thereby allowed them to continue commissioning new work to we hope some degree—and the report itself promised "200 new commissions", we have no evidence that this number was achieved or even approached. Anecdotal evidence from our members suggests no uplift in the number of commissions and ACE has been unable to this point to provide any monitoring evidence.

We have found that for many theatres, it is relatively easy to find commissioning money, but still relatively hard to find production money. Therefore, many writers are being commissioned to write plays with slim or non-existent hopes of seeing them produced, thereby creating somewhat of a glut on the market of unproduced product.

The gradual erosion of the "second production" system over the past decade or so has meant that many plays have no afterlife following an initial production, although some more well-known playwrights are actually seeing a significant uplift in foreign production.

Additionally, while it is only right that government and ACE must be accountable to the public as a whole, It often feels that there is such a large emphasis on "public benefit" that the value of the artistic community itself is pushed aside. In light of our opening remarks about the international prestige and actual revenue that new British theatre writing brings to the whole, it is in some sense short-sighted not to take this into consideration when looking at the funding system as a whole. It is to be remembered that a great deal of what becomes "commercial" production has its start from subsidised roots.



*The significance of theatre as a genre (a) within the cultural life of the UK; (b) in the regions specifically; and (c) within the UK economy:*

While we have raised most of what we would consider the pertinent points, may we bring up two further areas for consideration.

1. While Government continually reiterates its commitment to education and ACE quite rightly continues to raise its emphasis on theatre in education in terms of funding, theatre has not been a part of the core curriculum for many years, although anyone who has ever worked with children and young people will say that direct involvement in creating theatre makes an immediate and lasting effect on those who participate, both in terms of building a respect and love of theatre and opening their minds as a whole. And theatre studies should not be confined to classic texts. We would like to see more opportunities for career theatre writers to work directly with students. While Creative Partnerships is hugely valuable in bringing the arts and artists into direct contact with students, we have been informed that theatre has been underrepresented in this arena, compared to the visual arts; and, once again, it is extremely difficult if not impossible for individual playwrights to take part in this programme unless they are attached to a theatre company which might apply for a grant.

2. It is an unfortunate fact that, within the expanding framework of “media” and “entertainment” (which now includes shopping), live theatre has become a niche activity. This may be the way of the world, but it is unfortunate, and the outcome is that vast swathes of the general public have lost touch with the special importance of theatre as a living forum for the free discussion and debate of ideas which may be innovative and even provocative. The recent closing of “Behzti” at the Birmingham Rep and the uproar over the BBC transmission of the stage musical “Jerry Springer—the Opera” are deeply worrying as possible acts of censorship but more importantly as signs of the public’s basic misunderstanding of the role and value of live theatre. Direct access to theatre through education and involved new audience-building (which goes beyond simply low-cost tickets) is crucial to building an appreciation of what theatre can offer.

This is especially close to our hearts as theatre writers. We create this work because we need to create, but more importantly because we wish to communicate with audiences. Unlike fiction writers or journalists, we cannot self-publish over the net. We need productions and theatres. Britain’s subsidised theatres are crucial to this free expression of ideas.

We support the Committee’s aims and goals, and we would very much like the opportunity to meet with members of the Committee if such a consultation would be at all possible.

13 January 2005

*Witness: Mr David James, Chairman, The Writers’ Guild of Great Britain, examined.*

**Chairman:** Good morning, Mr James. Thank you very much indeed for coming and starting our evidence session.

**Q1 Chris Bryant:** Do you get a bit depressed about the fact that some of the straight plays that are being much celebrated at the moment are things like *Whose Life is it Anyway?* and *Look Back in Anger* which have been around for quite a long time now?

**Mr James:** I would not say depressed. Some plays like *Look Back in Anger* always present new things to you and that is the reason for new productions. There is something for a fresh audience to see. *Whose Life* clearly has a point as well. Occasionally, pundits get annoyed when a lot of American film stars come over and go to the Donmar and get Nicole Kidman. Usually, they are working in new writing and presenting new plays. I am much more dispirited by something like a revival of *Sleuth* in the West End a couple of years ago which is an opportunity to make money. Audiences enjoy it, but it does not present anything new for the audiences to learn from and experience.

**Q2 Chris Bryant:** Journey’s End is even older and that is a war horse. The other part of what seems to be called new theatre is things like *Festen* or *The*

*Graduate* which are really translations of movies onto the stage. Has theatre writing in Britain become rather pedestrian?

**Mr James:** The West End is always a thing on its own. It is profit driven. If you look at the whole picture, I do not think it has become pedestrian at all. Do you need me to say why you are listening to some dumb American here?

**Q3 Chris Bryant:** We would not say any American was dumb.

**Mr James:** I have worked in the theatre for 30 years. I have been living here for 12. I love British theatre. It is my love of British theatre that brought me here and keeps me here.

**Q4 Chris Bryant:** We are delighted that it brings lots of other Americans here as well to spend their dollars.

**Mr James:** The West End is always going to be like Broadway. It is all about making money and therefore you have to draw those audiences. If you look at the picture of British theatre writing, there is an incredible array of stuff being produced around the country. The thing that bothers us is how difficult it is for career writers to make a living.

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**Q5 Chairman:** Chris has suggested that maybe there are not the talents around but an alternative would be that the talents are around but they are not being considered and commissioned. Chris has mentioned *Journey's End*, as he rightly points out, an old war horse. It is doing very well but nevertheless, apart from the subsidised theatre, would you say that managements are timid, cautious or overly commercially orientated in not commissioning new plays of the kind that used to fill the West End theatres? It is the same on Broadway. If anything, it is worse on Broadway.

**Mr James:** Absolutely. It is very difficult. I feel that today very few producers really love the theatre. They are commercial managers, especially in New York. They are all real estate people. You do not have the producers who used to develop talent, people like Robert Whitehead. Also, because productions are more expensive, neither the writer nor the producer has the opportunity to fail. In the twenties, when you had Rogers and Hart starting out, their first three or four musicals failed but they were cheap enough that the producer could say, "Do another." That allowed Rogers and Hart to become a talented collaboration that produced the body of work that we all know and love. It is all about economics. I did not take your point as being that the talent is not there.

**Q6 Chris Bryant:** I was not meaning that at all. Stephen Poliakoff is still out there and he is still writing but he does not write very much for the theatre. He mostly writes for television and *Closer*, I suppose is one of the few plays that has gone in the other direction in recent years. I wonder where the great new writing is happening.

**Mr James:** I do not know if you have read the report I prepared. A lot of the new writing is happening in this country. Around the world, people in Europe and Asia look to this country for British theatre writing. Someone like Mark Ravenhill is always touring around. He is going to Europe and Japan to see his productions and there is a lively dialogue there. British theatre writers are much more highly considered around the world than they are at home. There is a lot going on but it is very hard to make a living. Even someone like Tanika Gupta needs an episode of *EastEnders*. It is very difficult to live on theatre writing. One young man I know wanted to buy a flat. He is now writing *Holby City* for the next six years. It pays the mortgage. That is his only option. If you are in the National it is not so bad and you can make a decent sum on your commissioning fees.

**Q7 Chris Bryant:** What sort of fee would it be at the National?

**Mr James:** I could not tell you exactly. We are in the process of putting together some guidelines for musical theatre pieces because no one handles them. We are working with the agents and we are talking about how fees would stack up. These are large sums for a musical which takes five years to write. In the West End, you might have a commissioning fee of 30 grand. For the National, it might be 20. For TMA it

would be 10 or something like that. We can find out.<sup>1</sup> We have a contract with the National but I do not have those figures with me. Because it is the National, it may be more likely to get a production abroad or a move to Broadway.

**Q8 Chairman:** Where would we be for newly commissioned plays without the National and the Royal Court?

**Mr James:** We would be quite well along because so much of it does come out of the regions. Even the National does not do that many new plays every year.

**Q9 Chairman:** I am not saying it does but it does some. It could be argued that what it does is very safe but nevertheless it does it.

**Mr James:** Absolutely. So much of it is getting the conduit in place for these plays to come from the regions and move on from there. There used to be a culture in this country of what was called the second production where if something had a production here it would move to a regional theatre and another regional theatre. That seems to have died now. It is very hard for these plays to gain attraction. You are absolutely right about the Court and the National. Even the RSC has a programme this year. They have commissioned 20 new pieces that are quite experimental. Some of them are full plays; some are not, but they are critically important for the public profile as much as anything.

**Q10 Chris Bryant:** Mark Ravenhill was writing the lyric for Hammersmith, was he not?

**Mr James:** No. *Shopping and Fucking* was for Max Stafford Clark. Then he did a couple more for companies like that and he has had a couple at the National.

**Q11 Rosemary McKenna:** You inferred earlier on that there was something of less value in writing for television than there was for writing for the stage. Have not many people made their living by writing for television which has a much bigger audience than the stage?

**Mr James:** Yes. If you want to write for television that is fantastic but so many people who may want to write for the stage simply cannot if they want to pay the bills. This is not the place to discuss television writing but there are so few single plays on television that you are much more likely to be stuck in an industry like *Holby City* or *Eastenders* where again you have very little creative overview.

**Q12 Rosemary McKenna:** Thinking back, there was a time when one-off television dramas were absolutely fantastic and took a lot of people out into theatres. That is not happening now, is it?

**Mr James:** No. There is some wonderful new stuff on like *Yasmeen* a couple of weeks ago but that is not going to lead you to the theatre. I do not think the link is there in the audience's mind. Theatre is not top of the mind for a lot of people.

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<sup>1</sup> *Note by Witness:* a typical commission fee at the National Theatre is a minimum of £8,012.

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**Q13 Rosemary McKenna:** Could you put an estimate on how many people are making a living out of just writing for the theatre?

**Mr James:** I would have to go away and do some figures among our members. I do not know. Maybe 100 but they are not making a lot of money. Probably only a handful of writers only work in theatre.<sup>2</sup> Harold Pinter is a member of ours and Alan Ayckbourn, people like that, but the vast majority depend on radio drama. There is a lot of teaching and a lot of things you have to do. There are people like Neil Duffield, a children's writer, who works it all out. He lives with his partner, quite simply. I do not think they spend a lot but he does a Christmas show and he just cobbles together a living.

**Q14 Rosemary McKenna:** At my own local theatre in Cumbernauld which is both a theatre and a venue, the director of the theatre is also a writer and he does exactly that, trying to pick up bits and pieces. You said the talent was out there in the regions or in the provinces. People are writing out there and producing locally. I get a feeling that there is a bigger problem in local theatres financially than there is in the West End. Okay, the West End is important but out there is where the people are. If we can get people into live theatre, that is really important so the provinces really must be supported.

**Mr James:** I as an American can say that you are so fortunate to have the funding system here because in America everything is commercially driven. Even someone like Susan Stroman who has directed *The Producers* comes here and says that no one in America has the opportunity that people have here because you have the subsidised sector which allows for the development of so much experimental work in the regions. There are opportunities here which simply do not exist in America. The basic foundation of what you do here is extraordinary. It is a big problem even in the regions with the uplift you have. Ian Rickson who runs the Court said to me that you get an uplift but the amount of the pie that goes into what goes on the stage is constantly diminishing in comparison to the cost of light bulbs, PR and all the stuff like that. Also, these theatres need to fill their houses. If you are looking at new writing, that is a commitment in its own right. I think the DCMS document said 11% of theatre production is new writing. Most theatres do not produce 11 plays in a year. They produce four or five. That is one new play in less than two years. What was a huge success was *The Door* at Birmingham Rep about four or five years ago. They got lottery funding. They had enough funding to say they were only going to do new writing for three years so they did not have to worry about anything. The money was there and they just started doing it. Their audiences were 30% and 40% and they got up to 60% capacity over three years. I talked to Ben Payne at Birmingham Rep last week and he said there definitely is a link between money,

commissioning and new audiences, but it needs sustained support behind it. I have a note from my colleague and she is pointing out something else that is a problem for us as theatre writers. Quite often, if you have a nice hit, we supposedly get an 8% royalty for each performance once the show goes on. We have contracts with the former TNC, which is the National, the Court and the RSC. We have one with the TMA and the ITC, which is small scale and touring. Some theatres depend on a Christmas show to get them through the rest of the year. Something we have found occasionally is that writers are being told, "This is going to be such a hit and you are going to make so much money that we are cutting your royalty because we do not want you to make too much." This happens quite often and these people are afraid to say no because they might lose the next show. The point is they use the Christmas show to fund so much of what they do in the rest of the year.

**Q15 Mr Hawkins:** In your very helpful written submission to us, you make the point that you found that for many theatres it is relatively easy to find commission money but still relatively hard to find production money. Therefore, many writers are being commissioned to write plays but with slim or non-existent hopes of seeing them produced. You talk about a glut on the market of unproduced product. It is clearly a great worry if there is a lot of talent out there, a lot of good work being produced and nobody ever puts it on. What would your suggestion be as to how to redress that balance? Is that simply an issue as to how the DCMS channels taxpayer funding? How would you suggest that we might recommend that that problem be addressed?

**Mr James:** There used to be ring fenced funds and, when theatres got money, they said, "Here is your money. X% of it has to go to new writing." That does not happen now. There are several theatres I could name but I will not which go to the Arts Council and say, "Listen, we really support new writing" and they do not do it. We have no redress. It would be an enormous help if there was something that said, "Please spend a certain amount of your money on new writing." The Arts Council says it cannot demand that any more. It cannot ring fence because so many theatres get funding for new productions not just from the Arts Council. Even Ben Payne when I talked to him last week said, "We do not just look just to the Arts Council." They look to more coproduction; they get city and local funding. Some of them get European funding. The Arts Council says it does not have the power to do that. We really need to say, "Yes, you must do more new writing." It is a struggle because new writing takes a bit longer so it takes a lot more PR. Unless you have something like *The Door*, because there is so little new writing, you are constantly going back to the beginning, saying, "Come and see this." If you go to a film, you know exactly what you are getting but with the theatre, even if it is the same price, you are not sure you will like it. We have to encourage this, keep building the audiences and saying, "Do the new writing" because 11% is not enough.

<sup>2</sup> *Note by Witness:* About 20–50, ie a very small percentage of the total amount of writers in Britain who supplement their income by working in schools etc, and writing for other media—or having day jobs.

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**Q16 Mr Hawkins:** Also in your submission you make the point that you have concerns about the recent closing of Birmingham Rep and the dangers that this may be a censorship of provocative ideas that we need to have addressed in the theatre. To what extent do you worry that this may be the beginning of a trend which would be very worrying?

**Mr James:** Looking at my own country, people are starting to say, "Do not put this on." It is a very sensitive time right now. This is exactly why theatre is so important. I was talking to a friend of mine last week who teaches at the Westminster City School. He teaches very tough, inner city kids. I saw them do *Macbeth* in November and it was fantastic. He says giving these 15 year olds the chance to dream is so important. What is so important for the social landscape is when they work on new writing and develop their own plays it is an opportunity for them to say, "What if I were the kid being bullied? What if I were a Muslim?" It allows them to think like another person and that is what theatre does for me as opposed to a film.

**Q17 Mr Hawkins:** My feeling is that theatre in education is fantastically successful in this country but my worry—I do not know whether it is a view that you share—is that when people go out of education and become young adults that is where theatre fails to keep their interest. Perhaps there should be a particular effort made by everybody in productions to aim a lot of the effort at things that would appeal to people in their early twenties, to capture that audience and keep the enthusiasm that many kids, particularly at secondary schools, have and are encouraged by good drama teachers to have through their teens. If you can capture them in their early twenties, you may have them as theatre audiences for the rest of their lives. Would you agree that that is something we should be looking at?

**Mr James:** That is very interesting. I like that a lot. Everyone I talk to says if you can capture the kids at school you have them for ever. Turning them into ticket buyers is a second thing. Two or three years ago, there was an American show and it was all very 20 something. A friend of mine went to see it and said that the 20 somethings were coming into the audience but they did not know how to be an audience. They thought it was like a movie: come whenever you want; leave whenever you want; talk whenever you want; eat your popcorn. Teaching them to proactively buy their own ticket is a different issue but I am very glad you raised that point.

**Q18 Alan Keen:** The questioning has led us to why we are here today. The reason we are here is not really just to ask how can theatre be more successful, whether in the West End or wherever, but how can we let people know the joy as well as the education that theatre can bring. We started talking about the links. Kids learn such a lot at school and are energised by what they hear. We mentioned *Look Back in Anger* which I was electrified by as a teenager because in the north east of England I thought all plays were about the rest of the world that I knew nothing about. How do we get those links going?

Has the BBC a role, for instance? The BBC puts great drama on Radio 4. How do we let people know that this all has something to do with the same thing and let them know what they are missing?

**Mr James:** I do not make my living by theatre; I make my living by branding so I look at consumers a lot. If this is the audience we are looking for, we have to go to them. We cannot expect them to come to us. What do kids do? It might be strolling theatre companies in shopping malls. Go where they are. I do not think they listen to the radio. I think a little qualitative research or some focus groups on what would interest them and get them into the theatre would be very useful. We talk about new audiences and everybody says they are young audiences. We talk in the greater consumer market place about the grey market which is the over fifties. There are a hell of a lot of people out there between 50 and 80 who could be wonderful theatregoers. There is traditionally this feeling that the theatre is an upper middle class thing. We need to think like these kids. Three or four years ago we were talking to the TMA about how we could use the buildings more fruitfully during the day. I went to the V&A the other Sunday and they had story tellers and a whole lot of stuff going on there which is clearly bringing people in. I think a lot more creativity has to go into this.

**Q19 Alan Keen:** We have visited the US film industry a number of times over the years. Each film is a product. It is not really an art form. It is driven by how much can be earned from it. Is there any way of getting them to understand that they could probably energise young people if young people realise that there is a link between being a film star and seeing big US film productions and theatre? People do not see the link between the two. Maybe the link is tenuous anyway but can we bring that back to excite people so that they could enjoy taking part in the theatre, not just watching?

**Mr James:** That is something we thought about last summer. We were talking about the press, saying why does not *The Guardian Magazine* on Saturdays talk to very famous people and ask, "What are your early experiences of theatre?" I do not think Mr Beckham has been to the theatre much but a lot of people could say, "I went to the theatre and did this and that." Now that there is so much other entertainment, they need to be drawn back into theatre. Nicole Kidman comes over here and does the Donmar. Eight people see her. I did not get in. I could not get a ticket for that. If you have some of these people who do the RSC tours occasionally where the kids are coming, it gives so much more immediacy. These people are making a lot of money. Let them give something back.

**Q20 Alan Keen:** You have mentioned there is no subsidised theatre in the States but presumably in the small towns there are just amateur dramatics and nothing else. Is there subsidised theatre in Chicago and the big cities or not?

**Mr James:** The National Endowment is very small by comparison to what you have here. I am not sure of the exact ins and outs but there are project based

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things there. There are always people trying to rip down the National Endowment just like there are people trying to rip down the Arts Council. Over there, if you want to get people pissed off, you talk about pornography, the crucifix and the urine. Over here you talk about class. All that money went to the Opera House and it is the same thing about getting people pissed off about funding art. There are a lot of small, regional theatres but you have tax incentives and sponsorship because you can deduct any money you donate to a theatre from your income tax which allows companies and individuals to give millions. You have no incentive over here for anyone to give a cent.

**Q21 Mr Doran:** Nick Hawkins raised the point that you made in your submission about the number of plays which are written but which are not produced because of the cost of production and difficulty of raising production money. Earlier in your submission you are very critical of the funding bodies, the Arts Council particularly. From a public policy point of view, on the one hand, you have these plays stacked up and, on the other hand, they are looking at ways of funding the arts productively. Would you not suggest that the Arts Council policy is quite the appropriate one?

**Mr James:** I would not say I was being very critical of the Arts Council. I think two things are very positively important, which I tried to say in the document. One is that we are very encouraged by the restructuring of the Arts Council. You now have nine offices in one body. It allows the Arts Council to have a central policy which we hope will go across the country. Before when you had the 10 separate bodies, if you had someone promoting new writing over here, it was because you had a good person in the job, not because there was a policy. Now, hopefully, we are trying to encourage the same policy across the country so that these nine theatre offices work together so that they develop central thinking. They are supposed to be working together as far as helping artists move around the country. Now, if you get to a region like the south east, there are next to no theatres there. Brighton has a huge number of theatre writers and artists of many kinds but no place to present the work. The Arts Council is hopefully saying that there is an opportunity if you want to work in Newcastle or something, for example. We are not sure how well it is working but in theory that is a wonderful thing. There is also the whole thing about changing the funding so that writers and artists can apply directly for funds. It is an extraordinary opportunity. The thing we are critical about is how difficult the application process is. It is a one size fits all document. It is the same document if you are the National Theatre or Joe Bloggs of Grimsby. You tick the boxes for social benefit and so on and the language is very difficult for writers to negotiate because we fall between the cracks in a way. We have talked to the Arts Council. We need a specific language for filling this thing out.

**Q22 Mr Doran:** In the same context, in the same paragraph where you make that point, you say, "Additionally, writers often have their arms twisted to bend their applications to take on extra responsibilities (arranging their own productions, etc) . . .". Is it not a good thing to get writers out of their garret and be involved?

**Mr James:** If you want to. You might say, "You are doing your job very well but you should be doing this as well." If you want to write a play, get it produced and raise your own production capital, there are ways of doing that. If you want to do that, that is fantastic, but it does also raise issues about how to pay these people. Are you responsible for their pensions? There is a lot that you may not want to take on. You may just want to write a play or you may just want a bursary. That is where the Arts Council is falling down. On the point about a lot of unproduced scripts, I am not sure there are a lot but there are a certain number. Are there ways to move these scripts around more? Every year we have a forum for all the literary managers from all the regional theatres. There are about 45 around the country now. A lot of them say, "I have this script. It is not for me but I will send it over to you." That is terrific. We are trying to set up on the internet some kind of databases saying, "Here are some unproduced scripts if you are looking for something for a school."

**Q23 Mr Doran:** A sort of script exchange?

**Mr James:** Yes. A lot of plays that are produced are not published so how does someone see it again to move to a second production?

**Q24 Mr Doran:** It has always struck me about theatre, compared to other art forms, that marketing has always been a problem, partly because there are theatre trusts etc, but there does not seem to be any overall body which has a focus on promoting theatre as an art form. Is that something that your organisation, the Writers' Guild, has addressed or is it a gap that you recognise?

**Mr James:** It is a gap we recognise. We are not in a position to address it because we are a very small unit. We have 2,200 members and a staff of six. I do not think we have thought of it as an overriding thing but we talk to the literary managers and they still have trouble with their producers doing a new play. It is so hard to market. Perhaps there could be an Arts Council grant to train marketers. You are absolutely right.

**Q25 Mr Doran:** I mention that because in my own experience I grew up in Edinburgh and for all of my life the Edinburgh Festival has been very important. There you see the best and the worst of British writing and the worst is often predominant. What the festival has is the festival organisation itself and the fringe which are heavy marketing organisations and they are immensely successful in persuading people to go and see something they did not know they wanted to see, which seems to be lacking in the rest of the country.

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**Mr James:** I do not think there is a network between all of these theatres. There is a gap there. There are no festivals where you get together the best of the regionals. There are a few things for young people. There is the Mobil Connection thing at the National. Every year they commission 10 writers to write plays for young people and allow schools to produce those or not. They bring together the best of those at the National for two or three weeks. There are no festivals here that would show that that is what is going on in the region. Occasionally something will come from Cornwall to the Donmar but there is very little moving around.

**Q26 Mr Flook:** You sparked a question in me when you said that Mr Beckham should be used to draw people into the theatre. You may like to know that on Saturday, for the first time ever, I went to see Manchester United play at Old Trafford. Why do you think I mention that? 67,000 people were in the audience. Repeatedly before the match the man kept saying over the tannoy, "This is the theatre of dreams." He kept saying it, time after time after time. People are paying 30 odd quid plus, sometimes much more than that, to watch 45 minutes of entertainment, have a quarter of an hour break, watch another 45 minutes of entertainment, go home and think they have had a brilliant time. Why are we not getting them? As you say, theatre is seen as very middle class. That game covers all ages, males and females, all types of socio-economic backgrounds. Why are we not getting them to the theatre? Is it possibly because it is very expensive, it has to compete with dining out, TV, sport and all these other things? It is being crowded out. However hard we try as a society, will we ever get people back into the theatre or is it something of a bygone age?

**Mr James:** I think it is somewhere in between. I do not agree that it is expensive because, if you say they pay 30 quid to go to the football, they can go to the theatre for less than that.

**Q27 Mr Flook:** That is why I stressed the 45 minutes, the break for a quarter of an hour and another 45 minutes. Lots of plays I have been to, if they are not very good and you are getting uncomfortable—it is an hour, 20 minutes, there is a big crush—(there was a big crush at Manchester United for their Bovril or whatever they have these days) but it is much faster and more responsive to a modern age. Football has responded to what people want, which is a faster society. Plays seem to be, to a large extent, much more slow moving, whereas football has responded to what was needed. Sky has added soundbites which are 10 seconds long. The ads are shorter. Everything is faster and more frenetic. Theatre does not give that impression and that may be one of the reasons.

**Mr James:** In some ways they have responded because a lot of plays are much shorter now. They have realised that audiences do not have the attention span. Many plays are 90 minutes and

you are out. Many are an hour and you are out. We have responded and it is only the Tom Stoppards of the world who can get away with three hours of something. We know we are not going to get back to where we were 50, 60 or 70 years ago when theatre was one of the main forms of entertainment. Things have moved on. The entertainment pie does not only include football. It includes video games. Shopping is a form of entertainment. It is the same money you are using to buy the trainers that you could use to buy the theatre tickets. We feel there is a very healthy place for theatre in here. It is never going to be what it was. That does not mean it needs to be thrown in the dustbin and forgotten either. In my other work I often talk about male grooming and men using moisturizer. It was meant to take off and we were going to make tons of money. It never has but there is room for very strong growth and profitability if you accept that we are not going for here but we are going for here. That is something that is very helpful to a lot of people. We are not where we would like to be. We can move this to a very healthy place. Theatre has a place both as part of entertainment and as part of the social discourse and social dialogue. I am sure there are places in the country, regional theatres, where people do talk over the water cooler on Monday morning about seeing the same play. It is the social, cultural dialogue that has to move to the side.

**Q28 Ms Shipley:** I put it to you that going to the theatre is not a very good experience any more. I am somebody who theoretically enjoys the theatre and used to go an awful lot. Now, when I think about going to the theatre, I think a crush of people when I arrive, bustling and jostling, sit down, something happens in front of me, it probably is not hugely entertaining, rarely is there social discourse that is also entertaining or the social discourse itself does not have enough content to be really cutting edge. You come out. If you are a woman, you queue for ever for the toilet, an important point, because it is so boring to do that. Then you go back in and you have more of the same. If you are a man you will have queued at the bar the whole time. You will have had a drink that is probably not very nicely prepared. If it is a glass of wine, it is warm. You all pile out and that is your theatre experience. That is so tedious. Do you agree?

**Mr James:** Absolutely. Everything you describe is terribly tedious. I would not say that is always the case.

**Q29 Ms Shipley:** Would you say it happens often enough for most people to recognise what I have just said, as in it is not a one-off?

**Mr James:** It is not a one-off at all. Ann King has her all-party committee and a couple of months ago Andrew Lloyd Webber came and talked about the theatre billings. He said, "The reason this is such crap for people is that those buildings were

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built 100 years ago. The bars were ideal because the men were the only ones who drank and since women were not drinking they did not need the loos."

**Q30 Ms Shipley:** That is such a cop-out. It would be possible to put on entertainment during the interval so that some people stayed in the auditorium area. You could have small things going on in various parts so there is not a great crush going into the bar. There are so many more creative ways round it, like build a new theatre.

**Mr James:** I love going to the National. I love my sandwiches. I love going to the book shop. There are plenty of loos. It is the same with Sadler's Wells.

**Q31 Ms Shipley:** I would agree but at the older theatres they could find innovative ways around what exists and they do not. Therefore they cannot market themselves in any other way than just listings. If they had a better package, perhaps their marketing people would have more to sell.

**Mr James:** I have not made a tour of the regional theatres to see how a lot of those buildings work. A lot of them still could be an unfortunate experience. I think more in America than here a lot of people are not terribly curious and in order to go to the theatre you inherently have to be curious. You have to want to try a new experience. We talk about the Arts Council and we talk to the new writing officers. If you are going for innovation, a lot of that means you are going to get a certain amount of crap. I go to the theatre a lot and sometimes it is crap. That is part of the deal because the next time it will be wonderful. You and I have enough experience to know and accept that and say, "Okay. If I get pissed off I will leave in the interval. So what?" If we could build that curiosity about the theatre, there are a lot of new initiatives. At The Haymarket they have master classes for students. A lot of the regional theatres have small programmes for this, that and the other. I cannot say what it is like in the interval in all those places, but we were looking with the

TMA at what we could do with those buildings during the day time, perhaps little concerts or tours.

**Q32 Ms Shipley:** What about attracting children and keeping them there, having things like stilt walkers and puppet shows going on? Then it becomes an interesting thing to do but it is not happening. One of my questions was how are you going to build an audience for new materials. Marketing is missing but the product has to be bigger if marketing is going to succeed because of the crowded market place it is going to be operating in. Would you agree?

**Mr James:** Yes. So much of this is a self-fulfilling prophecy. We are saying it needs to be bigger.

**Q33 Ms Shipley:** Not necessarily bigger; just more fully developed. You could have quite a small scale event happening but with a more developed product.

**Mr James:** There are things like that but, because of where economics have been for a long time, our writers have had a very clear directive to write smaller plays for smaller casts. Kara Miller, who is a very talented young writer, is now going out to the movies. The last thing she wrote they did a reading of at Soho. It had five characters, one of whom was a child. Because it was a child they said they needed two actors to cover that part; that is six actors; that is too many; we will not put this play on. One of the things that has come out of the new Arts Council initiatives last year is that they are developing programmes to train people to write bigger plays again. There is a whole contingent of people called Monstrosity or something saying, "We want to write big events and perform them." So much of this is just building encouragement. There are opportunities and people who want to do this but there is a disconnect quite often in these regional theatres between the literary and artistic departments and the marketing and producers.

**Ms Shipley:** That is appalling. That is unforgivable.

**Chairman:** We could enjoy Mr James's evidence but we are keeping other witnesses waiting, so I think we had better move on. Thank you very much, Mr James.

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### Memorandum submitted by the Theatres Trust

#### INTRODUCTION

1. The Theatres Trust welcomes this opportunity to submit evidence to the inquiry. We are particularly pleased that your terms of reference include specific mention of theatre buildings. Theatre, which is the art form for which Britain is best known throughout the world, does to a large extent rely on the existence of theatre buildings. Those buildings have a crucial role in providing appropriate conditions to encourage new audiences and to retain existing ones, and also because of the way in which a well-designed theatre building can enhance the essential process of communication between performers and their audiences. It is also no less important that those who work in theatres should enjoy decent conditions that enable them to operate more effectively.

2. We have three main causes of concern. Firstly there is a continuing need to maintain the protection given to theatre buildings under the planning system, particularly at a time when it is undergoing radical changes. Secondly there is an urgent need to establish an effective programme of capital investment in

improving existing theatre buildings. Finally, we believe that it is essential to consider the needs of theatre buildings of all types as a whole, whether they be in the commercial sector, local authority owned, amateur run or in the independent and largely subsidised sector.

By way of further introduction, members may find it useful to know a little more about the Trust.

#### THE THEATRES TRUST—PROTECTING OUR THEATRES—AND MAKING THEM BETTER

3. The Theatres Trust was established by Acts of Parliament in 1976 and 1978 to protect theatre buildings. Although it is classified by the DCMS as an advisory NDPB and the Secretary of State appoints its 15 Trustees, it is effectively an independent body and the small grant that it now receives from the Government via English Heritage only covers around one-seventh of its operating costs. However an undertaking was given to Parliament when the Trust was set up that all planning authorities would be required to consult the Trust on any planning applications that affect land on which there is a theatre. This requirement extends to all theatres, old and new, listed or unlisted, and regardless of whether the buildings are still in use.

4. Today the Trust's role ranges far more widely. It provides advice on theatre building related matters to owners, operators, campaigning groups and to expert bodies, and it also runs an information service. The Trust is emphatically not a preservation body, for it has always recognised that theatre buildings need to adapt and to be renewed and replaced. It works to promote the cause of theatre buildings generally. In effect we see ourselves as a bridge between theatre operators and the worlds of property, planning and architecture. Our Trustees, who give freely of their time, include experienced theatre professionals and performers, architects, property and planning experts, and parliamentarians. Unusually, the Trust's remit covers the whole of the UK.

#### THE CONTINUING NEED FOR PROTECTION

5. A hundred years ago, putting up a theatre was a good way of making money. Promoters could afford to buy key sites, even in central London, confident that the returns on their investment would enable them to rebuild or improve when necessary. Today, theatre buildings are valuable only if the land on which they stand can be redeveloped for some other purpose. Over 85% of the theatres that stood at the beginning of the first World War had been lost by the 1970s, torn down or irrevocably altered, to be replaced by other more lucrative uses. Theatre operation is a fickle business and if it had been left to market forces alone there would probably now be no theatre buildings left anywhere. There are very few theatre buildings that have not had to close through financial difficulties or for some other reason at one time or another. Fortunately there is now a system of protection that prevents theatres that have closed from immediately being torn down and their sites redeveloped.

6. Over the last 50 years a significant proportion of theatre buildings have been taken into public ownership of one form or another. But many others are still owned and operated by the private sector. In some instances the freeholds are still held by organisations who have no direct interest in the theatre business and who may well simply be waiting for the opportunity to realise a capital gain and redevelop the site. During the last 10 years we have seen this process at The Westminster Theatre and The Mermaid here in London, and elsewhere at such places as Scarborough's Royal Opera House and Doncaster's Grand Theatre.

7. It is no part of the Trusts' brief to suggest that every theatre that ever stood or may now lie empty or in another use should be saved and reopened. But it is only thanks to the protection given by successive governments and local planning authorities, and the work of the Trust and countless individuals and organisations across the UK, such as the Save London's Theatres Campaign, that buildings like The Lyceum, Dominion and Playhouse in London's West End are now back in use. No fewer than 15 of the theatres in London's West End including the Dominion, Shaftesbury, and Lyceum have been earmarked for demolition since 1950, whilst six others were actually lost. Outside central London theatres like Sheffield's Lyceum, Blackpool's Grand and The Hackney Empire have all faced destruction at one time or another. The list of "sleeping beauties" that have been revived now totals some three dozen. We are aware of many others that are still sleeping, some of which could undoubtedly still serve a useful theatrical purpose. Yet others may well be capable of beneficial use for other purposes.

8. Many a theatre that is in use today has been "saved" by a period in a "soft use" like bingo or as a cinema, where the capital values did not rise appreciably. But once consent has been given for a change of use to a pub or restaurant the land value will have increased to the extent that any return to theatre use would be out of the question. It does seem to us that when the potential for theatre use on a site is lost and the land value increases, there a case for an appropriate payment of part of that increase in value to help create or improve other existing theatre buildings in the vicinity. Some local authorities have planning policies which seek to protect theatre use and even require theatres (and other cultural facilities) to be replaced in such circumstances.

9. An important part of the Trust's work at the moment is to help persuade planning authorities to retain or strengthen such policies in their new Local Development Frameworks. Unfortunately in spite of our best efforts and, it would appear, those of the DCMS, we have been unable to persuade the ODPM to include



appropriate reference to cultural activity in the guidance documents that have recently been issued to planning authorities. In the meantime we are updating the Advice Note that we will be issuing to all planning authorities and which sets out recommended policies to help protect and enhance cultural provision.

10. One key part of the protection given to theatres is the fact that theatres in use are regarded as “*sui generis*” in planning terms, so that any change of use needs planning consent. It is often this that triggers the requirement to consult the Trust in its role as statutory consultee. We were relieved to learn that the ODPM has decided not to change the “*sui generis*” status given to theatres, and that the Trust is to retain its status as a statutory consultee with clearer guidance being given to local authorities on when it is appropriate to consult us.

11. The other thing that has undoubtedly saved many theatre buildings is the fact that a significant proportion of them are now listed buildings. Listing is however a double-edged sword for it is widely perceived to make it harder to effect physical alterations. In our experience English Heritage and most planning authorities take a commendably pragmatic view when considering carefully thought-out proposals for changes that are necessary to enable a building to continue in use. Nor should it be imagined that the act of listing a building precludes its demolition—in our experience 10 years of wilful neglect by a determined landlord can all too easily bring a once fine building to the point that demolition is the only realistic course of action. Unfortunately the sanctions available to a local authority, which may ultimately include the power of compulsory purchase, carry such cost and risks that few are prepared to go down that route. This is something we hope the Government’s reviews of heritage protection and of the powers of compulsory purchase will eventually remedy.

12. In practice the major part of the Trust’s work involves helping theatres that are still in use. Our latest Annual Report has already been circulated to members of the Committee, and copies of chapters Two and Three, which illustrate the range of our work, are enclosed with this Memorandum. It is perhaps worth noting in this context that the obligation on planning authorities to consult the Trust relates to any development that affects a theatre, rather than simply alterations to or a change of use of the theatre building itself. Increasingly as city centres are intensely redeveloped we find that works adjacent to a theatre are inadvertently affecting such essential aspects as car parking and vehicle access for loading, or precluding a theatre’s own scope for redevelopment. When money is increasingly needed to help improve existing theatre buildings we are always keen for local authorities to consider demanding financial contributions, ideally by way of a Section 106 agreement with the developers concerned. But for this to be enforceable, theatres will clearly have to be identified as a priority in a Council’s new Local Development Framework.

13. In essence, although we may have the best system for protecting theatre buildings and the potential for theatre use in the world, it will still be of little benefit unless it is backed with appropriate financial resources.

#### THE NEED FOR INCREASED CAPITAL INVESTMENT

14. In 1959 and 1961 two Arts Council Reports for the Chancellor of the Exchequer concluded that even then it was no longer realistic for the UK to rely on the continued availability of a network of commercially owned theatre buildings. They recommended that key buildings (including some in London’s West End) should be taken into public ownership, and that some protection was also necessary through the planning system. The Council also called for a programme of public investment in theatre buildings, not only to modernise what already existed, but also to create new ones. Apart from a mini-boom in London’s West End from 1924 to 1937, theatre building across the UK declined sharply after 1914, although many of the new large cinemas were given stage facilities. There had been no significant theatre building anywhere since 1939.

15. The first new theatres started to open from around 1957 and this process was considerably boosted by the creation of the Arts Council’s Housing The Arts scheme which ran from 1965 until 1990. Many former commercial theatres were acquired by local authorities, sometimes with help from the Arts Council, and then either directly run or let out to independent charitable trusts. Capital funding from the Arts Council was augmented with money from local authorities, public appeals and, later, from development agencies and Europe. Later still, a scheme funded jointly by the Government and the Wolfson Foundation made useful progress in some quarters. At the request of the then government, The Theatres Trust commissioned a Fabric Study on a selected number of theatres in England. This was published in 1992 and showed that despite the considerable investment since the 1960s more than 40% of theatre buildings were felt to be in only fair to poor condition, expenditure and maintenance were far too low, and a significant number of buildings were not being regularly surveyed. Interestingly, many of the buildings that had been put up in the 1970s came in for the greatest criticism, possibly because they had been subjected to cutbacks in standards to fit within tight budgets during a period of high inflation.

16. By the time the National Lottery came on stream 10 years ago there was indeed a serious backlog of work needing to be done to bring theatre buildings across the UK up to appropriate standards. That need also extended to museums and galleries, as well as to other aspects of the built and natural heritage and to sports facilities.

17. This is probably not the place to attempt a detailed analysis of the record of the National Lottery in relation to theatre buildings. A huge amount has been achieved, and Committee members may be interested to see the article written by the Trust's Director in the December issue of our magazine, *Theatres*. A copy is appended to this. In passing, it is worth noting that there is in Britain a very considerable expertise in theatre design and planning with our theatre consultants in demand all over the world. The Association of British Theatre Technicians has done much to raise awareness and set standards. Unfortunately after about five years Arts Council England decided to reduce dramatically the proportion of its lottery budget allocated to theatre and arts building schemes. Although there are some significant projects where commitments have been made and which are still in the pipeline, the number and size of new commitments to maintain or enhance existing theatre buildings has now dropped to a trickle. The most recent, and apparently final, set of announcements from the Arts Council a year ago revealed only three awards for existing theatre buildings, and that the 33 recipients were outnumbered four to one by 132 who had been rejected. The total demand for grants had amounted to £255 million, four times the amount eventually made available. In theory that amounted to an average "spend" on capital projects of all types of just over £20 million per year. Apart from five schemes (which included one theatre) which received a maximum award of £5 million, the average allocation for the others was only £1.28 million.

18. Were it not for the fact that the Heritage Lottery Fund has been able to support the heritage related aspects of some theatre schemes it is unlikely that buildings like The Hackney Empire or The London Coliseum would have been refurbished. The grade 1 listed Theatre Royals at Richmond, Yorkshire and Bury St Edmunds in Suffolk were among many that failed to obtain any capital funding from the Arts Council, but these two were able to succeed with the HLF. Many others including London's Old Vic and Wilton's Music Hall also seem likely to have to go down the heritage route if they are to stand any prospect of securing lottery funding. These are all important listed buildings, and it is indeed fortunate that there is a significant heritage context in the works that need to be done, but there is no reason why the HLF should be expected to pay for essential works backstage or to create new facilities. In any case the HLF has maintained a full capital programme and is continuing its task of renovating and improving the UK's stock of museum and gallery buildings. Without accurate figures it is only possible to generalise, but the HLF is clearly devoting significantly more money to improving museum and gallery buildings than Arts Council England is to arts buildings. However both the HLF and the Arts Council are now understandably wary of making big new commitments of any kind, until they know whether they will still be in business as lottery distributors after 2009 when the current licences expire.

19. In the meantime we at the Trust undertook a simple survey of 200 theatre buildings across the UK to assess their perceived needs. Of the 160 responses, 42% claim already to have received a lottery capital award, but 76% stated they wished to make a lottery bid during the next five years, and only 34% reckoned their buildings were in good condition. Some 72% receive regular complaints about heating, ventilation and air conditioning, 42% receive complaints about seating, and 37% on toilet provision. Apart from improvements to public facilities, much needs to be done to meet the technical demands of modern production methods and to keep up with the changing requirements of health and safety regulations. It is also important to have smaller and more flexible spaces in which to present new work.

20. On a very rough basis we have calculated that around £1,000 million still needs to be spent to bring the UK's stock of theatre buildings of all types (including those in London's West End) to an appropriate standard. We are hoping to do more work and to refine our survey over the coming months. Suffice it to say that at the current rate of lottery expenditure and assuming matching funds from other sources, it could well take 100 years to remedy this backlog. This of course assumes no further deterioration in the condition of the buildings concerned and no inflation over that period!

21. One area where the needs have been more closely examined and where significant progress is being made is on the 40 or so commercially owned theatres in London's West End. The Trust's Report *Act Now!* published in October 2003 followed a two year study working closely with the Society of London Theatre and its members. Our findings and the recommendation that a total of £250 million at 2003 prices would need to be spent over a 15 year period has received support from the media, the public, and across the political spectrum. The Trust is now working closely with the Society and the DCMS to secure a solution and we are in discussion with potential funding partners. Ideally a solution would recognise the important role played by these buildings, not only in terms of the arts but also their heritage interest and their considerable benefit to the UK's economy. We have seen and fully endorse the evidence that SOLT/TMA has given to you on the follow-up to the *Act Now!* Report as well as on the wider economic benefit of the theatre industry.

22. As far as helping to meet the on-going capital needs of theatre buildings across the rest of the UK is concerned, the solution seems to us commendably simple. The Government should immediately give the arts and heritage lottery distributors the assurances that they need, namely that they will still be in business after 2009, and it should request the Arts Council to reinstate its capital programme at a realistic level which will enable it to address the needs of theatres and other arts buildings of all types regardless of whether or not they happen to be run by bodies in the subsidised sector.

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## A LEVEL PLAYING FIELD

23. An important part of our *Act Now!* study was to commission an independent assessment of the economics of theatre ownership (as opposed to management or the production of shows). This demonstrated that the returns on capital invested in theatre buildings today simply do not justify in commercial terms the sort of investment now needed for improvements and renewal. It is now well-known that the lottery grant given to upgrade the subsidised 400 seat Royal Court Theatre exceeded the profits made by all four commercial playhouses on Shaftesbury Avenue since the second World War. The fact that Sir Cameron Mackintosh has just spent £8 million of his own personal fortune on updating the Prince of Wales Theatre and promises to do more elsewhere represents an unparalleled act of personal generosity, but in commercial terms it will hardly have increased the capital value of the theatres concerned. Fortunately he did not have to rely on theatre ownership to make his fortune, which resulted from his perseverance and success as a commercial producer mainly in musical theatre.

24. Outside the West End, commercial ownership and operation of theatre buildings is now mainly in the hands of a couple of major operators who derive some economies of scale in consequence. Where commercial operators run a theatre on behalf of a local authority owner they usually receive a fee or a subsidy for doing so. Those theatres that are directly run by local authorities are invariably subsidised, as of course are those that produce their own work—indeed those producing companies often receive subsidy towards their operational costs from the Arts Council, as well as from local sources.

25. The level of subsidy available for what are generally known as receiving theatres varies widely. In one city where the major theatre is owned and run by commercial organisation it may receive no revenue subsidy at all (although some of the visiting shows may well have been subsidised at source) and will never have had any external help with capital works. A comparable theatre owned and run by its local authority could well be receiving a revenue subsidy of up to £1 million per annum, and have been extensively modernised with substantial help from the National Lottery and other public sources. It is hardly surprising therefore that facilities for audiences and working conditions can vary enormously from theatre to theatre. In Portsmouth the 1,200 seat Kings Theatre at Southsea, hardly changed since it was opened in 1907, is actually owned by the City Council which provides a minimal subsidy so that the operation of the building relies on a tiny handful of paid staff augmented by a huge input of volunteer labour. Because it is not seen as a priority by the Arts Council it is unlikely ever to receive lottery funding. Similarly, we were told that because the Theatre Royal in Norwich, which does operate most successfully on a fully professional basis and a minimal local authority subsidy, is not regarded as a priority for the Arts Council and is thus also unable to secure capital funding through the Regional Development Agency. Nevertheless theatres such as these provide essential links in the network of places where subsidised touring shows can be seen by audiences outside London.

26. Nor should one forget that theatres in the UK include the important amateur sector. The 95 members of The Little Theatre Guild, who own and run their own theatre buildings, and the members of the National Operatic and Dramatic Association provide a significant contribution to the theatrical life of the UK as a whole. Theatre going for many other members of the public may simply amount to an annual trip to the pantomime put on by a commercial producer at the local civic theatre, or perhaps taking in a summer show. We would not for one moment suggest that such activities should be subsidised by an Arts Council on a revenue basis. However, as the Secretary of State has suggested that lottery money is not Government money, but the people's money, it does seem strange that it should be denied to those theatre buildings that are used and enjoyed by the majority of the public. The need for capital investment and improvements and for proper working conditions is no less simply because a theatre building happens to be commercially or municipally owned, or providing popular entertainment. At the risk of extending the comparison with the way in which lottery funding has been applied to museums and galleries, it is as if the 1,000 museums in the independent sector had been denied capital support from the Heritage Lottery.

27. In the longer term it may well be inevitable that more theatre buildings will have to be transferred to the public sector if they are to survive. Some will be seen to be redundant or beyond economic repair. New ones will need to be created that do not echo the social habits or theatrical conventions of the Victorian/Edwardian era. It will be even more essential that ways be found to entice new audiences into those buildings that already exist and that we cannot afford to replace, as well as to the shiny new ones. Above all, the supply and demand for theatre buildings and their physical conditions does need to be addressed across the board and regardless of any historical accidents of ownership or of the current pattern of management.

Attachments: (*not printed*)

1. Chapters 2 and 3 from the Annual Report 2003–04.
2. Extract from *Theatres Magazine* 2004 “Ten Years Down, Fifteen to Go”.

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*Witnesses: Mr Rupert Rhymes OBE, Chairman, Mr Peter Longman, Director, and Mr Mark Price, Planning Officer, The Theatres Trust, examined.*

**Chairman:** We are delighted to see you here this morning and we will start once again with Chris Bryant.

**Q34 Chris Bryant:** Thank you, Chairman. Good morning and welcome. I suppose the good news is that in the 1880s the average British theatre used to burn down every 18 years and that does not happen now and we have not had a major theatre fire for many, many years. The problem is we have still got the theatres we had in 1880 in large measure. All of Frank Matcham's theatres are still around. The size of people has grown but the size of seats has not. The back-stage facilities are very poor for most working actors and directors and there are lots of artistic problems from people putting shows into theatres that were not designed for modern hydraulics. So what are we going to do?

**Mr Rhymes:** First of all, can I say we welcome the opportunity of being here before you and I hope that you have got some of the answers to that sort of question in the document we have presented. Also as someone who throughout my working life was involved with theatre management I, too, am very glad that theatres do not burn down in the same way these days. You are absolutely right; there is a whole series of things that needs to be done. We have got some ideas and I think the easiest thing would be if our Director, who has had experience both in terms of the Arts Council and housing the arts work, and indeed now the best part of 10 years at the Theatres Trust, gives you an answer to that particular question.

**Mr Longman:** Mr Bryant is holding *Act Now*, the report we did just 15 months ago. We have not said a great deal about it in our submission partly because it is probably familiar to many Members here, but also because we commissioned the report and my Chairman was then at the Society of London Theatre. We work very closely with the Society of London Theatre and its Director, Richard Pulford, is coming along to give evidence to you and he has written a rather fuller submission to you. On *Act Now* specifically, which dealt with the 40 commercially-owned theatres in the West End, we made the point that there was a huge economic impact from those theatres to London in general and indeed to the UK economy. In one sense they are the last big nucleus of commercially-owned theatres left anywhere in Britain. One of the things we have seen over the last 50 years is a gradual move away from that time 100 years ago when theatre was such a profitable business that you could afford to buy the best sites in Shaftesbury Avenue, and build a theatre there. If the thing burnt down you could afford to re-do it and, frankly, if it had not burnt down you had to re-do it anyway to keep up with your competitors. The whole economics of theatre ownership has changed dramatically. We refer in our evidence to you to a report done by the Arts Council for the then Chancellor of the Exchequer—Harold Macmillan was his name, as long ago as that—pointing out that the economics of theatre ownership were such that it was necessary for more of these buildings to come

into public ownership. In London's West End they have not been deemed to be a priority for the Lottery because they are seen as commercial because a few producers—and you can number them on one hand—have made a lot of money from shows from worldwide spin-offs. The fact is that the building owners themselves do not make anything like the return that they need in order to justify any expenditure. The response to this report has been universally favourable from the parliamentarians and indeed from the public. You may have seen an exhibition on at the Theatre Museum at the moment which explains the history of these buildings. They were doing a simple survey there of members of the public on whether they think these buildings should be helped and that they are worth helping. There has been a unanimously favourable response to that. The Secretary of State commissioned a meeting with the Minister for the Arts and in effect they have commissioned myself on behalf of The Theatres Trust, the Society of London Theatres and their own senior officials to go away and find a solution. I think it might be more appropriate if you see the DCMS and indeed the Society to see where we are. I think we can see a way, hopefully, of meeting those urgent needs within the West End, but part of our evidence, as you will have seen today, is that that need exists in a particular form in the West End; it also exists right across the rest of the UK.

**Q35 Chris Bryant:** Yes, it is not just about London, is it, there are other places where there are commercial theatres which are a very significant part of the local night-time economy and while many people will enjoy going into the major city centres to go to the theatre and some theatres of course are jewels of British architecture, some of them are fairly pedestrian buildings, in all honesty, are they not?

**Mr Rhymes:** I think “monstrosities” is probably the word that you are looking for, yes.

**Q36 Chris Bryant:** Talking of one such, the London Palladium—

**Mr Rhymes:**—Jewels or monstrosities? I hope jewels.

**Q37 Chris Bryant:** I am going to be generous and leave that to you to decide. I just wondered whether there is room for more self help. Looking at some of these buildings they are superb sites but they are theatres that are closed all day despite the fact that some of them are very attractive inside. Nobody has ever thought of using the daytime for the building to make money in some other way. The food is nearly always almost inedible. The drinks are expensive and the only version of orange juice they have ever heard of is Britvic. Could there not be more self help?

**Mr Rhymes:** Let me try and deal with some of those points, and also picking up the points that were made to David James earlier on. Yes, a lot could be done but I think as a theatre manager I ought to explain one or two things that go on in the theatre during the day when it looks to the outside world that the place is shut up and nothing is happening. I

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am now talking about a purely commercial theatre. There is a fair amount of maintenance. If you have a complicated show such as a modern musical, there is an awful lot of work that has to be done to ensure that all the hydraulics and all the associated effects—take something like *Mary Poppins*—are dealt with in order to comply with modern legislation. In fact, there is not as much space around the building as you might imagine as a member of the audience. One of the great features of Matcham was to give the impression that there was a very large space. In places I have most experience of, for example the London Coliseum where I was for 20 years, you go into the auditorium and you think it is an amazing place, a vast place, and some critics of some of our operas refer to it as “cavernous”. Once you got outside the auditorium (before the recent alterations) there was minimal space. We have only created 40% extra public space by taking in other areas and indeed as far as the Coliseum is concerned taking out some of the basement that was private into public areas. Very little of that can actually be used on a regular basis for providing entertainment, although a lot does happen by way of tours and talks of one kind or another. Probably there is a little fault with regard to that not being sufficiently well-known due to lack of marketing, picking up again a comment that has been made. If I can just say that in the past at the English National Opera if you had a lunchtime talk about Jonathan Miller you actually had to be quite careful about how you advertised it otherwise you could find yourself swamped and not have the space to put that on. To deal with the matter of bars, please remember that you have got to serve, talking about the Palladium, 2,000 people in a comparatively short time but you have got to employ the staff for the whole of the evening. I am not saying that the Britvic is necessarily charged at the right rate. That is probably a matter of the concession or the arrangement that the theatre owning management has with the caterer. To a large extent, those are dealt with by franchise operations even in subsidised theatres and part of the revenue for the building operation will be coming from that activity. I know from working at the National Theatre in the early days that Laurence Olivier was extremely hot with regard to how much we were making on the bars, a residue of being an actor manager himself.

**Chris Bryant:** I understand the issue about backstage space. When I was young in the National Youth Theatre I think there were 140 of us appearing in *Zigzagger* at the Shaw Theatre and we all had to cram into a space which was 2'6" wide and suddenly appear on stage as if we had been running from a great distance, somewhat difficult to carry off. I wonder about the business of putting public money into private investment and the difficulty here where, as I am sure you will be aware, many of us have constituents who do not earn the £40,000 a year which is what 70% of people going to West End theatre earn. How do you justify that?

**Chairman:** And that is not what the people performing in the West End theatre mainly get.

**Q38 Chris Bryant:** Indeed.

**Mr Longman:** I think you should probably talk to the Society of London Theatre for a full breakdown of the earnings of those who go to the theatre. I read something in one of the pieces of evidence which gave a different impression to the one you have done. I had better not comment. At the risk of backtracking, I was going to come back to the London Palladium as a specific instance of theatre owners helping themselves because we document in the *Act Now* report at page 21 a scheme to improve completely the backstage areas, give decent dressing rooms and modernise the stage, which has hardly been touched since the 1930s. They could have built something commercial there which would have given a lot of the capital needed to do that major investment, but there would still have been a gap between what the commercial development would have been able to produce and the cost of doing the work. We and the commercial owners, when asked to address their building needs, are looking commercially at any opportunity going. There are planning applications at this moment involving building things above theatres, some of the income and profit from which can help do something for the costs of the works concerned. In terms of the ownership, Cameron Mackintosh has just spent, as a remarkable act of personal generosity, £8 million improving the Prince of Wales Theatre. If Committee Members wanted to see a good example of what can be done in a theatre, do go along and see that one. The balance sheet value of that theatre, having had £8 million spent on it, is probably no more than it was before. The whole economics of theatre ownership are completely topsy-turvy in that sense. There is not the return on capital to justify the investment and there has not been anywhere in Britain now which is why most theatres outside London are no longer commercially owned.

**Q39 Chris Bryant:** Can I ask about planning? For instance, if you are going to change the tiering in theatres because the seats are too close together and we have grown four inches over the last 100 years. Are there problems in terms of how English Heritage helps or hinders or other planning authorities?

**Mr Longman:** I think it is perceived to be a problem. I am not saying that if you have a Grade I listed building there are no constraints but the Royal Opera House was a Grade I listed building and a Scheduled Ancient Monument as well. They may not have things right and perfect, but if you went in the Royal Opera House in the middle of the big Lottery funded refurbishment the horseshoe was about the only thing left standing with the ceiling. Backstage was razed to the ground. The bars were all rejigged. They took on space next door. The Lyceum Theatre was completely demolished backstage and a new bit was built on one side. That is a Grade II star listed building. On the seating in particular, look at the schemes which English Heritage and Westminster City Council have just given consent for, for the Whitehall Theatre here in London and for the Queen's Theatre which was bombed in the war. Arguably, it is not the best example of its type.

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Cameron Mackintosh has planning consent for a scheme there which will involve taking three tiers of seating out and replacing them with two. It would increase capacity, better knee room and better sight lines and everything else.

**Q40 Chris Bryant:** The stage machinery at Stratford is still listed. They cannot move it, can they, even though it is unusable?

**Mr Longman:** No. I am sorry, that is not the case. The fact that a building is listed means that you have to argue and justify the case. I was in Stratford on Avon the other day. I know the machinery to which you refer and we gave evidence to your Committee earlier in the case of Stratford. I suspect that any scheme involving Stratford is going to involve the total removal of that stage machinery. There are other examples of its type around the country. If a decent case is made, there is no way, in my understanding, that English Heritage or the local council would be likely to stand in the way of those sorts of alterations. What is needed is the money. Stratford is fortunate because it has the commitment in principle of £50 million from the Arts Council England Lottery. It is also getting a sensitive architect who will look at the building, do a proper conservation plan, work out what is important, what is not important and which bits are sensitive.

**Q41 Chairman:** One of the problems in trying to go to the theatre in London is that the person who wants to book a seat and to attend is treated too often as some kind of nuisance. If you want to book by phone, you have to pay a charge. I do not know why. The people are employed in the box office anyhow and that is part of the system but you have to pay a substantial charge on top of the price of the seat. That is if you can get through to the box office and that is if, when you speak to the box office, they are listening to what you say. I rang last week wanting to book for a matinee performance of something. I was given a whole list of seats. I said, "Have you got anything better?" and she said, "We do have things better for the matinee" for which I had asked originally. I was then told I could have an obstructed view seat. What on earth are theatres doing having obstructed view seats? This is not only the kind of historic theatres that Chris was talking about. When the Donmar was reconfigured, it was reconfigured in a way in which you could only be sure of having an unobstructed view if you were sitting in the front row. I know because I have sat in other rows and it is maddening to have a head, even if it is the head of the Lord Chancellor, in front of you. The Cottisloe reconfigures its seating systems and they have obstructed views too. For those of us who are really keen to go to the theatre, we often find it is an obstacle race and there is nothing more maddening—I hope you will agree—than to have psyched yourself up to something you are really hoping you will enjoy and then you have a bloody head in front of you for the whole of the performance. End of Ancient Mariner's oration.

**Mr Rhymes:** I am delighted I am not in my former job of running the trade association for theatre managers and producers. I am simply the chairman of The Theatres Trust. I would simply defer most of your questions and comments to when you have the Society here.

**Q42 Chairman:** You must have a view.

**Mr Rhymes:** I personally have a view and I certainly have a view having been at one stage in my career in a box office. The only thing I would say is at least we have progressed from your having that much view of the clerk who is attempting to sell you tickets to that much view, something that we started at the National Theatre. Sir Laurence's comment at that time was, "At least you can smile at them when you cannot sell them the ticket for one of my performances." The whole question of the telephone charges on top of the price of going to see the show is part of the economics of the theatre management, the bricks and mortar and the producing management. Personally, I find it undesirable that there should be an addition to the price that is listed for going to see a show.

**Q43 Mr Hawkins:** I wanted first of all to congratulate you on *Act Now*, your report, and the work that you have done. I was personally involved some years ago with working with the Grand Theatre in Blackpool and I know how much your organisation has helped with that and all over the rest of the country. Your evidence reinforces that. In your report and in your submissions to us, you are obviously raising submissions about potential other sources of funding. You make the point that clearly a West End theatre is a huge boost to British tourism. To what extent do you feel that perhaps this has not been recognised enough in government?

**Mr Longman:** I think it has been recognised in government. When we presented the report initially, there was a session with the Secretary of State and no one has come back and seriously queried any of the findings. The report has been looked at by people. It is one thing to say that; it is another thing to produce statistics like we did when we launched the report to say there were over £200 million of tax revenues for the government. The VAT taken by the Chancellor on ticket sales in the West End alone is £48 million a year, or was at that time. If you compare that with the £17 million we are looking at, I am sure I could make all sorts of cases to a Chancellor of the Exchequer but you may have more luck than we do. The report was never a clarion call to government saying, "Here is a problem; give us the money." These are commercially owned buildings. They have no desire to go into the Arts Council system and be revenue funded. We are not asking for that. In operational terms, they could make do. What we are arguing is that there is a commercial case for the government, for UK plc, to help with the buildings and the one-off costs of that. What the Society is coming up with, if you like, is a partnership from theatre owners to commercial schemes like the one which has been outlined for backstage at the Palladium, and hopefully money from other public

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sources, which I do not think is likely to exclude the Lottery. One could then make up an overall package, but you have to look at each theatre differently and individually to see what is needed, what can realistically be achieved. There is a case in our evidence that Arts Council England, which by and large stopped making buildings a priority after about five or six years of Lottery funding, really should reopen its doors to Lottery money for buildings. If you compare what the Arts Council Lottery is putting into arts buildings of all sorts with what the Heritage Lottery is putting into museums and galleries, which in a sense is a comparable job, ten years ago I came to this job from the Museums and Galleries Commission which I had run. We had a reckoning as to what needed to be done to put the UK's museums and galleries into order. The Heritage Lottery fund has been doing that pretty regularly, among its many other tasks, over the last 10 years. The last figures I saw showed that the Heritage Lottery was putting in an average of about £91 million a year into museum and gallery buildings. The Arts Council, over 10 years overall, has been putting in about £35 million a year for theatre buildings, far less, which is why we still have this backlog in many parts of the country. Regardless of ownership, there are huge amounts still to be done.

**Q44 Mr Hawkins:** It is the case, is it not, that all the surveys that are done of visitors to London, whether American, from Europe or from anywhere in the world, tend to cite the ability to go and see top quality plays at West End theatres as one of the main drivers of their choice to come to London?

**Mr Rhymes:** Yes, that is absolutely true. In answer to the first point of your previous question, you could spend some time with my former employers, the Society, and go into the Wyndham Report because this, for the first time, spelled out the economic impact. That was followed up by Chris Smith when Secretary of State, looking into the creative industries export work. We refer in our submission to you to the fact that one of the things that is perhaps not widely recognised is the amount of expertise of British theatre architects and consultants that is used around the world.

**Mr Longman:** On the economic impact, £1.5 billion was the latest figure for the economic impact over all the West End. The recently published Arts Council report adds a further 1.1 billion for other theatres outside London. That is £2.5 billion in economic impact.

**Q45 Mr Hawkins:** Finally, to what extent are you as an organisation concerned about the impact of Lord Lloyd Webber's recent announcements about the difficulties in his Really Useful Group in terms of the knock-on effect on the theatre buildings that you and we are concerned about?

**Mr Longman:** Can I declare an interest? Some of you may know that The Theatres Trust is itself set up by Parliament with all-party support and we own three West End theatres. We are the freeholders. The Lyceum is let on a very long lease to Clear Channel.

We are the freeholders of the Garrick Theatre which is one of those smaller playhouses. The reason the freehold came into public ownership in the first place through the old GLC was because it was in the way of a road scheme and in danger of being knocked down. The Lyric Theatre on Shaftesbury Avenue we own except for the stage. Really Useful, who are our tenants, own the rest. We have owned them since the demise of the GLC. Those two playhouses have changed ownership two or three times so it will not be a surprise again to see a further change. The main thing that surprised me with the *Evening Standard* piece when this news first broke three or four days ago was that they thought it was worth putting an entire front page to it. Everybody has known for quite a while that the playhouses in particular are not the main core part of their business. He bought all the theatres together some while ago. The important thing to hope is that anybody else now buying those will have the same commitment and interest that he does and that Cameron Mackintosh does and the owners of Clear Channel and also the owners of Ambassador Theatre Group do. These theatre buildings in the West End are owned for the first time ever by people whose ultimate business interest is theatre. Twenty years ago one could have gone down a list of 40 theatres and shown that a significant number were ultimately owned by businesses that had no interest in theatre at all and were waiting for the chance to offload them, knock them down, and make a profit from use for something else.

**Q46 Mr Flook:** May I first declare a couple of points of interest. One is I used to do a little bit of work in a number of ways for Apollo Theatres which now of course is Clear Channel in Central London. The other is that Stephen Waley-Cohen's mother is one of my most favourite constituents! Whenever I have been sent The Theatres Trust's booklets and annual reports I have always been drawn to them. I think they are extremely well presented. You will appreciate that Members of Parliament get a foot of bump nearly every week, if not more than that, and for some reason these always come out as worth reading. Up and down the country you find fantastic examples of the work you are doing. I commend every Member of Parliament who does not to read these reports, particularly those of us on the Committee, and I think those who have read them are much the wiser for all of these reports. This is an extremely interesting report particularly in what it says about tourism and the way in which the commercial London theatres attract people to our principal city. I think on that basis alone you make a very compelling point, but probably not until the very end and it could be further forward. The amount of money that is given to the Exchequer directly attributable to the West End theatre (figures which are seven or eight years old) is between £200 and £230 million, which is an extraordinary amount and puts into context I think the £125 million that the Department is thinking of allowing the West End theatres to have. I am also told that 38% of those people who visit the West End theatres come from

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outside London. So I am wondering what arguments you are putting out into the public arena to get people to accept and acknowledge that you are deserving of that £125 million, where it should come from, and how you are going to make comparisons with the amount of money that soccer seems to have had over the last few years through the Football Trust?

**Mr Rhymes:** While the Director is thinking about the best way of answering the football feature in your question and previously, can I thank you for your comments about our publications. I shall take great delight in conveying those to fellow trustees who give up a great deal of time and their expertise, so it is good to know that it is actually read when we put documents out. Peter?

**Mr Longman:** I think somewhere there is a statistic that says more people go to theatres than go to football matches. Maybe I am wrong or out-of-date.

**Mr Rhymes:** I was being careful but can I quote from Wyndham Report which is now a little out of date because it was done in my time: nearly 12 million seats are sold each year compared for example with about four million for Greater London's 13 League Football teams.

**Q47 Mr Flook:** That is fair enough but I suppose if you looked at the national soccer figures they would blow you to pieces because just Liverpool and Manchester alone would probably fill every other week nudging 150,000 to 200,000 seats and they only play for 90 minutes. Sorry?

**Mr Longman:** I think in a civilised world we have football, we have libraries, we have swimming pools, we have all sorts of different ways of spending leisure time, and the theatre is one of them. You can talk to the Society, which I think was quoting 12 million likely visitors this year for the theatre which is not a decline on previous years. I think the important thing is that the nature of theatre and the sort of productions one goes to changes. These days there is a much greater emphasis on less formality and certainly some of the old buildings give that feeling of formality. I remember Fiona Shaw, a distinguished actress, was one of our trustees and when she first appeared in the West End in a starring role her father from County Cork came over and asked whether he had to wear a bow tie or whether he could wear his sports jacket. I think one of the nice things about a lot of the new theatre buildings, places like Keswick or one of my favourites the Landmark at Ilfracombe, is that they are much less formal as buildings, they are friendlier, and they are easier to get into. The Landmark down in Ilfracombe has a lovely café area which anybody can walk into at any time of the day or night. You can hire it for conferences and there is the tourist information centre on the same site so you are bringing people in the whole way through the day even though, as Rupert Rhymes implied, the actual auditorium itself may be in use for rehearsals and technical things and not able to be looked at. I remember going up to the new theatre at Keswick in the Lake District where again there had been a long-standing need. The Arts Council gave it one of the

earlier Lottery grants. I think it was a lesser-known Brecht play, a cold night in January, and I walked up to that theatre and I could see from the outside into big windows and there were children and young people in there thoroughly enjoying themselves. It was a good place in the town to hang out where you could go to the bar and have a drink. There were exhibitions and it was a social centre as well as a cultural centre. The Theatres Trust is not a preservation body. If I hark back to 100 years ago if we could have those economics today you would be rebuilding those theatres when they burned down and able to afford to rebuild them in modern mode. It is interesting to see Cameron Mackintosh's investment of £8 million at the Prince of Wales theatre. He is never going to get that money back in commercial terms, the balance sheet value of the building has not gone up, but there are people there now who turn up extra early to have a nice drink there and they stay on afterwards. The bar takings have gone up and they are talking about using that building now outside of normal hours for other sorts of activities. So you can improve these buildings and make them more intensively used.

**Q48 Mr Flook:** Can you throw some light on this point, thinking more specifically in this case of London; although attitudes and social ways have changes quite considerably (and shopping was mentioned by Mr James as a pastime and it is true, so is eating out) theatres all seem to start at exactly the same time, they all finish quite late, right in the middle of what is most people's eating period. Is there any reason why all the theatres in London seem to the start at quarter to eight?

**Mr Rhymes:** Again, it is probably a question for the Society but my—

**Q49 Mr Flook:**—your observations from your years?

**Mr Rhymes:**—my observation would be that all of the surveys that we have conducted with regard to what time do people prefer inevitably came back to this period between about 7.15 and eight o'clock. It depends upon the length of the production, it depends upon what is happening to your last transport home and whether that runs. You do not really want to catch the night bus if you have been to the theatre. And as far as the start time and the gap between when you left work, it is very often a matter of much more interest in getting some kind of refreshment in a pleasant atmosphere rather than rushing straight from the office, collecting one's partner, and going into the auditorium.

**Chairman:** In New York everything is eight including the Met Opera. You go for a three and a half hour or four hour opera and it is all the same, eight o'clock.

**Alan Keen:** I, too, would like to congratulate you on your report and what you do. This is not so much a question as just an illustration. It is ironic that David James mentioned Ann Keen who chairs the All-Party Theatre Group because she was at the theatre with a friend this last weekend. The tickets were



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extremely cheap because they were restricted view and she had to stand up and watch it, whereas I was at a football match where I used to like to stand up and now I have to sit down! I am delighted that Adrian has been converted to football.

**Mr Flook:** Not football, I am the rugby sort.

**Q50 Alan Keen:** It is absolutely true that despite your efforts there are still a lot of changes that need to be made to the structures and the pricing and the way that people talk because I know when Ann was told the seats were restricted view she did not realise she would not be able to see anything at all and would have to stand up to watch it. There is something needed in the dialogue between the people dealing with this.

**Mr Rhymes:** On this question of restricted view and obscured view, I am not quite sure what your point is. Is it that those seats should be removed and not

sold or is it the fact that they somehow still exist and are being sold?

**Q51 Alan Keen:** I was just recounting that story to illustrate that there are problems. I did not ask any further questions. She did not realise how bad the seat was.

**Mr Rhymes:** The experience I have had is that if you have a very good show that is selling out, the public will actually resent it if you do not sell them a seat even if it is inferior. I have not run buildings for some while but certainly in my experience if you had Goodall's *Ring* at The Coliseum or Olivier's *Othello* at the National Theatre at the Old Vic people would have strung you up if you did not sell them a seat that existed even if they could only sit down for a quarter of the time.

**Chairman:** *Çaçun à son goût.* Thank you very much indeed. Most interesting and we shall ask the questions in the appropriate departments to which you have directed us.

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#### Memorandum submitted by the National Operatic and Dramatic Association

I am writing with reference to the Department for Culture, Media and Sport Select Committee inquiry into the nature and adequacy of public support for theatre in Britain. I would like to request that the nature and lack of public support for voluntary or amateur theatre in Britain be included within the enquiry.

The National Operatic and Dramatic Association (NODA) is the major infrastructure body for amateur and community theatre in the UK. Founded in 1899, it has a membership of over 2,400 amateur theatre companies and 3,000 individuals throughout the United Kingdom, staging musicals, operas, plays, concerts and pantomimes in a wide variety of performing venues, ranging from the country's leading professional theatres to village halls. Amateur theatre is often a springboard for the development of new performing talent, and a survey of our members carried out in 2002 revealed the value of value of amateur theatre to the UK economy and the sheer number of people involved in this community activity:

- The total annual turnover of NODA-affiliated amateur theatre groups is £34 million.
- The total number of performances given per year is 25,760.
- The total number of people attending performances per year is 7,315,840.
- The total number of people actively involved is 437,800. 29% of these are under 21.

Public support in the UK for amateur theatre is patchy. There is no dedicated and publicly funded infrastructure body in England, with amateur theatre being represented by a number of umbrella bodies including NODA, the Little Theatre Guild of Great Britain (LTG), the National Drama Festivals Association (NDFA) and the All England Drama Festival (AETF). All of these bodies save AETF have a UK-wide remit, and all are self-financing. Arts Council England does not provide any funding towards infrastructure organisations for amateur and community theatre, other than youth theatre through its support for the National Association of Youth Theatre.

NODA has 2,090 affiliated societies in England. The Little Theatre Guild (LTG), which represents amateur companies which control their own premises, has 95 members located in England. In addition the All England Theatre Festival and National Drama Festival Association cater for amateur theatre groups which participate in local drama festivals, and are concerned with around 100 festivals of one-act and full length plays, involving some 500 or more theatre companies. However it is clear that there are thousands of community drama groups in England that currently do not benefit from a dedicated infrastructure body<sup>1</sup>. It is believed that establishing such a body would be of immense benefit to the many hundreds of thousands of people, particularly in rural communities, who participate in this very valuable form of community activity, in particular through the development of training and festivals at regional level, funding schemes and enhancement of opportunities for new writing and cultural diversity.

The existing organisations representing amateur theatre in England have held a series of meetings (funded by the Carnegie United Kingdom Trust) under the chairmanship of Charles Hart, Drama Officer of Arts Council England, and have agreed in principle that there is a need for a dedicated association for amateur

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<sup>1</sup> A sample investigation of activities in five English cities and districts revealed that only 19% of amateur drama groups active there were affiliated to a national "umbrella" organisation. Hutchinson, R and Feist, A (1991): *Amateur Arts in the UK*, London: Policy Studies Institute.

theatre groups in England. They have therefore agreed that a feasibility study should be commissioned to explore how such an association should be constituted and financed and what its exact role should be. Funding has been secured from the Carnegie UK Trust and the DTI, a consultant appointed, and the report will be published in Spring 2005.

The situation is very different in Scotland and Wales, which have their own long-standing representative bodies. These serve as models of what such an organisation in England could achieve. The Scottish Community Drama Association (SCDA) was founded in 1926 and works to promote all aspects of community drama in Scotland. SCDA received funding of £50,000 from the Scottish Arts Council in 2004–05. The Drama Association of Wales/ Cymdeithas Ddrama Cymru (DAW) was founded in 1934 and has been core funded by the Arts Council of Wales since 1974. The function of the Drama Association of Wales is to increase opportunities for people in the community to be creatively involved in drama. DAW received funding of £123,400 in 2003–04 from the Arts Council of Wales.

There are three recent publications of relevance to the issue of the lack of public support for voluntary theatre in England.

1. *Volunteering: A Code of Good Practice*, part of the Compact on relations between Government and the Voluntary and Community Sector in England.

This code applies to all government departments and by extension NDPBs, and specifically states that “public funding should be invested in creating and maintaining a modern, dynamic volunteering infrastructure” and that the Government undertakes to “aim to adopt policies which ensure that volunteering infrastructure bodies can rely on realistic sustainable long-term funding”.

2. The National Council for Voluntary Organisations (NCVO) recently published its *Compact Advocacy Programme Departmental Review—Evaluating the effectiveness of the Compact within the Department for Culture, Media and Sport*. This provides a fairly robust analysis of the failure of the DCMS, and ACE in particular, to implement the Compact fully. The Review states categorically that “the Compact and its five Codes of Good Practice apply equally to NDPBs as to central government departments such as DCMS” and that this year’s Compact Action Plan “includes working with NDPBs to ensure that they too are Compact compliant in all their dealings with the VCS”.

NODA has itself discovered complete ignorance of the Compact at its regional ACE office. There is a clear divide between ACE’s national office, which voices a desire to assist voluntary arts, and the regional arts councils, which have responsibility for Grants for the Arts and which do not consider themselves empowered to take on new revenue clients.

3. *Engaging With The Voluntary And Community Sector: The DCMS Strategy for Implementation of HM Treasury’s Cross Cutting Review “The Role of the Voluntary and Community Sector in Service Delivery”*.

This Strategy “seeks to identify ways in which [the DCMS] can work more closely with the sector, to mutual benefit, using its distinctive features and expertise to help achieve the Department’s objectives, and in return, using the Department’s resources to support and help build capacity in the voluntary sector”.

NODA is delighted that the DCMS wishes to work more closely with the voluntary sector. Unfortunately Arts Council England does not appear to take quite such an enlightened attitude. The Strategy notes that “in 2003–04 ACE is providing approximately £770,000 of revenue funding across a number of organisations that support voluntary and community groups”. This represents just 0.3% of the total revenue funding provided to arts organisations by ACE that year. In particular, while there is at least some revenue funding going to the Voluntary Arts Network and to amateur music and dance, there is, as already pointed out, no revenue funding for amateur theatre infrastructure bodies.

The Strategy states that the DCMS will ensure that all NDPBs are aware of the terms of the Compact and its Codes of Good Practice. We have written to Arts Council England to enquire what steps it is taking to implement the Compact. They have replied that they are working to ensure that they comply with its principles and recognise the need to raise awareness of the Compact among its staff.

We have also noted that the DCMS is committed to assisting in increasing VCS activity by 5% in 2006. We have respectfully pointed out that since, as is acknowledged in the Strategy, there has been no proper analysis of the number of people participating in the voluntary arts, it is odd to seek an increase in numbers participating without actually mapping the numbers involved in the first place. Our own research suggests that close on 450,000 people are actively involved in amateur theatre, and the Voluntary Arts Network can provide some indicative figures for other voluntary arts activity, but there is a real need for a proper comprehensive mapping exercise. We are pleased that the Strategy states that DCMS will “encourage” Arts Council England to carry out better mapping of the voluntary sector, but are yet to establish what steps ACE will take to achieve this.

Finally, I should expand on the earlier reference to the comparison between the lack of funding for amateur theatre and the public support given to amateur music. Making Music (the National Federation of Music Societies) received £138,436 of revenue funding from Arts Council England in 2003–04 along with £36,627 from Arts Council North East and £51,500 from Arts Council Yorkshire. Through public funding it has been able to develop infrastructure support for amateur music groups, initiatives to enhance new writing and participation by young people, funding schemes and a network of regional training and development officers, which the amateur theatre sector in England can only look on with envy.

We hope very much the Committee will wish to include public support for amateur theatre within the remit of its enquiry, and look forward to hearing from you.

6 January 2005

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### Memorandum submitted by the Central Council for Amateur Theatre

#### 1. INTRODUCTION

1.1 The Central Council for Amateur Theatre (CCAT) was formed in 1975 as the forum for the various umbrella bodies concerned with Amateur Theatre throughout the UK to meet and discuss issues of concern and interest to the voluntary theatre sector serving the needs of local communities. The Central Council monitors legislation and issues advice in order to ensure that local theatre companies operate safely and are able to enjoy their chosen leisure time activity. CCAT has liaison arrangements with Arts Council England and meets regularly with the Drama Director.

#### 1.2 Current membership of CCAT includes:

- The All England Theatre Festival (AETF)
- The Drama Association of Wales (DAW)
- The Guild of Drama Adjudicators (GODA)
- The International Theatre Exchange (ITE) the UK Centre of the International Amateur Theatre Association (IATA)
- The Little Theatre Guild of Great Britain (LTG)
- The National Drama Festivals Association (NDFA)
- The National Operatic and Dramatic Association (NODA)
- The Religious Drama Society of Great Britain (RADIUS)
- The Society for Teachers of Speech and Drama (STSD)

#### 2. THE INQUIRY

2.1 CCAT meets on a quarterly basis and regards a consultation period of 25 days, including the Christmas and New Year periods, as totally inadequate to obtain definitive views on the wide-ranging questions raised. The serious intent of the Committee to hold a meaningful inquiry must be called into question. The comments contained in this response have been prepared for consideration at a meeting of CCAT on 20 January and further views may be submitted after that date. There will in any event be no opportunity to consult within the member organisations in the time-scale required.

2.2 The Committee will be aware that virtually every community in the UK is served by an amateur theatre company. There is evidence that only about 20% of those companies belongs to an umbrella organisation. A recent (2003) survey of companies belonging to two umbrella bodies (NODA and LTG) showed that 3,000 companies present more than 30,000 performances each year to audiences totalling approximately 8 million and with an annual turnover of some £39 million per annum. Although it would not be appropriate to extrapolate these figures to 100% of companies as the larger ones are likely to belong to umbrella bodies, there are indications that the voluntary theatre sector contributes significantly both to the cultural well-being and the economy of their localities.

#### 3. PATTERN OF PUBLIC SUBSIDY

3.1 Apart from funding given to the National Association of Youth Theatres, the voluntary theatre sector in England has never received any core funding from Arts Council England. The situation in Wales and Scotland has been different: DAW received £123,000 from Arts Council Wales in 2003–04 and until this financial year the Scottish Community Drama Association (SCDA) also received funding of nearly £50,000 per annum from the Scottish Arts Council. The withdrawal of that funding without notice was the subject of representations which were, in part successful. However, we believe that such withdrawal of funding is a retrograde step. In England, a feasibility study is being undertaken to examine whether there is a need for a Drama Association on the same lines as DAW and SCDA. Clearly the funding issue will be at the centre of the study and, given the emphasis on support for the work of the voluntary sector in Government pronouncements, one might expect some modest funding could be made available.

3.2 In the wider context, many amateur companies received assistance with capital projects in the early days of the National Lottery. The near cessation of the Capital programme and the use of the National Lottery as a replacement of what should be core funding is to be deplored and many projects which will enhance theatre provision, particularly by ensuring compliance with legislation, including the Disability Discrimination Act, are left in abeyance. The recently announced stand still in ACE funding for theatre

represents a real terms cut and will have consequences both for the professional and amateur sectors. However if there is a choice to be made, it is inevitable that the voluntary sector will be the first to suffer. "From them that have not, it shall be taken away, even that that they have"

3.3 The situation in Wales causes even more concern. If, as has been suggested, the Assembly disbands the Welsh Arts Council and takes the powers to itself, it will represent a reversal of the arms length principle that has served the arts so well since the formation of CEMA during the second world war. All funding will become a matter of party politics and patronage will depend on toeing the right line. CCAT and the amateur theatre sector in general are absolutely opposed to this development, which places at risk the whole of the cultural agenda in the Principality. It is disquieting that similar moves may follow in Scotland under devolution and that political patronage may be seen to be more important than artistic independence.

#### 4. THE PERFORMANCE OF THE ARTS COUNCIL

4.1 We have already referred to the three Arts Councils in section 3. CCAT has always found Arts Council England open to discussion and we believe that they have an understanding of the needs of the Voluntary Sector. We recognise that financial assistance is given to the Arts generally via the Voluntary Arts Network and to the amateur music sector. We still fail to understand why theatre is discriminated against and believe that some modest funding should be made available to assist us in the task we undertake in giving advice, providing training opportunities and coordinating the effort of volunteers in the amateur theatre field.

4.2 We have also referred to the National Lottery and the failure of ACE to continue and develop the Capital Programme which proved to be so useful to amateur theatre in the early days of the lottery. The recent announcement of a standstill in theatre funding will undoubtedly put at risk the exciting developments in professional theatre that resulted from the increased funding made available as a result of the earlier review. It would be more than disappointing if the cutting edge of theatre were to be blunted.

#### 5. MAINTENANCE AND DEVELOPMENT OF BUILDINGS, NEW WRITING AND NEW PERFORMING TALENT

5.1 Reference has already been made to theatre buildings. There are more than 100 theatre venues owned or controlled by amateur companies, the majority of which are members of the LTG. Many are listed buildings and all need regular maintenance schedules. New legislation affects these schedules and much work has been undertaken in recent years to ensure physical compliance with the Disability Discrimination Act. Now the new Licensing regime will place further pressures on those responsible for the buildings and additional Health and Safety requirements add to the burden. The voluntary sector has probably been as ready as any to meet all of these requirements, but, as has been indicated earlier, the virtual cessation of all Capital Programmes of any significance has borne heavily on the progress that can be made.

5.2 The voluntary sector has always been a supporter of new writing for the theatre. Many of the CCAT member bodies arrange regular play writing competitions and, in 2004, Arts Council England published a Guide to New Writing for the Amateur Theatre, in collaboration with CCAT and the Writers' Guild. Opportunities to perform new work are however limited. Rights holders will not permit amateur performance of new work while there is a prospect of West End Production, or until the Regional professional sector has had an opportunity to perform the work. Work can therefore be up to five years old before it can be performed by amateurs, and permission to perform can be withdrawn overnight if a West End revival is contemplated. This applies equally to musical theatre.

5.3 Amateur Theatre is the traditional breeding ground for new talent. Many amateur companies support their own Youth groups who either perform in their own productions or take part in the normal run of company shows. The training which is given results in a life-long love of theatre, and, when talent and determination combine, a desire to join the professional ranks. Virtually every professional actor will talk of beginning as an amateur either at school, at University or in a local community company. In striving for excellence, CCAT and its member bodies encourage high standards of training. Unfortunately current lack of resources means that we are unable effectively to coordinate training opportunities and this is one matter which would be addressed by a Drama Association for England if it were to be established with adequate, yet modest, financing.

#### 6. THE SIGNIFICANCE OF THEATRE AS A GENRE

6.1 Others will give numerous examples of the significance of theatre to the cultural life of the UK, both nationally and in the regions. So far as the voluntary sector is concerned, the opportunity that is given for adults and young people from all walks of life is invaluable to the life of communities. Theatre erects no barriers of class, colour, religion or age. All are who wish to become involved are equal and can find an outlet for talents, whether they be in performing, construction, technical matters or administration.

6.2 Theatre in London is a major contributor to the economy, attracting tourists from overseas. It is also an established fact that the existence of a theatre in a community is a positive incentive to firms wishing to relocate. The town with a thriving theatrical scene will always win over the cultural desert if there is a choice.

6.3 Amateur Theatre contributes significantly to the economy because of its purchasing power. Playwrights, publishers, costumiers, stage lighting and sound equipment suppliers and all other trades connected with theatre depend significantly on the amateur theatre for income. Nearly 20% of turnover is spent on purchase of scripts and royalties: Musical Companies employ directors, choreographers and musical directors as well as orchestral performers: Commercial theatres rely on amateur companies to provide “safe” weeks when their income is secured by hiring out the venue rather than having to take the risk of buying in a professional show. In this way the amateur sector actually subsidises the professional theatre. And finally, amateur enthusiasts are the most devoted audiences to all forms of theatre.

6.4 We therefore believe that the voluntary sector is an essential part of the cultural fabric of the UK.

## 7. EFFECTIVENESS OF PUBLIC SUBSIDY

7.1 The effectiveness of public subsidy for the Arts is not something that can be measured empirically. The effect of public subsidy is to allow the artist freedom to experiment and to challenge. It also gives opportunities to improve forms of governance to ensure that effective administration supports artistic effort and the creative artist does not have to spend time fighting to support the work being developed by personally arranging venues, negotiation contracts etc.

7.2 The amateur and voluntary sector has traditionally not been given public subsidy and depends on the goodwill of volunteers from all walks of life. At national level, matters would improve considerably if some modest subsidy were given to support the whole sector. Locally, individual companies have different levels of contact with their local authorities but gain little recognition from either the Regional Centres of ACE or from the Regional Cultural Consortiums, which appear to be a complete waste of public money with no influence and little function. A great step forward would be achieved if they were immediately disbanded and the finance they swallow up were to be diverted to making things happen.

## 8. CONCLUSION

The Central Council for Amateur Theatre have welcomed the opportunity to make a submission to the Culture Media and Sport Committee. These comments should be regarded as preliminary comments subject to further discussion in the Council on 20 January. We look forward to hearing further from the Committee and are willing to expand as necessary on any of the points made.

*January 2005*

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### **Supplementary memorandum submitted by the Central Council for Amateur Theatre**

The Central Council for Amateur Theatre (CCAT) is the umbrella body in which all of the national organisations representing various sectors of amateur theatre meet to discuss common aims and strategies for the promotion of amateur theatre throughout the UK.

CCAT wishes to bring to the attention of the Committee a number of issues relating to the provision of public support for amateur theatre in Great Britain, including:

- Recognition of the scale of amateur theatre and its contribution to the cultural economy. 470,000 people (30% of whom are under 21) actively participate in local amateur theatre groups, performing at venues ranging from leading professional theatres to village halls, supplemented by millions of young people at schools, colleges, universities and youth theatre groups. These young people are the performing talent of the future. The total annual box office income of amateur theatre is £40 million, the total number of performances per year is 30,000 and the total number of people attending performances is 8 million.
- Recognition of the vital contribution made by amateur theatre to community cohesion, individual health and fitness, and the artistic fabric of the nation.
- The inequalities in public support between England, Scotland and Wales. The Drama Association of Wales is funded by the Arts Council of Wales and the Scottish Community Drama Association is funded by the Scottish Arts Council. There is no public support for amateur theatre infrastructure from Arts Council England.
- The need for an infrastructure body for England, to develop best practice in new writing, cultural diversity and other key issues, regional advocacy and access to training.
- The lack of funding for amateur theatre infrastructure compared to other voluntary arts activity eg music.
- The lack of funding for amateur theatre infrastructure compared to other European countries.

- DCMS and Arts Council England's failure to implement fully the Compact between Government and the Voluntary and Community Sector in England and its Volunteering Code.
- The threat to some amateur theatre activity posed by the Licensing Act 2003.

January 2005

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#### **Memorandum submitted by the Little Theatre Guild of Great Britain**

1. The Little Theatre Guild of Great Britain (LTG) is the representative Body for Amateur Community Theatres that own or have control of their premises, operate on a non-profit making basis and whose Board of Management comprises volunteers. Of the more than 100 theatres in the UK that qualify for membership, 96 currently belong to the LTG.

2. In the Year to 1 September 2004, LTG member theatres mounted a total of 807 productions to audiences in excess of 620,000 realising Box Office Income of £3.7 million and a turnover of approximately £4.5 million. Most of the member theatres are in buildings that have been adapted from other uses, many are listed as Buildings of Historical or Architectural interest and some provide the only live theatre experience in their localities.

3. The LTG welcomes the opportunity to submit evidence to the Committee but considers that an effective consultation period of two weeks, given that the Christmas and New Year period takes up at least seven days of the 25 day consultation, is totally inadequate. The LTG National Committee meets quarterly and the next meeting is on 5 February. This submission will be considered on that date and must be regarded as interim. There has not been and will not be any opportunity to consult our full membership which extends from Bangor in Northern Ireland to Whitstable in Kent and from Dumfries in Scotland to Llangefni in Anglesey and Exeter in Devon.

4. While LTG member theatres are mainly producing theatres, with a full programme of in house productions, many also act as receiving theatres for professional work, including the use of the Peoples Theatre in Newcastle upon Tyne as the Centre for Royal Shakespeare Theatre productions in the North East. In this way, some small subsidy may be received to host individual productions, but in the main, the amateur theatre is providing a service for the professional sector, often at a cost to their own funds.

5. As a voluntary Association, LTG receives no public subsidy. All costs are met from member subscription. The services given to members, in the form of advice and guidance on legislation and management is provided by professionals who are members of theatre groups and freely offer their professional expertise in order to improve management and achieve high standards of compliance with legislation. LTG is registered as an umbrella body with the Criminal Records Bureau and provides a service in the field of Child Protection for all member groups. Individual theatre groups have in the past obtained assistance with Capital Projects from the National Lottery and it is greatly regretted that this funding has virtually ceased. ACE appears to have concentrated funding on revenue schemes and favoured the professional sector. The latest proposal for standstill funding for theatre will inevitably reduce the small amount of funding that has been available to the voluntary sector to the detriment of our members. LTG members are subject to the same legislative disciplines as all theatre owners and, we believe, should be given equal consideration when grant aid in relation to building projects is available. Historically, it is apparent that the professional sector is given priority.

6. You ask for evidence of the performance of the Arts Council in developing strategies. The Amateur sector is almost totally ignored in ACE theatre strategy, and while some consultation takes place through CCAT, we can point to very little tangible result and certainly no suggestion that there should be even modest core funding in England. In Wales, the funding of Drama Association Wales is currently at risk from the decision of the Welsh Assembly to take the regrettable step to abandon the arms length principle for arts funding with the danger that funding will become a matter of political whim. In Scotland the Arts Council decide a year ago, without notice and without explanation to withdraw funding from the amateur sector. It will be seen therefore that, throughout the UK, the Government's pronounced support for the voluntary sector does not extend to the voluntary theatre sector.

7. We have already referred to the fact that assistance for capital projects has virtually ceased. While ACE, with CCAT and the Writer's Guild recently produced guidance on new writing for the amateur theatre, our producing companies tend to use their own sources to find new plays and, with all amateur theatre, suffer from the reluctance of rights holders to release new work to the amateur sector until it has completed West End and professional regional runs. Additionally, rights can be withdrawn with little notice if there is a professional production in prospect.

8. On the question of the significance of theatre as a genre, we point to the statistics in paragraph 2 which indicate that our 96 member theatres are very popular in their individual communities. The turnover of £4.5 million is spent on building maintenance and improvement, contributing towards the local economy, royalties, publications, equipment materials etc, all of which keep theatrical publishers and suppliers in business and provide an income for playwrights.

9. Finally, so far as (re)development projects are concerned. Our member theatres have been in the forefront of ensuring compliance with the Disability Discrimination Act and other legislation. The new Licensing regime will inevitably bring additional calls for development of premises. We believe it of the greatest importance that capital funding is once again given prominence and that the amateur sector is recognised as having an equal call on such funding as does become available. We recognise that West End commercial managements have for many years neglected their maintenance responsibilities and that considerable funds are required to bring the buildings up to 21st Century standards. However, we see no reason why London should once again be given special consideration and priority over the rest of the country, or why the commercial sector should necessarily be granted large amounts of money from the public purse.

10. We thank the Committee for this opportunity to make a submission, which may be amended when the National Committee meet in February. We are also willing to expand on any points should the Committee so wish.

January 2005

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*Witnesses:* **Mr Tom Williams**, Chairman, Central Council for Amateur Theatre (lead body), **Mr Mark Pemberton**, Chief Executive, National Operatic and Dramatic Association (and Secretary of CCAT), **Mr Niall Monaghan**, Chair, Little Theatre Guild of Great Britain, and **Mr Aled Rhys Jones**, Director, Drama Association of Wales, Vice-Chair CCAT and English Speaking Secretary of the International Amateur Theatre Association, examined.

**Chairman:** Gentlemen, we would like to welcome you here this morning to this final section of this first session and ask Chris Bryant to start.

**Q52 Chris Bryant:** I had not intended to ask any questions but now I have been told that I will. We have an extremely vibrant amateur dramatic sector in many South Wales Valley constituencies, certainly in mine where I could go to a new production every week. How strong do you think the connection is between theatre in schools and local amateur dramatic societies and do you think that we should improve on that?

**Mr Williams:** I think there is a very strong connection through theatres which run youth groups because they connect very closely with the schools in their constituent areas and they develop the drama which is going on in the schools. Obviously a lot more could be done. The amateur theatre tends to work in the evenings because amateur theatre practitioners are doing other jobs during the day. Children used to finish school when I was at school at four o'clock; they now seem to finish earlier and earlier, sometimes at three o'clock, and to get that link between what they are doing during the day and what they do during the evening is more difficult. It does work and I think Niall Monaghan could say where we have dedicated buildings owned by amateurs there is certainly a greater connection than just dependent upon casual interest.

**Q53 Chris Bryant:** But do you think we are spending enough on theatre in schools? My own perception is that practising theatre and seeing theatre in schools is not only important in terms of the English

curriculum (it is much easier to understand Shakespeare if you have acted some of it) but also it is a good way in particular for some youngsters who are not necessarily particularly academic to find a means of self-expression which otherwise they might not?

**Mr Williams:** That is so.

**Mr Pemberton:** The key thing to remember is that amateur theatre is essentially extra curricular. We can supplement work that may be done by the professional sector in schools. What we do is provide opportunities for young people to then perform using the skills that they might have gained through working with a professional artiste in a school context.

**Q54 Chris Bryant:** That sounds sort of, "No, it is nothing to do with us". That sounds like you are too apart.

**Mr Pemberton:** I think also of course there are links between amateur groups and schools in finding the children who can play children's parts within plays or musicals. I do not think that there is as yet much formal linkage between the amateur sector and the schools, but that may be because there is not the infrastructure in place that enables that to happen.

**Q55 Chris Bryant:** I should declare an interest, that I am an associate of the National Youth Theatre. I just wonder whether youth theatre in general, rather than that specific organisation, has been funded enough over the years.

**Mr Pemberton:** The National Association of Youth Theatre is a funded organisation and you should

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probably direct your questions on youth theatre to the dedicated body that deals with that sector.

**Q56 Chris Bryant:** Tell me about getting permission to do plays because I remember historically one of the great difficulties is if you wanted to do, and you might not want to, but if you wanted to do a Brecht, it was almost impossible because the family made life misery for anybody who wanted to do it. *Sweeney Todd*, a production which quite a lot of people wanted to do, Stephen Sondheim refused to allow that to be shown as a movie when they made it for television. Sometimes owners of copyright can be very difficult.

**Mr Williams:** They can, yes. We find that very often they are open to negotiation. The biggest difficulty of course is that the right-holder obviously wants to see professional productions rather than amateur productions, so if there is to be a professional production of something which is in copyright in London, there is a bar on any amateur production within 100 miles even if it is a small village hall with an audience of 30. There are difficulties. The Beckett family, the Beckett right-holders are sometimes a bit difficult. They do like to see Beckett done as Beckett wrote it and not as somebody thinks it ought to be done.

**Q57 Chris Bryant:** I think it is terribly difficult with *Waiting for Godot* not to get caught in that cycle of, "Let's go!", "We can't", "Why not?", "We're waiting for Godot".

**Mr Pemberton:** That is a very special issue, but I think there are certain problems occasioned by the fact that, for example, there are restrictions placed on amateurs as to how they may perform a piece of theatre or a musical. It may be, "You must do it as written and as we dictate in how it will be presented". Now, that could be perceived as fettering the artistic creativity of an amateur group because professionals, after all, are able to do productions which they can set in modern times and they can completely transform the way in which they are presented, whereas the amateurs are told, "You must do it this way", and we would certainly like to see more leeway in creativity. There will inevitably be occasions, as someone said, where works will be withdrawn because they are perceived as competing with professionals. We take that as rather flattering, "Gosh! They're scared of us because we might actually infringe on their box office potential". It does seem ludicrous that a small group working in the Outer Hebrides is forbidden from doing a show because it is on in the West End.

**Q58 Chris Bryant:** Tell me about theatre buildings that people use because quite often the local theatre to me that everybody uses is the Park and Dare, but sometimes people might use schools because quite a lot of schools have well-equipped halls which can be used by the amateur groups. Is it easy enough for people to find venues to put things on or is it too expensive?

**Mr Monaghan:** My organisation represents 96 actual theatre-owning organisations, so we have our own buildings which we have either adapted from other purposes, factories, et cetera, or we have taken on old theatres and reconstructed them ourselves, so from my point of view we find that we already have a venue and our problems are actually keeping that venue going, managing it and running it. We also allow other organisations to come in and use our venues and there is actually a shortage. Where you are performing, say, in a community centre or a village hall, it gives the perception to the public, the am-dram sort of perception that it is a draughty, cold, damp place to go and watch a third-rate production, whereas in reality in some of our theatres in our membership, you actually enter into a modern, warm, air-conditioned theatre with good equipment with an amateur production which is of a very high standard. It is difficult in some respects to find the venues, but where we have the venues, it is actually convincing the audience that the venues are of a good enough standard that they should come and see us.

**Mr Pemberton:** I represent the organisation that effectively represents producing companies and they are hiring venues. These can be some number-one regional venues of 1,500 seats down to the village hall circuit and each poses its own challenges. There are some regional theatres, and I think Aled can comment on this in Wales, which occasionally expel amateurs from use of their venues because they frankly feel, "We don't need amateurs. We are a professional venue and we don't like them". Others take a highly enlightened attitude which is that these are weeks in which they can hand over to the amateurs, it pushes that community button which is part of their Arts Council funding and it means they can sit back and let the amateurs fill those weeks almost to capacity because amateur theatre is hugely popular, has loyalty and there is a nice rental which comes in without bothering the management too much. On the village hall side, that is a vibrant part of our community activity and it is absolutely vital that those village halls have a multi-purpose which includes theatre. With school halls, what is interesting is that we are concerned about the threat posed by the Licensing Act which is that community and village halls are exempt from fees, but not school halls, whereas in various cases it is the school hall that is the community hall and we do not understand why they will be subject to paying a fee, but in another village next door which has a community hall, that will not be.

**Mr Rhys Jones:** In your own constituency, in the Rhondda, I think that perhaps they are setting the standard, if you like. It does vary from local authority to local authority what relationship that amateur theatre company has with the hiring of a venue. The work which has been done by Polly Hamilton in Rhondda in bringing together a holistic view to how the venues on her patch work with whatever community project is coming in is something that we are looking to spread around to other local authorities.



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**Q59 Chris Bryant:** Would you say that there is a trend towards doing more war horses, you know, lots more productions of *An Inspector Calls* or *Carousel* or is there more of a trend towards experimenting towards big community projects where you might get 250 local people involved in creating a play and building it and part of it might be out on the streets and part of it is in the theatre?

**Mr Williams:** I think there is a very wide range of theatre done. Obviously the old war horses are produced. Stoppard and Ayckbourn are very near the top always and Shakespeare is always very near the top, but you do get new work produced and what I would call “cutting-edge work” is also produced in our theatres. In the musical scene—

**Mr Pemberton:** Well, in the musical scene, yes, there are the bread-and-butter G and S and Rodgers and Hammerstein, but amateur musical groups are actually desperate for new musicals and the hit shows in the West End take years to be available for amateurs and they are itching to do all kinds of work which they simply cannot get their hands on. Equally, you have to remember that they are essentially commercial operations and they are not subsidised, so they have to look at the bottom line very carefully and do works that have clear box office potential because you could have an amateur group founded 100 years ago, a vital part of the community, which in one show could be destroyed through poor box office.

**Mr Rhys Jones:** To come back to the relationship between schools and amateur theatre, again in Pontypridd recently the only way that they could get access to the set text for a drama, which I think was either *When We Were Married* or *An Inspector Calls*, one of the Priestley plays, was the amateur theatre company which packed out the uni in Ponti and they had to put on two extra matinées to get the schools in and that was the only access they had to see the set text that they were being examined on, so there is a very strong demonstration of the relationship there.

**Q60 Chris Bryant:** *An Inspector Calls* is a great piece of socialist theatre.

**Mr Williams:** I was at an amateur production of *Pygmalion* last Saturday which was an absolutely full matinée, absolutely full of schoolchildren because it was a set text and they had travelled 50 miles to see it.

**Q61 Alan Keen:** I was asking David James earlier how Hollywood, for instance, could help get people interested in drama at their own level. You are telling me that commercial theatre, because they have got to watch the bottom line, can stop amateur theatre by suppressing their ability to use current—

**Mr Williams:** Rights’ holders hold the rights to works and they tell you whether you can perform it or not.

**Q62 Ms Shipley:** Could you say that again?

**Mr Williams:** The people who hold the rights to the work can dictate who can perform it and when, yes.

**Q63 Alan Keen:** With amateur theatre we are talking about a local level. Can you tell me a little bit about how local authorities fit in. Local authorities have tended, with the reduction in revenue support grant with the previous Government and the current Government, to cut back on leisure services which would cover your area. Obviously some local authorities must be better than others. What role do local authorities play in helping or not helping?

**Mr Williams:** In most cases amateur theatre acts independently of all authorities. In some areas where local authorities own venues of course the amateur companies do have strong liaison on the use of those venues.

**Mr Pemberton:** I would say that in some cases local authorities, in particular local education authorities, can actually be deterrents. We have been talking about opportunities for children and certainly there is a perception that some LEAs are using the very old regulation dating back to 1968 in a particularly irksome and attentive manner because they are trying to piggyback on to very old legislation the current level of debate about child protection and child protection regulations and are making it very difficult for young people to be involved in theatre because it is seen, for some reason, as potentially a dangerous activity, whereas we feel it is a good social activity that provides young people with opportunities to perform and engage with the community.

**Q64 Alan Keen:** We will be writing a report with recommendations in it. What would you like us to say? My own local authority in West London has two theatres and the stages are not being used all the time, not by any means, and there must be something lacking. There is money lacking but we must be able to spend some money to bring people together and try to fill those gaps and help the amateur dramatic groups through the local authorities providing some help to provide a theatre and a stage for them. Are you really saying there are no links at all?

**Mr Williams:** I am not saying there are no links at all. I am saying they are tenuous in some areas; they are strong in other areas. It depends on a number of factors. First of all, there is obviously the strength of the amateur theatre movement in an area and the interest of the local authority in engaging with it. Where dialogue is recognised as being appropriate on both sides it happens. Where it is seen as appropriate on only one side it probably is not and all too often it is not seen as being appropriate on either side.

**Mr Rhys Jones:** One of the things that would influence that would be if a local authority had a policy towards the arts in general, and that is not always the case. If I understand it correctly, it is a requirement of the Wales Assembly Government for a local authority to develop an arts policy. Again, that has not worked entirely. I think there is one local authority which is saying “No, we are not doing it.” That helps because it then starts that negotiation and it starts looking at mechanisms for

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delivering it within the local authority area. If that is not in place then you are working in a vacuum. Once that negotiation has started then you have got somewhere to go with it. Also what tends to follow on from that is the development of smaller working groups to look at specific issues. Once that is in place then you can go forward.

**Q65 Alan Keen:** I am sorry to quote my own area but sometimes it is easier to work on facts and reality as an example rather than to talk in theory. I was a prime mover in reforming the Hounslow Sports Forum. We started it last year again because I realised that we had got lots, particularly in West London with the proximity to Heathrow Airport, of sports facilities and sports fields because in the old days every big commercial company had its own sports field and clubhouse, and we were not using them all. I felt there were gaps and I felt there were gaps between the schools and the sports facilities and the sports clubs. It has been going through my mind for a few months now that we could do with an arts forum as well. Are there other examples of this where you can bring people involved in the arts together, not just the performing arts, to get the full benefit of the various facilities that are there or facilities which could be acquired to be used for the arts? Are there other examples of this around the country?

**Mr Williams:** I think there are. I cannot bring any to mind immediately but it depends very much on local initiative.

**Mr Rhys Jones:** Again, it is a requirement of the Welsh Assembly Government to set up cultural fora within each local authority and the Arts Council are being requested to ensure that this is being achieved. Again it is hit and miss with different local authorities on the success rate of what is happening there but the Swansea Cultural Forum, which works with the local authority, with the voluntary sector, the professional arts, et cetera, now has staff who are working to market the arts in the area to raise the profile of what happens in Swansea. That is a reasonable working model of what is going on to promote a bridging between the local authority, the arts community in general, whether it is professional or voluntary, and the arts funders.

**Q66 Alan Keen:** I am sorry, you said this was a condition. This is something that I have missed. Are you just talking about Wales but not England?

**Mr Pemberton:** There is not really that equivalent in England. Each local authority is meant to have a cultural policy and they were meant to consult with the voluntary sector but it is how you define "voluntary sector", and it has not tended to embrace the amateur sector, which is what we feel is genuinely a voluntary sector.

**Mr Williams:** It also depends on how you define "consult".

**Mr Pemberton:** I have some experience in a local authority where instead of having consultation processes they just told the hard-pressed arts officer, "Go away and write our cultural policy for us." Yes,

there does need to be more work on ensuring there are more local arts councils or arts fora that do genuinely bring together professional arts and amateur arts because for too long there has been this divide between the two. We feel one of our primary missions is to finally in the 21st century get rid of this ghastly divide that exists between professional and amateur.

**Q67 Alan Keen:** It just seems glaringly obvious to me that there are so many facilities that local authorities have and they are not fully used. Is this something that you would really like us to—

**Mr Pemberton:** Yes.

**Q68 Alan Keen:** Would each of you in a few words say what you would like us to say on this particular issue.

**Mr Pemberton:** Access to venues is absolutely crucial. There are limited venues and groups can find it problematic to find somewhere suitable at the right size and right price for them to hire. It is often forgotten that when a theatre is threatened with closure and a campaign is put in place by the professional arts world to save that theatre there are also amateur users who are equally threatened. If that theatre goes then so does access to a venue that can keep that society going commercially and it can wither and die. So it would be so good if there was a regional policy regarding the provision of venues.

**Q69 Alan Keen:** Could you just give me an update on the Welsh situation. I was not understanding that it was just Wales when you were answering my question before. When did the initiative start and how is it going?

**Mr Rhys Jones:** Once the Assembly was brought into being the Plus 16 Education Committee was set up and they had a responsibility to look at culture which in turn brought together a paper, the name of which I have forgotten, which brought in the advent of the Culture Committee and the Culture Minister. I think it has taken off from there. There was a second paper that came out of that which looked at how best to use "culture" to improve the life of Wales. One of the tools of that was seen to be the creation of these cultural fora. As I say, they are meant to be happening in each local authority and there has been some success, some failure. A lot of it depends on personalities, on local authority attitudes, the amount of Arts Council activity in a specific area, whether or not there is an existing network, or whether somebody has to go in and bring that network together. It is being seen as a very positive step forward and as a tool for improving the profile of the arts and activity within the arts in Wales in general.

**Alan Keen:** It is ironic that Wales have taken this initiative. I have watched it on TV and the Welsh Assembly lacks a bit of drama compared with this Parliament.

**Chris Bryant:** I would be very, very careful, Alan!

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**Q70 Mr Flook:** We have got this far in the proceedings without mentioning panto once. It is January and certainly in Somerset it is panto season, and I presume elsewhere in the shires and elsewhere in the cities. I am spending quite a few of my weekends going to various pantos because they ask me. You can see from the dramatic society cards that a young girl turns into a young lady who gets to 21, she is outgoing, she is confident, she is on the stage, she is very good. She goes to university if she has not gone already. Then she seeks a career in whatever it is outside of Somerset and may come back when she is 40 and may get involved again. There is a huge shortage of those in their 20s and 30s volunteering for amateur dramatic societies. Mr Williams, I presume it is your bag. Have you done a study of that? When they go to the cities do they volunteer or are they too busy doing things that those in their 20s do?

**Mr Williams:** I can only speak from my own experience of my own group, and we are perhaps very fortunate in that they tend to live near us and join our society. Talking of pantos I have seen two and in the next fortnight I am going to be seeing another three. They are wonderful things for village communities. On the young people, yes, they do go away, they go to university, but they always go and live somewhere and if their interest is captured well enough they will join the local society. The difficulty in their 20s and 30s is that they have careers to develop and in any leisure activity that takes up the time that theatre does you will find that there is a drop-off and they will come back again in their late 30s and 40s when the children are old enough to bring along as well as to leave at home with somebody else looking after them. I think that is an inevitability: When people start families the pattern of their leisure changes.

**Q71 Mr Flook:** And what are you doing collectively to try and counter that or have you just got to accept it?

**Mr Williams:** I think we tend to accept it and we tend to know that out there there are people with the interest. In my own group, which is a successful one, we do have a lot of people in their 20s and 30s who are members. We are very lucky and we know that. My bigger concern is where we fail on total social inclusion and on ethnic diversity in our amateur theatres.

**Q72 Mr Flook:** As you may or may not know, there is not much ethnic diversity in Somerset but I take the point in your submission where I think the phrases you use is “amateur theatre is vital for community cohesion”, and that is no more true than at Bishops Lydeard, which is quite a big village on the edge of Taunton. Last year for the first time in many, many years they put on an amateur production and I was struck by how much one end of the village was working for the first time with the other end of the village. There is a social point there as well.

**Mr Williams:** Struck but I hope not surprised.

**Q73 Mr Flook:** It was really comforting. Taunton does not have a big theatre. It does not have a theatre with a fly tower and the other major problem that all of them seem to get is a lack of help from whoever it is. They have to pay the same rate as a commercial organisation to take that week.

**Mr Williams:** Yes.

**Q74 Mr Flook:** Is there any way round that?

**Mr Pemberton:** That is what we are saying about the commercial imperative and that is why you have to pursue popular works because you are expected to stump up the same fee as a professional company although that professional company may well be subsidised in which case it is bringing in more innovative work.

**Q75 Mr Flook:** And may have a well-known name which will help sell seats.

**Mr Pemberton:** One thing we absolutely hate is if an amateur theatre is treated as a cash cow when it does not have the cash in the first place. Venues do seem to think we can keep stumping up their charges because we will want to be coming in because we always do two weeks of the year.

**Mr Williams:** Niall may be able to help you. I am sure that a number of the theatres who belong to his organisation give cheaper rates to amateurs than to professionals.

**Mr Monaghan:** Yes we do. A lot of our members favour amateurs because they are owned by amateurs themselves and encourage them to come in. Taking the point you mentioned earlier about the pull of a professional name to a production, we certainly would welcome more blurring of the edges between professionals and amateurs, for example regarding the restrictions put on them by their own professional bodies and whether a professional is allowed to perform in an amateur production. They are often not. If we could have more blurring of that it would enable us to use names or professionals who are resting, as they call it. They are not allowed to perform at the moment because they cannot find a production they would be allowed to perform in.

**Q76 Mr Flook:** Where does that rule come from?

**Mr Rhys Jones:** That is Equity, is it not?

**Mr Monaghan:** Equity rules, yes.

**Q77 Mr Flook:** So what have you been saying to Equity over the years?

**Mr Williams:** I think it is more relaxed than it used to be.

**Q78 Mr Flook:** More relaxed or more ignored?

**Mr Williams:** More relaxed.

**Q79 Mr Flook:** The actual rules are more relaxed or they just turn a blind eye?

**Mr Williams:** The rules are more relaxed.

**Q80 Mr Flook:** Can we relax them more?

**Mr Williams:** That is something you will have to ask Equity if they are giving evidence to you.

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**Mr Pemberton:** I want to pick up on what you were saying about what we are doing about this. I would point out that we are all effectively self-help organisations. There is only so much that our bodies can do because we rely solely on what we can raise ourselves. If there were a funded infrastructure body as exists in other voluntary activities, it may be that some of these more developmental issues could be pushed forward.

**Q81 Mr Flook:** I did not have money in mind when I made that point.

**Mr Pemberton:** We are limited in what we can do. Much as we would love to know more information about our sector we have not got the resources to carry on the research.

**Q82 Mr Flook:** I was thinking more of what door banging are you doing on behalf of your members rather than what cheque books are you going to use?

**Mr Pemberton:** We are banging on a lot of doors.

**Q83 Mr Hawkins:** I wanted to come back to this issue of young people involved in amateur theatre because that was how I first got involved. In the sporting context there has been a worry that people have been put off involvement in coaching of young people in sport because of the administrative and cost burdens of the Criminal Records Bureau checks. Is that also an issue here? Are we seeing fewer adults being prepared to go through that process to help young people in the amateur theatre groups that you represent?

**Mr Monaghan:** Absolutely, yes. My organisation acts as a counter signatory organisation for the Criminal Records Bureau for our members but, even so, we are finding difficulties. For example, my own hobby is lighting and years ago we were training a young lighting designer a 15-year-old girl, who was working alongside me in a darkened theatre. You cannot do that any more and a lot of people say, "I do not want to do it any more because of the risks involved." We have to have a chaperones and so getting young people into our organisations and teaching them not just drama (because you could have youth leaders with two or three adults and a group of children) but on the technical side of things and having them involved in lighting and sound in small enclosed areas we cannot do any more. It is causing us difficulties. Volunteers just do not want to get involved and go down that route any more.

**Mr Pemberton:** A lot of times I hear the phrase "all the fun has gone out of it because we are having to watch our back for developing regulations and developing legislation", and there have been some major upsets between amateur groups and local education authorities, as I said, about the application of child protection legislation.

**Q84 Mr Hawkins:** I rather feared that might be the case. That is something that you would encourage us as a Committee to highlight as a problem for you?

**Mr Rhys Jones:** Yes, we are willing to take the responsibility to dispel the myths and to work with the companies about issues of legislation or what have you, but it is swimming up-stream and legislation keeps developing, keeps moving and keeps moving—and the only funded organisations at the moment for amateur theatre in the UK are in Scotland and Wales. There are no funded organisations outside of that and yet we have to take these things on.

**Q85 Mr Hawkins:** Sorry, Mr Williams, were you going to add something there?

**Mr Williams:** I would not like anyone to get the impression that we do not take the legislation seriously. We recognise the need for all of this child protection legislation, for health and safety legislation, for licensing, for disability discrimination, but they do all impinge on the work which we as volunteers are doing. The legislation does not make any distinction between the voluntary and professional sector and we need to have the same disciplines as the professional sector without having the back-up of the professional advice.

**Mr Monaghan:** Our theatre management teams, if you take my organisation, are made up of teachers, taxi drivers, shopkeepers, et cetera, who in the evenings become theatre managers and (if you take, for example, health and safety) become employers, so my organisation tries to provide advice and guidance to its members, but we draw on our own membership and any professional advice that they have to provide that and to feed it back. We have to put caveats into our advice to say "this is not to be taken as gospel; this is guidance". I brought for the Committee if they wish to see some examples of some of the work that we do in terms of advice and also annual reports if you wish to have copies.

**Q86 Mr Hawkins:** If you could give them to our Clerks I would certainly be interested in them and I imagine, Chairman, that the rest of the Committee would be interested as well.

**Mr Monaghan:** If we could have more resources to employ professionals to advise us. If I take health and safety again because it is a big issue and we have our own buildings so we have to ensure that the construction of sets and the lighting rigs are safe to use, in the last year my organisation put on four one-day workshops for health and safety which we had to employ a professional to give to us and we have to pay out of our own funds or money to attend those workshops. We do them in licensing law, on the Disability Discrimination Act, et cetera. If we could have better access to resources to help our members develop these skills better to a more professional degree then I think it would help.

**Q87 Mr Hawkins:** Do you take the view perhaps that if the Government is going to load all of this on to voluntary organisations like yours that the Government, having taken the decision to impose

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the legislation, ought to be providing the funding to put on the workshops to explain how the legislation is going to impinge?

**Mr Monaghan:** I think so to a certain degree. The Government is loading legislation on us. The legislation is there for a reason and it is right that we should have good health and safety. Theatres are dangerous places. So we agree that legislation is appropriate in most cases but, yes, I do think they must recognise that amateur theatres do not have the funding resources that professionals do and, yes, we are trying to do the same job but without the same money and, yes, we would welcome that.

**Mr Williams:** I think also it would be helpful to us if we were specifically consulted when legislation was in prospect rather than having to pick it up.

**Mr Pemberton:** It is meant to be a statutory condition of the compact for relations between government and the voluntary sector. Every piece of legislation is meant to have been run by the voluntary sector, I am afraid it is not happening.

**Q88 Mr Hawkins:** I agree. The final point was touching on a question one of my colleagues asked about the Equity rules. Is that again something that you would be inviting this Committee to consider recommending, that the Equity rules should be relaxed still further? You mention they have been relaxed in recent times.

**Mr Williams:** I do not think I would put it in those terms. I would rather put it in the terms that it would be advantageous to theatre as a whole for the distinction between professional and amateur to be as indistinct as it is in other countries.

**Mr Rhys Jones:** The relationship with the arts in general, whether it is theatre or whatever, is a continuum. You start in youth theatre. You might not come back to it. You might go into the professional theatre or you might not come back to it until you are in your 40s, as I mentioned earlier. You might come back in a different relationship as a teacher or as a facilitator. It is a very different relationship but it is a continuum. You tend to stay with your art form for your entire life so it is a different relationship at different times.

**Mr Pemberton:** All professional actors have been amateurs in a previous life.

**Q89 Ms Shipley:** I was responsible for the Protection of Children Act which requires you to do the checking and I was also responsible for changing Part 5 of the Police Act to set up the Criminal Records Bureau. You ask about consultation and how it would affect you. Can I assure you that one of the reasons I did the legislation was because a schools outreach person told me that when he vetted eight people to work in a voluntary outreach capacity of the eight people he wanted to vet and subsequently did, two of them were found to be child abusers, one a convicted paedophile and one just about going through court, so the sorts of people who are going to do things to children have a nasty habit of winking their way into the voluntary sector in the nicest possible places such as the things you are involved with. I would hugely refute the idea

that all the fun has gone out of theatre because of something like child protection. Come to Stourbridge. I am patron of our operatic society and also our theatre group and our pantomime group which is a complete sell out. I was pleased to shake hands only last night with an eight-year-old who had just been on stage. There were plenty of men involved, plenty of women involved, plenty of children involved, all ages involved, and it was a massively popular event. So the fun has not gone out of amateur theatre because of child protection issues, which I am sure you would like to agree with. If not, I would like to come back to you because you are saying that LEAs are inappropriately using it. I would like you to name names now because it is outrageous if they are doing that. I wrote the legislation. I know what is involved. Who are inappropriately using it? I am sure you are right; some are.

**Mr Williams:** Can I say what is happening is that the 1966 regulations were specifically for child employment and they define how many hours a child can be employed. What they are being used for specifically now are as a child protection measure. They are not protecting against exploitation in employment, they are being used as a straight child protection measure. I have no objection to that. I have no objection at all provided that it is open that it is being used as child protection. The strange thing is that because it is employment law that is being used there is no protection for a child who is going to be on stage for only four days. They do not need to be registered, they do not need to have a chaperone.

**Q90 Ms Shipley:** Thank you for telling me a loophole which I will be taking up with the minister.

**Mr Pemberton:** Tom, that is not quite true. Can I clarify. What it is is the 1968 (not 1966) regulations were written in order to enshrine when a child needed to be licensed or not licensed by a local authority and the regulations apply whether the child is licensed or not licensed. In fact, the requirement to have a chaperone applies however much the child is actually performing. What has happened is that in 1968 a specific exemption was written into those regulations to benefit amateur theatre which said that a local authority could issue what is called a body of persons exemption which would mean that the amateur group would not have to go through the form filling. It still has to abide by regulations but it does not have to go through the bureaucracy. That body of persons exemption has virtually vanished and some local authorities are refusing to accept it ever even existed.

**Q91 Ms Shipley:** I would still like you to name names.

**Mr Pemberton:** I will get on to that. Another thing they are doing is claiming the exemption from licensing, which happens if a child is performing fewer than four days in a six-month period, cannot apply if a charge is made to attend their performance; and that is wrong. Two local authorities who made that claim were Birmingham and Solihull and we have got them to change their

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licensing policies as a result of pointing out to them that this was simply not the case. We are developing a very positive relationship with a body called the National Network for Children in Employment and Entertainment and are trying to get them to develop a model document for all local authorities.

**Q92 Ms Shipley:** The Chairman is going to let me ask many more questions. There are only two named authorities?

**Mr Williams:** I am not aware of any local authority which has granted a body of persons exemption.

**Q93 Ms Shipley:** Which group of people would find out that the LEA is inappropriately using legislation because legislation should be used appropriately obviously?

**Mr Pemberton:** Each of our members would route it through to the respective representative body to say, "There is something going wrong here; they are telling us that we cannot do this." We hope what they will have done is read our information which tells them exactly what the law does say. They point it out to us, we go to the local education authority and say, "Oi, you should not be doing this."

**Q94 Ms Shipley:** It is a shame my colleague Nick has gone because I wanted to explore the Criminal Records Bureau idea but perhaps it is not the moment now. Just to go on to another area, the link with amateur and professional. I have just intimated that at Stourbridge we have an absolutely thriving, top-notch, superb amateur sector and it is great because all the traditional skills of tap dancing and ballet and all the different skills that come into putting on an operatic event or a pantomime are really thriving in Stourbridge, from little children all the way up to adults. It is fabulous. However, I do not think there is a lot of innovative work going on. There is a lot of traditional work which is fabulous and that gets everybody in the community involved and, as I said before, it is packed out, but the innovation is not there. How would you suggest that innovation in theatrical terms could be incorporated into the really hugely popular amateur events? Is there a way to do that so that we can grow the writers, because our dancers and our costume people are growing beautifully?

**Mr Pemberton:** I can think of two ways in which we could achieve that. One is by providing some form of funding to an infrastructure body that can develop best practice and encourage new writing to come through the amateur sector because that cannot happen at the moment because no money is going in to develop it. The second one is back to venues which is if there was more subsidy going into the cost of hiring venues then more money could be put towards innovation because more risks can be taken by the amateur group—

**Q95 Ms Shipley:** I am ever so sorry to I cut you off but I know the Chairman is going to cut me off any second now and I just wanted to run this model by you. If the public funding is going into a major

professional theatre and it is getting substantial public funding, do you think it would be a good idea for them to be required to develop links with amateurs which would allow if not the main theatre itself to be used then small-scale foyer events to be happening virtually simultaneously, developing a relationship with the two? When they are marketing the main event the amateur can come in as well and the two can be marketed together so, for example, a reading could be done in the foyer event by amateurs if somebody has written a play, and just during the interval a short section of it could be read round the bar. I do not know. I am making it up on the spot.

**Mr Pemberton:** What amateurs want is access to the stage itself not necessarily to the periphery. We want to storm the boards.

**Q96 Ms Shipley:** Need it be either or should it not be both?

**Mr Pemberton:** Yes, absolutely.

**Mr Williams:** Of course it should and of course a theatre is a community building no matter who owns it or runs it and of course it should involve the whole of the community; I think that is axiomatic.

**Q97 Ms Shipley:** Do you think there needs to be a statutory way of linking that money to community more than just bringing in schools for visits and that sort of thing?

**Mr Williams:** I would hate to think that anyone was trying to force people into paths that they do not wish to go. I think leading by example is far better than legislation.

**Q98 Ms Shipley:** How long will that take?

**Mr Williams:** I think it is possible. Again as Mark said, if we were able in the amateur sector to push forward our own developmental things, we would then be able to link in far more effectively with our professional colleagues.

**Mr Rhys Jones:** Quite apart from providing some sort of infrastructure support from the Arts Council of England, which does not exist at the moment for amateur theatre in England, you talked about changing things and moving from traditional to more innovative amateur theatre—

**Q99 Ms Shipley:** I was misleading if I said from one to the other. I would like to have both.

**Mr Rhys Jones:** Fair enough. Within Finland 80% of amateur theatre productions work with a professional director because there is a fund that they can tap into to bring in a professional director which automatically boosts the quality of the production. Then you get professional actors who might like to work with that director who go for auditions at the same time, so you get more of a feeling of an organic theatre rather than professional and amateur. The two work together.

**Q100 Ms Shipley:** How do you get the audience involved in that change?

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**Mr Rhys Jones:** The audience just go with it. There is not a problem with that. There is an amateur theatre production that has been in production for three years and playing to full houses and the cast changes periodically but it is a purely amateur theatre production in a place called Mikkeli. The 20% who do not tap into that do so out of choice because they have their own director they want to work with who is part of the team and they do not want to work with a different director, but 80% of amateur theatre companies in Finland work with professional directors so the whole field is nurtured at a seed basis, at a grass roots level.

**Q101 Ms Shipley:** Is it a lot of money?

**Mr Rhys Jones:** Who knows? Finland is a small country. Maybe it is the dark nights!

**Q102 Chairman:** That was a very cunning ploy of yours, Debra. You kept saying “the Chairman is going to shut me up” so I did not dare to shut you up! Gentlemen, thank you very much indeed for your part in what we have found a very informative and entertaining session.

**Mr Williams:** Thank you very much, Chairman.

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#### Supplementary memorandum submitted by the Central Council for Amateur Theatre

Following our appearance before the Select Committee yesterday, I am writing to thank you and the Committee members for the opportunity you gave the amateur theatre sector to expand on the information given in our submissions. There are one or two matters arising from yesterday which require clarification. First, I think that we need to emphasise as much as possible, what we consider to be the inadequate response to the review of the Voluntary and Community Sector in service delivery so far as amateur theatre is concerned. We are indeed grateful that the DCMS in its submission to your Committee made reference to their commitment, and it is pleasing to note that they say that they are working with ACE to encourage them to work more closely with the voluntary and amateur sector. It will not, however, have escaped your notice that, in their 38-page submission, ACE make no reference to this relationship.

The other matter that I wish to refer to is the relationship with local authorities. This is no simple matter since the interface with local authorities depends very much on the type of authority and its statutory duties. For instance, on Child Employment matters, amateur theatre companies will have contact with Education Department officers, who will be either County or Unitary Council employees. On Licensing matters the contacts will be with District or Unitary Council Licensing Officers, with Fire Authority Officers and with the Police. Leisure Services premises that may be hired for amateur theatre use could be in the ownership of a local authority at any level from Parish Council upwards, and within the council could come under the control of any of a number of departments from Leisure/Culture, through Building Services to Education or Libraries. There are very few instances where there is a single point of contact between the amateur company and their local authorities.

As part of the feasibility study into the formation of a Drama Association for England, currently being undertaken, the consultant has been in contact with the Association of Local Government Arts Officers and it is probably that this will result in a closer consultation relationship with amateur theatre.

26 January 2005

**Tuesday 1 February 2005**

Members present:

Mr Gerald Kaufman, in the Chair

Chris Bryant  
Mr Frank Doran  
Michael Fabricant

Mr Nick Hawkins  
Alan Keen  
Ms Debra Shipley

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**Memorandum submitted by the National Theatre**

1. The National Theatre is pleased to submit evidence under four of the headings that the Committee has initially identified for investigation and would be delighted to extend or deepen it in whichever way the Committee would find useful.

**SIGNIFICANCE OF THEATRE**

2. Our aspiration has been to put the theatre at the heart of public discourse and in particular to explore subject matter of national concern and to reflect the evolution of an ever more diverse national canvas. Over the past two years, the theatre has repeatedly been the catalyst for national debate: about the Iraq war in *Stuff Happens*, about public transport in *The Permanent Way*, about education in *The History Boys*, about organised religion in *His Dark Materials*. The communal nature of the theatrical experience and its metaphoric power make it a unique platform for debate.

3. While the National presents an eclectic mix of new plays and classics, nothing has engaged our public more than our contemporary repertoire; the theatre has always found its biggest audiences for successful new plays. All the plays mentioned above have played to capacity houses, and like much of our work have provoked press commentary in sufficient volume to be catalysts for much wider discussion.

4. More recently, the furores surrounding *Bezhti* and *Jerry Springer The Opera* have demonstrated the theatre's sometimes disturbing power to engage a community far wider than the audience physically present at its performances. Ideas and emotions unlocked in the context of live performance remain as potentially controversial as they were in Athens 2,500 years ago. It is no accident that the theatre has found itself on the front line as we face new cultural challenges.

**USE OF SUBSIDY: PRICING AND SUSTAINABILITY**

5. There is no reason why subsidy for the artist and subsidy for the audience should be mutually exclusive. Indeed, our belief is that by lowering ticket prices we attract a more adventurous audience that in its turn demands a more challenging repertoire. So one consequence of subsidising the audience is a greater creative freedom for the artist.

6. The urgency of tackling ticket prices was signalled by the fact that, by 2002, top ticket prices at NT were in real terms twice those when the South Bank building opened in 1976.

7. Our Travelex £10 Season has been the beacon initiative—conceived to address the programming difficulties of the Olivier (which had been historically hard to fill during the summer), to promote a muscular and engaged kind of work and to make a decisive intervention in reversing long-term audience decline by building a new regular audience.

8. We began the Travelex season in 2003. For the first production (Nicholas Hytner's modern-dress *Henry V* with Adrian Lester), 33% of the audience were first-time bookers at the National. There were 50,000 first-time bookers for the season, of which a third returned to the NT during the year. The 2004 season drew a fresh 50,000 first-time bookers. Both seasons played to 95% capacity.

9. We have found what seems to be a "halo" effect. Overall, NT box office capacity has run at 90% for the past 20 months. 150,000 more people came in the financial year 2003–04 than in the previous year.

10. The effect on catering receipts reflects the different audiences. Spend-per-head is down, but the much greater audiences capacities have pushed profits up: more people, spending less.

11. The Travelex season has brought in new private money for the National (£800,000 for the start-up year, 2002–03) and has not needed extra subsidy. At the high box office levels achieved, and with the Travelex sponsorship, the NT is slightly better off than in previous years over the same period. The role of the public subsidy has been to underwrite the risk, and the effect has been to spread its benefits amongst more people. 300,000 people have enjoyed £10 tickets over the two seasons so far.

12. The alternative approach to subsidy—born of the austerity period beginning in the eighties—was for arts organisations to focus not on the use of their subsidy, but solely on balancing their books.



13. We have spearheaded the renewed emphasis on the intrinsic value of culture, and we fully support the efforts of various prominent figures and commentators, including the Secretary of State, to get away from simple “instrumentalism” by way of justifying subsidy. But in our view this need not preclude a rigorous and robust assessment of how we use public funds.

14. A second aspect to the NT’s use of public subsidy is addressed in the following point.

#### THE NEED FOR INVESTMENT: NEW WRITING, NEW FORMS AND NEW TALENT

15. The “canon” has never been sufficient to make up the repertoire of the NT. In the recent past, it has often been supplemented by an increased reliance on new productions of classic Broadway musicals. We feared a worst case scenario: a reliance on a dwindling core of repertoire appealing to a dwindling and ageing core of audience.

16. There is no alternative therefore to the development of new work. The biggest risk is not to take risks.

17. We identify a need and an appetite to go beyond the commissioning and developing of new plays. We have become enthusiastic about “creative producing”—the bringing-together of ideas and peoples from different disciplines to mount projects for our large stages, at the NT and beyond.

18. Two of the National’s auditoria are large, public, even epic spaces. This is as it should be: a national theatre should gather large audiences to witness ambitious public events. Our particular challenge is that in recent years new and experimental work has retreated into small studio spaces. Our interest, however, cannot be in the coterie audience that favours the self-referentially experimental. Our responsibility is to find the artists and the shows that will address the larger public, as well as the artists who flourish more easily in our 300-seat mid-scale theatre.

19. Since 1985 we have had a unique facility for research and development, the NT Studio in The Cut. Of late it has added a more pro-active aspect to its activities, alongside the recruitment to the NT of two Associate Directors and a wider group of unpaid Associates. In the year from April 2003, five of the nine new plays staged by the National were a direct product of the Studio, including the notable débuts by Owen McCafferty and Kwame Kwei-Armah.

20. We have now begun fundraising for a scheme that will refurbish the Studio and take under one roof education and Archive functions, embracing past, present and future on the same site.

21. Between the Studio and the Literary Department, the NT spends around £1 million per year on commissioning and the development of new work for the repertoire. This is an essential spend. The significance of *His Dark Materials* (developed over 18 months at Studio), *Stuff Happens* (which started as a blank sheet at the Studio) and *The History Boys* (which underwent a brief but crucial series of readings at the Studio) extends beyond their artistic success. They became financial cornerstones, as productive at the box office as the most popular of the musicals of the recent past.

22. The notable exception to the rule that the Studio provides the repertoire was *Jerry Springer The Opera*. Its trajectory started at BAC: a good example of the NT’s role in the wider theatre community. We collaborate and co-produce enthusiastically to bring to wider attention the kind of work which would otherwise remain relatively hidden.

#### THE RELATIONSHIP OF SUBSIDISED AND COMMERCIAL THEATRES

21. The conventional model—that the subsidised theatre transfers to the commercial theatre its box office successes when it can no longer house them—is in reasonable working order. There were four transfers from the National to the West End in the last year.

22. It should be recognised however that currently West End is a somewhat difficult climate for straight plays. Apart from musicals (and especially those staged with the generous collaboration of Cameron Mackintosh) the NT’s transfer earnings are significant but not transformational: typically about £500,000 a year. The financial rewards of retaining plays in the repertoire, when appropriate, are much greater for the NT, though directors and designers, and sometimes actors, are generally better rewarded under a commercial management.

23. In order to give the NT a bigger share of commercial profits (when they are available), a group of the National’s loyal supporters have set up National Angels Ltd, an Enterprise Investment Scheme company, The National has also a \$1.5 million three-year “first look” deal with two American producers that has resulted in Broadway transfers for the NT productions of *Jumpers*, *Democracy* and *Pillowman*.

21 January 2005

*Witnesses: Mr Nicholas Hytner*, Artistic Director, and *Mr Nick Starr*, Executive Producer, National Theatre, examined.

**Q103 Chairman:** Gentlemen, welcome. We are delighted to see you. Indeed, I would be delighted to see Mr Hytner even if his father had not been an active member of my constituency labour party.

*Mr Hytner:* I am delighted to be here.

**Q104 Chairman:** As I say, we are delighted to see you. You both have a remarkable story of success to tell, with amazing achievements, if I may say so—and I think probably you will permit me to say so.

*Mr Hytner:* Thank you very much.

**Chairman:** Michael Fabricant will start.

**Q105 Michael Fabricant:** After that charming introduction, I think I am going to play Mr Not-so-nice-guy by simply asking you why you should get public money.

*Mr Hytner:* We could start simply, as it were, on the cultural high ground or philosophical high ground and say that it has never been possible to present the performing arts, as opposed simply to commercial entertainment, without the intervention of the monarch, the state or those plutocrats who are so central to the running of the state that it is arguable that they are the state itself. It simply cannot be done, if it is to be available to as many people as possible, without philanthropic intervention. As you know, the performing arts are subsidised here to a much lesser extent than they are in the rest of Europe. It is arguable that if you look at the great classic period of the great European state theatre, you can see in little the relationship between subsidy and box office that has obtained ever since. The great French classical theatre started at Versailles and it is still the court in France that is almost entirely responsible financially for the theatre and the rest of the performing arts. The great classical German theatre started with Goethe and Schiller at Weimar, and it is still the individual city states that are responsible largely for the subsidy of the German theatre. Our great classical theatre was always a mixed economy: part commercial, part subsidised. The Lord Chamberlain's men, Shakespeare's company, later The King's Men, needed primarily to appeal to the public, needed to sell tickets, but they could not have survived without first the Lord Chamberlain's and then the King's patronage. That, essentially, is still how we operate. At the National we are subsidised something less than 40%; the rest we earn ourselves. We have, as you know, recently been quite aggressive, quite firm with ourselves, and redefined what we use the subsidy for. As we say in our submission, we do not think that subsidy for the audience and subsidy for the artist are mutually exclusive; indeed, our experience has been that in diverting our subsidy, at least in the way we think of it, into ticket prices, we have freed ourselves to a great extent to take greater risks.

**Q106 Michael Fabricant:** In your interesting response and the contrast you make with Europe, by saying that funding is more mixed in the United Kingdom than the European tradition, do you think

that makes for a more vibrant theatre than the fully subsidised or pretty well fully subsidised theatres of France and Germany?

*Mr Hytner:* I think at the very least it makes for a theatre which is still much more in touch with the wider public. I am exaggerating but Le Tout Paris is about 20,000 people, and always has been. I think a greater proportion of the London public goes to the theatre than the Paris public.

**Q107 Michael Fabricant:** You mentioned those plutocrats earlier on, and the plutocrat, I suppose, now is the Arts Council. The Independent Theatres Council have said, "Well, pretty much their budget is for a small number of major theatres"—including, presumably, the National—"and it freezes out other smaller theatres who might be able to put on innovative productions if only they were given access to the funding." Do you think that is true?

*Mr Hytner:* I do not think it is true. I think there are individual smaller theatres who you probably could argue should be given greater subsidy, but I think there is a whole network of very vibrant small theatres in London doing what they should be doing. The National is generously, heavily subsidised and, since the building went up (three theatres operating 52 weeks a year, operating permanently at full capacity), it has been more or less accepted that to achieve that kind of critical mass, to achieve an institution which will always survive the vicissitudes of individual directors and the inevitable ups and downs that any repertory theatre suffers, the kind of subsidy that we receive is essential.

**Q108 Michael Fabricant:** You have talked about ways that the National raises money and comparisons are sometimes given with other events. I wonder, have you explored fully the possibility of televising—therefore, making available to the general public who cannot come to your theatre, and, at the same time, raising revenue—productions that you put on, at the end of a run and making them available, obviously, for a charge?

*Mr Hytner:* We have explored the possibility and we have on occasion managed to achieve a deal. To televise effectively a theatre production is never entirely satisfactory. There are a number of ways of doing it but to televise it effectively requires a partnership with a film or television company who can see in what we are doing commercial possibilities. And it is an expensive business. The best examples, I feel, have always been re-emergent to a degree: taken into a studio and made into proper television. Simply turning cameras on live theatre has always been unsatisfactory, and we continue to investigate ways of making it more satisfactory.

**Q109 Chairman:** Could I follow up Michael's question on that. Do the same problems to which you have referred with regard to televising productions apply to DVDs? I know you do CDs of musicals, but is the expense such that it is difficult for you to do DVDs of some of your productions?

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**Mr Hytner:** It would be way beyond our means. We would not be able to do it within our budget. Somebody has to be convinced that by doing it properly there is money to be made.

**Q110 Michael Fabricant:** My final question—a little bit oblique, but no harm in asking it—is this: the West End commercial theatre has requested £250 million recently, as you know, of public money to refurbish their theatres and make them more acceptable in the 21<sup>st</sup> century—even to have a little bit of air conditioning. What do you think of that?

**Mr Hytner:** If there were a way of ensuring that the commercial theatres were accountable to those who provided the £250 million, I think it is a sensible request.

**Q111 Alan Keen:** Good morning. How do you balance the need to be sustainable within the subsidy and the money raised and providing the type of productions that you get the subsidies in order to provide which maybe do not bring in as many people? What criteria do you have for that?

**Mr Hytner:** We are quite well set up in our three auditoria to be able to do that because we can—and I think must—put the riskiest shows (the ones about which we are least confident as far as attracting people to buy tickets are concerned) into our 300-seat auditorium. We produce six or seven almost exclusively new, and, if not new, so forgotten as to seem new, plays—or now we are excited about producing the kind of theatre which does not even start with words on a page—in our small auditorium, where the risks are less extreme. We have found, though, over the last couple of years, that conventional wisdom about the kind of show “you can be sure of” was past its sell-by date. The subsidised theatre had convinced itself that every now and then—and the every now and the started to become quite lot more every now and then—it was necessary to produce blatantly commercial shows, old Broadway musicals, shows that 25 years ago would have been done in the West End. We convinced ourselves it was necessary to do those because those shows are the shows about which we could be confident in box office terms. Every now and then I do think the subsidised theatre should have a look at the great commercial shows of the past and see whether there is something new to be rediscovered in them, but I do not believe we should be doing them because we need to do them to look after our bottom-line. We discovered that by stating openly that we are, as it were, returning to our more idealistic roots, we have been very successful at the box office. Shows in which we had almost lost confidence in box office terms have been among some of our most successful shows over the last couple of years. It is partly to do with the fact that we have matched them with a ticket price which was attractive to a public which maybe had stopped coming—I think, had stopped coming—but it is partly because presented boldly, attractively, accessibly, excitably, there is a much greater range and a much more challenging range of theatre that a large public is up for seeing.

**Mr Starr:** If I may I add to that, I think it is also worth saying that a great deal of the complexity and the cost of the National Theatre is bound up in the fact that it operates a rep system, and it is this rep system which allows us to compose a repertoire which has a kind of interesting texture to it but also allows us pragmatically to balance risk and caution together. That is something which the National Theatre has almost uniquely, and it is something which, if you can get it to work, does actually pay great dividends in terms of being able to take risks and not to have to play too many safe choices.

**Q112 Chairman:** Would you say that there is a distinction or there is not a distinction between, on the one hand, doing things like *Lady in the Dark* or *Anything Goes*, which you almost certainly would not get a chance to see if the National was not doing them, and *Oklahoma*, *Carousel* and *South Pacific*, which practically any amateur operatic society is doing?

**Mr Hytner:** There is plainly a distinction between the kind of show that does and does not get done by amateur societies, but I do not think there is any reason why the National should not occasionally do shows which are enormously popular and well-known if we have something new to say about them, if there is a way that we can do them that nobody else is up to doing. Amateur theatre companies up and down the country are constantly producing the works of Shakespeare. When we do Shakespeare, we hope to do it in a way that amateur companies cannot.

**Q113 Alan Keen:** I am sure you have your hands full running the National, and you do it extremely well, but what if I were to say I would like to you to have some formal links with other theatres in London—and I am talking from my own point of view. In the London Borough of Hounslow, not in my constituency but in the other half of the borough, we have two small theatres: the Watermans Arts Centre and the Paul Robeson Theatre. They are not fully used. It is impossible, because, as soon as the revenue reduces, then costs have to be cut and it is a downward spiral. Should there not be some formal links to help to use those theatres, to help you and also to help those theatres in outer London?

**Mr Hytner:** There are various links we have, not permanently but on a developing, evolving production-by-production basis, with theatres all over the country. We are co-producing now with all sorts of companies. We are co-producing with the Royal Exchange Theatre in Manchester; we are involved in a co-production with Birmingham Repertory theatre; with some of the smaller fringe companies; we have a longstanding relationship with Complicity, with companies like Improbable Theatre; we are going to be working with DV8 Dance Company this year. I think it is an important part of our work, that involves other companies in what we do. I am not sure that I would see why we would be establishing formal links with other buildings. The National Theatre is very much associated with its premises on the South Bank. We

tour from it, but my interest, I think our interest, is much more in involving companies from all sorts of different disciplines and from the rest of the country in the life of the National Theatre building.

**Q114 Alan Keen:** The reason I am asking is because you have already said it is an advantage to you to have three production units in the one theatre. It gives flexibility. I am not saying that you would be able to handle it, because I said when I started that your hands must be completely full, to produce with this skill and everything else that you do, but should there be somebody else in London, funded by the Arts Council, to try to link with some of the other London theatres in order to get the best out of the whole flexibility that lies out there for theatres that are not being used fully that maybe could be? Is anybody looking at that sort of thing?—not you personally but anybody else.

**Mr Hytner:** Not in terms of formal, permanent links, but our work does get out there, we are not just into the West End. We are about to send one of our shows to the Hampstead Theatre: Antony Sher's adaptation of the Primo Levi memoir which we simply ran out of space for. Under those circumstances, yes, it is good to send our work out, but I am not sure what would be served by it. It works both ways, actually, as Nick has just reminded me. We have now a formal but very vibrant thing with Battersea Arts Centre: work that starts at Battersea Arts Centre finds its way into the National Theatre. And obviously I am out the whole time seeing who is working at these smaller theatres, because the focus is on developing companies and artists rather than on filling buildings.

**Q115 Alan Keen:** Do not think that I am asking you these questions because I think you should be going out and doing more than you are doing. I think it is more efficient if you look after the wonderful centre that you look after so well. But should there not be other people thinking about the links and trying to see ways of filling these other theatres which do not run to their full capacity all the time?

**Mr Hytner:** It is an interesting thought and it probably should be thought about. I am not sure what we would be able to do—what could be taken from us.

**Q116 Alan Keen:** No, I was not asking from the point of view of you being a representative from the National but as a person from the theatre.

**Mr Hytner:** It is an interesting thought.

**Q117 Alan Keen:** One of the things we learned last week is that there is a little bit of discontent from the amateurs saying they did not really get the help they should get. It would not be the National that should give it, but they were not happy that there seemed to be that strong dividing line between the professional theatre and the amateurs, as if no one should overstep that mark. That seems a shame to me—and I am not, again, talking from the National point of view but from the point of view of you as theatre people.

**Mr Starr:** I think it might be worth mentioning that we had a collaboration with a tiny company, and then unfunded company, called Shunt, who took over 17,000 square feet, I think, underneath London Bridge Station. The collaboration took the form not of our giving them any money or technical support or actors or anything normal that you might expect the National Theatre to do, but of sort of mentoring them. In fact they got help from us in administration, fund-raising and marketing. We ended up selling it through our box office—which actually is one of the most valuable things you can do for a small company, needing to pay otherwise quite large ticket commissions. I think it might also be worth mentioning now in relation to the amateurs, the programme that the education department at the National has run for seven years called Shell Connections.

**Mr Hytner:** Yes. Shell Connections is one of the most exciting things we do. It involves our education department commissioning 10 short plays between 45 minutes and an hour long. They are then collected into a portfolio and ultimately published. The plays are sent to youth theatres and school theatres all over the country, hundreds of them. All these groups choose one of the ten plays, all brand new plays. There are then festivals all over the country, regional festivals, focused on a network of regional theatres, in which all the groups get to perform their productions of the play they have chosen. I think 12 to 15 of the groups ultimately spend a week at the National Theatre performing each of the plays, and some of the plays have two separate productions. So 12 to 15 youth groups perform at the National, every year, brand new plays. It is exciting for them. It is very exciting for us. Our entire company loves that week when it happens. The Cottesloe Theatre is taken over by them entirely and for a couple of nights the Olivier Theatre, our biggest auditorium, is taken over by youth groups for whom we have commissioned new plays. That feels very alive, very vibrant, and it works both ways. And these things only work when they work both ways. This is not just about giving something to the kids; this has enlivened and inspired major established playwrights. Patrick Marber, who is one of the truly original and successful playwrights of the younger generation, wrote a play for Connections last year, and it kind of got him going again: he was a bit stuck. It was artistically extremely valuable to him. I think that is what we are always looking for. The performing arts only really work when the artist is fulfilled and satisfied artistically in what he or she is doing. They do not work when they are asked, as it were, to provide a service. That is not what artists do. They do that but the service has to be a function of their inspiration.

**Chairman:** Could I mention to the remaining colleagues who want to ask questions, of whom there are four, that we are on a tight timetable, even though the witnesses are so extraordinarily interesting.

**Q118 Mr Doran:** I would like to look at a couple of practical issues. One of your hallmarks at the National has been the Travelex scheme, the subsidy

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for the audience, effectively. It is fascinating to see the figures in improvement in attendances. I think you said in the first year you had 50,000 new members of the audience, and that was replicated in the second season. It has clearly been a success for you. Do you think there are any lessons for the commercial theatre, particularly the London theatres?

**Mr Hytner:** I have to say, before I start, that I would not know how to be a commercial producer. I think it is an extraordinarily challenging and difficult job to do and I think that an awful lot of the expectations that are invested in commercial theatre are dodgy. I think they are required, particularly by the press, to be all sorts of things that really they should not need to worry about. I say that simply before I start. The one thing I do think we have discovered is that there is something enormously attractive to an audience about being told, “We will be offering you work at the highest quality for the lowest possible price” up front. I think an audience is much more excited by that than it is by the range of cut-price/special offers/individually tailored marketing initiatives that emerge after a show has opened. I think there is something that a public mistrusts in a ticket that is cheaper than it should have been in the first place. It seems to me—it is just instinct—that the public knows that when a ticket is being offered for half price, something has gone wrong with the show. What maybe all show-business, performing arts people could take from this is that the offer is a better offer if it is made boldly, upfront, and the audience knows the reason for it. One of the important features about the £10 season is that it was not just a cut-price ticket scheme; there was a creative imperative to it as well. We had this whopping great theatre with this huge great stage and I had become convinced that this huge great stage only worked if a huge amount of money was spent on filling it with the full spectacular works or if it was stripped right back and offered as a metaphorical space, as an amphitheatre, in the way that the Greek amphitheatres were offered: essentially, the play, the story, actors, lights and the audience. We saved a lot of money on what we spent on the shows, not just because we wanted to save money but because from experience as a director of plays, not just as a director for theatre, I knew that that theatre worked best with nothing or with everything. I think somehow the public understood that. They understand that when they come to that season they are going to be getting great actors, terrific plays and their ticket is cheap because we want them to come. We are not going to be fussed about giving them all the bells and whistles of the physical production. They got that.

**Q119 Mr Doran:** You offered them cut-price tickets but there was a philosophy attached to it.

**Mr Hytner:** Yes.

**Q120 Mr Doran:** I can understand that. But if you look at the rest of the world that we live in we have cut-price airlines, cut-price everything—and we are talking about theatre that is operating in the

commercial market when we look at the West End. We were given a list of lowest and highest ticket prices in the West End and the highest lowest-ticket-price seems to be the Dominion: £42.10, which is three times your cheapest price of around about £13. I know the Dominion concentrates mainly on very expensive musicals, so I can understand why their prices would be higher as a commercial theatre, but that does not operate as an incentive. A family going to see a show at the Dominion would have to take out a second mortgage, practically. We are hearing complaints about theatres not attracting the right size of audiences, there are empty seats going begging, and nobody seems to have the commercial nous to attack that in the way that you have.

**Mr Hytner:** We do start with the advantage of subsidy.

**Mr Starr:** The other thing we have is that we can make totally our own decisions. We are producers and theatre owners together—the West End is a much, much more complicated picture, as no doubt our colleagues behind us will tell you in due course—so we could make one coherent decision, talk to the Arts Council about it, talk to Travelex and our board about it and launch and do it and take the risk. It has paid off. We used the subsidy to underwrite the risk, then we did not actually need to call on the subsidy. But trying to put that kind of corporate position together in the West End would be enormously difficult.

**Q121 Mr Doran:** You have not said anything in your submission to us about your outreach work and community work. You have mentioned the Connections week that you have. Certainly, when we visited the National a few years ago, that was presented to us as a very important part of your work. I would be interested to hear a little of how that is progressing and how important it is to you.

**Mr Hytner:** It remains extremely important. Connections is one of the most visible parts of it. Our education department is one of our most active and vigorous departments. We spend £3 million on it. That work spreads over a wide variety of activities. Obviously, one of the things they do is to work with schools on the shows that are being presented in our main houses, on study days, workshop days, to make those shows accessible and understandable to schools. But they also go out into schools. Only last week I was at a school in Elephant and Castle watching a show that had been written specifically for a schools’ tour by our education department and it was a terrific experience: a play about three young lads in a detention centre, written by Roy Williams, who is one of the most exciting of the young generation of playwrights, being played to 300 girls, adolescent girls, who started off hysterical and giggly and within five minutes were completely gripped and were getting a really tough, hard-hitting story. The education department is also involved in a partnership with the Albany Empire—following up on a previous question—in Deptford. We do a lot of it. As you know, these are activities that have evolved over the last couple of decades. We fund raise actively and specifically for our education

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work, but, essentially, educational activities have been taken on by all performing arts groups in the years since the core grant was kind of set. It is something that we have taken on. It is expected of us—I think we are glad it is expected of us—but it is something to which we have chosen to divert subsidy.

**Q122 Mr Doran:** My colleague Michael Fabricant questioned you on the £250 million which has been estimated as the bill for bringing up to standard the West End theatres. Part of your response was there should be some accountability.

**Mr Hytner:** Yes.

**Q123 Mr Doran:** Do you see the sort of work you are doing at the National and outreach and community work as being part of that accountability for the commercial theatre if they were given the money?

**Mr Hytner:** I think there is quite a lot of educational work that some of the commercial managements now do. I am sure that if £250 million of public money were given to the commercial theatres you would be very well equipped to say what you expected in return.

**Mr Doran:** A very political answer. Thank you.

**Q124 Chris Bryant:** Could we get some figures on the record. How much subsidy have you received for this year?

**Mr Hytner:** £15.8 million.

**Q125 Chris Bryant:** And next year's? Do you know?

**Mr Hytner:** £16 . . . .

**Mr Starr:** £16.5 million.

**Q126 Chris Bryant:** There was a bit of a howl before Christmas, was there not, when the figures were announced for the Arts Council and lots of people were saying that museums are getting the money and theatres are not getting enough over the next few years? Do you think that is fair?

**Mr Hytner:** We did not expect or feel we deserved a huge raise. I think we were disappointed that a commitment was not made to us to keep up with inflation. Cash standstill—and there is a certain amount of disagreement about whether it is cash standstill, by the way, and I think the confusion started when, at the last spending round announcement, nobody quite knows yet what it is going to be—cash standstill is effectively a cut. And a cut seems to us to be a mistake. It is worth saying this: the raises over the last five years, the commitment by the Government to bring us back up to where we were before all the cuts of the eighties and nineties did their damage, has been enormously helpful. Now that we have been brought back there, I do not think we think we have a particular right to expect massive raises, but it has been not just the increases in the last five years but the certainty, the way we have been able to plan in three-year cycles, that has enabled us to revitalise. As you probably know, that revitalisation has been even more dramatic outside of London, in the regions, where £25 million extra was specifically diverted. I

mentioned Birmingham Rep earlier. The Birmingham Rep story is more dramatic than the National's success story: 100% rise in audiences at Birmingham Rep, infinitely more exciting work, directly attributable to the raising of grants. Our concern is that if we are having now to start cutting back again to what we were worried about, to be worried from year to year about whether we are going to be able to match what we did the year before, we would be approaching the kind of really damaging situation we had through the late eighties and nineties. That is our concern.

**Q127 Chris Bryant:** How much do you pay the tax man on VAT every year on theatre tickets? Do you know?

**Mr Starr:** We budget year-on-year about box office around £12 million or £13 million, so we pay 17.5% on that.

**Q128 Chris Bryant:** So I'll have to work it out. That's fine.

**Mr Starr:** Until we are culturally exempt.

**Q129 Chris Bryant:** I guess that is where my question was going. Booking fees: quite a lot of people resent deeply the fact that when you have to buy a theatre ticket in most of the West End you buy your ticket and then on top of it there is at least £3 if not £7 or £15 or £25 in addition to pay just for the privilege of getting the ticket that you thought you were buying anyway. What is the situation at the National?

**Mr Starr:** The situation is that, in West End terms, it is an "inside commission"; that is, we bear all the costs of staffing and running our box office and a £10 ticket is charged at £10: that's what it is.

**Mr Hytner:** There are no booking fees of any kind.

**Q130 Chris Bryant:** What do you think about that booking fee irritation? Because, if you are saying there is a feeling that there must be something wrong with the show if suddenly they are selling two tickets for the price of one, there is another inverted problem about: It is £45, but, actually, it is not, it is £60.

**Mr Hytner:** We have the tremendous advantage, as Nick said earlier, of being in charge of every aspect of our operation: we are not dependent on ticket sales agencies; we own our own building; we are entirely in control of our own box office. How we would cope if elements of our operation were outsourced, I have no idea, but we have no intention of doing it.

**Q131 Chris Bryant:** This is a slightly more philosophical question, in a way. When we went to the Royal Shakespeare Company a couple of years ago, Cicely Berry did some voice exercises with us and she felt quite strongly that acting has changed, that actors have changed, partly because, in the last 40 years, much of their income will have come from radio or television rather than necessarily from the theatre. Do you think that is true? Is acting changing?

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**Mr Hytner:** Yes, and audiences' expectations have changed. It is one of our big challenges. Our flagship auditorium, the Olivier, was I think conceived in an age where heroic acting was the norm—it was not just the norm, it was what audiences expected and thrilled to. Over the years since that auditorium was conceived—conceived for Laurence Olivier himself, I suspect, centre stage, doing what Laurence Olivier used to do—audiences have started to expect acting much more naturalistically, much more naturally, much more like the acting they see on the television. It is therefore doubly difficult for actors convincingly to fill the Olivier and to embrace 1,000 people at a time, without the audience thinking, “That’s hammy.” It is an interesting challenge and it is a challenge which many, many actors are well up to, but it is undoubtedly the case that styles of acting change and what constitutes truthful evolves from generation to generation.

**Q132 Chris Bryant:** Has there been an accompanying change in audiences? Last time I went to the National there was a woman sitting next to me who talked throughout the whole production, a running commentary on every single aspect of the play.

**Mr Hytner:** I can remember when I was a kid, when I was visiting London, going to matinees where all the old ladies talked all the way through. When a show runs a long time—our current production of *The History Boys* by Alan Bennett is now knocking its 200<sup>th</sup> performance—audiences start coming who do not come to the theatre that often and then it is interesting. Those audiences are less accustomed to the conventions of an evening in the theatre. It is another thing the actors have to take on board, and they do.

**Q133 Chairman:** One change, it seems to me, Mr Hytner, is in deteriorating standards of voice projection, perhaps because so many actors work such a lot on television. I went, not long ago, to see your play at the Cottesloe about the football fans in the pub. I went with a friend and her two nieces, teenage girls. At the end of it my friend said to them, “How much of that could you hear?” and one of them said, “Well, I think 60%.”

**Mr Hytner:** Deteriorating standards of voice projection? It is a: “Yes, but . . .” If you were transported back in time and saw the productions you saw when you were a teenager, my hunch is you would find them stagy, hammy, over-done. That is why I think modern actors have a problem. They have this problem too: kids who do not . . . anybody who does not go to the theatre very often but goes to the movies a lot, becomes accustomed to highly amplified sound. The movie experience is to sit back and let it come to you. One of the reasons why the big, big West End musicals of the eighties were so successful is because the experience was enormously . . . I am not going to say “In y’face,” but the experience came to you, you did not have to go to it. The theatre, I think, has always required a degree of sitting forward, a degree of agreement to participate, to listen very carefully. I am not here

excusing sloppy diction, sloppy voice projection. You are right, there is more of it than there was, and the drama schools are now, I think perfectly understandably, as much concerned with preparing their students for a life in which most of their living will be made on television and in films, so there is probably less attention given to the kind of voice work that we need at the National than there was. But I think audiences have also changed. To ask an audience to work a bit is a tougher ask than it used to be.

**Q134 Mr Hawkins:** I was lucky enough, with a number of colleagues from both parts of the House but not on this Committee, to have a back-stage tour of the National last year during the time you were doing *His Dark Materials*, and I was very impressed with what was being done to attract new audiences, particularly youngsters. And in your evidence you have stressed the high proportion of your audience that are, as it were, first-time theatregoers. One of the issues which interests me is this: given all the good work that is done with theatre and education—you have mentioned the Shell Connections thing and all the work that your education department does—is there a danger that we somehow lose the children who have become interested in drama through their schools, when they become young adults, or is the National able to say that a lot of your new audiences actually come in from young adults and do an age breakdown to analyse that at all?

**Mr Hytner:** We work hard at the young adults. We do think we are doing pretty well. We have all the appropriate price concessions for students, and, obviously, school kids, through our education department, come in really quite reasonably. For our education groups I think all tickets cost £8.

**Mr Starr:** £9.

**Mr Hytner:** That £9, though, for a lot of kids, is a tough ask, and we have been in conversations with the DFES about whether some help could be coming from there as well. Keeping them when they are young adults, funnily enough, is less of a problem, I think, than keeping them when they are a little bit older than young adults and they have kids and need babysitters—the whole family issue. That is a tougher nut to crack. But I think it is probably the same in all branches of the entertainment business.

**Q135 Mr Hawkins:** Thank you. In a lot of the evidence that has been given to us as a Committee, comparisons have been made between what happens in terms of theatre and what happens in terms of sport, especially football. One of the differences, of course, is that theatre does not have any kind of lucrative broadcasting deal. Has any thought been given to the idea of all your shows perhaps being able to be broadcast at the end of their run? Or is there a rights issue? Or is there simply no appetite for it, other than for the most controversial of things that have achieved, as it were, a wider notoriety than most productions? Is there any thought as to how the National might bring in more income from broadcasting deals?

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**Mr Hytner:** It is a constant conversation. I think most of the time it appears that cost outweighs the commercial benefit.

**Mr Starr:** I think it is worth saying that it probably bifurcates into two groups. There is the group of things which actually take, effectively take, public subsidy to put on the television. For instance, Kwame Kwei-Armah's play, *Elmina's Kitchen*, at the end of its run, we gave its cassette out to the BBC and BBC4 filmed it—which is terrific; they actually get rather a large audience, in their terms. Once in a while, there is an *Amadeus* or a *George III*—probably every 10 years—which truly becomes a commercial proposition and truly earns the theatre money—and, in the case of *Amadeus*, on a long-term basis. But really that group is a very small group which achieves a kind of commercial lift-off.

**Q136 Ms Shipley:** One of the very great things about the National, apart from its wonderful buildings—Denys Lasdun, yes?

**Mr Hytner:** Yes, it is.

**Q137 Ms Shipley:** I like its concrete and its form because it allows you to do what you have clearly done. When you say the life of the National Theatre buildings, I take it to mean the three theatres, all the foyer space, the exhibition space, the cafés, the bits outside, the bits on the roof, everything. When I go to the National Theatre it is not actually to go to the theatre any more. It used to be, but now it is to go to the bits of space and the stuff that is going on in them. I think that is tremendous, absolutely fantastic. It should be replicated across the country and, sadly, is not. I said in the evidence here the other week that the regional theatres do not come anywhere close. My experience of going to most theatres is crowded foyers; maybe I go and have a drink, maybe I do not bother because it is so crowded. The production might be nice; it might not—but let's say it is. I come out, queue to go to the loo—which is one thing you have not sorted out enough yet at the National, but never mind, if you are a woman—crush to get to the bar—there is probably a warm glass of white wine that has been put on order for you sitting somewhere—the second half of the production and then you go home. At the National Theatre you have the foyer events; you have the exhibitions that are going on; in my case, you end up picnicking with a load of children in the corner and nobody turfs you out. It's lovely. There is all sorts of stuff going on and all sorts of people coming and going in what feels like a very safe environment. Now, that model, I want to know, is it self-financing, the theatre bits apart? All the other stuff that is going on, is it self-financing through the bars and the cafés? Is it that you have to finance that space anyway, so why not make use of it? Or does it cost you quite a lot to do that?

**Mr Hytner:** The activities do all cost quite a lot. Do we know the degree to which the activities bring people into spend money in the bars and the coffee bars? I do not think we know that. We spend a lot on animating the foyers, and our outdoor street festival in the summer, which is part sponsored by

Bloomberg, does cost a lot, but that is money which we really feel we have to and want to spend, and we are about to spend a great deal more on improving and animating the exterior of the building which has been something of a bug-bear of mine. We are also, I am glad to say, about to spend £1 million on re-doing the ladies' lavatories.

**Q138 Ms Shipley:** It is not a joke, though—

**Mr Hytner:** No, absolutely.

**Q139 Ms Shipley:**—because if you miss out on a lot of the theatre experience because you are queuing, that is miserable.

**Mr Hytner:** Absolutely not.

**Q140 Ms Shipley:** Okay, you now get the female vote for your theatre.

**Mr Hytner:** They are 25 years old, apparently.

**Q141 Ms Shipley:** I am really trying to get at your successful model of animating the whole theatre experience and space and building, and keeping it open for the maximum amount of time doing stuff, any sort of stuff. Is that replicable without massive expense? On the smaller scale, I was putting the argument that perhaps regional theatres could not afford the professionals that you put on in the foyer space, but they could make it available to amateurs to put on things really quite cheaply. They could allow picnics to happen and make it more friendly, they could put on more exhibitions. More could be done of the model you have without massive expense.

**Mr Hytner:** Without massive expense, I do not know. Different buildings provide different challenges, but, I agree with you, our experience is that it is something that is massively worthwhile. We are very fortunate, I completely agree with you, about the building. It used to be much knocked. Sometime, mysteriously, over the last 10/15 years the needle swung the other way and I think it is now a building which is loved. People like going there. Those who briefed Denys Lasdun were the great theatre professionals of the sixties, so a hell of a lot of it is designed to make the theatregoing experience and the theatre-making experience very easy. We are very lucky in that respect.

**Q142 Ms Shipley:** I think so too. I missed out on visiting your educational department and backstage and things—so you might like to invite me again, please.

**Mr Hytner:** We certainly will.

**Chairman:** The last question.

**Q143 Ms Shipley:** The other thing you do very well is marketing, I think. I think you could actually offer outwards the way the whole place is branded in the first place, in the way I have just described, which I think is part of the total branding, and then the overall marketing of what the total theatre experience is and is about, which I think is about creativity and thinking in its widest possible sense. I think that is what you offer and I think that is what



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you are marketing in the widest sense. I think that again is something that the regional theatres, the little theatres and what-have-you should be able to pick up on. You know, we pay a lot of money for you to develop that model, right, you have got that model, and that is the thing I think you should be transferring outwards. Is there any way that you could actually feasibly do that or is it really that the theatres themselves have to identify and take what they have got? Do you see what I am saying?

**Mr Hytner:** My experience is that theatre marketers do talk to each other, and that slowly things change and there are different ways found of identifying the people who would be most interested in what we are doing and in getting the message—

**Q144 Ms Shipley:** No, creating the interest in people—not identifying but actually creating it in the first place.

**Mr Hytner:** I think a lot is to do with individual talent. We are very fortunate to have an extraordinarily talented head of marketing.

**Ms Shipley:** Thank you, Chairman.

**Q145 Chairman:** One self-indulgent question: among the many pleasures and satisfactions I have had in my visits to the National is the Sondheim you do. Is there any chance of your doing *Bounce*?

**Mr Hytner:** It is not currently on the cards, but our relationship with Stephen Sondheim is excellent. We talk to him the whole time and his entire *oeuvre* is always under consideration.

**Chairman:** You should be sitting here, with an answer like that. Thank you very much indeed.

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**Memorandum submitted by the Society of London Theatre and  
Theatrical Management Association**

1. This is a joint submission of evidence from the Society of London Theatre (SoLT) and the Theatrical Management Association (TMA) as a contribution to the Committee's inquiry into the nature and adequacy of public support for theatre in Britain.

**BACKGROUND**

2. SoLT and TMA are trade associations representing the interests of those engaged in the production and presentation of medium- to large-scale dramatic and lyric theatre in the UK. (The interests of small to medium scale theatre are represented by the Independent Theatre Council, which we understand to be making a separate submission).

3. SoLT represents members based in London as defined by the London postal districts. TMA represents members throughout the UK. The two organisations are run from a joint office with a largely shared staff.

4. Although SoLT is commonly thought of as representing only commercial theatre and TMA as representing only subsidised theatre, the facts are otherwise. Membership of SoLT extends also to all major subsidised organisations in London (including the four great lyric and dramatic national companies, producing theatre companies from Wimbledon Theatre to the Theatre Royal Stratford East and from the Tricycle in Kilburn to Greenwich Theatre and venues such as Sadlers Wells and the Barbican Centre). Membership of TMA includes also commercially run theatre venues throughout the UK as well as a large number of commercial producing companies and all the major producers.

5. Enclosed are the most recent annual reports of both organisations, which indicate the extent and range of their work.

**THE SUBMISSION**

6. The remainder of this submission is in three parts. The first addresses some of the factual background to the issues which the Committee has indicated that it wishes to consider. The second concerns the short- to medium-term future funding prospects for the subsidised sector. The third draws attention to recent developments with regard to the capital needs of commercial theatre buildings in London's West End.

**FACTS AND FIGURES**

(a) *Attendances*

7. SoLT collects comprehensive production and attendance statistics for all theatres represented in membership.

8. Attendances in London are running at +/- 12 million a year, of which about 10 million are attributable to the commercial sector. Towards the end of 2004 there were a number of alarmist press reports suggesting that attendances were in serious decline. These had no substance in fact. While there are of course always short-term fluctuations in attendance reflecting the success or otherwise of the particular productions on

offer at a particular time, the year as a whole ended very strongly, not least given the successful opening of major musicals at three of our biggest theatres. Although final figures for the year will not be available for another two to three weeks, our best estimate is that 2004 will prove to have been the equal of 2003 and one of the best years on record. Enclosed is the latest available published box office data report, for the calendar year 2003.

9. Figures for attendances in the rest of the UK are less comprehensive, partly reflecting the devolution of responsibility for funding the arts to Scotland, Wales and Northern Ireland, and partly the fact that no one organisation covers the whole of what is a very diverse pattern of venues and producers. However, in the latest period for which figures are available, attendance reported by TMA members across the UK were broadly stable at some 6.5 million a year. Total attendances across the whole theatre economy will have been very considerably higher.

(b) *Audience Profile and Response*

10. Reliable data in these areas depend upon in-depth venue-related surveys which, by their nature, can be conducted only on an occasional basis. The TMA does not undertake such surveys. SoLT does so at intervals of 4-5 years. The most recent SoLT survey was undertaken by MORI in 2003-04. Enclosed is a copy of the subsequently published report, *The West End Theatre Audience*. Among the key findings of the report are:

- 37% of the current audience is drawn from London, 36% from the rest of the UK and 28% from overseas;
- of the visitors to London, 42% cite theatre as the main reason for their visit and a further 36% as a fairly important factor in their visit;
- 92% of the total audience rate their visit as either very good or fairly good in terms of enjoyment;
- 80% rate their visit as either very good or fairly good in terms of value for money;
- 73% of the audience has an income of less than £40,000 a year;
- those surveyed indicated that they were personally spending £116.30 per head on average because of their theatre visit.

(c) *Economic Impact of Theatre*

11. Surveys of this kind provide a necessary tool in assessing the economic impact of the theatre sector.

12. Following on from the previous West end audience survey in 1997, SoLT commissioned from Tony Travers of the LSE a study of the economic impact of London's West End Theatres. Among the key findings of the resulting report, known as *The Wyndham Report*, published in 1998, were:

- the total economic impact of West End theatre on the UK economy in 1997 was some £1.1 billion;
- West End theatre-goers spent £433 million on restaurants, hotels, transport and merchandise;
- West End theatre generated tax revenue of over £200 million and contributed a £225 million surplus to the UK's balance of payments;
- 41,000 jobs depend on West End theatre, 27,000 directly and 14,000 indirectly.

Regretfully, copies of the report are now available only in photocopy. A copy in that format is enclosed.

13. The more up-to-date data yielded by the 2003 MORI survey imply that the current headline figure for the total economic impact of West End theatre should be revised upwards to approaching £1.5 billion.

14. In 2003, Arts Council England, SoLT, TMA and ITC came together to commission from Professor Dominic Shellard of the University of Sheffield a new study of the economic impact of theatre across England as a whole. The Arts Council England submission will no doubt give a detailed account of his subsequent report, published in May 2004.

15. Professor Shellard's "headline" conclusion is that theatre activity outside London has an overall economic impact of £1.1 billion annually. Taking this together with the figure of £1.5 billion for West End theatre gives a total figure of £2.6 billion for the economic impact of theatre across the UK. Alongside this must be set the total amount of public subsidy for theatre (excluding lyric theatre) from the four UK Arts Councils, which is currently little more than £120 million a year.

16. These various studies and surveys demonstrate beyond doubt the huge significance of an industry which, in economic terms, punches far beyond its weight. That significance is felt not only in terms of the national economy, but no less importantly also to the local and regional catchment areas of individual theatres up and down the country. Within London in particular, it would be hard to overestimate the importance of West End theatre to the central London Boroughs of the City of Westminster and Camden.

*(d) Relationships Between Subsidised and Commercial Theatre*

17. The heading for this section is taken from the title of a book by Robert Cogo-Fawcett commissioned and published by Arts Council England in July 2003. We assume that the Arts Council will itself supply the Committee with a copy.

18. The relationship between subsidised and commercial theatre has strong historical roots and is today perhaps stronger than ever. What one might call the most traditional arrangement is the situation in which a subsidised theatre company mounts a production which subsequently attracts the interest of a commercial producer who then arranges and raises finance for a transfer into a commercial West End theatre or a commercial tour.

19. Though such arrangements continue, there is now a much wider variety of “deals” struck between commercial and subsidised producers. To give just three examples, a commercial producer may share the origination costs of a subsidised company’s production with the intention from the outset that it should transfer to the West End or go on commercial (or partly subsidised) tour to other venues outside London; a commercial management may choose to ‘sponsor’ a subsidised production in return for an option on its transfer to the West End should it prove to have commercial potential; or a commercial producer may share the costs of commissioning a new play in the interest of developing a relationship with the writer for the future.

20. All such arrangements have advantages for both parties. For the subsidised company, they may allow for higher production values and stronger casting; they may offer the opportunity for far longer and greater exposure for a successful production that would otherwise have to close in accordance with predetermined seasonal requirements; they can greatly enhance the national profile of a regional company; and of course they can provide a continuing income stream from the proceeds of commercial “exploitation”. For the commercial producer and his or her investors, one of the most important benefits is that they offer an opportunity to assess a production’s commercial potential before committing to it the very considerable additional costs involved in a West End transfer.

21. In 2003, 21 productions originating in the subsidised sector were seen in London’s West End. At the time of writing, six productions originated by subsidised companies are enjoying commercial presentation in West End theatres. These include one of the West End’s longest running shows, *Les Misérables*, which was originated by the Royal Shakespeare Company and is now presented commercially not only in London but across the world. In addition, the Royal Shakespeare Company is itself presenting at The Albery theatre a season of Shakespearean tragedies and at the Playhouse Theatre a season under the title *The Spanish Golden Age*, both of which originated at Stratford.

22. In this context, the Committee may be interested to note too the activities of Stage One (the operating title of the charity registered as the Theatre Investment Fund Ltd), which has among its objects the support and training of commercial theatre producers. With funding from Arts Council England and major support from both SoLT and TMA, Stage One runs seminars and workshops on commercial theatre production and also offers bursaries to trainee producers. All these are available to individuals from both the subsidised and the commercial sectors. In 2004, 90 people attended seminars, 20 attended workshops and 17 bursaries were awarded.

*(e) The West End Out of London*

23. Apart from co-productions with subsidised theatre, the West End has a much more direct relationship with theatre provision across the UK. Several commercially produced West End shows are commercially toured before they come into the West End. A considerably greater number are toured after a successful West End showing. To date, no-one has collected statistical data on this.

24. For the purpose of this submission, SoLT has undertaken a quick survey of its commercial producing Members. The results indicate that, for the year ending August 2004, West End-related touring amounted to 562 weeks in total and played to an estimated 2,640,000 people. These are minimum figures. The actual total will be somewhat higher.

25. The number of touring weeks provided would be sufficient to fill eleven regional theatres 52 weeks a year. Given that they are widely dispersed around the country, it is reasonable to estimate that they sustain some 50 regional theatres, for which such productions make the difference between viability and non-viability over a 12 month period. The out-of-London audience reached, added to the out-of-London audience attracted into the West End amounts to some seven million a year.

26. The Wyndham Report took no account of the economic impact of such touring in the UK regions.

## FUTURE FUNDING PROSPECTS FOR SUBSIDISED THEATRE

27. The information given above combines to indicate a theatre industry with very considerable economic and cultural importance, reaching out to the furthest parts of the United Kingdom. All this is sustained on a modest base of public subsidy. By the standards of western continental Europe, it is indeed a uniquely low level of subsidy.

28. Through much of the 1990s, subsidised theatre was subjected to a severe process of attrition. The demands made on it grew to embrace the provision of educational and other outreach/community work. Audience expectations of production standards rose inexorably. Marketing costs increased in the face of growing competition for people's leisure time. Subsidy levels failed to keep pace. The consequences were all too evident—depressed salary levels for artists and most people employed in the theatre and theatrical companies; fewer and smaller productions with less and less rehearsal time; an increasing concentration on two- and three-handed plays; less risk-taking, particularly in the commissioning and presentation of new work; and growing financial deficits as managements tried to maintain artistic standards with inadequate resources.

29. In 2000 the then Arts Council of England commissioned and published what became known as the Boyden report, which adduced firm evidence of the problems being faced and argued forcefully for the injection of a significant increase in the real levels of funding for theatre. Partly in consequence, the then Arts Council Chairman, Gerry Robinson, and Secretary of State for Culture, Media and Sport, Rt Hon Chris Smith, succeeded in persuading Downing Street and the Treasury that something had to be done to reverse these trends. The 2002 spending review led to an uplift in funding for theatre of £25 million over two years. There were real terms increases too for lyric companies. All this came as a huge and necessary relief to the performing arts sector. Although both the Arts Council and the DCMS acknowledged that more would need to be done in succeeding years, it seemed that years of decline were at last beginning to be reversed.

30. The additional monies have been well used. The range and quality of work offered has significantly improved. It has again been possible for major repertory theatre companies to produce work across the whole of the repertoire, including plays requiring larger casts. New work has begun to move beyond the confines of the studio theatres and onto the main stages of the main regional companies. There has been a palpable improvement in the quality of both aspiration and achievement. Managements have been able to make progress in addressing the chronic problem of low pay within the industry, as illustrated in the TMA's most recently negotiated agreement with Equity. Not least important, the sector as a whole has begun to recover its confidence and morale.

31. Against this very positive background, the industry as a whole was dismayed by the DCMS's announcement before Christmas of a freeze in future funding for Arts Council England over the period to 2008. This view is shared equally by SoLT and TMA, by the Independent Theatre Council and by the three entertainment trade unions (being Equity, the Musicians Union and BECTU). For the first time in their history, all six organisations came together to sign a joint letter to *The Times* expressing their concern.

32. We are aware of differences of interpretation between DCMS and the Arts Council as to the precise implications of the freeze. These are to say the least unhelpful. Some outsiders have sought to apportion blame for such a negative outcome of the public spending review more heavily in one direction rather than another. We do not wish to engage in such argument.

33. Our concerns are straightforwardly practical. Whatever recriminations may be bandied about, whatever the fine print may reveal in due course, it must be abundantly clear that, should the eventual outcome be a freeze in funding for theatre (both dramatic and lyric) over the next few years, it is bound to throw recent progress into reverse. Within the space of a very few years, subsidised theatre will have moved from Stop to Go and back to Stop. No-one can plan sensibly on such a basis—not the Arts Council, not the performing arts sector as a whole, and certainly not individual arts organisations.

34. Had the freeze been announced in a period of general economic retrenchment, with cuts in government spending across the board, its implications would have been no less serious, but at least one would have been able to understand the reasons for it. As it is, it comes at a time when the economy is healthy and overall public expenditure is rising. One is bound then to ask what is the justification for requiring Arts Council England to make economies which are of negligible significance within the wider framework of public expenditure. The "savings" it will have to find represent no more than the smallest loose change in the pocket of the Exchequer. They will inflict major damage on the Theatre sector, and may put at risk its undoubted and disproportionately beneficial impact on the wider economy.

35. Before moving on, we should make clear that these observations are addressed only to the situation in England, in accordance with what we understand to be the Committee's remit. The Committee will no doubt be aware that subsidised performing arts organisations in Scotland, Wales and Northern Ireland derived no benefit from Arts Council England's Theatre Review monies nor have they enjoyed any equivalent increase in their own national funding levels. The current position in the devolved nations is necessarily a matter of continuing concern to trade associations which have a UK-wide remit.

#### THE CAPITAL NEEDS OF COMMERCIAL THEATRE BUILDINGS IN LONDON

36. The Committee indicates a wish to consider "progress with significant (re)development projects as may be brought to its attention". In this context we draw attention specifically to the enclosed report on modernising London's West End theatres published by The Theatres Trust in October 2003 under the title *Act Now!*

37. The report was the outcome of a two-year survey of the current fabric of West End theatres. It concludes that a major programme of renovation and adaptation is necessary to ensure that theatre-going remains attractive to the next generation and beyond; and it estimates that a total of £250 million (at 2003 prices) will need to be spent over a period of some 15 years.

38. The report also summarises the conclusions of an independent study commissioned by The Theatres Trust into the economics of theatre ownership. The study demonstrates that, despite its wider economic impact, commercial theatre operates on very tight margins of profitability. Moreover, the extent to which the industry can develop its capital assets is seriously constrained by planning/user restrictions and by the fact that all but a handful of West End theatres are protected by listed building status.

39. As Act Now! concludes, there is no prospect of the industry's being able to find from its normal operating profits the full £250 million which The Theatres Trust identifies as necessary. While the industry will of course do all it can, there is, as the report says: "no alternative but to look to Government or other outside agencies for some kind of matching assistance."

40. Sir Cameron Mackintosh's recent refurbishment of the Prince of Wales theatre demonstrates what can be achieved. At the same time it illustrates the severity of the economic constraints faced by theatre owners. Sir Cameron spent some £8 million of his own money on the refurbishment, not as an investment decision but as an act of personal philanthropy. Despite this expenditure, the market value of the building is thought now to be little if any more than it was before the improvements.

41. In May 2004, the Secretary of State and Minister of State convened a seminar with members of the Society and other potentially interested parties with a view to finding a way forward on the issues identified in the Act Now! Report. SoLT and The Theatres Trust are now represented on a DCMS Working Group to pursue the matter in detail.

42. For its own part, SoLT has been working on the assumption that the theatre industry will need to find a way of contributing half the estimated total capital programme (ie £125 million over 15 years or so); and we are confident that we will be able to do this. We are working on the assumption that the balance of the £125 million may be forthcoming over the same time period from a consortium of cultural, heritage and economic interests.

43. If a package can indeed be put together, SoLT would envisage establishing a new independent charity for the receipt and disbursement of funds. We also envisage that all grants made should be made subject to the charity's taking a lien on the theatre buildings concerned to be exercised in the event that they should ever cease to be used for theatrical purposes.

44. We very much hope that the Working Group will be able to identify an agreed solution, at least in outline, within the next few months.

#### CONCLUSION

45. The subsidised and commercial sectors of theatre enjoy an increasingly close inter-relationship marked by a wide range of collaborations. When each is in rude health, the other benefits both directly and indirectly. But when one sector sneezes, the other tends to catch a cold.

46. The commercial sector has a strong interest in a subsidised sector that is robust, confident and adequately funded for the production and presentation of top quality theatre. Equally, the subsidised sector has a strong interest in a commercial sector that can provide an extended life for its best work in a theatrical setting that fully reflects the increasingly sophisticated expectations of contemporary audiences. That both should flourish is not only culturally desirable but also essential to the nation's economy.

47. We hope that the above submission may both serve to underline the timeliness and significance of the Committee's present inquiry and represent a helpful contribution to its conclusions in due course.

January 2005

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*Witnesses:* **Mr Richard Pulford**, Chief Executive, Society of London Theatre and Theatrical Management Association, **Sir Stephen Waley-Cohen**, President, Society of London Theatre, and **Mr Derek Nicholls**, President, Theatrical Management Association, examined.

**Chairman:** Gentlemen, welcome. You must be feeling very pleased with yourselves in the light of the latest statistics which have been published.

**Q146 Mr Hawkins:** As the Chairman has said, it has been a couple of days of really quite positive publicity for the West End which I am sure we all celebrate. One of the points that you make to us, which is repeatedly made, is the contribution of

West End theatre to the UK's tourism earnings, particularly London's and the south-east's tourism earnings, but, nevertheless, there is clearly a need for the refurbishment of a lot of West End theatres and the issue is where that money is going to come from. To what extent do you feel that there might be some scope for some of the money to come from sources other than the taxpayer, as it were, in terms of the companies that operate hotels and that kind of thing? What thoughts do you have to give us in terms

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of the priority that West End theatre should have for this money as against other parts of the arts and heritage estate, as it were?

**Sir Stephen Waley-Cohen:** I think that we think that the West End should have a reasonably high priority, recognising that the subsidised sector has already received substantial sums through the Lottery schemes of the last several years. We have not explored, because we feel it would be totally unproductive, the prospects of other commercial enterprises, such as hotels and restaurants, actually contributing to the modernisation of these great, old buildings. Can I take the opportunity with this question to correct what was said several times in the earlier questioning, that the cost estimated by the Theatres Trust of fixing the West End, bringing it into the 21<sup>st</sup> Century, is £250 million. At no stage has anyone suggested that public sources should provide the whole of that. I think that our hope is that it may be found possible that half of that would come from a variety of public sources.

**Mr Pulford:** Perhaps I could just add also that it is not our intention, although of course if anybody were to make an offer it would be very agreeable, that it should come from Exchequer funds.

**Q147 Mr Hawkins:** That is helpful. In terms of the scope for self-help in this regard in following the example that Cameron Macintosh has given, what do you say about that—more scope for self-help?

**Sir Stephen Waley-Cohen:** Well, we are expecting self-help to provide at least half. I think it is fair to say that already the industry is spending a small number of millions every year in modernisation improvements as opposed to just maintenance. We do expect the industry to have to provide more from its own pockets theatre by theatre and theatre-owning group by theatre-owning group, but we are also expecting the theatre industry as a whole to have to devise schemes, which we are quite far down the road with really, to find over 15 years, because it is a long-term plan, the half of the money that we are not looking for from public and non-Exchequer sources. We think it is going to be multi-layering, multi-sourcing, quite complex in a sense, gathering that money and then distributing it in ways which achieve the objective.

**Q148 Chris Bryant:** You said “not the Exchequer”. I presume that you mean by that, therefore, the Lottery?

**Mr Pulford:** We are talking to the Arts Council about that and Lottery funding, we are also talking to HLF, the Heritage Lottery Fund, and also having discussions with the London Development Agency. Those are the three bodies that we are particularly talking to.

**Q149 Chris Bryant:** Well, this Committee has fought quite hard on the issue of how Lottery funding gets used. For the ordinary person who buys their Lottery ticket in Wigan or Glasgow or wherever, what are they going to get out of the fact that

£125 million of their money which they thought was going to a good cause is going to go to a commercial theatre?

**Sir Stephen Waley-Cohen:** I think that they would say, if they were asked and if they were in possession of all the arguments and all the facts, that the West End theatre is a remarkable, historic collection of buildings which you could not recreate today and if you lose them, you could not recreate them at all, that they provide very substantial economic benefits, quite apart from their arts and theatre benefits, both to London and to the country as a whole, as figures produced by both The Wyndham Report and a more recent Arts Council report show. They would, if they studied the report prepared by the Theatres Trust, recognise that the industry simply does not have the financial resources to bring these buildings into the modern era without support, and I believe they would recognise, as many commentators from a wide variety of places have done, that this would be a justifiable use of Lottery and other resources.

**Chris Bryant:** Having read the report, and we referred to it quite a lot in last week’s hearings, it seems as if actually the best thing to do would be to have more regular fires in theatres because then they would automatically get done up! You talk about the economic benefits. I can see on the basis of the economic benefits that there is a strong argument for saying that the Exchequer should pay because this is about London’s economy, this is about bringing tourists into the country. An extraordinarily high percentage of, in particular, American tourists coming to the UK—

**Chairman:** And Japanese.

**Q150 Chris Bryant:** Yes, Japanese, as the Chairman interjects, tourists cite it as one of their reasons for coming to Britain, but that seems an argument for the Exchequer, not the Lottery.

**Mr Pulford:** If I could make an observation, it seems to me that, as we have indicated in our evidence, the West End’s reach is an awful lot wider than some people think. I was talking the other day to a man called John Stalker who runs the festival theatres in Edinburgh and I asked him the simple question, “If you had no West End product available in Edinburgh, what would happen to your theatre?”, and he said it would shut, so the reach of the West End goes far beyond the physical confines of the geographical district.

**Q151 Chris Bryant:** Well, that is an even stronger argument for it being the Exchequer rather than the Lottery.

**Mr Pulford:** Well, it is not up to us to say whether the Lottery should have a capital fund or not. That is not a reasonable thing for us, I think, to take a view about. The Lottery is there, there is a capital fund. I was for a time on the Board of the Royal Court Theatre when it was undergoing its rebuilding and the cost of rebuilding the Royal Court was in fact £50,000 a seat. We are looking in the West End at a cost very, very, very much lower than that and what we are saying is that if that was reasonable, and we would not for a moment dispute that it was an

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appropriate way to spend money, then we feel there is a reasonable case in all the circumstances for giving London's commercial theatres some element of that kind of support, not to put it into commercial pockets, let me say, because we are proposing that the money should be spent through a charity so that if ever they ceased to be used for theatre purposes, that money would go back, so it would be protected.

**Q152 Chris Bryant:** Incidentally, Nick Hawkins referred earlier to the figures that came out in the last couple of days of theatre attendances, but we have not put them on the record, so perhaps you would just like to tell us how wrong last year's newspapers were when they kept on predicting dire figures.

**Sir Stephen Waley-Cohen:** Last year was the second best year ever for attendance in the West End at just below 12 million and it was the highest year ever for sales of tickets in the West End at just over £300 million.

**Mr Pulford:** Just over £340 million.

**Sir Stephen Waley-Cohen:** And for the first time the VAT on tickets, including the figure we heard from the National just now, exceeded £50 million, so there might be an argument for the Exchequer giving something back, but our guidance from within government, which I suppose is principally from within DCMS, is that it is more realistic to approach the three sources that Richard Pulford has mentioned.

**Q153 Chris Bryant:** Can I ask then about booking fees. You were sitting behind when I was asking questions of the National Theatre. Explain the process whereby somebody buys a ticket which is advertised as being £40 or whatever and then on top of that they have to pay a booking fee which often seems quite substantial.

**Sir Stephen Waley-Cohen:** I think you have to divide ticket-selling into two groups, which indeed the OFT report of a week or two ago did, what they called "primary" and "secondary". I would like to leave aside the secondary sources which are the people who have bought the ticket and are reselling it at a profit for themselves, people with no direct connection to the event for which they are buying the ticket, and the vast majority of complaints and grumbles did in fact relate to those secondary sources. The primary sources again divide into two. One is the venues themselves and the other is the ticket agent network of distribution. You can, even for every West End event, buy a ticket without a charge of any kind extra on the ticket if you go to the box office yourself. At some theatres, if you telephone the box office, there is no extra charge. At some theatres—

**Chris Bryant:** Which? I am sorry, that is an unfair question in a way, but I would be amazed to know that.

**Q154 Chairman:** I was about to ask you, consequent on what Chris Bryant has been questioning you about, what is the additional cost of processing a booking by phone than by somebody presenting themselves at the box office? In many ways, the time

consumed is less because if you telephone, your chances of actually choosing the seat you want to sit in are a great deal less than if you present yourself at the window of the box office. However, if you are telling Chris Bryant and, therefore, the Committee that some theatres actually charge a booking fee to people presenting themselves at the box office, in that case those theatres are telling a lie, are they not, about the price of the ticket? The price of the ticket is really what is on the ticket plus the booking fee and that is the price of the ticket. Frankly, it is a rip-off, is it not, an absolute rip-off?

**Sir Stephen Waley-Cohen:** If there is no way of buying the ticket at the price advertised, clearly that is wrong. I am not aware in the theatre industry of anywhere where it is impossible to buy the ticket at the price advertised. I know that you are seeing representatives of the principal theatre owners and we are here as the society, the trade association and I am sure you will press them on these points and on such issues as what the actual cost is, as you have just asked.

**Q155 Michael Fabricant:** Just to follow on from that, you made the distinction between primary and secondary sales, but let's call a spade a spade. The secondary sales are the ticket touts who buy these tickets and then sell them on, as you say, remote from the actual theatre themselves and make their profit. Why can the theatres not have a rule that they do not sell large numbers of tickets to individuals who turn up either at the ticket office or telephone or however they get them because if you only sold, I do not know, three or four tickets, whatever a family group would be, the ticket tout business surely would collapse, or am I naïve?

**Sir Stephen Waley-Cohen:** I am afraid you are naïve. When we have a hit show, they give people a bundle of cash to go and buy four tickets because we do try and impose those kinds of controls to prevent tickets getting into the hands of touts, but it is impossible.

**Michael Fabricant:** Let me now get to the meat of what I really wanted to ask you about which is back again to the funding issue, and thank you very much for clarifying that we are talking more about £120 million rather than £250 million. It is an interesting coincidence, by the way, because of course the Lottery gave £120 million to the Wembley Stadium, very much based in London, and it turns out that there are fewer seats for ordinary punters than we were all led to believe, but that is another story.

**Chairman:** In addition to which, no dual use, the basis of which the £125 million was awarded.

**Q156 Michael Fabricant:** Absolutely right. If you were to receive £120 million, what conditions would you be prepared to accept and what could you offer those people in Wigan and all the other places that Chris Bryant mentioned, even Lichfield, in the form of a sort of payback, not just in that which will benefit London, but that which will benefit outlying areas? For example, could there be some sort of outreach programme?

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**Sir Stephen Waley-Cohen:** The most important condition which has been already mentioned is that in the event that the theatre ever stopped being a theatre, then the money would have to be paid back because that money will be to modernise theatres and make them better able to meet modern expectations of today's audiences. Bigger seats, better sightlines, better heating and cooling comfort, better lavatory provision, including female lavatory provision—

**Q157 Ms Shipley:** Good! I tell you, the females of the country will be so pleased!

**Sir Stephen Waley-Cohen:** All of those things actually mean fewer seats and fewer seats mean that on those happy occasions when you have a really big hit which is when a theatre can make good profits, you will not do as well because there are fewer seats. It will mean that when people come from Wigan or elsewhere outside London, they will benefit.

**Q158 Michael Fabricant:** I perfectly accept the case that the seats are uncomfortable at times. I have lost over a stone, I sometimes think, just sitting in one production through the sheer volume of sweat that has exuded because of the heat in the theatre! When you have a very popular production, like, for example, *The Producers*, which I have singularly been unable to get tickets for so far, do you think people actually worry about issues like the seats or whatever? If you go off Broadway or even on Broadway, you end up with maybe three toilets for men and women for an entire theatre.

**Mr Pulford:** I think there are some people who do not worry, that is absolutely right, but what we are about is maximising audiences for the future and we need to get to those people who do worry about those things. We are in a competitive position, I am sorry to express it this way, in relation to institutions like the National Theatre which has infinitely better facilities than most West End theatres have been able to offer. It is the imbalance that we need to redress so that we can be confident of continuing to attract audiences and those for whom the fact that it is swelteringly hot in the auditorium actually makes their experience less appealing.

**Michael Fabricant:** We have talked about the obligation as in the provision of outreach, but what about the obligation of the sort of production that is put on in the commercial theatre? There are very, very few sort of straight plays at the moment in the West End.

**Q159 Chairman:** And very few certainly straight, new plays.

**Sir Stephen Waley-Cohen:** I do not really accept that. There are 30 maybe, I have not counted in the last week or two, plays in the commercial West End of which a number are certainly brand new. Some of them unfortunately do not succeed. One of the facts is that it is very difficult to put on a new play commercially and have a success with it and that makes producers nervous of doing it. It is one of the reasons why they try to attach to such plays megastars wherever from. I think that to attach a

condition of the kind of product that should be presented would be extremely difficult. I think if you were to say to a theatre, "You must never do musicals", you would, for example, then certainly not have the likes of the small musical that is in what used to be called the Whitehall Theatre because you would certainly have said to that theatre, "You've got to do plays", so I think that any suggestion of controlling what is presented would be a great pity.

**Q160 Michael Fabricant:** In your discussions with the Lottery, or maybe you have not had discussions yet, and presumably not the Heritage Lottery Fund, but possibly the Arts Council for England, have they said, "We would like to apply conditions, if we were to give you money, as to the sort of production that would be put on", and how would that balance with the fact that at the end of the day you are commercial theatre?

**Mr Pulford:** They have not so far raised that issue with us and, for the reasons Sir Stephen has given, I think there would be very real difficulties if they did. Could I just point out that the West End is not comprised of buildings which interchange between musicals and plays. There are 21 playhouses in the West End and they are all full.

**Q161 Michael Fabricant:** And how many are putting on modern plays at the moment, new plays?

**Mr Pulford:** I would need to do a count and let you know. I think I might also just mention, just picking up on the reference made by Nicholas Hytner earlier on, the forgotten, older play. I think *Journeys End* is a very good case in point of a play which was, to many people, a surprise, as it were, which was brought out of retirement and has done exceptionally well, running in the West End for a year which is almost unheard of.

**Sir Stephen Waley-Cohen:** I would like, having no connection to *Journeys End*, to say that I understand that more than half its audience throughout its long run has been school pupils and other young people, and I think that that does happen from time to time. It is a play which has great relevance to the fact that most history studies include the First and Second Wars and the period in between and I think it is terrific that so many young people have been to see that. I have to say that, by contrast with the lady who spoke throughout, certainly, and twice I have seen it, their behaviour was impeccable.

**Q162 Michael Fabricant:** Do you think there is scope, just following on from that answer, for more productions in the morning or an afternoon, and it may not be technically easy to do, but maybe a different production from that being shown in the evening, to appeal to schoolchildren and those taking exams?

**Sir Stephen Waley-Cohen:** Not all productions have the physical possibility of having a different production also presented at a different time of day. In one of the theatres for which I am responsible we have done that in the past where a production for very young children, I suppose about seven to 10, that sort of age group, was presented with minimal



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set really in front of the existing production where I think we had 10 and 12 o'clock performances and all school groups. That went very well, but it takes quite an innovative theatre producer to come up with that concept and market it successfully.

**Q163 Mr Doran:** In the case for public funding, because we have to see the Lottery as public funding, of the refurbishment of the West End theatres, I can understand the broad economics of it, that the theatre attracts business and people into the country, tourists spend money, et cetera, but when you look at it crudely, and I was thinking about this recently when we saw the news items about Sir Andrew Lloyd-Webber's theatres possibly coming on to the market, there does not seem to be any shortage of potential buyers. If we are talking about a true marketplace, that then suggests that there are people out there willing to invest in theatres, so why do you need public money?

**Sir Stephen Waley-Cohen:** Experience shows that they are willing to invest in the theatre, but they then find that the economics of bringing them truly into the 21<sup>st</sup> Century as opposed to just refurbishing, and a lick of paint—

**Q164 Mr Doran:** What about *caveat emptor*?

**Sir Stephen Waley-Cohen:** It is a fair point, but I think we also have to look at the broader interests that if we do not bring our theatres up to modern audience expectations, what we will see over a number of years, and it may be a number of decades, will be a very serious decline in the provision of theatrical entertainment in London. I think that we would be the poorer for it economically and spiritually if that did happen, if it declined to non-existence.

**Q165 Mr Doran:** Some of my colleagues have already raised the issue, but if there is to be public investment, what is the return for the public—obviously improved fabric of the building and perhaps improved attraction, particularly to London? If you look or if you contrast, for example, the National Theatre, which is heavily publicly subsidised, with the rest of the London theatres, there are some quite distinct gaps in the levels of provision, and access is one which was raised earlier by Michael Fabricant, for example. In your negotiations with the various bodies you have referred to, have you proposals to improve access to the London theatres as part of this programme?

**Sir Stephen Waley-Cohen:** When you say "access", do you mean—

**Q166 Mr Doran:** Commercial theatres seem only to be available, open and accessible when plays are being shown, whereas I can walk across the National at any time, get a cup of coffee and wander around the bookshops.

**Sir Stephen Waley-Cohen:** A number of West End theatres have tried, though I am not sure if anyone is doing it at the moment, opening their bars and adding food provision during the day as well as earlier in the evening before the show, but given

where they physically are located, quite apart from the physical constraints of the buildings themselves, there is a huge amount of competition immediately adjacent. About 10 years ago we tried to do that in a beautiful old theatre. We ran a lunchtime wine bar in one of the bars and we were very unsuccessful, probably we were not very good at it, but the fact is also that there were within a quarter of a mile over 1,000 competitors. That does not apply to the National Theatre. The space in those West End theatres does not make it very easy to offer decent facilities.

**Q167 Mr Doran:** So that is unlikely to be on the table?

**Sir Stephen Waley-Cohen:** That is not likely to be on the table because the funds will be to make sure that these work for the long term as theatres.

**Q168 Mr Doran:** What about pricing? You heard about Nicholas Hytner's strategy and philosophy behind that. That seems to be easily applied to other commercial areas.

**Sir Stephen Waley-Cohen:** He was good enough to say that it was not easily applied in the West End, which is much more complex, as he said, than where they control the building, the pricing and the box office and where they are also the producers. If you want to see a play in the West End or a musical in the West End when it is new, then you probably have to pay the full price. There are lots of tickets in the West End available through all kinds of pricing schemes for all, but the smash hit new shows, and *The Producers* was mentioned, *The Producers* will be available much more cheaply in a year or two years, just as in its tenth year *Cats*, which had been a very expensive new show, now 25 years ago, you could buy tickets extremely cheaply for *Cats* in the last year or two before it came to an end. There are lots of cheap tickets. Our own Society of London Theatre's TKTS, half-price ticket booth in Leicester Square, sells half a million tickets a year at half price.

**Q169 Mr Doran:** Are these last-minute deals?

**Sir Stephen Waley-Cohen:** On the day. There are other, not on the day, half-price ticket schemes that producers of shows who need the business are offering and because they go on offering, I think we could reasonably assume that, just as for the National, they do increase the overall take beyond what it would be if it was not so. I do not have the figures with me, but if we look at our annual figures for the industry, whilst the top price for a play may be £36 or £40 and the top price for a musical £45 or £50, the average price paid for tickets across the year is a long way below that, and that reflects both the provision of cheaper seats further back in the auditorium and the discounts on the more expensive seats as well.

**Mr Pulford:** Can I say that I am sorry to disagree with Mr Hytner, but he suggested that people think if they are getting a ticket cheap in the West End that there is something wrong with the show or it has gone wrong in some way. I have to say, in my experience, the West End theatre audiences are

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actually fairly sophisticated about this. They know perfectly well that on Mondays and Tuesdays there are going to be more seats available than there are on Fridays and Saturdays in any theatre for any show even fairly near the beginning of its run and they make use of the half-price ticket period on those occasions. They know perfectly well too that at this particular time of year the theatre is, by tradition, going through a lull in terms of attendances and that is why at this time of year we have a promotion which we run jointly with Mayor Livingstone, Get Into London Theatre, where tickets for a whole range of shows, some of which have not been on that long, are available at half price and sometimes even less, so I think the audience is fairly sophisticated and it is by no means the case that a cheap ticket means a show that has been on too long and has lost its legs.

**Q170 Mr Doran:** Nicholas Hytner mentioned accountability if you do receive public funds. What would you accept as proper accountability from the commercial theatres if public money were provided?

**Sir Stephen Waley-Cohen:** We are suggesting in the discussions we are having with DCMS, and through them with the three possible funding bodies, that all the money should go through a specially created charity whose board would have representatives of those funding bodies. We are suggesting that a significant part of the total cost—

**Q171 Mr Doran:**—Sorry, how would that operate; there would be sort of trust fund, a charity set up and commercial theatres would make bids to the charity?

**Sir Stephen Waley-Cohen:** Yes, exactly so. As the industry is expected to provide half the money they are expecting to have a reasonable representation on that charity but so are the other providers of funds, and I think they would ensure accountability not in terms of what shows are put on but in terms of the proper use of that money.

**Q172 Mr Doran:** Certainly I took from what Nicholas said as not just accountability about the money (we are talking about public money so we would expect that anyway) but in the service which would subsequently be provided by the improved theatres to the public. For example, when I was talking to Nicholas we talked about the National's outreach and education work. Are you thinking in these sorts of territories?

**Mr Pulford:** This is something of course we would be prepared to consider if that is what the people who are providing the funds want us to look at. I just want to make one very important point. The reason why the National Theatre is in a position, like all subsidised theatres, to mount an extensive outreach programme and does so with enthusiasm and enormous success is because they are funded over a consistent period. If you look at the people who put on West End shows, the individual producers, some of them are literally a one-man band and they spend all their time and effort in trying to get a show on. They may have next to no staff during that period. One of most prolific producers in the West End,

Michael Codron, has been a producer for 50 years, and in terms of his production activities routinely has two staff in his office. So the context for developing community outreach work and educational work is much more complex in the commercial theatre. That is not, as it were, an excuse. Some of the shows which have been running a long time where there is a build-up of resources have benefited very consistently from education programmes and other kinds of outreach programme. Sir Stephen is closely associated with the Mousetrap Foundation which provides a range of opportunities for young people from all over London and beyond to come to the theatre at reduced prices. There are initiatives but at the same time there are necessary limits on what individual producers with limited resources can achieve. But insofar as the Society can bring together the total resources of the industry and look and see what it can do by way of developing audiences (in the most positive sense of that word) for theatre, of course we are very happy to look at it.

**Mr Nicholls:** I am not here to speak for West End theatre as President of the Theatrical Management Association; I am here representing theatres that are not in the West End. However, I work for an organisation called the Ambassador Theatre Group which is a major West End theatre owner and manager and indeed producer at a rather different end of the scale from Michael Codron to whom Richard has referred there, and Ambassador Theatre Group, although operating completely as a commercial company, has an education department with an education manager and regularly mounts education activities in connection with the shows that it either produces or presents in the West End, and *Journey's End* would be an example.

**Q173 Ms Shipley:** That leads nicely on to what I want to put to you. If you were here earlier you would have got an inkling that I think going to many theatres is a tedious experience. I am not discussing the actual production but actually going to the theatre is a tedious experience and one that I think seriously has to be changed. If you attract public money I would like to suggest some ways that maybe the two can be linked. I would attach a condition to production so that what you choose to produce is what you produce but I would like to attach a condition of community relationships, and by that I do not mean outreach; I am going to invent something new called "inreach". I want to see that theatre space fully utilised and developed for the community. I appreciate the stage is difficult but you yourself have said minimal set productions are possible. I would like to see minimal set productions, the building up of a relationship with particular amateur theatre groups for example, or small theatre companies for example with whom you have a working relationship, who advocate health and safety regulations and they know what they are, where they can put on minimal set productions in front of the actual productions, maybe taking up the morning space, maybe then attracting schools in. So inreach—bringing them in. When you say you tried

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food provision and bars and there is huge competition, you had the wrong product. That is not the thing you should be putting on there. You should be putting on smaller scale entertainment, book readings, poetry readings, stilt walking, juggling, puppetry and the food and bar around it so people are not coming to the food and bar; they are coming to the entertainment opportunities and they drink and they eat in your space. So an inreach programme. You say that the little bits you have done are innovative and marketing is crucial. Do you have completely rubbish marketing people that they could not do that? I put it to you if you have they ought to be got rid of because it is so easy to market the sort of thing I have just suggested. There is a great big desire for it. What we do not want is a boring going to the theatre experience. Would anybody like to comment?

**Mr Nicholls:** I would like to agree with you heartily and say that the successful theatres certainly in the regions—and I am talking from a regional standpoint here—are the ones that have embraced that kind of philosophy and there is a great deal of success around the country. Do you know West Yorkshire Playhouse for example, where you will find a theatre that effectively is built on its community roots. The theatre I run is in Bromley which is in North Kent, as you will know, and you might like to know that had you come to the opening weekend of our pantomime you could have had story telling in the foyer.

**Q174 Ms Shipley:** Had you invited me!

**Mr Nicholls:** I did not at that point know of your interest. You could have done belly dancing in the foyer. This was all in connection with the pantomime *Aladdin* and thus the eastern theme. Many of us are doing the kind of thing you are talking about and in many ways I would say in terms of buildings embracing this in the regions the most successful are the ones that have indeed embraced that philosophy.

**Q175 Ms Shipley:** Would you say it was a reasonable conditionality that I would set for public money that that sort of thing has to develop, not just the education and going to schools and sending out somebody but that whole theatrical package around the building?

**Mr Nicholls:** Again speaking from a regional perspective, where the theatres are in receipt of subsidy they will almost certainly be involved in to a greater or lesser extent activities of that kind as an obligation of grant aid, but again the physical constraints sometimes work against you because not all of the theatres have been built with the imagination of the National Theatre nor indeed of the West Yorkshire Playhouse which I mentioned.

**Q176 Ms Shipley:** I have not yet been into a theatre where it is not possible. Perhaps you would like the opportunity to answer as well.

**Mr Pulford:** I admire but I am not sure I entirely share your optimism about the audience for this kind of thing. We are talking in London, after all, of

40 theatres that are very close physically and competing with one another. That is the first thing to be said about it. I used to run the South Bank Centre and we had a very extensive programme of literary events, as I am pleased to say they still do. Very, very, very few of those events—and there was little competition when that facility opened in London— attracted an audience of more than 20 people. I think one has to be realistic about that.

**Q177 Ms Shipley:** I am being totally realistic. When I think of the Festival Hall—absolutely packed for its foyer entertainment, the shop packed, the bookshop packed, the café packed, the exhibition space well frequented, really exciting, with lots and lots of parents out there who are wanting to take their children and young people to do something in the morning up to lunch time.

**Mr Pulford:** Please do not misunderstand. I am very, very familiar with the Festival Hall and I know what comes out and indeed at what cost. You were asking a question earlier about the cost of doing this and it is a fairly high cost. If you go to the Comedy Theatre, to be quite honest, it is all you can do to get into the door off the street and one has to understand that there are very, very potent physical constraints on the great majority of West End theatres which were never constructed with this in mind. Unless you do something wholly to reconfigure the interiors it is very difficult.

**Q178 Ms Shipley:** You can put on set productions, readings.

**Sir Stephen Waley-Cohen:** While we did achieve it for a few weeks two or three years ago it is not always possible. Not every main production makes it possible. You also have to remember that while it may look as if theatres have nothing going on in them except for the four hours of the evening performance, in fact the building and the show and the set does need a certain amount of maintenance. There are understudy rehearsals that need to take place quite frequently. There is a lot goes on that is invisible because it is behind closed doors and it is behind closed doors because it is not fit to have people in while it is going on. These are all good ideas but, as the National Theatre said just before us, it does cost them quite a lot of money to do it. We have not been asking for any money to put on such things and I suspect that it would be quite costly to provide those entertainments that you have described.

**Q179 Ms Shipley:** To sum up I must say I am not surprised that you have failed when you have tried these innovations because you have no enthusiasm or intention to make them really seriously happen. I would put on record that I find it hard to understand why you should get public money if you cannot be innovative in bringing in a wider section of the public.

**Sir Stephen Waley-Cohen:** I would reject that statement. When we attempted the things we did attempt we started them with enormous enthusiasm, with tremendous optimism, and we were

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unfortunate to be proved wrong. It cost us, and I am sure others, significant sums of money in failing to achieve it. We did not do it because we thought it was a social obligation; we did it because we thought we could attract people. We failed to attract people. We did use what we thought were very good marketing people. They were not our own employees but engaged for the purpose; we were not successful. It is not as easy as you suggest and if it was we would all be doing it. I would also like to say that I think that for you to be opposed to the provision of public financial support for the modernisation of theatre buildings so that they can present theatres to audiences in conditions which meet those audiences' expectations for theatre and to tie that to the provision of quite different what you rather eloquently described as inreach activities—

**Q180 Ms Shipley:** —Inreach and a total theatre experience; two things.

**Sir Stephen Waley-Cohen:** —When in many, many cases those buildings not just the Comedy but to go round the theatres the Shaftesbury, all four theatres on Shaftesbury Avenue, the St Martin's, the Savoy, the Garrick. You simply do not have the physical space in which you could do any of those things.

**Q181 Ms Shipley:** So no chance of innovation in all these named theatres?

**Sir Stephen Waley-Cohen:** In those theatres that I have named I can think of no way of providing the total theatre experience that the National Theatre does very well.

**Q182 Ms Shipley:** And the regional theatres by the sound of it.

**Sir Stephen Waley-Cohen:** And some regional theatres which receive significant subsidy for that purpose.

**Chairman:** I do not believe you have got the tiniest social obligation of any kind. You are commercial enterprises which own theatres in order to make money out of putting on entertainment to which people go and I think that is a perfectly reputable thing to do and your latest statistics show that you are meeting a public demand. Furthermore, at the risk of a public differing with Chris Bryant, I believe, without myself passing a judgment (which I have got no need or right to do) on your application for Lottery funds it is in essence an ideal form of application since there is no chance whatever of the Treasury ever giving you this money and, that being so, it is a very good example of the additionality principle which the Treasury is ditching the whole time but on this occasion is actually observing. Nor, with reference to Mr Fabricant, do I believe that you do not have a right to Lottery money because you are in London and somebody buying a ticket in

Wigan is not in London because after all the Eden Project is in the South of Cornwall and the Lowry Theatre is in Salford and even somebody in Wigan may not wish to go to Salford, let alone to the South of Cornwall. Having placed all that on the record—  
**Chris Bryant:** Let alone going to Wigan—

**Q183 Chairman:** Actually I am very fond of Wigan. If you go to Wigan you get this George Orwell thing, the Wigan Pier Experience. I recommend that you go and have a look at it. It was also Lottery funded. With regard to the application, could I ask you, first of all, are you going to make the bid to the Heritage Lottery Fund on the ground that they are historic buildings, and some of them no doubt are listed, or are you going to do it to the Arts Council or are you going to do what my friend Felicity Goody did with the Salford and apply to every Lottery distributor in sight in the hope of winning on some of them? Secondly, would you be able to provide the matching funds?

**Sir Stephen Waley-Cohen:** We are not applying to everyone in sight that we can think of. We are talking to the Heritage Lottery Fund and the Arts Council and the London Development Agency. We are having those conversations through the medium of a working group which includes the Theatres Trust who you saw last week, the Society of London Theatres and the DCMS themselves, so this is a discussion process rather than a bid out of the cold, in which we are talking to them about how they think together we might find a way of making this possible if they agree that it should be made possible. So we are talking to them about it because the Arts Council has proper objectives in this, and we believe, for the reasons you described, the Heritage Lottery Fund has proper objectives in this and because of the economic benefits to London the LDA has proper reason to be looking at this. The matching funds? Yes, we think we can find the matching funds. We have had a large number of internal industry meetings and discussions about it and we believe that with what is already being spent, what will be spent and a couple of ways of finding some additional money, that we can find it. While we talk of £125 million from each side making up £250 million at 2003 prices, we are talking about a 15-year plus project which does mean we are talking about, I round numbers, £15 million a year, which comes down to, if all three public sources contributed equally, £2.5 million a year from each of them and £7.5 million a year from the industry. When you break it down into the smaller sums in this way it all seems more possible than it does when you think of £250 million.

**Mr Pulford:** For the record, just to confirm that all but five of the commercially operated theatres in the West End are listed buildings.

**Chairman:** Gentlemen, thank you very much indeed.

## Memorandum submitted by the Independent Theatre Council

### INDEPENDENT THEATRE COUNCIL—INTRODUCTION

ITC is the Management Association and industry lead body for over 600 performing arts organisations and practitioners. Members work in the fields of drama, dance, mime and physical theatre, opera and music theatre, puppetry and circus in both traditional (eg theatres and arts centres) and non-traditional performance spaces (eg schools, hospitals, prisons, warehouses, outdoors, community centres, boats etc).

#### *ITC members:*

- Receive £33 million per year in (UK) Arts Councils Revenue funding.
- Receive around £3 million per year in ACE grants for the arts.
- Have a joint annual turnover in excess of £75 million.
- Reach audiences of around 8 million per year.
- Employ/engage over 8,000 creative personnel per year.
- Employ around 2,500 administrative and management staff per year.
- 30% work with children and young people.
- 80% are touring companies.
- 75% commission new writing or create new work.

### OBSERVATIONS AND RECOMMENDATIONS

#### *Theatre is primarily about people not buildings*

- Writers, directors, designers and actors make theatre. Public funding should be used to support these creative individuals in developing their work.
- Theatre must reflect and work for the society it is part of, therefore public subsidy must be used to develop schemes to attract and support people from the whole, diverse community into viable careers within theatre.
- Theatre must broaden its audience in order to survive and public subsidy should be used to take theatre into communities and learn from communities. It must not be accepted as a purely white, middle-class art form anymore. Live theatre can transform people's lives—it must be made accessible to the many not the few.
- High quality work for young people, relevant and challenging to their lives must be an absolute priority for public subsidy.
- Putting people first in thinking about how public subsidy should be used in theatre will ensure greater value for money and better development of the art form. Buildings do not create or inspire great art, they do not develop people or enrich their lives—they just cost a huge amount of money and hamper the art form. Already most of the emphasis on theatre funding has centred on supporting buildings—it's time to change direction to ensure a vibrant future for live performing arts.

#### *Build on the success of the ACE theatre review*

- The theatre review stabilised the regional rep theatres and put some welcome new investment into the independent sector. This created a mood of optimism and buoyancy, which has enabled the sector to be more innovative, risk-taking and challenging. The quality of and reach of the work has improved particularly in young peoples theatre, rural touring and social inclusion work.
- The momentum must be maintained and more emphasis placed on funding to encourage and support new and emerging artists. It is still extremely difficult for new practitioners and companies to get a foot on the funding ladder, which means that much new talent is wasted while a log jam of mediocre, revenue funded Arts Council clients hang onto their funding. The question many ITC members ask us is “How good do you have to be before you can get Arts Council funding and how bad do you have to be before they will cut you?” The sad answer to the former is “blindingly brilliant and you still won't get funded” and to the latter “ill-managed, criminal, haven't produced a good piece of work for five years—apply for stabilisation, have a consultant for six months!”
- The majority of ITC members are touring companies so their public funding goes directly into production costs, employing performers, commissioning writers and other creative professionals, outreach and community work. They tend to achieve a lot with a little and the benefits of their work are seen directly on stage by a very diverse audience some of whom have never experienced live theatre before. Over the past three years the independent theatre sector has been flourishing. 80 of our members received new revenue funding or significant funding uplifts from the ACE

theatre review and ITC is currently in the process of conducting (with Equity) research into the impact of this new money on the sector (results will be available in March). At this stage we can provide a few examples:

*Action Transport*

A young peoples theatre company based in Cheshire received £75K ACE funding in 2002–03, put on three productions, provided 99 actor/weeks of work. In 2004–05 their ACE funding had increased to £131K (it enabled them to lever in Community Fund support—their turnover in this year was over £300K) they created six productions (each production reaches over 5,000 young people), providing 149 actor/weeks, started working internationally and employed an associate writer to work with the company developing new work in particular working with local young writers who received the opportunity to see their work from “page to stage” with professional performers. Most importantly theatre review money enabled the company to improve the quality of their work and reach a far greater audience of young people.

*Eastern Angles*

A rural touring company based in Ipswich taking high quality theatre to community audiences who seldom see professional theatre. ACE theatre review increased their funding by 50% enabling them to mount two extra productions per year, doubled the number of actor weeks and enhanced the quality of the work.

*Oily Cart*

A London-based company who produce work for very young children and young people with profound multiple learning disabilities. Theatre review money has enabled them to learn more about the needs of their audience, target the work so that it has maximum impact (ie working with audiences of two young people at a time in hydro therapy pools).

- None of these companies could create the work they do without public subsidy. They have direct impact on their communities and are good value for money and produce high quality work—but they cannot rely on earned income to fully support their work.

*Young Peoples Theatre is “brilliant” because*

- It has a direct value and impact because it often travels to where children and young people are—their schools, youth clubs and communities.
- It stimulates their imaginations and can assist their learning and development.
- Much of the work is at the cutting-edge of British theatre because it is imaginative, innovative, highly skilled (It has to be, young audiences don’t take prisoners!) and directly relevant to the needs and concerns of its audience.
- It also provides entertainment and experiences that the family can enjoy together. The work of leading writers such as Phillip Pullman and David Almond is produced by children’s theatre companies and enjoyed by children and adults alike.

*The relationship between subsidised and commercial theatre*

- Excellent new work tends to be born and thrive in the independent sector. Public subsidy is vital to the commissioning of new writers, experimentation and engagement with communities to inform the work.
- The majority of this work does not need to be presented in London’s West End to reach its audiences or to achieve success. Where this work does transfer to the West End it is seldom the originating artists or company that benefits from the profile or profits. Though there is a relationship between the two sectors there is currently no level-playing field, which leads to exploitation by the commercial producers and lack of room for the work to develop.
- There is much complaint by the commercial sector of being unable to compete with subsidised theatre. This is not an argument for subsidising the commercial sector but for being clearer on the uses of public money in the subsidised sector. Eg It is probably not appropriate for the National Theatre to be producing musicals and competing with London’s West End.
- In the smaller scale there are serious concerns about small commercial companies undercutting the subsidised companies and taking low-quality work into schools and damaging the reputation of young peoples theatre.

*The performance of the Arts Council*

- The Arts Council has a clear set of ambitions and priorities for the arts, which ITC whole-heartedly supports (cultural diversity, artists, young people, growth in resources for the arts)—hard to argue with these in fact.

- The problem for the wider theatre sector is that the Arts Council has a portfolio of funded organisations and a relatively small pot of money for grants for the arts. It is hard to implement change strategy when all the funds are tied up and there is little room for manoeuvre. As we have said it is sometimes perceived that ACE is not sufficiently pro-active in losing low-performing clients and not quick enough at recognising and rewarding success in new practitioners.
- The “light touch” of the Arts Council is rightly appreciated by clients empowering and enabling companies to explore and experiment. We would not be looking for greater levels of monitoring and regulation but more bravery in decision-making by ACE.
- If the Arts Council has the right, high-quality staff and advisory panels why does it need to use so many expensive consultants? This practice lowers their credibility and raises unhelpful questions of wasting public money. The Arts Council does fund some excellent work well and offers appropriate and effective support—that is what it does best. The sector is less convinced by its self-styled “arts development agency” role.

Annex

## WHAT ITC DOES

*ITC provides:*

- Management and legal advice (over 1,800 advice calls per year).
- Short course training (60 per year to around 550 participants).
- In-house courses (to around 1,200 participants).
- Advocacy and representation.
- Union agreed standard terms and conditions (around 120 members are full-approved managers).
- Networking events (around 350 participants per year).
- Information and website.
- Publications and help sheets.
- Criminal Records Bureau disclosure service.
- Incorporation and Charitable Status registration service.
- Mediation and dispute resolution.

*ITC current projects:*

- Fast Track Black and Minority Ethnic Management Training programme (30 participants per year).
- Next level BME Continuing Professional Development forum (120 members).
- Trainer Training.
- Action-learning sets.
- Performing Arts International Development Advisory scheme.
- Young Peoples Theatre development project.

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*Witnesses: Ms Charlotte Jones, Chief Executive, Mr Gavin Stride, Chair, and Mr Roger Lang, YPT Co-ordinator, Independent Theatre Council, examined.*

**Chairman:** Lady and gentlemen, thank you very much indeed for coming to see us today. Nick Hawkins will open the questioning.

**Q184 Mr Hawkins:** Good morning. I was very interested in what you have said to us about your criticism of certain aspects of the discretionary funding by the Arts Council and it is put to us that some of your members say how good do you have to be to get Arts Council funding and how bad do you have to be to lose it? Apparently some of your members say in answer to the first question you can be blindingly brilliant and still not get funded and in

answer to the second question you can be absolutely awful for years and years and years and what you get is to apply for stabilisation and the Arts Council will give you a consultant at taxpayers’ expense. If it is the view of the ITC that the Arts Council has far too many regular clients who get funded all the time and not enough discretion, how would you change the way the Arts Council deals with independent theatre?

**Ms Jones:** At the moment about £3 million comes to our membership through the grant for the arts and certainly it is project funding that is a very good way of starting a new organisation up or introducing new talent into the sector. There is always a squeeze on

that and I think our biggest fear when there was an announcement of a squeeze on public funding in relation to the arts was that it is usually project funding that goes first. Revenue clients are difficult to shift. We are aware not just in the larger scale but also amongst our own membership, to be perfectly honest, that there are revenue clients who have been there for years who really are not being challenged and are not being expected to be particularly accountable for the way that they are conducting themselves. There is such a huge discrepancy between the revenue client and project funding client. That is a big worry for the sector I think because, as we also said in our submission, the new work which you are obviously all very concerned to see happening is coming from this sector—new writers, new actors, new directors and they are the theatre of the future and the theatre of tomorrow.

**Q185 Mr Hawkins:** You seem to be particularly critical of the Arts Council's use of consultants. Can you expand a bit on whether you feel taxpayers' money is really being squandered in that regard?

**Ms Jones:** I think it is a danger to the Arts Council's reputation. I think it is a good organisation, it is very important that we have it, and it is funding some very good work very well, but I think the constant use and perhaps over-use of consultants damages their reputation with the public and also damages their credibility with the sector. I would like to think that they have the right staff in place to make the kind of decisions that need to be made. I think perhaps there is a lack of bravery sometimes and a feeling if you give it to a consultant they will give the bad news. So I think there is a danger in using them. We would like to see the Arts Council being a bit more courageous and relying on their own staff.

**Q186 Mr Hawkins:** In other words, if they were not spending or perhaps on occasions wasting money on consultants there could be more taxpayers' money available for the project funding which would provide some of the new work that we all want to see?

**Ms Jones:** Absolutely and that was one of the promises of the restructuring, which incidentally also used a lot of consultants. When the announcement was made that the restructuring of the Arts Council was going to happen, our fear was that a lot would be dealt with by consultants and that seems to have happened. We would like to see a lot more of that channelled straight into the arts.

**Q187 Alan Keen:** May I carry on on the same theme. You said you do not like consultants being involved because you think it is the Arts Council passing the buck a little bit. Did you think the reorganisation of the Arts Council would mean that we would see more regionalisation of it? Do you think though now that should be extended and that the theatres and the arts themselves should have some sort of direct representation back to help make the decisions themselves? It seems that the Arts Council is independently making decisions, obviously with the best interests in mind of the arts world, but do you

think there is a way in which the leaders and representatives could be involved and there could be a long-term plan so that new bodies would have a chance of being brought into the funding earlier? What plans would you like to see?

**Mr Stride:** My perception is that the Arts Council are doing that very actively. I have lost count of the number of steering groups and consultative and focus groups I am asked to go on on a whole range of issues. I think the Arts Council is beginning quite seriously to consult its constituency in the best ways of developing and particularly within theatre is looking increasingly at the way in which it might be able to fund producers and support producers as a more effective way of making sure that new work gets onto the stage.

**Q188 Alan Keen:** Did that come from the changes that you said you were pleased about? Did that come from the recent reorganisation?

**Mr Stride:** To some extent I think so in that head office, as it were, has had to look very carefully at what its role is and has recognised that more and more it needs to be making policy, consulting, and shaping the ways in which we can best develop the arts, so that is a role that it has found itself delivering.

**Q189 Alan Keen:** What areas are really being neglected now? Established organisations need to know they have got some definite funding coming in over a period of years. It would be ludicrous to draw it out of a hat so that suddenly all this funding to these organisations stopped and started with other ones. How do we get over that problem? Obviously there is going to be no vast increase in funding so that another 25% of organisations could be brought into the funding orbit, but what is the answer to that conundrum? You need long-term funding, you need to be able to plan and yet that means new bodies are going to get nothing. That is the point you were making. How do we get round that?

**Ms Jones:** I think we do need both. It is certainly very obvious when small companies get revenue funding that it is a fantastic opportunity, as I said in my submission. It can often encourage that company to improve the quality of their work and increase the amount of work they are doing, and we have seen some excellent results of that in the theatre group. I think the problem is more about how the Arts Council monitors and maintains its portfolio and how it frees up enough money to create realistic access to new project funding and also then sustainable project funding. There needs to be a ladder. There is not a funding ladder at the moment. If you happened to have the luck to get in 10 years ago you are there and there is very little likelihood of being removed. If you are a very good company just trying to start out you may be lucky enough to get a piece of funding, but you are not necessarily likely to have your success rewarded through additional funding through successful plays being given a touring grant to take it round the country. It does not seem to happen. There is not a speedy enough recognition of quality at the emerging end and not a



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speedy enough recognition of problems at the revenue-funded end. It is very important to have access to new funding and it is helpful particularly to smaller companies.

**Q190 Alan Keen:** What are the glaring gaps? What are we losing through not funding new organisations and new initiatives?

**Ms Jones:** I think the biggest problem is in making performing arts in particular available to the widest possible audience and widest possible participation. There is always a danger in theatre of being perceived as being elitist and there is always a danger through that perception ending up being elitist. Debra was talking about inreach rather than outreach. We have heard the word outreach used a lot this morning and it has gradually been winding us up because it is not just about mainstream doing all the work and then a little bit thrown out as outreach to the community. The community is the big bit actually. All those children in schools are our audiences of now and of the future and we have to develop an appreciation and an understanding and an involvement with the performing arts at a really early age and to sustain that throughout. I think it was Nick Hytner talking about young adults as well. There is a gap there between what happens when you have seen a bit of theatre in schools and then in getting it accessible as you get older. I think those are where the glaring gaps are. If you do not see theatre as a viable career because there is no way into it you are unlikely to choose it so you are not going to take much interest in it as a young person, and you are likely to think the telly is more fun. There is a real danger of that. You have got to be engaging with people throughout their lives and you have got to be making it accessible to people throughout their lives which means making it possible for people to come to the theatre at a reasonable price, possible to be involved with it both through participation and seeing it in their schools and there being a link between what goes on in your school and what goes on in so-called mainstream theatre. That was a really interesting point about how you fuse them. Gavin was saying just before we came in, at the moment we feel that the two worlds are totally separate and that seems incongruous.

**Q191 Alan Keen:** That is what the amateur people were saying last week that professional theatre treated them with a certain amount of disdain (that is probably the best word to use). I gave the example of the London Borough of Hounslow where I took the initiative to form a sports forum to get the best out of the facilities and find the gaps in provision in the borough because we have lots of sports facilities. I asked the question should we not have an arts forum. A gentleman from Wales said the Welsh Assembly has now made it mandatory for local authorities to have an arts forum in each area in order to make these links because we cannot have that gap between professional theatre and amateur theatre and schools. The link from schools to amateur dramatics is one that surely should be encouraged—and I am not talking about

progression through for individuals to become Hollywood stars I am talking about the links really in the communities—people do not understand the joy that they can get from taking part as well as just being the audience. What changes should we make to try and get a smoother flow?

**Mr Stride:** Again I think that is happening. Community theatre is an old fashioned word but it is thriving in this country. There is a hot bed of new writing. There is a willingness to work with the amateur sector to find new spaces and find new places and times to work. Freed from the restraints of a building with all its problems, there is some extraordinary work happening. I can think of Pentabus who have been presenting for the last two years a large open scale theatre piece with 70 amateurs in Shrewsbury playing to full houses. Eastern Angles is working in market towns finding different times of the day to perform and attracting, by our own research, on average 30% non-attenders to the arts. I think much of the debate is about whether buildings are the best way of attracting and developing new audiences, and that is contained in many of the submissions this morning. To an extent are we trying to adapt spaces that are not suited to the needs of the 21st century and should we be looking at other ways of reaching audiences and expanding that body of work?

**Q192 Alan Keen:** Is it true that people in the community are not really represented to the level where the Arts Council make the decisions? What representation is there?

**Ms Jones:** In the Arts Council?

**Q193 Alan Keen:** No, not as individuals going and sitting on the Arts Council but are they being listened to by the people at the top who have the purse strings?

**Mr Stride:** They are listened to by me. Whether that has an influence in terms of me championing new art being made in the South East, yes, I would say we absolutely are aware of the opportunities that working with the voluntary sector offers.

**Ms Jones:** I suppose an organisation like ITC is designed to represent that sector and we have been enjoying a greater level of recognition and prominence which has been really helpful and our sector is definitely thriving. What I am always slightly nervous of is the creation of more second tier bodies. I think it is often a response and it has been in the last few years that the Arts Council say, “Nothing has been done about circus arts; let’s set up a circus arts forum.” It is another massive use of public money that does not really go anywhere. It is quite divisive and difficult for a sector to have fora and second tier organisations set up. My mantra is really: keep it simple and keep it direct. Make sure funding goes directly to the arts as often as possible because that way you will get good value for money.

**Q194 Michael Fabricant:** In answer to earlier questions, Charlotte Jones, you said revenue clients are difficult to shift and that certainly resonated with me. As part of this inquiry our Committee are going

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to visit the Royal Shakespeare Theatre and the Birmingham Rep but we are also going to the Glasshouse Theatre in Stourbridge and also the Lichfield Garrick and certainly I know that at the Lichfield Garrick they feel that the Arts Council West Midlands provides regular revenue funding to a few large theatres at the expense of smaller and imaginative theatres like the Lichfield Garrick. You talked about a funding ladder that could operate but you did not elaborate and I am just wondering given that the Arts Council have limited resources how is that funding ladder going to operate without maybe destroying the bigger clients like the Birmingham Rep?

**Ms Jones:** One of the things that was promised out of the theatre review (and was I think a good promise) that perhaps has not happened as much as it could or should have done is the encouragement to collaboration. One quite successful piece of collaboration that happened with the Birmingham Rep was with Pentabus Theatre Company which is a rural touring company. I think part of how we spread things out a bit more is making sure that the right companies and organisations are doing the work. Somebody was talking about foyer activities in the South Bank and so on. There are nearly always small scale organisations who are experts in their field. Things have been going on. In the South Bank recently there was an installation by Theatre Rights, which is a full-scale young people's theatre company. Obviously they have benefited from both the profile and also the fees that put them into the Festival Hall but also the larger venue will have benefited from the expertise of that organisation. I think that part of it is actually making that all link up much better. Rather than inventing an outreach programme to tick the boxes of the funding body, it is encouraging them to work with the people and the larger organisations who already do it well. Do not reinvent the wheel. Encourage those because those companies will then be more sustainable through working with the larger organisations. That is one element of it. I think another is just about the Arts Council being more alert and more responsive. There has got to be more movement in that funding portfolio. It takes an extremely long time for a badly-managed organisation to be a) recognised and then b) challenged and usually a lot of money is put in to try and sustain them. Whilst I am not completely against that because I think an organisation should be able to take risks and make mistakes occasionally those mistakes should not be compounded constantly over and over again. Something else that happened in the theatre review is that at the beginning of it all there was a promise that they were going to be quite ambitious and new thinking and I thought "they really are". However, I do not think they were in the end and I think nearly all the building based companies that wanted to be funded out of the theatre review were, bar about two. There was poor old Croydon Warehouse which was the only rep that did not get funding out of the theatre review and ended up feeling like the arts leper. Worcester was the other. The two of them ended up feeling they had been completely

rubbished and there was no recognition. If it had been part of a much wider and perhaps more critical review there would probably have been more casualties but there would also have been more of a sense this is something new, we are looking at theatre in a new way and we are looking at different ways of delivering it.

**Q195 Michael Fabricant:** You have named theatres that did not get Arts Council grants. Are you prepared to name some theatres that do get Arts Council grants but in your view do not merit them?

**Ms Jones:** That is more than my job is worth! It is a very difficult one actually. This is where I think we are—

**Mr Stride:** I could answer you in a slightly more political way I guess because I took over an organisation in Farnham where many of my predecessors had spent all their energy trying to work out how to run it as a theatre space and how to get people into the building. I took the view that that was not the way of solving the problem. The problem seemed to be how do we encourage people to come to theatre so what we did was invite four or five companies to come into the building and make work and then tour it out across the region so we are now performing in village halls and community centres and on allotment sites along the sea coast, making new work and, guess what, all sorts of people are turning out to see the work. So I think there are examples of organisations where the building has become the purpose rather than the making of the art or attracting of the audience.

**Q196 Michael Fabricant:** That is right but we have been talking about theatres and the difficulty—and I think this is a real difficulty—of theatres in the West End is that they are old buildings and built in a generation when outreach, or inreach, was not a popular vogue, but then there are some very good theatres—and again I will mention the Lichfield Garrick—which have won some architectural awards with theatres being built where inreach is possible but unlike the Lichfield Garrick, I hasten to add, the management is not very good. Then from time to time you get that marvelous nexus where you have got good management and a good, pleasant theatre environment. Do you think the Arts Council reacts rapidly enough to recognise that?

**Ms Jones:** No, not always. There is a lot of sensitivity around challenging bad management in theatres. It seems to take quite a long time to deal with the worst offenders if you like. There always is a danger that the bigger the organisation the less likely the Arts Council is to want to do anything about it. We always say about our sector there is never a corpse to bury so it is much, much easier to take out small organisations with no buildings. Your colleague Alan was talking about the Waterman's Arts Centre in Hounslow. There was a fantastic young people's theatre company which existed in Hounslow called Salamander which folded a couple of years ago just because the local authority withdraws its funding.

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That is an enormous loss to that borough. Here were thousands of children participating from there on a weekly basis.

**Q197 Michael Fabricant:** Again may I challenge you because although what you say resonates with me and in some ways is music to my ears I have got to take the fair view as well that producers and operators of theatres like to have some consistency of knowledge that there is going to be forward funding. Surely what you are suggesting is going to introduce a volatility which would make the ability to predict budgets one, two or three years hence an impossibility? How can theatres like the Birmingham Rep operate under those conditions?

**Ms Jones:** As I said before, sensible revenue funding is important and there is no doubt about that. It is also important that there is a broad theatre ecology with a range of different spaces and companies available to the public. So I am not really advocating a clean sweep of all revenue clients at all. I think it is much more about being strategic and careful and critical about what is working and what is not.

**Q198 Michael Fabricant:** How do we change the structure of the Arts Council to achieve that?

**Mr Stride:** One initiative they have taken on, as I said earlier, was to start looking at funding producers who then fund ideas rather than companies so that there is a level of certainty within the commitment to spend money on productions but who might make those productions and to the best ideas or at the best time to fit its audience, so there is a sincere attempt within the Arts Council to try and resolve some of those questions.

**Q199 Michael Fabricant:** Can I just ask one more question. I notice in your submission to us you said that when eventually maybe something is funded one way or another and a new production is launched in the provinces when it comes down or if it comes down to the West End actually the originating theatre, the originating producers, the originating artists do not really benefit from it; why is that?

**Ms Jones:** It is to do with what I said in my submission about there not being a level playing field for negotiation. You have seen what West End theatre comprises—very wealthy millionaires, and they have a very strong position and it is very difficult for companies individually to come into the West End because there are lots and lots of restrictive practices existing around who they can work with, around how they market the site, so it is very, very expensive, it is a massive leap up. What tends to happen is you get a commercial producer taking on the show and they do not want the original people involved. They do not want the original director or the original company. The writer will be acknowledged but the rest of what made that work will not, and what made that work was public subsidy. That work was created through public money and I think that there is a problem there in that there is not enough pressure at the moment to acknowledge the people that created it and the public money that went into it.

**Q200 Michael Fabricant:** Do you think there needs to be an advocacy fund. Just as we are talking about an advocacy fund to represent smaller countries in their negotiations with the WTO, do you think the Arts Council ought to have a sort of advocacy fund to enable small regional or local production companies to be able to argue effectively and negotiate effectively with those multimillionaire producers you have just talked about (not that there is anything wrong with being multi-millionaires, I hasten to add!)

**Ms Jones:** One of the interesting things that came out of the evidence before was the question of what accountability there might be if there was to be Lottery funding given to the West End. I think that is quite interesting because of course they are not used to that and the concept of setting up a separate trust where the Lottery funding goes straight in rather than having to comply with all the normal Lottery tick boxing is an interesting suggestion. I would be amazed if the subsidised sector could get away with that. I think it would be very interesting for all the West End to be having to work to some of the guidelines and constraints that the subsidised sector works to. That might be a way in which a level playing field began to be created. The subsidised sector does have to meet all sorts of criteria about how it reaches the public and the quality of its work. It all has to be broadly educational in that it has to meet the needs of the Charities Act whereas of course it does not in the West End.

**Michael Fabricant:** Thank you very much.

**Q201 Ms Shipley:** Can I just thank you for your reply to Michael Fabricant's last question whereby you began to outline the implications of setting up that independent trust. I think that is something that I for one would value a written submission on from somebody knowledgeable who would like to do it. I think it would be most useful. I would like to challenge you about your submission that money should be channelled away from buildings and towards performance of the arts. I come from a background having done a bit of education in theatre myself and I have got a Masters Degree in architecture so I am probably a bit biased toward buildings. I would put it to you that we need both—it is not either/or—and that we need the innovative space and ideas and those sorts of things but performing in an actual theatre, building, stage, whatever it is, is a very different experience for those who are involved in doing it. We actually have to do both. Would you agree with that in rough terms?

**Ms Jones:** I absolutely agree with it.

**Q202 Ms Shipley:** In my own constituency The Glasshouse, which has been mentioned, is a semi-derelict factory which had an international glass festival this year which is biennial and which is fantastically successful in international terms. Next year we will have an international drama festival on international terms. It will be fantastic but that is because of the people involved not because of the building in this instance. The idea I have about inreach into theatre is to allow people—and yes, you

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are quite right this is one for Roger Lang—including young people, Mr Lang, to have the experience that you are offering and the unusual spaces and alternative spaces but need, would value, would usefully be enabled if they got theatre space as well—the actual built environment space—and I was most disappointed with the West End’s complete lack of imagination about the possibility that this might be developed. Frankly they were saying no it cannot be done, none of the theatres can do it. I simply do not agree. Is there any way in a West End theatre setting that space could be utilised simultaneously at different times of the day to deliver to young people?

**Mr Lang:** I tried to take a children’s show into the West End some years ago and I was largely met with I think the bottom line was “yes, it is an interesting idea but how are we going to deal with BET2 and how are we going to pay our staff and really it is a lot of trouble.” One person said to me, “We are the most successful theatre company in the world. Why do we need to do what you want to do financially?” I did not want to make a lot of money out of it. I just wanted to bring kids’ theatre into the West End. I accept totally what you are saying. Most theatre for children and young people in this country—and it is a growth area—is hidden because it takes place hidden from adults, it takes place in school time in schools and in community centres and village halls. I suspect that far more children and young people in the course of a year see a theatrical production than do adults so it kind of begs the question why does the lion’s share of funding go to a sea of grey sitting in many of our theatres? Some of that work is really cutting edge, it is really innovative, it really has meaning to the audience. Children are not just an audience of tomorrow; they are an audience of today. So the work taking place at the Contact Theatre in Manchester is great but I think we must recognise that. I have worked in the West End but when you talk to me about the West End I do not connect in the way that many young people do not connect with it. I think they should, it would be good.

**Q203 Ms Shipley:** I am being quite specific in what I ask you though. They told us that a traditional theatre cannot be used for anything else apart from that one nightly performance, that is it, nothing else. I am saying, no, that is not true. You could open it in the morning, have three outstanding actors who

are very creative sitting on the edge of the stage and they can entertain an audience and there will be an audience for it. Am I right or wrong?

**Mr Lang:** They would say that their duty is to their investors.

**Q204 Ms Shipley:** But am I right or wrong that they would have a paying audience for it?

**Mr Lang:** Yes, absolutely. In fact, that happens in Kids’ Week. They do Kids’ Week in the West End and it is very successful.

**Mr Stride:** I think the question is not a physical one, it is a philosophical one and, as soon as you describe outreach you are instantly putting education or marketing or any of those—

**Q205 Ms Shipley:** I am describing inreach—seriously—coming into that theatre space and accessing it.

**Mr Stride:** I think we take the view that education, marketing, new writing should all be central to what a theatre should be about from its very conception and not seen as added value. That is the debate to be had as to what extent does all that work centrally. Nick has done that at the National beautifully and said, “All of this matters and I cannot separate how much the foyer costs because it is as important as the work I put on the stage.” It is happening.

**Q206 Ms Shipley:** I suppose what I am trying to examine with you experts is to refute the West End’s argument that their theatres cannot do anything else apart from what they are doing, otherwise they would be doing it, wouldn’t they? What I am saying is they could be doing a lot of things without jeopardising that evening production. There are a lot of ways that space, even the most restricted elderly space, could be utilised. For example, a comedy space which is very, very tight and very small could present young comedians in the morning. Why not?

**Mr Stride:** You have got to want to do it.

**Q207 Ms Shipley:** You have got to want to do it; it is motivation.

**Mr Stride:** Many of the regional theatres are doing that. Chichester is a fantastically welcome environment 24 hours of the day.

**Ms Shipley:** Exactly, it is possible, you have to want to do it; that is it. Thank you.

**Chairman:** And thank you very much indeed. You have completed what has been a fascinating morning and early afternoon.

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**Tuesday 8 February 2005**

Members present:

Sir Gerald Kaufman, in the Chair

Chris Bryant  
Mr Frank Doran  
Michael Fabricant  
Mr Adrian Flook

Mr Nick Hawkins  
Rosemary McKenna  
Ms Debra Shipley

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**Memorandum submitted by The Almeida Theatre**

Shouting into the void is what it felt like. Year after year through the 80s and 90s we pleaded with the government to invest properly in our nation's arts. We advanced all the right arguments: spiritual and social health, urban regeneration, racial inclusion, creativity in the lives of young people, the means for society to examine itself, the opportunity for people to better understand themselves, the arts' unique ability to humanise and civilise. Through agonising years of Tory Philistinism we tightened our belts to the point of emaciation. Then with a change of government (after initial uncertainty) we finally got through. Here were people who believed in all the above arguments and put their money where their mouth was. The last two rounds of public spending have brought the arts roughly to a point of equilibrium, to where they would have been had it not been for years of starvation.

The effects are unmistakable, particularly in the theatre; bolder programmes, larger cast plays, accessible pricing, increased sponsorship, expanded outreach and education policies and above all, higher quality and finer creativity within a more confident, robust, re-energised art form across the nation. Why bolder, why finer? Because subsidy provides the safety net to enable us to take risks. "The right to fail" is a much cited, but frequently misunderstood phrase, perhaps "the right to risk failure" would be more helpful. Audiences come to the theatre for something they can find nowhere else, something special, original, unique—a live event at that moment, which will take them on a new journey. Our challenge as artists is to re-enliven, to thrill, to reveal. We cannot achieve that by regurgitating yesterday's model. We have to pick up from yesterday and create for today by reaching towards tomorrow. The moment we play safe we produce dead theatre. We need to reinvent, progress and move on towards the new, the unknown. That, by definition, is always a risk, but it is what audiences crave and when it succeeds, they rise to their feet and yell—and come back for more. Safe theatre will in the end drive them away and is therefore, ironically, very dangerous.

Subsidy is what buys us that crucial right to experiment, to venture, to risk failure. We may indeed fail, but without risk, there is no possibility of genuine achievement, of progress. Around the country there is currently a feeling of new energy, of rising standards and thus rising audiences. The nation's companies and theatres, which have struggled and limped along for so long, are springing to life. There is the real possibility of theatres once again beginning to take justified pride of place at the centre of their communities.

But now word is creeping out that public investment in the arts may be about to slip back, because "it's the museums' turn". So I want to say to Tessa Jowell, please do not let this happen, do not rob Peter (the arts) to pay Paul (museums). It's a short-sighted, insidious, divide and rule policy. Don't let anyone force you into such a destructive choice. The money is there. When we supposedly need it for "defence" (nearly always in reality, as in Iraq, "attack") huge sums are suddenly and miraculously available. By comparison, what we need to fully provide for theatre is infinitesimal. Even in crude economic terms it's irrefutably logical and beneficial. A recent study carried out by the University of Sheffield revealed that for an investment of a mere £121.3 million, theatre has an economic impact of £2.6 billion.

Do not undo all the achievements of recent years by de-stabilising the arts, just at the moment when it is beginning to reach a fulfilling level of activity. You clearly agreed with our—and our audience's—arguments, otherwise why would you have so boldly increased subsidy to the arts in the first place? What sense would there be in reversing such enlightened and creative achievements, why now reduce activity, encourage artistic caution and discourage sponsors and audiences alike? It would be utterly perverse.

Let both the arts and museums grow, develop and flourish. If you do and continue to do so, I believe in times to come we could look back on the coming decade as one of extraordinary artistic progress and achievement. Ironically, as the world gets smaller, language becomes increasingly impoverished and social fracture is a daily event, we have never needed the arts' ability more to engender social empathy and human understanding.

*January 2005*

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### Memorandum submitted by the Donmar Warehouse

Having served as a rehearsal space for the London Festival Ballet, the RSC and then as a touring venue, the theatre was remodelled in 1992 as part of the redevelopment of the building which surrounds it.

Unlike other subsidised theatres, the charity that produces and programmes the theatre—Donmar Warehouse Projects Ltd (DWP Ltd) does not own its “home”. The theatre is owned and operated by Ambassador Theatre Group (ATG).

The Donmar rents the theatre from ATG, and additionally pays the theatre’s staff wages, rent, an engagement fee and all associated costs for its upkeep.

DWP Ltd consists of a staff of 11 and they are responsible for producing up to seven productions a year, executing its touring programme, marketing and production managing the shows, as well as raising funds and running the education and outreach initiatives. In addition to paying rent for its theatre, the Donmar rents its offices and rehearsal space for all its productions. DWP Ltd does not own any “bricks and mortar”.

Under the artistic directorship of Sam Mendes and now Michael Grandage (since 2002) the Donmar enjoys an international reputation for excellence; presenting a diverse range of work from music theatre, new versions of classic British and European plays and new American writing. Its work has transferred to the West End five times and has been represented in New York seven times.

#### ARTISTIC VISION FOR THE DONMAR WAREHOUSE

This document is an attempt to help us focus on the next stage of the Donmar’s development. Our studio space is uniquely placed in the heart of London’s West End. Our geographical position allows us the opportunity to engage with a committed audience who are in search of high quality productions and to nurture the regular theatregoers of the future. I believe we are already programming a body of work that offers a genuine alternative to much of the commercial sector. We want to carry on taking higher risks with our programming and continue to put all our efforts into strong production values. This should engage with serious theatregoers everywhere and even allow our own work to find a commercial life beyond the Donmar. In other words, “Raising the game” for theatre everywhere is a key aspiration.

At present, our Arts Council subsidy pays for approximately two and a half modest sized productions a year. We strive to always programme five to six productions a year, some with large casts. At the moment, we have to search for extra funding from the private sector to enable us to meet the demands of (a) the other three or four productions a year (b) all our wages and running costs (c) all our education and outreach work (d) any new initiatives. We are very proud of our ability to find imaginative ways to raise private money but we increasingly find ourselves in a more competitive market place and in a more volatile global environment. In theory, it is not the time to set out a list of new aspirations.

With a very low capacity (250 seats) and a high turnover of work, we are able to offer an extraordinary dynamic between stage and auditorium. While artistically exploiting this, we also have to acknowledge that it limits our revenue and doesn’t allow vast numbers of the public to engage with our work. Touring our productions to other communities will allow us to engage with a much wider audience. All the work in my first two years as Artistic Director reflects the kind of debate I am keen to see on our stage. Social and political themes have run through most of it and are key components of the work we have so far announced for the coming year as well. Long may this continue. The kind of debate that can come from this work can enrich individuals and communities alike and I am keen the Donmar leads the way in making this happen.

Our Access and Outreach work continues to grow and is often used by practitioners in this field, as an example of how to provide the best delivery of this service to disabled patrons. However, at the moment, we receive no additional state funding to pay for it. We would like to expand all elements of this. For example, the development of our Student Rep scheme, in particular, has shown us that there is a genuine opportunity to transform our audience base in the future: Our 70 or so reps, act as ambassadors for the theatre inviting their fellow students to selected performances for £5 per ticket. The subsidy for these tickets (and the numbers we can make available) is limited by the generous support of sponsors and is not guaranteed. Thus, we are not able to create a strategic, forward-looking, growth of these initiatives. We would love to increase the volume of regularly available tickets for each production.

In the end, everything comes back to what is on our stage. This is the key area I would like to develop further. The introduction of European plays into the Donmar repertoire has already singled us out as a theatre with a very different agenda to any other. I am keen to take this much further over the coming years as well as continue to develop the strong relationship with American work that the Donmar has always had. Indeed, this aspect of programming was identified by the Arts Council as important provision to the New Writing Landscape. I would also like to be able to programme more work. This would allow us to take more of our work on to a further life either on tour or straight into the West End, it would offer even greater variety at the Donmar and it would also provide an opportunity to present more new writing.

The first two years have been a great artistic success. With a bold new repertoire of work, we have enjoyed critical acclaim and built on our core audience base. It forms the basis of a five year plan of development to make the Donmar one of the premier theatres in the UK offering continuous high definition work that is a refreshing alternative to the West End environment around us. Last year, we started a modest touring

programme. The aim is to build relationships with other communities and to return with more productions to more theatres over the years ahead. This will increase our output regionally and in Greater London. In 2005 we are starting to identify projects that we can do under the Donmar brand name but outside the Donmar Theatre—searching for opportunities to exploit our vision and our aesthetic and put us in touch with an even wider audience base.

Over the next few years, I would like the Donmar brand name to have become a byword for cutting edge theatre of the highest quality nationally—and to have alongside all of our productions an extensive programme of outreach work.

As I have said, the common link between plays such as *Accidental Death of an Anarchist*, *Caligula*, *Pacific Overtures*, *Hotel in Amsterdam*, *After Miss Julie*, *World Music*, *The Dark*, *Henry IV*, *Hecuba*, *Mary Stuart*, *This Is How It Goes* and *Days of Wine and Roses* is that it all has a strong social and political undercurrent as well as being highly theatrical and, I hope, vastly entertaining. I would like the Donmar to be a theatre where that level of exciting debate will always be available. We will only have the freedom to develop these aspirations if we have the financial support within our organisation to move forward. There are still no opportunities to commission and engage with other artists to develop work for the future. All of these things limit our creative instincts. With real financial support over the next five years, I believe the Donmar is well placed to become London's greatest ambassador for the arts. We have already been cited as the beacon of London's cultural life in the Government's recent bid to hold the Olympics. The Donmar's profile is growing from the remarkably strong position I inherited two years ago and we now need to focus all our efforts in taking this much further.

There have been many exciting new appointments within our organisation over the last year and we now have a young and energetic workforce who are keen to engage with this vision for the future. I hope the Arts Council will find creative ways to enable us to realise all of our aspirations.

February 2005

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*Witnesses:* **Mr Michael Attenborough**, Artistic Director, and **Mr Neil Constable**, Executive Director, Almeida Theatre, and **Mr Michael Grandage**, Artistic Director, and **Mr Nick Frankfort**, Executive Producer, Donmar Warehouse, examined.

**Chairman:** Gentlemen, welcome here today. It is our pleasure and privilege both in your session and in the following sessions to have representatives of some of the most distinguished theatres. It is a great pleasure to have you before us. I will ask Chris Bryant to open the questioning.

**Q208 Chris Bryant:** If I might start with the Almeida, I remember seeing a fabulous production of Richard II and then of Coriolanus in the old Gainsborough Studios with a great big hole down the back of the wall whilst you were between homes and I know that was partly before your time, as it were. Just tell us how the reshaped theatre that you are in now is working and how you made the money stack up?

**Mr Attenborough:** Just to clarify, do you mean capital or revenue?

**Q209 Chris Bryant:** Both really, because one of the things we are looking at is there is talk of Lottery money going into commercial play theatres in the West End, as you know, so we need to make sure, if that proposal is going to go forward, that it goes forward sensibly and will work?

**Mr Attenborough:** The process started before either of Neil or I worked at the Almeida. The essence of the change was to improve around an auditorium and an actor-audience relationship that worked wonderfully, therefore “if it ain't broke don't fix it,” so the relationship between the actors and the audience is almost entirely unchanged. What we were desperately short of was facilities. We could not go up because it is a listed building, we could not go sideways because the footprint was not any

bigger, so we went down, and we have excavated massively underneath the 1837 building and provided extra wardrobe space, dressing-rooms, and so on, which basically enables us to do with a trifle more ease larger-cast plays. The other massive change was, next-door to the 1837 building, that all the “front of house” resources were razed to the ground completely and started again, because they were wonky beyond description. Basically, it is to modernise and preserve the building. The funding, broadly speaking, we got £4 million from the Lottery, we raised £3.5 million ourselves. Two million of that, in fact, went to the decanting and temporary home, which in fact was in King's Cross. The Richard II you referred to was prior to the refurbishment and we went to a disused bus station in King's Cross and were there for two years while the work was done.

**Q210 Chris Bryant:** In terms of where that sits with you financially now, have the new “front of house” facilities that you have got given you an opportunity to make more money out of things other than the ticket itself?

**Mr Attenborough:** Neil could answer this, but the bar works much more efficiently, it makes a bit more money. It has not transformed massively, I think, our trading position. What we did look at, just looking at the other side of the equation, very, very carefully before we reopened, was to be sure that the running costs of an improved building were budgeted properly. Many new buildings find themselves with increased running costs which they have not taken account of, so they have to get a

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large chunk of capital money and then they find that the actual running of the building in its new existence is problematic.

**Mr Constable:** The building gets used for a lot more activities, which did not used to happen before, mainly because the staff spent most of their time in the 1837 building keeping that going until it was unlicensable. With the new building, the BBC have been using it for Radio Four comedy shows on a Sunday, we do a small amount of conferencing and those sorts of additional, small, income streams, which helps. Then, as Mike says, we have to budget £65,000 a year, which we are doing for the next 30 years, so that the building can be kept up to a standard which has been invested in.

**Q211 Chairman:** I speak as someone who has actually performed at the Donmar<sup>1</sup> in a pro-Nicaragua charity event on a Sunday evening. The restaurant also must attract a lot of people, including people who are not necessarily going to attend a performance. Does that help you at all?

**Mr Constable:** The restaurant opposite the theatre, yes, it does. It is a Conran restaurant so there is no intellectual property on the ownership of the name Almeida. No-one could understand why Conran was opening a restaurant opposite a closed theatre, but having reopened in May 2003 a certain percentage of the audience do go over there for post-show dining, which is fantastic. We can use the restaurant for entertaining corporate clients and our principal sponsor, Coutts, can take it over for a full evening for their own use.

**Q212 Chris Bryant:** You receive public money; do you continue to receive public money?

**Mr Attenborough:** Yes, indeed.

**Q213 Chris Bryant:** How do you decide on your programme, to make it adventurous enough to have some intellectual clout to it and some spiritual sense to it and yet enough to fill the seats? I guess this question will apply to the Donmar as well.

**Mr Attenborough:** My own view is a generalisation for theatre as a whole, but certainly it is particularly true for the Almeida. If we simply replicated that which is found elsewhere, if there was no sense of progress, innovation, risk, something different, something which you cannot find elsewhere at this moment in time, I think we would empty the theatre, so you would end up in a downward spiral. I would say probably that the equation of risk and non-risk in financial terms is extremely hard to predict. We have done a play with a title nobody understood, by people whose names they could not pronounce, from a cult movie that everybody adored and it is still running six months later in the West End, and it is called *Festen*. Nobody would have predicted necessarily that would have been a huge financial success; it is hard to predict. Perhaps the most difficult balance to strike sometimes is in casting, where if you know you have got a very well-known actor playing the leading role you have

got a pretty shrewd idea that you will fill your theatre. On the whole, when the programme is decided, we do not know who is going to be in them anyway, so that is a bit of a lottery. My own feeling is you fill the theatre by being exciting and by taking risks.

**Mr Grandage:** We have a different geographical location. The Donmar is sitting in the middle of the West End and that has informed the way we are approaching our work. We want to be able to offer an alternative to the West End in the West End, if you like. We have got this rather wonderful space which is very, very intimate and we feel that the kind of work we want to be able to do there is something which is going to be challenging and offer people, serious theatre-goers, a chance to engage with something they might not get elsewhere. We are sort of using our position to try to help that journey a little bit. I agree with Mike, I think the way we set about programming is looking for work that we think will challenge our audience. I do not believe we should be led by an audience, I think we should lead them. I think that is our job in the theatre. I think quite often audiences do not know what they want. It is important not to have contempt for your audience but, at the same time, I think, as artistic directors, our job is to be able to come up with a programme of work which sets an agenda and enjoys taking an audience with you, and if it does not we have chairmen of our boards who will knock on our doors and say, "Excuse me, this isn't working; move on." At the moment, it seems to be working.

**Q214 Chris Bryant:** The Donmar you describe as "intimate" but the theatre experiences of both are very similar, in many ways, and sometimes it feels a bit hugger-mugger. Do you support the idea of Lottery funding to the tune of £125 million going into West End commercial theatres, or do you think that money could be spent better in the subsidised theatre?

**Mr Grandage:** If anybody is going to give £125 million to the commercial sector, they are going to need a very strong set of guidelines drawn up before they do it to find out what they are going to get in return for it, if public money is going to go into that. You are going to have to be very clear about what you want back. I am not going to sit here today thinking it is quite a good idea when we consider ourselves to be underfunded at the moment for the kind of work we want to do and the kind of work beyond our core work that we want to do, in terms of our outreach and access work as well. We would love some funding for that before we start getting into a debate about funding the commercial sector.

**Q215 Chris Bryant:** How badly are you underfunded?

**Mr Grandage:** At the Donmar, at the moment, we seem to be slightly the victim of something historical. We were one of the last theatres in London to open and, as a result, I am sure the Arts Council, who are under enough pressure at the

<sup>1</sup> Note by witness, Neil Constable: this was at the Almeida Theatre.



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moment anyway to try to make sure that funds are distributed properly, rolled their eyes to the ceiling thinking, "Not another theatre." We have to put a very good case to them as to why, particularly in the last two years when Nick and I have taken over, we are able to offer something which requires serious funding. In our case, that involves a core set of productions amounting to about six or seven a year at the moment and the funding sort of supports about two productions a year so the rest we have to find by private means, and that is difficult for us. We are a staff of 11 and it takes a great deal of time to do that. That is just the core funding. Also, we have a serious ambition to do more outreach work, we do some already, and access work, and at the moment we are in a debate with the Arts Council, and we feel they are listening, it is a long-term process, where we are going to try to convince them that we need more public subsidy.

**Mr Attenborough:** I am always nervous of endorsing arguments which support the notion of robbing Peter to pay Paul. It is an argument which is hard to sustain, I think. Unquestionably, the fabric of the buildings in the West End needs renewal. I have spent far too many either boiling hot or freezing cold or uncomfortable, and I am small, let alone anybody who is over six foot, times in the West End to know that definitely they need it. I have to say, the whole question of prices is a very thorny issue. I do not mind paying a decent price if I am sitting in a good seat but what I do object to is sitting in a lousy seat with lousy sightlines and still paying a high price. For us at the Almeida, although in fact the subsidy is the smallest of the three major areas' income for us, box office and development funding is much bigger, nevertheless, if our subsidy disappeared our ability to be able to charge accessible prices would disappear also and then we would again be in a vicious circle.

**Q216 Chairman:** You both perform material of the highest quality, which has the additional importance, in my view, of being the kind of thing which even the larger subsidised theatre will not do necessarily. In the case of the Almeida, for example, the wonderful productions of *The Ice-Man Cometh* and *The Deep Blue Sea*, and in the case of the Donmar, amongst other things, *Assassins* and *Cabaret* and, very recently, *Hecuba*. If you did not do those things, I do not see where else they would be done and certainly they would not be done to the standards to which you do them. Probably this is a question to which you are going to answer "Yes," but nevertheless, do you feel that, as it were, being on the margins geographically, if I can put it that way, somehow you are edged out of the public subsidy which on your merits and your contribution clearly you deserve? Do you think that there is something faulty with the Arts Council policy which creates that situation?

**Mr Attenborough:** I am not sure that it is a policy issue, necessarily. We are in slightly different shoes, in that Michael's subsidy is lower, ours is higher, on which we run our buildings. We have very, very different cases, arguably, though I think probably we are very close artistically. I think there is a danger sometimes that you become a victim of success and if you become successful year on year at raising money, successful at producing very, very high box office figures, if you are not careful you get penalised for that and failure can be rewarded. Having put in place, since I arrived, an entire educational outreach programme, which does not receive a penny of subsidy, you could argue that the matching of excellence and access, which are the two big headlines at the Arts Council at the moment, would be a high priority for them, but we are having to fund that entirely from private subsidy. You could argue that we are a victim of high achievement in other areas, other than subsidy. It is not so much, I think, being outside on the margins but almost the reverse, in some ways.

**Mr Grandage:** I think there is a debate going on in the Arts Council about how they fund us. Certainly at the Donmar we are putting our case as strongly as we can. I have another hat on, in that I am involved in the running of a regional theatre, in Sheffield.

**Q217 Chairman:** Many congratulations on the reviews for *Don Carlos*.

**Mr Grandage:** Thank you very much, Mr Chairman. They were in receipt of a very strong level of public subsidy and it came about as a result of the Arts Council review. The Arts Council behaved brilliantly, I think, in their response to the Arts Council review, in that they did reward theatres with serious ambition and aspiration, they listened carefully to them and they funded them. As a result, at this particular moment, we have a revitalised regional network going on. We are hoping certainly that in time they will apply those same rules to the funding of the Donmar. It is our job to come up with a vision for the theatre, which we have presented to them, and to come up with a strong set of ideas which we believe require proper funding, and in time I hope that debate will be won.

**Q218 Michael Fabricant:** I have to confess that I have never performed at the Almeida.

**Mr Attenborough:** I am sure we can put that right.

**Q219 Michael Fabricant:** I will take you up on that. There was an overlap, however, when I was doing a Masters degree at Sussex and you were at the Gardner Arts Centre and I saw a play there and I did do something at the Gardner Arts Centre once, but it is not quite the Almeida, but almost, but anyway we digress. If I can follow on from the questioning of Chris Bryant, to begin with anyway, at least, about this £125 million, Michael, you were saying earlier on, quite rightly, that it is an attractive, stunning, innovative place which will attract people into the theatre. I am not saying for

one moment that the quality of seating, of air-conditioning, no air-conditioning in many theatres, is a good situation. Let me put it to you that on Broadway the theatres are really grim, three toilets maybe sometimes for an entire theatre. Does not the quality of a production transcend the environment in which you watch the production? Are you going to get more bums on seats by spending £125 million worth of public money, plus £125 million worth of private money? Surely, at the end of the day, it is the production that counts?

**Mr Grandage:** In a way, that is a question you need to ask audiences rather than us, about the theatre-going experience. I agree. We all believe it is what goes on stage that matters and we put all our efforts into that. I think anybody will argue that the experience of going to the theatre needs to be made as pleasurable as possible, for all of us, in the commercial sector and the subsidised sector. Some of us are trying to do that and succeeding, and where we have money we can do more and where we do not have we cannot, in the subsidised sector. Your question is aimed at the state of the West End theatres really, is it not?

**Q220 Michael Fabricant:** Yes, but theatres in general actually. Although that £125 million, £250 million in total, is going to go to the West End theatre, really I suppose I am asking a more broad question. I know of many smaller theatres, old theatres, which are very uncomfortable yet are successful, particularly when there are productions on which attract the audience?

**Mr Attenborough:** Unquestionably, you are right. A hugely successful show will transcend its environment. However, not every show is hugely successful, not every show is hugely disastrous, there is always an equally huge middle ground. Arthur Miller once said that actually he would be much more thrilled with, say, 20 Broadway theatres doing 60 or 70% as opposed to a handful doing 100%. For him, that was a more enriched and exciting theatre-land. Having spent a certain amount of my time, I am sure Michael has as well, in New York recently, it is frightening how perilous the life of a show is and it is either a big hit or it is a big miss. The risk of spending that amount of money is huge. If you could find a middle ground where you could house a greater spread, a larger canvas of a variety of drama, a good, physical infrastructure would support that infinitely better.

**Q221 Michael Fabricant:** Tell me, what proportion of audience, you may not have this information to hand but a gut response would be useful, are regular theatre-goers and what are the Japanese or the American tourists who come here and as part of their experience, or for a one-off experience, go to see a play?

**Mr Attenborough:** It varies enormously from theatre to theatre. I am sure that the West End theatres will tell you that tourism is a very, very important plank of their work. Neil and I spent many years at the Royal Shakespeare Company, and that tourism was a very important element of

Stratford, and interestingly mostly English tourism, not necessarily American and Japanese, although there was a significant percentage it was not nearly as huge as people assumed it was. I think, certainly at the Almeida, it is primarily a local and London-based audience.

**Mr Grandage:** We have a big Friends Scheme at the Donmar, who are very, very loyal and come to the theatre regularly. I do not think there is any such thing as a totally loyal audience really, because, of course, if something goes wrong or they read a set of very bad reviews or the word of mouth is very, very bad, I do not think there is a very, very large constituency of people who come and say, "Well, in spite of all of that, we're loyal to this theatre and we will go anyway," which is why we have such a tough time of it.

**Q222 Michael Fabricant:** I think, as a politician, I can identify with the loyalty problem. I think attachment to either parties or theatres is something which now is far more volatile than ever it used to be. Do you think that attachment would be strengthened by having a more comfortable seating arrangement?

**Mr Attenborough:** Again, if you are asking about the West End theatre, I do not think audiences associate that. On the whole, I think most West End audiences have not the faintest idea of which theatre is where, so you would not have any identification with those buildings, I think, but you would have a sense of the raising of a general standard.

**Q223 Michael Fabricant:** Let me move on, if I may, to another issue. Last week we had here the Independent Theatres Council and they were talking about the way Arts Council money is given to theatres. I can identify with one of the points they made, because we have got a brand-new theatre in Lichfield, where Garrick was born, it is called the Lichfield Garrick, rather appropriately, and certainly it was pointed out by our theatre in Lichfield. There are a number of people who regularly receive large sums of money, or even not so large sums of money, from the Arts Council and it is very difficult for new theatres or new productions to get a look-in, because all that money has been allocated and the Arts Council, understandably, is loathe to withdraw money from either existing successful operations or even not so successful operations. What is your view of that?

**Mr Attenborough:** I sat on the Arts Council Drama Panel for many years, in fact, through three different incarnations, through a different Chairman. I did not find that so, I have to say. The amount of provision that the Arts Council was making for small theatres, for touring work, for non-building-based work, for project work, was considerable. Funnily enough, one of the problems that members of ITC had was breaking into that particular sector; in other words, if you were Shared Experience or you were Paines Plough, you had an established relationship, and breaking into that particular fold was tough. Of course, now it

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has all shifted onto much more regional-based funding, and therefore there may well be more opportunities for companies that are more related to a region. The truth of the matter is, if the cake gets bigger everybody else gets more and if the cake gets smaller inevitably those who are already established will have, to a degree, a first claim on the money.

**Q224 Michael Fabricant:** This was one of the criticisms that the ITC made. Is the Arts Council critical enough, does it audit, if you like, in the true sense of the word “audit”, how the money has been spent and the artistic return that it is getting for their money?

**Mr Grandage:** Yes. There is a quite rigorous set of rules which apply to all of us that we have to fulfil, and I think we have to trust that the level of monitoring which goes on is substantial to keep us all on our toes, to make sure that the money we are in receipt of is spent properly, whatever size that is. I think their job, as Mike says, is governed entirely by how much money they have to distribute.

**Q225 Michael Fabricant:** If I may be controversial, Debra Shipley was talking last week about in-reach, as she called it, bringing people into the theatre, and I will not tread on her territory. Sometimes are conditions set by the Arts Council for in-reach or outreach or peripheral activities which are actually a bit of a bind and prevent you from using your resources for putting on better productions than otherwise you might be able to?

**Mr Grandage:** We have to acknowledge in the theatre that what we do goes on our stage. That is what we are there for. We are built as a theatre to perform for the public on stage, we put on productions and that is the most important thing we do. Beyond that there is a mass of things that we can start to talk about, how we can attract other ideas and other ways we can work as a body. If we take away the core principle of why we are there and start to focus on other areas first then the whole thing starts to unravel, that is the problem. I am always happy to have a debate about outreach, and indeed I look forward to in-reach and finding out more about it, but we cannot have that debate until we address the central principle that we are theatres putting on plays on our stages.

**Mr Attenborough:** I have not found any sense of distraction from the Arts Council’s requirements. When I took over the Almeida I made quite conscious decisions to try to change, or, shall I say, expand, the range of work that we were doing and, every bit as importantly, the range of audience that we were finding, and I do not mean just in numbers, I mean actually in age, gender and race. If you are going to do that, you have to make conscious, proactive decisions. In fact, the use of the building happens to be one of them, so, as I said earlier, we formed what is called our Projects Department and the Projects Department use the building a lot during the daytime. Linking up with what Michael has just said, everything that I have done, in terms of affecting the nature of the work and the

composition of the audience, is based round the productions themselves. It is not social work, it is work for the theatre in a social context, and so everything that our Projects Department does is linked back to every single one of our productions.

**Michael Fabricant:** That is very helpful. Thank you very much.

**Q226 Mr Hawkins:** One of the issues which have been raised with us in evidence during the course of this inquiry is the difference between sport and theatre, and, in particular, sports like football benefit from having a huge broadcasting deal. One of the things I wanted to ask you, given that in both your cases you are producing cutting-edge drama, is, at the end of the run, do you think the broadcasters would be interested in broadcasting your work? Have broadcasting deals been explored by the Almeida or the Donmar, or is there a problem with rights? What we are exploring is whether there might be more scope for theatres to do the sorts of deals with broadcasters which sports, particularly football, do?

**Mr Frankfort:** The Donmar often has a problem with the rights. Because we are a small theatre, we are only ever able to purchase the rights for a limited presentation at our theatre, and if you want then to go into the West End you have to get further rights, so rights are a big issue.

**Mr Attenborough:** Basically, film and television companies are enormously interested in doing our work only if it is very, very cheap. If it is not cheaper than the way they would produce it they have no interest whatsoever. I am afraid there is a terrible disparity between the cheapness with which they wish to approach it and the quality which we would insist was maintained. My experience is that pointing three or four cameras at the stage and just filming what we have got (a) is a contradiction of the theatrical experience itself and (b) results in very poor quality, often as much in sound as in vision. To do it properly usually is quite expensive and they need to be sure they are going to get a return on their investment.

**Mr Constable:** We have tried this at the RSC with two of Adrian Noble’s productions, and we did it recently with Anthony Sher’s play *ID* that he was appearing in, which BBC Four filmed and it was shown six times on BBC Four. If you were a theatre-goer you would understand the limitations of the capture, but if you were not a theatre-goer I think you would have been disappointed by the experience.

**Q227 Mr Hawkins:** The other point I wanted to raise was something I have always been very keen on, which is theatre in education links with schools. Can you give us some details of what special arrangements there are, special deals for schools attending the Donmar and the Almeida?

**Mr Grandage:** We do have at the Donmar, we both have, substantial outreach work.

**Mr Frankfort:** We do school matinees with tickets at £5 and then we go up for funding to underwrite the rest and we go to schools in Westminster,

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Hackney, Islington, Camden and Haringey, for instance. We also produce study guides for each of our shows which are available from our website, so people who are doing related projects which are on the school syllabus can download it. We do associated workshops relating to the specific themes within the show and also we do a "Write Now" programme where we bring in schools with their teachers to see the shows then they go away and create writings, plays, poems, text around the themes they have seen and they come back and perform it, or they workshop it on the stage, sometimes with the author. We did that with Patrick Marber recently on *After Miss Julie*. So we have a series of things that we run at the Donmar.

**Mr Attenborough:** Ours is, as I am sure it is at the Donmar, more theatre and education rather than theatre in education, and TIE, of course, is a very specific skill which is taken up in schools. Ours has developed really in two directions. There had never been a schools' matinee at the Almeida until I took over so it was a whole new experience. As at the Donmar, we charge low prices and to the best of our ability we attempt to persuade every single school which comes to our theatre to have a workshop on the play before they arrive. If you are producing, as we are currently, *Macbeth*, there is a huge young people interest, but virtually every single school which comes to the Almeida will already have had a workshop, and our actors tell us they cannot distinguish between an audience which has got a high percentage of kids in it and not, which is a wonderful thing. In terms of the relationship with schools, more specifically, the projects work that I set in motion when I arrived, rather than what I might describe as a scattergun technique of a large marketing exercise, of getting as many coaches outside the building as possible to come to our shows and our workshops, what I asked the Projects Director to do was forge relationships with six secondary schools in the Islington area, sustaining a commitment over a minimum of three years and hopefully twice that, which would allow us to develop a relationship with the teachers, with the heads and, I believe, most importantly, with the kids themselves, which we have done. As much of the work as possible is happening in the building during the daytime as opposed to in the schools, so that the building itself is not intimidating any more, it is somewhere they have got used to. They perform in it themselves, they create, they are doing writing projects, musical projects, all kinds of work, but they are focused on very specific relationships rather than trying to do too much rather thinly, if you understand what I mean.

**Q228 Mr Doran:** Can I start with a comment, that when the Chairman was talking to Michael Attenborough earlier he talked about the Almeida being on the margins geographically. Representing a constituency in Aberdeen, a trek to Islington seems to me a doddle, and if you see the difficulties some of the people out in the rural areas have to get to the theatre I think you will understand my

point. I want to ask you a fairly basic question. You are both very successful in what you are doing, you are both risk-takers, you are delivering a product which has a niche in the market and is very distinctive. My basic question is what is the public interest in subsidised theatre, and yours in particular?

**Mr Attenborough:** What they gain out of it is simply an affordable ticket price.

**Q229 Mr Doran:** There must be more than that surely?

**Mr Attenborough:** Again, a product, but, at the end of the day, a subsidy is money and, frankly, I do not think we would exist without subsidy, I think we would charge ourselves out of the market. It is because we can provide top-quality work at a price that a large cross-section of people can afford, which after all is the whole point of subsidy, it is a subsidy which fundamentally should be there for people who would not necessarily be able to afford it, we would have to virtually double the seat prices and that would put us in a completely different area, in relation to our audience. I would say unashamedly, fundamentally, it is the access.

**Q230 Mr Doran:** I think Michael Grandage said earlier that two out of your six or seven productions a year are subsidised?

**Mr Grandage:** Yes. Effectively, our subsidy equals being able to fund two productions a year.

**Q231 Mr Doran:** Spread over the six or seven productions?

**Mr Grandage:** It is however we use it, but it is a good example of the cost of a production that the subsidy we receive will cover about two and a half, roughly, I think. The better the subsidy for a theatre the better all of the work is. Everything could be subsidised. Here I can talk very clearly about the way subsidy has helped to find younger audiences in Sheffield without coming on here with a Donmar hat on today. The subsidy that we have been given in Sheffield has enabled us to start a programme of work where, effectively, 51% of our audience is between 16 and 26. That is a massive turnout and it is due entirely to the fact that we can do exactly what Mike says, which is subsidise our ticket prices accordingly to be able to get people in and target them as well. Proper subsidy also allows us to be able to continue to fund our work so that we can deliver what you are all generously saying we do, which is deliver to a very high quality and a very high standard. It is in the public interest to make sure that we are able to do that, and this is not so much in the public interest but of course subsidy gives us stability, sustainability, it means that we know that we will be open in 12 months' time to do that work. We cannot earn anything out of our box office revenue, we have only 250 seats at the Donmar, so unless we place our ticket prices at an absurd level and start to get revenue that way we are very heavily reliant on subsidy and money from anywhere that will keep us open.

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**Mr Attenborough:** With great respect to my commercial colleagues, if you are sitting down at the beginning of a production or project, inevitably they would say “How short a time could you rehearse this in?” We ask the opposite question, we say “How long do you need?” I understand why a commercial producer asks that because they are desperately trying to peg back costs. What subsidy allows you is that freedom, limited though it may be, to try to put quality at the top of the agenda.

**Q232 Mr Doran:** Where does risk-taking come into this? You both make a point of that in your written submissions, that you take risks.

**Mr Grandage:** I think neither of us probably would stop taking risks, but of course the more support there is financially the more one is able to take risks. The definition of taking risks is the higher the risk the bigger the chance of failure, I suppose. I think in the theatre we need always to set our level of failure very high, if you see what I mean, deliberately, because we cannot go below a certain level. Nonetheless, the bigger the risk the greater the potential to fail, and if there is a potential failure in there and it results in box office revenue dropping off considerably then we start to get into that spiral where we end up, I guess, in closure.

**Q233 Mr Doran:** I was intrigued in the Donmar submission by the references that were made to a Donmar brand and I presume that means quality and certainty and it is not just about mugs and tee-shirts. I suppose, if we were looking at the way in which the theatre functions, and I do not mean just your end of the theatre market, the commercial end and areas like the National Theatre, one of the areas that theatre does not seem to be very good at is cashing in commercially. The Cameron Mackintoshs and Lloyd Webbers of this world do very well but the sort of market that you are in we do not seem to be very good at. I know that there are transfers into the West End and you both mentioned, certainly Donmar has mentioned in its submission, the royalties and money which comes back to the theatre, but there does seem to be a gap there, where the whole focus is on the theatre and what may be necessary to get your grants, like the outreach work, or whatever. Some colleagues have mentioned the idea of TV, but no film-maker now makes a film without taking into account the income that will come from marketing the products, and which may be the mugs and tee-shirts but the DVDs and the sound-tracks, and many of them get more income from the spin-offs than they do from the actual product. Is there any thinking like that in the theatre, that you should be going in the same direction? I understand that simply televising and putting static cameras in front of a stage is not the way forward, but there must be other ways to increase your income?

**Mr Attenborough:** We are constantly looking at ways to increase our income. There is one huge difference, of course, between Cameron Mackintosh’s and Andrew Lloyd Webber’s work and ours, which is that they are open-ended so they

can run and run and run. The whole point of our subsidy is that we present a range of work, so if *Grand Hotel* or *Macbeth* is packing the theatre we know that on date X it has got to stop because the next one is already in rehearsal from then on, and so there is a limit, there would be a very short shelf-life to a lot of the marketable products that we produce. Also, of course, we are small, and the Donmar is even smaller than us, we are 330, you are 250, so again the number of people who are moving through, in terms of individuals, is very small. Again, compared with Andrew’s and Cameron’s work, it is maybe 2,000 per performance. It is more problematic at our end of things. In a way, I would say, the huge benefit deriving from the Donmar and the Almeida brands is actually private support, it is endorsement, it is the sense of association with our brand which a Coutts will want, and that is where it derives from really, I would say, that is the major benefit to us. If we are trying to raise £1.2 million every year to support our work, you could argue that is a huge benefit, from who we are, and if we let that slip they will be off to somebody else in a flash.

**Mr Constable:** That is where our mixed economies are very similar because, unusual for most arts organisations, our box office income is nearly at the same level as our private fund-raising, be it through private finance or corporate support.

**Mr Grandage:** The brand, you are right, it is not about tee-shirts and mugs at all, it is about trying to make sure the brand name stands for excellence and then going out and using it wherever we can.

**Q234 Mr Flook:** I appreciate that people like Coutts are very supportive of the Almeida. In sport, someone like Manchester United or Chelsea will flog off the season tickets. Is that ever thought of? Is that impossible?

**Mr Attenborough:** It is not impossible but it is not to our advantage.

**Q235 Mr Flook:** What are the constraints to it?

**Mr Attenborough:** The nearest comparison I can think of theatrically, which is done a lot in America, is subscription. By and large, subscription works if you are not doing terribly well, because what you do is get your audience to commit across a broad range of plays. If we achieve, which we have to, hugely high box office targets, in a sense we put that expectation upon ourselves, subscription does not pay because we are giving a discount because people will book three or four at a time at obviously a reduced rate. It is the maximising of income which would not benefit from the equivalent of something which I possess, which is a season ticket at Stamford Bridge.

**Mr Grandage:** I think that has covered it really. We are all in exactly the same position, from that point of view. A subscription would not be the answer to any of our problems at all at the Donmar, it would actually not help us very much.

**Mr Frankfort:** Although, to a certain extent, we provide that already, because both theatres, I think, put on sale a series of maybe half the season, or a

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third of the season, at one go and our audiences might buy tickets to it, not really knowing anything about the production other than the name and the author. Because there is a brand loyalty to both the Almeida and the Donmar they will buy a ticket even if they do not know much about it.

**Mr Attenborough:** Because we are greedy, in fact, the only season ticket element, picking up what Nick is saying, is that we ask people to pay more to have the right to be able to book in advance before anybody else, so I am afraid it is more expensive, not less.

**Mr Constable:** But being in the fortunate position that we are not selling out purely to a private membership, which is, for us, 30% of our audience who are people who are part of our supporter scheme, so there are still a lot of tickets available for the public.

**Q236 Mr Flook:** Mr Attenborough, you mentioned a phrase “subsidy is money” and when it goes into the bank it is all the same colour, but do you ever differentiate, both from the executive side and the artistic side, if you were building, that the money might come from the Arts Council but it has been Lottery money which has been given voluntarily against tax money which is given involuntarily? Do you differentiate in your minds that this is money for building which has come from people playing the Lottery, by and large, and they have given the money willingly, whereas the other money is given involuntarily, as taxes are?

**Mr Grandage:** No.

**Mr Attenborough:** At the Almeida, we have been in receipt of only what you are describing as voluntary money for the building, so that, by and large, our everyday lives involve subsidy in the same way that education or health, or anything else, is subsidised.

**Q237 Mr Flook:** Do you think they equate? I assume it is necessary, but you referenced them with health and education; theatre ranks equally alongside that?

**Mr Attenborough:** That is a really, really tricky question. I can only speak personally. If you asked me to choose between a kidney machine and a theatre, I would reply “That’s an obscene question.” I think a civilised society should be doing everything it can to have both. Finally, if there were not enough for both, of course I would say the kidney machine.

**Mr Grandage:** Although there was a nice report recently from the NHS I noticed, suggesting that going to the theatre increases longevity of life, so somewhere in there there is a link.

**Q238 Chris Bryant:** That might be more circular though, might it not? It might be that people who go to the theatre are already healthier and live longer?

**Mr Grandage:** Yes.

**Q239 Ms Shipley:** In-reach; here we go. Outreach you are familiar with. In-reach was something I was suggesting to the West End theatres that they need

to avail themselves of, and, yes, I did invent it on the spot. They appear to want lots of public money without having any extra burden put upon them at all and the money is to refurbish their buildings, which need refurbishing but then why should not those buildings be used more widely during the times when they are not absolutely necessary for the production in the evening or the rehearsals? It would seem to me that the Almeida is doing it already with its daytime activities, and I take your point about being linked to the productions. I cannot see, for the life of me, why creatively the West End theatres cannot do the same, although of a different nature because the spaces that the buildings offer are of different natures, but why they cannot have comedians, or actors, or somebody, sitting on the edge of the particular sort of stage they have, with a different audience, in the morning, I cannot see. I think really they need to think creatively around it. Hence the idea of in-reach, in their bars, having small spaces in which amateurs might be able to put on something, amateurs who have built a relationship with the particular theatres, not just amateurs from anywhere, but that there is the creative possibility there. It was not something they could countenance, they thought of a million reasons why not and not one single reason why they could do it and I found that just hugely unacceptable and I think in-reach needs to be imposed on them if they get £125 million, something of that nature. What I would like to take up with you, Mr Grandage, I think it was you, is the idea of on stage, put on production, those are the core activities. Well, actually, is it not about performance and communication, therefore it does not have to be actually on stage, therefore you have the whole of the building? There is much more to a theatre than just its stage and just its production. I would suggest that the theatre is about creativity and about communication and if you start defining it in those terms then, again going back to my West End discussion, you have a different proposition?

**Mr Grandage:** If you visit the Donmar, you will know that we have only the stage. You come in through the door and we have the smallest space imaginable to get from the coming in through the entrance into our auditorium, and so there is nowhere else that we could do any in-reach or outreach activity physically within our building, just to address that point straightaway.

**Q240 Ms Shipley:** Well, no, I disagree. Supposing a production is on in the evening, there is no reason at all why you cannot have something on in the morning, with people sitting in the audience, and somebody sitting in the audience addressing from within that very tiny audience space of your 250? You are not my target, my target is the West End theatres.

**Mr Grandage:** I understand what you are saying.

**Mr Frankfurt:** This is not helping your discussion really, because we do not own our own theatre.

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**Q241 Ms Shipley:** What I was pointing out was that the Almeida has that potential, can do it and I think the West End can do it, albeit in a very different way, but the notion of doing it is possible.

**Mr Grandage:** There is a much more interesting discussion anyway about the whole notion of whether an audience can be created. Historically, there has always been the existence of things like lunch-time shows, which have been put on in theatres which are doing other things in the evening. Whether that can be extended to morning performances with comedians, or whoever, on their stages is an interesting idea, I guess, which needs to be looked at thoroughly and marketed and found out about. It is not something we can do at the Donmar.

**Mr Attenborough:** My preference for the use of the building during the daytime is for very specifically-created events which target an area of the audience which could well find the building itself

intimidating and would not normally think of visiting it. That has been the philosophy behind the use of the building at the Almeida.

**Ms Shipley:** For your particular theatre, I follow your argument and accept it totally, I think that is brilliant, but for some of the West End ones I can think of different things which could go on. A child audience could be attracted in the morning to, frankly, just a story-teller, a really good story-teller, which is taking up no stage space at all, if you get a children's audience in there. That is something the West End did not want to think about, but again I think it could. It is very different from what you are saying but potentially there are possibilities there.

**Chairman:** Thank you very much, Debra. I must say, sitting here, I think what a treat it is to be a member of this Committee and meet people like you and the people who are following you. Thank you very much indeed.

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#### Memorandum submitted by the Old Vic Theatre Trust

The Old Vic is pleased to submit evidence under the heading of support for the maintenance and development of theatre buildings. Below is an outline of salient points relating to its own particular situation.

##### OPERATING MODEL

The Old Vic Theatre Trust, a registered charity, was formed by Sally Greene in July 1998 in response to public outcry and Government pleas to save The Old Vic when it was put onto the open market for sale. In March 2000 the Trust completed the purchase of the freehold, placing it in the hands of a charitable trust thus ensuring its future was protected through charitable rather than private commercial ownership. The total cost of the freehold was £3.5 million of which £2.15 million was raised from the private sector and the balance by way of a bank loan for £1.35 million—£757,405 is outstanding, the balance having been paid off by the Trust from operating income and donations.

The Trust established a new financial model for The Old Vic. By initially operating the Theatre as a receiving house it avoided the potential risks associated with producing its own work. With a small staff and low overheads, it created a system of self-supporting finance. It derived trading income by, for example, hires of rehearsal rooms, day-time hires and one off events. It also developed one of its bars so that income could be generated whether or not a production was currently running. There was also some private sector support. This enabled the Trust to exist and thrive without Government subsidy. Gerry Robinson, then Chairman of the Arts Council, praised this model saying that by “forming a Board with such a dynamic mix of artistic and managerial expertise, The Old Vic is able to accomplish something all too lacking in British arts—a financially viable and artistically strong theatre which will run without any Government subsidy”.

But as a receiving house the Trust was at risk—there was no producers' rental income during gaps in productions and more and more producers were seeking reduced rent or split box office deals. Consequently the Theatre effectively became vulnerable to production losses.

By establishing The Old Vic Theatre Company, a resident company and wholly owned subsidiary of the Trust under the artistic directorship of Kevin Spacey, the Trust has aimed to alleviate many of the revenue risks associated with being a receiving house. The Theatre Company operates on a commercial basis. It has arms' length hire arrangements with the Trust, similar to those that would previously have been sought with outside producers, under which the Trust continues to be isolated from production risk but gains increased financial security by receiving full rent together with associated income. The creation of an in-house Company also ensures that the Theatre has a constant, high quality artistic programme. And there are added benefits. Our education and outreach work can now be planned in advance around our own productions. Also, the Theatre Company can develop the initiatives generated by *Old Vic New Voices*, a programme dedicated to supporting and cultivating emerging talent and exploring cross-germination between theatre and other art forms.

The Old Vic Theatre Company aims to produce classic and new plays to appeal to a wide theatre-going audience. Each season we will produce four shows, including a Christmas show for all the family, together with a supporting programme of work to introduce young people and our neighbours to the Theatre. Over the coming seasons we will build on our commitment to making theatre accessible to young audiences by

continuing our policy of offering tickets at reduced prices to under 25s. We will also develop our programme of education and community work, and introduce new audiences to the Theatre through projects such as pre-show talks, master classes and film seasons linked to the work on stage.

With the building and artistic future of the Theatre secure, the Trust is looking to address the much needed repair, restoration and development of the fabric of the building.

#### THE NEED FOR CAPITAL INVESTMENT

The Old Vic opened in 1818 and is Grade II\* Listed for both its merit as a listed building of architectural value and for the extraordinary role it has played in theatrical history—the Royal Ballet, English National Opera and the National Theatre all began at The Old Vic. The Trust needs to shore up the structure of the building. The roof is deteriorating and leaking, the walls are growing dangerously damp as the decaying roof fails to keep the rain at bay and significant damage is occurring to the masonry which, if left untreated, will cause further damage to the fabric of the building. The auditorium seats are lumpy and uncomfortable.

The Old Vic needs to accommodate the demands of today's audiences, not creating a destination venue, but more fundamentally in complying with the Disability Discrimination Act and providing the basic facilities which audiences experience in the newly, often lottery-funded, refurbished theatres and which they have now come to expect as the norm. There is also a need to improve backstage facilities in order that the Theatre can meet the demands of today's theatre productions.

We are in the early stages of exploring the full scope of the works and how best they can be achieved with minimum disruption to our revenue-generating operations. Information about the full scope of the work and potential costs is not yet available as it is the subject of a current review. We are also looking at how we can ensure that the necessary resources are in place so that Theatre can be kept in good repair in the future. (Even those companies who receive significant public funding acknowledge that their revenue budgets are rarely sufficient to cover maintenance and that dedicated capital budgets need to be introduced to cover on-going maintenance.)

#### PUBLIC SECTOR SUPPORT

Neither the Trust nor the Theatre Company receive public funding. Currently we are able to meet our day to day operational overheads without subsidy. However, we cannot finance the major capital needs of the building.

Securing sufficient funds from self-generated income is not an option. In the West End a handful of producers have made substantial profits from shows and world-wide spin offs. Some have the potential, as demonstrated by Cameron Mackintosh, to invest part of these profits in the infrastructure of the theatres they own. This option is not available to The Old Vic. It can continue to be viable in operational terms, maximising the potential revenue opportunities that the Theatre presents. However, it will never be able to achieve the potential levels of finance needed for capital works.

The Trust was established in the genuine belief that public funding would be forthcoming, not least because it was responding to a direct plea to save the building made by the then Secretary of State for Culture, Media and Sport. However, the challenge is being accepted on to the capital programme—with the exception of a recent Project Planning Grant from the Heritage Lottery Fund (HLF), the Trust's attempts have been unsuccessful.

The recent *Act Now!* report did not include The Old Vic. It is understood that The Old Vic has been excluded because the Steering Committee decided to restrict the Theatre Trust's coverage to the West End narrowly defined. Also SoLT believes that The Old Vic is in a slightly different position to commercial West End theatres in that both Arts Council and HLF have always been open to lottery funding bids from arts buildings owned by charitable bodies. It does, however, recognise that if there are renovations (as opposed to maintenance work) required at The Old Vic, it would seem logical to include The Old Vic in the scheme.

It is understood that the Arts Council's capital programme is now closed so, although it has been made clear it would not consider supporting The Old Vic, it is also no-longer an option.

The Old Vic's Project Planning Grant was hard won. The way is open to apply for a Heritage Grant. However the HLF will only distribute money to conserve and enhance those parts of a theatre building which are integral to the heritage of the building itself and it excludes improvements to modern areas, such as the technical infrastructure for performance. By its own acknowledgement, the HLF will usually be only one part of a wider funding package, which is likely to include other arts funders, principally the Arts Council, as well as the applicant's own funds. It is a vicious circle—without Arts Council support it is more problematic to secure HLF funding.

In the case of HLF grants to theatres, it is necessary to demonstrate that a grant will extend beyond improving the experience for theatre audiences to wider economic, social and community benefits. The Trust's application will need to include elements which will broaden access to the building as a heritage site. Although this broadly fits with the Trust's own aspirations, there are future implications for revenue operations—introducing these elements will mean that additional resources to support the on-going costs



of these activities will need to be found from within its lean operating budget. We want to broaden access to The Old Vic, but these aspects seem to have a stronger focus than supporting the infrastructure and as we plan the capital works we have to be careful that we are creating a project which meets The Old Vic's criteria and that additional activities, with their allied costs, are not being taken on board simply to secure a grant.

The Old Vic is prepared to launch a fundraising campaign. However, we feel that we cannot exclusively look towards the private sector to secure all its funding. Indeed, some potential donors have indicated that they would look for public sector support before making a commitment. And some who gave to the Trust's campaign for the acquisition of the building understandably feel that they have "done their bit".

The difficulties experienced in trying to be accepted onto a capital programme are a cause of some frustration. We have demonstrated that we are a viable, self-sustaining operation. Within a relatively short, six year period the Trust purchased the freehold of the building, reduced its loan by nearly £600,000, created and ran the theatre as a receiving house, and planned and launched the opening season of The Old Vic Theatre Company.

Unlike some other commercial theatres, in addition to producing plays on our stage we have an education and outreach programme; are encouraging young people to experience Theatre through a subsidised ticket scheme; are increasingly proactive in bringing young people into the Theatre to both performances and to use our facilities. (As a non-subsidised company we are not subject to the conditions of funding which mean that we are obliged to deliver such "outreach" programmes and the funds to support these programmes largely come from within our own revenues supplemented by some sponsorship and donations.)

With the recent appointment of an Education Officer we are building and developing our past achievements, taking advantage of the opportunities presented by having a resident theatre company. In particular we aim to create a Community Inclusion Programme aimed at those who may be at risk of social exclusion or under achievement or, for whatever reason, may not traditionally access learning opportunities through the creative arts.

We are committed to producing new writing and contemporary plays and, through *Old Vic New Voices*, to developing new writers, many of whom have had their plays produced in the subsidised sector.

We continue to try and make the building as accessible as possible. The Pit Bar is open outside production times and regularly attracts evening business. We are undertaking a series of Sunday afternoon film screenings in association with the Curzon during *National Anthems*. We have had the restriction on exhibitions in the foyer removed from our licence and are now looking at this possibility. We do backstage tours. We have played a children's show "under" a main stage production and will continue to do so as and when it is appropriate.

However, our efforts and commitment are not recognised by the public funding bodies and our outputs are continually measured alongside those companies who receive significant public subsidy. It feels as if success is not to be rewarded. The Old Vic has a role to play in the future, and not only by contributing to this country's immense theatrical heritage. We are located on the borders of Lambeth and Southwark, one of the most deprived areas of London and we see rejuvenating the building as playing a key role in the regeneration of the area.

Identifying sources of funding is a challenge and the Trust welcomes the Select Committee's interests in this area.

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### Memorandum submitted by the Royal Court Theatre

#### 1. THE ENGLISH STAGE COMPANY AT THE ROYAL COURT

1.1 Founded in 1956, the Royal Court is a leading force in world theatre, finding and producing new plays that are original, contemporary and challenging. It is an artistically led theatre that creates the conditions for writers, nationally and internationally, to flourish.

1.2 In the late 1980s, the culture of new plays in Britain was threatened. 10 years of flat funding levels had eroded the infrastructure for developing new work and the safety net of subsidy that had facilitated creative risk. The energy was perceived to be in revivals of classics with directors as auteurs.

The Royal Court responded by embarking on a period of growth fuelled by entrepreneurial private fundraising, trebling its raised revenue between 1990 and 1996. To generate vitality and diversity the volume of productions was increased, and provocative, inspiring new plays were introduced at a breathless pace. Audiences and critics could not anticipate who or what was coming next: the plays were new, the writers were new and very often the audiences were new. During our capital redevelopment and tenure in the West End, the Royal Court benefited from a generous closure grant and produced a critical mass of bold new work, proving that new writing could attract a West End audience, and providing a repertoire for theatres across the world. This Lottery-induced vibrancy led to 50 new plays being produced in three years in the

West End, 10 productions staged in New York, and Royal Court plays being optioned and presented by major theatres throughout Europe. Only a decade ago new plays were viewed as risky, but now they are at the heart of programming in many theatres throughout the UK and internationally.

1.3 In 2004–05 the Royal Court received £1,907,218 in subsidy from Arts Council England. With that grant, the theatre produces 18–20 new plays in its two auditoria, considers over 3,000 unsolicited scripts each year, has 20–30 writers under commission at any one time and operates its International Play Development and Young Writer Programmes. Throughout the world, there continue to be countless productions of plays that were developed by, and premiered at the Royal Court.

## 2. SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF THEATRE BUILDINGS

2.1 The refurbished Sloane Square theatre is an award-winning building that is enjoyed by audiences and artists alike. The Royal Court is now blessed with two fully functioning auditoria (a 400 seat proscenium arch theatre and an 85 seat studio theatre) that are an ideal size and configuration for producing new writing.

2.2 As was the case with many early Lottery funded projects, physical overheads such as electricity and air conditioning in the refurbished theatre increased by 80%. High tech equipment led to spiralling maintenance costs. Rental on the new building rose from a peppercorn contribution to £35,000 per annum. The theatre invested more heavily in access initiatives, complementing the refurbished building's excellent physical facilities. New Health and Safety legislation and the European Working Time Directive contributed to rising training and salary expenditure.

2.3 The theatre was fortunate in this period to benefit from three years of subsidy increases following the Boyden Report, which countered years of chronic underfunding and helped to absorb some of these costs. Through prudent financial measures, streamlining the company's overheads and being entrepreneurial in our exploitation and co-producing relationships, the company is now operating at break-even with no deficit. However, the Royal Court does face difficult financial choices, inevitably diverting a significant portion of our subsidy away from the stage after a period of Lottery fuelled expansion.

As a small house we will unfortunately lose revenue from Cultural Exemption from VAT, but we support the ideals behind exemption of cultural institutions and will continue to explore ways in which we can finance an exuberant 20 play per annum programme. We support the Arts Council policy of rewarding artistic success and financial responsibility, and are delighted to have come through the Lottery experience with an extraordinary resource for new plays and a lean and effective company dedicated to a singular vision.

## 3. SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF NEW WRITING AND NEW PERFORMING TALENT

3.1 The Royal Court “cooks” new work rather than “shops” for plays that have been successful elsewhere. The work that audiences see on stage is only the tip of the iceberg and the theatre spends around 20% of its total annual turnover on below the line play development. We aim to facilitate the growth of a playwright at their own pace, be it through outreach projects, one to one sessions, readings, writers groups, exchanges, attachments to the theatre or research projects. However, we do not develop work in a vacuum: a writer learns the most about their craft from seeing their play in front of an audience and all of our instruments of development are aimed at getting work onto the stage.

3.2 Our Young Writers Programme works with playwrights aged 25 and under, encouraging a culture of playwriting among young people through our work with the formal education sector and through outreach programmes. In addition to giving rise to many main stage British writers (from Andrea Dunbar and Joe Penhall to Lucy Prebble and Laura Wade), the programme also promotes literacy, self-expression and communication skills. This work is an important resource to this country, helping to build the next generation of playwrights, contributing to our audience development role, and feeding directly into the emerging repertoire of contemporary theatre.

3.3 The Royal Court's International Programme provides an extensive framework for play development in over 50 countries around the world, through international workshops, a summer residency for playwrights, international exchanges and translation. It links UK theatre culture and practice with artists worldwide, and draws new British writers into a thriving network of international producing partnerships. One third of the Royal Court's annual programme is now work by international playwrights, creating a context where British writers and audiences can respond to an increasingly internationalised world.

3.4 The Royal Court is led by artists and their choices, rather than by social policy or audience demand. However the Royal Court has over the past 50 years maintained a commitment to propelling the diversity of our nation onto the stage by identifying, developing and staging the work of oppositional and outsider voices. History has demonstrated that these plays have often been the most important artistically. This history as a socially concerned theatre has led to a diverse programme, an inclusive community of artists and an accessible pricing policy—for over 20 years every seat in both houses has cost less than £7.50 on a Monday night and 10p tickets are available every night of the week. This was the case long before the prevailing culture of “box ticking” for funding bodies.

Artistic expression is of course informed by social concerns, but it is looking through the wrong end of the telescope to identify audience needs and then develop an artistic programme to meet them. The most powerful artistic decisions throughout our history have been connected with a defining courage in programming. The “new” is often strange, and theatres with a serious commitment to new work will often find themselves producing plays which are ahead of public taste.

3.5 We share the industry-wide concerns regarding the recent announcement about freezing government funding levels for the arts over the next three years. The Royal Court’s own history demonstrates that periods of start-stop funding have undermined the ability of the company to take creative risks and forward plan. In direct contrast, the sustained and committed investment to theatre over the past few years has fuelled a vibrant playwriting and theatre-producing culture that ensures Britain’s continuing position as the art form leader internationally.

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*Witnesses: Ms Sally Greene, Chief Executive and Trustee, Mrs Joyce Hytner, Trustee, Ms Joan Moynihan, Executive Director, The Old Vic, and Ms Diane Borger, General Manager, Royal Court Theatre, examined.*

**Q242 Chairman:** Ladies, welcome here this morning. We are delighted to see you. We are going to complete your family before we are done.

**Mrs Hytner:** It has something to do with the Manchester water, I think.

**Q243 Michael Fabricant:** The Old Vic gets no public funding at all. Can you explain the background to that?

**Ms Greene:** Yes. My name is Sally Greene and I am Chief Executive of The Old Vic. On my left is Joan Moynihan, who is the Executive Director of The Old Vic, and on my right is Joyce Hytner, as you will know, who is our fundraising candidate in the theatre. In 1998, a public appeal went out for someone to take over The Old Vic, which was apparently in danger of becoming a lap-dancing club, which I am sure you have all heard. Chris Smith made an appeal at the Laurence Olivier Awards and unfortunately I happened to be sitting in the audience. I know of a couple of other West End people who had a look at it but at the time The Old Vic was in an area of complete degeneration and it was dark, it was dark for about a year. It had been run by the Mirvishs and they had lost a lot of money on producing their own shows there with the Peter Hall company and a couple of other companies. I went to have a look at it and we ended up buying it and raising the money, £3.5 million, to buy it and immediately we turned it into a charitable trust.

**Q244 Michael Fabricant:** Who are “we”?

**Ms Greene:** At the time it was just me, I have to say, but we formed a Board quickly, of which Alex Bernstein was the Chairman. Stephen Daldry was on the Board and various other people whom I had met along the road between Richmond, the Criterion and then the Old Vic. They were very helpful to me in raising the money to pay the Mirvishs for the theatre, but, of course, the thought in my mind was that this theatre was not a receiving house, this was a theatre which should have a company. Particularly with Stephen Daldry, I tried to persuade him to become the Artistic Director, but he had other goals in mind since he was directing the film *Billy Elliot* at the time. We put this charitable trust together and started to put on

shows, buying in shows from producers. We have no subsidy whatsoever. We got our cash flow together ourselves through private fund-raising and we opened the doors. One of the first productions we put on, which we took from the Almeida Theatre, was called *The Ice-Man Cometh*, starring Mr Spacey. I met Mr Spacey and I got him involved immediately as a full Board Director of The Old Vic, and over the last four or five years I tried to persuade him to become the Artistic Director, which has been hard but there he is. Now we have a company at The Old Vic and we are completely self-financing and we raise our money through private donations, but the biggest problem with The Old Vic is that the fabric is very dilapidated. The roof is letting in water, literally it is dripping onto the set and we need help for the fabric, because we can put on the shows and we can raise the money for the shows but we cannot look after the building at the same time. We are spending a lot of our money at the moment on trying to keep the building going, bit by bit. I cannot remember which production it was but it rained upon what we were doing. This is where we need help.

**Q245 Michael Fabricant:** In the direction of help, I gather you fall between two or three stools, as far as the Heritage Lottery Fund is concerned and the Arts Council is concerned. Could you elaborate a bit on that?

**Ms Greene:** The Arts Council told us definitely they will not give us any money. They will support us. I will let Joan talk about this a little bit more. We will make an application to the Heritage Lottery Fund. We are hopeful but a little bit negative about it.

**Ms Moynihan:** I will try to elaborate just a bit. In your question about commenting on lack of funding, if the question is “Why?” I could not answer that, but I can tell you that since 1998 at no time have we not been in talks with either the Arts Council or Heritage Lottery Fund. As soon as Sally bought the building we were in conversations, but it was made very clear to us, without even putting in an application, that there would be no funding, since for lots of reasons the Arts Council was reorganising itself and the funding was not

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there. We did then put in an application for a comparatively small amount, compared with some of the figures you are hearing about in this inquiry, for £750,000, which was rejected on the basis that we scored less than other important projects. We put in an application also to the Heritage Lottery Fund and spent about a year working on that and we were advised to withdraw on the basis that apparently we had not supplied enough information. Here we are today with no subsidy and I think our problem is that there is a gap. I think it is fair to say that the Heritage Lottery Fund, and they have admitted it, find it difficult to be asked to fund arts buildings which are not subsidised by the Arts Council. It concerns them because they think there is some reason why an arts building is not funded by the Arts Council and so one gets into this circular argument. To try to address that, we have gone back to the Arts Council, who have made it absolutely clear that there is no money for us, but they are prepared to do a health check now. This sort of means, assuming they feel this is the case, that they tick some boxes and share that with the HLF and say, "We're not funding them but we believe this is the sort of organisation which in other circumstances we might fund."

**Q246 Michael Fabricant:** Both applications, for the HLF and the Arts Council, were—and correct me if I am wrong—for capital funding. Have you made at any time any application for subsidy? We heard earlier on about the reduction in seat prices and making more productions more viable. Has that occurred to you, to make an application for revenue funding?

*Ms Moynihan:* We have not applied for revenue funding. As Sally said, historically we operated as a receiving house, where in fact we were receiving other people's productions, and therefore we received rent. Effectively, that was how our income operated, and so it was not for us to apply. The Arts Council would say, "What for? What are you producing?" We have just launched the Kevin Spacey season. I suppose it would be foolish to say we will never apply for subsidy but at the moment we believe it is proper that, in revenue terms, we should try to be self-financing.

**Q247 Michael Fabricant:** Why is it "proper"?

*Ms Moynihan:* I suppose that so far we are and have been, so for us at The Old Vic it is a question of our priority being the building.

**Q248 Michael Fabricant:** Why is it proper for you and not proper for other organisations?

*Ms Greene:* I think we said earlier on how difficult it is to get new Arts Council funding. It is very, very, difficult. I have been through that door many times and it has been slammed in my face, so it is very, very difficult for a new company to get funding, but I am sure Kevin will want to do that in years to come because it is difficult to raise the money for the productions.

**Q249 Michael Fabricant:** It is not so improper then if you get some money?

*Ms Moynihan:* It seemed more proper that we focused on the building.

**Q250 Michael Fabricant:** You have gone on to this issue now, which I was not going to raise but I will, the way it is difficult for new organisations, new production companies, to get Arts Council funding. You may have heard last week the ITC give evidence and they were not totally convinced that the Arts Council monitors enough the performance of organisations to which they donate money already. Would you agree with that view?

*Ms Greene:* I think one of the things I have noticed over the last 10 years, when I have seen large amounts of Lottery money going to companies, is the management, and I do not think that the Arts Council look carefully enough at the management of the theatres. There are not many training schemes for management and I have found that we have employed people who have not been working in the theatre necessarily. Joan was a lawyer, a very highly paid lawyer and now is earning some pittance to be the Executive Director of The Old Vic, but she is so useful and helpful and she runs it brilliantly and is fantastic with the contract. That is where I think it falls down. A lot of the theatres have got a lot of money, they have rebuilt themselves and then they cannot afford to run. That is the problem. The Arts Council did not really look at that carefully enough when they started doling out huge amounts of money to holes in the ground.

**Q251 Michael Fabricant:** Do you think there is a role for the Arts Council to assist in funding training courses? I remember, years ago, the Independent Broadcasting Authority, as it was known then, funded a radio training school, which I got involved with by supplying broadcasting equipment to them. Do you think the Arts Council should be doing more in that direction?

*Ms Greene:* I think it is their duty, yes, I do.

**Q252 Chris Bryant:** My own experience of going to The Old Vic is of sitting through a four-hour production of Hamlet with no interval, with a seat which collapsed after about 10 minutes.

*Ms Greene:* Was that last summer?

**Q253 Chris Bryant:** No, this was several years ago.

*Ms Greene:* I was not there then.

**Q254 Chris Bryant:** That was the production with the enormous curtain which moved, for some bizarre reason, across the stage. The second time I went to see Sir Peter Hall, who was directing something there, and after the meeting he opened the door and there was something wrong with the staircase and I fell down it. I agree with the issues about the fabric and I think it would be an absolute disgrace if at the end of this story you did not end up with a building which was in proper condition. It is part of Britain's theatre heritage, certainly as much

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as the Theatre Royal Drury Lane, or Convent Garden Opera House, or indeed the Royal Court, or the Old Vic in Bristol, for that matter.

*Ms Greene:* Thank you. Please tell the HLF that.

**Q255 Chris Bryant:** I think that was my way of telling them. One of the things that you have to be is a social entrepreneur, in a way, is it not?

*Ms Greene:* Yes.

**Q256 Chris Bryant:** Is there enough support provided to people in those skills? We know about the skills to become a theatre director and an actor, and all of that, but I wonder whether there is enough support?

*Ms Greene:* Our genius sitting on my right helps with all that, perhaps you would like to comment?

*Mrs Hytner:* I think it is particularly difficult. I am associated with the Royal Court Theatre as well and if you asked me which was the easier to raise money for, the Royal Court is easier by far. The perception of The Old Vic, and it is unique in this way, is that the fabric of the building needs to have public money raised for it, if possible, but there is a commercial overlay, and it is very difficult to get that message over to people. In spite of the fact that Sally is brilliant at producing, she may not necessarily be quite as brilliant at raising money to look after the building, and that has been an ongoing problem. The profile that she has raised for the building is very, very helpful, but, in a way, that in itself is quite difficult because once you raise the profile people do not quite understand why it is that you need money as well. I may not be making too much sense but I guess that you are intelligent enough to get what I am saying.

**Q257 Chris Bryant:** Beyond your theatre and the Royal Court, do you think there is nonetheless an issue about the mix of skills that you need to run a modern theatre?

*Mrs Hytner:* Without question, and I think that we are getting there. It is very changed, over the last 10 years, I think. I think that people have got much more recognition of the wider variety of skills that you need now, as opposed to even 10 years ago.

**Q258 Chris Bryant:** Do you think the same is true for actors? I am thinking this because, obviously, most theatrical training is about how to use the camera, how to find your light on stage, and all that kind of stuff, but a lot of actors, many of whom have been extremely successful, when it comes to retirement, to be honest, are in penury and I just wonder whether there is enough training in all those different skills?

*Ms Greene:* I think that Kevin Spacey is a man in question, because he is an actor and when I saw him on stage at the Almeida Theatre I was stunned by his performance and then I sat down with him and talked to him and realised that he loved running theatres, producing shows, directing shows and is probably one of the best public speakers I have ever heard. He has got all those talents, and a lot of actors

do have actually, and I think someone like Kevin Spacey will just go on and on and on, he is an extraordinary actor and an extraordinary producer.

**Q259 Chris Bryant:** You have got the Young Vic on the other side of the road and, of course, it is completely separate, and to some people that might seem odd.

*Ms Greene:* We do work together, but of course the Young Vic is subsidised and undergoing a big restoration at the moment, it is not opening for a while, but Kevin and the Artistic Director of the Young Vic see each other quite often, and hopefully we are going to share a box office on Emma Con's Garden together soon, in the centre of it, and it should be very useful for both of us.

**Q260 Chris Bryant:** Talking of box office, one issue which has arisen recently, because of the OFT doing its report on the selling of theatre tickets, is the question of when you buy a ticket, when you ring up, which for the vast majority of people is going to be the only means of buying a theatre ticket, they end up not just buying a ticket for £40 but then having an additional charge slapped on top of it, of maybe £1, £5, maybe £12 or £20, or whatever. Where do you sit on that?

*Ms Moynihan:* Without trying to avoid answering it, our box office is operated by Ambassador Theatre Group, so we contract that operation and effectively we are stuck with their booking fees. We have a very good relationship with them so I am not knocking that relationship, but probably it is better that you ask them, and I think they are coming later. Effectively, we have to take the booking fee and from time to time we have sought to negotiate that down where we thought it was inappropriate.

**Q261 Chris Bryant:** How much is it, do you know?

*Ms Moynihan:* It is £2.50 per booking.

**Q262 Chris Bryant:** As you know, many people when buying their ticket are perplexed as to why it is not included in the price of the ticket; that is either how much the ticket is or it is not?

*Ms Greene:* It is extraordinary how much it costs to put on a show, it is quite scary. Only 10% of shows actually make a profit. The sorts of shows that we are doing, we have done a new play, *Cloaca*, which Kevin directed, in September, which did not receive fabulous reviews but actually got a decent audience. Then we did pantomime with Ian McKellen, which did extraordinarily well, and we are opening a new play on Thursday, in which Kevin is starring, which has also taken a very good advance, but they do cost a lot of money to put on.

**Q263 Chris Bryant:** My issue is not with the £40, it is with the £2.50, and even it were advertised as £42.50 I would be happy. It is the sudden injustice, is what it feels like?

*Ms Moynihan:* As I say, I am afraid that probably you need to ask the box office operators. They would say that is a fair cost of providing their

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service. You will have to ask them to elaborate further, but I think they will say that is the cost of providing the service to the customer.

**Q264 Chairman:** You are both institutions but you are institutions of a different kind, are you not? Although I realise that under your new regime the Old Vic is seeking to create new material, both you and the Young Vic, at both of which I have spent very many marvellous evenings, to a very considerable degree have been receiving theatres. I have seen the RSC at both, for example, etc. Whereas the Royal Court probably has got the greatest record for originating new material, and indeed right back to Granville Barker, John Osborne, etc, etc, right through to the present day, that wonderful exposure of the tabloid press to which you kindly invited me. At the Royal Court, do you believe that the role you play in originating new material, probably more than any other theatre, certainly, I would say, more than any other theatre in London and maybe in the country, I will put it another way because the first way is a bit too easy, to what extent do you think that is recognised by the Arts Council, whether it regards you as a very special case, which you ought to be?

**Ms Berger:** I do not want just to say yes. I would like to think we originate the most new material in the world, but perhaps that is a bit ambitious. I think they do consider us a special case and that is not to set us against our other new writing colleagues, like the Bush or Hampstead, but we do 18 to 20 shows every year and we will be 50 next year. We do only new plays, very occasionally revive a classic, I think we might do that actually in our birthday year, but I think that is why we are subsidised. While the Michaels both said that they can manage to do about six or seven plays a year, I think we do receive greater subsidy than the Almeida and the Donmar, but we are the only other theatre which does as many productions in a year as the National and they receive quite a bit more than we do.

**Q265 Chairman:** Again, The Old Vic, in a sense, is a perfect building. No doubt internally you have different views, but it would be very difficult indeed to find a way of improving on The Old Vic, both in terms of the public areas, the large spaces and so on. The Royal Court, like the Almeida, has had, on the other hand, extensive remodelling. I did not want to say to our guests from the Donmar, who are so delightful, how inadequate their remodelling had been, in terms of being able actually to see the play. Again, as I say, The Old Vic, in my view, is so perfect that it would be wrong to interfere with it, but does the kind of remodelling that you have had help in attracting theatre-goers as distinct from creating a more attractive environment?

**Ms Berger:** I thought it was interesting when you raised the question about, or Michael did, if it is a nicer space will more people go, or will it be more comfortable, and I thought, certainly the Royal Court is much more comfortable but does it attract a larger audience only for that reason? I would

have to agree with the previous speakers that it is about what you put on the stage. That said, I am very sympathetic to the Old Vic's problems because it is the position that the Royal Court was in. It was going to be condemned, it would fall down, it was no longer licensable so it had to be fixed. When you are going to spend that much public money, I think it is important to make it a more comfortable space and I think that you can animate your building in the day far more if you have what we have, the new restaurant space which did not exist before, so now there are places that people can be in. A lot of the money goes to things which are invisible, like technology or more heating or more aid-conditioning and things like that. We were lucky to be in that position when we received that grant.

**Q266 Mr Doran:** Just following through the comments you have just made, I was trying to press the Donmar and Almeida people just to see what the public benefit was for this investment and I was interested that they related it to ticket price and viability. Is that how you see the situation?

**Ms Berger:** No. I would not have put it that way. I was interested that was what they said. I am hugely proud of our ticket prices because they are very low and I feel that is obviously an appropriate use of public subsidy. I think that we have subsidy to make something happen which could not happen otherwise, so for me that is the public benefit. If we believe that it is good to have National Health, at least I am American so these are all the things that I love most about England, if you think it is important to support to theatre, if you think it is important to have what a civilised society should have, subsidy makes those things happen. One of the knock-ons, of course, is that ticket prices are more affordable, but the other is, especially in our theatre, because we are a writers' theatre and we seek the voice of the outsider and all those good things, I think that without subsidy probably that work would not be done.

**Q267 Mr Doran:** You would not exist?

**Ms Berger:** We would not, no. Even our commercial stories, something like "Look Back in Anger", which is now part of the syllabus, there is a very successful production in Edinburgh coming down to Bath, 22 commercial managements turned down that play in 1956 and then it was done in the subsidised theatre and has made a lot of money. That pattern still continues because, even a writer like Martin McDonagh, his work is on now at the National, it has been on Broadway, he has been done in 39 countries, that was an unsolicited script which came to the Royal Court. You just do not know if that work would have been done without subsidy.

**Q268 Mr Doran:** You have got a strong case for saying that investment in the Royal Court is benefiting theatre nationally?

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*Ms Borger:* I think I have.

**Q269 Mr Doran:** I fed that one to you. That is all you are going to get, I promise you. Returning to The Old Vic, I read through your submission and there is a lot of frustration in there, I could feel that. Just so I am clear, there is not a costing in here that I could see for the repairs to the fabric which need to be done, have you got a figure?

*Ms Greene:* We have got a figure, yes.

*Ms Moynihan:* We said in the submission that we will not make it public because literally we are in the middle of a project planning grant to work on those figures.

**Q270 Mr Doran:** If you do not want to commit yourself now, stop before you do, but is your cost part of the £250 million estimate of repairs to theatres generally?

*Ms Moynihan:* Not currently.

**Q271 Mr Doran:** That figure will increase. Do you aim to be part of that scheme?

*Ms Moynihan:* Yes, and we are in discussions about it. Can I add something in terms of our costing, and it is relevant to what the Chairman was saying. All of the repairs we would look to do at The Old Vic would be about substantial repairs and making The Old Vic a working production house. There is no element of it which is what one might call a vanity project or a destination restaurant, it is all about fabric and essential repairs and access and provision for producing.

**Q272 Mr Doran:** I understand that. Because of the frustration I picked up in your submission, it seems to me as though you are getting a little bit desperate?

*Ms Greene:* We are in a desperate situation because we have a big hole in the roof. I cannot remember exactly which year it was, I think it was in 1941, the Germans bombed London and one of the bombs happened to go through the roof of The Old Vic and it has never been repaired properly. It is really serious now.

**Q273 Mr Doran:** Is it actually leaking?

*Ms Greene:* It is leaking, yes, when it rains.

*Ms Moynihan:* We are not alone in that, it happens in the best of theatres. It is part of the experience.

*Ms Greene:* We are very proud of the Old Vic; we have good toilet facilities and the seats are relatively comfortable and there is air-cooling. We spend what little money we make through management and put it back into the fabric of the building, and I think you would have a comfortable evening if you came.

**Q274 Mr Doran:** You are using the legal vehicle of a trust. That separates you out a little from the rest of the West End theatres. Is that something you think is going to be helpful?

*Ms Moynihan:* We are aware of the issues. I think the issue with the request from the commercial theatre is “why should commercial owners receive funding

and how will that be protected?”, and obviously, to some extent, we are one more step towards that by not being in private ownership, so it is a charity.

**Q275 Mr Doran:** Has it helped you so far?

*Ms Moynihan:* Yes.

**Q276 Mr Doran:** A question still on the roof, I am sorry. I am fixated by roofs.

*Ms Greene:* Come and have a look.

**Q277 Mr Doran:** No. I am no good as a handyman, I am sorry. Is it likely that you will have to wait until this whole £250 million package, £125 million from the commercial sector plus the cost of your roof, is put together?

*Ms Greene:* We are trying to raise the money privately as well, of course, all the time, and we are starting a big fund-raising campaign for the fabric of the building.

**Q278 Mr Doran:** I saw that from your submission.

*Ms Greene:* If we raised any money, if we raised a substantial amount of money between now and next year, we would have to start on the roof.

**Q279 Mr Doran:** It may be that you will manage to resolve this problem yourselves?

*Ms Greene:* I would like to think that you might help us, for once.

**Q280 Mr Flook:** I notice, from the first paragraph of the submission you put in, that you bought the freehold for £3½ million; £2.15 million was raised from the private sector and the balance by way of a loan, the £1.35 million, of which £750,000 is outstanding, so effectively you are paying it off at around £100,000 a year. I appreciate that between now and paying it off in total is going to take another five or six years; is that right, is it a gradual progression?

*Ms Moynihan:* No, it has not been like that. We were very lucky with a legacy, we were very lucky with some donations. It has not been a measured £100,000 a year and it is very hard to find the monthly repayment, as more revenue, for the overdraft.

**Q281 Mr Flook:** Is the monthly repayment a publicly available figure?

*Ms Moynihan:* It is not but I do not think it matters. Currently, it is at about £8,000 a month.

**Q282 Mr Flook:** You struggle to pay that; although “struggle” may be the wrong word?

*Ms Moynihan:* It comes out of a limited income, is the answer.

**Q283 Mr Flook:** Has no-one suggested to you that, because the way you have presented it here it looks as if you are paying off £100,000 a year, therefore you could capitalise that income against the money which is needed? That is just the way it appeared to be presented, which is not good for you, if you see what I mean?

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**Ms Moynihan:** Fair comment. It is just not the way it has worked.

**Chairman:** Thank you very much indeed. We are most grateful to you. Could I point out to you, and subsequent witnesses, that people going in and out is

no discourtesy to you, it is because there is a conflict with what is going on on the floor of the House of Commons, something which will be remedied in the next Parliament but too late for this session, I am afraid. Thank you very much.

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### Memorandum submitted by Ambassador Theatre Group

#### THE AMBASSADOR THEATRE GROUP

The Ambassador Theatre Group (ATG) was formed in 1992. It is a private company. Its strategy has been to build an integrated theatre-based entertainment group of scale both in the ownership of high quality theatres, and in the production of the most innovative and creative work to fill these, and other theatres. Our aim is to nurture ideas within the UK theatre, and to use this “platform” to export these ideas around the world and into other media formats, such as television, and video/dvd.

Since its formation, ATG has steadily grown. It now owns 11 theatres in the *West End* ranging from the Piccadilly at the larger end of the scale, to the Donmar, its smallest West End theatre. This makes ATG the second largest West End theatre group, after Really Useful Theatres.

It also owns 12 regional venues in Woking, Richmond, Wimbledon, Brighton, Glasgow, Milton Keynes, Stoke-on-Trent, Bromley. This makes ATG the second largest regional theatre group, after Clear Channel Entertainment.

ATG is also, we believe, the largest producers of theatrical productions in the country—producing either solely, or in partnership with other co-producers, around 20 productions each year. Its current co-productions include Andrew Lloyd Webber’s *The Woman in White*, the Young Vic’s *Simply Heavenly*, Sondheim’s *Sweeney Todd*, Peter Hall’s *Whose Life is it Anyway?* with Kim Cattrall, Matthew Bourne’s *Nutcracker!*, Holly Hunter in *The Bog of Cats*, Roald Dahl’s *The Witches*, Matthew Bourne’s *Highland Fling*, Roy Smiles’ *Ying Tong* and *Guys and Dolls* with Ewan McGregor.

ATG’s productions usually go to its own theatres, but they also go to other non-ATG theatres, and other producers’ work is featured in ATG’s theatres.

ATG is very active in exporting its successful shows overseas, and usually co-produces these shows as they travel to the US and elsewhere.

For example ATG has recently toured Matthew Bourne’s *Nutcracker!* to Korea, Japan, and the West Coast of the US. It will have at least three co-productions go to New York this year: *Shockheaded Peter*, *Sweeney Todd*, and *The Woman in White*. *Noises Off* and *The Weir* also recently enjoyed successful Broadway runs.

ATG has been very active in the translation of theatre production to television. It has a joint venture with ITV, ScreenStage, that has been responsible for televising work as diverse as Kristin Scott-Thomas in *The Three Sisters* to Eddie Izzard in *A Day in the Death of Joe Egg*.

ATG also works closely with the public sector in a range of different ways, such as:

- (a) Several of its regional venues receive local council funding support, linked to quality and diversity of programming, educational commitments and local community commitments. The accessibility of both our venues and our work to diverse local audiences is an important priority.
- (b) ATG often brings seed-corn funding to particular projects that are initiated by publicly funded organizations. For example it supported the Royal National Theatre’s latest revival of *Noises Off*, prior to taking it regionally, into London and then on to Broadway.
- (c) ATG often takes productions from publicly funded theatres into the West End and beyond, generating both upfront return for the assets and an ongoing royalty stream for the originating theatre.
- (d) In the West End, ATG owns and operates the Donmar theatre. While the producing company at the Donmar operates entirely separately from ATG, and is funded in part by the Arts Council. This has proven to be a very successful model, originally under Sam Mendes’ artistic direction, and now under Michael Grandage’s. The relationship is being further developed with the first ATG/Donmar co-production, *Guys and Dolls* with Ewan McGregor, launching in the West End in May, which will bring additional funding back to the Donmar.
- (e) ATG regularly provides West End homes for the major subsidized companies. For a number of years, ATG housed the Royal Court, while its venue was being redeveloped. Currently, ATG is providing two theatres as the RSC’s London homes—the Albery and the Playhouse.



- (f) We have developed close working relationships with schools and local education authorities all over the country—in part because a sizeable proportion of our productions are set texts as part of the schools curriculum

KEY ISSUES AND COMMENTS TO BE RAISED WITH THE SELECT COMMITTEE BY ATG IN RELATION TO THEIR INQUIRY

Recognising the published terms of reference for the current inquiry by the Select Committee, we would like to make the following points in our evidence:

1. *Theatre plays a unique and special role in the creative life of the UK, and we feel that the public subsidy model has never fully recognised this unique role. As a result theatre, we feel, has been relatively underfunded, and in recent funding reviews has actually been downgraded incorrectly by comparison to other art forms.*

The reasons why we feel that Theatre plays a unique role are as follows:

- (a) Unlike any other art form, drama plays a central role in the educational system of the UK. Drama forms an important part of one of the core curriculum subjects—English—and therefore has a key role for every student in the UK. The availability of quality drama (especially set texts) across the country is important to ensure that students are fired up and engaged by this part of the curriculum.
- (b) There are a greater number of Drama (including theatre studies) places in the UK Higher Educational system than in any other creative form, and the UK is unique in that regard. The UK therefore has a competitive advantage in the supply of high quality trained talent to the sector.
- (c) The UK has historically generated internationally recognised talent, and continues to generate talent, in all aspects of the theatre industry. The UK is recognised for the quality not just of its performers, but also its writers, its directors, its technicians and its many craft skills. A flourishing theatre industry in the UK nurtures a broad base of talent.
- (d) The UK has a considerable net export of theatre earnings, due to its global recognition in the sector—possibly ahead of any other creative sector. UK created theatre shows still travel the world, are present continuously on Broadway, and generate earnings globally.
- (e) The theatre sector generates employment and related prosperity to a greater degree than any other art form. The latest SOLT survey quantifies the economic effect of West End theatre as around £1.5 billion per annum
- (f) The theatre sector helps generate inward tourism for Britain. London's West End is an important magnet for foreign visitors. Approximately one third of all West End audiences are overseas visitors. 68% of overseas visitors to the theatre rated the theatre as an important reason to visit the UK.
- (g) A thriving Theatre sector is an extremely important feeding ground for the UK's television, film and radio industries. Many of TV, film and radio's writers, directors, and performers have been trained and nurtured by the theatre industry. The UK's global strength in Television can be attributed in part to this well-spring of talent that the theatre industry generates.

We do not think that any other cultural form contributes to the same degree to this nation's educational, economic and global health. While it may sound like special pleading, we do feel that public policy needs to recognise the special role that the Theatre plays in the UK, and yet so often it is treated as yet another homogeneous art form, to be favoured one year, and then cold-shouldered the next.

2. *It is important to retain some key fundamental aspects of public intervention in the theatre market.*

Part of the continuing success of British Theatre is attributable to the method of intervention that annual public subsidy has on the theatre sector as a whole. The nature of that subsidy, to producing theatres across the country, means that the subsidy achieves the double effect of generating new work and new productions, but also ensuring that this work is able to be seen, by channeling the funding through bodies that operate theatres—in other words, it is a policy that addresses both content and distribution.

This contrasts with the public funding methods that have been applied to the British film industry, for example. These have been focused primarily at product creation, without reference to creating an effective distribution structure for British product. Public funding in the British film sector has, in our view, been broadly ineffective.

3. *Notwithstanding point 2, there are important questions that need to be asked about the methodology of allocation of funding within the sector. We would highlight the following issues:*

- (a) The balance between spending behind the London producing companies and the regional producing companies in terms of annual operating grants needs to be carefully monitored. The

funding for the creation of new work in the regions is important to the creative ecology of the regions and the diversity of voices in the industry. Too often the annual operating grants, when considered as a whole, including local council funding, has been declining in real terms.

- (b) It is often hard to understand the methodology by which Arts Council funding is distributed. What are the objective criteria that are used to allocate funding between theatres and theatre companies? It would seem to be a pragmatic view based on history, trying to spread a modest amount thinly, come what may, and often being utilized to reward failure. Instead we believe that far more transparent criteria should be used that gives proper cognizance to (i) quality of work, (ii) commitment to new production, (iii) commitment to new writing, (iv) efficiency of operations and (v) scale of theatre and audience. Artistic success should be reinforced, not penalised.

*4. Lottery funding has created some great new buildings, but often insurmountable challenges in terms of operating costs and generation of the right product to fill the new buildings.*

This issue has been frequently commented upon, and therefore we will not take too much time to reiterate the key elements of this argument.

The Lottery funding structure, with its matching funding requirements, has left so many arts organisations with large buildings that are expensive to operate, that require considerable investment to create the right product for, and most of their own funding sources fully exhausted by the matching requirement.

Future funding plans for the theatre sector needs to make a ground up reconsideration of the funding necessary to make adequate use of all the new buildings that have been generated by the Lottery—otherwise a monumental waste of the original public funds to create the buildings will take place.

There are obviously notable exceptions to this principle. Our own Milton Keynes theatre was originally a major lottery project; ATG operates the theatre under long-term management contract from the Milton Keynes theatre trust and this arrangement has helped make Milton Keynes one of the most successful regional theatres in the country. However, it should be noted that this project created a new theatre in a catchment area that was considerably under served by high quality theatres, and was constructed to a specification and size that was designed as likely to make the theatre commercially successful.

*5. It is important to the economy of both London and the UK, to maintain the global competitiveness of the West End.*

The West End projects an image of Britain around the world; it attracts visitors to this country and generates important knock-ons on the rest of the economy. Maintaining its long term competitiveness, we believe depends on a number of factors

- (a) Continuing flow of high quality product, some of which is transferred from the publicly funded sector
- (b) Keeping the West End as an attractive destination. Historically the West End had a competitive advantage over Broadway as a destination. The New York administration has been extremely focused and effective at transforming Broadway. As a result Broadway is now a cleaner, safer, more attractive environment for visitors than the West End. New York seems to have a structure for achieving results that London does not. Any positive action plan in London is impeded by the complexity of the various agencies that have to be dealt with, including the London Assembly, Transport for London, Westminster Council, Camden Council, the Metropolitan Police, and many others, with often with non complimentary priorities.
- (c) Finally we have to find a solution to the reissue of the regeneration of the West End's theatre infrastructure. Most of London's theatres are early 20th century or 19th century buildings, and are listed. Considerable sums are spent by all the theatre owners in maintaining the current infrastructure to meet its listing standards. At ATG for example, we spend approximately £3 million pa in capital expenditure (out of a total turnover of £50 million) in maintaining the fabric of our buildings, and completing the most necessary and pressing of improvements, such as installing air conditioning.

If London is to maintain its long term competitiveness, we have to think more broadly about our buildings than this. For example, we have to look at the pillars that often impair views. We have to look at the size and spacing of the seating. We have to look at the ancillary areas such as the toilets, and disabled access facilities, that prevent our buildings adapting to modern expectations.

None of these improvements will generate near-term commercial return, when considered in excess of the necessary expenditure that goes on maintenance, and when tackled within the strict planning and listing guidelines that exist for our buildings.

Finding a solution to this issue is a key area of current work between SOLT and the DCMS, with which we are participating. We suspect that it will take a combination of industry self help and some form of long-term public funding to achieve this transformation. And that it will of course require the highest standards of scrutiny and governance, via appropriate trust entities, to manage properly an arrangement that involved the combination of such different revenue streams.

We believe that such a structure is possible to establish, with the right scrutinising body and the right safeguards in place to ensure that funding is going into the specified improvements and only those, and that the buildings are preserved for their declared use, with defined standards of public accessibility.

15 January 2005

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### Memorandum submitted by Clear Channel Entertainment

#### BACKGROUND

Clear Channel Entertainment (formerly Apollo Leisure and SFX) is the largest theatre operator in the UK and the biggest producer and promoter of live entertainment product in Europe.

CCE (UK) is headquartered in London, UK operations are split into four Divisions:

- Theatrical Division—ownership and management of 21 Theatres across the UK, and production.
- Music Division—arena and venue ownership and management, artist representation and presentation.
- Sports Division—talent representation and marketing.
- Motor Sports—management of Donington Park.

#### *Theatre Management UK*

CCE's portfolio of theatres can be categorized as follows:

##### *West End*

We operate three of the major musical houses in London's West End.

Apollo Victoria—currently showing *Saturday Night Fever*

Dominion Theatre—currently showing *We Will Rock You*

Lyceum Theatre—which after a major refurbishment has hosted *The Lion King* for the past five years

##### *Provincial Touring*

- |                          |                          |
|--------------------------|--------------------------|
| — Bristol Hippodrome     | — The New Theatre Oxford |
| — Torquay Princess       | — Edinburgh Playhouse    |
| — Birmingham Alexandra   | — Sunderland Empire      |
| — Grand Opera House York | — Liverpool Empire       |
| — Manchester Opera House | — Manchester Palace      |

##### *Community Venues*

- |                               |                                   |
|-------------------------------|-----------------------------------|
| — Hayes Beck                  | — Oxford Old Fire Station         |
| — Grimsby Auditorium          | — Southport Theatre & Floral Hall |
| — Felixstowe Spa Pavilion     | — Tameside Hippodrome             |
| — Leas Cliff Hall, Folkestone | — White Rock Theatre Hastings     |

Clear Channel Entertainment seeks to provide a balanced programme of events, taking into account availability of quality product and the changing demands of our customers. Our programming policy plays regard to best practice in promoting the principles of high quality, accessibility, educational value and cultural diversity.

#### *Production*

CCE is one of the world's leading producers and co-producers, including shows on Broadway and the West End, and tours across the UK, Europe and USA.

Our highly successful West End shows and UK tours include the first ever UK tour of *Starlight Express*, *Miss Saigon*, *The King & I*, *Chicago*, *Anything Goes*, *Cats*, and *Fosse*.

We also have partnerships and investment relationships with a number of productions including the recent tours of *Grease*, *Taboo*, *Footloose*, *The Full Monty*, *Mum 's the word*, and *Matthew Bourne's Swan Lake*

#### RELATIONSHIP WITH THE SUBSIDISED SECTOR

Clear Channel Entertainment works with the subsidised sector in many different forms. We worked with the National Theatre on the highly successful transfer of *Anything Goes* into the West End.

We have been working with the Arts Council of England to encourage small to mid-scale drama such as *Knee High*, *Forced Entitlement* to look at long term plans with CCE to develop the drama audience.

We have a strong relationship with the ACE supported Opera and Ballet companies-Glyndebourne, Welsh National Opera, English National Ballet, and Birmingham Royal Ballet. These companies visit several of our Provincial Touring theatres twice a year and are great example of the subsidised and commercial sector working in partnership.

Clear Channel Entertainment believes amateur and non-profit making groups are an integral part of the Theatre's programme. Our managers are encouraged to focus on local and youth issues, audience development and pro-active encouragement of local societies and groups. They are tasked to seek, wherever possible, to protect any subsidized hire rates for these groups. We also protect any regular performance dates that these organizations have historically played.

The Commercial sector needs continued opportunities for audience development and new programming from the subsidised sector. The health of each sector assists the other in improving the work in both economic and artistic forms. It is important that links between subsidised and commercial sector are both continued are enhanced.

#### RELEVANCE OF THE ACT NOW! REPORT

Theatre buildings play an important role in the continued development of theatre in providing appropriate conditions to encourage new audiences and maintain existing loyal customers. Most of the theatres in the West End were built over 100 years ago and thus suffer from limited foyer, bar and toilet space and uncomfortable seating and sightlines. We operate in an increasingly competitive environment for the leisure pound spend. If live theatre is to compete with other leisure industries it is imperative that these buildings are transformed to meet the needs of our demanding consumer. Also much needs to be done to meet technical demands of modern productions and to ever changing requirements of health and safety regulations.

Theatres in the subsidised sector such as Sadlers Wells and the Royal Opera House have benefited from schemes that have ensured their buildings meet the expectations of the 21st century consumer. West End theatres have not. It is estimated that £250 million is required to achieve the necessary renovations. The *Act Now!* report demonstrates that returns on capital from theatre building do not justify the sort of investment now needed for improvements and renewal. The Central Government and the Society of London Theatres are currently in discussion regarding ways in which a public/private sector partnership might be developed to address this issue. Clear Channel Entertainment supports this initiative. We strongly believe that this is the way forward to ensure a continued thriving theatre business in the West End, which is vital for the social and economic well being of the Country as a whole.

February 2005

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#### Memorandum submitted by Lord Lloyd Webber

Thank you for your note of 20 December. Please accept my apologies for the delay in my response, but I have been out of the country for much of the time since your note was received promoting the movie version of *The Phantom of the Opera*.

Taking the bullet points in the terms of reference for the inquiry one by one, my thoughts are as follows.

*The current and likely future pattern of public subsidy for the theatre including both revenue support and capital expenditure.*

*The performance of the Arts Council England in developing strategies and priorities and disbursing funds accordingly.*

I really feel that it would be inappropriate for me to comments on the first two points as my input can only be anecdotal.

*Support for the maintenance and development of: theatre buildings; new writing; new performing talent.*

*The significance of the theatre as a genre (a) within the cultural life of the UK; (b) in the regions specifically, and (c) within the UK economy, directly and indirectly.*

With regard to points three and four, as an industry we have already presented a comprehensive report (*Act Now!*) to the DCMS and others which gives our position on theatre buildings and I believe that other voices in the subsidized sector are far better placed to answer with regard to “new writing” and “new talent”.

*The effectiveness of public subsidy for theatre and the relationship between the subsidised sector and the commercial sector—especially London’s West end.*

I believe that the success of the principle of public subsidy for theatre is continually shown by the extraordinary health of the performing arts in this country when compared with those countries where such subsidy is less carefully and less well provided. The subsidized and commercial theatre now exist dynamically in a relationship of mutual support which supports both sides and benefits both sides in addition to, pre-eminently, the theatregoer.

January 2005

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### Memorandum submitted by Cameron Mackintosh Ltd

#### INTRODUCTION

We are pleased to offer our thoughts on public support for theatre in Britain, and to encourage any discussion which leads to more effective investment in the arts as a whole, together with a more widespread understanding of the importance of the arts to the social and economic well being of the people of Britain, and the Country as a whole.

In our opinion, looked at from almost any angle, the arts are important. Theatre can make a difference. The more time that is dedicated by those working in theatre to “making it happen” (and the less to paperwork), then the greater the difference that theatre can make to everyone. The more trust placed in those who are engaged to create, manage and present the arts, by those who invest in and subsidise the arts—the more the arts can flourish.

There are many existing reports to show that theatre can bring economic benefit. It can change people’s lives. It can give pure escapism. It can entertain. It can provoke debate and controversy. It can educate. At its best it can help people grow-up and develop. (The recent and ongoing studies by Barnardos endorse this “gut” reaction with valuable research).

We look forward to seeing the Culture, Media and Sport Committee finding this to be true, and encouraging support from all those who have influence (especially financial) over the future of theatre and the arts in general.

We welcome the chance to add our comments on selected aspects of the enquiry, and we will be pleased to talk about it further with the Committee if that is helpful. We have restricted our comments to those areas in which we have direct experience as Cameron Mackintosh Limited.

#### BACKGROUND TO CML AS A COLLABORATOR

Cameron Mackintosh has been producing commercial theatre for 35 years, often in collaboration with subsidised theatres, and almost always benefiting from the creative talent pool that has grown-up within and around the subsidised sector.

One of our earliest major collaborations was when the Arts Council of Great Britain invited Cameron to co-produce *My Fair Lady* (1978) and *Oklahoma!* (1979) with the Haymarket Theatre in Leicester. Seed-corn investment from ACGB (repaid in full and more) led to two award-winning productions, national and international tours, and seasons in the West End. The Haymarket grew in reputation and in financial strength from this collaboration.

In 1985 Cameron collaborated with the Royal Shakespeare Company to produce *Les Miserables*. 20 years later the show is still generating a regular income to the RSC, supporting its current programme of work (see below). In 1990 *Five Guys Named Moe* came from the Theatre Royal Stratford East and a royalty continues to feed back to this important subsidised house when the show is revived in productions licensed by CML—this year Norway, Poland, and various US productions are planned.

Over the years there have been many collaborations with subsidised theatres, either as co-productions or with enhancement investment to allow a larger production to be presented. This is common practice in the theatre industry in the UK and should be encouraged wherever possible.

Since 1976 Cameron has co-produced and offered financial collaboration with theatres including Bristol Old Vic, Nuffield Theatre Southampton, Cheltenham Everyman, Lyric Theatre Hammersmith, Watermill Theatre Newbury, London’s Tricycle Theatre, Oxford Old Fire Station, Open Air Theatre Regent’s Park, The Donmar Warehouse, West Yorkshire Playhouse and Chichester Festival Theatre. In each case CML’s involvement has helped to make a production happen which may otherwise not have been possible.

In 1992 CML made a commitment to the Royal National Theatre to develop major revival musical productions that could transfer to the West End. Since then Cameron has transferred and produced *Carousel* (1992), *Oklahoma!* (1999) and *My Fair Lady* (2001). Recent international tours, and continuing plans for reproductions and tours around the world still return a royalty to the National Theatre (see below).

The unique nature of this £1 million commitment over 10 years has been that the extra income, generated by the National Theatre from the exploitation of these classic revivals, has been earmarked specifically for the support of the National Theatre Studio—and the encouragement and nurturing of new creative talent—both writers and directors.

Collaborations and new initiatives continue. On 7 January 2005 a joint press conference was held between Eden Court Theatre in Inverness, Cameron Mackintosh and the Scottish Executive to launch a *Highland Quest for a New Musical*. One chosen work will open the new 250 seat theatre being built as part of the major refurbishment of Eden Court. A Highland tour with this new musical will follow in 2007.

#### ADDRESSING THE ISSUES:

We will refer to the following issues from your announcement dated 20 December 2004:

- (a) “Support for the maintenance and development of theatre buildings”
- (b) “Support for the maintenance and development of new writing”—our focus will, naturally, be on the nurturing of new musical theatre writing.
- (c) “Support for the maintenance and development of new performing talent”—although in this case we will focus on creative talent (incl directors).
- (d) “The effectiveness of the relationship between the subsidised sector and the commercial sector—especially London’s West End”

#### *“Support for the maintenance and development of theatre buildings”*

The subsidised sector has recently benefited from many re-building schemes to bring some of the subsidised theatre stock in the UK to meet the expectations of audiences in the 21st Century such as Sadlers Wells and the Royal Opera House. This has also brought new theatres into the industry as well as supporting new building projects such as the Millennium Centre in Cardiff and the Lowry in Salford through the National Lottery.

The 40 plus West End Theatres however have not benefited. They have, in the main, poor foyer spaces, bar and toilet space, uncomfortable seating and bad sightlines. Most remain as they were built, 100 years ago.

It is estimated this sector requires £250 million of renovations over the next 15 years based on the Theatres Trust report *Act Now!*. There are currently discussions between Central Government and the Society of London Theatre concerning ways in which a public private sector partnership can be developed to alleviate the problem. Cameron Mackintosh Ltd is a supporter of this initiative, particularly as Cameron is supporting the renovation of his Delfont Mackintosh Theatres to the tune of £30 million.

What can be of no doubt is the importance of a continuing strategic view as to how the subsidised and the commercial sector of building stock can continue to be maintained over the next 100 years, not simply lurch from crisis to crisis. Then these initiatives need to be financed and maintained over many years.

#### *“Support for the maintenance and development of new writing”—our focus will be on the nurturing of new musical theatre writing.*

In any industry or major business there is an allowance within budgets for “R&D”. It is long-term, consistent, essential investment to ensure the health and success of the Company over many generations. The nurturing of new musical theatre writing (and writing in general for theatre) must fill the same place in the hearts and minds of arts organisations, and their funding partners.

Producers in the West End find it far too easy to say “there are no good new musicals out there” or “we have to look to America for musical theatre writers”. British writers who are serious about their craft also believe they have to look to America for their new work to be appreciated, and for the time and space to nurture their craft.

Attached to this report (Appendix 2) is a report written by one of the team at CML looking at the problem and a contribution of ideas towards a solution. It is clearly a long-term issue. At its heart is the need for everyone to accept there is a problem and address it.

Commercial producers (through co-production and enhancement funding) are supporting what might be called the “prototype” phase in many theatres which should come after extensive r&d. Some of those prototypes come from research work carried out in US musical theatre programmes, and some comes from exploiting work which, like cream, has risen to the surface. In our opinion, the early r&d needs to be at the

core of each arts organisation's business plan, championed by the funding bodies, and supported with additional long-term funding. This will ensure early talent is discovered and nurtured in communities throughout the UK.

At present, as we understand it, there are now no core funds available from the Arts Council for musical theatre organisations. There is a Grant for the Arts fund to which organisations and artists may apply for development of new musical theatre projects. However this is a very general fund, open to all, both professional and amateur, national and local, and any artform from ballet to literature.

We understand that there are hopes in many areas that musicals will be taken more seriously in the future, and be considered an artform in its own right—but funds are so limited in Grant for the Arts that it is unlikely more than a tiny amount of the overall fund can be released for this development.

At the same time, the frozen award from the DCMS will tighten the belt of many repertory theatres who in the past might have afforded to develop new work and nurture writers as part of their core programme of work. As we have often seen, what goes first is the long-term vision, the r&d projects which may not be expected to reach audiences for many years, and underground education work. As in the period of freeze and cuts up to 1997, each organisation will be more worried about survival in the current year, rather than nurturing work for the next few years.

We believe the arts industry as a whole needs a re-assessment of r&d, development and core funding for organisations. Reassess the long-term strategy for arts funding, allow for steady growth of organisations through core funding, and (in time) reap the social and economic benefits of a long-term strategy.

Whilst this is important for all artforms, we are most concerned with the acceptance of musical theatre as an “equal player” in this area. If the DCMS and the Arts Council, and all those involved in supporting the arts, were to compare the commitment this Country has to nurturing and developing new playwrights, with the commitment this Country has to nurturing new musical writers—then they will see a vast imbalance.

For the well-being of the West End and the theatre/arts community as a whole, we believe there should be a commitment to r&d in musical theatre in the UK—and then, in 10 or 20 years, let us hope to see a vibrant clutch of British writers presenting work here, and around the world.

In time, like the US, it would be wonderful for the health of the arts community as a whole if there was a Traverse Theatre for musicals or a Royal Court for musicals or a Soho Theatre for musicals or a Bayliss programme for musicals—all of which welcome new writers but not really new musical writers.

The West End and the theatre community would be a healthier place if the apparent stigma attached to musical writers was removed completely. Writers should stop apologising for writing musical theatre and stand proud with this most popular and accessible artform.

[These comments will probably connect with the representations made by Mercury Musical Development and many other organisations to your study on this sector in November 2003]

*“Support for the maintenance and development of new performing talent”—although in this case we will also look at creative talent (including directors)*

#### WHERE WAS THE TALENT NURTURED ?

Whilst *Mary Poppins* may be seen as a purely commercial venture with nothing to do with subsidised theatre, it is worth looking at the talent pool that has helped to create this show.

Every person has been hand picked by Cameron Mackintosh and Disney for the job in hand. However almost all salute, in their biographies, the theatres and companies that benefit from government subsidy which have provided opportunities to hone the craft and creativity. Much of this craft has been acquired through further education, again supported by government grants. Attached are a few extracts from the biographies of those involved—See Appendix 1.

You will see that Derby Playhouse, The Almeida Theatre, Leicester Haymarket, The Library Theatre Manchester, Perth Rep, Northampton Theatre Royal, The Watermill Theatre, Nottingham Playhouse and the Bridewell Theatre—are just a handful of theatres that have given creative and employment “breaks” to some of the cast and creatives who are now with the *Mary Poppins* company.

#### WHAT MORE COULD BE ACHIEVED ?

There is a minimum number of creative and core staff within any theatre business below which a building (for example) cannot put on any shows. Many theatres and creative organisations would claim they are at that base level now, or in danger of reaching it if there are further cuts. However, a relatively small boost of additional funding would enable that same minimal staff to do more work and achieve more output than they are currently funded to do.

If each of those theatres were empowered to develop even more work, and maximise the output of creativity of which the current resident staff is capable, then the talent pool in this country would have more opportunities, develop their craft and (at its most basic) be more employed. What would be possible if each had 25% more investment from public funding to make more events/art happen ?

The West End, and theatre in general, would be a darker place if theatres such as The National, The Royal Shakespeare Company, and all those mentioned in the list above were stifled by reductions in funding from giving opportunities to the emerging talent coming through the drama schools and educational establishments in the UK.

At a time when the Government is seeking to make available further education for all within the Success For All Strategy, the major theatres supported by government funding must have the facilities and infrastructure to give this talent “house room”. To do otherwise would be to give false hope to aspiring creative talent.

Would it not be energising for everyone in the Arts, and audiences throughout the constituencies in which the Committee sits, if there were a development programme for new creative talent in at least one of the theatres in Manchester, Rhondda, Aberdeen, Lichfield, Taunton, Surrey Heath, Feltham and Heston, Cumbernauld and Kilsyth, Stourbridge, Caithness Sutherland and Easter Ross, as well as Sittingbourne and Sheppey. If, in 10 years time, the next Mary Poppins had a cast made up of people inspired by their formative years in creative theatre, dance or music in these communities, that would be wonderful.

#### USING THE TALENT IN R&D ?

The Boyden Report of May 2000 highlighted that the number of actor weeks has fallen from 26,500 in 1983–84 to just 19,000 in 1998–99. Since then the Arts Council and other funding bodies have increased support. It would be fascinating to see what investment from government would be required over the next five years to bring it back to 1983–84 levels, and sustain it there or higher.

If a repertory house or producing house is presenting large scale work, or multiple productions then there is a pool of actors and creatives who can lend some time, out of hours, to help support new talent. If new writers could be nurtured in local “hothouses” and not just directed to the Royal Court or the National Theatre, then by the time they have honed their craft there will be at least three benefits:

- (a) The writer will have learnt a great deal about their work.
- (b) The creative talent will have learned on the job.
- (c) The community will have been exposed to new ideas and new theatre.

And maybe, just maybe, the writer of the next Mary Poppins, or Les Miserables, will have had their first musical or one act play created in your Constituency with actors you, as an MP, can be proud to count as your friends and associates in the community.

#### *“The effectiveness of the relationship between the subsidised sector and the commercial sector—especially London’s West End”*

As we have explored, the relationship is constantly interlinked between the commercial and the subsidised. The health of each sector assists the other in improving and enhancing the work both in economic and artistic terms. The subsidised sector supports the training and careers of artists who then are often employed in the commercial sector. The commercial sector often mounts productions in the subsidised sector that can then be exploited commercially. The subsidised sector then receives a new stream of income in royalties and profit distributions (at low/no risk to the subsidised organisation) from the commercial sector.

In the introduction we showed that Cameron Mackintosh Ltd has worked in the past with subsidised houses in creating productions such as *Les Miserables* at the Royal Shakespeare Company and *Carousel*, *Oklahoma!* and *My Fair Lady* at the Royal National Theatre.

We are grateful to these organisations for allowing us to show the following illustrations of what our productions have generated for these subsidised organisations:

Les Miserables	£ 1,250,000 (between April 1999—December 2004)
Carousel	£ 1,200,000 (since 1992)
Oklahoma!	£ 419,000 (since 1999)
My Fair Lady	£ 808,000 (since 2001)

and revenues from these productions continue to feed back to the RSC and the NT as they tour and are reproduced around the world.

A thriving subsidised sector means more opportunities for the commercial sector to develop the kind of collaborations described above. A thriving commercial sector gives more opportunities to the subsidised sector. As the communities are so interlinked, any economic downturn in either sector will affect the other.



It is important that, although often the two sectors have different aims and objectives, employees and those who manage and control the destiny of both sectors understand the needs of the other. It is vital that links between the sectors continue, are welcomed by those who study and influence the sectors such as the DCMS, and that links are enhanced to improve this process.

A strong endorsement of this valuable collaboration from the DCMS, the Government and the Arts Council would be most valuable.

#### CONCLUSION

We hope that the thoughts given here will be useful to the Committee and that the submissions from the Society of London Theatre, the Theatrical Management Association and many others will strike a similar chord.

The theatre of the future comes from the first tentative doodlings of writers and composers supported in their early work by local community arts organisations, and mentors in their craft. Without this “r&d” there will be so much less for the arts community which reaches the public gaze—from theatre-in-education to the giant stages of our commercial and subsidised theatres.

We encourage a broad vision and long-term investment in the arts by all those who hold the purse strings to the future.

### APPENDIX 1

#### INFLUENCES ON MARY POPPINS

Just a scan at the programme of *Mary Poppins* shows the essential influence of subsidised theatres on the eventual production. In biographical order of UK personnel . . .

Cameron Mackintosh	Producer and Co-Creator	RSC, NT and many regional reps with whom collaborated.
Julian Fellowes	Book	Started in Rep at Northampton and Harrogate
George Stiles Anthony Drewe	New Songs and Additional Music and Lyrics	First work at Tricycle Theatre. recent work commissioned by Watermill Theatre and then produced at the National Theatre
Laura Michel Kelly	Mary Poppins	Established her principal status with the National Theatre’s <i>My Fair Lady</i> .
Gavin Lee	Bert	Establishing his craft at reps include Birmingham, Leicester, Scarborough, Newbury—principal status noticed in <i>Of Thee I Sing</i> at the Bridewell Theatre.
David Haig	George Banks	Writer for Hampstead Theatre, Actor for Royal Court, Hampstead Theatre & RSC.
Linzi Hateley	Winifred Banks	<i>Who Can Forget Carrie</i> —in which she played the title role for the RSC at 17 years old in Stratford and Broadway. Credits include Leicester, Tricycle, Bridewell Theatre.
Richard Eyre	Director	Artistic Director of Nottingham Playhouse, Director at Edinburgh Lyceum, Director of the National Theatre nurturing and supporting new writing and commissioning new writers—now established—including Trevor Griffiths & David Hare.
Matthew Bourne	Co-Director and Choreographer	Creator of <i>Adventures in Motion Pictures</i> supported by ACGB with many tours and production grants since 1987.
Bob Crowley	Scenic and Costume Design	First job Bristol Old Vic direct from Bristol Old Vic Theatre School, later RSC, National Theatre, ROH Covent Garden, Almeida, Donmar Warehouse.
Stephen Mear	Co-Choreographer	Derby Playhouse, West Yorkshire Playhouse, Watermill Theatre and then the National Theatre and ROH.

Howard Harrison	Lighting Designer	From Stage Management he moved to lighting shows at the Tricycle, the Old Vic Theatre and many co-productions with subsidised houses.
Andrew Bruce	Sound Designer	Started at Glyndebourne and moved to the Royal Opera House and later with the RSC on the original designs for <i>Les Miserables</i> .
Nick Davies	Musical Director	Royal College of Music, Wren Orchestra, City of London Sinfonia, RPO, RSNO, Halle.
Rosemary Ashe	Miss Andrew	Early roles at ROH Covent Garden, ENO, Nottingham, Opera North, Northampton, Salisbury.
Jenny Galloway	Mrs Brill	Bristol, Birmingham, Pitlochry, Leatherhead, Newbury and then National Theatre, Donmar.
Julia Sutton	Bird Woman	From many seasons in rep incl Bristol Old Vic, before a life in the West End, from Nancy in OLIVER in 1962.
Kevin Williams	Park Keeper	Regional tours through to seasons at the National Theatre.
Sarah Bayliss	Swing	Bridewell, West Yorkshire and National Theatre.
Ian Burford	Admiral Boom	Colchester, Leeds, Leatherhead, Canterbury, Plymouth and then the National Theatre under Olivier—continued to do new musicals with Reps all over Britain.
Gerard Carey	Robertson Ay	Birmingham Rep, Open Air Regent's Park.
Ashley Day	Swing	Matthew Bourne's Company on tour.
Lewis Greenslade	Ensemble	Plymouth, and Cardiff Festival of New Musicals.
Howard Jones	Ensemble	. . . the first person so far who has not trained/ worked in reps.
Sarah Keeton	Ensemble	Plymouth, UK touring and National Theatre.
Melanie La Barrie	Mrs Corry	Oval House, Greenwich Theatre, Stratford Circus, West Yorkshire Playhouse, Liverpool Playhouse.
Claire Machin	Miss Lark	RSC and National Theatre and extensive work with new musical workshops.
Matthew Malthouse	Ensemble	Leicester, National Theatre, Jazz Art UK.
Stephen McGlynn	Ensemble	Bristol and RSC.
Tamar McKoy Patterson	Ensemble	Work with the ROH.
Tim Morgan	Policeman	D'Oyly Carte, Welsh National Opera, Buxton Festival Opera, King's Head, Holland Park and RSC.
Stuart Neal	Neleus	Donmar Warehouse, RSC, Poole Arts Centre.
Zak Nemorin	Ensemble	Direct from the BRIT School, no regional experience.
Terel Nugent	Ensemble	Bridewell Theatre, Cardiff Festival of Musicals.
Lisa O'Hare	Fannie	Sadler's Wells, National Theatre, Leicester.
Pippa Raine	Swing	A series of productions at Leicester Haymarket and Plymouth Theatre Royal.
Louisa Shaw	Ensemble	Library Theatre, Manchester and RSC.
Savannah Stevenson	Ensemble	Direct from Guildford, no regional experience.

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Nathan Taylor	Northbrook	Northampton and RSC.
Philip Michael Thomas	Swing	Purely commercial touring experience.
Poppy Tierney	Annie	Derby Playhouse, York Theatre Royal, Lincoln Theatre Royal, and RSC.
Alan Vicary	Von Hussler	Perth Theatre, Lyceum Edinburgh, Edinburgh International Festival, Brunton Theatre.
Agnes Vandrepote	Ensemble	RSC, National Theatre, and Matthew Bourne's Company.
Emma Woods	Swing	Leicester Haymarket and Northern Ballet School.
Andrew Wright	Swing	Bristol Old Vic, Derby Playhouse and extensive regional touring.
James Powell	Associate Director	Directing credits with Royal Shakespeare Company, West Yorkshire Playhouse after 12 years as an actor.
Geoff Garratt	Associate Choreographer	National Theatre, West Yorkshire Playhouse with both dancer and choreographer credits.
Rosalind Coobes	Associate Designer	Designer credits at the Almeida and National Theatre.
Simon Baker	Associate Sound Designer	National Theatre, Almeida Theatre, Royal Court, RSC.
James Whiteside	Assistant Lighting Designer	Warehouse Theatre Croydon, King's Head, National Theatre, Buxton Festival, Sheffield Crucible, Royal Opera House.
Christine Rowland	Costume Supervisor	National Theatre, RSC.
Angela Cobbin	Wig Creator	ROH, National Theatre, Almeida, Donmar.
Andy Massey	Assistant Musical Director	ENO, Glyndebourne, D'Oyly Carte.

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## APPENDIX 2

### NEW MUSICALS—A MISSION POSSIBLE

#### THE BACKGROUND TO THIS REPORT

Last year the House of Commons Select Committee were seeking submissions on “the future of musical theatre” and a member of CML wrote a document which was described on first reading internally as his “look back in anger” moment. It was decided not to make a submission at this point, in haste, but rather to look to the future (rather than the past) and prepare a short document on what might get done.

In November 2004 we learned of the demise of the Bridewell Theatre, and there was a depressing radio debate on the future of musical theatre, which seemed to blame so many things—and not focus on a possible simple long-term solution.

The following short proposal has been welcomed by Cameron Mackintosh, is in the process of being discussed with those most closely involved with new musical theatre, and will then be used to seek the necessary “R&D” funding support to make a difference.

In 10 years time, maybe, the UK musical theatre scene will be as vibrant with new homegrown talent as UK new playwriting and new filmmakers.

#### CATALYSTS IN UK MUSICAL THEATRE: TO MAKE THE GOOD GET BETTER, AND THE BEST GET NOTICED

Many people believe there are things missing in the development of musical theatre in this Country, which make it difficult for the best new work to reach a demanding audience.

##### *What are the problems?*

- Audiences for drama are searching for a rich, mixed diet, and finding it. Musical audiences are attending less and less challenging work.
- Producers are wary of taking major risks on new work, and are unsure about the market for medium scale work, compared to blockbusters.
- The best UK writers of musical theatre do not believe they have as many opportunities as the best UK drama writers, or as many as their US contemporaries working in musicals.
- Emerging writers of musical theatre are not encouraged in any structured way to improve and develop [nor is there a forum to discourage them when they are seen to be hopeless cases].
- Enthusiasts believe musical theatre is the domain of every amateur writer—all it needs is a few tunes, some quick lyrics, a blockbuster movie or classic novel to adapt, and surely there's a willing producer desperate to invest millions in their work.
- Some of those who do invest millions, and devote their entire career to the development of musical theatre, believe that the cream will rise to the surface without help.
- Some of those who have millions and a passion back the most crazy dogs, and put off audiences, critics and investors by their choice of pieces/people they back.
- And some believe if there is too much encouragement then the world will be drowning in tapes of bad musicals.

##### *How have other artforms "cracked it" ? . . . two examples*

Playwrights can study their craft at school, college and university. They can enter open searches, they can pitch radio plays, they can join young-writers schemes in most of the major producing theatre, they can aspire to reading schemes at theatres like the Royal Court, and they can aspire to studio productions. . . all supported with arts council funding. If they are successful they can play in the subsidised and commercial world, equally accepted in both.

Filmmakers can study their craft at college and university. They tend to start creating film shorts, they can enter competitions, win prizes, and be spotted with an inspiring new idea. There are apprentice support programmes, there are subsidised and commercial avenues for filmmakers, and the world of television and advertising to offer places to develop their craft.

##### *So . . . What are the solutions?*

###### A: RESEARCH

A1. Study, quickly and dispassionately, what has worked in the US for musical theatre writing and r&d programmes. And research what is happening in the UK for playwrights, filmmakers and other artforms.

A2. It may be found that existing organisations are covering some of the "needs" identified below—in which case the research will gather this information and provide a focus to champion this work so it cannot be accused of being a "best kept secret".

###### B: COMMUNICATION AND A DATABASE

B1. Gain a better understanding of what is currently happening in the UK—from the RNT to writers co-ops and colleges, from the Bridewell to Avalon, from YMT:UK to regional reps, from Greenwich to Cardiff, and who is mentoring/assessing work at present.

B2. Ensure that we have a proper understanding of all the best emerging writers who are out there, possibly through MMD, Writer's Block and Cardiff IFMT.

B3. Ensure that every emerging producer and director/musical director is kept informed of what writers are doing.

B4. Provide an ongoing information hub for writers, producers, opportunities as MMD aims to for its members—but widening the service.

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### C: ACQUIRING SKILL—TOOLS, NOT RULES

C1. I accept you cannot learn to write a hit musical, but you can learn how to use the basic tools which help to make a musical, and you can try out your skill at mastering these tools without wasting everyone's time and patience on creating a full scale musical.

- (a) If you can write a 10 minute musical with an interesting theme or angle, then you are using the tools of book, music, lyric writing and collaboration.
- (b) If you can present that piece and receive useful criticism and commit to improving the piece, then you are using the tools of re-writing and working with a producer/director in development.
- (c) If you can write a 20–30 minute complete musical piece (as you might were you a choreographer/composer partnership in the ballet world for a triple bill), then you have the chance to hone your own voice, explore a topic in more depth, and have something to show as a calling card for your style.
- (d) If you can do much of this work in a safe environment (underground rather than in the glare of a competition or gala showcase) then you have the chance to push your own boundaries, and accept the kind of harsh criticism which will be the rough and tumble of major musical production.
- (e) If you have the chance as a writer, or indeed a director and musical director, to work with a group of people engaged in the same journey of discovery, then you build your collaborative skills, your ability to listen to other voices, and friends with whom you may work in the future.
- (f) This programme of development also involves directors, musical directors, stage management and producers—each can grow from the process of working with the new writers, and any programme can develop new talents who will feed into every area of theatre/arts. The world needs new producers—here is a way to encourage them to learn.

C2: This work should happen in private, out of the public gaze. There should be funding secured to avoid the need for high profile sponsorship leading to press/public exposure, as was the danger in projects like Buxton, Oxford, and the Vivian Ellis Prize and remains the danger of Cardiff.

This work cannot be driven by one teacher (as is currently happening in a programme at Goldsmiths). The three disciplines of book, lyric writing and composition have to be developed as collaborative arts, and collaborative mentoring. This takes high student/faculty ratios which needs to be handled differently from everyday Higher Education courses with low student/tutor “contact hours”.

There are skilled practitioners here and in the USA who have the ability to lead emerging writers through this process. There are theatres around the UK that are undertaking versions of this process for playwrights (and maybe we will discover for musicals). There are writers (maybe still at school, maybe early in their careers, or maybe just stuck in a particular mould) who would benefit from the chance to collaborate in private, and try new ideas.

### D: ASSESSING WORK

D1: Establish a reading service, or work with an existing service if suitable, so that writers can get useful critique for their work, and producers can have somewhere to pass on writers who deserve this attention.

D2: The service to be offered at three levels:

Introductory	two songs, lyrics, maybe an idea or a 10 min musical is there a spark of talent in this writer/collaboration
Mid-Stage	assessment of a synopsis, 4–5 songs, lyrics or one of the 20–39 minute musicals. Is this worth continuing/reading, networking with other creators, or showing to a wider group of assessors.
Full Stage	detailed critique post mid-stage. Assessed by two people. Potential to recommend to others or association with MMD.

The charges for Introductory level should be as low as possible and borne by the writer. Assessment by a pool of voluntary readers, maybe with seasonal entry deadline.

Mid-stage may need to be supported with grant, or membership income and fundraising and readers should be paid. Full stage should be funded by the script submitter—either writer, champion or producer.

### E: RESULT OF SKILL DEVELOPMENT AND ASSESSMENT

E1: Maybe there is a new opportunity for showing musical theatre talent, which draws on the choreographic model, and creates mini-productions of three of these 20–30 minute musicals in a contrasting programme. Maybe there are theatres (as there are on the West Coast working with Lehman Engels) who would relish the chance for a Sunday night new musical triple bill.

This process may uncover one of three things:

- New collaborations for existing talented writers
- New writers unknown to producers at present
- New musical forms experimented with in the privacy of this process.

E2: What such a programme of work, over 5–10 years, would show to the world are a number of valuable lessons, I think:

- that the industry encourages writers to take up musical theatre writing,
- that it is immensely difficult and few come through,
- that it is essential to build your skill in a collaborative environment,
- that musical theatre is an immensely broad canvas of work encompassing the next Chitty, Our House, Blood Brothers, Les Miserables, Floyd Collins, Wild Party, Nixon in China and far more unusual pieces.
- That just as the audience for drama have immensely varied tastes encompassing sell outs for shows as varied as Krapp's Last Tapes and Noises Off, so musicals and their writers, producers and directors have immensely varied tastes.
- That some work/writers will achieve acclaim in the subsidised sector with a small opera company maybe, whilst some may achieve success by being spotted by a commercial producer—and some may work in both camps quite happily, as seen by creators like Matthew Bourne or Tom Stoppard.
- And finally, over 5–10 years it will show that every critic gets it wrong—sods law says that the next great musical writer will have dropped out of this process, or been rejected by those who champion the programme, and the hit will be achieved by the-one-that-got-away. But that's life.

#### F: ENCOURAGING OPPORTUNITIES TO PRODUCE

F1: The final section of the plan would be to assess the most sensible way to make available a small fund of money which can be used to inject small amounts of investment and grant into projects which may have a life, if they are seen by the public and a wider audience.

Applicants to the fund could come from four sources:

- Writers wishing to record, read or showcase their work when it is ready.
- Emerging producers wishing to present a new piece of work.
- Theatres wishing to present a new piece of work,
- or one of those who need to expand the musical line-up or cast size above what they would normally be able to fund to make a new musical work.

F2: Assessment of the best plan for such a fund could look at one of four models:

- How the TIF works and whether an investment model for new musicals, outwith the West End, might be sensible.
- How the US assess cases for NEA awards, and how various models may or may not have worked with the UK arts council and other national funding bodies.
- How the FSA or CMF or Esme Fairbairn and others work in assessing worthy cases, where there is no expected return on injection of support.
- How the BFI and other film finance organisations treat the development of new film projects, and the encouragement of shorts/new work.

F3: Linked to the fund must be a process for communication, and lobbying. Over the period of 5–10 years it feels that one of the most important things which needs to happen is a change of expectation.

Much of this has been tried or championed over the last 20 years by individual projects, and individual writers/enthusiasts. However, where it has suffered is in not having a long-term consistent development plan.

What I am proposing is not major injections of millions of pounds, but an initial injection of seedcorn money, a plan to raise a fund over 5–10 years, and a chance for all those involved to seek funding/support on an equal footing with other artforms.

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## APPENDIX 2.1

A note of frustration from Chris Grady, dated 27 September 2004 to Mark Shenton following his radio debate on the future of musicals with Matt Wolfe, Mark Shenton, Julius Green, Philip Hedley and David Benedict.

RE: THEATREVOICE PANEL

It was a pleasure to be there. I was biting my tongue because I disagreed so fully with some of the things being said—but I didn't feel it was my place to make such drastic comments since the debate was flowing well.

However I think the point which was missed is that it is not the supply which is missing, or the demand, it is the "welcome" for new ideas and the setting for trying out these new ideas, giving writers experience, giving audiences a taste of the new without spending \$50.

Film has colleges, the short film process, all leading towards the right people knowing enough to make exciting, profitable movies. This came about by government and private investment in R&D.

Plays have writing courses, the royal court, new playwriting awards, playreading services etc etc—again all leading to the right people knowing enough to make exciting work which appeals to enough audience to balance a theatre's books or make a profit. This all comes about by government and private/charitable investment in R&D.

Opera, 20th Century Music, Dance and Ballet, Visual Art, Photography—all have these elements of training and risk-reduced opportunities to try/fail/experiment—all leading to the hope that the right people know enough to earn a living in their craft. All these are supported by government and philanthropic/private investment in R&D.

The Musical industry has little of that "connection" between the idealists/enthusiasts and the eventual goal of achieving productions, new audiences, and a living. It has virtually no government and philanthropic investment in R&D [although Cameron is a notable exception over many many years].

This weekend I listened to six new musicals from the Cardiff Search—five of them showed some writing or creative promise, and three of them were about cutting edge subjects which could be developed by a Royal Court type space. None are ready for Cardiff's world showcase, but also none deserve to be given the thumbs down.

On Friday I met with an emerging Jamaican producer, a writer creating a piece about the Good Friday Agreement, and another who is developing a piece with 30 young people co-written with them about fear and going to the edge of expectation and beyond. All three are new emerging talents that are not steeped in fluff and feathers of musical history—they all have radical fascinating ideas which would be welcomed if they were working in "drama"—but here they are struggling.

That is the problem—not the buildings, or the audience, or the existence of long running shows—its the will from the guts of the arts fraternity to welcome musicals as an artform and realise there is a 10–20 year journey to go to revitalise the artform—as has happened with film and new playwriting in my lifetime.

18 January 2005

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*Witnesses:* **Ms Rosemary Squire**, Executive Director, Ambassador Theatre Group, **Ms Catie Callender**, Managing Director, UK Theatrical Venues, Clear Channel Entertainment, **Mr Andre Ptaszynski**, Chief Executive, Really Useful Theatres, and **Mr Richard Johnston**, Chief Executive, Delfont Mackintosh Theatres Ltd, examined.

**Q284 Chairman:** Good morning. One of your associates has still to come, but no doubt we can interrogate him when he comes as well. Meanwhile, since you are here, it is very nice to have you here. I suppose that the first thing everybody will ask all of you is about the state of the Lottery Board, how far you have got, matching the funds, etc, etc?

**Mr Ptaszynski:** As you will have heard from Richard Pulford last week, we are a long way down the line of getting agreement about how we can contribute quite a bit of the £250 million figure in self-help. We need consensus between theatre owners and theatre producers and I think we will be able to make public very soon now the texture of different ways in which we believe, over 15 years, we can provide our equal share of it. I think it is made easier by the fact that it

is spread over 15 years and, of course, you will bear in mind that we spend already a considerable amount on the buildings ourselves.

**Q285 Chairman:** Could I ask a double-sided question, does the West End need so many theatres?

**Mr Ptaszynski:** It is a lovely question and you will not find complete agreement, I know, amongst the three of us, but I think that there is a crisis in terms of the straight play in the West End and it has been growing for some time. It is absolutely fabulous right now that you can go to see a brilliant new play like "Festen" on Shaftesbury Avenue and right next-door, directed by the person sitting in this chair an hour ago, a three-hour production of Schiller's "Don Carlos"; it is wonderful. That does not suggest

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to us that there is a crisis, but the source of “Oh, the West End is dying” clamour, which was particularly loud in the press last year, with no foundation, as you will know, because the attendance figures do not add up to that, but the source of it is the press’s attention, drawn to the fact that over the summer months the playhouses, in particular, find it very hard to find product. Since 1950 the play-going audience in Britain probably has not increased, probably it is the same few hundred thousand people. Since 1950 something like 3,000 new seats have been built properly, beautiful, beautiful buildings, the National Theatre, of which I am on the Board, and the directors of most of them you have had here. The Donmar Warehouse, the refurbished Royal Court, which of course did exist, Hampstead, the Almeida; there are about 3,000 new seats which have been created, to go to see plays in more contemporary, more comfortable surroundings. Audiences are very happy to migrate to those buildings. I am sure that every one of us would rather be sitting in the Cottesloe, I suspect, than sitting in the Apollo on Shaftesbury Avenue. We have a crisis where, even if the product keeps track with the number of theatres, we are always going to have too many theatres at a certain time of the year because the audience has migrated to other places. It is my suspicion that, in looking at what we all do about the fabric of the West End over the next 50 years, we may have to be brave enough to say that one or two buildings should be allowed to apply for change of use or be decommissioned, in the interests of the whole.

**Q286 Chairman:** I am interested that you are talking about the crisis. When I first came to London you could go all around the West End and there would be new, commercial plays, contemporary plays of that time, written by writers, for example, like Enid Bagnold, etc, etc, but the fact was that the commercial theatre staged lots and lots of new plays, obviously, like any collection of plays, of varying quality but a lot of them extremely good. It is worse on Broadway certainly, but now there is practically nothing. *Don Carlos*, wherever it came from, is a very old play, and there were very favourable reviews today in the papers of the Rattigan *Man and Boy*, a very old play. We have revivals, new productions of old plays, we have lots of transfers from the subsidised theatre, like, for example, the wonderful *Lieutenant of Inishmore* which was on at the Garrick. What is it, what is the reason, if any of you with your expertise can pinpoint it, why there are hardly any new commercial plays staged in the West End theatre any more?

**Ms Squire:** I think, what Andre alluded to, there is not agreement amongst us all here about the state of the play in the West End. I am Executive Director of Ambassador Theatre Group and we have musical houses but primarily we operate playhouses in the West End and I would dispute the fact that the play is in crisis. We produce new plays. At the moment, for example, Holly Hunter is in *By the Bog of Cats*, a new play. We are about to open the transfer of

*Losing Louis* coming in from Hampstead Theatre, going to the Trafalgar Studios, which I think is a very fine example actually of ways that we need to address theatre buildings. The Whitehall Theatre, just up the road here, home of the Whitehall Farces, had become very much off the beaten track, it is not in the heart of the West End on Shaftesbury Avenue or St Martin’s Lane, but last year, for a relatively inexpensive sum of money, with the support of Westminster and English Heritage, it is a listed building, we have been able to convert that into two studios, smaller, more intimate spaces, which are much better suited to a lot of contemporary work. For example, we have worked with the Young Vic on their production of a very fine musical, directed by Josette Bushell-Mingo, *Simply Heavenly*, which is playing there.

**Q287 Chairman:** I saw *Simply Heavenly* when it first came out. It is very, very old, almost as old as I am. Then might I add *Sweeney Todd*, a wonderful production of *Sweeney Todd* but, with respect to Mr Sondheim, you can see *Sweeney Todd* at almost any time, anywhere?

**Ms Squire:** It is not exclusive. I can think of, just off the top of my head, 16 plays last year that we were involved in; *Guantanamo* at the New Ambassadors, which indeed transferred in; *Calico*, the one about James Joyce; *The Bog of Cats*, which is on at the moment; *Old Masters*, *Sweet Panic*, a lot of interesting work. The two that I can think of just at the moment are *Losing Louis* and then *Ying Tong*, the play about the Goons, which is going to be on at the New Ambassadors. I think the work is there. I think it is very competitive and the quality of the work has to be extremely fine for it to work and survive.

**Mr Ptaszynski:** I think actually the West End can and does encompass both of our viewpoints, and what Rosemary’s company does is phenomenal, producing a lot of its own product for those buildings. Michael Codron, as I am sure most of you know, is the most successful commercial producer over the last 50 years plus, who has discovered and brought on more great writers than most of the subsidised sector combined. He pointed out to me three or four years ago that when he was going through a particular golden period during the seventies, if he had a success with a Simon Gray play on Shaftesbury Avenue and he got the kinds of reviews that *Don Carlos* got last week, he would be wondering in the back of his mind who he could put in the third cast at the end of the second year. His feeling now is that if he has those kinds of reviews for a play now, he wonders if it is going to get to the end of the six-month contract, the now reduced-length contract, of the first cast. That is a factor. The Ambassador has addressed that phenomenal turnover of product. We do not have very many new plays. *Stones in His Pockets*, *Les Liaisons Dangereuses*, they are rare, which sit down for three, four or five years any more, as they did in the fifties, sixties and seventies. I think, in the middle of that,



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you can sense why commercial producers are frightened of the risks more these days than perhaps they were 25 years ago.

**Q288 Chairman:** Is it that not as many are being written as before? Is it that you cannot afford, because of the economics of the theatre, to have plays with large casts unless they are musicals, or what? Let me make it clear, I am not being critical, because, as I say, on Broadway it is much worse. To see a new play originating on Broadway, remembering the days of Tennessee Williams, etc, etc, Arthur Miller, etc, it is a desert there. Is there some problem?

**Ms Squire:** I think there are issues. I think it is to do with the economics. I think, on Broadway, the costs of producing are vastly more than they are of producing in this country. For example, we produced *Noises Off*, which as a project we took to the National Theatre. It was a revival of the Michael Frayn play. We took it to the National, we co-produced it with the National then toured it nationally, it came in for a very successful run in London, with several casts, it moved from one playhouse to a slightly smaller playhouse and then went to Broadway. The costs for producing the same piece of work on Broadway were approximately double, probably even three times what they were in the West End. There are a number of facts, I think, which, as an industry, we have to address. One is Sunday trading, but I think on Broadway they have got that right, in that now a Sunday matinee on Broadway is absolutely a part of the theatrical week. For performers and people in the industry it is better because you get Sunday evening off and, in the vast majority of theatres over there, you get Monday evening off as well, so you get off a day and a half, in fact. Whereas, here, playing the Sunday matinee is the exception rather than the rule, and I think that absolutely has to be a key priority for the industry. We are inching there. I think others probably will agree that we are almost there with BECTU. There are cost implications but I think it has to become the norm here. Just look at retail, the trading figures with retail, how important Sunday trading is; the same must apply to us as well. It is a leisure day now and the Sunday matinee must become the norm and not to play Monday night.

**Q289 Chairman:** It is certainly a great institution. Whenever I am in New York it is very convenient to be able to spend a morning in the park, or something, and then go to a matinee. Looking at the question I put to Mr Ptaszynski right at the beginning of this session, what is being contemplated is £250 million of expenditure on renovating theatres. Taking into account what you are able to put into them, recycled old Hollywood musicals, and stuff like that, is that kind of investment, big capital investment, justified, in terms of the need of the real estate?

**Mr Ptaszynski:** Would you forgive me if I alluded to that partly by adding something to your previous point, are the plays being written? I think there is

often a temptation to look at the relationship between subsidised theatre and commercial theatre in a kind of a glass half empty way rather than a glass half full. The system that you referred to, commercial producers commissioning plays and bringing them straight into the West End, was a model that worked wonderfully for many, many decades. We have just a different model now. There is no shortage of young, commercial producers who are hungry for product, but the model now tends to be that, in the case of *Losing Louis*, for example, which Rosemary mentioned, my company put up some of the development funds for that, Michael Codron had the play, Michael took it to Hampstead, tested it out and then brought it in. You know this model. It is the more usual model these days, and it is a relationship which works very well for both of us. We do not expect to hang on to the historic model of having lots of commercial producers taking big risks coming straight into the West End, but if we had the right number of buildings, and maybe there are one or two more, that model does constantly provide a phenomenal amount of product. I would like to see us move to a position whereby, inside this big quarter of a billion pound figure, we have one or two other buildings, with a different relationship with BECTU and different operating costs, we can make the model work even more effectively. Cameron Mackintosh—Richard Johnston is not here—Cameron's new plans for the Sondheim Theatre, on top of the Queen's and the Gielgud, will make it a better transfer house for Donmar Warehouse shows. It would be wonderful if, the £250 million, one of us could work out a way of telling one of our bodies, Rosemary has done it to some degree, to find a studio, but there are glorious plays. *The Pillowman* is going straight to Broadway, a staggering piece of new writing which was seen by many people here, it could not quite get into the West End, too expensive, too risky. It was not that the new writing was not there but it just could not quite get into one of our buildings at our cost, and refurbishment, redesign and rebuilding may help us provide buildings which are better suited to that kind of product for shorter runs.

**Q290 Chris Bryant:** Clearly, the theatre has changed. The days of Binky Beaumont, when they had an enormous monopoly on London theatres and on most of the receiving houses around the country, we talk about it seeming like there is a high concentration of theatres now but in those days it was considerably worse and they had a phenomenal stranglehold on the artistic sensibility in Britain. Do you think the concentration of ownership of theatres is a kind of financial necessity, or a weakness?

**Ms Squire:** It is important, the relationship between the regions and London, and our company has had a deliberate policy and strategy to work both in the regions and in London. I think economy of scale means that it is more effective to run more buildings. We run 23 now, up and down the country, from Glasgow to Brighton, and with 12

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in London. As an integrated business, I think our strategy has been to produce in London, to produce in the regions and to operate buildings in both of those areas. We are able to do that, and although we invest a huge amount back into our business, in terms of into our buildings, just to give you an idea, of the £50 million turnover we reinvest probably about £3 million every year back into maintaining and refurbishing our buildings as it is, but that kind of investment. Consequently, we are not massively profitable, because we are a young company, we still invest in development markets, we have just taken over new regional theatres which do take four or five years to establish themselves, so we perceive it as a longer-term business than that. I think that relationship between London and the regions is extremely healthy and I think we are absolutely way off any kind of monopoly. I think Catie's company and our company are very tiny percentages of all of them, I think we are about 3% and Catie's probably is about 5%.

**Ms Callender:** I think the theatre universe is about a thousand in the UK and we are operating, between ourselves and our music division, about 28, and you 23, so I do not see it as a monopoly. I think, to build on Rosemary's comments, the other advantage, particularly in the regions, that we do bring from the economies of scale is helping some communities. Within our portfolio we are managing theatres on behalf of the council, and what we bring for them is the advantage of reduced costs year on year, but bringing the advantage of having a larger buying power and the expertise which means those communities can offer live theatre still, which is very important. There are advantages from that as well.

**Ms Squire:** I think that is a very important collaboration actually. It is not the one between the public sector and the commercial sector that is most talked about. Andre, quite rightly, was talking about products and commercial producers taking shows to Hampstead or the National Theatre, or whatever, but what has been going on in the last five or six years which is very interesting in the regions is collaborations between companies like mine and Catie's company with local authorities, principally, in terms of operating large regional theatres. If you are one 1,300 or 1,500-seat theatre operating on your own, you are one in a market, you are out there in a very competitive situation, looking for product, you have to staff up a building with the right expertise, because, as you know, our industry is very people-intensive, so you need to have the right skills; it is very costly. Whereas a company which specialises and does nothing but operate and produce for theatre can give all of those resources centrally on a much more inexpensive basis. So a local authority, instead of running a theatre directly, can cap whatever proportion of their existing contribution they put into that building, can cap it, reduce it, know what they are going to have to put in, because in many cases it could have been an open cheque-book. It can give their audiences better quality, better

choice, greater access and it is a win-win situation for the commercial operator and the local authority. I think that is a very healthy partnership between the public sector and the private sector.

**Q291 Chris Bryant:** It sounds very third way. One of the things which the Binky Beaumonts could do, however, and did do, albeit sometimes perhaps in a somewhat restricted way, they were able to grow talent. They spent a considerable amount of time and effort on building the Oliviers, the Richardsons, the Gielguds and the writing talent. That happened in a fully commercial theatre world at a time when cinema was making enormous inroads into audiences, and so on. Where does that happen in the commercial world now?

**Mr Ptaszynski:** I think that responsibility has moved over towards the subsidised sector, except perhaps in the case of musicals, where the Really Useful Group and Cameron Mackintosh have driven the initiative to try to develop new musicals. I would have to say, in the mixed cultural economy we have now, that those jobs are done largely by the subsidised sector.

**Q292 Chris Bryant:** Which is a strong argument for having a strong subsidised sector—I hate this word “product” that you are using—otherwise you have not got the talent coming through in all the different spheres. My own prejudice, to be honest, is that in Britain as a nation this is one of the things we have been phenomenally good at historically for centuries, and still are. You have used the word “crisis”, other people have used the word “fragile” and if we are to maintain that for another 100 years so that people are still talking about great British plays from the 21st century in 100 years' time, we are going to have to work hard, are we not?

**Mr Ptaszynski:** I do not think we are in an artistic crisis, by any means. I think the theatre is extraordinarily healthy, it is blooming. We are in or approaching, I believe, some sort of crisis about precisely how we use those buildings in the West End to their best over the next 100 years.

**Q293 Chris Bryant:** Just about buying a ticket, maybe you have heard and others have raised the issue, it was raised last week as well, that the ticket on its face value might be £40 then on top of that you pay a booking fee, and it may be that somebody, it may be a company that you are buying it from, has bought 50 tickets three months ago and are selling them this week and you are paying for the extra convenience another £20 on top. There comes a point at which people start to feel a bit diddled by that?

**Mr Ptaszynski:** My company also owns and runs See Tickets, which after Ticketmaster is the biggest ticket agent in Britain. This is such a contentious issue and most of us, as audience members, sympathise with the point and the irritation that you are feeling. Let us try, just for a second, to unpick this. Nick Starr gave a bit of a clue when he spoke to you last week, pointing out that there

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are no ticketing fees at the National because they control the box office, they control the product, the shows, as producers, and they control the building. He said to you that therefore “We are able to put the cost of running our ticketing operation down to what the commercial West End would call “inside commission”, you do not see it, it is inside.” You move across the river and those of us who control the buildings are not necessarily the same people who control the ticketing companies. Although our theatres sell tickets primarily through our company, 40% of tickets are sold through Ticketmaster, through Albemarle, or the many agents around London, so, first of all, you lose control by so many tickets going out to agents, and then the person producing the show is another third party, the producer. What I suggest to you we are not good at, we have not yet discovered as an industry, is the way not to wash that dirty linen in public. We have not worked out how to wrap all of that up to a £42.50 ticket which includes the booking fee. Take one show right now, “The Producers”, at Drury Lane, a phenomenally successful show, there are no booking fees on anything through See Tickets. That is an agreement with the producer, because the producer wanted to make sure it was a “no booking-fee” show, so all of the cost of ticketing comes from inside the ticket price. In doing that, the producer has to accept that, because writers’ and directors’ royalties form a considerable part of the box office and the ticket price, the royalty pool of creators are also being paid royalties on the booking fee because it is inside the ticket price. Many producers prefer you to add on the £1.25 or £1.50 or £2, because it avoids them paying royalties on it because it is a legitimate charge for a ticketing process and not part of the box office income. That is one of the three or four little links that we have not covered properly to present a unified position. It always intrigues me that the ticketing fees on rock and roll events and festivals, and things, which we also sell a great deal of, are breathtaking. The concern you are addressing for the big ticket agencies, the sort of £2, £3 booking charge agencies, not the £8, £9, £10 ones of the tertiary market, the booking fees in the West End are tiny compared with going to see the Red Hot Chili Peppers in Hyde Park and paying £15 on top of your £80 ticket as a booking fee.

**Chris Bryant:** We will move on to that in the next inquiry that we do perhaps.

**Q294 Chairman:** At least you have not gone down the road in New York whereby if you want to book by telephone you cannot do it directly with the theatre, there are two cartels which control booking to New York theatres, and they claim their fee, obviously. Welcome, Mr Johnston, we understand the problems you have had in getting here and we are very pleased to see you. One can understand why it is happening in New York, namely that you have got these two cartels and they control all the telephone booking and you cannot telephone a theatre. Here, you can telephone an individual

theatre, but is there any greater cost to the theatre box offices of one telephoning to book than there is from one presenting oneself at the box office to book?

**Ms Squire:** When I first started in 1980 in the West End, you could buy a theatre ticket from the theatre between 10 and eight when there was a show, and you could ring up the theatre. Credit card bookings on the telephone were just in their infancy, just starting, which is 25 years ago, it is not so long ago. Now, the service which is available, you can ring a central number and call pretty well any time of day or night, 24 hours, I think all of us can book 24 hours now. You can book on the Internet. The facility and the ease of being able to book tickets has changed dramatically. It is curious that when I first was working in a box office about a third of the tickets were sold in advance, mostly by people sending in cheques with stamped, addressed envelopes. Of course, that has all changed now, people do not do that, most people do not even carry their cheque-books with them. If you were to do that certainly to our box offices and send in a cheque you would pay only the face value of the ticket, as you would if you turned up at the box office to buy a ticket in person from the box office counter. If you opt to book on the telephone, to pay on the Internet, we do charge. I think the fees are relatively modest and they are not an issue that we have had huge numbers of complaints about at all.

**Q295 Chris Bryant:** I have been to the theatre about 20 times in the last year and, I tell you, I fumed every time but I have never written you a letter to complain, so maybe I should have done. Maybe this is my letter of complaint.

**Ms Squire:** If you go to rock and roll, which my kids do, you pay vast booking fees as well. Similarly, for cinemas you can pay fees for the facility of being able to do it.

**Q296 Chris Bryant:** That is even less understandable.

**Ms Callender:** The ticket price is less as well. The booking fee is about a third of the cost.

**Q297 Chris Bryant:** You pay £10, £12, whatever, and then you pay £2 for the booking fee and, you think, that does not seem comprehensible?

**Mr Ptaszynski:** I put it to you that it is the cosmetic that you object to, it is the fact that it is stuck on. You do not complain when you go to Marks & Spencer and buy underwear and that you are paying 15% of the price of that for the distribution of the product.

**Q298 Chris Bryant:** It is also uncompetitive because you realise that different people might be charging a different fee but you do not ring two or three different organisations to get it, one assumes the basic price. To ask a different question, just about Sunday trading, because you raised the issue but

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you did not say where the problem lay, you suggested that it was something to do with BECTU?

**Ms Squire:** One of the other problems which contribute to the economic difficulties of producing in London is the unions, we have three major unions that we all work with, the technical unions, BECTU, the Musicians' Union and Equity, which is the actors' union. Correct me if I am wrong but I think we are finally approaching with BECTU, I think has been the last one, there have been deals and there have been exceptions and that deals have been cut with the unions for certain theatres or certain productions. There is an extra cost involved, which I think is problematic. It is going to be more expensive to produce to open on a Sunday. I think the view is, and I do not know if my colleagues think this as well, that the economic benefit of trading on a Sunday is going to be far outweighed by the additional cost. Another fundamental problem linked to all of the issues, of seasonality, of trading, this summer, is actually going to be looking for much longer-term, more flexible arrangements with the unions to look at restructuring, having fewer permanent staff but having more staff. Things are becoming much more specialised, the technical skills that are required, then it makes greater sense to employ the specialist staff with a particular production who have the right skills for that particular production, rather than carrying an enormous overhead with a huge staff based at a theatre who do not have the right skills perhaps for a particular production coming in. I think that has got to be on the agenda for the future.

**Mr Ptaszynski:** In 10 years' time, when those 40 dark buildings in the West End are alive and vibrant probably on Sunday afternoons, we will all be wondering how on earth we did without it, because it is the second biggest leisure day. We are nearly there, just to give you a tiny snatch of the kind of negotiating issue. On the current BECTU arrangement, a three-hour Sunday show can cost the producer up to 13 hours double time per BECTU member, and that just crushes the extra income, of course, that you get from doing a Sunday show. We are very close to a negotiation which is not a lot more than half of that, which is still great overtime, and makes it economically viable, and I hope by the end of this year you will see a different landscape on a Sunday.

**Ms Squire:** I think it has to be the norm that we open for Sunday matinees; it is the only way forward.

**Mr Flook:** Despite Chris Bryant's disparaging comments about the third way, in an earlier life I am well aware of what—

**Chris Bryant:** I was in favour of it.

**Q299 Mr Flook:** You were disparaging about it. In the way in which Paul Gregg built up Apollo Theatres, which SFX bought and which then Clear Channel bought, he did a lot of good in reviving theatres which otherwise probably would have been

pulled down, by and large, and particularly the Liverpool Empire Theatre was renovated, mainly by his ability I think to see the commercialism from it. I think it is not just the third way, in fact, if it had been left to Liverpool Council it would not have happened at all. It is fair to say, as I am aware somewhat therefore of what Clear Channel have bought on the basis that *caveat emptor* exists, you knew when you were buying those London theatres that they were not everything that you would have liked them to be, and I presume there was a price struck therefore which reflected that. Now, two or three years later, and it is not just an issue for Clear Channel, it is an issue for all of you, we find you coming to ask for money, but it was implied in the price which you paid for the theatres, or not?

**Ms Callender:** I am not sure it is as simple as that. The difficulty when you talk about the West End is there is quite an eclectic mix in that, so we are probably in one of the luckier positions in that we have the larger musical houses where the economic model is an easier model than for the drama houses, purely because of the size, the product typically runs longer, etc. Yes, there is a degree of that being in the model, but I think there is a lot that has changed around the theatre industry. We are not competing any more with just theatre. There was reference to the cinema being strong 30 or 40 years ago, but there is so much more competition for the leisure pound now, people are travelling four or five times more than they did, the music industry, DVDs, etc. That creates a much more demanding consumer that we would not have known four, five or 10 years ago. They are expecting a different standard and we have to keep up with that. I am not sure anybody could have predicted where that went, so there are many other things which have changed around that. The length of the run has been alluded to as far as drama houses are concerned, but it is shorter for musicals as well. We have the advantage of having "The Lion King" at the Lyceum, it is in its sixth year, but typically the musicals are not running for that length of time any more. I do not think anybody would have predicted that turnover of product five years ago, and it is linked to all those other changes in the leisure industry, so things are not the same. I am not sure it could have been predicted.

**Ms Squire:** I think it is important to remember that what has been discussed by the Theatres Trust and through the Society of London Theatre is not actually works that are needed at the moment. All of our theatres are licensed, they are safe, they have got all the latest technology for fire alarms, and so on, everything that is required by law is there, they are perfect, functioning buildings. The things which the *Act Now!* report identified are actually about securing the future of what are almost exclusively listed buildings in 50 to 100 years' time. These are major, fundamental works. The buildings largely are 100 years old, built at the end of the 19th century, beginning of the 20th century, and expectations have changed from audiences. Audiences have changed physically as well. I know,

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in one of our theatres, you cannot get to the top two levels unless you go round to the back of the theatre, but they were built in a time when people who sat in the best stalls or the front circle would not ever remotely have considered rubbing shoulders with people who sat up in the gods.

**Q300 Chairman:** It happens in the Royal Shakespeare Theatre in Stratford still.

**Ms Squire:** It does, but it is not acceptable. Here we are in the 21st century; everybody should go in through the front door, it is crazy.

**Mr Ptaszynski:** I think it is helpful, if you can, to divorce the suspicion of our self-interest from the quest, because we are at a time where pretty all the West End theatres are run and managed, if not completely owned, by people who are theatre professionals and theatre career people. We all love the theatre, they are no longer buildings that are part of someone else's portfolio, and I think we all accept that we are the stewards of those buildings for a time. The work that we are talking about, a lot of the work we could envisage until well after most of our working lives. We accept completely that if there is any public money coming towards those buildings there needs to be a proper way of ensuring that they continue as theatres and that if there a change of use our ability to benefit commercially has to be constrained, we accept that. By the same token, you accept that if it costs £21 million of public money of £27 million to renovate and refurbish properly the Royal Court then it is not acceptable for us to find commercially a tenth of that kind of money to do the same for playhouses in the West End.

**Ms Squire:** The sorts of works are not going to be things that change the bottom line at all in any of these theatres. They are going to improve the experience for the audience and they are going to improve the experience for performers. I went back-stage many times at the Royal Opera House before the works were done and it was like going back into Dickensian England. They were intolerable. People should not be working in situations which were completely unacceptable, to have body make-up on and not to have a shower, or have one shower between 50 or 60 people, is unacceptable now. I think the kinds of works that we need to address for the buildings, to secure their future, they are not going to line our pockets at all.

**Q301 Mr Flook:** Mr Johnston, you may want to add to that but, when you do, do you think you could address the issue about Mr Mackintosh's generous £80 million, it would seem, investment in his own building, and I am going to come on to this in a moment, which SoLT said was philanthropic but he has invested it in his own building so I have taken issue with the word "philanthropic" in that view. Do you want to address that?

**Mr Johnston:** I think it is partly philanthropic because it would be almost impossible to envisage providing a proper, straightforward, commercial

return. Just coming back to the *Act Now!* report, I do think that is particularly interesting, because if it is successful it will be not only public monies coming in, I think, to stop the decline and improve the theatre facilities as they exist at the moment but it will have to encourage all the parties here today actually to invest more for the public benefit too, and one should not forget that. It will ensure, for the theatre owners to benefit from public monies, they will have to match those funds with increased monies to create those improvements. I think that will be seen in the years ahead to be a very cost-effective way of halting the decline, also improving the facilities.

**Q302 Mr Flook:** You might appreciate where we are coming from, because before my time and during my time we have criticised a lot of the way in which £120 million of public money was invested in Wembley Stadium, you may not be aware of that, and I can see that we might have concerns. We have produced five reports which referred to the project and spent hours and hours and hours with the private sector who were the recipients of the money, talking about what they were doing with that money. I know that one or two people on this Committee probably are a bit worried, when last week SoLT said that they were thinking of setting up a charity, thinking about it, or it was one idea, to spend the public investment. It is not necessarily going to be the best way, I do not know, of how that money would be spent, but there is a worry that it is public money being spent not alongside commercial, because I have no problem with that, it is will we get value for money, because I do not think we have had value for money so far from the Wembley project?

**Mr Ptaszynski:** I think the experience of Wembley hopefully will enable the DCMS to guide us as to what we should be doing and how we should set up jointly in a specialist sense.

**Q303 Mr Flook:** I hope they will learn their lesson, but we are going to see, are we not?

**Mr Johnston:** I think, to a degree, we can expect that probably to be a competitive process, so I think it will not be just the one, iconic project, we will all be bidding and seeking to maximise the opportunity, both the building projects and the commercial opportunities.

**Q304 Mr Flook:** I just worry, Chairman, because, 40 theatres all looking to do roughly the same thing over quite a considerable period of time, certainly for the first four or five years there will be a specialism in renovating or helping theatres to improve themselves, which certain building companies will do well at, and that the contracts will be given to those certain building companies which will know how to do it because you will have comfort with that. That price will be inflated because they will have the knowledge for the first five or eight years until it is a commodity, which 40 theatres will have, and whether that is a wise use of public money

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is something for you to be able to explain to us when we get that far, and I hope you get the money but I would like it spent wisely.

**Mr Johnston:** Can I just come back on a point you mentioned about Cameron Mackintosh's personal investment. He has stated publicly that he wishes to invest £35 million into all the theatre buildings which start with Mackintosh and he owns. I think our early experience with the Prince of Wales building is that the costs are going to be far greater than he imagined and, in reality, £35 million is not going to do the job that he once intended. Therefore, it will be very important, from our perspective, I think, to have the Act Now! opportunity there to take forward this investment.

**Mr Ptaszynski:** We already have been, I think, quite grown-up, concerning our competitors, about discussing openly buildings that we know need more or less work. I know in Rosemary's Group where there are particular problems, she knows in mine, and it is just a plan but we have moved them throughout the 15-year period. For example, I volunteered that the Theatre Royal Drury Lane should go right at the back of the 15 years, because it is in fabulous shape right now, but, more important, if you brought it to the front, the Theatre Royal Drury Lane could eat a quarter of a billion pounds in one major piece of work. I think that we will expect to be forced to be mature enough as to how we compete with ourselves.

**Chairman:** It is a useful contrast though that you have made, by bringing in the Wembley issue, because the application from the West End theatres is a perfectly straightforward application of varying volition and on their own impetus. In the case of Wembley, of course, the money was almost forced upon them by Sport England in order that they should have a dual use, which they did not want to do. Therefore, and I do not reflect any discredit on them for this, they were being bribed by Sport England with public money to do something they did not want to do. Then, of course, Sport England, among others, found that they did not want it done but, at the same time, the money was gone. Without any criticism whatsoever of Wembley National Stadium Ltd, whose building is going up and we all hope it will work and be very attractive, and it is already looking good now, you cannot blame them for accepting danegeld which did not turn out to be danegeld. Without I hope taking any view on yours, yours is a very, very, very straightforward application, done on your own volition and with your own impetus.

**Q305 Mr Doran:** There is another football analogy and that is the way in which the football industry, if we can call it that, had to cope with the consequences of a string of disasters, the Heysel Stadium, Bradford, disaster, the Ibrox disaster much earlier, and they had to do that with their own resources completely. Why is a theatre different? That was a huge change thrust on the football industry which has cost every professional club millions upon

millions of pounds. Arsenal are spending £350 million on a new stadium because the present stadium is not up to requirements.

**Ms Squire:** As in industry, we do invest in our buildings. A new requirement just springs to mind for fire alarms, which I think we have all dealt with, and there is an ongoing programme in every single West End theatre for very expensive, new fire alarm equipment, sprinkler systems, and so forth, to be installed. Quite right too, the safety of the public is absolutely paramount. Curiously, it is not high on our customers' lists of what they say about their experience. The quality of the building is not high on their lists. What they want to see is what is on stage, they go to the theatre to see the production. In all the surveys we have done, they do not come out saying "We think your theatre looks terrible." It is more anecdotal, it is more about complaints about ladies' loos, because theatres were not built with enough ladies lavatories at all. That was at a time when most ladies, if they went to the theatre, sat in the auditorium and would not leave the auditorium, at the beginning of the 20th century, end of the 19th century. In a sense, they are heritage issues. Andre has a Grade I listed building at the Theatre Royal in Drury Lane, it is not Grade II or anything, it is Grade I.

**Mr Johnston:** I think that is the key reason. I think the majority of buildings are listed buildings, they are on a fixed site, so your ability to knock them down, change them, operate them commercially in a different way just does not exist. The football stadia, many of them, they were building brand-new stadia as a way of growing their revenue. That opportunity does not exist for the listed buildings within the West End.

**Mr Ptaszynski:** I think it works for their business plan, it does not for ours. If the Apollo Theatre were Highbury and I was able to say to a venture capitalist or a bank "The Apollo Theatre, 650 seats, they are all going to be sold for every single performance, completely sold out, most of my people, the season ticket holders anyway, and I promise that will be the same for the next six or seven years, unless we get a duff manager and we fall out of the Premiership, so we are completely secure. So against that, please can we borrow X to rebuild this building?" The bank would say "Terrific." I would go along and say, "With luck, the Apollo Theatre may have only seven or eight dark weeks this year," and the business plan does not work for us.

**Ms Squire:** You cannot knock it down anyway, it is listed.

**Ms Callender:** Also, of the £250 million that we are asking for, what is not reflected in that, you are going back to changes they have had to make, most recently all of us have spent millions of pounds on the DDA compliance, making sure our theatres are accessible to all types of patron, whatever their needs. We have found that money ourselves and done it. Similarly, health and safety regulations have changed; we have made that investment ourselves. There is lots of investment we have made ourselves.

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This is additional to that, so what we have not presented is what that amount is, which would be a fair amount of investment across all of that.

**Q306 Mr Doran:** I do not want to pursue this any further, but everything you have said is either a legal requirement, which every other business in the country has had to face, also it is in your commercial interest to sort the problem. We will move on. I take the points which you make. Just one other thing. The figure of £250 million is quite a comfortable figure, it is a very round figure, but I have never actually had it explained to me how it has been reached. You all represent large chains of theatres; what sort of input have you had, have you actually done an assessment of each individual theatre?

**Mr Ptaszynski:** Yes. It was a two-year process between Theatres Trust and SoLT, where we all agreed to let the Theatre Trust investigate its accountants, have access to our detailed trading figures, to all the details of our buildings, in a way that we could not see across necessarily into each other's businesses where we should not, but the Trust was able to put together a document which went through in detail, every single theatre, what was needed, we went through every building to build up that picture. We have come up with a convenient number because the likely beneficial spend in the West End, if we could find it over the next 15 years, came to around that sum. It would be easy to spend a lot more, as you just heard, from Cameron, his estimate has gone up from £35 million. We know that is not realistic, we think it may well be, in 15 years' time, that we need to look again, at the phase two, or something, but it is the sensible number to be using as our target.

**Q307 Mr Doran:** Basically what you are saying it that there has been an estimate of the cost of the essential works to each of the theatres which will be involved?

**Ms Squire:** Yes.

**Mr Ptaszynski:** Yes.

**Q308 Mr Doran:** We heard earlier from the Old Vic that clearly they have substantial costs, but they are not included in that £250 million, and I think you said earlier, Mr Ptaszynski, that there may be

theatres which have to fall off the edge, as it were, they may not be viable, so there might be money coming out rather than more money needing to be spent. You have also made the point that prices are not constant, that they are likely to rise. Are we talking about potentially a much larger public sum of money than £125 million; what would be the limit?

**Mr Ptaszynski:** Perhaps not for you but it is for whoever to react to our plea for a degree of public money. If it turns out that in 15 years' time we need another £100 million, or whatever, then it is for you again to react and say yes or no at that point, is it not?

**Q309 Mr Doran:** There are no guarantees that £125 million is the limit to the public purse?

**Mr Ptaszynski:** No, in the sense that they are buildings which are going to carry on needing work. I cannot remember whether you asked this of Nick and Nick last week, but the drain on the National Theatre's resources of looking after that building, it is only 30 years old, is phenomenal. It is not going to go away, as we keep trying to match the National Theatre subsidy against its box office income, we still need to put aside £1½ million a year to look after that one building. It does not go away.

**Q310 Chairman:** Thank you very much indeed. You want to say something to us. We are always ready to listen.

**Mr Ptaszynski:** I am sorry, I wanted merely to regret Debra Shipley's having to go, because I was intrigued by the line of questioning which she has put to a number of other people, which I think came out as her in-reach notions of why we are not using the buildings more. Just for the record, I would like to throw down the gauntlet on that one. We think we have looked at every single way to do that over the last 15 years. Richard used to run most of the theatres I run now. We have tried them all. I would be very, very happy to meet Debra separately to try to investigate that, to see if she has any idea that we think really we have missed.

**Chairman:** Thank you very much indeed for that. Thank you all very much indeed for rounding off what, if I may call it such, was a really useful morning.

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**Tuesday 22 February 2005**

Members present:

Sir Gerald Kaufman, in the Chair

Chris Bryant	Alan Keen
Mr Frank Doran	Rosemary McKenna
Michael Fabricant	Ms Debra Shipley
Mr Adrian Flook	

**Memorandum submitted by Birmingham Repertory Theatre**

**BACKGROUND**

Birmingham Repertory Theatre, founded in 1913 by Sir Barry Jackson, was the first purpose built repertory theatre in the UK. Since 1971, when it moved from its original theatre, it has occupied a prominent site in the city’s premier civic square, next to Symphony Hall and the International Convention Centre.

The Rep (as it is known) has an 812 seat main auditorium with the largest stage of any producing theatre outside London and a 140 seat studio theatre, The Door that is wholly dedicated to the development and production of new writing. This new writing policy is reflected and complemented on the main stage through a programme composed mainly of large-scale contemporary and new work. In both auditoria, the year-round programme is delivered through a combination of in-house productions, co-productions (with both subsidised and commercial partners) and visiting work. The majority of the work produced on the main stage has a life beyond Birmingham either through touring or transfer to the West End. The three specific areas in which the Rep aims to specialise, and which strongly inform all of its programming decisions, are New Writing, Work for Young People and Cultural Diversity.

The theatre has very strong Literary and Education departments creating and delivering both a programme of work related to in-house productions and a variety of discrete projects delivered in communities throughout the city and wider region.

**THE CURRENT AND LIKELY FUTURE PATTERN OF PUBLIC SUBSIDY FOR THE THEATRE**

The Rep’s revenue funding for 2004–05 is:

Arts Council England	1,551,018
Birmingham City Council	991,165
<b>Total</b>	<b>2,542,183</b>

This revenue funding forms approximately 45% of the theatre’s total annual turnover with the other 55% being earned through ticket sales, sponsorship, catering, touring and co-production income.

The Rep’s funding from Arts Council England rose by approximately £500,000 between 2001 and 2004 as a result of the Theatre Review settlement. This additional investment together with the valuable ongoing support of Birmingham City Council, has had an extremely beneficial effect on both the artistic and the financial performance of the theatre over this period. Artistically, it has enabled the Rep to consolidate and expand the year-round programme of New Writing in its studio theatre and to produce more shows of a larger scale and greater diversity on its main stage, as illustrated in the following comparisons of annual seasons:

	2000–01	2003–04
<b>Productions:</b>		
Main House	9	19
The Door	7	15
<b>Total</b>	<b>16</b>	<b>34</b>
<b>Performances:</b>		
Main House	277	322
The Door	161	196
<b>Total</b>	<b>438</b>	<b>518</b>



The increase in the quality and diversity of the work that the theatre has been able to produce with the additional funding has resulted in a spectacular response from the public over the period:

	2000-01	2003-04	%age incr
<b>Attendances:</b>			
Main House	80,644	158,835	+ 97%
The Door	12,454	17,590	+ 41%
<b>Total</b>	<b>93,098</b>	<b>176,425</b>	<b>+ 90%</b>
<b>Ticket Sales Income:</b>			
Main House	711,927	1,482,489	+ 108%
The Door	56,329	86,812	+ 54%
<b>Total</b>	<b>768,256</b>	<b>1,569,301</b>	<b>+ 104%</b>

The £500,000 increase in Arts Council England subsidy has thus led to an increase in ticket sales income of £800,000, in turn enabling the Rep to be more adventurous in its commissioning and programming policy and to expand greatly both its literary development and education & outreach programmes over this period. New diverse audiences have been attracted through the theatre's participation in the Eclipse project and by being able to risk producing and promoting work of particular appeal and interest to black and asian communities within the city.

All of these achievements are put at risk by the threat of standstill Arts Council funding from 2006-07 onwards. Costs of overheads, materials and salaries will undoubtedly continue to rise in line with inflation, with the inevitable result that the necessary savings will have to be found in the work produced on stage and in the community. The positive spiral of increased quantity, quality and diversity leading to higher attendances and income can quickly turn into a very damaging downward spiral of fewer shows with lower production values attracting smaller audiences. It would be a tragedy and waste of public resources if the stability and success that the Theatre Review funding has brought to the Rep and other regional theatres were now to be put at risk through a failure to keep funding levels in line with inflation over the next three years.

#### THE PERFORMANCE OF ARTS COUNCIL ENGLAND IN DEVELOPING STRATEGIES AND PRIORITIES AND DISBURSING FUNDS ACCORDINGLY

The restructuring that Arts Council England has undertaken recently has undoubtedly led to considerable improvements in clarity of purpose, accessibility and efficiency in delivering and monitoring funds. There is a much clearer and more harmonious relationship between the national office and the regional offices; the grant application process is simple and clear; and the monitoring and reporting systems are user-friendly. In general, there is now less unnecessary paperwork and bureaucracy than at any time in the last 20 years.

#### SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF: THEATRE BUILDINGS; NEW WRITING; NEW PERFORMING TALENT

The shrinking of the lottery funds available to Arts Council England poses a real threat to capital investment in theatres in the UK. Whilst the Theatre Review funding increase has stabilised the revenue operations of most regional theatres, it has not addressed the ever-present need for maintenance and improvement of the buildings. No subsidised theatre company is able to establish sufficient reserves to meet its maintenance and capital needs in full. The whole sector will always be reliant on assistance from public sources to meet the costs of maintaining what are substantial public buildings. It is vital that a strategy and funding source is established for major maintenance and development if the sector is going to be able to meet the growing legislative and public demands of its theatres.

New writing and the nurturing of new performance talent are essential to the future health and vitality of all the performing arts in the country, and our television and cinema industries would be considerably weaker without the development work undertaken by regional theatres in this area. The Rep is currently able to devote around £120,000 per year to its literary development operation—training, nurturing, and commissioning writers from a wide range of ethnic backgrounds from the age of 13 upwards. Not all of these young people will go on to become full-time professional writers but all will benefit in some way from the unique opportunity for self-expression offered to them. It is vital that regional theatres continue to be given the resources to enable this important developmental work to flourish.

THE SIGNIFICANCE OF THE THEATRE AS A GENRE (A) WITHIN THE CULTURAL LIFE OF THE UK; (B) IN THE REGIONS SPECIFICALLY AND (C) WITHIN THE UK ECONOMY, DIRECTLY AND INDIRECTLY

By particular virtue of its concentration on contemporary and new writing, the Rep has a significant role to play in allowing artists and public to examine and debate together issues that reflect and affect their daily lives. The theatre's extensive education and outreach programme serves to strengthen this dialogue between artists and the diverse communities of Birmingham. As the recent experience of Behzti has so dramatically demonstrated, the ability of live theatre to stimulate discussion and debate is alive and well in this country. This should be celebrated and vigorously protected for, whilst the results of such debates may not always be comfortable, they are a vital aid to the creation of an open and inclusive society in which individuals can explore their selves and relationships with each other.

In addition to playing an active part in Birmingham's cultural life, the Rep contributes to the city's economy through employment, trading with local suppliers and additional spending in the city by its visiting artists and its audiences. The theatre employs 89 permanent staff and, over the course of a year, offers employment to a further 360 actors, directors, designers and technicians.

THE EFFECTIVENESS OF PUBLIC SUBSIDY FOR THEATRE AND THE RELATIONSHIP BETWEEN THE SUBSIDISED SECTOR AND THE COMMERCIAL SECTOR—ESPECIALLY LONDON'S WEST END

Much of the Rep's artistic and financial success over the last three years has been the result of maximising the return on the increased funding through collaboration with other subsidised companies and with those from the commercial sector. Co-productions of this sort enable the Rep to reduce its origination costs of productions, to increase the "life" of shows, and to attract actors and directors who would not otherwise come to work solely in Birmingham. The vast majority of shows now produced at the Rep are done in collaboration with a partner company and either tour (nationally and internationally) or transfer to the West End following their opening in Birmingham. Such partnerships, whether commercial or subsidised, can, if they are based firmly upon shared artistic aims, only serve to strengthen the theatrical life of the country as a whole.

15 January 2005

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**Memorandum submitted by Birmingham City Council**

**BACKGROUND**

Birmingham City Council operates three grant funding schemes for the arts: Grants to Major Arts Organisations; Small Scale Revenue and Project Grants; and Arts in Education Grants. The former scheme (£5.1 million) aims to provide consistent funding to the 11 most strategically important arts organisations in the city. The smaller scale scheme (£150,000) supports nine small scale companies and around 40 projects each year. The Arts in Education scheme (£250,000) supports work by the City's arts organisations in schools. Birmingham Repertory Theatre received a core grant of £991,165, and an arts in education award of £14,600 in 2004–05. Other theatre organisations receiving funding include: Midlands Arts Centre (mac); SAMPAD; The Drum; Big Brum; Birmingham Stage Company; Women and Theatre; and Language Alive. The City Council also supported the capital development of the Hippodrome Theatre. Behind the scenes the City Council works with theatre organisations through: advice and guidance on European funding streams; technical support on Lottery applications; and support of festivals and conferences such as the "Informal European Theatre Meeting" (IETM) in 2003.

THE PERFORMANCE OF ARTS COUNCIL ENGLAND IN DEVELOPING STRATEGIES AND PRIORITIES AND DISBURSING FUNDS ACCORDINGLY

The City Council works in partnership with Arts Council England concerning the shared portfolio of arts organisations, including the Birmingham Repertory Theatre. The partnership approach is largely informal and consultative, but has proven effective in considering priorities for investment in the arts. In the absence of a national capital strategy for the arts this partnership approach has been helpful in focusing efforts where they are needed. Birmingham City Council and Arts Council England are currently working closely together towards assembling a scheme and funding for the redevelopment of Midlands Arts Centre (mac).

Theatre practitioners first and foremost require consistency and stability in their funding relationships. Theatre is a high risk activity where even the most successful theatre can suffer setbacks at the box office, and funding regimes should aim to secure theatres finances at a level that an individual show failing to achieve target does not risk the failure of the organisation. Strategies and priorities for the disbursement of funds should give primacy to the core revenue funding partnerships that sustain most subsidised theatre in England.

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SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF: THEATRE BUILDINGS; NEW WRITING; NEW PERFORMING TALENT

The challenging artistic policy of the Rep and other companies in the city means that work has relevance for almost all age groups and communities in Birmingham. The controversy surrounding Sikh demonstrations at the theatre masked genuine achievements in creating theatre that speaks across the city, supported by outreach and education activity to engage with all sections of society. The Rep has consciously sought to develop local talent and new writing and the City Council supports these efforts. Birmingham is a vibrant multi cultural city that aspires to also be a vibrant inter cultural centre. This aim means that organisations such as the Rep must reach out and engage with the variety of cultures that make up Birmingham today.

THE SIGNIFICANCE OF THE THEATRE AS A GENRE (A) WITHIN THE CULTURAL LIFE OF THE UK; (B) IN THE REGIONS SPECIFICALLY AND (C) WITHIN THE UK ECONOMY, DIRECTLY AND INDIRECTLY

In the case of Birmingham Rep extra investment has translated into better activity and audience figures. The artistic and economic health of the Rep has also resulted in innovation on both stages, and in the community and education activities of the theatre. Of equal importance has been the revival of the Rep's local reputation with audiences and with decision makers in the city. The Rep, along with other major arts organisations in Birmingham, makes a major contribution to the overall cultural life of the city. The company works into community and education through Birmingham's ArtSites and Anim8 Local Arts networks, and provides professionals to work in training and apprenticeship schemes such as Gallery 37 and Flying Start. The Rep provides facilities and artists for ArtsFest, England's largest free arts festival, and has developed three major components of the city's Urban Culture Programme in 2005–06 (Urban Fusion).

The 2003 Annual Arts Survey in Birmingham measures the activity and impact of the arts in the city. This was the fourth survey and was based on over one hundred responses and excludes commercial and specialist arts activity. There were over 6,500 performances attracting over 1.5 million audience, and over 500,000 attendances at participative activities. Over 1,200 jobs were directly created by this activity and £1.7 million was spent on 3,000 freelance artists. Collective turnover was over £57 million. Birmingham organisations also gave 300 performances and 1,600 other events and workshops outside the city. Touring work was seen by 300,000 people.

THE EFFECTIVENESS OF PUBLIC SUBSIDY FOR THEATRE AND THE RELATIONSHIP BETWEEN THE SUBSIDISED SECTOR AND THE COMMERCIAL SECTOR—ESPECIALLY LONDON'S WEST END

A large proportion of the public funds invested in the arts come from Local Government. The Government should acknowledge and support the value of this support in the criteria by which a Local Authority is assessed. Similarly a set of positive outcomes should be identified by which the performance of an individual theatre can be judged by both Local Government and DCMS. Not enough is known about the economic benefits arising from theatre activity. The Local Government Association, DCMS, and Arts Council England could usefully work together to devise a framework by which the effect of theatre and arts activity on both the economy and quality of life, and the outcomes associated with engagement with theatre and the arts, are judged.

Public funds such as Heritage Lottery funding are used to help preserve the built heritage of historic venues. Such schemes could operate in the form of a challenge fund for the commercial sector, to create incentives for investment.

*February 2005*

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**Memorandum submitted by Manchester Royal Exchange Theatre**

The Royal Exchange is a 760 seat Theatre in the Round with an experimental 100 seat Studio Theatre and is situated in the centre of Manchester. This award winning structure is sited in Manchester's Victorian Cotton Exchange and is not only a thriving theatre but also a tourist attraction. It was built in 1976 with a combination of Arts Council, City and private funding.

We produce, across both spaces, at least 14 productions annually and over 250,000 people engage with our work every year. Our policy is to present a wide a spectrum of work from European classics, contemporary drama through to new writing. Our aim is to serve our entire community and our programming reflects this. Running alongside the productions and central to the work of the Royal Exchange is its education, audience development, and new writing programmes which continue to grow and develop new audiences for our work.

The Royal Exchange has a turnover of around £5 million with an annual Arts Council subsidy of £2,135,300. We employ over 100 permanent staff which, with artists and freelance workers can swell to 230 over any year. We have two apprentices and dozens of work experience placements every year.

#### THE CURRENT AND LIKELY FUTURE PATTERN OF PUBLIC SUBSIDY FOR THE THEATRE INCLUDING REVENUE SUPPORT AND CAPITAL EXPENDITURE

Over the last 10–15 years a great deal of research has been carried out on how public subsidy for theatre is used. It is now understood that for a relatively small amount of subsidy—approximately £121.3 million—huge economic impact is generated—approx £2.6 billion nationally of which £1.1 billion comes from the regions. Over that period of time theatre companies have become much more efficient at raising and earning money themselves for example of the Royal Exchange’s £5 million turnover we raise between 58–60% ourselves.

To ensure that theatre thrives and meets the needs of its community subsidy is essential. Art is time and labour intensive but is not, as is sometimes thought, indulgent or extravagant, in fact, compared to some commercial businesses it is super efficient. From the early 1990s until the recent Theatre Revenue, theatres were starved of proper subsidy and development became almost impossible for many building based producing houses, this in turn impacted on audiences and communities. With the understanding that theatre can contribute significantly to the well being of our towns and cities and the input of £25 million a real difference was made. Not just in theatres being able to deal with the day to day business of producing work but in terms of development in new writing, access and community work. And audiences responded. Having raised that expectation and produced that new work and stabilised the sector it would be a disaster to return to standstill grants that will once again strangle the work, lose audiences and, in some cases, close theatres.

Capital expenditure will always be necessary for building based theatres. The Lottery has, on the one hand, been the saviour of the sector, enabling long overdue refurbishments to take place and, in the case of the Royal Exchange, allowing us to rebuild and survive after a major bomb blast. However the problem comes with maintaining these new and refurbished buildings. The RET recently carried out a capital replacement exercise which is forecasting a need (in a worse case scenario) of £1.5 million over the next 10 years. Given that current subsidy takes no account of capital replacement and indeed is often insufficient to carry out normal, sensible annual maintenance, a major funding problem looms. It is essential, if these buildings are to be kept safe, comfortable and up to date with the ever growing health and safety legislation, that a policy and funding for Capital Replacement is developed.

#### THE PERFORMANCE OF THE ARTS COUNCIL ENGLAND IN DEVELOPING STRATEGIES AND PRIORITIES AND DISBURSING FUNDS ACCORDINGLY

After many years of continual reviews, changes in policy and uncertainty for its clients the new format of the Arts Council with its current policies and strategies has enabled a much stronger and efficient organisation to emerge. This has enabled a clarity of vision and a national overview that is paying dividends. The criteria for grant giving is clearer and the process more efficient and consequently theatres can get on with the business of producing the work and spend less time trawling through endless schemes and a myriad of different grant applications. It is essential that this new regime is maintained and that the sector is allowed security and continuity to enable it to grow and develop its audiences.

#### SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF THEATRE BUILDINGS; NEW WRITING; NEW PERFORMING TALENT

It is essential that a Capital Replacement Fund is developed (see above). Support for new writing is a vital, constant, necessity. The nurturing and development of new writers immeasurably strengthens the theatre and in a broader way—radio, TV, cinema. We want stories that reflect our contemporary existence and feel relevant to our lives. It is in the nature of new writing that any substantial investment only throws up a proportion of successful plays, but without this investment nothing can happen. The same process applies to new performing talent. The majority of our Oscar nominees and best-loved television performers start in the subsidised theatre. The opportunities need to be there for any talented performer to establish themselves.

#### THE SIGNIFICANCE OF THE THEATRE AS A GENTRE (A) WITHIN THE CULTURAL LIFE OF THE UK, (B) WITHIN THE REGIONS SPECIFICALLY

The significance of theatre within the cultural life of the UK can be seen in different ways. Theatre contributes to the understanding of the past, our history, the way we live now and the way to the future. A piece of theatre becomes part of the general exchange of ideas, passions and provocations by which we explore who we are and what we do, or could do. Theatre represents cultural diversity both nationally and internationally. It can bring us to a better understanding of worlds we don’t experience directly. Above all theatre is a unifying event. In a fragmented society segmented by age, race and class, a piece of theatre can

bring different people together through a common connection to the intelligence and imagination. The real strength, power and purpose of theatre lies in this forging of a community out of the disparate nature of our modern world.

THE RELATIONSHIP BETWEEN THE SUBSIDISED SECTOR AND THE COMMERCIAL SECTOR—ESPECIALLY LONDON'S WEST END

The relationship between the subsidised sector and the commercial sector is a mutually beneficial one. However it is important to distinguish between the two. The commercial sector flourishes because of the subsidised sector. It is important that public monies are not siphoned off to the commercial sector's undoubtedly important needs, for example capital refurbishment. The theatre owners are in the commercial world and should take responsibility for the required investment. They are the ones who benefit most from any improvements.

February 2005

*Witnesses:* **Mr Stuart Rogers**, Chief Executive, Birmingham Repertory Theatre, **Mr Andrew Ormston**, Arts Director, Member of the Rep Board and City Council Cabinet, Birmingham City Council, **Ms Pat Weller**, Executive Director and **Mr Greg Hersov**, Artistic Director, Manchester Royal Exchange Theatre, examined.

**Chairman:** Good morning, ladies and gentlemen. First of all, can I thank the Birmingham Repertory Theatre for their hospitality here today. We very much appreciate it. From time to time we think it valuable to hold formal evidence sessions outside the House of Commons and it is very good of you to allow us to be here today. I would like to welcome you. This is part of the major inquiry we are conducting into theatre, and we are anxious to ensure that all aspects of theatre nationally, regionally and commercial subsidised local authority, are covered by this inquiry.

**Q311 Alan Keen:** At an earlier evidence session those representing amateur theatre were complaining that they felt there were still barriers—surprising nowadays to me—between the professional theatre and the amateur theatre. Can I have your comments on that? Do you think that exists in your area, and, if it exists, how can you break that down and encourage amateur theatre more and give them more access to professional theatre?

**Mr Rogers:** I am happy to answer how we view that in Birmingham. There tends to be an underlying suspicion between the two communities, but I do not think it is that real or that deep. The two areas that we have explored here, over the last three years have been very successful. One is through our education Outreach Programme. We have been offering master classes to amateur theatre companies, not only in acting and directing but also in the technical aspects of the work, so our chief electrician here has been out doing master classes in lighting and lighting design in amateur companies around the region. That has proved incredibly successful and popular. The other aspect that we have actively encouraged for the last two years—and this year will be the third year—once a year we have done a large-scale production on our main stage, which has mixed professional actors and professional creative teams with large community amateur casts. We have done two new plays related to Birmingham—musicals about Birmingham that we commissioned—and this year we are doing a new production about Don Quixote

with Matthew Kelly and George Costigan playing the two lead parts. We work in partnership a local company called Shysters, who work with young people with learning disabilities, and we work with Chicken Shed in London, which similarly works in that area—and then up to sixty or seventy local amateur performers. So there will be a complete cast of about a hundred that will perform here for two weeks on our main stage and then go to London. Those sort of initiatives have helped enormously in Birmingham, certainly to break down the barriers and preconceptions on both sides.

**Q312 Alan Keen:** Is that relatively new?

**Mr Rogers:** It is new for this particular theatre. I would not claim it was new for the whole country. Similar initiatives are happening up and down the country, bringing the two communities together.

**Mr Greg Hersov:** In Manchester we have very strong amateur groups, and, rather similar to Birmingham, the way it seems to have worked with us is that there are various things we do within the theatre to do with certain educational programmes, and most specifically being able to mount certain productions, where we have involved people from the community in the production in a close way. A lot of those people have come from the amateur groups. There is give and take in the relationship in that way. If I was being honest with you, quite some years ago we did have a period of time in our theatre for amateur groups, and we could not continue with that because of all the other work we needed to do in developing the theatre, and it slipped away. I think it happens in these kinds of initiatives within theatre companies which draw people in from the outer world, and there is a proper collaboration and connection that goes on to that. Also, in my experience, the two worlds are quite proud of themselves.

**Mr Ormston:** There is one other aspect of support as well. The City Council supports a number of venues and arts centres that make themselves available to amateur companies, and that is in music and opera and theatre, and including one venue we operate

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ourselves, the Old Rep Theatre, which is the HQ if you like for a number of amateur companies in the city.

**Q313 Alan Keen:** Following this theme from an earlier session, I was really pleased to hear from a representative from Wales that the Welsh Assembly was encouraging formation of arts forums in local authorities or larger areas, in order to further the links between different organisations—and this could be visual arts as well as theatre of course. There are venues available potentially that other groups may not even know about. Is this something you have thought about? We have formed a sports forum in my own local authority to further links between sports councils, where some had a surplus of resources and needed more members, and that has started to work well. I had thought of doing the arts, and I was delighted to hear that in Wales forums are being developed.

**Mr Ormston:** In Birmingham there are two or three levels to that question. One is that Birmingham now has eleven districts where we are devolving some services, and we are doing local arts plans with the district committees, so local arts forums are developing. One aspect of that is that each company, like the Rep, has responsibility for championing the arts in one part of the city. The Rep is champion for the arts in Northfield. Whether they can do anything at Longbridge, I am not sure, but that is in their patch. Another aspect is that we have a cultural forum which feeds into the Birmingham strategy partnership, which brings together sports, libraries, heritage, museums and the arts under one umbrella or framework. We also work with all of our clients and all of the venues in a regular sort of collegiate meeting, where we jointly plan together a meet about every two months to bring companies in, together with politicians and councillors, and to do some joint planning across the sector.

**Q314 Rosemary McKenna:** I would like to ask exactly what you do with young people, particularly the schools.

**Ms Weller:** We do a great deal with schools. In the last two or three years we have been trying to build in-depth relationships rather than just one-off hits and disappearing. We have a schools partnership where we approach certain schools. We go as far across the region as we can and as widely across the region to engage in a three-year partnership, which is very intense in year one, tailing off a little bit in year two and then in year three, because we cannot afford to do all of the schools. We develop relationships in that with teachers and pupils over a long period of time. They come to us and we go to them. We have even been so far as to do some supply teaching in some of the schools—workshops, support material, connected to the plays and not connected to the plays. That seems to be reaping benefits because the children seem to be taking ownership of the theatre rather just a hit-and-miss visit. They know the theatre and the personnel, and that seems to be working for them.

**Mr Ormston:** The City Council here has a specific grant funding scheme of over a quarter of a million pounds *per annum* which is specifically there to connect Birmingham's grant-funded companies with schools in the city. It is jointly operated by the education service and ourselves. We plan strategically across the education sector to connect all eleven of our major companies to schools in the city.

**Mr Rogers:** The Rep probably splits into two areas. One is connected to the programming of work on the main stage and in this space here, and the other is the work that our education team does outside of the building. In terms of the two spaces here, we have a particular bias towards doing work in the main house that has curriculum links of some sort, and we make sure that at least twice a year we are doing a show that is of appeal to secondary school teachers and curriculum links. That work has been recognised by the Arts Council because we get a national touring contract from the Arts Council specifically to tour one large-scale piece of work that is of interest to schools/students. For instance, we have done *A View from the Bridge*, *The Crucible* and work of that sort of nature—contemporary classics that schools are studying. It is the backbone of our programme in there. In here, we have a space that is completely devoted to new work. We run theatre days where pupils can come in and spend the whole day in the building. They come in in the morning, and if it is in here they will work with the writer or director, exploring the ideas behind the new play that they are about to see; and then they will see the play in the matinee in the afternoon. The same in the main house: they come in and work in the morning with some members of the cast and the director, and they take a scene and re-direct it for themselves. Then they watch the play in the afternoon. Outside the building we have an education team that is solely dedicated to producing projects that happen out in the community or out in schools. We have two creative partnerships close to us, one in Birmingham and one in the Black Country, and we work very closely with them. The projects there are endless, to be honest, but to give you an example of two we have done recently, we run a scheme called Transmissions, which is about encouraging writers from the age of 13 to 25 to write plays. We have just launched the outreach version of that, where we are working with five schools in the city, and over six months self-selected pupils who are interested in learning to write plays are given once-a-week courses and instructions from directors and playwrights, and then they gradually write their work and at the end of the nine-month period we have a festival of all the work happening in here which is open to the public, showing all the young people's plays. Equally, on the main stage we did a big year-long project through the Creative Partnerships Project in Birmingham, whereby the senior management team of the Rep swapped places with eight teachers in Birmingham, and we each shadowed each other. We spent some time in their school and they spent some time in the theatre, learning what we both did. Then, together, we

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put together a main-stage project where we commissioned the writer and a director, who then worked in twenty schools in the city and with the pupils then devised the play, which was then produced in the main house.

**Mr Ormston:** An additional point is that there is a huge demand from schools. In a city like Birmingham, where there has been a range of initiatives over some years, the value of this work has become increasingly recognised by schools and teaches, and the ability of us to service the demand that grows from schools is a real challenge for the future.

**Mr Greg Hersov:** We all see it as a crucial responsibility and obligation for theatre to have this double thing, with young people and education, which is to have a vivid, creative and imaginative relationship as to work, but also to have many other things to do with developing skills for voices and creative imagination of young people. That is a crucial part now of any theatre.

**Q315 Rosemary McKenna:** We understand it is obviously in your own interests to get young people into the theatre so that you build the audiences for the future, which is absolutely crucial, as well as the work that goes on. Is it easier because the council is the education authority as well as the owner of the theatre? Does that make it easier to work with the schools?

**Mr Rogers:** It certainly makes it easier to have a local authority that is supportive of the notion of arts activity happening with schools and in schools, yes. As Andrew said, there are particular schemes in Birmingham where we can apply to the local authority for pockets of funding for particular ideas we wish to develop, which is fantastic.

**Q316 Rosemary McKenna:** Is it seen as a non-elitist thing? It is really important that if you are going out into schools it is about all the children, not just those children, because you want to break down barriers.

**Ms Weller:** The other interesting thing is that we get literally hundreds of requests for work experience from schools, particularly schools we have built up a relationship with, obviously, but also from schools right across the region. We supply those opportunities as widely as we can. It is in all departments—marketing and administration and so on, and it is a very good source for schools from that point of view, as well as the straight teaching of theatre.

**Mr Rogers:** As Andrew said, the problem really is one of capacity because the demand is huge. We cannot fulfil the demand of the schools in Birmingham, much as we would like to. The real challenge for the whole funding system is how a fantastic initiative like Creative Partnerships, which is wonderful but is concentrated on a very small number of schools in Birmingham and across the country, can be rolled out as an entitlement to all pupils across the country. That is the real challenge, and that is the funding challenge, as well as the capacity-building challenge.

**Rosemary McKenna:** I think you are absolutely right. The importance of evidence sessions like this is that you get to put that on the record, and others read about it and hear about it. That encourages them to become involved in that.

**Q317 Michael Fabricant:** Birmingham is the second largest city in the United Kingdom, and your funding is a reflection of this. I noticed in your submission to us that about 45% comes from public funding and 55% from box office, marketing and other receipts. That is great, so well done! Of your 45% of public funding you get about £1 million from Birmingham City Council, but £1.5 million comes from the Arts Council of England, which is quite a substantial sum of money, and reflects the importance of the Birmingham Rep in the second largest city in the UK. Nevertheless, I contrast that with smaller theatres. I wonder what your reaction is to the Independent Theatre Council. When they gave evidence to us a few weeks ago, they criticised the Arts Council and its policy by saying that new kids on the block do not get much of a look-in, because the larger theatre companies—and they did not mention you particularly, but you are the guy sitting here today—take the bulk of the money, and very little spare money is available for new innovative theatre groups to come in. Moreover, they went on to criticise—again, not identifying any particular theatre company—by saying that maybe the Arts Council is not critical enough, and once larger groups are getting the money, they continue to receive it even if they are not performing. Do you think they were right in saying that?

**Mr Rogers:** It has to be borne in mind that a large proportion of the subsidy that comes to organisations like the Rep is there because we do run very large buildings, so we have huge overheads and a lot of staff. We are also a producing facility, so everything, all our costumes and sets, is made in this very building, so there are staff and workshops in the building. Therefore a lot of our subsidy is necessary to support that. The smaller-scale, more experimental companies do not have those overheads; they do not have buildings, they do not make their own scenery, or their own costumes normally. I think it is the responsibility of the larger regional theatres—and one that the majority of us grasp wholeheartedly—to work in partnership with those smaller developing companies, and to make our resources available to them as well. We are constantly co-producing in this space in particular, work with smaller emerging companies not only from the region but national companies, and allowing them to open their shows with us. Therefore a small-scale touring company will quite often work in partnership with us, and we will give them this space free for ten days, together with all our technical staff, in order that they can do the dress rehearsals, the technical rehearsals, and open the show, which they will then tour around the country. That is good for us because it means we get the premier of their show, and it is good for them because we are passing on some of our subsidy in terms of giving them the space and our time free.

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Equally, with the main house show that we are developing with the community, we are working with a very small company based in Coventry called the Shysters, and I know they have worked with the Belgrade. They will get all the resources of Birmingham Rep to use and work with for those six months. We currently have a show out on tour that we co-produced with a small-scale company called Moving Hands, which is literally only three people; but we have done that twice in the Rep and we have now promoted a 12-week national tour of it. It is important that more and more the resources that are put into these large organisations are not just there for us but are there for all the wider theatrical community, and most of us recognise that and are very keen to invite people in and say, “come and refresh our programming and our ideas by working with you”.

**Q318 Michael Fabricant:** It is not just a question of touring companies; it is also a question of theatres. Later on we will hear from the West Yorkshire Playhouse, the Crucible and smaller theatres like the new Lichfield Garrick, which you will be familiar with, the Derby Playhouse and the Belgrade Theatre in Coventry. They have buildings and infrastructure too to maintain, and some of those were saying, “we cannot get a look-in, let alone for any theatre company that we might form within our theatre building; all our money is going into the maintenance of the theatre”. Do you think that the Arts Council—and we will ask them this when they come before our Committee next week—should be assisting in the maintenance of such buildings in order to promote theatre companies within those theatres, or do you think that they should restrict themselves to the maintenance of revenue funding of theatre companies rather than the infrastructure? If I may make one criticism of what you say, although you talk about the outreach, by your going out into the regions, it all predicates the fact that people have to come into Birmingham, into this space, in order to see those local companies. Is that fair?

**Mr Rogers:** I do not think it necessarily predicates that. We give those companies a chance to open their work here, and they will then tour to many venues around the region and around the country. We do not buy the exclusive rights to that production just because we have allowed them to open it. We would hope it would go on around the country, if not around the world.

**Ms Weller:** It is not only to do with the production, it is to do with the development of the artists in smaller companies. We do exactly the same in Manchester as Stuart does in Birmingham and we have small-scale touring. We get into lots of relationships locally and nationally but particularly locally, developing individual artists. In fact, we help them achieve what ITC are saying it is difficult to achieve. They start with us in a very small way, and we put our resources into this space—the technicians. We work with them creatively over a period of time. We help them administratively along the ladder to the point where

they can actually apply for Arts Council funding, and not always but often achieve it. So the wheel does go round in that way.

**Q319 Michael Fabricant:** You say they can ask for Arts Council funding. Whether they get it is another matter, in fairness. The Arts Council has not got unlimited resources. In your experience—and you will probably answer in a monosyllabic way by saying “yes” but I will ask it anyway—is the Arts Council tough enough? Do they ask you the tough sort of questions that the Independent Theatres Council believe they are not asking?

**Ms Weller:** We recently had an appraisal—about three years ago—and that was about as tough as it gets, yes. A lot of recommendations were made and made very firmly, some of which we disagreed with, and we had long discussions, and some of which we could see the point. It is a very long process, at least a year from preparing through to the end of the recommendations. I would say it was tough; I would say we were taken to task on areas where we were not delivering, and we got some praise. I am sorry, it is monosyllabic, but having just experienced it, it was a tough process.

**Mr Rogers:** It is also true to say that up and down the country there are examples of theatres where boards of management or senior teams have moved on or been replaced because of influence from the Arts Council, because they were not delivering the sort of things they wanted to see for their subsidy. That does happen.

**Mr Ormston:** Would you mind if I responded to one or two of your earlier points, because you asked a very wide-ranging question? The important point that both theatres have made, that they have developed a role as a hub of theatre activity in their centres, is something that we recognise. It is something that should be more formally recognised as a role for these very large theatres and well-funded producing houses. It is clear to me that in Birmingham both the Rep and Midlands Arts Centre, which is another producing theatre, have both occupied this space of working as a hub for other organisations and individual artists, and we need to see that more firmly in place and recognised in the way that they are funded. In terms of the theatres’ investment in theatre buildings, there is a difference between receiving houses and producing theatres as a funder, and we see a difference. We do not fund the receiving houses in this city in grant format; we will support them in other ways, should they need it. We do not grant-fund because it is a more commercial entity and the quasi commercial way the receiving house works actually does allow them largely to look after themselves that way. However, many theatres live in heritage buildings, listed buildings, and there is a particular challenge of keeping those buildings up to the mark, and respecting their heritage. Some discussion between the heritage sector and the arts sector around that challenge would be very sensible, because the application of heritage funding to that big challenge will be needed.



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**Q320 Chairman:** You have made a point, Mr Ormston, which demonstrates the kind of inevitably messy jumble of distribution of finance for the arts. On the one hand there is the ACE, which will have a policy—which is more than it used to have. Then there are local authorities, and the local authorities will be looking not so much at a policy overall for the arts as to competing demands from other local authority services as well. Then, you have the Lottery, and the ACE of course is a Lottery distributor; but, as Mr Ormston has pointed out, because you have listed buildings and historical buildings, the Heritage Lottery Fund may have a different kind of policy as indeed the London theatres are very much hoping they will have with their new project. Because there is such a profusion of funding bodies, and all of those bodies have different policies, logical perhaps within their own parameters, does that create difficulties for you?

**Ms Weller:** It is a little easier for us because we are not funded in any significant way by our local authority—it is a historical situation. Almost all of our funding comes from the Arts Council. A very small amount comes from the Association of Greater Manchester Authorities. It is not very small, but by comparison to what the Arts Council gives us. So it is less of a problem for us, although I have to say that over the last 10-15 years, up until quite recently, until the new Arts Council policy for theatre, it was quite difficult because quite often the Arts Council itself would have varying policies. You would have one from head office in London and one from the Regional Arts Office, and quite often they did not always see eye to eye, so we were juggling which priority we were going to deliver. In terms of the buildings themselves, we are a listed building, but when we applied for Lottery funding we went directly to the Lottery, not to the Heritage, and that is where our funding came from.

**Mr Ormston:** In Birmingham, the nature of the partnership between the Arts Council and the local authority at its best has been very, very productive. Whether that needs to be a more formal partnership is an interesting question, but certainly when we do work effectively in partnership it does work to the benefit of all the client organisations that we share. Stuart will have his own views on that.

**Mr Rogers:** I very much support that. In Birmingham the partnership seems to work remarkably well. I would also go along with what Pat said; that the reforms that the Arts Council has put in place over the last two or three years have radically improved the system, certainly for revenue funding. It is now a much clearer and much more transparent process. There are not a myriad of different schemes; there is one very simple central funding source. That seems to me a huge improvement. The links between the regional offices and the national offices are much better now; you get a much clearer sense that you are talking to one organisation than you ever did in the past. Where some of the issues arise is exactly where you mention, on the capital issue. Capital funding in this country for theatre or for the arts is in a perilous state because of the decline in lottery funding that is

now coming through the system. I think it is not just about building brand new theatres either; it is about maintenance and upkeep of buildings like that. We are struggling to keep up with the basic maintenance. We live in fear of something major happening because we know we do not have the resources to be able to put aside every year so much money so that when the heating plant breaks down we can just go out and buy a new one. We do not have those resources, so although we can keep patching things up, our real fear is that when something major happens like that, where do we turn to? A national policy for a capital repairs and renewals for arts organisations would be hugely beneficial.

**Mr Ormston:** You mentioned competing resources in local authorities, which is absolutely right. One of the things that is urgently needed is the justification for the local authority expenditure in the arts and related activity in education. Many areas of local authority service now have formal targets or are recognised in the comprehensive performance assessment, whereas the arts still remains marginal to that. We do need to do some work fairly urgently that shows what impact investment in the arts has, in the way local authorities can use to justify their expenditure and investment.

**Q321 Mr Doran:** I want to follow about how you deal with the fabric of the building. Mr Rogers has probably answered my question. At the centre of our discussions in London has been the commercial theatre, which is quite unusual. They have put forward a proposal that £125 million should come out of the government or the public pot, and therefore they will put in another £125 million, and that would help to repair the fabric over 15 years of commercial theatres in London. Can you say more about how you deal with major capital projects? Is there any certainty at all when you are faced with these sorts of problems?

**Ms Weller:** It is robbing Peter to pay Paul. We have a relatively recently refurbished building—we were blown up by the bomb, and a great deal of Lottery money was spent on the building. That is six years down the line, and of course things are beginning to wear out and need replacing. We recently carried out a capital replacement plan, and came up with the appalling figure of 1.2 or 1.5—I cannot remember which, but it is in the submission—over the next ten years, on worst-case scenario. It is true that just doing proper, sensible maintenance, year on year, is difficult enough. Like Stuart, I just hold my breath. Literally, when something goes wrong like the central-heating or air-conditioning, I rob Peter to pay Paul. If my exercise is coming in at 1.2 million, I suspect it will be pretty much the same for all the theatres across the country. Personally, really speaking personally, I would love to see the West End theatres refurbished and made more comfortable, but I worry about the needs of the subsidised theatre in the next ten years, for its building. One would hope that it would not be a robbing Peter to pay Paul situation.

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**Q322 Mr Doran:** You are both in a different position, are you not? Birmingham Rep has very substantial support from the local authority, and the local authority has a fund—for which I congratulate it. You rely on the Arts Council.

**Ms Weller:** Which has no fund.

**Q323 Mr Doran:** Does that create a difference in your situation? Mr Ormston, would the City Council feel it had to put its hand in its pocket if it had major problems?

**Mr Ormston:** Certainly the Rep would feel that the City Council should put its hands in its pocket! We have tended towards being involved in any capital development in the arts portfolio in the city, and there is usually an element of equal leverage between the Lottery, the Arts Council and ourselves, which we try and respond to as positively as we can. That can take a variety of guises. It can be direct capital investment; it can be some arrangements around loans or loan write-offs. There is a variety of ways in which we can assist, depending on our own circumstances. We have quite severe competing needs for capital ourselves right now. I think one of the things that really needs to be tackled is the view of the regional development agencies and their investment in culture and cultural infrastructure. It seems to me that this infrastructure is an important part of the visitor economy and the economy of the city, and across the country there are varying degrees of success in introducing the RDAs as partners for capital investment or any other kind of investment, and that is something that should be looked at. If these theatre buildings, venues and concert halls did not exist, then the RDA agenda of flourishing cities and economies would not exist either. I would like to see that tackled.

**Q324 Mr Doran:** When I was looking at your submission from the City Council, you have obviously done some economic analysis. We have seen the national one, and you have talked about the actual expenditure and the actual jobs created, but you do not extrapolate and give us an economic impact.

**Mr Ormston:** That is the next step really. These impact assessments are quite hard. It has taken us four years really to come up with a consistency and sizeable enough portfolio to start drawing any conclusions at all, so we did not want to create a false picture; we wanted to be able to evidence and prove whatever we had done in this survey. So the next step is to start to apply the various impact models to it, and also we are this year extending the reach of that survey again. We are also looking firstly at the DCMS guidelines on evaluation and impact to see if we could incorporate the national guidelines as well, so we can see the model applied elsewhere. I would like to see this model applied across the region actually.

**Q325 Mr Doran:** Picking up another point from your submission and following Mr Rogers's point, which was a very good one on market co-ordination and funding for the arts generally, the Chairman has

already pointed out the different funds. I do not think he induced RDAs and there are probably one or two others as well. You mention in your own report that you feel the local authority contribution is not properly recognised by government and is not taken into account. Do you have a strategy for arguing for more parliamentary policy and full recognition for local authorities?

**Mr Ormston:** Yes, there is work going on. Interestingly, Manchester and Birmingham are the only two cities currently trying to come up with an LPSA, a local public service agreement, phase 2 target for the arts. It has proven to be a hard and rocky road. I have been comparing notes with Manchester and what has happened is that our justification for spending on the arts has always been seen as a negative thing, that it is stopping children truanting or stopping bad behaviour or whatever. We are looking to see if we can have a positive recognised outcome for the arts so that we can hand-on-heart state the real value of the arts to our own councillors, as well as DCMS and ODPM. We feel that it is not correctly expressed by these rather more negative takes on the outcomes. In Manchester's case, they have been focusing on community cohesion as their justification of like-for-like investment, and here we have been focusing more on young people and the aspirations of young people. We have three weeks left to satisfy DCMS and ODPM that we have done this work satisfactorily for them to accept it. But it has been a year's work, and it has been difficult. We need to see that achieved across the piece.

**Q326 Mr Flook:** Can we look further at the balance between Arts Council funding and local government funding. It is historical, is it not, as to why Birmingham funds here a lot and Manchester does not fund you very much?

**Ms Weller:** It is a very specific historical thing in Manchester.

**Q327 Mr Flook:** I am trying to get it from a national perspective. That is true in lots and lots of different places, is it not? Is it a chicken-and-egg situation?

**Mr Rogers:** I think Manchester is probably the exception amongst regional theatres, in terms of the balance between local authority and the Arts Council?

**Q328 Mr Flook:** If I can touch on my constituency, the local authority spends a lot of money on our little theatre, the Brewhouse. The Arts Council funding from the south-west funds Yeovil, which is not my constituency, but it gives a huge amount of money, and there is a huge disparity there. The Arts Council funds for what you give to the artistic world nationally and in your own region, and it funds you to a greater extent: is that really fair? You get a lot of money from the council-tax payer and you do not; but you are both doing the same sort of job for your local environment.

**Ms Weller:** I am going to have to explain the historical situation—sorry! Although we do not, the library theatre in Manchester does; and it is just a

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question of a deal that was done 20 years ago. The Arts Council do the Royal Exchange, and the City Council will do the library. You could put all the money together and split it, and it would work the same—it just falls in that way. We really are exceptional, and I do not think there is any other—

**Mr Rogers:** No, I think in most other regional theatres there is the partnership between the Arts Council and the local authority, in roughly the proportions that you see in Birmingham actually, give or take.

**Mr Ormston:** I have been in Birmingham for three years, and there has clearly been a long tradition of civic investment in the cultural sector. I was talking to the orchestra last night, and they told me that in 1921 they received a grant of £1,250 from the City Council, so there is clearly a long track record of investment and seeing the value of that, and the pay-off in Birmingham has been the clear understanding of the regenerative benefit of that cultural investment.

**Q329 Mr Flook:** Mr Ormston, you make quite an elegant case for the way in which the Birmingham City Council taxpayer, through the City Council, helps the arts and therefore again the people who live in the city, but is there a case for the money that the City Council or Greater Manchester gets from central government through the ODPM to be taken away and just given to the Arts Council directly—i.e., a bigger grant so that you can concentrate and allow artistic freedom to flourish without a local councillor telling you what to do?

**Mr Rogers:** I do not think there is a case because as organisations based in particular cities or regions, we have a responsibility to the artist generally, but we also have a responsibility to the communities whom we serve. Those communities are best represented through the local authorities, and the knowledge of those communities and the access to those communities is done through the local authorities. That, to me, is an essential partnership; that we work as much with our local authorities as we do with the Arts Council—and the two complement each other, in my view. I am not saying that the local authorities do not have any interest in the arts—they do, clearly—but they have a greater interest perhaps than the Arts Council in the way we relate to schools and the LEAs, to the work that we do in the communities, to the fact that we are the arts champions for Longbridge and Northfield Ward. Those sorts of issues are important for the life of this organisation or any organisation in a large city, and it is important that that formal relationship with the City Council is there. We also have to remember that the City Council own most of these buildings—this is owned by the City Council.

**Mr Ormston:** I agree that it is an essential partnership. It works best when it is seen as an essential partnership by both sides. Our prime responsibility is to the people of Birmingham and the Arts Council's prime responsibility is to the artists of Birmingham; and that combines very well indeed. There would be winners and losers across the country in that situation, which would be difficult to

unpick. In addition, the kind of civic pride element to investment in culture and the arts in cities like Manchester and Birmingham are very important. It is all part of the whole; people being prepared to support the culture of their cities is part of the investment as it comes through a local authority angle to the cultural sector; so I think it would probably end up being a problem in all sorts of ways—hearts and minds and all sorts of issues.

**Q330 Chris Bryant:** You drew a distinction earlier between receiving houses and theatres that produce their own content, as it were; and I suppose that you could draw that distinction in the commercial West End; that every single one of those theatres is a receiving house. You can also argue, as they have argued very forcibly to us—and you say in your submission quite clearly, “it is important that public monies are not siphoned off to the commercial sector's undoubtedly important needs, for example capital refurbishment. The theatre owners are in the commercial world and should take responsibility for the required investment.” That seems to be a pretty determined “no” to £125 million to West End theatres. Would you like to say a little more about that?

**Mr Greg Hersov:** You have said that quite strongly. We said it in the context of—what we are talking about is that the owners of the theatres are in a commercial world and they are commercial landlords with their premises in that kind of way, and we feel that that should be borne in mind quite strongly in relation to our needs and then subsidising—

**Q331 Chris Bryant:** They will not make any financial gain out of any changes to the seating. I went to see *Don Carlos* last week, a production that started from the subsidised theatre. I am glad I am not a woman because I would have had to queue for ages for the toilet. The rake in the auditorium is so far that large numbers of even expensive seats are almost impossible to see the stage from, and I am sure there are many worse seats in the house. In terms of tourism and the number of people coming to Britain—and admittedly much of that then benefits London rather than the rest of the country—

**Ms Weller:** I would not argue with any of that. As I said at the beginning, I would love, for women, for West End theatres to be refurbished. However, they are commercial landlords. They do take on knowingly the building that needs refurbishing and updating, and if there were lots of money I would say, “yes, yes, please go and do it”; but because I look at my own situation and I multiply that across the country, I am concerned that that money will then not be available to the subsidised sector that you are already supporting and investing in. It is the robbing Peter to pay Paul, which worries me.

**Mr Ormston:** I mentioned Heritage before. I think that with commercial theatres in Heritage buildings, there is a potential conflict between the commercial commonsense of the operators who might want to

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expand the stage-side, the seating capacity, create enough loos front of house or whatever, to increase their commerciality.

**Q332 Chris Bryant:** They will not, will they? They will—

**Ms Weller:** When they sell on.

**Q333 Chris Bryant:** Even when they sell on, they will not increase the value of the property.

**Mr Ormston:** But they increase their take through the box office.

**Chris Bryant:** No, they will not. They cannot; they will actually lose.

**Q334 Ms Shipley:** I have been sitting here, in the Rep, thinking, “goodness, it is actually 30 years since I first came to Birmingham Rep. I remember very clearly my drama teacher at Kidderminster College falling over in shock when she realised she was teaching somebody who had never been to the theatre. Because of my background I had never been to the theatre. She immediately dragged me out that day and brought me here to see *Waiting for Godot*. I survived! Birmingham Rep, for me, has been very interesting. I like the way it has now integrated into what I call the cultural pedestrianised area of Birmingham, linking Brindley Place and the canals, and the industrial facilities available there, all the way through to—well, I stop at the Birmingham City Art Gallery, because I am biased basically. There is a nasty little blip of horrible food places you have to walk through, which is all pedestrianised; but apart from that little blip that you have to get rid of—fantastic! It is really showing up Birmingham to its best. Visitors love it, and everything about it is excellent. However, my constituency Stourbridge stretches up to Quarry Bank, and Quarry Bank cannot be more than ten miles from here. I would place a bet on virtually nobody coming here from Quarry Bank—the established town centre, yes, possibly, and my constituency, which is mainly located in the Stourbridge area, has the highest level of artists and artistic sort of people in the whole of the West Midlands, I am told, and it is really thriving. However, how do you reach out? I am thinking of my constituency specifically because it is near enough to expect a relationship with you. I liked very much reading about “stay and play” and your innovative idea with Sandwell and Birmingham. How could you develop that with Dudley, which would be mine—okay, it is the next one because you have done Birmingham and Sandwell—and what would be the input from Dudley to make that happen? To me, it looks like a fantastically innovative way of doing it.

**Mr Ormston:** The blip is under discussion, but only under discussion. I am sure the coming years will see the blip change, and possibly quite rapidly. There are some minor improvements happening because it has a new owner, Argent, which has invested in the blips that exist. It is not quite as bad as it used to be. The outer ring is roughly the same challenge that you

are talking about: how do we connect the city centre and this concentration of cultural resources at the city centre to outer Birmingham and the surrounding city region? It occupies us in all sorts of ways. The City Council—the devolution into the districts has been accompanied by a policy concentration—I think they call it now a city of flourishing villages—is trying to focus on what is out in the outer parts of the city. We have developed a number of schemes, some through the organisations themselves but others through programmes called animates or art sites where we are creating surrogate art centres and arts development professionals in the outer city, to actively connect with local communities.

**Q335 Ms Shipley:** What can I expect? Quarry Bank is 10 miles down the road and must be within your target catchment—is it not—please? It would be the sort of place that you are looking for, but it would not be naturally easy; there is no centre, so how would you reach them? How are you going to reach my town centre? I can see that is dead easy, but how would you reach—

**Mr Ormston:** Let me give you an example. Following this meeting I go up to Shard End in the city, which again is not known for its connection to the cultural centre of the city. I am going there because we have secured a funding package to turn a community centre into a music centre, recording studio and arts centre, and we actually have a local arts professional working there with the youth service, with community groups, and a whole range of groups. Through the activity there they make connections to some of the city centre’s best organisations.

**Q336 Ms Shipley:** As theatre, how can you reach them?

**Mr Rogers:** You are certainly right. Something like 82–83% of our audience is coming from within Birmingham. That is undoubtedly true. We do have a responsibility to the city by virtue of the £1 million subsidy which we get from the city, which clearly is important.

**Q337 Ms Shipley:** You have a million plus from somewhere else.

**Mr Rogers:** Yes, from the Arts Council. What we try to do wherever possible is work in partnership with surrounding local authorities to develop things like those you have seen in our brochure, in terms of the writers’ workshops we are doing in Sandwell. We have an annual community tour, which is in rehearsal at the moment, where we commission a play that goes on tour to outside areas of Birmingham. I do not know whether it is going to Quarry Bank or not.

**Chairman:** Thank you very much indeed. As you can see from Debra and others, we could have gone on a long time more, but we operate within a reasonably strict timetable. Once again, thank you very much, and Mr Rogers I thank you again for your hospitality.

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### Memorandum submitted by West Yorkshire Playhouse

Since opening in 1990, the West Yorkshire Playhouse has established a reputation one of Britain's most exciting and active producing theatres, winning awards for everything from its productions to its customer service. The Playhouse provides both a thriving focal point for the communities of West Yorkshire and theatre of the highest standard for audiences throughout the region and beyond. It produces up to 17 of its own shows each year in its two auditoria as well as touring and stages over 1,000 performances, workshops, readings and community events.

300,000 people participate in and use the West Yorkshire Playhouse every year.

Ian Brown, appointed Artistic Director and Chief Executive in 2002, following Jude Kelly, has continued to develop West Yorkshire Playhouse as one of the largest regional repertory theatres outside of London and Stratford, realizing one of the most innovative, diverse and vibrant artistic policies in the country.

A high profile portfolio of international theatre, new writing for the stage, major productions with leading artists and collaborations with some of Britain's brightest touring theatre companies, and West End transfers, has kept the Playhouse constantly in the headlines and at the forefront of the local, regional, national and international arts scene. Alongside this work on stage the Playhouse is home to a leading Arts Development team which delivers a groundbreaking programme of education and community initiatives and is engaged in the development of culturally diverse art and artists.

#### THE WEST YORKSHIRE PLAYHOUSE STORY SINCE 2002

##### *Artistic Programme*

The West Yorkshire Playhouse has been able to forge an exciting, dynamic and innovative programme of work. These include main house new plays, international collaborations and musicals. We embrace a Local, Regional, National and International remit, which distinguishes the theatre from the national organisations.

In the past three years we have become a centre for new writing in the north of England. For the first time in the theatre's history, we have created the post of full-time Literary Manager. We now commission plays, offer script reading services, dramaturgy, complimentary literary events, workshops and support for all kinds of new writers. All these new activities have been built into our core budget.

We have been active and successful in building on the Playhouse's record of work for and about Black and Asian Culture. We have supported artists such as Geraldine Connor (*Carnival Messiah*), David Hamilton, Sol B River, Marcia Layne, Paul Morris and Madani Younis as well as collaborations with Asian Theatre School, *decibel* and *Eclipse*. Programming integrates creatively diverse work plus we present an annual Positive season. We provide training opportunities through CIDA (Creative Industries Development Agency) for young people in arts administration and technical work.

We have embarked on a series of co-productions with commercial and subsidised partners. Three of our productions in our current season have, or are about to, transfer to the West End. (*Bat Boy the Musical*, *Ying Tong* and *The Postman Always Rings Twice*).

We have developed flexible ways of working with companies as diverse as Improbable Theatre, Kneehigh Theatre Company, an international collaboration with Theatr Romeo on *Homage to Catalonia*.

We have maintained a craft base and production department second to none. What is now an increasingly rare resource, all of our sets, costumes, props are made in-house. and provide a valuable resource to the industry nationwide and particularly to the region.

We invest in professional and artist development through engaging with Channel 4 Director's Bursary Scheme; piloting a PRS Foundation scheme for music creatives in residence; the Lindbury Prize for designers and Stage Exchange with Audiences Yorkshire.

##### *Arts Development*

We continue to provide one of the country's best arts education programmes through our renowned Arts Development Team. The programme of work is self-financing through fundraising initiatives both public and private. Staff costs come from core funding.

Our next aim is to create an Education Centre to provide a centre for regular arts activities with as wide a variety of young people as possible.

We tour three productions a year into Leeds Schools. Recent topics include slavery, teenage fathers and asylum seekers.

We have many community links notably Heydays, our over 55s arts days which happen each week with over 500 members.

We run a variety of access schemes for a wide range of groups including the highly successful Community Network.

*Audience Development*

WYP attracts audiences to Leeds from across the North of England and beyond. 16% of Playhouse audiences travel from outside the region. We have addressed access in a radical way and offer people under 26 access for £5 a ticket plus a successful Arts Ambassador scheme. We have introduced a “Big Deal” flexible subscription ticket for £10 a seat for the season’s WYP productions. Take up for this is 2,500 people representing 10,000 seats sold in advance – an increase of over 250% from the previous season.

*Capital*

As the leading producing theatre of the region, WYP is currently at the centre of the city’s capital development. WYP is embarking upon its own development to maximise the return to the theatre from its assets. In addition to its artistic programme, WYP aims to take a leading role in ensuring the city’s development has a vision to complement the theatre’s work in the future.

Now 15 years old the theatre requires renewal of its fabric and equipment, as well as investment in operational resources and health and safety. This is an ever-growing challenge and there is no room for planned capital spending within the revenue budgets.

*Finance*

WYP earns approximately 60% of its £6 million turnover through box office income, co-productions, sponsorship, project fundraising and covenanted income from WYP Enterprises generated through catering, bars and a burgeoning conferencing department.

300,000 people participate, use and benefit from the West Yorkshire Playhouse’s resources each year.

Despite the recent uplift in ACE funding, we have been faced with standstill funding from the local authority and regional grants body. Overhead and administration cuts have been made in order to sustain the level of resources for productions and artists and without increasing costs to audiences. While WYP is one of the “Big 10” theatres, salary and fee levels are held at minimum rates.

The theatre is innovative in its development of alternative and secondary income streams, however without at least inflationary increases from funders, the long-term future of the theatre’s artistic innovation, high-quality standards and diversity of activity is threatened.

WYP KEY FACTS 2003–04

The West Yorkshire Playhouse comprises the Quarry Theatre, 750 seats, open thrust stage, and the Courtyard Theatre, 350 seats flexible performance space, the Congreve Room, the Priestley Room and a large open foyer with restaurant, bar and café.

WYP PRODUCTIONS

<i>Sunbeam Terrace</i> by Mark Catley	WYP commission, world premier, BBC Northern Exposure
<i>Playhouse Creatures</i> by April de Angelis	
<i>The Hanging Man</i> by Improbable Theatre	World premier—International Tour
<i>A Small Family Business</i> by Alan Ayckbourn	
<i>Off Camera</i> by Marcia Layne	World premier
<i>The Madness of George III</i> by Alan Bennett	Co-production with Birmingham Rep
<i>2Tracks and Text Me</i> by Sol B River	World premier
<i>A View From the Bridge</i> by Arthur Miller	Co-production with Birmingham Rep
<i>Medea</i> by Euripides (trans Alistair Elliott)	
<i>The Wind in the Willows</i> by Kenneth Grahame and Alan Bennett	
<i>Blues in the Night</i> by Sheldon Epps	
<i>Elves &amp; the Shoemakers</i> by Mike Kenny	
<i>The Wooden Frock</i> by Tom Morris and Emma Rice	Co-production with Kneehigh Theatre
<i>Homage to Catalonia</i> by George Orwell	Co-production with Northern Stage and Teatre Romea Barcelona Adaptation by Ian Wooldridge
<i>Electricity</i> by Murray Gold	World premier
<i>Carnival Messiah</i> by Geraldine Connor	Caribbean Tour

## LITERARY DEPARTMENT

Five commissioned new plays  
50 scripts in development stage  
40 Play readings  
Two Writers on Attachment

## RECEIVED PRODUCTIONS

<i>Midnight's Children</i> by Salman Rushdie	RSC
<i>Henry V</i> by William Shakespeare	Northern Broadsides
<i>Reunion</i> by John Godber	Hull Truck Theatre Company
<i>Shakespeare's R&amp;J</i> adapted by Joe Calarco	TR Bath, Splinter Group, Fiery Angel
<i>ON Blindness</i>	Frantic Assembly/Graeae/Paines Plough
<i>The Merchant of Venice</i>	Northern Broadsides
<i>Cyrano</i> by Mike Kenny	Mind the Gap
<i>When Amar met Jay</i> by Steve Jijjar and Ashrut Mukadam	Hangama Productions/Leicester Haymarket
<i>Silent Cry</i> by Madani Younis	Asian Theatre School
<i>The Straits</i> by Gregory Burke	Paines Plough/Drum/Hampstead
<i>Cry Wolf</i>	<i>Kneehigh Theatre</i>
<i>Duck</i> by Stella Feehily	Out of Joint/Royal Court
<i>The Cost of Living</i>	DV8
<i>Angels in America</i> by Tony Kushner	Unity Theatre Liverpool

## YOUNG PEOPLE'S THEATRE/FAMILY

<i>Why the Whales Came</i> by Michael Morpugo	Theatre Alibi
<i>Dummy</i> by Michael Punter	Pop-Up Theatre

## DANCE

04	Phoenix Dance Theatre
<i>A Midsummer Night's Dream</i>	Northern Ballet Theatre

## OPERA

<i>Winterreise</i>	Opera North
<i>Tango Apasionado</i>	Opera North

## COMMUNITY PRODUCTIONS

<i>The Lowdown</i> Dance Action Zone Leeds	two performances
<i>The Phoenix of Leodis</i> by Heydays	WYP commission—two performances
<i>Shakespeare Schools Festival</i>	five performances
<i>Freedom Sings</i> by Jenny Bowen	three performances

## ARTS DEVELOPMENT DEPARTMENT

## CREATIVE EDUCATION

*Whole New Worlds Project*

Seven groups for creative play with babies and parents sponsored by the Ragdoll Foundation.

*Storymakers*

40 schools with 80 groups of young children worked with the playhouse creating stories for the very young.

*Partners Plus*

797 students aged 14+ from 38 schools worked on a number of varied projects related to current Playhouse productions.

*Creative Education Weeks*

1,256 students between Key Stages 1 and 2 from 28 schools attended workshops to encourage learning through the arts and encompassing such activities as puppetry, costume, scriptwriting and street dance.

#### WYP TOURING

*Broken Angel* by Lin Coghlan

WYP commission

The story of a child with an alcoholic father toured 34 primary schools giving 47 performances to 1,504 children.

*Crap Dad* by Mark Catley

WYP commission

A play about teenage pregnancy, played seven performances to 1,177 people as part of the Northern Exposure Festival in the Courtyard theatre before touring secondary schools.

*Displace* by John Barber and Gail McIntyre

WYP commission

A participatory play about some of the problems asylum seekers face toured to 36 primary schools giving 61 performances to 1,737 schoolchildren. It is scheduled to visit Shanghai, China to perform at an International Theatre Festival.

#### CREATIVE COMMUNITIES

*The Beautiful Octopus Club*

An original club night for people with learning disabilities who work with eight visual artists and DJ's to create a bi annual club night for over 700 people.

*Heydays*

The Playhouse's renowned weekly club for people aged 55 and with around 360 members engaged in a broad cross section of artistic activities including photography, yoga and painting. Heydays members are core creatives of the forthcoming community production *Once Upon a Quarry Hill* in July 2005.

*Feeling Good Theatre Company*

An amateur touring theatre group whose members are all 55 or over and who performed two sold out performances in the Courtyard Theatre as well as touring four original community orientated productions to social service groups and conferences.

*Spark* (Sport and Art towards knowledge)

An after school group organised across 31 inner city Leeds schools involving 1,210 children over 311 sessions involving such activities as gospel singing, street dance, basketball, printing and puppetry. In City Learning centres a further 234 pupils from 14 schools participated in 62 sessions focussing on popular music technology.

*Sound Play*

An out of school music project in conjunction with Youth Music, Provident Financial, Leeds College of Music, Aim Higher and Education Leeds working with 200 participants from eight schools to ease the transition from primary to secondary school through music.

#### SKILLS GENERATION

People aged 55 and over working with the younger generation at the Playhouse or in schools each week.

#### CREATIVE OPPORTUNITIES

*Arts Extra*

A monthly course for adults to encourage innovative ways to engage children in creative arts work during the Summer which attracts about 35 people per session.

*Get Creative*

Six day summer programme for over 100 young people between nine and 19 with little previous access to the arts, or from arts deprived areas, culminating in a performance at West Yorkshire Playhouse. Organized in conjunction with Leeds City council, Northern Ballet Theatre, Opera North, Yorkshire Dance and Phoenix Dance Theatre.



*Placements*

Provided at all levels at WYP for between 80 and 100 individuals annually from Leeds and across the UK.

*Cyber Café*

The WYP Learn Direct cyber café offers free IT courses to everyone—recently was voted in the Yahoo UK Top 15 Cyber cafes and features in The Rough Guide to the World's Best Internet Cafes marking it out as amongst the top 100 in the world.

## COSTUME HIRE

The resource of the WYP Wardrobe is available for all either for hire or as a resource centre to visit.

*Community Connections*

There are 119 Community Network Groups and 19 Network Partners Groups who are offered a programme of open days and events, tickets to ensure access to and use of WYP's facilities.

## ACCESS

Annual provision supporting performances including specialised marketing facilities with the brochure available in large print, audio cassette or in Braille.

All services are provided free.

52 Sign Language interpreted performances.

135 Audio Described performances.

10 captioned performances captioned.

Further to specific initiatives, WYP targets ticket discounting to senior citizens, children, full time students and anyone receiving unemployment or disability benefits, Equity, BECTU, Yorkshire Playwrights and NCA members. In addition limited numbers of £5 tickets are available to anyone under 26 and for midweek matinees to senior citizens.

## PERSONNEL

The theatre employs 197 full and part time staff plus 213 people in casts and creative teams on a freelance/contractual basis including 902 actor weeks.

## FINANCE

	<i>2003–04</i>
ACE Grant	1,345,900
Leeds City Council Grant	820,000
West Yorks Grants	97,659
<b>Total</b>	<b>2,263,600</b>
WYP Earned Income	3,694,594

The estimated economic impact upon the local economy for WYP is £2,310,000\*. This excludes the beneficial impact upon the local economy of employee wages, and theatre suppliers.

\* based upon the average ex-London multiple of £7.7 pp: Arts Council: Economic impact study of UK theatre, University of Sheffield April 2004.

21 February 2005

**Memorandum submitted by Sheffield Theatres**

## 1. BACKGROUND

1.1 Sheffield Theatres comprises the Crucible, Crucible Studio and Lyceum Theatres, three distinctive performance spaces which together form the largest theatre complex outside the National Theatre.

1.2 Following the comprehensive refurbishment of the Lyceum in 1990, these three spaces were united under a single management.

— The Crucible, opened in 1971, has 980 seats and a deep thrust stage.

- The Studio, opened in 1971 (refurbished in 1994) is a flexible space with seating for up to 398.
- The Lyceum, opened in 1897 (restored and reopened in 1990) has 1,098 seats in a conventional proscenium arch presentation.

The complex also includes a restaurant (eat), café bar (quench), bars and a shop.

1.3 Since 1999, Sheffield Theatres have attained a position of pre-eminence in regional theatre and become a leading player on the national stage. This achievement has been driven by a pursuit of excellence which now sees Sheffield Theatres producing award-winning work on all three of its stages and undertaking national tours and West End transfers for an audience that has increased by 75%. Artists of international renown share the Crucible's famous thrust stage with young people from all areas of the city engaging in award-winning education and audience development programmes.

1.4 Following Michael Grandage's announcement of his intention to step down as Sheffield Theatres' Associate Director, we have now recruited Samuel West as an Artistic Director who will provide creative leadership for the 2005–06 season and beyond. The post demonstrates our clear focus on continued artistic excellence.

Under the aegis of our Chief Executive, Angela Galvin, and with the full support of the Board, Sheffield Theatres is undergoing a period of change and renewal to reinforce our core objectives and to deliver ambitious multi-million pound plans for the redevelopment of the Crucible's facilities for artists and audiences, scheduled for 2007.

1.5 Sheffield Theatres' current resource allows the production of up to 14 shows—including three or four education and youth theatre productions—each year. Ambitions to produce work in all three auditoria have been realised for the first time in 2003–04 and 2004–05 and we intend this to continue and develop.

1.6 In order to enter the next phase of its development, the Crucible needs to address the fabric of the building in which this artistic excellence is expressed. Now over 30 years old, with a history of minimal capital investment, the Crucible building is constraining Sheffield Theatres' ability to maximise its creative, economic and social impact. A redeveloped Crucible will not only continue to steer Sheffield Theatres' artistic reputation, but also lend power, drive and focus to Sheffield's position as a Creative City.

1.7 We are committed to creating better services for artists and audiences and delivering development opportunities to our staff. To achieve this, we are currently engaged in a major programme of change and improvement, designed to establish Sheffield Theatres as a major player on the national and international stage. Supported by ACE through our core grant and through Grants for the Arts, Capital (GfaC), our plans for the future include:

- More touring productions.
- Building on our excellent reputation for educational work.
- The much needed refurbishment of the Crucible Theatre. This will gear us to delivering the next phase of our organisational plan, in which sustained development will be driven by our artistic ambition, our creative partnerships and our involvement in education and life-long learning opportunities.

## 2. DIRECT IMPACT OF PUBLIC INVESTMENT

2.1 The Theatre Review recognised years of under investment in the sector and triggered the release of investment that enabled and encouraged regional theatre to plan ahead and flex its artistic ambitions, encouraging a longer view, promoting strategy and growth. For example, it assisted STT in maintaining a programme of work that could be planned 12 months ahead—the benefits of which include being better placed to attract commercial investment through “first look” deals with West End producers. Theatre Review also created an environment where for the first time in 30 years we felt able to address a major programme of capital works in the Crucible.

2.2 Any risk assessment would identify public support as an area where we are vulnerable. This is particularly so for public investment via central government because individual arts organisations appear to have little influence and less control over decisions about allocation. At a national level it seems that the case for arts as a vehicle for delivering other social and economic policy is the focus of debate, perhaps to the detriment of the case for quality and excellence in itself. This approach is reflected by the preponderance of “project” funding potentially distracting arts organisations from creating sustainable strategies for their work, their audiences and their long-term financial health.

2.3 Public funders generally expect the impact of their core investment to be measured directly against box office income. This is a micro-evaluation which powerfully conveys the potential impact on the consumer of a withdrawal of public funds. (There is a complex debate on the extent to which ticket pricing is a barrier to attendance. Our own much-quoted action research—published as “How Much?” 1999—led the way in attracting more diverse audiences through £1, £5 and £10 seasons).

**Table 1****PERFORMANCE INDICATORS FOR 2003–04**

1.1	Value of total seats sold	£3,530,785
1.2	Level of public investment	£2,004,408
	— Arts Council England	£1,268,700
	— Sheffield City Council	£735,708
1.3	Public funding per seat sold	£5.80
	— Arts Council England	£3.67
	— Sheffield City Council	£2.13
1.4	Box office income per seat sold	£10.23
1.5	Ratio of box office to public funds	64:36
	— Box office	64%
	— Arts Council England	23%
	— Sheffield City Council	13%

2.4 Ticket pricing is important. But an exclusive focus on price masks the true value of public investment: Commitment. Few theatres, if any, have reserve funds on which to draw when programming seasons of work. For most the financial equation is to achieve break-even at box office. With box office revenue only maturing when the production has closed, theatres are in a high-risk position when committing to overheads such as commissions of new writing, engaging creative teams and offering security to permanent staff. Guaranteed support from public funds presents a form of stability that, for example, in 2004–05 is equivalent to underwriting Sheffield Theatres' artistic and support staff overhead.

2.5 For Sheffield Theatres, each 1% of annual ACE core funding lost means having to find £12.5k from elsewhere. Independent calculations suggest that the standstill award is equivalent to a loss of around 10% year on year for the next three years—leaving Sheffield Theatres with a shortfall of £380,000 over three years, equivalent to the cost of one production for each year that the “standstill” operates.

### 3. CRUCIBLE REDEVELOPMENT PROJECT

3.1 STT is committed to effective business planning and resource management to shape a future in which artistic vibrancy and financial stability flourish. The Trust's strategic aims for the period 2005–06 to 2009–10 are:

- (a) To be a producer of excellence.
- (b) To develop facilities to support STT's artistic ambitions.
- (c) To grow audiences across all of STT's spaces.
- (d) To exploit commercial opportunities.
- (e) To be financially stable.
- (f) To be a learning organisation.

3.2 The ability to deliver these aims centres on the much-needed refurbishment of the Crucible Theatre. Funding for the project has been ring-fenced by Arts Council England (ACE) under its Grants for the Arts—Capital programme. The remainder of the costs will be met by public funds, individual gifts and grants from trusts and foundations.

3.3 With ACE's support, a Feasibility Study to analyse options for this redevelopment has been commissioned. The Study will be a key factor in enabling the Trust, the project management team and the architect-led design team to deliver a new, fit for purpose, environmentally friendly and DDA compliant complex which will remain artistically vibrant and financially stable for the next generation.

3.4 The case for development has focussed on three key strands:

- (a) Refurbishment.
- (b) Artistic growth.
- (c) Public engagement.

3.5 Refurbishment:

- From the roof to the basement, a legacy of under-investment results in a “fire-fighting” approach to maintenance. The roof leaks, the climate control system for the auditoria is now operated manually and by guess work, the plumbing and electricity infrastructure is on the verge of collapse. Asbestos is found throughout the building (some removal of unstable areas was carried out in 2004).
- The backstage working environment (including offices) is poor and has little or no access to many areas for prospective employees with disabilities.

- Tanya Moseivitch’s acclaimed stage fulfils its original brief but suffers acute wear and tear damage from being dismantled and rebuilt each year to accommodate world snooker.
- The public areas of the building fall well below standards expected by 21 century customers, with facilities being particularly poor (shortly to be illegal) for customers with disabilities.
- The main house seating is uncomfortable and potentially dangerous.
- The Studio seating also suffers wear and tear damage from changes of configuration between drama and music presentations and removal for the world snooker.

### 3.6 Creative growth:

- The redeveloped Crucible will house a “theatre factory” with rehearsal space for an increased core programme, education productions, script development, theatre skills workshops and work in progress events.
- The new Crucible will cement key creative partnerships with agencies such as Music in the Round and Danceworks by incorporating facilities to meet partner objectives (rehearsal and education space/acoustic improvements for MiR/sprung floor in the Studio for DW), providing office accommodation and sharing core services such as technical and marketing support.
- The new Crucible will also enable Sheffield Theatres to exploit commercial and touring opportunities with facilities including increased rehearsal and project development space, recording studios or studio links for radio or TV broadcast to storage space for sets and props.

### 3.7 Public engagement:

- The new Crucible will be a major contributor to the improved public realm in the heart of the city—a building that celebrates creativity in Sheffield.
- Externally, the new Crucible will have a more open aspect onto Tudor Square and will contribute to the animation of the square with a programme of events and activities.
- The interior of the building will celebrate the work of Sheffield’s design community—housing signature pieces, which could range from bar furniture to signage and beyond, created by established and upcoming designers.
- The Capital campaign will also launch a major visual art project inviting members of Sheffield’s community to contribute to an artwork for permanent display.

### 3.8 Physical elements to be integrated:

- Refurbished Crucible and Studio auditoria and performance spaces.
- New and refurbished dressing rooms.
- New rehearsal and education spaces.
- Flexible spaces for events and meetings.
- A relocated box office.
- Self-contained trading units.
- An accessible public archive.
- Improved back stage working areas (including office space).
- Broadcast/recording facilities.
- Improved storage facilities.
- One main, accessible entrance for all users of the building.
- Fully integrated facilities for people with mobility and sensory disabilities.
- Clear external and internal signage.
- Recycling facilities and some sustainable energy sources.
- Safe and durable materials.
- A watertight roof.
- A strong external aspect, including commissioned art work(s).

## 4. CONCLUSION

4.1 Sheffield Theatres’ business strategy is predicated on building our artistic reputation, growing our audiences and now addressing the fabric of the Crucible building. These three elements are driven by artistic vibrancy but require an equal amount of financial stability. Commitment from public investment is a central part of that stability. The return on that investment is impressive:

- National awards for artistic product.
- Audiences of 350,000+ across the complex.
- £22 million put back into the local economy each year.

4.2 For both large-scale capital campaigns and core funding, public investment matters as a statement of support as much as a financial fillip. Standstill funding in a fluid economy is destabilising—not only in pure monetary terms but also in the messages it sends to other potential funders, who take a lead from ACE in perceptions of value, risk and commitment.

18 February 2005

*Witnesses:* **Mr Ian Brown**, Artistic Director, **Mr Michael Pennington**, Actor, and **Ms Henrietta Duckworth**, Producer, West Yorkshire Playhouse, and **Ms Angela Galvin**, Chief Executive, Sheffield Theatres Trust, examined.

**Chairman:** Ladies and gentlemen, I welcome you here today. Clearly, as a Yorkshireman myself I am obviously very proud of the achievements that we have both in our own native city of Leeds and in Sheffield, and we are very glad to see you here today.

**Q338 Chris Bryant:** Mr Pennington, the last time I met you was at the Old Vic, when I was researching with Glenda Jackson, and you gave us some very funny stories! What do you think should happen to the Old Vic, because we have had the Old Vic before us already?

**Mr Pennington:** You cannot argue with the success they are having. This lash-back that is happening with Kevin Spacey I think in due course will disappear. I, of course, hanker back to the repertoire in the days of the Old Vic in the days when I became stage-struck and spent a lot of my life. In the last manifestation, where Peter Hall tried to sustain those things, it was not viable for one reason or another, but I am not among the Spacey-bashers—as long as he can fill the theatre and as long as he can keep it going. There are all sorts of problems connected with the Vic which are probably not central to what we are discussing today, one of which is its geography, and the other one, which is that it is much more loved and cherished by people of my generation probably than people under thirty who would much rather go to the Young Vic. I do not have a formula about how it should survive, but if it is succeeding under this regime, they should continue.

**Q339 Chris Bryant:** Have you got a formula for the Royal Shakespeare Theatre? I think you held the view previously that the old idea was not a good idea. Do you think that the new thrust suggestion that we will be told about later on this morning is a good idea or a bad idea, as an actor?

**Mr Pennington:** It is a more wide-ranging debate than I was expecting! As a matter of fact, I do. Michael Boyd showed me the plans not long ago, and I think it is a good idea. I always felt that the fabric of the building should be kept, because it is exceptionally interesting—apart from being listed in any case—although it clearly needs all sorts of facilities to be added into it. What is needed is an up-to-date playhouse inside it; the current theatre is too big, seating up to 1200/1300. For straight theatre, for anything other than musical theatre, I think that is too big a theatre. As long as the RSC can accept that they no longer need to use a proscenium arch theatre regularly, which of course the old theatre is—and now they will not have that any more, in their home town—then I think it is very good. If it is like the

Swan, albeit bigger, then it will obviously be a success. In other words, to rebuild the theatre within the fabric seems to me a solution, as indeed it always did seem to me the solution. It is amazing how simple the decision seems now as opposed to three years ago.

**Q340 Chris Bryant:** Despite the fact that some people think that the whole building looks like a crematorium?

**Mr Pennington:** I have never been to a crematorium like that—“jam factory” is what you used to call it. I think it has a grace of its own.

**Q341 Chris Bryant:** Let me ask a broader question. There would be those who would argue that investments in the arts, in theatre in particular, is an investment that ends up in the pockets of the middle classes rather than everybody; that it is a luxury rather than a necessity. In particular, when local authority budgets are hard-pressed they ask why on earth theatre should get the taxpayers' money.

**Mr Brown:** I think there is a problem about sharing the product out to people beyond the middle classes. There is no question that the middle classes like going to the theatre, and I do not blame them for doing that. I suppose the job of somebody running a theatre is to make sure that other people get the chance to see that going to the theatre is also a good thing. I think hand-in-hand you have to try and balance those two things together. You have to have the outreach programmes which ensure that working-class kids get the opportunity to go the theatre at a price they can afford, and to start giving people the opportunity to see a piece of live theatre early on in their lives, because once you get an experience of this and it is good—and more often than not it is good—you get a shift in young people's attitudes, or society's attitude to theatre. It has suddenly become a bit cool again. When you see an audience full of kids, it does give you hope that it is not something that is going to die out, which twenty years ago perhaps there were those who thought it might. There seems to be a re-birth, and as long as you keep renewing the audience and spreading access to it through cheap ticketing, through going out, and also bringing people into the theatre, then you have a chance of addressing that problem. Inevitably, there is a middle-class element; it is something that is particularly appealing.

**Ms Galvin:** I speak from Sheffield's perspective, in that Sheffield in South Yorkshire is a place of extremes. We have one of the wealthiest constituencies in the country, in terms of disposable income and professional qualifications, and we also

have areas that fall into Objective 1 status. If we were simply to work with people who live in Hallam constituency, we could have a certain type of life, but it would not be very interesting. We cannot ignore the fact that there is a core of theatre-goers who have kept our theatres going through some pretty rough times; and we want to reward them rather than ignore them now. We also very much are aware that our place in the city and the region is as a major cultural institution, and breaking down the wall of being an institution and being a part of the community is something we have done strenuously over the last five or six years. We have had an education department working with communities for nearly thirty years consistently. The work we have done has been to try to analyse what prevents people from going to the theatre. There is a notion that theatre is too expensive, and we found that prices are of course a barrier. People have to work out whether they can feed their family or whether they can afford to take a bus somewhere. Going to the theatre, arguably, is the least of your problems, but we do not want the price of a ticket to become a barrier to attending something in our theatres. There are other issues about just being used to the etiquette, if you like, of what to do in the building, of being aware of what you are going to see. One of my favourite analogies in our work with young audiences is that if they go for a pizza, they know they will get a pizza; if they go to the pub they know they will get drunk; but if they go to the theatre they are not quite sure what they are getting. So a lot of work with building audiences with different segments has been to break down the mystery of theatre and to enable people to understand not just the whole culture of it but the particular productions—not programming work that we think will tick boxes for young people, but to explain our work and to see who comes. That has been a very effective way of building audiences, from a genuine cross-section of the community we exist within. As Ian says, we have to accept that there is a large section of our audience that could be categorised as middle class.

**Mr Brown:** Can I add one thing to that, which I picked up from the previous panel? It is getting harder for teachers to take kids out on theatre visits because of regulations and because of the price of travel—they are dealing not only with all the red tape and arranging to take the kids out of school, but also with the cost of transport to the theatre on top of the theatre ticket. It is becoming quite problematical.

**Q342 Chris Bryant:** You have all said very functional things about the theatre rather than inspirational things about the value of theatre itself. It has felt a bit to me in the inquiry we have done so far that everybody has talked about buildings, and they have hardly ever talked about the theatre.

**Mr Brown:** Yes, we got to the class issue. I have been running theatres for quite a long time now—this is my third theatre company that I have been in charge of—so the passion of seeing a theatre full of an evening is what drives most of the staff at the

Playhouse. There is something about the live theatre experience that nothing else comes near, and that is why it has to be valued. I think it is something to do with the fact that in a city like Leeds the theatre is one of the few places where a wide cross-section of the community comes together on a regular basis for the telling of a story, either through music, dance or drama. I think there is nothing like that for capturing kids' imaginations. So when you see a five-year old at a Christmas show on the edge of their seat, that for me drives me forwards to make sure that that can continue.

**Q343 Chairman:** Certainly theatre can be very cheeky and very inventive. I remember coming to the *Crucible* and seeing a production of *The Comedy of Errors* in which one of the twins was white and one of the twins was black. You certainly could not do that kind of thing in the cinema or anywhere else in the same way.

**Mr Brown:** It seems to me that the theatre is still an arena where certain things can be discussed which cannot be discussed anywhere else. The recent events in Birmingham—whatever the rights and wrongs—it created a huge debate that continues. There was a Channel 4 programme on it last night, and it engenders the kind of debate that this country needs. Often, theatre plays can tackle subjects that television and films will never touch.

**Mr Pennington:** If I may say the same thing in a slightly different way, I happen to be doing a play in London at the moment which deals with a family preparing itself for the death of the wife or mother from cancer. It is a not untypical genre of play, and it happens to be a comedy as well. I was thinking about it last night and realising that you could make a film or a television film of it very easily, and it would be effective, but there is nothing like doing that play in a theatre in which every single member of the audience is in some way or another interested in the subject—they have to be, either from their own experience if they are of the age, or if they are younger, looking forward. The sense of being in the same space and breathing the same air as the actors and the sense of there being something unpredictable—it could of course go wrong, and which in any case would be subtly different from the performance the previous night or the performance the night after, is an irreplaceable thing. The theatre is the only performing art which makes its audience talented in that way, because an audience knows at some level that it is collaborating and making the event successful or not. They know that they are necessary to the occasion, in the way that a cinema audience or television audience simply is not. I regard the theatre and the work done in the theatre as the tap-root, both for talent that goes on into film and television, but a form of life-blood—to mix my metaphors—for the audience as well.

**Q344 Alan Keen:** We did not embark on this inquiry because we wanted to ask clever questions of important people; it was because we wanted to give the theatre world a chance to give their views and so that we can then hopefully get people listening to

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22 February 2005 West Yorkshire Playhouse, Sheffield Theatres Trust

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them. I understand that when you are running theatres it is a tough job. You must have sleepless nights thinking about the budgets and how to balance being more creative and so on. I am not being critical of you for lack of mix with the amateur theatre, but we just want the benefit of your views because you care about theatre and getting more people involved. We did hear criticism from the amateur theatre that they were kept at arm's length by professionals. Maybe it is just because of budgets, but we want more people to take part, not just kids but adults as well. How can you, as the professionals, help involve other people in not just coming to spend money but for them to enjoy being actors themselves? What can you do that is not being done now? What more should you be doing to encourage the amateurs?

**Mr Brown:** My take on this is that I think there is a bit of a gulf between the professional and the amateur theatre, and quite rightly so. My feeling about the amateur theatre is that it is fantastic to put our energies into encouraging young people to participate in the arts. Young people can benefit hugely from the confidence-building that goes with participating in a drama class, or just discovering things that they never knew and giving them social confidence. When you come to adulthood, if you want to continue to do that and do not want to go into it full-time, you have the right to do that, and the amateur companies around Leeds are hugely successful. They have none of the overheads that we have, and rake in huge amounts of the box office—and good on them, really. This year we have invited one of Leeds's biggest amateur companies into the Playhouse, the first time that it has happened in 15 years. It will be a very interesting experience, and I am quite looking forward to it. I will be wiser at the end of that week than I am now. Until now I have always kept it at arm's length, but I think it is a fantastic social exercise and it is a way for people to produce theatre in areas where theatre provision is not great—and it works fantastically well.

**Ms Duckworth:** I would add to that. Obviously, like Manchester and Sheffield and all the other theatres you are talking to, we lead huge community initiatives with wide-ranging community plays. We have one happening this summer and we commission one in two years. There is an enormous one planned for 2007 to celebrate the charter of Leeds. Those are initiatives that we are leading. It is partly in response to your first question. We feel we can target certain groups or communities that we have been working with, to make sure that those opportunities are being offered to key communities. There are different sectors within the amateur sector. I think you are possibly talking slightly more about the amateur dramatic companies, which are usually terribly well organised and have armies of volunteers who are all brilliant at coming together and creating a show. I think their needs are sometimes not recognised, and I do not think that necessarily a producing theatre is all that they need. One thing that is happening in Leeds is that the council is investing in a new venue, which will offer opportunities for those groups. My experience, and

my previous experience is that there is often a conflict between an amateur company's desire to produce at a certain time of year, and all the initiatives and work that the producing company is scheduling and working towards; and if those come head to head because we both want the same time, clearly we cannot meet both desires.

**Q345 Alan Keen:** Is that because there are not enough formal links between them? Please do not think I am being critical; I just want the benefit of your experience.

**Ms Duckworth:** Sure, but a lot of amateur companies do fantastically. The number of amateur companies doing Christmas shows this year is enormous, fantastic—I love it—and they are all potential audiences and engaging with the power of live theatre, and I am entirely passionate about that. However, we have our Christmas show on, and there is not room in our theatre for an amateur group to do a Christmas show when we are doing ours, and that is a hugely important, artistic and economic event that happens in our theatre. I would say, “bring on more provision”.

**Ms Galvin:** I would echo Henrietta and say that the amateur theatre community is hugely diverse, and simply engaging with that whole community would be quite a difficult issue in terms of resources. In Sheffield we tend to relate to—without creating a hierarchy—the upper levels—the people who regularly and consistently produce quite challenging work sometimes. We have moved away from *The Desert Prince* and that repertoire and tend to do some fairly interesting work. Because we have the luxury of space within our theatres we do a programme to work into the Lyceum four times a year, so there are four weeks in a year that we give over to amateur companies. I really would not want to give any more time to amateur companies for all sorts of reasons, not least the commercial ones that Henrietta spoke about. Also, for each week that we programme an amateur group, we are denying a professional company the opportunity to express their vision on stage, which is not very helpful. The one thing that I really envy amateur companies is that all of the ones we work with have reserves, which is something that we do not have ourselves. It is quite a wealthy sector, surprisingly.

**Q346 Alan Keen:** Do you have any formal links with them or do you just see somebody is putting on *Jack and the Beanstalk* and—

**Ms Galvin:** We have relationships with the four companies that come in for those four weeks. It is a very long-standing arrangement. We involve ourselves to a certain extent by giving technical assistance, doing production workshops with people. It seems there is a rash of these new-build schemes to house amateur companies, and Sheffield is also considering an application to convert an old cinema into a venue for amateur companies. We have not put any barriers up. We were invited to say that the town was not big enough for the two of us, but it is of course, and the amateur companies have all come to us and said, “our aspiration is still to

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come to the Lyceum and this just gives us space to work in". If you are creating more people, who I suppose become an informed audience, that is the important thing; that they have more of a sense of what it takes to produce work and to act in it, to light it and design it. That cannot be a bad thing for professional theatre. It is a bad thing if it cuts across opportunities for people who have devoted their lives to trying to make a living out of it.

**Q347 Mr Doran:** I am sorry, but I am going to get back to boring money and buildings, but it is an important part of our inquiry. You heard our earlier discussion with the Manchester Royal Exchange and Birmingham Rep. Looking at your submissions, both theatres have problems with fabric. Reading the Sheffield submission I am not sure I would want to visit at the moment, but that is another issue!

**Ms Galvin:** We will give you a white suit and a mask to wear!

**Q348 Mr Doran:** Getting into the nitty-gritty of that, the West Yorkshire Playhouse clearly has problems and those at the Crucible are much longer in the making. You are both at the stage where you are having to work out how you are going to finance the refurbishment to make your theatre safe for the public and for the employees. I would be interested to hear from both of you how you approach that because, as you heard earlier, there is a morass of finding that is not always easy to access. You are both in the subsidised sector, so I am interested to hear the practicalities.

**Ms Galvin:** Our argument is that the capital refurbishment of the Crucible is not simply a bricks-and-mortar case; it has to come out of a business plan, which takes a long view of the contribution that the Crucible can make to the cultural life of the city, and that of the country actually. It is not just that we want a new carpet or we need to clear asbestos; it is what we can do with that building to enable us to work for another generation. Certainly, I am not going to try and raise that much money again in my lifetime, and I do not think we would be able to. We had created a plan, which is very much sketched through in our submission. It is about generating energy from our building, which is driven by art, not driven by the need to remove asbestos. But in order to have a longer-term artistic vision, we do need to make our building fit for purpose. There has not been a history of capital investment for all the reasons that were gone through by the people who were sitting here before. We have had to navigate our way through the funding system to find the sources of money that can support our aspiration. The first port of call has been the Arts Council and grants for arts capital. We had had monies pencilled in for us, and we are in the process now of creating the development plan for submission in May, to go to Council for September.

**Q349 Mr Doran:** How long has it taken you to get to that stage?

**Ms Galvin:** The first feasibility study that we commissioned was in 2003, and it is unlikely that any building work will happen before 2007. In the meantime, the amount of money that has been pencilled for us—we have been told very, very clearly that there is no more money from that source. The amount of money is not gaining in value, but the cost of building—

**Q350 Mr Doran:** You have been allocated a pot.

**Ms Galvin:** Yes, but we have to make the case to open that pot and get to it. On other sources of funding, our city council has been very supportive to the theatres for a long time, and have indicated that they will try to match the amount that has been allocated by the Arts Council. That would be difficult for them to do, and we appreciate that, but it is very helpful for us to have at least their endorsement for the project and their understanding of the impact it would make not only on the culture but the city public space.

**Q351 Mr Doran:** If a major emergency came along that would disappear.

**Ms Galvin:** Yes. As we have all said, there are many demands on the public purse so we imagine those might arise in the time we have got. Following the funding cycle of the Arts Council means that we are out of synch with Objective 1 funding that we could have drawn down, or Yorkshire Forward, the RDA, was indicating that if we put a case through with the city, they might be able to lead the funds, but as it stands we will not be able to get that money.

**Q352 Mr Doran:** We heard evidence from Birmingham that that was not always an easy route, that you have to build up a relationship with the RDA.

**Ms Galvin:** Well, we are told in our guidance that we do not have to answer all of your questions! I think it is fair to say that RDAs have not managed to get their heads round what "culture" means. There is an interpretation of it as "leisure", and so shopping centres and sports facilities perhaps are understood but there is a vacuum there and we have tried to fill that vacuum with our arguments, as have many arts organisations in Yorkshire.

**Q353 Mr Doran:** Is it something that DCMS could help with? Have you tried that route?

**Ms Galvin:** We have spoken directly to DCMS in the past, but our experience is that the Arts Council does not enjoy its clients talking to DCMS directly.

**Q354 Mr Doran:** It is a long haul and a difficult one.

**Ms Galvin:** Yes.

**Q355 Mr Doran:** Meanwhile, you have to operate and function. What about your own input into the pot? Do you have to raise a proportion?



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**Ms Galvin:** We have undertaken a commercial survey to see how much we can generate from our commercial activities, but it is a chicken and egg thing, because unless we can improve our facilities we feel the limits of what we can generate commercially. The ratio of our income that comes from our own activities is relatively high, about 76%. We are working very hard to generate it, but we do not have reserves and it is very difficult to build up reserves. Every time we make a small surplus, it goes straight into repairing a leaking roof or improving access.

**Q356 Mr Doran:** That is the patching up, not the long-term goal. I am naïve enough to think that if you have got the telly coming in, then you must be rolling in money.

**Ms Galvin:** Your word is “naïve” and I would not disagree with you. Obviously, having the snooker is a financial incentive to us—less so than it was in previous years because there have been changes in the contract.

**Q357 Mr Doran:** You have not tried to auction it off?

**Ms Galvin:** Well, the snooker have tried to auction it off, and they are approaching—I think seven cities have put in bids to host the championship from 2006, so Sheffield may lose. The City of Sheffield is managing the bid for the snooker. We are the main venue, but there is a whole package attached to that. I am sure nobody here came to talk about snooker! It is one of those examples where you think you have something that is a sure-fire earner, and actually it can be pulled from under your feet, and then you have a huge hole in your budget and programme.

**Mr Brown:** A few clearer guidelines about what we are meant to do with the buildings and a little bit—it is a bit of a dirty word to talk about maintenance or refurbishment. I do not want to spend my Arts Council grant on bricks and mortar, but I do have a responsibility to try and keep that building open. We are lucky that it is a good building—they built it well. There are going to be some big items of expenditure, probably heating plants and air-cooling plants. We have been unable to raise any cash for the things that we would like to do to the building—simple things like re-carpeting or re-seating and making the theatres working a little better in terms of flexibility. One of the things it is making us do, and one of the things that lack of money generally is making us do, is obviously that we are getting into bed with various different commercial partners, both in the production of work on stage and also in terms of selling what few assets we have. We are doing a deal with the district council at the moment about selling some land at the back of the Playhouse, which will net us a million pounds. The purpose of that money is that we use the interest to help us maintain the building over a period of time. It just takes us down avenues that we do not really have a great deal of time to deal with, and we can get into some quite complicated negotiations with hard-headed developers, which is not really what we are trained for.

**Q358 Ms Shipley:** I am very worried about the fact that the Arts Council does not enjoy clients talking directly to DCMS. It would be very unfair of me to wheedle away at you, so I am not going to and will just put on record that that is a concern because DCMS really should be open and available to quite a senior level of people approaching, and it might be worth the Committee considering the implications of that. The major implication is the Department's lack of leadership on the word “culture”. It has a good grasp of “media”, and sports are reasonably obvious, but the culture is a bit open-ended. In many ways that can be a good thing, but maybe some leadership is needed. If anyone feels able to comment on that, please do now.

**Ms Duckworth:** I think the DCMS has endeavoured to make definitions. There have been a lot of beautiful publications about creative industries, and quite a lot of work done on that. I am not going to quote anything now because I do not have it in my head.

**Q359 Ms Shipley:** Do you think that is good and strong leadership?

**Ms Duckworth:** I think it was an attempt to offer a definition. I do not think all the opportunities that could be made for the agencies to work together, to join up thinking, are taken advantage of. To a certain extent, the capital challenges that we all have are perhaps a best example of that. We are potentially at the start of a very significant city development at Quarry Hill where the theatre is located. There are enormous challenges being presented there, and there are enormous opportunities as well. I am involved with running a theatre, not property development.

**Q360 Ms Shipley:** I think Birmingham has grasped culture quite well.

**Ms Duckworth:** What does not seem to happen is the link between those enormous developments—linking local authorities and DCMS. There does not seem to be a nice link there, so this must be an opportunity that will potentially be lost.

**Q361 Ms Shipley:** That is very interesting. Mr Brown, given the way you described amateurs and professionals, why did you invite them?

**Mr Brown:** Because it was neighbourly really, and I thought it—

**Q362 Ms Shipley:** Enabled who—you or them?

**Mr Brown:** It was a neighbourly thing to do! There is nothing in it for us really. The Grand Theatre in Leeds is closing for a year to have a huge refurbishment of three million pounds or something, and they are homeless. I think it will widen our audience and will be good for us.

**Q363 Ms Shipley:** Why did you do it Ms Galvin?

**Ms Galvin:** We are good neighbours too! It does us no harm for people to find their way into our theatres and to realise they are genuinely nice places to be.

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**Q364 Ms Shipley:** The reason I said that is because the West End theatres are absolutely, as far as I can see, resistant to having anything come into their theatre that might be called “community” or might take effort from them to bring in. You have both said that it will enhance your audience. The West End theatres want a large amount of public money and they do not want to have to do anything for it. In fact, they go so far as to say it is completely impossible for them to do anything at all. You say that letting amateurs in in some form gets more people in and enhances the audience.

**Ms Galvin:** We operate in communities. We have a relationship with the community that we are based in. West End theatres do not have that, so from the very beginning they—

**Q365 Ms Shipley:** Arguably, they should be created because the west End is one or two miles from Southwark and Lambeth—really deprived areas. There is a major chance for it to relationship-build. Actually, it is not very far from richer areas as well; there are plenty of rich people living there—if you do not want to go for the poverty angle. The idea is to reach out and it does not want to do that.

**Ms Duckworth:** Just to give evidence because my previous life was in the East End of London, the West End are very happy to take the money of amateurs, and it happens all the time. There were amateur companies using the Palladium and using the Theatre Royal, Drury Lane, but they pay for it.

**Q366 Ms Shipley:** They are very willing to take but not very willing to give.

**Ms Duckworth:** So the amateurs have access.

**Ms Shipley:** Only if they pay a lot. There is very little giving going on as far as I can see.

**Mr Flook:** That is a bit harsh!

**Ms Shipley:** Do you think?

**Q367 Mr Flook:** Yes.

**Ms Galvin:** We were talking about DCMS and culture, but the only thing I would like to add to what has been said is that the reticence about taking leadership and the definition of culture seems to me to be driven in part by a fear of being labelled as elitist

**Q368 Ms Shipley:** Why would that be? I agree with you that it might well be that analysis, but why would arts or dance be elitist?

**Ms Galvin:** Because we still sit here and face questions based on the class breakdown of our audiences, and those are things that come to the surface whenever there is any discussion of this sort about the arts.

**Q369 Ms Shipley:** Perhaps that is something to be addressed. The Young Vic has done a very clever thing in offering free tickets to Southwark and Lambeth residents. My feeling is that there would be some people that came in, and if there is a way of doing that—that the West End offered free tickets off-peak and at all sorts of times, to targeted areas—I think there is room there for direct action in broadening the audience base.

**Mr Pennington:** I do not think anybody in theatre either in or outside London would disagree with that principle. I am sure that a large part of your working day is spent trying to work out how to do that provision and how to do £5 nights and all those other things. The National Theatre can do a ten-pound—

**Q370 Ms Shipley:** No, that it was free is the important point.

**Mr Pennington:** Sure, but that is also a budgeting and funding consideration, as to how you can afford to do it on the scale you wish to do it.

**Q371 Ms Shipley:** My experience of going to the West End, with the exception of the sell-outs like Chitty Chitty Bang Bang, is that there is a proportion of empty seats every night. It is not terribly hard to work out which nights there will be—let us just say 2% of tickets that are available, and give those away in the community. Is that an impossibility?

**Ms Galvin:** When I first started working at Sheffield Theatres we had what was called a “pay what you can” night, and people did come and pay what they could. I asked our box office to calculate what the average amount paid was, and it was 34 pence. I also asked for a breakdown of where these people came from, and it was from the Hallam constituency!

**Q372 Ms Shipley:** Exactly. Is it possible to give away free tickets in targeted poorer areas?

**Ms Galvin:** If it is targeted, but as I come from a marketing background, I would say that putting some face value on the ticket is more valuable to the individual using the ticket and to the theatre than to give things away.

**Q373 Chairman:** Thank you very much indeed. I feel very nostalgic about Leeds and the kind of theatrical upbringing I had. When I was brought up we had the Grand Theatre, which was too posh for anybody to be able to afford to go to, Harry Henson’s Court Players and the Theatre Royal, Moss’s Empire and the City of Varieties which no respectable person ever set foot in!

**Mr Brown:** The same today!

**Chairman:** It is very different today and very exciting. Thank you very much indeed.

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#### Memorandum submitted by Derby Playhouse

The Arts Council of England (ACE) has a complete lack of methodology for allocating funding and as a consequence there is no transparency in its justifications or reasons for its decisions. We believe the committee should focus on this as a key issue of its enquiry.

The ACE process of allocating funds is arbitrary and based on (i) historical precedent and (ii) maintaining the status quo. Consequently there are significant inequalities in the distribution of funding between regions and further inequalities in how the funding is allocated by regional offices within each sub-region.

Specific, measurable, attainable, realistic and time-bound objectives do not form part of funding agreements between ACE and theatres. Consequently, exceptional performance of individual theatres goes unrecognised and poor performance of others goes unseen.

There is a need for transparency of public moneys and a simple yet discernable benchmarking of performance within the sector will enable this. Without such measures and accountability the case for future increased investment is weakened and the opportunity for future growth and development of the sector in general and individual theatres in particular will always be restricted.

This may not be a popular notion, but we do believe it could lead to a recalibration of the sector where funding is allocated based on a level playing field and clear evidence of achievement and performance. The positive benefits would be that it would inject a sense of fairness into the system and help ACE represent the theatre sector more powerfully in the future.

The experience of Derby Playhouse in securing funding from other bodies, such as the European Social Fund and European Regional Development Fund highlights to us that models exist where there are funding methodologies based on clearly defined measures of what the fund is intended to achieve and desired outputs, results and impacts. Whilst these funds are clear about what they want the funding to achieve, regional development agencies and local strategic partnerships have a clear role in identifying local priorities. The delivery partner (the theatre) is a stakeholder in this process as the recognised expert in its field and is given the freedom to develop its own approaches and plans for achieving the agreed outputs.

We welcome the Committee's inquiry into the nature and adequacy of public support for theatre in England and would welcome the opportunity to present evidence and expand on the points outlined above.

14 January 2005

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### **Memorandum submitted by the Belgrade Theatre Coventry**

#### CONTEXT

Now an English Heritage Grade II listed building, the Belgrade Theatre was the first civic theatre to be built in the UK after the Second World War and was a key part of Coventry's post-war reconstruction of the city centre. The Theatre became independent of the local authority in 1996 and is now managed by the Belgrade The Trust (Coventry) Ltd, a registered charity (No 219163) and company limited by guarantee.

Built in 1958 and opened by HRH the Duchess of Kent, the Belgrade Theatre is the major arts and cultural facility in the city and the city's only building based professional producing theatre company. The Belgrade has provided high quality entertainment in its 858 seat auditorium for over 40 years. The year round programme is a mix of receiving and home produced work, some of which goes on to tour nationally, and the Theatre also supports a lively outdoor events programme. In addition the Belgrade has pioneered many community-focused initiatives and the development of a serious body of work with and for young people, including the birth of TIE (Theatre In Education).

Hamish Glen became Artistic Director in March 2003 and brings a new energy and vision to the theatre.

#### *Vision*

To become one of the most dynamic producing houses in the country.

#### *Mission*

Our role is to provide a comprehensive performing arts service of the highest possible quality for Coventry and the surrounding regions and to act as an ambassador for Coventry & The West Midlands when touring.

Belgrade Theatre's seasons are now designed to appeal to the many different audiences that live in and around the City, and consist of an eclectic mix high quality drama, popular work, stand up comedy, jazz and band nights. Belgrade Theatre both produces its own work and presents visiting work and alongside its Main House consists of the Community & Education Company with a new project strand of working with members of the black and ethnic communities, Special Projects that runs the outdoor events and the increasingly popular catering operations Cornerhaus and Grand Café that attracts customers in throughout the day.

Belgrade Theatre currently has a turnover of £4 million, and is in receipt of revenue funding from Coventry City Council and Arts Council West Midlands. The annual audience is currently 160,000 and this will expand hugely with the completion of the current Capital Project that includes building a new studio

space. 2005 sees the commencement of the final stage of this ambitious £10 million project that will establish the theatre as a landmark building, playing its significant part in Coventry's £10 billion regeneration of the city centre, called the Phoenix Initiative.

#### EXECUTIVE SUMMARY OF THE BUSINESS PLAN

Our aim for the next five years is to create a new Belgrade Theatre and make it one of the country's leading regional theatres, both in terms of its building and its work.

The Belgrade creates theatre in the belief that it can enrich its community and fundamentally change people's lives for the better. It is The Belgrade's underlying belief that it should be open to the influences that surround it and that collaborations between artists, local agencies and communities can create relevant and exciting theatre and we will work with artists of the highest possible quality, locally, nationally and internationally to achieve this. We further believe that the theatre can be a cost effective agency for the delivery of local services and will seek to become a part of the infrastructure, in partnership with other relevant agencies to deliver educational, Black and Minority Ethnic, outreach and young people's services.

In order to achieve this, we need premises and performance spaces which are fit for purpose and including a second auditorium of a size which is economically viable and which is appropriate for the presentation of the work that is broader in range, that seeks to develop new audiences and in particular those from Black and Minority Ethnic communities of the city.

The key issues facing The Belgrade are principally ones of buildings, premises and staffing structures that are fit for purpose and that look forward to the opening of Belgrade 2.

Admission to the Arts Council's Capital Programme II, and additional financial support from Europe, Coventry City Council and Advantage West Midlands has made the prospect of an £11 million scheme very real indeed. Feasibility work has established a preferred model scheme and this is currently being designed to RIBA Stage E and the funding package to enable it to go ahead is in place, although final formal offers of support are still to be obtained from Advantage West Midlands. The Board accepts the challenge of raising the required matched funding to enable the scheme to proceed and the Belgrade faces a very exciting future.

This larger building will enable The Belgrade to make a much greater contribution locally, regionally and nationally. An increase in numbers of in-house productions, audiences attending, and a more diverse programme is envisioned and there is proposed a significant increase in participatory work particularly focussed on young people, formal education, Black and Minority Ethnic services and outreach work. These are all new initiatives for 2004-05 onwards.

The City Council has confirmed that the development scheme is an important element in the City Council's strategies for cultural development and for the regeneration of Coventry city centre and there will be increased opportunities to focus on other disadvantaged areas of the city. There will be additional employment, both direct and indirect. The development of The Belgrade's own programme and the touring of Belgrade work, both regionally and nationally, will contribute to Arts Council and City Council strategies.

Around the scheme, the strategy focuses on the other areas where change is necessary. The theatre has built a substantial and loyal audience (and one which is less the traditional arts audience, but which comes from a broader cross-section of the local community than average for a theatre), but if we are to present a larger, more diverse and more adventurous programme, we will need to grow that audience. Market research has established that there is such a potential new audience locally and in the region for such a programme, although we must be careful that the changes to the building and the work do not alienate the existing audience. A broader programme will attract audiences who do not currently come to The Belgrade and increased opportunities for participation and involvement will also be created. We have drafted a new marketing strategy to maximize the impact of the capital redevelopment in developing The Belgrade brand and attracting new audiences for our work and its implementation, alongside the developments in artistic work and programming.

Major capital redevelopment schemes are high risk. This is recognised by the Board which has its own structure in place to monitor progress closely throughout the project. Careful planning will need to ensure that what emerges at the end is a viable operation, sustainable on current known levels of funding and the business plan has been prepared with a draft programme and financial projections. A milestone plan brings together all the actions required to implement the changes.

The Belgrade will be a rather different organisation that it is at present, and we need to ensure that it has the appropriate structures and staff to be able to function effectively, delivering the quality to which we aspire. A staffing plan addresses these issues and identifies the changes recently made.

The proposals seek to redirect funds:

- to increase the amount of home produced work;
- to allow for a more adventurous programme;
- to invest in community and outreach work;
- to invest in pay and conditions.

Financially we need to generate income from a wider base than at present and will be seeking to do this both through our work and our buildings by exploiting their commercial potential to full advantage. In this way we can broaden the support base of the theatre still further and maximise the impact of the additional revenue funding which we received from 2003 onwards.

Our stabilisation award, which is a time limited grant from Arts Council England, is intended to support The Belgrade through this period of change: by clearing the remaining City Council loan; by investing in a staff restructure; by supporting the implementation of the staffing plan, including the implementation of a new senior management structure and new working practices and terms and conditions in the theatre's stage operations; by investing in new IT to improve the efficiency of the organisation, particularly in its accounting systems; by enabling some emergency repairs; and by supporting the implementation of the marketing strategy.

These objectives have all been addressed. There has been a significant move in the targeting of the funds available into a restructuring of the staffing and operational practices of the theatre at all levels and also the implementation of a substantial initial investment in pay and conditions following the Stabilisation funded Review of Pay and Conditions. These changes were considered and agreed through a consultation process.

Despite the increased costs of running the organisation when Belgrade 2 opens the Business Plan proposes that the associated improved earnings from catering and ancillary trade will cover these costs and thus enable the organisation to continue to produce five or six in-house shows a year.

The Belgrade has been in the fortunate position of moving into a period of difficult and substantial change with the resources to enable the process to be properly managed and conducted. We intend to make the most of it.

February 2005

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*Witnesses:* **Mr Paul Everitt**, Artistic Director, Lichfield Garrick Theatre, **Mr Colin Ablitt**, Portfolio Holder for Culture, Lichfield District Council, **Ms Karen Hebded**, Chief Executive and **Mr Eric Galvin**, Vice-Chairman, Derby Playhouse, **Mr Hamish Glen**, Artistic Director and Chief Executive and **Ms Joanna Reid**, Executive Director, Belgrade Theatre Company, examined.

**Q374 Michael Fabricant:** Stuart Rogers, Chief Executive of Birmingham Rep said earlier on that the split between council and Arts Council funding was pretty well typical. When we visited the Garrick yesterday, that did not seem to be the case, and I wonder if I could just ask to have put on the record how the funding of Lichfield Garrick works with the Arts Council, and then perhaps we can move along the table to the other regional theatres.

**Mr Ablitt:** We have a local authority commitment of something over £200,000 a year, and probably nearer £250,000 this year, currently working to an Arts Council grant of £30,000, which is RFO for the next year or so.

**Q375 Michael Fabricant:** You were here when I was asking the Birmingham Rep about the Independent Theatre Council's assessment which said that one of the weaknesses of the Arts Council, in their view anyway, was that they tended to provide funding to large organisations and by having limited resources prevented smaller organisations or new kids on the block from getting any funding at all, or very much funding. Would you agree with that assessment?

**Mr Ablitt:** That is the position we find ourselves in, quite clearly—the figures speak for themselves. I was not involved in the communication.

**Mr Everitt:** At the point that we came to the Arts Council for funding, the bank was dry.

**Q376 Michael Fabricant:** The distinction that has been made by all the theatres in the earlier evidence is that between a receiving theatre, like the London theatres that receive touring production companies

which come in, and those that have their own production companies. I suppose it could be argued that the Arts Council should concentrate its funding not on the fabric of the building but more on the provision of new touring companies or new in-house theatre companies. What is the Lichfield Garrick's potential for providing that sort of new artistic direction?

**Mr Everitt:** Our whole theory is that if the whole culture is going to work, then we must be creating work that reflects our local community, and the only way to really produce work that reflects the local community is to produce it yourself. Our ambition is to do a programme of work every year that reflects our local community; so our ambition is to produce a certain amount of work ourselves. That will be then backed up with that touring programme.

**Q377 Michael Fabricant:** If you were producing your own in-house production—and you mentioned yesterday the Garrick run—would that tour go out to other theatres?

**Mr Everitt:** That is a possibility, if it has success, but in the first instance it must be having a conversation with its local community. That must be its first impulse. If it then has success, there is a possibility of it going elsewhere.

**Q378 Michael Fabricant:** Is that the experience of the Derby Playhouse and the Belgrade Theatre?

**Ms Hebded:** I am not sure I understand the question.

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22 February 2005 Lichfield Garrick Theatre, Derby Playhouse, Belgrade Theatre Company

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**Q379 Michael Fabricant:** What is your experience of Arts Council funding; are you getting adequate funding; did you find the Arts Council flexible enough if you did approach them, in providing funding for various initiatives that you came up with? Did you find the door closed? How responsive were they?

**Ms Hebded:** There is never enough money, always; and everybody involved in the arts is always arguing for more money for themselves. Part of the question we are wanting to ask in the debate we are wanting to open—quite clearly we do not have the answers, but how do we share that money? How is that money to best support emerging companies, emerging artists, emerging buildings and emerging art, whilst not losing the fabric and the important companies and culture that already exist? This is not a criticism of the people who currently work very hard within the Arts Council organisation, but the system sometimes does provide blockages and there is not a clear flow to enable the new and up-and-coming to flourish.

**Q380 Michael Fabricant:** Do you run your own touring company, or is it more of a receiving house?

**Ms Hebded:** No, Derby Playhouse produces all its own work. We are a producing company. We are a company of people within a building. We receive £600,000–£650,000 from the Arts Council and £400,000 plus from Derby City Council, so we do have a good match between, and I think that is very important. A question was asked earlier about whether it is important to roll funding into one pot, but I think Birmingham Rep’s response in terms of the importance of being in local theatre and a local community, having money from your local community, and a relationship with your city council is really important.

**Q381 Michael Fabricant:** This is almost a chicken-and-egg question. It could be argued that the reason why the new Lichfield Theatre has not got its own production company is that they cannot afford it; and they cannot afford it because they are only getting £30,000 from the Arts Council; the Arts Council might well argue, “we are only giving them £30,000 because they have not got their own production company”. How did it start with the Derby Playhouse? Did you have your own production company long before the Arts Council came along, or did you approach the Arts Council and say, “we would like our own production company; can we have the money, please?”

**Ms Hebded:** Derby Playhouse has always been a production company. It started from an amateur company in a building—which is interesting in terms of your earlier question. It grew out of an amateur community into a professional theatre company, and then received funding. I could find out when we started to get Arts Council funding, but all I know is that we were behind historically some of the buildings in our region, which means that we get less than they do because of the history. I totally understand where you are coming from, which is that you get less again, although you are in a

different region, because there were people there before. As far as we can tell, it is all based on a historical model.

**Q382 Michael Fabricant:** Is that the same experience with the Belgrade Theatre Company?

**Mr Glen:** Yes. The Belgrade was the first civic theatre building in the country after the Second World War and reconstruction of the city, and was always funded as a producing house. It should be recognised that large building-based companies do not have direct access to additional funding; they are expected to use the money they have been awarded, and so new initiatives and developments are difficult to attract money for. I quite understand that really because they are protecting the monies that are available for the new-initiative younger companies. What is dispiriting about the discussion is that it becomes an either/or. I do not think any of us would not support the argument on additional investment into individual artists, young companies or the aspiration of the Garrick to produce. However, if a government is to hold funding to a standstill until 2009, that makes it pretty difficult for the Arts Council to be able to respond to that.

**Q383 Michael Fabricant:** The Independent Theatres Council recognised the point that you made, and it is undeniable, but they also said that the Arts Council just is not critical enough about shifting funding from poorly-performing organisations into new organisations which may perform better. I asked this question of Birmingham Rep and the Manchester Theatre, and particularly the Manchester Royal Exchange believed that the Arts Council were pretty tough on this. Is that your experience

**Mr Glen:** I think they are. It is a pretty rigorous analysis of what you are doing and what your aspirations are, and how successful you are in delivering it. Clearly, theatres go through good times and bad times and you want to try and support. If the option is to close down a major facility to release the monies to be able to start to respond to new initiatives that are emerging seems not a very sensible and cost-effective way of releasing money to develop the art form.

**Q384 Rosemary McKenna:** Can I start by asking the Belgrade Theatre about their strategy for the future. It is very exciting and is obviously well thought-out, and you are hoping to do well. However, you come from a very difficult background in the theatre. Is there one thing that helped you drive it forward and begin the turn-around; or was it a series of things? What helped you go from a very poor position to facing a very exciting future?

**Mr Glen:** I have only been at the Belgrade for about two years, so a lot of the initiatives were instigated prior to my arrival. I suppose I was brought in as part of the idea of making the change in the theatre. Clearly, the substantial investment of Stabilisation Funding gives a bit of financial breathing space to assess what you are doing and starting to put together a plan for the future. The idea of being able

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to develop our building and so develop a range of work to offer the city, and the amount of work we can play host to as a facility for community-based art work—without that sort of investment, it becomes very difficult to see a future or turn the theatre around. Those are probably the two big building blocks towards a re-description of the Belgrade.

**Ms Reid:** We also got money from the Theatre Review monies, which is a really important injection of funds into all theatre in England. At that point the balance between the money we were getting from the Arts Council and the money from Coventry became almost equal, because up to that point we were getting more funding from our local council than from the Arts Council.

**Q385 Rosemary McKenna:** You became fully independent of the local authority in 1996 and created a theatre trust. Does that mean that you own the building, or does the authority own the building, with the theatre being a trust?

**Mr Glen:** It is held by the local authority. It was directly run by city employees, and then they created a kind of arm's length principle and an independent board of directors and trustees to run the theatre.

**Q386 Rosemary McKenna:** That is very similar to the situation with the Cumbernauld Theatre, which I know you are familiar with. It constantly fights a battle between Arts Council funding and local authority funding. Is there a sense of concern? Here, it would appear that it is difficult for new organisations to get funding from the various Arts Council bodies, and yet the more traditional ones hold on to their funding. Is that the same?

**Mr Glen:** That is an issue, and as long as I have been in this business it has been an issue about what proportion of available arts funding was soaked up by the big institutions, and what was left over for individual artists, new initiatives or exciting business plans out of a place like the Garrick. That has always been the case. My argument is that it should not be an either/or. Let us assume that we want to invest in our big buildings to a level that makes them productive, accessible and enjoyable, and have sufficient monies to be able to respond to new initiatives and individual artists.

**Q387 Mr Flook:** Looking at the memorandum written by Mr Edwards from Derby Playhouse, "The Arts Council of England has a complete lack of methodology for allocating funding. The process for allocating funds is arbitrary, based on historical precedent." Do you want to tell us what you really think? It seems to me to be a little bit ungrateful.

**Ms Hebded:** It is not ungrateful. It is borne out of a level of frustration, and all that Stephen is articulating in what he has written is what Hamish has described and what the Garrick are experiencing. What is interesting when you talk to different levels of this arts profession, the further down the scale you go—if you talk to a small-scale under-funded company—and I ran one and I got not a penny—you hit rage. Further up the ladder you go,

the more pleasant everybody is and the more pleased they are the more grateful they are. Of course we are grateful, and we do very well out of the money that we get and we are very grateful for it, and we feel that we give a good return on the investment that we receive.

**Q388 Mr Flook:** Is that partially because at one point we are trying to be socially inclusive and cohesive from a community point of view, and on the other side you are looking for subsidy to produce good art?

**Ms Hebded:** We believe that the people of Derby deserve the best art that they can have, and we are based within Derby and have fantastic support from our audience. We run at 80% capacity, which is extraordinarily good. The people of Derby love their theatre and deserve the best we can argue for them. In a sense that is our job, to argue for our own organisation. It is also important, as people involved in the theatre, who love theatre, that we make sure we have the argument at a broader level: if it has always been the case that we have rowed about whether or not the historical funding base is the right way to go, is there an opportunity through a forum like this to start a debate about whether it has to be this way if it has always been this way. I do not have an answer as to what the methodology might be. Somebody had suggested that funding per seat is a way of going, which would enable Derby Playhouse to re-open its studio, and that would enable us to interact with the amateur communities, the local community, and the young emerging companies in a much more effective way than just with our main house, which is tied up basically to make our money.

**Mr Galvin:** Could I add to that that we are not ungrateful to the Arts Council; we get tremendous support from them, and from the city. One aspect that we have not touched on is the successful efforts we have made to diversify our funding, to bring in support from big private companies in the city and other institutions for particular parts of work in the social agenda as well as in the mainstream of what we do. We do believe, very powerfully, that the main stage we have—at the moment until we reopen the studio—is really powerful in supporting community and young people, and those things. We are just getting to the point where the money we are raising is roughly equivalent to the grant from the city council, so it can be done. What I feel, as a relatively new member of the board, is that we have not had enough encouragement or the right sort of encouragement from the Arts Council for those endeavours to bring in more money. The result of doing that might be—and I suspect Karen will kick me hard at this point—that in times to come we might make a smaller call on the Arts Council and allow more people to come in. There is not a notion in the funding, as I see it, of us being able to progress as an organisation and diversify and draw on wider sources of resources, which I do think is important for the whole community, to allow that flow of new organisations and new talents, many of which we

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would hope would be in Derby and communities we serve, which would be a responsible part of our relationship as trustees.

**Q389 Mr Flook:** Mr Edwards wrote that you have also been successful in securing funding from the European Regional Development Fund.

**Ms Hebbed:** Yes.

**Q390 Mr Flook:** Do you sometimes feel that if you have been successful somewhere else the Arts Council will say, “okay, then; we do not need to give them so much because they have got this route to go down?”

**Ms Hebbed:** No. I think that used to be the case. I sense that less from them. What is interesting is that they are very nervous about us relying on that funding. There appears to be a sense in which they would rather you did not raise it, because they feel it puts the business at risk, because what happens if you cannot raise it the next year. You raise large sums of money through out development department for various initiatives, and we put that money into the work we do to be able to deliver more output, and then what happens is that you feel you are being criticised for doing that, as opposed to being encouraged.

**Q391 Mr Flook:** How do you feel you have been criticised? Is it asides, or do they write letters saying “we prefer you not to”?

**Ms Hebbed:** We are in the process of going through a rigorous assessment with the Arts Council. Within the forum of that assessment it has been suggested that whilst we might be raising £400–500,000 a year within our business plan we only budget to raise £100,000, which is really demotivating for your team that are raising half a million. I understand their concerns. I understand that you are particularly good at doing it for a period of time, then there may be a time when they move on. Hopefully, within businesses people move, and in a commercial business you set up something and then you bring in new people to manage that, and it continues to flourish. I do not see why that cannot be the case. Theatres like the Almeida live off the money that they raise, and they raise considerably more than we do; but because Derby has not done it before, there is a sense that it makes people very nervous.

**Q392 Mr Flook:** Do the others feel that the Arts Council sort of gives nudges and winks towards what you end up with?

**Mr Ablitt:** Certainly it has been said to me that we have an issue in that we are local authority-owned. As to a reason I do not know, but whether it is suspected that effectively grants to a local authority-owned theatre is purely subsidising the rate, I do not know, but there is an unwritten preference against funding local authority-owned venues.

**Mr Glen:** My experience of the Arts Council is much more about their concern about a period of great risk for the organisation. If you are going into a £10 million capital value project, it is about making sure the business plan can see you through the

vagaries and what can go wrong within a building project, and how your business plan will be able to sustain us—in our case a second venue with another 300 seats. That is mostly where their attention is lying in terms of the Belgrade.

**Mr Everitt:** I would confirm that, because that is very much what was said to me when I first started. “Your business plan is a load of rubbish”, and there was a whole attitude that we were going to fail and fall flat on our face. Actually, our business plan has proved to be very robust.

**Mr Flook:** The advice is as good as the advice given!

**Q393 Mr Doran:** I also thank the Lichfield Garrick for seeing us yesterday—it was extremely helpful.

**Mr Ablitt:** We really need to thank you for coming. It was a great opportunity for us. Thank you very much.

**Q394 Mr Doran:** I am really pleased to see such a strong connection with Dundee Rep. Most of my experience of theatre in the 70s and 80s was the old church and then in the new theatre, so it is very nice to see that experience moving elsewhere. We are picking up two themes here. One is the problems of the Arts Council, which the Derby Playhouse and others have recognised, and the lack of transparency; and the other is the lack of co-ordination of funding and the funding from local authorities and the difficulties we heard from previous witnesses about getting access to RDA and Heritage funding and all the other areas. I am interested in another aspect and that is the comparison of lack of transparency and lack of any calculation of outcomes in funding—a pot that drops once a year in your lap. Maybe that is putting it too strongly, but sometimes it seems that way because it does not seem to change very much, at least in the way it is carved up. You make a comparison with the European Social Fund and the Regional Development Fund and the way in which outcomes are measured. Can you say a little how that could be translated into the way the Arts Council goes about its job? There are obviously two different functions but the outcomes are much the same.

**Ms Hebbed:** It is not a pot that drops from the sky and we have a funding agreement with the Arts Council where we do have to deliver against that agreement. The European Social Fund is an interesting one, in that we went to them for our hot ticket scheme, which is a funded ticket scheme whereby we take a proportion of our unsold seating capacity and make that available to the most deprived communities within Derby and Derbyshire. We found that people did not want free tickets but they wanted funded tickets. They did not see the value in the free ticket, but if you could say somebody else had paid for it, then they would think that was incredibly valuable. We have given away about 7,000 tickets so far through that scheme. That is very easy to measure because we have very specific areas of deprivation that we are looking at, and we can measure that. It is much harder to come up with a transparent system within the Arts Council for



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what they expect from us and what we give back to them. I think we are pretty good at giving them the information they require. Where it comes unstuck is what Hamish was talking about earlier, which is when there was a new pot of money or new ideal or initiative; how that is given out within the arts community is never very transparent, or does not feel it from where we are. There was an Eclipse Theatre initiative where a pot of money was made available for a group of regional theatres to become a partnership, to create a piece of work and tour it between themselves; and we only knew about that pot of money after it had been decided which theatre was going to be part of it. Then we are told it is a pilot, which is great, because you think they will then come back out again; but of course those theatres then become that circuit, and how that is measured is not fed back to us, so that we could eventually benchmark ourselves against it and make a pitch for that money later on. That is where we are talking about transparency. It is not so much in our regular funded grant, but it is when there is an additional pot of money or a funding round or something where we are all going in together to look at who gets the money that has come out.

**Q395 Mr Doran:** We have heard from other witnesses about the risk factor. First of all, you have to get the finance to take the risk—and who will finance it. The Arts Council does not seem to be very good at risk.

**Mr Galvin:** Part of it is that they are very nervous with risk on our behalf, in a sense. They are not quite sure if we are making the right judgments about risk, and I see that very much as part of my job as a trustee of the theatre to make sure that we make the right judgments. We have people on the board who are very skilled and very professional in that role. Another benchmark of transparency that is important is the circulation of the information about performance. Benchmarking is very common in the sector I come from, which is education, and in other sectors. It is about knowing how good we are, in a sense, and how we shape up, and whether we should go and ask questions about how people do things better than us. I do not think we have got that, and probably not enough effort is made. I think part of the leadership role of the Arts Council is to help train and develop—

**Q396 Mr Doran:** Do you need a theatres league table?

**Mr Galvin:** No, I would not go that far, having been in education! That said, there is a sense in which better information—maybe anonymised—can be put across the sector about what has been achieved. Karen mentioned 80% occupancy in our seats. As a relative newcomer, I do not know whether that is good or bad! I look at the empty seats, and say, “I wish we could fill those”. My suspicion is that we are doing very well in comparison with others, but it is nice, as a leader, to know where we are and what the scope for improvement is. It would be helpful if there

were more transparency and information. No, I would not go for league tables; I think they collect some negatives as well as positives.

**Q397 Mr Doran:** It was tongue in cheek!

**Mr Galvin:** I realise that.

**Q398 Mr Doran:** As far as the Belgrade is concerned, you have a very carefully worked-out plan and have obviously been working hard on that. The comments you make about the Arts Council are fairly positive because they have clearly been with you and supported you all the way through, so yours is a positive experience. The points which you made about transparency and expectation—have you any views?

**Mr Glen:** I reiterate that I think there is a danger of a certain ossification of the funding channels, a sort of hardening of the arteries; and it would be good to keep it as flexible as possible. I think there is an inbuilt prejudice now, which I do not understand because there is a huge investment being made in regional theatres—but it is about, I guess, the exciting initiatives that might emerge from the buildings just as it might emerge from individual artists or small young companies. It is not beyond us to have exciting initiatives and attract money to deliver. We would argue that some of the buildings are very cost-effective agencies for some of the delivery of new initiatives and developments. I worry more about the idea of those three-dimensional outputs that are attached to European funding, which are very specific about full-time FTEs. The idea of the Arts Council sitting down for a series of targets for the year would be a nightmare. I do not think it provides the flexibility to understand the difference between Stratford East, the RSC in Stratford and communities in Oldham, say. I do not think there is a set of rules you could apply across the board to the various sorts of theatres with their independent artistic visions, with missions to take on particular pieces of work. If you simply allocated money on the number of seats and expected to increase box office by 10% and reduce your overheads by X or whatever, those things would become a problem.

**Q399 Mr Doran:** One positive thing about the European sector is that because they are putting money into the arts in different ways, they understand the arts much better than, for example, the RDAs.

**Mr Glen:** I think they understand the arts as a tool for tourism; I am not sure they really understand the arts.

**Q400 Mr Doran:** It is only a link to tourism.

**Mr Glen:** There are various other pockets of money, but they are specific pots of money to develop the companies in cities and areas that are eligible.

**Q401 Mr Doran:** That raises the point about how the arts gets its message across in respect of the impact it makes on the economy. Earlier I was able to

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question a member of Birmingham City Council, and they have done half a job in identifying the actual spend and the impact on job creation, but the only way you will access public money is by doing more on outcomes, and impact; and it seems that the Arts Council and certainly the theatres have not been very good at doing that so far.

**Mr Glen:** I think that is true. At Dundee Rep I did an Economic Impact assessment ten years ago, and it became a crucial piece of evidence for me to take to Scottish agencies to attract money, which had previously thought it was an absurd idea that they should be investing money in theatre, until they had an economic impact, so they found they almost had to. I am less certain as to how well that has been done down south over the last 10 years.

**Ms Reid:** We have done another on the Belgrade as well.

**Mr Ablitt:** Can I just add to that, because a comment was made that the Arts Council is less rigid with their outcome expectations. It so happens that I sit on the Arts Council West Midlands and there are a wide range and constantly fluctuating outcome expectations of their investments, but I just wonder whether they are communicated at all. I do not feel, certainly talking to Paul, that he has been made aware of them, and indeed that he has had much in the way of constructive dialogue at all. There are expectations about the council's money, but it is just such a maze.

**Q402 Alan Keen:** If we had been sitting where you are, we would have been giving you all the answers you wanted in respect of the questions. You have been so well behaved and respectful, and some of the other witnesses as well. Can I give you some freedom? We will put the report together—and DCMS might tell us to go and jump, but can I give you the freedom of not speaking for your own theatres and ask what paragraph would you like to go in there on theatre as a whole?

**Mr Everitt:** What a huge question! The whole thing about art must be—Samuel Johnson's thing and Shakespeare's thing about art must reflect society, is absolutely vital. For theatres like ours in rural areas, I think there are voices not heard in the country; there is a whole deafness to certain communities. I find Lichfield a fascinating community, in the fact that no-one quite understands it. These days, in the make-up of its community, no-one quite wants to understand it. What is interesting to me is that as a working-class boy growing up, I felt that growing up anyway as a working-class man—in my early career at Theatre Royal Stratford East and then Oval House, I straight away identified that with the black theatre companies and the black and Asian communities, there was a huge struggle in the 90s for theatre for those communities to be created, and the whole fight with the theatres I was working with to reflect those voices. But they are not the only hidden voices in this country; there are also communities like Lichfield that are hidden. The resources are not being given for new artists to be created from those communities. That is the investment that we think

should be coming out. It applies to your question to Birmingham Rep about working-class people going to the theatre. Actually, there are great examples of that in this country. Joan Littlewood was one of the principals of Stratford East in the 50s. There needs to be investment in those voices.

**Mr Ablitt:** I believe it is about quality of life. I think it is quite possible for art to get completely hung up in its existence for its own sake, but it is about the quality of life both in terms of the height of the quality and the breadth of people it touches. I think the function of our theatre and of others is to try and give the highest quality of artistic experience for the maximum number of people. Consideration of grant or consideration of public subsidy is a function of how you can achieve that bulk. The greatest thrill I get in our theatre is when I talk to people who have come to see a piece of quality art as a consequence of having been to see a piece of popular art that was probably their first experience in the theatre. We get adults and children in who have not seen theatre before, and they can graduate through the theatre to enjoying quality art, and they would not travel 20 miles for that experience because they would see it as a risk.

**Ms Hebded:** The two gentlemen on my right have talked about art and I am going to talk about money! To put it on the record, I think that the standstill funding that has been put on the table for the arts and the Arts Council is a scary place for those of us who work in the sector, especially because of the fantastic investments through the Theatre Review and through the extra money that went into the Arts Council is in danger of being lost if you start going through a stop-go like the one we had in the 90s. There is a real danger that we might go backwards—that everybody has a little bit of a breathing space to start to grow and flourish and look at what might be. That work has just started, and there is a real danger that we might just go backwards. As a sector we need to find the language to talk to government and to make the case. We need to be more transparent and come up with economic arguments, economic impacts and artistic arguments to have a strong dialogue with government to make sure we can continue. I am not talking about the same level every year because it is not possible, but we must make sure that we do not lose what was gained by that kind of foresight and investment.

**Mr Galvin:** I agree totally with what Karen has said but I also want to build on what Colin said a moment ago. One word I have not heard much about, which is an important ingredient—it is not the only reason or necessarily the most important, but people go to the theatre to have fun and to be entertained. I think there is room to recognise that that is an important part of people's quality of life. Like Colin, I get wowed by the wow factor—those people that have not been there before but come out and go “wow, I never knew things like this happened in our city”. Perhaps there should be just a little paragraph saying that theatre is about fun too, which would be really good.

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**Mr Glen:** I was going to make that point as well. We were certainly defeated in the industry by what looks like a settlement from the Treasury that threatens an investment that has been made and has proven itself to be hugely successful. I do not really understand the penny-pinching. The only thing I would add, in terms of linking the buildings with art, is that you tend to get the mentality that shows a poverty ambition; you start to go into a mentality of the management of decline if you are on year-on-year cuts or stand-stills which equals cuts; it provides a different mental space for people in our sorts of organisations.

**Ms Reid:** At the moment theatre I think is at a really exciting stage. It is incredibly vital and the work is fantastic. We have seen Schiller on the West End, and it is absolutely amazing, and it is wonderful what is happening at the National. Actually, that is a direct result of the Theatre Review money that came in two or three years ago. It is sustained, regular funding which is really important. It allows the theatre to change gear, and we are ready to carry on and move on and move up, and to go back to the stop-start funding is a real disaster.

**Chairman:** That is useful time. Thank you very much indeed, and for your contribution this morning.

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### Memorandum submitted by the Royal Shakespeare Company

The following note provides background information from the Royal Shakespeare Company on the forthcoming inquiry by the Committee on Culture, Media and Sport into public support for theatre.

The Committee has identified the following areas for discussion:

- The current and likely future pattern of public subsidy for the theatre including both revenue support and capital expenditure.
- The performance of the Arts Council in developing strategies and priorities and disbursing funds accordingly.
- Support for the maintenance and development of: theatre buildings; new writing; new performing talent.
- The significance of the theatre as a genre (a) within the cultural life of the UK; (b) in the regions specifically, and (c) within the UK economy, directly and indirectly;
- The effectiveness of public subsidy for theatre and the relationship between the subsidised sector and the commercial sector—especially London’s West end.
- Progress with significant (re)development projects as may be brought to the Committee’s attention.

Given the Committee’s previous interest in the project, the note provides a full briefing on the RSC’s proposals for transformation of the Royal Shakespeare Theatre.

#### BACKGROUND

The RSC is one of two nationally funded theatre companies in England. In 2003–04 the RSC received revenue funding of £12.9 million from Arts Council England. It is currently in the early stages of a major capital redevelopment project—with £50 million earmarked from Arts Council England’s Arts Lottery capital programme. The RSC’s Stratford redevelopment was the subject of a previous inquiry by the Committee in January 2002.

The RSC’s purpose is to keep modern audiences in touch with Shakespeare as our contemporary—understanding his work through today’s artists, actors and writers. The Company’s ambition is to pursue a distinct role at the leading edge of Shakespeare interpretation, production and presentation, making theatre that engages with the contemporary world. At the same time, a central part of the Company’s purpose to nurture bold, progressive new writing under the protective wing of Shakespeare’s enduring appeal, bringing a spirit of enquiry and innovation to bear on its work.

The Company stages plays throughout the year at its base in Stratford-upon-Avon, the town where Shakespeare was born and died. It also performs regularly in London and at an annual month-long residency in Newcastle upon Tyne. In addition, the RSC tours productions throughout the UK and internationally. The RSC is one of the most recognisable theatre companies in the world. It performs every year at the Kennedy Center in Washington DC, one of two international companies (with the Kirov Opera and Ballet) to enjoy a sustained relationship with the venue.

Training is at the heart of the Company’s ambition—to develop the RSC’s role as the foremost developmental “home” for British theatre makers. The RSC wants to establish a breakthrough learning experience for theatre artists that can transform their abilities and reinvigorate the ensemble tradition, stretching the possibilities of collective theatre making. Training is not only an ambition for actors, designers and directors. The Company wants to encourage the RSC’s central role in the development of theatre makers across a broad range of skills.

#### CURRENT AND FUTURE PATTERNS OF PUBLIC SUBSIDY FOR THE THEATRE

Theatre has flourished right across the UK thanks to the extra government investment that followed Peter Boyden's report in 2000. The £25 million windfall for regional theatre has had a significant impact in building a stable infrastructure and skill-base across the English regions.

Given this, and the considerable investment in new buildings through the Arts Lottery programme, it is important that levels of revenue support continue to rise at least with inflation. The theatre industry recognises that there is a finite pot of revenue funding allocated to Arts Council England. However, the RSC believes it is a false economy to cut levels of revenue support just as theatre is demonstrating the value of recent added investment.

The Arts Lottery capital programme has had a significant impact on the health of UK theatre, developing a number of new and refurbished facilities across the UK. The RSC is confident that its own £100 million capital development in Stratford will not only create an artistically exciting main stage for the Company's core Shakespeare repertoire, but will also establish Stratford as a world-class destination for cultural visitors.

There is still an important need for capital budgets dedicated to maintenance. Not all theatre buildings in the UK require complete transformation, but all theatre buildings need regular upkeep and maintenance. Stretched revenue budgets are rarely sufficient to cover maintenance and dedicated capital budgets should be introduced to cover the ongoing maintenance of our theatres.

#### THE ROLE OF ARTS COUNCIL ENGLAND

The RSC enjoys a good working relationship with its main funder, Arts Council England, and fully supports the idea of arm's length decision making in the arts, giving the Council the freedom to make individual funding decisions without intervention from government.

While the RSC supports the continuing devolution to the regions of Arts Council funding decisions, it maintains the need for independent, national policy engine for companies like the RSC with a national remit.

#### SUPPORT FOR NEW WRITING AND NEW TALENT

One of the central, founding ambitions of the RSC was a commitment to a sustained developmental approach—creating a place where artists can learn and make theatre at the same time. The RSC believes that part of the distinctive contribution it can make to UK theatre is to provide a breakthrough learning experience for theatre makers than can transform their abilities and make or remake their careers.

In his first year as Artistic Director, Michael Boyd pledged a significant recommitment to this approach, increasing opportunities for training and experiment. The move saw actors in the Company's main ensemble rehearsing for twice as long as is usual in the UK, spending dedicated "class" time studying voice, movement and Shakespeare's language. Around 20% of actors from the 2004–05 Tragedies ensemble will continue with the RSC in 2005–06, providing a unique opportunity in the UK for the sustained development and training of actors. The RSC is well placed to develop the career of an actor by promotion from within the Company. This will become increasingly potent as the RSC's rolling ensemble begins to establish itself year on year.

Training and the continuous development and practice of basic performing skills are the norm amongst musicians and dancers, but not in theatre. The RSC now hopes to build on its established tradition, providing the most sustained and wide-ranging training and development opportunities for theatre artists in the UK.

The RSC's renewed commitment to training and development is not limited to actors and directors. The Company recognises that it sustains a wide range of theatre skills, from costume making to set design and construction. In the last year the Company has scaled up its investment in these areas across a wide range of theatre skills. New initiatives include: apprentices in the Company's scenic workshops; bursaries in the costume department; traineeships in design; and postgraduate development opportunities in voice, music and movement. Similar initiatives are planned for the future.

#### *Shakespeare and the importance of new writing*

Michael Boyd's appointment has also seen a renewal of the Company's commitment to the relationship between new work and Shakespeare. The New Work Festival, launched in September 2004, provided a new platform in the UK for premières of new plays, devised work, as well as experimental productions of Shakespeare's work.

It is important that new work plays a central role in the work of the RSC, providing an opportunity to investigate the influence of Shakespeare on contemporary writers. The Company's Shakespeare productions will become shallow unless they relate to contemporary work which deals directly with the world in which

we live. Shakespeare knew how to marry the recognisable with the lyrical, entertainment with high art, and he continues to inspire today's writers. As a commissioner of new work, the RSC is particularly keen to encourage work that matches Shakespeare's ambition.

As well as continuing the New Work Festival in 2005, the RSC has also announced a season of three world premières, performing alongside the core Shakespeare repertoire with the same Company of actors.

#### THE SIGNIFICANCE OF THEATRE AS A GENRE

Theatre differs from other dramatic art forms like film and television in one important respect—the audience is intimately engaged in a dialogue with what is happening on the stage. Since the Greeks, theatre has also provided an important debating chamber for issues in civil society. That tradition continues and is currently enjoying a renaissance in the UK as writers and theatre-makers are developing more explicitly political responses to the world around them.

Productions such as David Hare's *Stuff Happens* at the National Theatre, *Behzti* at the Birmingham Rep and the RSC's forthcoming *Gunpowder* season all demonstrate a renewed commitment from the UK's theatre industry to engage with explicitly political themes.

Shakespeare's genius as a dramatist of spiritual and moral crisis is central to our role at the RSC. The shared pursuit of the truth in one consensual room is the RSC's urgent offer to a fragmented public.

The fact that participation is at the heart of theatregoing more than in any other art form gives us a special aptitude for educational collaboration. The RSC has done more to revolutionise the teaching of Shakespeare in our schools than any single organisation and has been consistently at the forefront of kinaesthetic learning practice amongst the educational community.

As well as a vital contribution to the teaching of English and Drama, the RSC believes that theatre is an ideal vehicle to teach citizenship, given that it is an essentially collaborative art form.

#### *Contribution to the economy*

Independent research by ARUP Economics undertaken in 2001 revealed that the RSC in Stratford directly employs 598 people equating to about 480 annual FTE jobs and directly supports an estimated 280–320 jobs in retail, tourism, catering and other visitor-related businesses.

The RSC brings a total of around £18 million of direct income to the local area, including around £11.8 million of self-generated income. When added to the mid-point of the range of estimated visitor spending outside the theatre complex that is directly attributable to the RSC (£12.8–£14.7 million), the RSC brings around £31.75 million investment to the area each year.

The RSC has been presenting a season in Newcastle upon Tyne for over 25 years and has been independently assessed as bringing investment to the region and acting as a catalyst for urban renewal. RSC performances are seen to be directly responsible for generating approximately £1.1 million in the local economy.

Although not easily measurable in terms of fiscal benefit, the RSC invests heavily in an extensive programme of overseas touring. The Company was awarded a Queen's Award for Export by the DTI in recognition of its valuable role as a cultural ambassador. As well as regular performances in the US, the RSC works closely with the British Council and other agencies on stimulating interest in the RSC among emerging economies.

Since 1997, in addition to Europe and the United States, the Company has toured its work to Australia, Chile, Brazil, Japan, South Africa, the Philippines, Hong Kong, Mexico, Columbia, Taiwan, Korea, and Malaysia. For example, the first RSC visit to China in 2002 was at the invitation of The Chinese Performing Arts Agency (CPAA) performing at the Poly Theatre in Beijing and the Shanghai Dramatic Arts Centre. The visit was unprecedented, generating the biggest box office success of any drama performance in China (domestic or overseas company).

In 2002, the RSC announced a new five-year relationship with the John F Kennedy Center for Performing Arts in Washington DC—one of only two (along with the Kirov) internationally acclaimed cultural institutions to be resident in the US capital. Since then, three productions have transferred for month-long residencies at the Center.

Embracing internationalism is a crucial part of the RSC forward strategy. From April 2006 for 12 months the RSC will stage the Complete Works of Shakespeare Festival. The RSC will produce about 15 plays from the canon, inviting UK and international theatre companies as well as community groups to contribute to the Festival. This is the first time that all Shakespeare's plays have been produced at the same Festival. The RSC is working closely with partners to ensure the Festival makes a significant contribution to visitor and tourism strategies regionally and nationally.

The Company's international ambitions continue in 2007 when a Russian Season is planned. Michael Boyd trained as a director in Moscow and this collaborative project explores the different theatre traditions in the two countries.

#### THE RELATIONSHIP BETWEEN PUBLIC SUBSIDY AND THE COMMERCIAL THEATRE

The RSC recognises that the traditional divisions between subsidised and commercial theatre have become increasingly blurred, as collaborations have become more commonplace.

The subsidised theatre has always explored ways to further exploit its work through partnerships with commercial producers. Now the subsidised sector has a growing input into work produced in London's West End. The RSC believes this should be welcomed and encouraged as it adds to the variety of the offering in the West End and gives more people the opportunity to see work produced in the subsidised sector.

The RSC also believes that subsidised theatre need not only take place in a subsidised building. There have been a number of recent successful experiments (led by the Royal Court and the Almeida theatres) that demonstrate subsidised work can be successfully presented in West End theatres.

The RSC operates in the West End in a number of different ways:

- Presenting its own work at its own risk without the involvement of commercial producers—effectively renting a theatre for the presentation of a subsidised production (s). This is the model the RSC currently operates for the presentation of its London Season at the Albery Theatre.
- Extending the life of a subsidised production through collaboration with a commercial producer. This extension of the work is entirely by the commercial producer.
- Co-production with a commercial producer. Arrangements such as this are much rarer and usually involve a contribution to origination costs by the commercial producer, but all artistic decisions remain with the RSC. For this investment the producer gets the right to option a further production of the play.

However, nearly all work produced by the RSC is not commercially viable. Because of the large casts, musicians and the technical requirements involved in running a repertoire, even sell-out RSC shows rarely make a profit for producers.

The RSC believes that one of its responsibilities as a national company is to present its core repertoire in both London and Stratford. This currently requires the RSC to identify a London theatre or theatres for presentation of its work for a six-month season (as it has done for its 2004–05 London season at the Albery and Playhouse theatres).

In the medium to longer term, the RSC wants to secure a London theatre that complements the planned thrust stage configuration in Stratford. The Company's goal of a compatible one room thrust space for London creates the possibility of a 12-month RSC London programme without the Company being drawn into overproduction. Only by pooling the best from both the Swan and the RST can we provide a year-round London home with the quality of programme essential to its success.

#### *Encouraging young people as independent theatre-goers*

In July 2004 the RSC has launched a new initiative to give young people access to the theatre with £5 tickets for all performances in its 2004–05 London season at the Albery Theatre. Fifty £5 tickets, including the best seats in the house, are available to young people aged 16 to 25 for each of the 150 performances in the six-month season.

In January 2004, the RSC had engineered a radical shift in the profile of its audience through this targeted pricing initiative. Over 85% of the young people's allocation has been sold so far. The policy has been so successful that the Company is exploring rolling out the initiative to all RSC productions in London and Stratford from Winter 2005.

#### UPDATE ON THE RSC'S CAPITAL REDEVELOPMENT PROJECT

The RSC last discussed its £100 million redevelopment of its Stratford estate with the Committee in January 2002, shortly after the publication of a Feasibility Study which identified options for the site (published in October 2001).

Since then the Company has been through a number of important changes in leadership resulting in a decision by the Board in September 2004 to progress the scheme outlined below.

Critical to redevelopment decision making has been the change in leadership of the RSC following Adrian Noble's resignation in April 2002.

Michael Boyd took up post as Artistic Director in Spring 2003, with Sir Christopher Bland chosen by the Board as Chairman in April 2004, shortly followed by the appointment of Vikki Heywood as Executive Director. Vikki brings considerable experience from the Royal Court, where she masterminded the redevelopment in Sloane Square.

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### *Transforming the Royal Shakespeare Theatre*

In September 2004 the RSC completed an option appraisal with the new leadership team and announced that it intended to create a thrust stage within the existing 1932 Royal Shakespeare Theatre, retaining the key art deco elements of the building.

The new auditorium for the RSC's core Shakespeare repertoire, seating around 1,000 people, will be a "one room" theatre where the stage thrusts into the audience with theatregoers seated around. The main aim is to improve the relationship between the audience and the actor by bringing them closer together in a theatre space where the distance from the furthest seat will be reduced from the current 27 metres to between 14 and 16 metres.

As well as replacing the existing auditorium, the £100 million plan includes expansion of the front of house facilities with improved provision for disabled access, bars, restaurants, toilets and exhibition space. Backstage facilities will be expanded, with improved dressing rooms and a greater separation between the main house and Swan theatres—addressing the current cramped technical and support facilities. The Swan and The Other Place theatres will be retained, and a new dedicated space for the Company's educational activity will be created.

The 2001 Feasibility Study recommended a scheme which included building a flexible thrust and proscenium auditorium. Further testing of this idea convinced the Company that combining the configurations ended up by compromising both approaches—resulting in a poor thrust and a poor proscenium.

Led by its commitment to bringing an immediacy and clarity to Shakespeare, and bringing the audience to a more engaged relationship with our actors, the Company made the decision that the best way to achieve this is in a thrust-stage, one-room auditorium—a modern take on the courtyard theatres of Shakespeare's own time. The RST is the Company's main theatre for Shakespeare in Stratford so creating a space that is sympathetic to his work is critical to the success of the scheme.

### *Strengthening the project team*

The Company is now embarked on the search for an architect for the project. The Dutch architect, Eric van Egeraat, withdrew from the project during the option review. A shortlist has already been identified and the Company expect that a new architect will be appointed by April 2005. Work on the site will start in 2007.

The brief to the architect will include preservation and restoration of the key heritage elements of the 1932 building, including the art deco façade, foyers and "fountain staircase" which links the stalls and circle bars. The Victorian gothic exterior of the former 1879 Memorial Theatre will also be preserved. English Heritage have made it clear that the key heritage elements at the front of the building must be preserved.

In January 2005 the RSC announced that it had appointed Peter Wilson OBE as Project Director for the redevelopment. Peter comes from the Tate where he is Director of Projects and Estates. He has been the Tate client for Cornwall County Council's Tate St Ives (1993) and the building project director for both Tate Modern and the Tate Britain Centenary Development whilst overseeing a number of other projects, including the second phase of Tate Liverpool in 1998.

### *Continuity of performance in Stratford*

The RSC will continue to perform in Stratford throughout the build. In December 2004 the RSC announced that it intends to perform its core, large scale repertoire in a temporary theatre built adjacent to The Other Place during the transformation of the Royal Shakespeare Theatre. The Company has now submitted a planning application to Stratford-on-Avon District Council for a temporary 1,000 seat theatre on the site of the car park adjoining the RSC's studio theatre, The Other Place. The planning committee are due to make a decision in February 2005.

Work is scheduled to start in Summer 2005 so that the temporary theatre will be available for the Company's Complete Works of Shakespeare Festival which starts in April 2006. By 2007 when work is planned to start on the Royal Shakespeare Theatre, the temporary theatre will be the Stratford home for the Company's main house ensemble until the opening of the new theatre in 2009. The RSC is working with the architect Ian Ritchie on a completely sound-proof theatre complete with heating and air conditioning that can be built quickly with minimum disturbance to neighbours.

### *Securing resources*

Following the decision by the Board in September 2004, the RSC has now applied to Arts Council England and Advantage West Midlands for financial support of £70 million.

14 January 2005

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*Witnesses:* **Sir Christopher Bland**, Chairman, **Dame Judi Dench**, Honorary Associate Artist, **Mr Michael Boyd**, Artistic Director, and **Ms Vikki Heywood**, Executive Director, Royal Shakespeare Company, examined.

**Chairman:** Ladies and gentlemen, I would like very much indeed to welcome you here today. Sir Christopher, it is a great pleasure to see you! I think you probably come with a sigh of resignation having felt you had escaped our clutches in various other personalities before. We are delighted, Sir Christopher, as always to see you and your associates.

**Sir Christopher Bland:** Chairman, when a medal is struck to mark those who have appeared before you over the last ten years, I wish to be in the queue because I have several clasps on it and a purple heart!

**Q403 Chris Bryant:** Things have changed radically over the last few years at the Royal Shakespeare Company. When we did a brief report a couple of years ago, demanding that the building be pulled down, at the time you agreed and now you are not going to do that and you are going to come up with some plans, which we will look at later on this afternoon. I understand the bill is going up from £50 million to £70 million. At the time we saw you then—not exactly you, but the Royal Shakespeare Company was then saying that you could not really provide a decent theatre experience inside that building, and now you say it is possible. Why is that?

**Sir Christopher Bland:** I will ask Michael to explain exactly how the new auditorium will fit into the existing Memorial Theatre, but, as you say, there has been a lot of change—new chairman, new Executive Director, new Artistic Director, new Finance Director, and several new board members. The first thing that the new grouping did was to look at the options and review them very carefully. It became very clear that the alternative of redeveloping within the existing Memorial Theatre made the most sense. It was the least expensive of the two options, but more importantly it has a real chance of getting built. English Heritage made it absolutely clear that while they were in favour of our proposals for redevelopment within the Memorial Theatre, they were opposed to the idea of building an entirely new theatre on the Arden site.

**Q404 Chris Bryant:** Does that mean that you had wanted to stick with your original plan of pulling down the building and building afresh but you think English Heritage would have forbidden that?

**Sir Christopher Bland:** They made it absolutely clear that they opposed it. However, equally important was the fact that while the new theatre would have produced, if we had been allowed to do it, a wonderful solution on a greenfield site—which, incidentally, also involved knocking down a grade II\* building, the hotel which itself was not without its problems—what we never satisfactorily solved under that model was what you did with the Memorial Theatre. You still had it! Within that, the proposal was for a 400–600 seat small seat, which would have been additional to the spaces we already had. It was very clearly the unanimous view of Michael and his artistic team that we did not want

and could not support what effectively would have been an additional theatre in Stratford. Those were some of the arguments that caused us to come out unanimously both at the board level and amongst the artistic and administrative team, in favour of the proposal that is now on the table.

**Mr Boyd:** I immediately cross-examined the claim that you could not get a theatre of the necessary size within the existing bookends if you like of the fly tower and the front foyer, the major structural elements that you may want to preserve. It was a mixture of persistence and ingenuity on the part of the team that enabled us to come up with what I hope is a thrilling vision of a very intimate theatre. The single most important achievement of what we are planning is the reduction of the distance from the furthest seat from the stage from 27 metres to between 14 and 16 metres. That is a massive improvement, democratisation, of the theatre space. Actually, that has been achieved partly because of the imposed restrictions of the existing building. I ran a theatre building in Glasgow for eleven years, which was within an old church. I knew that the resonances between the old and the new could be extremely valuable and serve theatre very well, so I did not have a sort of pathological phobia about the old. I think that the auditorium that we have come up with is going to be everything that we dream of. It was always a 100-million project. There has been no change in the price as a result of this at all. There has been re-jigging within it, but it was always going to be a matching 50 million from the Lottery and 50 million raised from elsewhere. There has been absolutely no change on that at all.

**Q405 Chris Bryant:** But now it is 70 and 30 out of the 100—is that right?

**Mr Boyd:** No.

**Sir Christopher Bland:** We hope to get 20 from the money, but . . .

**Q406 Chris Bryant:** As I understand it, the old theatre as it is now is basically two very large rooms, one with the fly tower above it and the stage, and the other where it is front of house, where the audience is. With the thrust that you are proposing, basically a lot of the action will move from one room into the other room, and that is why you get closer to those people in the terrible seats at the back and the top of the gods. Is that going to make a more intimate theatre, or is it really just that you are closing off one of the two rooms, so that the stage itself will almost become irrelevant?

**Mr Boyd:** It is palpably more intimate by the difference between 27 metres, which is unacceptable, and 14/16. The worst seat in the Almeida Theatre in London is 14.5 metres away from the stage. That is just over 300. We are talking about a 1,000-seater with just as good a proximity. It is a minor miracle. The principle of the actors being in the same room as the audience is really one we inherit from house playwright, but it is also one that chimes very strongly for me with our reinvestment in ensemble



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within the company, and the unique part of the theatrical experience is the togetherness and connectivity of the experience between audiences and actors. That has the highest premium on it of all, for me. It is more important than amazing designs.

**Dame Judi Dench:** That is true. I would only say that after a long, long break I was at The Other Place, the old Other Place with the corrugated roof in Stratford in the 70s, when I came back recently and went to the Swan. The atmosphere when playing in the Swan, which when I knew it was an old rehearsal room, is quite electrifying, and actually very, very demanding on the actor. In a way, it is not quite so demanding on the audience. When I was there, I had a night off and went to see *Beauty and the Beast* and the main house, which is where I used to play all the time in the 70s, seemed to be like looking down the wrong end of a telescope. I was appalled about how distanced you felt when you actually went there. Although I adored the show, I thought, “if only it was more accessible to us sitting here”. It is the difference between sitting at the back here and playing to somebody here, or all of us sitting here and somebody playing in the middle here. The wonderful thing about the Swan is that it is so adaptable to Shakespeare, and I cannot imagine anything not working there. The thing about the new theatre is that it is an extension in a way of that feeling. I can only think that that is an advantage to everybody concerned. I know that if you look at the sight lines—I know exactly what you are saying about moving it into the other half of the room, as it were, but from a whole area of the auditorium, that will be entirely inclusive of the production. It is only if you are in the main house, part of the main house is cut off. The actual sight lines will be much better.

**Q407 Chairman:** Will that depend on the play and the concept? When the RSC had a permanent London home, as it were, at the Barbican, The Pit was one room, and when I saw Dame Judi in *All's Well that Ends Well* in Stratford last year, that was in one room. But it can also work another way with the proscenium arch, can it not? I saw you in *Juno and the Paycock* at the Aldwych and that was a proscenium arch performance and that worked brilliantly too. At Stratford would the concept there be flexible enough to allow different approaches, and not as in, say, the Swan or the Old Vic, put you in one room and that would cover the concept of the production?

**Mr Boyd:** It is not that confining a spatial concept to say you will be in one room always. I would say first of all the world is still your oyster without a 19<sup>th</sup> century proscenium arch theatrically. I think increasingly—really film and other media have taken over the assault of the visual senses in terms of the amazing effects you can pull off. I think what is really special about theatre, and particularly about Shakespearian theatre, is the relationship between actor and audience. If we are a specialist theatre, to that extent that is what we should specialise in. I make no apology for that. The most flexible theatres tend to be the worst theatres. There will be a certain degree of flexibility within this space. You will be

able to do all sorts of interesting things. You will be able to go into the round, conceivably. You will probably be able to play the different kinds of thrusts to a certain extent. You cannot design—and this was one of the trickiest things about the previous drive on redevelopment in Stratford—was the attempt to hang on to both proscenium and thrust ambitions. It does not work spatially; you end up with a room that has acres of space in it that reduces intimacy, makes acoustics more difficult, and atmosphere and tension very difficult to generate in the space. We are being uncompromising to a certain extent.

**Q408 Chris Bryant:** I remember seeing Peggy Ashcroft play the same part at Stratford, and one of the remarkable things was that most of the set was non-existent; it was very, very open stage, and she was a very long way away, and I was up in the gods, and yet she managed to make that seem a very intimate space. I just wondered whether that sense of enormous space, which is something that you can also bring to Shakespeare productions, which you will not see in many other productions, is something you will lose.

**Mr Boyd:** Shakespeare ain't Wagner nor should he be forced to try to pretend to be Wagner. He has got a grand scale of emotion and ideas, and this is not going to be some diddy space; I hope it will be able to marry the epic with the intimate, I hope. I listened fondly to stories of good experiences from the back of our balcony, 27 metres away from the stage. I have had some fond and sometimes some quite proud experiences myself in the back row of the balcony, but that is not an argument. Just because processed cheese can be enjoyable, it is not an argument for not having even better cheese. I do not buy that argument. I would buy it, I suppose, if we, as a company, were on the run from the necessary skill base for classical acting—if we were simply becoming more intimate because actors could not cope with anything bigger. If anything, the reverse is true. We are concentrating in a way now on the building of actor skills and actor training that we have not done for a very long time at the RSC and nor has anyone else in British theatre. I do not feel that we are doing it apologetically in a way.

**Q409 Chris Bryant:** Many West End theatres and other theatres were built in an era where the hoipoloy were not expected to come into contact with the posh people in the glamorous seats. There were separate entrances—and you have separate entrances for the gods, do you not? Is that one of the things that would be changed?

**Mr Boyd:** Yes. There will be no servants' entrances.

**Q410 Chris Bryant:** Not even for the actors?

**Mr Boyd:** Oh, yes, always for the actors.

**Q411 Chris Bryant:** I have written a bit about the theatre, and my experience was, from meeting many actors who have been very substantial figures in the 1960s and 1970s—very famous theatre and television stars—that when they come to retirement they live, to be honest, in penury. I just wondered

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whether you think that the theatre looks after its talents well enough and helps them financially and helps them make good financial decisions for themselves.

**Dame Judi Dench:** I do not think that you are advised about making provision for yourself; I think you have to be canny about that. But I do think that we look after actors very well. I do think that the whole business of Denville Hall and the committee that puts everybody in touch with everybody, works very well indeed. I hope that nobody slips through that net. It is just the luck of the draw. If you go on working, it is just luck really. I think that people are provided for, but not necessarily advised.

**Sir Christopher Bland:** They are a bit like MPs. This is a transitory and risky profession, and it has taken some time for MPs to have what you will be surprised to hear I regard as entirely appropriate provision for your retirement. That does not exist in either sport or drama; it is left to individuals to look after themselves. There is an argument that you should try to encourage 15-year old actors and actresses to start thinking about their pension, but this is really tough.

**Mr Boyd:** Before you get to that point, there is the issue of what you pay actors when they are working, which is one that we have to address if we are moving towards a situation where we are going to be asking actors to stay with us for two or three years; thus they cannot do their adds and their telly or whatever. We are going to have to up the ante of what we are going to pay those people to compensate for that. In our planning, we are beginning to take that on the chin. It is a good thing. As you bring the notion of consistency and permanence and ensembles to the fore, you bump into those issues, but at its extreme—I trained in Moscow, and a friend of mine was a member of the Pushkin Theatre there on regular salary, but he only performed about once a month. They can get to a stage that if you take ensemble too far it can almost get to a civil service extent, and they were well pensioned and so on. However, there was not a lot of job satisfaction.

**Q412 Michael Fabricant:** Thinking about being well pensioned, I used to work in the Soviet Union in the eighties, and they had a pension, but I would not say it was “well pensioned”, but I take your point. Can I say how delightful it is to see Sir Christopher Bland again. I thought that he rather stalks us, first of all as Chairman of the BBC when he used to come before us; and then and now still Chairman of BT, and now as the Royal Shakespeare Company.

**Sir Christopher Bland:** Chairman, the stalking is entirely the other way round.

**Q413 Michael Fabricant:** I rather wondered whether your career path was determined solely on whether you had been interviewed by this Committee!

**Sir Christopher Bland:** This is true!

**Q414 Michael Fabricant:** I want to follow on a bit from Christopher Bryant’s questioning. I am still a little confused about the genesis of this new idea of the regeneration of the theatre. I wonder to what

extent it is determined by local opposition, by the opposition of English Heritage—which, incidentally, I thought was completely mad! I think the exterior of the theatre is ugly; it does not make use of the lovely river frontage; and I think English Heritage were completely wrong in saying the theatre shell had to be maintained, but there you go! If English Heritage and local people had not objected to a change in the building, would you have stuck to the original plan that we heard about and got so enthusiastic about three years ago?

**Sir Christopher Bland:** No.

**Q415 Michael Fabricant:** Why not?

**Sir Christopher Bland:** I think it is because of the second part of my answer to Chris Bryant’s question, that if we had gone down that route it would have wound up with this very small theatre that we did not really want inside a building that we had not been able to pull down, and indeed has some wonderful listed interiors that are well preserved—and we can do something about the river and the front. The answer is that we would not.

**Q416 Michael Fabricant:** When we went round the theatre three years ago, it was clear that not only was the performance space not really adequate for its purpose, and that both actors and audiences felt uncomfortable with it, but behind stage the resources were terrible. I remember we went underneath the stage or behind the stage and there was an entire area where there were blocks and tackle doing God knows what! If my memory serves me well, English Heritage had preserved some amazing structure which nobody ever sees. Have you been able to resolve that problem? Has English Heritage said that at least you can move that structure and cart it off to a museum?

**Ms Heywood:** We have not got into the detail of that discussion yet but I have no doubt that that will be the case. What is now accepted on all sides is that we have to come up quite dramatic solutions to real problems now. In relation to the budget as well, this piece of work is not simply transforming the auditorium; it will transform the way the company operates in Stratford. I am sure that there are offices in cottages and there is very, very difficult provision made for production and wardrobe. We have no dedicated space for learning, and yet we have an extremely productive learning and education department, and we need to resolve these issues as part of the master plan of the whole redevelopment. It will be looking at the organisation as well as the auditorium. What we thought was very important in drawing a line and starting with a new team was to start with the auditorium. That was the bit that we have resolved as part of the process of the board deciding which option to pursue. I think that is fundamental in terms of the long term. The heart of any redevelopment has to be the problem you are trying to solve, and you hold on to that through all the ups and downs along the way. It was universally agreed that there was a problem with the RST.

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**Q417 Michael Fabricant:** It was not just the auditorium, was it, because when we spoke to both the actors and the technicians, they spoke about backstage?

**Ms Heywood:** Yes, and that will be part of this scheme.

**Q418 Michael Fabricant:** It worries me a little because you say that some questions have not yet been resolved, particularly with regard to various structures which have no actual function nowadays and do not work, and yet were occupying huge areas behind the stage.

**Ms Heywood:** It is worth remembering where we are, which is that we are in the process of finalising our architect. We have got the centre of the scheme, in terms of the auditorium but the “what will it look like and how will it work?” is the next part of the job we will be doing. That will have to be in negotiation with English Heritage, and indeed all interested parties. Our plan is that that should be a very consultative process. I would feel from every conversation we have had to date with English Heritage that they would look very sympathetically on absolutely all areas that you are talking about where the old has got to be made way for the new.

**Q419 Michael Fabricant:** Michael Boyd made very clear earlier on that we are not talking about extra funding, that it is still 100 million; but that does need to be clarified. In your own submission under *Securing Resources* and indeed Sir Christopher made this point, you are not only looking now for public money from the Arts Council but also from Advantage West Midlands, and it is going to be now a total of 70 million public funding, an extra 20 million. What would that extra 20 million be used for, or have I misunderstood what you have said and what is down here?

**Sir Christopher Bland:** I think you have misunderstood. The global figure—but you would have to go back and look at the previous plan—was always in round figures £100 million. That, then, had something of a Roman battle casualty feel about it. It was a very, very large number. In our application to the Arts Council we have broken down in very considerable detail exactly where the 97 million plus VAT is to be spent, and also where it is to be obtained from. Roughly speaking, the crude figures are that 30 million we expect to be able to raise from private sources, from individuals, from charities, from foundations, and of course from America.

**Chairman:** I do not want to cramp any questions, but on the other hand, while the redevelopment at Stratford obviously is a very important aspect of a national institution, we are also very keen to learn from our witnesses their views of the role of the RSC and the role of theatre and wider aspects of our inquiry.

**Q420 Michael Fabricant:** Is Advantage West Midlands a new factor that has come in because it is something we did not hear about before?

**Ms Heywood:** I would have to go back and check, but I do not believe it is. I believe that that 50 million always included a substantial amount of donation support from the RDA, and that is in recognition of the fact that the RSC contributes about 35 million a year to the regional economy, so it has a very legitimate draw-down on capital investment for the region. Stratford has been identified by the RDA as in need of that sort of investment.

**Q421 Michael Fabricant:** One of the things that I have been thumping a tub over for the last few weeks, ever since I heard it given in evidence, was a point made by the Independent Theatres Council. I do not think you were here earlier on when we were talking about it with other witnesses who spoke of the difficulty of new theatre companies, and indeed new theatres getting in, because funding provided by the Arts Council tended to be locked in to large organisations—the example was not given but such as yourselves, such as the Birmingham Rep who are hosting us here today. It is causing a problem with newcomers coming in because of lack of funding and because perhaps the Arts Council is not tough enough in auditing the work that is done with Arts Council money. What is the Royal Shakespeare Company’s view on this, and is there a role for it to nurture theatre companies outside Stratford, outside London, or indeed at the Lichfield Garrick, which has only been going for a few months?

**Sir Christopher Bland:** Can I answer the general question and then ask Michael to talk about the nurturing point. Our view is that it should not be either/or, that there is a very important role for national and international institutions of outstanding excellence, which is what the RSC, the National and other big arts organisations aim to be. That is something that requires the very highest standards, and that is what we aim to achieve. That helps and raises the general standard of acting throughout the United Kingdom, from which not only smaller theatres benefit, but also television and film as well. It is one of the glories of the United Kingdom that we have such a wonderful acting profession, which is in breadth and depth probably unequalled anywhere in the world. We play a part in that.

**Mr Boyd:** We take very seriously at the RSC a substantial subsidy from the public purse, in terms of our husbanding of it—Vikki might want to say something about our achievements. The main responsibilities I feel is that we put it to good use. It is about doing things that no-one else can. It is about exploring with a longer horizon, with a deeper inquiry than is simply possible for smaller organisations such as ones that I have run to do. We do have potential and responsibilities as an international ambassador for the country, which we embrace and enjoy. It is good, and it is increasingly two-way traffic. We are reviving the old world theatre season tradition of the RSC in terms of putting our work alongside that of the best practice elsewhere in the world, to make sure we are up to scratch. I think Christopher’s point about us feeding the rest of the profession is increasingly true, as we

invest more in training ourselves. More directly, at the same time as turning in on ourselves and investigating ourselves and reinvigorating ourselves, as I hope we have been doing over the last 18 months or so, and very clearly plan for the future, it is also time for the RSC maybe to open its doors, perhaps more than it has in the past. Cheek by Jowl disbanded itself and have tried to re-join the funding train, and they have found it very difficult; and they are quite cross about it. Our response has been to commission them to do two projects with us, in collaboration. It is partly selfish: we want to learn from Declan and Nick, but we also want to be able to act as patrons of what we regard as some of the best practice particularly in terms of Shakespeare. So there is a partnership there that makes sense to us. The Belgrade were in earlier on—last year we partnered them in one of the best productions of our New Work Festival, last autumn—the new Ron Hutchinson play which was commissioned from them. We collaborated with them on various levels. Next year, as part of the Complete Works of Shakespeare Festival, we will be commissioning many small and quite experimental companies to work with our voice department, with our movement people, with our text people, and with some of our directors, to woo them into approaching Shakespeare. They will be showing the fruits of their work as part of our Complete Works Festival. I think it is a very important part of our responsibility to engage directly with the sort of companies that you are talking about, but I must say that a lot of it is selfish in terms of our need to grow and develop as a company.

**Michael Fabricant:** A symbiotic relationship!

**Q422 Mr Doran:** I do not think anyone underestimates the importance of the RSC in our national culture, and particularly in the culture of theatre. I have very strong memories of a visit we made two or three years ago for our 2002 report, and how wedded the previous office-holders in the RSC were to the previous plan, to the extent that we produced a report of our own which was very supportive of the then proposals, and all the difficulties, as Michael Fabricant has said, were pointed out to us. However, we see today that you are going in a completely different direction. You have been allowed to make somersaults. In this inquiry today we have seen representatives of seven individual theatres and representatives of dozens more in previous hearings. They must look at you with a tremendous amount of envy that you can do these somersaults, make these big mistakes and get things so wrong; and yet here you are, still sailing along with your 12.9 million grants, still talking to the Arts Council about a £100 million project, in ways that they can only dream of. That does open up big questions, and it is one of the themes that has run through this inquiry, which is that the Arts Council funding is ossified: if you are in there you are in there for life or until you do something very bad. It seems to me that the RSC has got things very badly wrong, and you are still in there.

**Sir Christopher Bland:** First of all, we do not think that envy is the noblest of emotions and should not inform public decisions. Actually, I am sure there is some wish that they too could have some of the money that we have, but on the whole our relationship with smaller theatres is, as you said, symbiotic. It is collaborative and we are going to continue to work on that. We can go back over the history, but we were not there, so it is of limited value. What we can say is that the alternatives, which included the alternative that you originally supported, were explored at very great length and very carefully, and we were absolutely clear that it was a very radical change in policy, to move from that original proposal. But we are convinced that it is the right decision, that to have done that was plainly wrong from an artistic, financial, heritage and planning point of view. We think that, having examined all the alternatives including the old one, that we are now on not only the right course, but very clear course, and that it will actually happen. We believe that we can raise the money and get the planning permission and get a wonderful theatre built.

**Q423 Chairman:** Can I ask about what seemed to me, and I think a fair number of others, to be another mistake, and that is that while of course you are Stratford, you go to other places like Newcastle, but you ditched the London base that you had for very many years. I went again and again and again to the Aldwych, and that was the home of some wonderful productions then. Then one went to the Barbican, and that was ditched, and now you are wandering all over London, putting on productions, almost all of them superb; but as part of this re-think are you going to try and have one place in London which people know is the RSC in London?

**Mr Boyd:** Yes. It is a journey. To begin with, there was, I think, some confusion at the heart of some of the RSC's thinking. I am bound to think that—I am a new broom and am bound to have different ideas, and it is my responsibility to try and steer the ship. In terms of London, we began by being as prudent as we could, and collaborating entirely with commercial producers, at no risk to ourselves. That was a major contributing factor in us being able to get our house financially in order. This year we have taken on the financial risk of producing our own work in London, and thank goodness it has been very successful. We have not been wandering all over London. Our entire tragedy season has been presented under our own banner at the Albery Theatre under our management. We have hired the theatre. It has been extremely successful, exceeding its box office budget and so on. Under our own management, even more ambitiously you could argue, we have presented a season of Spanish Golden Age rarities, at the Playhouse Theatre, which again is going very well. We have even been able to bring in our own new work at the Soho Theatre, which is opening shortly. I think we are achieving a consistency. The RSC always, when it was at the Aldwych, had to be somewhere else as well, like maybe the Arts or the Donmar Warehouse.

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Even when it was at the Barbican, The Pit was a completely inadequate space for Swan transfers and many a Swan show either did not come down to London or got squeezed into the pit, or had to go searching for another theatre that was perhaps more compatible. So this is not a new issue. We are working towards consistent relationships with theatres that are predictable for our audience in London. Eventually, certainly once we reach completion of our redevelopment in Stratford, we want a compatible space in London, that is within our own four walls. I have said that before, and that is our broad timetable that we are working towards.

**Q424 Chairman:** I accept that completely. I went to the RSC when it had a brief season at the Haymarket for example. You did some productions in not long ago at the Old Vic. Whatever the inadequacies of the Barbican or indeed the Aldwych, one knew where one was going, and that was important not simply in terms of personal convenience, but in terms of the identity of the RSC in London.

**Mr Boyd:** It has been important to people that they have known that they are going to the Aldwych to see our tragedy season this year. I completely agree with you, and my mailbag has made it clear to me as well; and that is where Vikki and I are working together.

**Q425 Mr Doran:** I take entirely Sir Christopher Brand's point that you are moving on, but we have to look at this point seriously. I am less interested in the RSC because you are obviously a major and important institution in this country, and the people in front of me are not responsible for the situation, but you have been able to perform somersaults, and there is a cost that must have had to be met then by you, and we would be interested to know what that cost is for the previous aborted plans. I am more interested in what it says about Arts Council funding and what it means for theatre funding generally, that one of the large institutions funded by the Arts Council can get it so wrong and yet you are still sailing on.

**Sir Christopher Bland:** First of all, a couple of years ago we were not sailing along; we were, to use your analogy, holed below the water line, and bailing out furiously. One of the somersaults we have done—and it has been a good somersault—is to restore our finances and run our organisation tightly and properly. Vikki and Michael and our new finance director have played an absolutely critical role in doing that. Last year, the year for which these accounts contain the story, we had a surplus of 2.4 million, and this year again we will also run a surplus; and that has gone a long way to eliminating the carried-forward deficit of those difficult years. Organisations can change in both directions. We have had very clearly—and the numbers demonstrate it in terms of performance and creative excellence as well, which is more important—

**Q426 Mr Doran:** Can you say a little about the Arts Council funding process?

**Ms Heywood:** You are right that the Arts Council funding process has been sympathetic to the company in times of difficulty, but I could not say that that has been at the additional expense of, if you like, the public pound. It did give the company a year, called our minimum risk model year, to take a breath, to slightly draw its horns in, in terms of its productivity, and to sort its house out. I do not think it would have been given any longer, and if you were on the inside you would have felt the pressure from the Arts Council to get on and solve it and prove that it was being taken into account. In that year, the company cut a million pounds out of its cost base in recognition of its responsibility to sort itself out. It is continuing to look at ways in which it can move money, as it were, from the administration into the work. That is a very important role that the company needs to play in leading the way in doing that. If you look at what the RSC does for its money and the way in which it does it—and we talked earlier on about the uniqueness of that—you cannot deliver it for much less. It now has to have responsibility not only for the work to present in London but also in Newcastle, and also out on the road regionally. You asked about how much public might have been wasted in the previous scheme. The answer to that is that the majority of the cost has been met by private donation, and only £200,000 of public money has been spent on the previous scheme that went nowhere. The company has been right in keeping the public pound that is spent on that process very low. It is now in the process of applying for the 50 million but that has not yet occurred. That award has not yet been made by the Arts Council and we are hoping that we receive it. The previous scheme was not part of an Arts Council award.

**Q427 Ms Shipley:** During evidence sessions on the previous proposal I was extremely critical of the financial viability of the project, so I would like to take the opportunity of congratulating you on what appear to be very realistic proposals and thoughtful solutions to specific problems. The thrust stage seems very exciting. I understand that we will have the opportunity this evening to look more closely at the proposals. My interest is two-fold. I have a masters degree in architecture which is just simply modernism and on the other side I have an English Heritage . . . I have an architectural background but to me that was an irrelevance as to whether or not the building was pulled down. It was a case of whether it was financially viable and did it find the solutions to solve the problems. What you found your way to is solutions and so I congratulate you. I am sure it is a hard thing to do, turning round the finances as well. That is vitally important. I remember going through the feasibility study of the previous proposal line by line, and it was out by massive amounts of money in my personal view. The Arts Council should also be congratulated for the support it has given you in the way you describe. I pressed it very hard when it came before the Committee to investigate what was going on, and it has done that and it should be congratulated for doing that while finding a way of supporting you

through a vigorous process. All of that is to the good. Many colleagues have talked about finances, so I will just look at your outreach work, because that was inaccurate as well when you came before us on the select committee. When I had the opportunity on the *Today Programme* to argue this, I was told by your then director that outreach in one specific part of my constituency—and he gave a massive figure for the number of people that had come to the theatre from that part and there are not that many people living there! It was hugely wrong. What I would like to know now is how you are addressing your outreach work. I know there are excellent ideas, but how have you been reaching out to the community?

**Mr Boyd:** The show you are seeing tonight by the end of its journey will have played 15 weeks from Forres to Truro to Ebbw Vale—you will only see one tonight, but they are excellent Shakespeare productions, *Two Gents* and *Julius Caesar*. They are playing largely at non-theatrical venues, and therefore playing areas in order to access areas that do not normally necessarily have that kind of theatre provision.

**Q428 Ms Shipley:** Would you like to take the opportunity to reassure me that you have changed the way that you are recording who is coming from where and who is going where, and how you are monitoring your processes?

**Mr Boyd:** We are really getting rather good now not only at the statistics of our audiences, but quite intimate details about their lives. We are beginning to get quite knowledgeable.

**Ms Heywood:** We have been monitoring the audiences that have been attending the regional tour and also the audiences attending the shows in London. We are about to start a similar journey with audiences in Stratford. We needed to get closer to its audiences. It has also been doing a large piece of work with its business partner, Accenture, on analysing in a way we never could, because they put it on computers and things like that, the real detail of our audience—where they come from and what they like doing outside the RSC. That is opening us up to a number of different audiences. The interesting one for us is the family audience, which has tripled for Shakespeare in the last year. That has been as the result of our directly targeted ticket prices and our activities around productions. We have seen the success of that and want to continue it, not just in terms of the family audience, but into other segments. The other area we have been working with is with under-25 audience, which we have a great responsibility to do. We tried a scheme, which has been extremely successful, and we are considering continuing that into Stratford and other places, and 6,000 under-25 year-olds have visited the 12-week season at the Albery Theatre for a fiver, and those seats are not just the cheap ones, they are right throughout the house. Half of those can be booked in advance and half booked on the day. That works in terms of that audience because they are not traditionally advance bookers. They are absolutely the audience you have to get to because exactly

the moment you start to lose people is about 16 or 17 through to 25. It has been phenomenally successful and we are now looking to use that in other areas. We are starting to target particular sectors of the audience and drive the ticket pricing to reach them rather than have a broad spread of a simple one-price reduction, and that works quite well for us.

**Mr Boyd:** I would like to join a couple of questions up on the danger of institutionalisation and ossification of funding and the outreach issue. We are currently engaged in a major overhaul of our thinking on touring, as one way of looking at outreach, and there is a danger that you evolve something that in its earlier stages of evolution was genuinely refreshing the parts that other things could not reach, and was radical and serving a very fresh, real purpose. It can go stale and sclerotic. With touring we have been looking back to Theatre Go-Round, an early theatre and education small-scale operation that came out of the core of the company and played an important part in the early years of theatre education. This last year we piloted a scheme of doing a production with our core tragedy ensemble actors of *Macbeth* specifically for young people, which went to not a huge number of schools, but it went around schools in the Warwickshire area. It was so successful that we are going to build on that this year, and one of the comedies we will be doing specifically for young people. The findings of that really small-scale performing-in-schools kind of work, which became unfashionable for a while—that thinking is going to be fed into our touring strategy as a whole. It will need constant refreshment as we go.

**Q429 Mr Flook:** We discussed the plans for the auditorium, but when we went a few years ago there was quite a lot of talk about the Theatre Village, sometimes known as Shakespeare Land. What will happen to that?

**Ms Heywood:** The company is still working with the district council on a master plan for the waterfront area. Words like “Shakespeare Village” are perhaps unfortunate—well meant but unfortunate.

**Q430 Mr Flook:** Not my phrase!

**Ms Heywood:** No, absolutely. We are working with the district council and the county council and with local groups on how Stratford can really look at itself as an area of public realm. A large number of people visit Stratford every week, and we need to play our part within that redevelopment.

**Q431 Mr Flook:** So those plans of three or four years ago are still alive.

**Ms Heywood:** Yes. The bridge, the pedestrianisation—all of that is coming. It now needs to link in with our plans, and it is also applying to the regional development agency, the county council and district council.

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**Q432 Mr Flook:** From when those plans all came out three years ago to today, how many of not just the senior but middle management teams are still in existence working for the RSC?

**Sir Christopher Bland:** We do not know.

**Ms Heywood:** We can come back to you with that.

**Sir Christopher Bland:** There have been quite a lot of changes.

**Q433 Mr Flook:** I appreciate there is always a revolving change, and my question was not directed at that. It was the management at box office, down to that level.

**Sir Christopher Bland:** We will give you a rough cut of the figures by the time you get to Stratford this afternoon.

**Q434 Mr Flook:** As one of the four national flagships, immensely important and of tremendous quality, is it for the Royal Shakespeare Company to lead the Arts Council of England, or does it happen that it is the other way round?

**Sir Christopher Bland:** That is a difficult question to answer—no doubt why you asked it! It seems to me that it is a relationship that changes. I think we are a leading organisation and we have to play our part in leading Shakespeare in particular and British drama in general. The Arts Council role becomes crucially important when things go wrong, and then they have to take some difficult decisions and push the organisation to change itself; and I think that works pretty well because look at what has happened. Then, when we ask for what in any terms is a very substantial sum of public money—is it going to be properly spent—are the objectives and the plans right, and can a project of this size—which is far bigger than anything that the RSC has contemplated for 50 or 70 years—be properly managed and run? That is where the Arts Council absolutely has to satisfy itself.

**Q435 Mr Flook:** They operate as—put it into the corporate world—non-executive directors.

**Sir Christopher Bland:** Yes, but we also have our own executive directors. Our board has very clear responsibilities for that. It needs to make sure that the executive responsible, that is Michael, Vikki and Andrew, and the project director who we have just appointed, who has a lot of experience to run this project, do their jobs properly. There are two tiers of supervision.

**Q436 Rosemary McKenna:** I totally and utterly support the RSC and the work that they do. My most exciting theatrical experience ever was in 1973 when I went to Stratford and saw Ian Richardson in *Richard III* and Eileen Atkins and yourself, Dame Judi as a totally wanton Juliet. It was the most exciting experience. You actually say there that the RSC has done more to revolutionise the teaching of Shakespeare in our schools than any other single organisation. Dame Judi, do you think that is the work that actually goes on in the schools, or the performances that go on?

**Dame Judi Dench:** I would love to accept your compliment but that was not me! I was at the Old Vic playing Juliet, but thank you very much.

**Sir Christopher Bland:** Including the wanton bit!

**Dame Judi Dench:** I will pass it on—I know who did it. I have an enormous trunk of letters from schoolchildren, mostly to the RSC, who have come on school visits to the theatre. The gist of a great deal of them is that they did not want to come at all and were very ambivalent about it, but they say, “having seen the thing we are totally changed”, especially Trevor Nunn’s production of *The Comedy of Errors* when we were the very first company to go to Newcastle. After the first night at Newcastle, when we came out and sang, the audience came up on the stage and we had to actually ask them to go home at the end. The repercussions of that were very, very young people, who said “I never thought that theatre could be like this”. I could not feel more excited about the whole working of going out into schools and talking to people, and actors working with young people. The best thing is when they are rather half-hearted and unwilling, and then you can get them together, and suddenly wanting to see something at the theatre. When I went to Stratford in the 50s I can remember my parents and I getting some tickets and we could not go in because we felt we were not dressed properly, because everybody was dressed in a certain way, and that was how you went to the theatre. That does not happen now. Anybody can go in and sit anywhere and wear anything, and really appreciate it. Michael mentioned Theatre Go-Round, which my husband was in doing *Henry V*; and the feedback from that was like nothing you can get from an audience. You might get some people who might wait at the stage door or write you a letter, but the actual feedback you get from working with young people on texts—and that is what Michael is doing now—it is available to people to learn not only how a text is made up, which sounds boring but is not, but also how you can learn to speak and sustain your voice so that you can do 100 performances and not just four or five, or until it runs out. You can learn about the set, about the way things are made, and everything that goes into it. You can see the actual space that the actors work in. It is just invaluable.

**Q437 Alan Keen:** Dame Judi, if Mr Bramovich got fed up with football at Chelsea and gave you £100 million but said he did not like Shakespeare for example, how would you invest the money?

**Dame Judi Dench:** Who is this who is giving me this money?

**Sir Christopher Bland:** The owner of Chelsea.

**Dame Judi Dench:** I see, yes, of course.

**Q438 Alan Keen:** Would you give subsidised tickets to more people, or pensions for actors? How would you direct that money to help British theatre?

**Dame Judi Dench:** I would give money to small—which I do every week, I think—theatre groups starting up, just to encourage them. I do not think I would give them to pensions for actors—that is the

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risk we take. We take the risk of doing two jobs and then be out of work for the rest of our lives. That is why we take a dangerous path, so that is up to us to organise. The whole business of touring is terribly important, and I would expect to give money to more tours going round. I was the very first company to tour West Africa—Nigeria, Ghana and Sierra Leone. These are children who could never ever see Shakespeare and that was their syllabus—*Macbeth*, *Twelfth Night* and *Arms and the Man*. At the end of *Twelfth Night*, when the two of us came together—we were astonishingly alike as Viola and Sebastian, in Lagos the first time we did the performance it stopped the show for about 11 minutes. That kind of fire in somebody's imagination is just—

**Chairman:** We all have our great memories, and among other things your Sally Bowles in *Cabaret*, for example, and other great theatrical experiences. You at the RSC do other things than Shakespeare, like your wonderful Jacobean season. Other theatrical companies may or may not do Shakespeare. Dame Judi for example was Cleopatra at the National Theatre, and it seems to me that above all the key thing about you is that you do Shakespeare. Whatever else you do, and however remarkable it is, the key fact that you do Shakespeare and can be relied upon to do it is fundamental to your existence and your future. Thank you very much indeed. We are most grateful to you for rounding off an excellent morning.

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## Wednesday 2 March 2005

Members present:

Sir Gerald Kaufman, in the Chair

Chris Bryant  
Mr Frank Doran  
Michael Fabricant

Mr Adrian Flook  
Alan Keen  
Derek Wyatt

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### Memorandum submitted by Equity

#### INTRODUCTION

1. Equity is a trade union representing around 37,000 actors, singers, dancers, other performers and creative contributors working in the UK. The question of the nature and adequacy of public support for theatre in Britain is a core concern for our members. It is a crucial issue, not only for those individuals currently employed in theatre (whether subsidised or commercial sector), but also for many of our members working in television, film or radio, who will often work across all of these media.

2. In this submission we will respond to the key points outlined by the Committee in its terms of reference, but will focus on those that are particularly relevant to our experience. We should also stress that we retain a broad view of what constitutes subsidised theatre and note the importance of small scale theatre, touring productions, education and outreach projects, as well as building-based production companies.

3. We have responded primarily to issues relating to the administration of the arts and theatre in England, given the public support for theatre in the rest of the UK is managed through Arts Councils that are accountable (directly or indirectly) to the devolved administrations in the Nations.

#### BACKGROUND

4. The Committee will be well aware of the context against which it is carrying out this inquiry. The announcement by the Department of Culture, Media and Sport (DCMS) on 13 December 2004, that it would freeze the revenue grant for Arts Council England from 2005–06 to 2007–08, has been quite reasonably characterised as a real terms cut of over £30 million.<sup>1</sup>

5. Equity believes that this settlement is a breach of faith, which marks a return to the bad old days of hand-to-mouth funding. In particular, regional theatres will once again be faced with fewer and smaller plays, fewer new productions, shorter rehearsal times and possible closure.

#### PATTERN OF PUBLIC SUBSIDY

6. Until the recent announcement on future funding there was widespread recognition of the role that this Government had played in halting the decline of theatres through the use of increased public subsidy. In particular, the 2002 spending round ensured that the Arts Council England would see a guaranteed £75 million rise in its total grant-in-aid rising from £336.8 million in 2003–04 to £412.2 million by 2005–06.<sup>2</sup> This apparent commitment to the value of performing arts was warmly welcomed by Equity. It was an opportunity to end the stop-start funding of the past and build upon increases that had already been implemented since 1997.

7. The previous two decades had seen funding cuts and a standstill in investment, which had led to a crisis in theatre production. This was highlighted effectively by the Boyden Report in 2000,<sup>3</sup> which provided a robust analysis and an unshakable case for the need for substantial extra funding for English theatre.

8. The 2002 spending review appeared to indicate the Government's acceptance of this case and most significantly led to an extra £25 million a year of revenue support being allocated for producing theatres. As a result many regional theatres have been re-invigorated and have been able to work towards the establishment of a strong, diverse and stable sector. The resulting improvement in the range and quality of production has meant that audiences have seen a direct benefit in their experience of theatre, with more opportunities to reach out to new audiences.

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<sup>1</sup> Arts Council England—press release 13 December 2004.

<sup>2</sup> Department of Culture, Media and Sport—press release 15 July 2002.

<sup>3</sup> Peter Boyden Associates “The Next Stage: Towards a National Policy for Theatre in England” (2000).

9. The theatre community has also seen the benefits of this funding first hand—as more new and innovative projects have been staged, creating a greater breadth of productions, audience reach and size, company sizes and rehearsals times. The improved quality of productions has also been accompanied by better employment opportunities for theatre practitioners, including writers and performers, designers, directors, stage managers and technicians.

10. In order to capitalise on this success and enable these benefits to be nurtured and supported for future generations, the Government needed to act to consolidate these achievements. Instead the December announcement of a funding freeze until 2008 has constituted a return to stop-start funding. It is an unfortunate fact that this real terms cut represents a missed opportunity and that the momentum gained from the last spending round has not been maintained.

11. In respect of capital expenditure, Equity has welcomed the benefits that have stemmed from the National Lottery, which has enabled important refurbishment projects to take place. However, we would stress that Lottery funding should continue to be confined to this additional role (as was originally intended) and not become a substitute for adequate revenue support.

#### PERFORMANCE OF THE ARTS COUNCIL

12. Arts Council England (ACE) performs an essential function for the development of theatre and in disbursing funds. However, in the past few years Equity has supported the changes in structure at ACE, to create a simpler, more transparent funding system for artists and arts organisations, and make savings on administration, which could be invested in the arts. As a result we welcomed the merger of the Arts Council of England and the 10 regional arts boards in 2002.

13. Equity believes that the systems and processes of ACE must be as simple as possible in order to enable practitioners to access the funds available for production. Indeed, one of the key arguments in favour of the re-organisation of the Arts Council was a recognition that its system of applying for funds could be complicated, onerous and lack the clarity necessary to enable arts practitioners to access all the funds available to help stimulate new and innovative ideas. The more uniform funding systems with a stronger role for English regions have assisted in reducing some of the bureaucracy and duplication.

14. A single body has also been helpful in the development and implementation of the broader strategy and priorities for the future of theatre. Equity played a key role in highlighting the particular need for a national policy on theatre, through its own five year campaign and its Theatre Commission initiative that began in 1996.<sup>4</sup> As a result we have supported the range of priorities in the Art Council's own National Policy for Theatre in England (2000). This policy has since made a most welcome contribution in shaping and developing the strategic planning priorities of theatre.

15. However, it could be argued that the ACE theatre strategy and its implementation benefited from a degree of serendipity in timing. The strategy was developed in advance of a significant increase in Government funding announced in the 2002 spending round (above), thus making strategic priorities and targets far more achievable. There is no doubt that in the coming years, subsidised theatres will face much greater challenges in meeting the eight priorities for theatre in England outlined by ACE (ie better range and high quality; attract more people; develop new ways of working; education; address diversity and inclusion; develop future artists and creative managers; international reputation; regional distinctiveness).

16. While the functions of ACE are generally dealt with in a thorough and professional manner, its wider strategic approach to theatre may now be compromised. Unfortunately, this outcome is attributable in part to the timid approach of ACE in dealing with Government in the build up to this spending round. While Equity has been explicit in its lobbying of MPs and Peers and the Government in respect of the need for sustained investment in theatre, we believe that ACE has failed to fulfil its key function as an effective advocate for the performing arts on this occasion. Moreover, we have some considerable sympathy with the views expressed by leading industry figures that “being nice and well mannered just has not worked”<sup>5</sup> in dealings with Government.

#### SUPPORT FOR UK THEATRE

17. The focus of this submission relates primarily to England, but there are additional points in respect of the administration of arts funding across the UK that Equity feels obliged to raise, due to the interdependence of regional and touring theatre companies.

18. We have noted with concern the transfer of funding control of the Arts Council of Wales to Ministers of the Welsh Assembly. While we acknowledge that this is outside the remit of the Committee, Equity wishes to record its objection to the model, both in terms of the proposed structure and principle of direct control. This must not become a precedent for future reforms of arts funding in the rest of the UK.

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<sup>4</sup> The Theatre Commission—A report on subsidised theatre in the UK (November 1996).

<sup>5</sup> *The Guardian*—14 December 2004.

19. A further concern has been the 10% cut in funding for the Arts Council of Northern Ireland announced by the Department of Culture, Arts and Leisure in December 2004. This is especially disappointing given the ability of theatre and the performing arts to play a positive role in national culture and cohesion—by providing employment, attracting inward investment, encouraging tourism and uniting communities.

20. The performing arts in Scotland have also suffered from a shortfall in funding in the past few years, which is in danger of undermining local talent. The Scottish Arts Council failed to see any significant increase in funding from 2002 as in England. It is now administering some major funding for a small number of specific projects (eg £3.5 million for National Theatre of Scotland, £2.5 million Youth Music Initiative), but otherwise planned increases are of the order of 3%—a further real terms reduction given the current level of inflation.

#### SUPPORTING DEVELOPMENT

21. The traditional role of subsidised repertory theatres has been essential in providing opportunities for actors, directors and stage managers to develop their skills. However, this role has been reducing for a number of years. The subsequent lack of work experience at the beginning of professional theatre careers—coupled with post-drama school training that is practically non-existent—has further reduced the availability of training and development opportunities.

22. There is a huge training vacuum, partly because of the nature of the industry, which is characterised by short-term contracts and intermittent employment. However, the ACE assessment of its priorities for the development of artists (part of its baseline findings on national policy) has done little to provide useful policy information in this area, as it deals only with permanent staff.<sup>6</sup>

23. Equity believes that better facilities must be available for all performers, whether they are seeking training after leaving drama school while they search for their first real job, or they have been working for years and need to train between jobs.

24. The role of the Actors' Centres should be developed in order to meet some of the training shortfall. There are currently three such centres (in London, Manchester and Newcastle) that offer a range of services from acting classes and workshops, to computer training. Equity has played a central role in the establishment and ongoing funding of these centres with some assistance from the Union Learning Fund and further support from television companies and other corporate and private sponsors. These existing structures could still be improved and expanded to offer these services to a greater number of actors and other performers across the UK.

25. In addition, while financial constraints would make it difficult to oblige theatres to provide training, gradual efforts should be made to enable the larger building based theatres to provide in-house training and work opportunities.

26. It should also be noted that there have been some encouraging developments as part of the Government's broader learning and skills strategy. In particular, Equity has been working closely with relevant the Sector Skills Councils in the audio visual sector (Skillset) and the performing arts (Creative and Cultural Industries Sector Skills Council). However, these agencies are still involved in the process of mapping the skills gaps and training needs. As a result they are yet to tackle the more difficult task of delivering training to performers and other creative personnel when and where it is needed.

27. Equity has welcomed the investment in performing arts that has been made available through the Creative Partnerships initiative, which has attracted £70 million of investment from the Government (through DCMS and DfES) for 20 new Creative Partnership areas by 2006—in addition to the 16 already running. This type of educational project provides another type of development, enabling schools to work with theatre companies, dance studios, film companies and others. However, these partnerships will require properly funded arts bodies to act as an outlet for their artistic inspiration. Moreover, there is insufficient evidence that the level of investment in Creative Partnerships have had a positive impact upon development and participation in theatre production.

#### SIGNIFICANCE OF UK THEATRE

28. British theatre produces a number of economic, cultural and social benefits. It is admired throughout the world, as one of the country's great cultural assets. The quality, creativity and variety in live performance are a great cause of national pride and international prestige. Great theatre can have an enormous impact upon popular entertainment through the actors, directors and writers who get their training and central inspiration of their careers from working in the theatre.

<sup>6</sup> Arts Council England—Research Report 33: Implementing the National Policy for Theatre in England (December 2003).

29. While theatres are undoubtedly cultural centres it is important that they should not be regarded as elitist. Indeed, recent figures suggest that more people attend theatre “these days” (16 million)<sup>7</sup> than attended Premier League football matches in the whole of the 2003–04 season (13.3 million).<sup>8</sup>

30. The creative industries are also one of the largest growth sectors of the economy, contributing directly to tourism and leisure industries. A report from ACE in 2004 suggested that theatre is worth £2.6 billion to the economy every year, with theatre activity outside London responsible for £1.1 billion of that total. All this is achieved on relatively little investment. Regional theatres generate far more in economic activity than the size of their Arts Council grants would suggest. For example, the Derby Playhouse receives around £0.66 million in annual subsidy, but is worth £3.9 million to the economy.<sup>9</sup>

31. The additional £25 million a year in theatre funding has shown that by providing consistent significant investment, theatres are able to plan ahead and contribute even more to their local communities and the national economy. Properly funded and thriving regional theatres are able to play a full and active role in a number of ongoing Government initiatives as education, health, economic growth in the regions, tourism and Creative Partnerships. With secure, consistent funding, theatres can encourage innovative ideas and ensure that they reach every member of their local communities, including minorities and children. For theatre to be truly inclusive and supportive, funding needs to recognise that new, innovative and challenging work is not only found in central London.

#### SUBSIDISED AND COMMERCIAL SECTOR

32. The commercial sector appears to have fared comparatively well in the past few years. It has continued to attract large audiences with a number of large scale productions, with a number of lavish and sophisticated musicals appearing in the West End. In the last year alone these have included the hugely popular and successful *Mary Poppins*, *The Producers* and *The Woman in White*.

33. However, practitioners in commercial theatre are the first to admit that their viability is inextricably linked to the continued existence of a healthy subsidised sector. The commercial and publicly funded sectors have a symbiotic relationship: subsidised theatre provides commercial theatre with trained talent and a tried and tested product, and commercial theatre pays essential royalties which help to sustain the subsidised sector.

34. Sir Cameron Mackintosh, who rightly commands a reputation for re-inventing musicals, in which Britain now leads the world, has made this point. Indeed he stated specifically that “at any given time, most of the plays and several musicals in the commercial West End will have emerged from subsidised theatre. The international blockbuster musicals that attract millions of people (and therefore earn millions in tax revenue) have nearly all been created by directors and designers whose main professional experience has been in the subsidised theatre”.<sup>10</sup>

35. Equity also notes that many of the most successful shows are those which come from taking risks. These kinds of risks are more often taken in subsidised theatre, where they would not be supported in a commercial environment given the uncertainty of investment. This is one of the reasons that a number of new West End successes began life in publicly funded theatre. For example, *Jerry Springer—The Opera* began at the small scale Battersea Arts Centre, transferred to the Royal National Theatre, then the commercial West End and is set to transfer to Broadway. *Stones in his Pockets* was another example which started at the subsidised Lyric Belfast, before transferring to the Tricycle Kilburn, then the commercial West End and then on to Broadway.

36. Conversely, the subsidised sector has also seen commercial theatre become an important source of additional revenue. For example, the Royal Shakespeare Company (RSC) derives £547,000 income from the licensing of rights for its work to the commercial sector.<sup>11</sup>

#### CONCLUSION

37. Equity welcomes this inquiry and hopes that the Committee will consider the points made—particularly in relation to the disappointing funding settlement; the shortcomings of ACE in acting as a successful advocate for theatre; the need for effective delivery of training; the cultural, economic and social role of theatre; and the symbiotic relationship between commercial and subsidised productions.

38. From this list of priorities and the terms of reference outlined by the Committee it is clear that there are a number of areas that require attention. We hope that the Committee will make recommendations on all these issues which will assist the future development of theatre at this potentially difficult time.

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<sup>7</sup> Arts Council England—Annual Report 2004.

<sup>8</sup> [www.soccer-stats.com](http://www.soccer-stats.com)

<sup>9</sup> Arts Council England: Economic Impact Study of UK Theatre (2004).

<sup>10</sup> Arts Council Annual Report 1996.

<sup>11</sup> RSC Annual Report 2004.

39. We would welcome the opportunity to speak to the Select Committee on this issue. As the representative organisation of actors, singers, dancers, stage managers, creative contributors and other performers working in the UK we believe we could provide a valuable perspective on the inquiry.

7 January 2005

#### Memorandum submitted by BECTU

1. BECTU is the trade union which organises stage, front-of-house, technical and administrative workers in UK theatre. Our members, who include staff, freelance and casual workers, operate throughout the theatre sector, including the national houses, regional theatre and the West End.

2. Our overwhelming current concern, in the light of the recent DCMS spending settlement, is with the level and consistency of public financial support for British theatre and with its consequential implications for the labour force.

3. The theatre sector as a whole—including both subsidised and commercial theatre—is increasingly recognised as having a significant economic impact. The recent study by Dominic Shellard commissioned by the Arts Council of England (ACE) and other bodies calculated that the sector is worth £2.6 billion annually (excluding, for example, touring theatre companies). This takes into account both direct and indirect contributions to the economy, including the multiplier effect of theatre spending and the additional spending of theatre audiences. The report points out that this very significant level of economic activity is against a background of a minimal amount of public subsidy: £100 million in England, £12.8 million in Scotland, £6.4 million in Wales and £2.1 million in Northern Ireland. On this account, the approximately 540 theatres in the UK make a very significant contribution to the economy—one which places the level of public subsidy into its proper perspective.

4. It is to the credit of the Labour Government that the policy of deep cuts in arts funding implemented by the previous Conservative administration was reversed. In particular, the settlement for the three years from 2003–04, which provided an additional £100 million per year for the arts and specifically an additional £25 million per year for theatre, was widely welcomed throughout the theatre sector.

5. At the same time as this spending settlement was announced (July 2000), ACE published its National Policy for Theatre in England and instigated a Theatre Review to oversee the application of the additional public funding from its then existing base. The purpose of the Review therefore provided a means of tracking the impact of the additional public funding for theatre and of the state of English subsidised theatre. The initial Review, together with research commissioned by ACE from MORI on this whole process, has provided the following findings:

- The previous period of underfunding was accompanied by declining standards, lower productivity and falling audiences.
- The new funding, together with the new national policy, has had a significant and invigorating influence on the theatre sector.
- There are more and better employment opportunities; theatres can increasingly plan ahead and think strategically; and, perhaps most importantly, the quality of work in theatre in England has improved.

6. The conclusion we draw is that the increased public funding has produced clearly beneficial results; that these results are disproportionate to the relatively limited amount of public money involved; and that financial stability—at least in terms of the three year settlement—has been clearly preferable to the previous period of stop-start, year on year uncertainty about public funding.

7. It is precisely because of this beneficial impact of previous government policy in this area that we are all the more concerned about the recent settlement announcement by the DCMS for the years 2005–06 to 2007–08. By freezing the funding allocation at its 2005 level until 2008, the settlement will be worth—on the Treasury's own inflation estimates—£10 million less in 2006–07 and £20 million less in 2007–08. While it might have been unreasonably optimistic to hope for a further significant increase along the lines of the previous settlement, we believe a settlement at least matching inflation would have been a reasonable expectation. Instead the theatre sector is faced with a cut of £30 million in real terms.

8. This is, in our view, regrettable not only because of the reduced funding in itself but also because it represents a return to the stop start financial uncertainty which was so harmful to British theatre in the previous period. Instead of following a stable and continuing strategy, many theatres could now be faced with a return to the era of uncertainty and cuts—especially in the light of additional questions about the future amount of lottery funding.

9. As a trade union with long experience of the theatre sector we are only too aware of the likely consequences for the theatre workforce. Even after the recent generous funding settlement, much theatre work continues to be characterised by unacceptable levels of casual employment, low pay, lack of access to

training and a poor record on equal opportunities. This represents the “silent subsidy” provided to the theatre industry by workers whose commitment to the sector is far from adequately recognised and rewarded.

10. Progress has begun to be made in some of these areas in the recent period. BECTU has been at the forefront of efforts to tackle low pay and to improve access to training through the union’s TOSCA project, which aims to promote the learning of key and basic skills by theatre workers through the training of Union Learning Representatives.

11. BECTU has also been keen to address the serious under representation of black and ethnic minority workers within the theatre workforce. The ACE’s Eclipse Report (2002) indicated, for example, that only 4% of staff in regional theatres were from ethnic minority backgrounds. The union has therefore been in discussion with ACE about the implementation of a new diversity policy, including ethnic monitoring of staff and a target employment levels set in proportion to the local population. The union brings particular expertise and commitment in this area following our successful and TUC award-winning Move On Up initiative promoting increased ethnic minority employment opportunities in film and television.

12. The sobering fact is that the prospects for progress in all of these areas rest on the assumption of a stable if not increasing labour force in theatre. This in turn is linked to stable and adequate public funding. We therefore believe the recently announced settlement—with its failure to match inflation—is a potentially significant threat to the future development of subsidised theatre. We would hope even now that the lessons of the recent past could lead to a reconsideration of the settlement and—for a relatively small amount of extra public funding—to an increased award which could allow the sector to build on the initiatives made possible by the previous settlement.

12 January 2005

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*Witnesses:* **Mr Ian McGarry**, General Secretary, **Mr Harry Landis**, President, **Ms Christine Payne**, Assistant General Secretary (Theatre and Variety), **Mr Oliver Ford Davies**, Council Member, Equity, **Mr Willy Donaghy**, Supervisor, Arts and Entertainment Division, BECTU and **Mr Horace Trubridge**, Assistant General Secretary, The Musicians’ Union, examined.

**Chairman:** Good morning and welcome. This is the final evidence session of this inquiry and I am going to ask Alan Keen to open the questions.

**Q439 Alan Keen:** Good morning. I have been following a theme of questions because I was a little disturbed that those representing amateur dramatics felt a bit shut out of the professional theatres and had few links. I accept that those with often reducing budgets have a struggle to run the theatres within budget, and we do not want them to do anything other than be pretty hard-nosed—they have to be nowadays. I am asking the questions because we want to enthuse people, we want that gap closed between kids at school involved in drama and in youth groups, who then fall between that and getting involved in the theatre, unless they go into it professionally. First of all, is there any problem with the Trade Unions and amateurs being involved with the professional theatre or encouraged? Do you see any problems?

**Mr McGarry:** I think in the depths of history there was a degree of tension between the professional theatre and the amateur theatre, as it would be called. I think that has largely disappeared and they coexist reasonably well. I think our only concern would be if money was diverted away from professional theatre, which is itself already underfunded, to support the amateur theatre, which appears to thrive on its own fairly well. On your point about bringing people into the profession and so on, whilst the amateur route is one route of course the major route is still through training, drama school and dance school, and we are very anxious to see training developed and strengthened and supported in the sector so that it can reach out to

people who hitherto have not had that opportunity of developing an interest at school into the professional theatre. We are also very keen to see theatre in education, whatever one might want to call it, re-established, because it has been very largely damaged by cuts over the last few decades and virtually disappeared, because we think that is a very good way of using training in education as part of the curriculum, and engendering an interest in the form of drama itself, that young people can take into their adults lives.

**Q440 Alan Keen:** I was concerned because I know that where the budgets have been a problem in some areas—and I can take my own area of Hounslow, where we have two theatres, the Watermans Arts Centre and the Robeson Theatre—there are gaps which cannot be filled because of reduced budgets, and what I am trying to get at is other ways of using facilities that are not being used fully at the moment. Obviously we could use them fully if the budget were increased—we are all pushing for that, certainly on this Committee, and you are—but that was one of the concerns I had. Also, if you take my own Watermans Art Centre—I live quite close to it—we used to have free music every night of the week, but with reduced budgets and a downward spiral of funding the music stopped, so that did not therefore give the same encouragement to people to come into the Arts Centre and use the bar and other facilities. Is it possible to encourage amateur musicians to come and play? Again, what would be the Unions’ attitudes to that? What problems do you see or have you seen in similar circumstances?

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**Mr Trubridge:** Obviously we have about 30,000 members in the Musicians' Union and only 4,000 of them are actually salaried musicians—the vast majority are freelance musicians—and some of them I suppose you could class as semi-professional. As Ian has already said, I do not think there is any problem in encouraging amateurs to think about taking up a career as a musician or a career as an actor, but we are concerned of course that the rates of pay are not driven down too low. The Watermans is a good venue and the free music facility was welcomed by the Union and welcomed by the communities, I know, and I think it is a shame that it has had to go by the bye, as I think it is part of a theatre's rounded existence that it has a variety of different things going on at all times of the day wherever possible. So I suppose we would not have a problem provided that the amateurs are being paid properly and that the level of professionalism about them is good enough.

**Alan Keen:** Can I ask a general question on this? My concern, as I said, is that we have some facilities which, because of the lack of funding, are not being used properly. There is a problem. The drama schools are brilliant, of course they are, and the Youth Music Theatre I am sometimes involved with is also wonderful at encouraging kids to reach their full potential. But what else can we do to try to fill those gaps, which there definitely are? In some places we have more facilities than we have people performing in them because of lack of funding, but what can we do to make things better? Do you, for instance, get together with theatre people to look at this sort of thing? This is what disturbed me slightly, that I felt that because of reducing budgets people were then having to focus on their own problems and not looking at it overall; that is really what I am asking.

**Q441 Chairman:** Before you answer, Mr Ford Davies, I ought to have said earlier on, please any of you feel free to answer any questions which you regard as relevant to your own interests.

**Mr Ford Davies:** I am a professional actor and like most professional actors I started in the amateur theatre, in the Questors Theatre in Ealing, which is a very thriving theatre and has received quite a lot of Lottery money to rebuild its theatre. There is a good contact between certain professional actors and the Questors Theatre, and I go in there and do workshops and give talks and that kind of thing. I was surprised about the Robeson Theatre, which I know. Do amateur groups not use the Robeson Theatre, because on the whole we have a good record of theatres being shared, of amateur groups coming into local theatres and using them?

**Q442 Alan Keen:** I am aware that there are gaps there and it seems to have a facility which is not 100% used.

**Mr Ford Davies:** One of the gaps there, for example, is filled by the Isleworth Players, which I know about, which is professional actors who cannot pay themselves anything; they have done shows at the Robeson Theatre on a so-called profit-share basis,

which usually results in nothing. So there are layers of people using theatres. I am sure more can be done. I do think Ian is right that the antipathy, if you like, between professional and amateur theatre has broken down quite a lot in the last 30 years, although I am sure it still has a way to go.

**Q443 Alan Keen:** Is there any way that we can ensure people are getting together, on a national basis, to encourage more linking between schools and whatever?

**Mr McGarry:** I think that is happening; I do believe that is happening. But you keep saying, and I agree with you, that the major problem is that of funding. If we have a single message that we want to get across to this inquiry it is the need for a sustained growth in expenditure in our theatres, in the funding of our theatres, and we would hope that a large part of those gaps would be filled by the employment of professional performers because we do, after all, represent people who see themselves as working in a profession and trying to make a living out of it, difficult and insecure as it is, and we would like to see the very welcome decisions which were taken some years ago in the spending round, which injected additional funds into our theatres, to see that continue rather than to be set back by the most recent spending round, which will undoubtedly prevent those attempts which are being made to take the theatre into the communities and bring the communities into the theatres. If you look at a lot of regional theatres they do see themselves as a centre as well as simply a theatre; they have bookshops in them, they have restaurants and cafes, and they bring people in, and there are all kinds of other activities there, exhibitions and so on. I think that should be encouraged because they are a very considerable resource and as buildings soak up quite a lot of money, and I am sure your Committee would want to see that money well spent and the whole community benefiting from it.

**Chairman:** Chris Bryant.

**Q444 Chris Bryant:** Mr Ford Davies, I have seen several of your performances in the theatre, as I am sure have many of the others in the Committee, and you are a very fine actor. Thank you.

**Mr Ford Davies:** Thank you.

**Q445 Chris Bryant:** In particular I liked *Racing Demon*, but that is partly because I used to be a vicar, so I could see all the problems of the church laid bare before us! Which takes me to Sundays because we were told earlier in our inquiry that one of the things that might change some of the prospects of the British theatre, in particular the West End theatre, is if we were to adopt the policy that many other countries now have of performances on a Sunday rather than a Monday, and we were told that the Unions were the problem.

**Mr Ford Davies:** We already have Sunday performances, Sunday matinees of a number of shows in the West End, and Equity have shown themselves open to this provided there is proper payment for it. But the problem, as I am sure you

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understand, is that if you are in the West End you are undoubtedly doing two shows on Saturday, so if you are also performing on Sunday that makes it difficult to see your family, children, friends, et cetera, et cetera. There is a big audience for a Sunday matinee, but not for a Sunday evening. I have played in America where I have done two shows on Saturday and two on Sunday, and the Sunday evening is usually badly attended. So I think we are really looking at a four o'clock matinee in the West End, and we have already set that in being, have we not?

**Mr McGarry:** Yes, indeed. We were surprised to see the comments made at an earlier session, indicating that we were somehow being obstructive in that regard. Far from it. Both BECTU—and Willy might want to say something about this in a moment—and ourselves took the initiative—we, the Unions took the initiative—of putting the issue of Sunday opening to the producers and asked them to agree terms and conditions under which it would happen and, as far as Equity is concerned, we are still awaiting a response from them. So we were a bit hurt and offended by the suggestion that we were being difficult about it.

**Mr Donaghy:** Equally, following on from that, BECTU had a meeting with the Society of London Theatres yesterday, at which we were discussing the Unions' proposal for Sunday working. We understand that we want a progressive agenda with the employers, but it is not just about Sunday because, as your colleague says, Sunday is a special day, and it is a special day for our members also, and whether that is for religious or family reasons that has to be taken into account. So as well as getting the satisfactory financial arrangements we also want to ensure that there is adequate time off for families to actually meet on the only day that they currently can. So it is about getting the balance between the two.

**Mr Trubridge:** On behalf of the Musicians' Union I would say that we have been happy to talk to the producers about Sunday opening. We came to an arrangement with Disney over the *Lion King*, we came to an arrangement with RUG over *Bombay Dreams* and it has never been a problem for us. We sit down with the Society of London Theatre every two years and they have chosen not to open talks about formal arrangements for Sundays; we do not know why, we would be more than happy to put something formally in the agreement, but nevertheless when a request is made for Sunday opening we are always happy to deal with it. But I would just echo what my colleagues have said, that there is a concern about family friendly working hours, proper pay, and those are things that we want to see addressed.

**Q446 Chris Bryant:** On a different issue, I guess there is a perception that many people would have, because they see the few famous actors who make millions of dollars in American movies, that actors and musicians are wealthy, but my guess is that that is probably a long way from the truth and the vast majority of actors and performers, even ones who have quite established careers but maybe are not

working every week of the year, have a pretty rough time financially. What is your perception of how performers are doing now compared with, say, 20 years ago, and what level of help is there for performers in all your different trades to make sure that they have good financial management?

**Mr Landis:** Can I just say that people think that anyone who walks across a television screen is a millionaire, and I can assure you that apart from a handful of people who earn a lot of money it is poverty. The minima for the West End, Repertory Theatre, subsidised Rep touring is ridiculous.

**Q447 Chris Bryant:** What is it?

**Ms Payne:** In the West End the minimum is about £350; in subsidised theatres the minimum is £309; in small-scale theatre it is £310.

**Mr McGarry:** That is in the weeks when you are working and you also have to work away from home quite a lot as well. Your assumption is correct that it is an industry, if one could call it that, which is characterised by low pay, insecurity of employment, casual employment and bad working conditions, and one of the reasons why we were pressing for increase in funding was to try to address that. We also wanted to have larger cast plays, more new productions, more co-productions, more touring, but as part of that as well we wanted to address it because there was a time when Peter Boyden was asked to do his report about the English Regional Producing Theatres, where there was a real crisis and actors simply could not afford to go and work in regional theatres. For actors to turn down work? They could not afford it; they were often worse off at the end of an engagement than they were at the beginning of it because they had the cost of maintaining a home in London but working away from home on salaries that they felt, and still feel that they are in fact the largest group of people subsidising our theatre in this country by accepting earnings and salaries well below those which the average white collar worker would expect, and they rarely get that and rarely get it for any length of time. In terms of help for them individually, if I understood your question correctly, we do of course try to help them and give them advice on benefit rights, entitlements on tax and all of those kinds of issues that they are confronted with, and we try to do that on an individual basis as a Union. But the only long-term solution is proper funding for the vitally important theatre in this country and for the actors to be able to earn a decent living from that.

**Q448 Chris Bryant:** Is that kind of penury that you have described the same the whole world over or is it a peculiarly British phenomenon?

**Mr McGarry:** It is replicated elsewhere. When the Screen Actors' Guild and Actors Equity in the United States did a survey of their members they found that the average earnings of their members from the profession was broadly the same as ours, and that is about £5,000 a year, when we have conducted a survey. So you will see that the professional performer has to supplement those earnings from other kinds of employment that they



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can fit in with their chosen profession. So, yes, in some other countries there is a pattern of more permanent employment in theatre, in Scandinavian countries and so on, and the countries of the former Easter Bloc where people work on a 12-month contract in an ensemble company, but that is a dying experience now; that is disappearing and they too are now facing the prospects and difficulties of a series of casual engagements, and quite often long periods of resting in between.

**Chairman:** Derek Wyatt.

**Q449 Derek Wyatt:** Good morning. Do you think that theatre would be better served if it was not anything to do with the Arts Council?

**Mr McGarry:** No, I do not. I hope I am responding on behalf of everyone else. We have had our criticisms of the Arts Council—it is an occupational hazard, I think, of being a body like the Arts Council, that everybody feels that they could do their job better—but by and large we are in favour of the arm's length principle of funding. We do not approve of the decision that has been taken in Wales, for example, where many of the major decisions on funding have been taken away from the Welsh Arts Council. Of course it could be improved, and you will have seen from our submission that we were critical of them in the run-up to this most recent spending review because we do not think that the Arts Council has ever properly addressed its role as an advocate of the arts. It has its two main functions, distributing monies but also being an advocate for arts' policy, and I do not think it has been as effective as it should have been in that area. We thought there should have been a stronger and more public case made for increased funding in theatre in advance of this funding round and we said that. Nonetheless we do think that the Arts Council is the best way for Government to fund monies through to the actual practitioners on the ground.

**Q450 Derek Wyatt:** Those of us who do not have Welsh constituencies, how is it different in Wales?

**Mr McGarry:** Recently the Welsh Assembly decided initially to abolish the Welsh Arts Council altogether, as a process of eliminating quangoes, as they are sometimes called generally. They retreated from that but took to the Assembly itself the funding of the major clients of the Welsh Arts Council, the Welsh National Opera, Theatre Cymru and so on, and so those decisions about funding are determined by the politicians in the Assembly rather than the Arts Council, and we think that is a dangerous precedent and would not want to see it happen in England, Scotland or Northern Ireland.

**Q451 Chris Bryant:** Does anyone else want to say anything about the Arts Council's role?

**Mr Donaghy:** I think it is almost one of these organisations or institutions where it is a bit like the curate's egg; I think it does some good work and there is other work it could be doing a lot better. They had an initiative a couple of years ago trying to improve diversity within the theatre industry and I

do not think they have delivered on that, so I think that is one area where it could be imposing itself more on the organisations that receive funding.

**Mr Trubridge:** As the invitation was extended, I would also like to say on behalf of the MU that we become unhappy when the Arts Council funded dance projects that are using recorded music, which has happened recently. We believe that the public expect dance, ballet to be performed to live music.

**Q452 Derek Wyatt:** The Government has a quest to create specialist schools, secondary schools which will be in (some) arts and music and theatre. What contact have you had with any of the specialist schools which have acting, drama or theatre or ballet in them?

**Mr McGarry:** I think the honest answer to that is not very much, and we have probably been remiss in that and we probably ought to make those kinds of contacts. We do have very well established contacts with students who have moved into drama school; we have a former student membership, we contact them and we give them advice and so on about the profession and afford them student membership and then they come on into full membership once they graduate from their courses, so we have that kind of contact. But with the schools, other than through the work of our members, where there are outreach theatre in education groups going into those schools, I think the honest answer is that we have not had enough contact there and we should perhaps have more.

**Ms Payne:** Can I add to that, to say that where we have traditionally had the best contact is through the National Campaign for Drama Training, and the schools that provide vocational drama training where Equity is one of the three founding members of that. So with those schools we have very direct input into the professional training of actors and stage managers.

**Q453 Derek Wyatt:** My poorest school, Sittingbourne Community College, in my patch, has just won drama and theatre status; maybe you would like to use it as a pilot to understand how you can work?

**Mr Ford Davies:** Yes.

**Q454 Derek Wyatt:** It sure does need a lot of help. For kids who cannot read and write the only thing they can do is talk and act and play because they can get their dignity that way, and they need help, and you may consider how you can help them.

**Mr McGarry:** We will do precisely that.

**Q455 Derek Wyatt:** Let me just ask one more question. When we are comparing this scheme—and you answered Chris's question about arts, and you answered it in terms of America—in terms European funding by other countries, are they always more generous? Is it just because the culture seems to be more important in some—and I am thinking of France, Germany and Italy? Are your experiences that they are better or worse or about the same in funding?

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**Mr Landis:** My experience is on tour in Germany, that the theatre in Hamburg got as much money for the year as the whole of the British theatre got, so it tells us that some countries in Europe truly appreciate the arts.

**Mr McGarry:** The pattern is very diverse, however. We have very strong links with the Unions in the rest of Europe and the rest of the world and, for example, you will see that in Spain there has been a very considerable cutback on funding of theatre and in Portugal the same, and in Greece—Greece of all places—there have been cutbacks in the public funding of theatre there, and even in Germany—Harry is right—although the overall level of funding is much greater a lot of that has been clawed back now and there is not the same level of funding there once was; but nevertheless most of them, Scandinavian countries included, do provide per head much higher investment in their theatre than we do in this country.

**Chairman:** Frank Doran.

**Q456 Mr Doran:** One of the big issues we have been looking at in relation to the London theatre is the bid by the independent theatres for about £125 million of public money to repair the fabric of the London commercial theatres, and one of the key arguments that they are making is the state of backstage facilities. Can you say a little about that, first about the idea of public money going into the commercial theatre, particularly given the points that you are making about Government support for the theatre generally, and also the general state of backstage facilities?

**Mr McGarry:** Perhaps the actors could say and the MU could say something about backstage conditions. I understand your inquiry has made some visits to theatres and so on, but the backstage conditions are, frankly, quite appalling; there are not many other professional workers who would accept the conditions that even leading members of the profession have to experience behind the scenes, and if there is going to be investment in the refurbishing of theatres then that should be a priority. In the past it has not always been so; the front of house and the auditorium have been improved but backstage conditions have sadly been left alone on the assumption that the performers will tolerate those sort of circumstances. On the general issue of funding for the refurbishment of the privately owned theatres, I think we want to say things about that. Firstly, we would not want to see any such funding come from existing sources, we would not want to see the money currently going to the core activity of our publicly supported theatres being taken away in order to be used to enhance and improve West End theatres. That is the first thing. The second thing is that we would want to see as a condition of that granting that backstage conditions were improved. We would also like to see the industry itself take some initiatives. Cameron Mackintosh and others have demonstrated that it is possible to plough back some of your profits into refurbishing theatres and we would like to see that happen. I think we would be in favour of tax

incentives to encourage the refurbishment because there is undoubtedly a great need. If you look across London, the West End in particular, a lot of those theatres were built about the same time and do need to be improved. Audiences quite often are expected to endure circumstances and conditions which are not the best for them as an audience and that does need to be addressed. But the first thing is that we would not want to see any investment going in that direction having been diverted away from the core funding of the publicly funded theatres.

**Mr Ford Davies:** At the same time I do feel very strongly that the West End theatres are a kind of national treasure and that they are in some ways comparable to the National Gallery and the Tate and even to Westminster Abbey, if you like. Certainly as a tourist attraction, the West End theatres are one of the main reasons why people want to come to this country. The second point I would like to make is that the larger theatres which are being refurbished are for musicals which can make a lot of money. The smaller theatres, or the theatres seating 700 or 800, let us say Wyndhams, next to Leicester Square Tube, would be a very good example, is not a theatre that can make a great deal of money; there is not a great deal of money to be made out of putting on straight plays. About one in ten makes a huge profit, two or three do quite well and six probably lose money. So the managements who run those smaller theatres do not have the money to refurbish them; I do think that is quite genuinely true, and I would certainly be in favour of seeing some public money being put in.

**Q457 Mr Doran:** One of the difficulties for me is that there does not seem to be any shortage of people wanting to buy these theatres, and where you are sitting now we had a row of theatre owners, all of whom said, "The problem is we did not know the extent of the problem when we bought the theatre," but if I said that when I bought my house and I had not had a proper survey done, I would be pretty foolish.

**Mr Ford Davies:** The problem with backstage at a lot of these theatres of course is endemic from the way they were built. You only have to look at the ground plans of these 1900 theatres and you can see how much space was given to the front of the house and how little space for the back of the house. So it is not an easy solution as to how much you are going to improve backstage facilities. We have had rats going across orchestra pits.

**Mr Trubridge:** I was the London official for the Musicians' Union for quite a long time and I did a lot of health and safety visits to backstage facilities looking at the band rooms. The thing is, particularly with modern musical theatre, the technical requirements are so much greater than they were 10 or 15 years ago even that people have to outdo themselves all the time. Willy's members, for instance, have a lot of equipment, a lot of stuff that has to be stored backstage and often when you go down to visit the band the band are not in the band room because the band room is being used as a storage room and the band are being housed

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somewhere else, a long way from any wash facilities, in very poor conditions. It is a bit of a cliché, but orchestra pits are appropriately named—pit is a good word for it because it is a horrible place to work, and mice running across the floor during a performance is not a rare thing. They do work in the very worst of conditions—terribly hot during the summer months with no proper air conditioning or anything like that, and it can also be extremely cold during the winter as well. It is the last place you would want to work, basically, and it is our experience that when these theatres are renovated that it is the backstage facilities and the orchestra pit that is given the least consideration. Finally, I would like to say that when we are looking at renovating theatres we do want to make sure that there is no downsizing of the orchestra pits because this is something else that we have seen happening—“Let us make the auditorium a bit bigger, let us make the stage a bit bigger,” and it is at the expense of the pit. Then Cameron wants to go in and move *Les Mis* there or whatever and he wants to use a virtual orchestra instead of a proper orchestra because he says the pit is not big enough. So these are things that we want to see borne in mind.

**Q458 Derek Wyatt:** As Unions are you involved in any discussions at all with the theatres about the negotiations they are having with the Lottery Fund and the DCMS or the Arts Council; are you involved at all?

**Mr McGarry:** On this particular issue, do you mean?

**Q459 Derek Wyatt:** Yes.

**Mr McGarry:** No, we have not been invited to participate in those discussions, no.

**Mr Donaghy:** Not really. Generally they want our support, but they want our support very rarely.

**Q460 Derek Wyatt:** Keep your distance.

**Mr Donaghy:** Keep our distance, absolutely; but when the begging bowl is out they want our support, there is a strong case to be made for public investment, but I would be looking at what do the public get back. If you get money out of the public purse through way of grants, tax incentives or whatever, what is in it for the public? Certainly as far as our employees are concerned backstage we would be wanting to ensure that a health and safety audit is done before and after any work to make sure that the working conditions are hauled out of the 20th century because, as Horace said, they are disgraceful and most other people would not put up with it.

**Chairman:** Adrian Flook.

**Q461 Mr Flook:** We heard earlier your huge enthusiasm to work on Sundays! That is the impression I got! I am told that the figure that is required for working on Sunday, the extra per diem rate is one and a half times what would otherwise be the daily rate Monday to Saturday; is that true?

**Mr Trubridge:** It is certainly not true of the musicians.

**Q462 Mr Flook:** So it would be for about the same rate as it would be for a performance on a Friday or a Thursday?

**Mr McGarry:** Christine can describe the arrangements we currently have. As I said earlier, we have put some proposals now to the Society of London Theatre and are awaiting their response, so we have not got to an across the board agreement but we have made individual arrangements up until now which have facilitated Sunday opening.

**Ms Payne:** To give you a little background, in commercial theatre outside of the West End Sunday is a normal working day and there is no additional payment in commercial theatre outside the West End for working on Sunday. In subsidised theatre there is an additional payment and that is one-eighth of the actor's weekly rate. For the West End it is slightly complicated. Our claim at the moment is that there should be an additional payment and that additional payment should be one-eighth, but at the moment what we have is a higher minimum for working on a Sunday. So instead of the minimum being £358 it is £448. So that means that the actors working in the West End, where they know that there is going to be a Sunday performance, will negotiate from a higher minimum of £448. What that often means is that those actors, particularly in the ensemble who would be working at or near the minimum will get an enhanced rate when they are working on the Sunday. But for those actors who traditionally work above the minimum it is open to negotiation and very often their fee is not actually increased for working on a Sunday. That is what we want to change; we want there to be a separate identifiable fee for working on a Sunday.

**Q463 Mr Flook:** For the record, I can see why the increased costs mean that SOLT cannot cope with them.

**Mr Donaghy:** Could I just make a point on that as far as increased costs are concerned? Certainly as far as BECTU is concerned, in the West End we have a number of Sunday opening agreements, and we have never failed to reach an agreement on Sunday opening, and there will be an additional cost, certainly for our members, who would expect to get paid at double the normal daily rate. That is the situation that has existed for time immemorial in the West End. So there is a benefit to the employers, yes there is an additional cost, but there is also a significantly increased income which more than covers that additional cost.

**Mr Trubridge:** I would like to make a point as well on behalf of the musicians that the rates of pay that we negotiate with the Society are minimum rates of pay, and if somebody is opening a blockbuster musical they want the best musicians and those musicians very often will not work for the minimum rates of pay. So the fees that are being paid are considerably above our minimum and sufficient to buy Sunday opening as well, if they wanted it.

**Chairman:** Thank you very much indeed; most grateful to you.

## Memorandum submitted by the National Campaign for the Arts

### SUMMARY

The National Campaign for the Arts (NCA) suggests that, while theatre is thriving in this country, there is much more that could be done both to co-ordinate existing policy and initiatives and to ensure that theatres themselves are in a position to work as effectively as possible, particularly in terms of buildings and funding. There needs to be an appreciation of the different needs of the various parts of subsidised and commercial theatre, but also of how they complement and support each other.

### *Key recommendations:*

- Ensure that public funding of theatres is consistent.
- Invest in encouraging black and minority ethnic individuals into the theatre.
- Consolidate recent investment in theatre capital and design a programme of future funding that will ensure value for money. This might include investing in renovation of commercial theatres.
- Ensure that new writers and new writing is fully supported.
- Government must clarify its evaluation of the place of theatre in its priorities and work to support this, both in the lead given to local authorities and the Arts Council and in terms of policy.
- Co-ordinate arts and education provision, particularly through DCMS and DfES.
- Make provision for professional training, beginning with those interested in a career, through to a Continuing Professional Development scheme.
- Examine the practical application of the principle of additionality in relation to National Lottery funding.
- Simplify process of individuals' donation to theatre and encourage personal donation.

### 1. INTRODUCTION

1.1 The theatre in Britain is vibrant and world-renowned. It is often cited as one of the greatest attractions the country has to offer, particularly by visitors to London and the West End. This is an asset that must be nurtured and encouraged by all involved, whether profit is immediately realisable or not.

1.2 There is already high awareness within the sector of a number of key issues affecting theatre in the UK. Many of the schemes and initiatives in place need to be developed and the attitudes that drive them need to be embedded in Government, Arts Council and policy thinking in relation to the theatre. This includes appreciation of the value of the theatre both intrinsically and more generally to Britain; emphasis on developing the sector in terms of new audiences, new professionals: writers and those in front of or behind the stage, and education.

1.3 One particular issue that needs to be addressed is that of diversity in theatre. While currently some work is being done to address the fact that there are disproportionately few black and minority ethnic led theatre companies, playwrights, actors and other theatre employees, there is a great deal further to go. It is essential that time and money is invested in encouraging black and minority ethnic individuals into the theatre. One way to nourish this area of theatre is to raise the profile of positive role models, and to establish mentoring schemes that will offer young people a model to aspire to. This is vital for the vibrancy and health of British theatre.

1.4 Another way to address the issue of diversity in theatre would be to increase the number of places in vocational training schools for black and minority ethnic individuals. This is a two fold process, not only does the selection procedure need to be appropriate, but also more work needs to be done to encourage individuals to apply in the first place; to believe that this is a career they can succeed in.

1.5 There is a perception in the theatre sector that some organisations are much more heavily funded by the Arts Council than others, which leads to an unhealthy imbalance. Alongside the Government's re-evaluation of its theatre priorities must be review of the Arts Council's relationship with theatre.

### 2. THE RELATIONSHIP BETWEEN PUBLIC AND COMMERCIAL THEATRE

2.1 The relationship between commercial and state funded theatre is vital to the current state of theatre in the UK because of its symbiotic nature. As a result, the impact of change to any part can have far reaching implications. In recent years a significant number of plays and people have begun in publicly funded theatres, have worked through the system and finally transferred to the commercial stage. This is

particularly true of the West End. Moreover, much theatre either begins in regional theatres and transfers to London, or the process takes place in the opposite direction. The Government must be aware of the interdependent nature of the various parts of this valuable sector when making changes.

2.2 As a result of the close links between the different parts, and the well-documented financial problems facing a number of theatres, particularly in the West End, there seems a persuasive argument in favour of making financial allowances for the West End theatres, for example in terms of rates. Not only are they a vital component of the UK theatre sector, but they contribute approximately £1.1 billion to the British economy annually.<sup>12</sup>

### 3. ECONOMIC IMPACT

3.1 The NCA does not have access to a wide range of figures relating to the economic impact of theatre, but those it does have suggest that the impact is significant. A number of reports have highlighted the impact of the theatre industry, including the Wyndham report<sup>13</sup> and the Arts Council England's *Economic Impact Study of UK Theatre*.<sup>14</sup>

3.2 Once established, institutions contribute significantly to the local community. Independent research carried out by ARUP Economics in 2001 found that the Royal Shakespeare Company (RSC) directly contributes at least £32 million to the local economy in Stratford-upon-Avon. Moreover, The RSC has been presenting a season in Newcastle-upon-Tyne for over 25 years. RSC performances are seen to be directly responsible for generating approximately £1.1 million in the local economy. Such a significant factor in local economies should be nourished and encouraged to secure the direct and indirect benefits it brings.

3.3 The fact that theatres can play such a significant part in a local economy suggests that to as great an extent as possible, they should be built into the local infrastructure. This is particularly true of regional theatres where accessibility is so vital to the audience's ability to attend.

### 4. FUNDING

#### 4.1 *Subsidy*

4.1.1 The arts are value for money. This is undoubtedly true. The City of Birmingham Symphony Orchestra has calculated that it returns 85% of its subsidy to Government through taxes, raising the rest of the money needed to run from other sources. Many of the subsidised theatres in England run with similar efficiency and effectiveness. This efficiency with public money should be rewarded with significant consistency in the funding they do receive. Arts organisations are developing innovative ways to find funds to ensure they can continue to support their essential reason for existence—the art itself.

4.1.2 The public subsidy invested in theatres by the Government plays an essential role in the UK theatre sector. The opportunity that it gives theatre organisations and companies to take risks and innovate without the immediate pressures of the profit imperative lead to exciting new writing and encourages new writers.

4.1.3 This is true also of more unconventional theatre, or foreign plays and infrequently shown classics. The commercial sector is bound by the need to make a profit and, to an extent, depends on tried and tested formulas that are widely popular. The subsidised organisations are in a stronger position to stage plays that have less popular appeal or that explore and experiment. While not always profitable financially, such investment is essential to the long term health of the art form, and contributes to the success of British theatre both at home and internationally.

4.1.4 The subsidy also allows organisations to take risks on where and how their performances are staged, such that theatre can be taken to small communities, for example, which will again not necessarily be financially profitable. Theatre such as this is good for the health of the nation and offers individuals opportunities that they might otherwise never have had. It provides challenges and asks questions, helping to enrich the lives of all those involved. Funding these programmes demonstrates Government commitment to regeneration and equality of opportunity in rural and inner city communities.

<sup>12</sup> The Wyndham Report, 1998 by Tony Travers, London School of Economics, with data compiled by MORI.

<sup>13</sup> *ibid.*

<sup>14</sup> Economic Impact Study of UK Theatre, 2004 by Dominic Shellard, University of Sheffield.

4.1.5 A number of theatres have looked for innovative new ways to use their expertise in order to increase their income. See appendix A.

#### 4.2 *Business*

4.2.1 Increasingly, subsidised organisations are developing relationships with business. The much publicised Travelex £10 ticket season at the National Theatre is a clear example of an innovative way to attract new audiences in association with a business sponsor<sup>15</sup>. The subsidy was used to underwrite the risk, making the deal viable both for the sponsor and the National. Two thirds of the tickets for certain plays being performed in the Olivier Theatre were offered at £10 in the hope of attracting a younger audience and interest from those with a lower income. Around a third of the people who came to see *Henry V* as a result of the offer had never been to the National Theatre before.

4.2.2 The use of the subsidy in this way indicates that one of the most significant changes that needs to be made to secure the future of theatre, and indeed allow it to develop, is the establishment of consistency of funding. Both the production of theatre itself and other areas of work, such as education and audience development, are seriously limited by an inability to plan because the financial future is not secure. This can only be fully addressed once government has established clear thinking about where theatre, and the arts more broadly, fit into its priorities.

#### 4.3 *National Lottery*

4.3.1 Another pressing issue that needs to be addressed is that of the role of National Lottery money in funding the arts. The signs are worrying, not least the fact that in reference to the recent Spending Review, Tessa Jowell suggested that the settlement, “sits alongside expected income to the Heritage Lottery Fund”. This is not an issue specific to theatre, however, the role of the principle of additionality in practice urgently needs investigating. The decline in Lottery funds due to decreasing numbers of players means that deviating from the principle could soon have dire consequences for the arts if the Government is using Lottery money to fund things it should be funding itself.

#### 4.4 *Local authorities*

4.4.1 Central to the thriving theatre sector in the UK, particularly regional theatres, are local authorities. They are the country’s second largest funders of the arts after the Arts Council. This support is often essential to the survival of local and regional theatres. However, support for the arts by local authorities is not an official requirement, rather it is often discretionary leaving arts money extremely vulnerable when belts are tightened. Moreover, financial support for the arts, as it is often not a requirement, rarely has money set aside for it, instead funding is found from elsewhere, often the leisure or tourism budgets. In this situation, the arts, theatres included, are often compromised by the other demands being made on the money. A lead needs to be given by Government on the importance of the arts, such that local authorities are forced to re-evaluate their own priorities and are less ready to make cuts to the arts.

#### 4.5 *Individuals*

4.5.1 One of the keys to the changing face of arts funding in Britain is the level of private investment by individuals. While there have long been wealthy individuals prepared to donate large amounts of money, there is an increasing appreciation of the potential for smaller scale investments. An example of this is Stage One—the new face of the Theatre Investment Fund, which allows private individuals to invest a small amount of money, for example £300, in a commercial production. The not-for-profit company deals with the negotiations on the investors’ behalf, and by combining smaller investments, avoids the usually prohibitive costs. Ideally this will encourage more British people to invest in the arts, commitment that is currently lacking compared with the large numbers of foreigners prepared to invest in British arts.

4.5.2 The fact that creative ways to encourage private investment despite the current arrangements can be found does not mean that more fundamental changes are not needed. The current process of tax relief for those donating money to the arts is too complicated. Models exist elsewhere, for example the US, which simplify the rules, and which would consequently encourage donations.

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<sup>15</sup> Lloyd Dorfman, Chairman and CEO of Travelex, commenting on the National Theatre website about the sponsorship deal said, “Travelex is a world-leading financial services business with a strong track record of innovation, flexibility and accessibility. The National Theatre has a world-class reputation and, we believe, reflects these very same values. This is the first arts sponsorship of its kind and we are proud to be part of this innovative programme under the National’s new leadership. The Travelex £10 Season will make world-class theatre more affordable and accessible to a wider audience than ever before.”

4.5.3 There are some problems in Britain that relate to issues that are more broad than the simplicity of the tax situation. Public attitudes to the arts, and to donating to or investing in the arts, present barriers for many theatres. To overcome this there needs to be a shift in public attitude towards donating money to the arts. The Government could lead this by rewarding those who donate, or by offering match funding for some high profile donations as well as by simplifying the process.

## 5. NEW AUDIENCES AND EDUCATION

5.1 Essential to the health and growth of the theatre in the UK is the audience. Many theatres have invested a great deal in developing their audiences, appealing to a wider spectrum of people in terms of age, cultural background and experience of the theatre. There is also firm recognition of the importance of introducing positive experiences of the theatre to children from a very young age. A wide range of methods have been developed to achieve this, some more successful than others.

5.2 Producing less conventional and more risky performances can attract new audiences. Two thirds of the audience at *Jerry Springer: The Opera*, for example, were younger than 35 years of age, and 43% had never been to the National Theatre before. It is important to maintain some form of honest evaluation of what works and what does not in order that improvements and changes can be made and training undertaken. This must be balanced, however, with allowing theatres and theatre companies enough space to experiment and to take risks—to pursue ideas without first having to conform to an evaluation form or get lost in bureaucracy.

5.3 The vast majority of subsidised theatres, and a number of commercial ones, run highly effective education departments. In the financial year 2002–03, for example, the Royal Shakespeare Company (RSC) involved 45,290 children in its education programme. The arts world recognises the importance of education, and most importantly, of educating young people in order that they develop a long-term relationship with the theatre. It is essential that the Government works across its departments, most importantly the Department for Culture, Media and Sport (DCMS) and the Department for Education and Skills (DfES) in order to ensure that the wealth of arts education knowledge and opportunities available are supportive of each other, and are deployed in co-ordination with the education sector. The Creative Partnerships initiative has gone some way to exploring possible ways to achieve this. These need now to be examined, developed and established throughout the country. It is essential also that provision for the development of such relationships begins with training of both education and arts professionals to encourage the skills necessary to work in each others' sectors.

## 6. NEW BUILDINGS

6.1 While recent National Lottery investment has led to the development and refurbishment of some venues in the UK, there are many still in urgent need of attention. A number of venues, such as Hoxton Hall, the Jermyn Street Theatre and the Old Vic are in need of money for renovation that they have been unable to secure. This poses a serious threat to their survival. Investment now will save money in the long run—as buildings become older, they require more and more investment to be maintained. The only alternative is to knock them down, a solution that is highly undesirable.

6.2 The passing of the final part of the Disability Discrimination Act puts pressure on many theatres to make changes—an opportunity that might be used to improve other aspects of a number of venues across the country—both in the regions and the cities. The interdependent relationship of the various arms of the theatre sector necessitates urgent action in relation to this issue. Some Government investment in commercial theatre is likely to serve to secure Government's own investments in the subsidised theatre, and indeed further afield, for example in tourism particularly in the capital.

6.3 The problems of regional theatre have yet to be fully resolved. While extra money has been invested following the Boyden report<sup>16</sup>, it is essential that this investment is built upon in the coming years to ensure the future flourishing of regional theatre.

## 7. NEW WRITING

7.1 The encouragement of new writing is absolutely essential to the health of British theatre. While there are some schemes designed to provide opportunities for new writers, there are still not enough. Mentoring can be an extremely useful tool to help potential playwrights grow their skills. However, part of the problem is the availability of funds to put on new plays. The paucity of funds for productions with large casts, for example, has led to a flourishing of very small scale plays. These are often not suitable to transfer to larger venues.

7.2 There is also the barrier of the relatively small number of theatres willing to stage the work of new writers because they cannot afford the risks involved. Initiatives sponsoring a new playwright's first performance might help to rectify this, as might theatre mentoring or residency schemes.

<sup>16</sup> Roles and Functions of the English Regional Theatres, 2000 by Peter Boyden Associates.

## 8. A SUSTAINABLE CAREER

8.1 Essential to the development of theatre in England is a comprehensive, coherent structure of career development and training. While currently there are a range of training options available, there is little consistency, and no structure through which a person can progress.

8.2 At the same time attention needs to be paid to those just entering the theatre. There needs to be more career advice for young people about the wide range of jobs available in theatre. It would also be potentially useful to develop more formal schemes of apprenticeship and training for those who are interested in pursuing a career in the theatre.

## 9. CONCLUSION

9.1 The future for theatre could be healthy, although currently this would be largely through the efforts of the theatres themselves to be creative in their management, as well as in their artistic endeavours. Policy and Government initiatives need to be up to speed with what is happening on the ground and able to respond to the changing demands of Britain's world leading theatre sector and the audience it entertains. There is much, in terms of policy and funding, that needs to be considered carefully in order to get the most from investments already made, and to ensure that the sector can continue to grow.

## APPENDIX A

A number of theatres have looked for innovative new ways to use their expertise in order to increase their income

- An Enterprise Investment Scheme company called “National Angels” has been established to produce/co-produce National Theatre–West End transfers. The company returns 50% of investors' profits to the National. National Angels has been involved in the West End transfers of *Jumpers* and *Democracy* to date.
- Similarly, Cardiff Theatrical Services (CTS) is the scenery construction arm and a wholly-owned subsidiary of Welsh National Opera (WNO). CTS produces scenery for all WNO productions but also offers a one-stop scenic service to other arts companies in Britain and abroad. All profits from CTS are gift-aided back to WNO at the end of each financial year.

18 January 2005

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*Witnesses: Ms Joan Bakewell CBE, Chair, Ms Victoria Todd, Director, National Campaign for the Arts, Mr Giles Croft, Artistic Director, Nottingham Playhouse, Sir Peter Hall, Theatre, Film and Opera Director, Kingston Theatre and SuAndi OBE, Cultural Director, Black Arts Alliance, examined.*

**Chairman:** Good morning, ladies and gentlemen, I would like to welcome you very much indeed this morning. We have some old friends who have given evidence today and I am going to ask Alan Keen to start the questioning.

**Q464 Alan Keen:** Sometimes this Committee tends to interrogate people who come as witnesses but I think on this occasion we are all on the same side, we want the theatre to flourish. We are not the ones who have to make the decisions on priorities, where the money goes to. So could I ask you to tell us, if you could write part of the report what would you like to go in it?

**Ms Bakewell:** That is quite a question. I am delighted that we are here and that we are, as you say, all on the same side and we want the theatre to flourish—we take that as a given—and I have been following the situation in the theatre for something like 20 years as part of the NCA. It seems to me that the theatre is in a very strong position in terms of its creativity now. We have wonderful theatre, great actors, marvellous directors and great stage skills. We have also had the backing of this Government since it came to power in funding a great deal that was needed. What the theatre lacks is a genuine sense that it has a continuing, sustained security of

existence, and that the variables in financing—which are many, and which you may want to discuss—create a sense of perpetual anxiety which deprives highly creative people of time and energy which should be more and more devoted to the enormous potential of the theatre at this moment, its cultural potential, its community potential, its potential in the economy, all of which is set about by anxieties about either/or funding—is it buildings or actors, is it companies?—and all the small infrastructures that have to take priority in order to keep the theatres going.

**Sir Peter Hall:** I would like to endorse what Joan has said, very much, and I must register how appalled and disappointed the profession is at the news of the new grant because the theatre was in a very parlous state a few years ago, particularly the regional theatre, and it is out of the regional theatre obviously that we get the next generation of actors, the next generation of playwrights and, most of all, the next generation of audiences. And at the eleventh hour the Government saved the regional theatre and in the last two years there has been an enormous increase in activity, in creativity and in results throughout the regions. Now it is going to stop; we are on stop-go, and that is a terrible thing. I heard this morning, because I was sitting at the back, the



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fact that our live theatre is subsidised by our actors, and, believe me, that is true, even at the highest level. I was talking to a young man the other day, who is in the RSC playing leading parts in the group doing those Spanish plays. He is the only married man with children in that group of 25 young actors because no young actor can afford to be in that group and pay his digs at Stratford for the season, and that is the Royal Shakespeare Company—it is supposed to be the top of the tree. So I think it is recognition, need, celebration, but, above all, it is security. I am sure all professions want security but people are amazed at an actor's life and the misery of their earnings.

**Q465 Alan Keen:** As you may be asked direct questions from other colleagues you have the chance now, while I am in control, to say exactly what you want to say without having to avoid questions.

**SuAndi:** May I say that my concern as a black woman is that there have been great initiatives around the arts, around cultural diversity, positive action, yet the struggle and the limitations the funding is now putting on the arts will also prevent that expansion. Theatre needs to entertain, educate, take people forward, open their eyes, and it should also reflect society, society being everybody. Those of us who were born in this country who consider ourselves to be black British want to see our stories on those stages. The limitations of funding means that directors, producers are really in a difficult position of wanting to show great work of dead playwrights who have their place, contemporary work, but enabled to be positive and proactive in that programming. The funding restricts that greatly. Therefore theatres are losing a whole generation of diverse, in its greatest sense, disability, female, black, all of that, within the programming because they are so limited in what they are able to produce and put on the stage. That excludes a greater extension of our society today. That exclusions means that we are losing audiences, actors, playwrights that are coming forward because they are not prepared to be hungry.

**Ms Todd:** I want to add to SuAndi's point in relation to the provision of training for young ethnic minorities. There has to be a question of how these vocational schools that exist in this country, whilst at the top of the league they have to open up their doors more to these young individuals who find it very difficult to get into training schools here in this country.<sup>1</sup>

**Mr Croft:** Of course I echo what has already been said, but I suppose I would want to add that I would like to see a recognition of theatre for theatre's sake; that it should not just be seen as a utilitarian opportunity. Also, in a way I would like to redress what I see as an imbalance, which is that Sir Peter Hall has already mentioned that its audiences, actors, producers, directors, writers of the future, but

actually it is the same of today; it is people working today. I think also one can now see that around the country in theatres such as Nottingham Playhouse, West Yorkshire Playhouse, Birmingham, Bristol, that some of the best work is being produced, irrespective of where it is. It is not a London vs regions thing any more, the very best people are working across the country and that needs to be recognised.

**Chairman:** Thank you, Alan. Derek Wyatt.

**Q466 Derek Wyatt:** Good morning. I do not have a theatre. I have a population of about 25,000. I have two tiny amateur reception areas that double up for theatrical space. Is there any research anywhere in Britain that says if the local authority invests in theatre or drama that it actually improves the well being of everybody?

**Ms Bakewell:** I do not think there is enough. If any exists it is not enough because one of the great funders of theatre are of course local authorities; some of them own theatres, some of them give huge amounts, particularly in the metropolitan areas, to theatres in which they take great pride, and which represent a real economic plus. For example, if a company is moving its workforce out of London one of the great pluses offered to the workforce is that there is a community and cultural life there. I therefore think that it is enormously important to engage Regional Development Agencies and local authorities in a sense of where theatre is in the community. I do not want a national plan and I do not want everything set out in a prescriptive sense, but I think that the wealth of advantage is probably not appreciated by some local authorities, and I do not think that the Regional Development Agencies have begun to see that they have a blossoming, flourishing industry.

**Q467 Derek Wyatt:** Forgive me, but not all RDAs are as good as you might suggest and, besides, where do they go to find the information? Which centre of excellence is there in a university that holds the work of drama and theatre? Which is the best that holds this? Is there a Professor of Theatre or a Professor of Regeneration of theatre? Where is it in Britain?

**SuAndi:** May I say that if you consider theatre to be a tree and from that tree are branches, there are different art forms that feed into that final piece called theatre. There is work going on in schools and communities that is led by video artists, poets, writers, dancers that actually impact on the individual and increase their interest in the performing arts *per se*. There is not a documentation of the link between the two and research into that, but it is definitely happening. If you go into the school and run a couple of workshops with young people and enable them to explore their creativity that sparks their interest. The link has to be from the building based theatre with the individual artists and with the schools for the relationship to be built from there.

<sup>1</sup> *Note by Witness:* I would also like to add that, in light of the recent Spending Review settlement, the NCA is looking to the Arts Council and DCMS for leadership to ensure as many arts organisations as possible are not adversely affected by the settlement.

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**Q468 Derek Wyatt:** We have in planning law a thing called Section 106, which is basically a bribe to the developer to develop the house or whatever housing and in return he will bring a village hall or bring a pub or bring something. It hardly ever happens. To what extent have you been talking to the Offices of the Deputy Prime Minister to look at extending the concept of a Section 106 that could actually either fund a new theatre or could actually fund a current theatre?

**Ms Bakewell:** The NCA communicates with all those Government departments whose policies impact on the arts. I think what is interesting in the way the direction for the arts is moving very much now, and is part of the NCA's election manifesto for the arts, is that all Government departments have to be brought to an awareness of what theatre can offer their communities and their particular constituencies. It is moving very much in education; education in its relationship to the theatre has been long-established, but it is now far beyond school visits and occasional workshops, it is beginning to be right into the communities that have been spoken about. Local government really needs to understand that.

**Sir Peter Hall:** I should just register that I am involved with Kingston upon Thames, with a theatre which is the result of a Planning Gain, and the Royal Borough of Kingston has made the shell. We are looking, though, for money to finish it, and one of the problems is that although the Lottery was designed, as I understand, as an incentive to funding, getting other people to raise money, if you are outside the pale, which we are at Kingston because we do not seem to be a desirable residence for the Lottery, there is very little we can do. There is one thing in terms of new theatres around the country, and I think the point is worth making that it is all very well trying to raise money from outside sources, from private sources, from individual sources, but it is very fickle and you need the kind of base, you need the security of something like the Lottery. It does seem to me—and excuse me if I am speaking out of turn—that one of the problems you are facing and we are facing is that the theatre is so diverse. I can make a case for the moneymaker, if you look at the huge West End theatres running their 17th, 18th year of a show, of course. I can make a case for the misery of the tiny group trying to develop itself artistically and being ignored by the Arts Council, because I do believe that in the old days, when I was a young man, the Arts Council responded to creativity. Now they make plans, which is rather different. You cannot plan art into existence; you can only create and then encourage the creator. It is a very, very different thing. So it is a hugely diverse thing. Everything I heard this morning, sitting at the back, about actors subsidising the profession: true; about the difference between different forms of theatre: true; about the difference between the regions and London: true; about the need for Sunday: true. It all comes down to the fact that we are just short of money all the time. I have been in this game for 50 years and for 50 years I have been coming to things like this and what is the answer? A bit more money, please, properly applied. It is not

about philosophy, it is not about aesthetics, it is about money. If the Government feel that the arts are not important and do not want to give them money that is their decision, and we can only just do what we can at the ballot box. But if they do not make us walk tall as artists they will never get anything. We have the best theatre in the world, no question. We also have a backlog of extraordinary plays. The humanist heritage plays do not encourage you to murder, they do not encourage you to cheat, they are actually moral statements even if they deal with the immoral. That is terrific for our young. Why are we not proud of it? Because we are not, we are not proud of it. Look at the next spending round.

**Chairman:** Great credos for Peter! Chris Bryant.

**Q469 Chris Bryant:** I think it was an apologia!

**Sir Peter Hall:** No, it was a protest.

**Q470 Chairman:** Also a bit of a threat actually!

**Sir Peter Hall:** I have no way of threatening.

**Q471 Chris Bryant:** Not a very veiled one. We saw *Two Gentlemen of Verona* last week, and I think maybe there are elements of that play which are not entirely in tune with modern moral sympathies.

**Sir Peter Hall:** I do not know!

**Q472 Chris Bryant:** Proteus does treat her pretty badly, but anyway!

**Sir Peter Hall:** So do a lot of young people growing up, that is what the play is about.

**Q473 Chris Bryant:** We are back to the apologia now. The point I was going to make was that we have had the Old Vic before us. You have worked at the Old Vic and I wondered what you think is the answer to a theatre such as the Old Vic?

**Sir Peter Hall:** The Old Vic historically only works with a policy. It is not like The Lyric on Shaftesbury Avenue or the Wyndhams in Charing Cross Road, it is not a theatre that just shops in plays. What is at the Old Vic is a particular policy and a particular identity, then it works; it worked when it was doing duty for the National Theatre and it certainly worked years and years ago when Lilian Baylis ran it in the same way. It had its own handwriting. That is why people go there; it is a beautiful theatre. If it has a policy it succeeds. But I think we also have to understand that one of the reasons we are having this meeting at all is because theatre is not, generally speaking, economic; it just is not. Why not? Because people want to be paid more than they did 100 years ago, they want better conditions than they had 100 years ago, but that applies to the rest of society. The sensible economic thing to do with theatre, as things stand, is, apart from the big musicals, shut it down. No question about that. That is economic sense. But what about the spiritual sense, the educational sense, the artistic sense?

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**Ms Bakewell:** You can see that we are all driven by a conviction that we have from the evidence, day to day in all our lives of the work being done, the outreach, the ethnic theatres, the new writers, the youngsters, all of these things, theatre in prison, theatre in schools, theatre in communities, we know it is all there and it needs an act of faith from Government to take this huge point—it is almost a tipping point into a new area—in which with more money consistently pledged people could begin to drive further into the community all these initiatives which will have a transforming effect on the life of this country.

**Q474 Chris Bryant:** I think we are all with you on this element. The question is, in the last few years Government policy has been to make museum and gallery entry free and it has been enormously successful, thousands of extra people going through the doors, which is great of itself regardless of any other utilitarian policy you may want to put behind it. I just wonder what the theatre version of that is?

**Sir Peter Hall:** Could I answer that because it seems to me that we have forgotten in the theatre, under the pressure of the years, what subsidy was originally for. Subsidy was for accessibility, subsidy was for cheap prices so that people who wanted it could go to it, and ever since a Prime Minister who decreed to us in the arts that we must get what the market would bear, the whole thing has been distorted. I find it dreadful to go and pay £175 at Covent Garden, which I love, when I regard it as my state subsidised primary opera theatre. That is too much. What is that about?

**Mr Croft:** Could I add something and return to an earlier question, if I may? On the earlier question, there are plenty of universities which have specialist theatre departments, but you will notice in the submission it makes reference to the Economic Impact Study of UK Theatre in 2004 from the University of Sheffield, and I would suggest that might be a place to start looking. There is a second thing, which is about buildings. It seems to me that the investment in buildings in recent years, via the Lottery and other sources, has been quite significant and the problem is that there has not been any investment in work, so what we have been left with are very attractive imaginatively designed buildings but nothing to put in them, and I think that is the real issue: how do you sustain the work which carries on to what we are talking about now? Just on the question of the Old Vic, it seems to me that the problems of the Old Vic are the same of any theatre, which is, to echo what has already been said, how do you find the money to run a consistently intelligent, inviting, invigorating policy? It seems to me that although there are question marks over some of the plays that have been chosen that what is happening there at the moment is proving that you can do it, you can get people to come to new work, whether the critics like it or not, and continue to support a remarkable institution.

**Sir Peter Hall:** It will need sponsorship or subsidy or something if it is going to do plays because plays are not economic, even when they are successful.

**Ms Todd:** You were talking about wish lists and the equivalent of free for all. I will quote your Leader, “Education, education, education.” One of the most important things we have to do in relation to drama in this country is to support drama within the curriculum and get teachers trained to teach drama in schools.

**Sir Peter Hall:** Hear, hear.

**Ms Todd:** Go back to the 60s, 70s, when in teacher training that is exactly what they were taught to do, and somehow or other it has been marginalized. That is one of the most important things we have to look at. Equally, there have been some fantastic initiatives. There was *Kids Week* that TMA and SOLT did. It got loads and loads of people who could not normally afford to take their children to the theatre. You have to encourage young people to go there and to see what a wonderful and brilliant experience it is to look at the British theatre, which it has been said is top of the world, and what this country can offer. So you have to be able to have the money to provide facilities to get young people into the theatre, and that also means getting young people from schools to theatre in the regions. It is not just the case of already impoverished theatres opening up their doors to schools. Yes, they do it and they do it at their cost, but then you have to look at the Department for Education and Skills and look at ways that transport could be made cheaper for the schools to be able to get the young people there. Until you start nurturing the theatre in young people, at three and a half years old, you are not going to get the encouragement, you are not going to get the backing and support for people to continue to enjoy this rich culture which we provide.

**SuAndi:** I want to go back to this thing about self esteem and the individual. There are two roles to be played in theatre on this: the passive, the audience, and one is the proactive, actually up there on the stage. I am concerned about giving people the opportunity to be on the stage maybe once in their life, and then take that seat in the audience and enjoy from a different angle. My experience in the Black Arts Alliance is that to take people, give them opportunities to perform, they might not be any good at it, but actually you have taken them into the building, you have taken them behind the spotlight, they have had an opportunity see what happens back stage and that increases their ability to sit in that audience and to look into a greater sphere of life, and that is really important, but, in order to join that the audience, they have to be able to afford the ticket price. To support what Peter was saying, even in the regions ticket prices are extreme when you are talking about taking yourself and maybe two or three children to the theatre, before we get to group trips from schools. The shortfall in income in our general population has a negative impact on attending the theatre. Ticket prices do need to come down. In order to come down—again to support Peter—we need more money.

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**Sir Peter Hall:** We need ticket prices to come down and salaries to go up. I think we should not be ashamed to say that because it is absolutely crucial, and think it also impacts on—. If you said to me: “What is theatre going to be like in 100 years’ time?”, I would say, “If it has been cherished, if it has been looked after, it will be the most important art form”, because increasingly the screen media is becoming more and more industrialised, computerised; the need for actors on screen is getting less and less and the one thing that the theatre has which it can never lose is that it is live. It is one of those things and a truism I know when we all get together and become rather more intelligent, rather more emotional, rather more alert than we are as separate individuals.

**Q475 Chris Bryant:** A bit like the House of Commons then?

**Sir Peter Hall:** Yes, very actually, press theatre. That is why it is so popular in America.

**Q476 Chris Bryant:** As Glenda Jackson once said, “Badly lit, under rehearsed”!

**SuAndi:** Uganda has more theatre companies than any country in the world and Africa generally has used theatre for many years for many goals, from health education to family reunion, everything like that. That theatre is free. In Ghana we have the Pan African Festival. You cannot actually get a ticket as a visitor because the seats are already filled by local people. They see theatre as a tool of expression, as a tool of learning. It is the same over here, except that we cannot get through the doors.

**Mr Croft:** I would happily make all tickets at Nottingham Playhouse free if somebody would give me another £2 million a year. Just on the issue of education, there is quite a lot of free access already in the sense that lot of work is taken out into schools and provided for children. Somebody has to pay for it, of course, but at Nottingham, for example, we give 200 performances a year in schools as well as running 200 workshops and 20,000 people a year see our work for free already. The issue, of course, is for people coming into the building and seeing the work. The last thing I will say about that is again at Nottingham Playhouse, obviously a theatre I know about best, it is possible for a family of four to come on any night of the week and see a production for £22.00 for the lot of them.

**Sir Peter Hall:** That is not possible in the West End?

**Mr Croft:** I know, come to Nottingham!

**Sir Peter Hall:** It is not possible at the National Theatre.

**SuAndi:** Also at what prices? Be it your accountants or your playwrights, to keep those prices low it keeps their income low as well.

**Mr Croft:** No, not at all.

**Q477 Chairman:** Over this period that we have conducted inquiries into various aspects of the performing arts one thing that has made a big impact on me is that if you are looking at actors, as Sir Peter has been talking about, if you are looking at

orchestral players, if you are looking at opera choruses, if you are looking at dancers in the corps de ballet, all of them are poorly paid and all of them are traded upon because of their dedication and love of their craft. The question to which I would be interested to have answer from our visitors today is this. Accepting that the Arts Council or the Government through other means were to provide more money for all of these performing arts, which I think certainly around this table we would advocate, how can we be sure that it would filter down to the performers rather than to other production values which are all part of these artistic endeavours?

**Sir Peter Hall:** I think that is a very difficult question. You could say that to any organisation about any expansion. I think that the problem is not using extra money on physical production; the problem is using the money for more people in a bureaucratic sense. I think all the subsidised theatres tend to get a plague of assistants, and I think it is understandable but I think it is very undesirable. The dedication that the actor has, I think, has to extend to the management as well. How do you enforce that? That is a problem for the Arts Council. How can you enforce anything? I do know, though, that if you can plan you are healthy; if you know where you are going you are healthier, and all this makes for better theatre and better management. There is always a tendency, I think, with theatre for people to say, “Can you not get in some modern managers and really look into this?” I have had experience of that, I think, four times in my life, and it is always catastrophic because businessmen think that theatre is always the same, and the problem with managing the theatre is that every play is a different problem, economically and in every other way, and it is very hard to make management plans and tendencies; but on the other hand the theatre has to meet deadlines, it has to meet budgets, it cannot postpone, it cannot fail, it has to succeed. I think management in theatre is pretty good, and I certainly think we could handle the extra money without abusing it.

**Ms Bakewell:** I think in terms of the question that you are asking about how can you be sure that the money reaches down, there are already considerably developed monitoring processes by fund givers to look at outcomes. They are certainly very keen on audience numbers and the ratio of cost to audience, and so on. I cannot see that the expectations of waste structures could not be built in also to such monitoring bodies so that when they survey what are called the outcomes the level of payment to the performers should not be a considerable part of that.

**Sir Peter Hall:** I think alongside that, I would personally advocate that the Arts Council is encouraged to grow more teeth, because I think it ought to be more rigorous.

**Mr Doran:** They are sitting behind you at the moment.

**Q478 Chris Bryant:** And they might be in the back of your neck!

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**Ms Bakewell:** No, no, alright, but I think they ought to discourage that which is not succeeding and encourage that which is being creative, and I think they are rather nervous of doing that.

**Mr Croft:** Since 2002, which is when the uplift came, actors' salaries have increased by 30% and BECTU staff by 18%, so there is already a recognition that those staff are underpaid and, were more money to come, I think that is a trend that would continue. The other thing to say is that one also has to recognise that it is not just performers, directors, designers who are underpaid. It is also the staff across the organisation. Pretty much anybody in the theatre could work in the commercial sector for significantly more money. They are every bit as skilled as many of those people and they, like performers, have made the choice to work in an environment where they value their way of life over their income, and so I think one should not just see it in terms of performers against management. It seems to me it is across the organisations that these things have to be addressed.

**SuAndi:** One thing that would be important as well in any increase is if there was a remit in it that said no consultants get involved, because by the time we have paid the consultants there will not be any money left, and that is one problem we do have in the arts. There are too many consultants. Normally ex-officers who resign from their position and come back as consultants earn far more money. I would resign tomorrow if I was an officer. We need the money to come down to us rather than being spent on deciding how it is going to come down to us.

**Q479 Mr Doran:** This has been a fascinating session and I have enjoyed it. I have got a list of technical questions I was going to ask you, but I have decided to throw them away. I thought I could either start canvassing Peter Hall, but I think I would fail miserably. Let me throw you some challenges, because the two issues that have come across for me are the need for stability and sustainability in the theatre are crucially important. I think we would certainly agree with that. Whether you do that by more money, I am not expert enough to say, but I think if you look at it from the public's point of view, just the raw figures, just over £27 million is what the theatre got in revenue funding in 1998 and it is now over £95.5 million in this current year. That is an awful lot of money, and I think the public would find it difficult to understand the comments that you made on Monday. We understand it because we understand the problems of theatre, or at least I hope we do, but in this inquiry, which has been a relatively short one as our inquiries go, we have heard a diverse range of views. You have expressed a lot of strong opinions and it is good for us to hear them. We have heard from actors, we have heard from the unions, we have heard from endless numbers of people representing the large theatre groups, small subsidised theatres, large subsidised

theatres, but what I think is missing is a voice for theatre as a whole, some focus for all of the issues that all of these diverse interested groups have brought to us, and in some respects you have articulated some of the general concerns that there are much better than any of the individuals have, but if I look at one of the issues that we have considered—and I am sorry if this sounds like a monologue, but I am trying to make a serious point—we have all been told that there is a huge economic benefit to the theatre, and when we ask people how they have tried to quantify that, we have got a national report, the Wyndham Report, which has tried to do that, but you try and break that down. We were in Birmingham last week and I asked somebody from Birmingham City Council, “You bring a lot of money into the local theatre. What have you done to quantify locally the impact this has had?” “Not a lot. We are starting on it.” I think that is the problem. I think we go through the educational benefits, cultural benefits, the economic benefit of theatres, but who is pooling all of that together? Who is putting the pressure on us as politicians and the Arts Council as funding to do what you want to do?

**Ms Bakewell:** I can speak for a very small organisation, which is the National Campaign for the Arts. It has its heart in the right place and its remit is to address problems as they arise, and the staff of the NCA, that is their job, to operate across the board about issues as they arise. It is a small organisation but it does seek to find funding for research that takes a broader view. The need is there, and while we are busy alerting our members to licensing law, and so on, which is our day to day function, we try to use the resources we have to address this. We are aware of different enterprises going forward, often within universities, councils and so on, but it is very thin on the ground.

**Q480 Mr Doran:** You can argue for something like that?

**Ms Bakewell:** I think so certainly. I think it would be highly persuasive at a point where treasury criteria are very exacting, and it would be something that the Treasury would have to take note of because it would be in their vocabulary.

**Sir Peter Hall:** I think the confusion, if I may say so, is what usually comes out of these surveys is a general increase in revenue and turnover for the whole area around the theatre and people, I think, do confuse that with the theatre itself. If you start making a case for making money for the town, you start saying well the theatre is making money, and very few theatres, as we know, do make money. To me the most difficult point of all is how do you make theatre important when it is as important as it is, because it is not publicly recognised as important? For me it goes back to the days—from about 1979 onwards—when there was a definite frost on the arts, we all know, we all suffered miserably, and there was a sense that if you asked for money for the arts you were a welfare state beggar. I was called it

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by a minister, I remember. I think that still has stuck to some degree, and that is why the increase three years ago, two years ago, was so welcome that one felt that the theatre was being recognised. I would put the question back to you. How can we get government recognition for the theatre as one of the most important things we do spiritually and educationally?

**Q481 Mr Doran:** I would throw that back at you and say that is your job and not mine?

**Sir Peter Hall:** I think it has to be yours too.

**Q482 Mr Doran:** It is my job to listen; it is your job to make the case.

**Sir Peter Hall:** I have done my soap box.

**Q483 Chairman:** It is my job to move on, I am afraid.

**Ms Bakewell:** There is another problem, of course, which is that the inspirational element of the arts is unquantifiable. It is impossible to measure the value of a poem—a speech of Shakespeare's. How can you do it?

**Chairman:** I think that was hugely stimulating. I am very sorry we have to curtail it, but we have a statement on the BBC at 12.30 and we are all working towards that. Thank you very much indeed.

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#### Memorandum submitted by Arts Council England

1. Arts Council England is the national arts development agency, responsible for developing and implementing arts policy and funding on behalf of the Department for Culture, Media and Sport, and making strategic use of both National Lottery and Treasury grant-in-aid funding. Arts Council England believes in the transforming power of the arts and aims to place the arts at the heart of our national life. Theatre is an important art form and we therefore welcome the Culture, Media and Sport Committee inquiry.

2. In total 248 theatre companies in England receive core funding from Arts Council England, including producing and touring companies and presenting theatres. It is worth noting that under the heading of theatre we include circus and street arts. We also fund arts centres, festivals and other organisations that are important to the theatre infrastructure.

3. Unless otherwise specified, when we refer to theatre we are commenting on the subsidised theatre sector. There are a number of funding streams available for theatre through Arts Council England and a glossary of these terms and grants is available at Appendix A.

#### THE CURRENT AND LIKELY FUTURE PATTERN OF PUBLIC SUBSIDY FOR THEATRE, INCLUDING BOTH REVENUE SUPPORT AND CAPITAL EXPENDITURE

4. Prior to July 2000, the future of the theatre sector looked bleak. Severe under-funding for over two decades had left the industry with limited opportunity for innovation or creativity owing to a stop-start pattern of insecure funding. Crucially, despite the importance of theatre to the country's cultural economy (an overall economic impact of £2.6 billion pa<sup>17</sup>) years of under-investment had left many organisations at risk of insolvency, an assessment supported by the *Roles and Function of the English Regional Producing Theatres* Report and the Arts Council of England's document *The Next Stage*. During this period of under funding, there had been a concentration on the survival of buildings and institutions. Investment in the artform and people had become secondary. The sector had become inward looking, was losing audiences and failing to engage its surrounding communities.

5. Two things happened in July 2000 to change that. First, the Arts Council of England (now Arts Council England) published the National Policy for Theatre in England.<sup>18</sup> The policy was the result of the theatre review process, which had identified a sector in crisis with poor morale, reduced productivity, lowered standards and declining audiences. This document provided a strategic framework for the sector and identified clear priorities for action for both Arts Council England and the sector itself. The Policy called for the establishment of strategic partnerships in order for it to work. It required not only Arts Council England to position itself to support and guide the sector, but for the sector itself to come fully on board and embrace the policy. Alongside this, Local Authorities and the education and commercial sectors needed to be involved so that the sector could mobilise itself for change. Without this change, the sector would be unlikely to attract new and diverse audiences, which was a crucial element for survival. This was noted in the National Policy and has become a core focus for action.

6. Crucially, the National Policy had identified lack of funding as a key barrier to change. As a result Arts Council England argued that, at the very least, the sector needed an additional £25 million annually to be invested in regional theatre. This assessment formed part of our bid to Government for the 2000 Spending Review. In that Review it was announced that we had secured an extra £100 million of Government funding for arts from 2003–04. It included the additional £25 million for theatre annually from 2003–04 (excluding the National Theatre and Royal Shakespeare Company). This represented a 72% increase in the budget for

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<sup>17</sup> *Economic Impact Study of UK Theatre*, Dominic Shellard, Sheffield University, April 2004.

<sup>18</sup> A copy of the National Policy for theatre in England, is attached in hard form.

theatre, bringing grant in aid to £75 million. It meant that some organisations were able to receive grants that were more than doubled. Almost all of regional producing theatres received substantial increases: 83% of new funds went to producing companies, 12% to promotion and presenting, 5% strategic funding initiatives such as the Black Regional Initiative for Theatre (BRIT). One of the major achievements was a renewed focus on cultural diversity. The appendix includes details of all the work in this area for the interest of the Committee (Appendix B).

7. It became very clear that the theatre review process and the additional money would be the start of a journey for subsidised theatre that would bring stability and growth. Our concern now is that standstill funding could de-rail that journey and upset the fragile stability that has now been achieved. The money has brought about a real transformation in the sector, allowing innovation and excellence, new ideas and support for talent, which alongside a national policy framework has immediately invigorated a depressed sector.

8. The policy and the additional money set out to halt decline in theatre, and we believe it has started to do so. Theatres have valued the direction given by the National Policy for Theatre as much as the additional investment.<sup>19</sup> Allied to our own modernising reforms, we have been able to take, for the first time, a genuinely strategic, long-term view of the country's theatre needs.

9. 2003–04 was the first year of the full increase in revenue funding for the new theatre portfolio and analysis of its impact is not yet complete. However, research from MORI shows that the Arts Council's review of theatre has started to revitalise and invigorate the theatre industry, giving organisations a new impetus to develop and succeed. The research found:

- The quality of work of theatre in England has improved.
- More and better employment opportunities are available in theatre.
- Theatres are able to plan ahead, be more strategic and are more financially secure.
- Morale has improved significantly and confidence within the sector has been transformed.
- The theatre industry is taking positive steps to address issues of diversity.

10. There are many more signs of change. In 2001–02, for example, 63% of funded theatre organisations were actively developing the artists and creative managers of the future. In 2002–03, the first year theatre review grants were allocated, 77% had plans to do so.

11. However, many theatres started from a poor financial position and although money helped them to stabilise and invest, it has not been sufficient in itself to completely reverse the damage of decades of under-investment. The additional funding has helped to generate confidence and optimism but it is not the end of the story. To guarantee their survival, we believe the sector needs continued investment in order to secure these successes and ensure that they can be built upon and not lost.

12. As the Committee is no doubt aware, the announcement of the Spending Review 2004 did not, as the sector and we had hoped, ensure sustained investment. Cash standstill in our grant-in-aid will mean real terms drop in funding of £33.8 million over the period of the spending round 2005–06 to 2007–08. Our case to Government and the DCMS was based on the evidence that a pattern of stop start funding (as in the 1990s) undermined the arts infrastructure. Inflation would protect the stability of the sector and safeguard the funding that has already been invested into the industry.

13. Arts Council England's overall funding increases in arts funding secured in 2000 and 2002 have not yet redressed the erosion of arts funding seen in previous years. Between 1993–94 and 2001–02, the total core grant-in-aid received by Arts Council England was some £120 million less (at 2001–02 prices) than it would have been had it kept pace with inflation. Even now, with the uplifts of the last two spending rounds, there is still a shortfall of around £54 million, which will only be finally eroded this year (2005–06).

14. This is important to remember when looking at a funding freeze in Spending Review 2004. As a result of that long-term under funding, a significant proportion of the additional money for theatre of the last two rounds has gone into remedial support. This is before taking into consideration the effects on inflation, the reductions in Local Authority funding or the decline in income from other streams such as the National Lottery.

#### THE PERFORMANCE OF THE ARTS COUNCIL IN DEVELOPING STRATEGIES AND PRIORITIES AND DISBURSING FUNDS ACCORDINGLY

15. The theatre review process and the National Policy for Theatre have proven to be two defining moments in the future of the industry and have provided solid foundations for the many other initiatives and strategies we have since developed. The review and Policy have ensured that the strong partnerships we have fostered with the theatres, Local Authorities, trade unions and the education and commercial theatre sectors have provided a core focus for activity. This has ensured that progress and change are real and measurable. We believe the Policy and the review have gone a long way to address the issues of crisis in

<sup>19</sup> Implementing the national policy for theatre in England, Case Studies 1 by MORI for Arts Council England.

theatre and provide a useful foundation for the future. The policy is owned and acted on by the Arts Council across the country as a whole providing a coherent and consistent framework for our decisions on theatre funding and development.

16. Growth and confidence are important for the sector if it is to embrace its artistic potential and engage a wider audience. Economic growth should not be seen purely in terms of achievements in public subsidy, but about the box office successes of our funded theatres. Improvements in quality and standards are also important, not least regarding opportunities for creativity, but for larger casts and longer rehearsals. This change is important for those working in the sector, just as the priority for cultural growth, which looks at broadening engagement with theatre, will ensure that there is a more inclusive mix of audiences and personnel in the sector. Finally, improvements in the fabric of the buildings will ensure more attractive and accessible environments for these new audiences and workers.

17. The National Policy for Theatre and the funding framework enabled by the additional £25million, have been greatly valued by the sector. The intention of the policy was to enhance production and presentation of high quality work in theatre. We have provided a copy of the Executive Summary for our research *Implementing the national policy for theatre in England* by MORI, in the appendix (Appendix C), which is the first part of our own review of the impact of the policy. The industry has highlighted:

- Enhanced quality of work, which they have attributed to the ability to work differently—82% of respondents stated that they felt they could work differently and they have been able to invest in rehearsal time, cast sizes and develop new work (57%<sup>20</sup>).
- Crucially, theatres have been able to plan ahead, be more strategic and feel more financially secure.
- Attendance and participation has increased alongside a diversified audience base.

18. One key priority for Arts Council England and the theatre sector is diversity. The theatre review process identified cultural diversity improvements in employment and audience reach as a key aim for the sector. While this was largely motivated by a desire to ensure that theatre is as inclusive as possible, it is also in part owed to recognition that for the sector to survive it needs to encourage all potential audiences to their performances. As detailed above, the appendix (Item B) includes information relating to our work in cultural diversity. The engagement of young people is also very important and we are currently developing the Theatre Education Network, which supports theatre professionals who are providing opportunities for young people, to take forward our policy priorities. More information about this work is outlined below.

19. As part of our endeavours to ensure as much money as possible can be allocated directly to the arts, the Committee will be aware of our efforts to modernise our organisation. Following on from the merger of the Arts Council of England and the 10 Regional Arts Boards, Arts Council England is now a single organisation. We have reduced bureaucracy through the rationalisation of 115 funding schemes to just five and we are ahead of our target to reduce our overheads by around £8 million. We have successfully delivered substantial improvements to the effectiveness and efficiency of our own organisation and we are committed to applying this rigour to a fundamental review of our portfolio of funded organisations.

20. The Arts Council's portfolio of Regularly Funded Organisations (RFOs) is currently around 1,200. The portfolio has changed over the years to reflect the changes in the arts themselves. We are now instigating a more formal process of review and refreshment and have therefore instigated a single framework for the assessment of all RFOs and their funding needs. The theatre review process anticipated these changes and was the beginning of a journey to stabilise theatre but our portfolio review will be the culmination of all that work. The current decision making process allows us to review the impact of the decisions made in 2001 at the time of the theatre review.

#### SUPPORT FOR THE MAINTENANCE AND DEVELOPMENT OF THEATRE BUILDINGS; NEW WRITING; NEW PERFORMING TALENT

##### *Theatre buildings*

21. While not all theatre takes place in traditional theatre buildings, the working environment is important for the majority of theatres practitioners, audiences and participants. Through the National Lottery funded capital programmes, Arts Council England has funded improvements in theatre buildings. However, we are encouraging the theatres we fund to establish reserves for the maintenance of theatre buildings as a more cost effective approach to retaining a healthy infrastructure. Local Authorities are also a key factor in the survival of theatre buildings. They own a significant number and can be their most significant arts funding partner. Arts Council England has been working in partnership with Local Authorities to ensure that investment in the fabric of our theatre heritage is drawn from many sources and not just National Lottery investment. We have provided a list of capital projects for the Committee's interest in the appendix (Item D).

22. Our policy recognises that the physical infrastructure of theatre underpins their potential. This reinforces the need for capital funds through the National Lottery and our encouragement of theatres to build up reserves for maintenance. Overall, the investment in theatre buildings has resulted in a vastly

<sup>20</sup> This information was the result of an internal study that took place in the North West of England.



improved performing environment. However, given likely developments in lottery funding, we are moving to a strategy where capital and revenue are more closely linked. While the significant capital grants of the last century are unlikely to be repeated, we will use this link to ensure that as much as possible can be done to maintain the fabric of our theatre infrastructure. However, this approach will go forward in a changing environment, which may see Arts Council England no longer a National Lottery distributor. If this were the case, the impact on theatres would be considerable.

23. Many of our theatres are old buildings, in need of constant maintenance and repair. A significant amount of this infrastructure maintenance has been met by National Lottery capital funding but there is still much to do. What is critical for the future health of theatre in England, is that the infrastructure is not permitted to return to its previously run-down condition. New and refurbished theatre buildings need continued investment to maintain their current condition and to keep pace with the changing demands of audiences, artists and regulators. Whether this demand will be met by the National Lottery is dependent on what happens to distribution decisions in 2009.

24. Lottery funding for theatre over the period November 1994 to November 2004 was £441.02 million, of this capital expenditure was £356.18 million. If this investment is not maintained, even to a lesser degree, the focus of subsidy will have to be about infrastructure and not innovation and creativity. This may result in a return to the stagnant, spiral of decline characteristic of the 1990s.

25. In 2003–04, total Arts Council England's grant-in-aid was £335.5 million, an increase of £83.3 million from 2001–02. The vast proportion of this money is providing core funding for our 1,200 regularly funded arts organisations, of which 35% are in the theatre sector. In addition, financial investment will include stabilisation funds, and capital funding from the National Lottery. Arts Council England strategically uses all available funding streams to enable the theatre sectors' transformation. This includes stabilisation and recovery, which have been used as a method of achieving stability and growth in the theatre sector. Stabilisation investment in theatre has so far amounted to £39 million (28% overall) from April 1996 until the end of March 2004.

#### *New Writing*

26. New writing is a key priority area for Arts Council England. The theatre review specified that money be made available for new writing. Until recently, Arts Council England had new writing grants as a stand-alone funding stream. This has now been incorporated into Grants for the Arts. This change will allow greater flexibility for funding decisions and therefore ensure that we are able to fund a greater variety of innovative writing projects than before. While it is too early to provide statistical data on the success of this scheme, anecdotal evidence is suggesting that this system is working and we are working with the Writers Guild and producers that commission new writing to ensure that as many writers know about the new scheme as possible. Additionally, we have increased grants to RFOs that are new writing specialist companies, such as the Soho Theatre, Live Theatre and the Royal Court, and allowed many regional theatres to strengthen their literary departments eg the Crucible in Sheffield.

27. As part of our ongoing diversity work, Arts Council England has been working with the BBC Radio Drama to improve new writing opportunities for black and Asian writers. The project is called Stages of Sound, and it aims to commission new ideas, talent and debate around cultural diversity. Information surrounding this initiative is also supplied in the diversity section of Appendix B.

#### *New performing talent*

28. The United Kingdom produces outstanding performers whose work is not restricted to theatre. These performers will work in subsidised theatre, commercial theatre, television, radio and film. Often their practical training and development will take place in subsidised theatre and as such, it is vitally important for the cultural industries that the opportunities for employment are as diverse as possible.

29. It is important, if our international standing in theatre is to be maintained, that performers are supported. This will involve training, continuing professional development, funding for theatres and ensuring access to theatre throughout their school career. We recognised the importance of the artist in our document *Ambitions for the Arts* and by providing a solid foundation for the development of theatre, we can provide a sound foundation for performing talent.

30. To ensure that we maintain a regular dialogue with performers, we have a regular dialogue with Equity and the Musicians Union, through their association the Performers' Alliance, to which the Writers Guild of Great Britain is also a member. This allows their concerns and interests to be factored into our ongoing policy discussions. We have also worked with companies such as the Asian Theatre School and the Young Vic to provide opportunities for Asian performers. The Asian Theatre School received funds from Arts Council England as a result of our theatre review process and are now able to undertake national touring as a result.

31. With regard to training and development, while further and higher education and training are not within our remit, we recognise their importance and support the National Council for Drama Training (NCDT). It is important to ensure that the sector reflects society as a whole. Without diverse gender and race

and performers with disabilities entering the sector through education opportunities entry routes at later life will become increasingly difficult to access. The Dance and Drama Awards (DADA) have also been important for ensuring pathways for progression. DADA provides funding for talented students attending recognised training institutions. The Scheme has recently piloted a small number of initiatives to enable performers with disabilities to undertake training. These initiatives are working with companies, such as Graeae and CandoCo Dance Company, and using the experience and expertise developed by the profession to feed back into the training sector.

32. We have provided targeted investment in a number of areas, including writers and directors training, and at Birkberk College, we invested in a unique directing course for three years. Arts Council England has provided funding for emerging a black and Asian theatre directors course at Contact Theatre in partnership with Nitro, Tara Arts and Live and Direct. With regard to the remaining theatre portfolio, Arts Council England has supported the training and development in the circus industry through capital and revenue investment in circus schools. We have also made significant investment into a number of circus companies. For example, Circus Space received an increase of funding of 43.5% from 2002–03 £135,077 to £231,000, while Circomedia is now a RFO with £80,000 in 2004–05 rising to £100,000 in 2005–06.

33. Likewise, by supporting theatres' education and youth theatre programmes we can increase the quantity and quality of opportunities for young people to develop talent and go on to make a living in the cultural sector. Youth Theatre, or Participatory Theatre, is an important area for new performers and cultural impact. "Youth theatre" is a broad term used to describe a wide variety of organisations engaging young people in theatre related activities. It takes place outside of formal education, is facilitated by adults (to greater and lesser degrees) and is based on the voluntary participation of young people. It has been shown to have wide-ranging beneficial impacts upon young people, positively contributing to transitions from childhood to adulthood. There are approximately 750 youth theatres spread across England, catering for an estimated 30,000 young people.<sup>21</sup>

34. The focus of the National Policy was on professional theatre and therefore did not identify participatory theatre as a priority area. However, this work has historically been an important part of the theatre industry in England. Since the theatre review, Arts Council England has been focusing on this area and funds the National Association of Youth Theatres; National Youth Theatre and the National Student Drama Festival, and through a variety of funding sources other youth and participation projects have been funded and continue to be funded, not least through subsidy to regional producing theatres and national touring companies, most of whom run youth projects.

35. In recent years significant developments have been made with the funding of the Asian Theatre School, developing new ways of an integrated approach to making work at Leicester Haymarket Theatre, and the project CONTACTING THE WORLD, led by Contact Theatre and funded through the British Council, that has seen important international collaborations. Through the work of the Black Regional Initiative in Theatre (BRIT) it is recognised that opening the doors to employment opportunities for black and minority ethnic young people in theatre is more likely to happen through participation in theatre rather than traditional training institutions.

36. Arts Council England undertook a specific review of Children's theatre in November 2000, which informed the theatre review process. Following a national seminar in July 2002, Arts Council England undertook a number of pilot programmes including ones looking at training for drama students and developing a consortium of eleven promoters managing venues, amongst other projects. We are also working with two producing theatres to promote the development of playwriting for children's theatre. The publication of play scripts is an important way of promoting theatre for children, and through our working this area four plays were selected for an anthology of plays for children in the 7–11 age range, published by Faber in 2004.

37. Currently the social welfare system does not recognise "artist" as an employment category, as a result the social and economic diversity of entrants into the arts sector is being limited. We are working to ensure that artists are recognised an employment category so that they can access more benefits to allow them to remain in the industry between jobs. By recognising and in particular by extending the Government scheme, the New Deal, to cover all artists, the Government can make an important step to broadening the range of people that can develop their careers in the arts. One of the great strengths of the New Deal is that it is flexible to the changing nature of the labour market and caters to the needs of the individual. Artists would benefit from this flexibility and specialised focus, especially through access to the New Deal from the early stages of their careers. The benefits of having a system where all performers can maintain their career even during periods of unemployment without seeking alternative income to the sector are enormous.

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<sup>21</sup> Stages in Development, Centre for Applied Theatre Research, March 2003.

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THE SIGNIFICANCE OF THE THEATRE AS A GENRE (A) WITHIN THE CULTURAL LIFE OF THE UK; (B) IN THE REGIONS SPECIFICALLY, AND (C) WITHIN THE UK ECONOMY, DIRECTLY AND INDIRECTLY

(a) *within the cultural life of the UK*

38. Theatres provide a focus for their communities. Not only are they an access point for culture, but they can be an opportunity to spark debate amongst communities, and ideally foster a better understanding of minorities for a more inclusive environment. Oldham is an example of an area working closely with communities. Oldham is the 38th most deprived local authority in England. By 2010, a fifth of its population will be Muslims with origins in Pakistan, Bangladesh and northern India. The Coliseum Theatre in Oldham has responded to this challenging environment by increasing the amount of its outreach and education activity, mainly as a result of by new partnerships with schools and colleges and agencies such as Connexions and a range of investment sources including European funding. The most exciting development in Oldham has perhaps been the rapid growth in the influence and impact of Peshkar Productions making work by, with and for younger people in Oldham mainly from the Pakistani and Bangladeshi communities. This has resulted in commissions from other theatres and a joint conference with the Coliseum in 2004 focusing on Art and Islam.

39. Additionally theatres can bring added value to the communities in which they are located. For example, theatre has a key role to play in delivering against the outcomes identified in *Every Child Matters*. It can be used to promote messages about being healthy and staying safe, and provides opportunities for children and young people to enjoy themselves and achieve recognition and status within their community. Most importantly, it can empower children with skills for creativity and for life. Theatre will also have a role to play in any proposals for youth expected in the forthcoming Government green paper and the ten-year strategy for early years and childcare.

40. Theatres, through their work to engage new audiences, are working differently and fostering new partnerships that can only increase their cultural value to society. It is important that theatres can react to the change in demographics around them, through new writing, new partnerships, especially for young people. Our theatre funded organisations put on 5.8 million performances for young people in 2001–02 and reached a total audience (of all ages) of 8.2 million.<sup>22</sup>

41. Schools, whether through direct relationships with theatres or Creative Partnerships, can also broaden the horizons of their pupils with theatre and educate them about society as a whole. Arts Council England whole-heartedly supports the concept of creating universal opportunity for young people to work with cultural and creative professionals, to enrich their learning across the whole curriculum and believes that theatre has a key role to play in that. The impact of youth theatre on the cultural life of communities is detailed above. There are however, many more opportunities for theatre to impact directly on this area.

42. Touring companies have a particular role to play in the theatre ecology. They access geographically isolated and economically deprived communities and ensure a diverse mix of theatre is available. In the financial year 2003–04, under the new Grants for Arts Lottery funded scheme, Grants for National Touring supported over £3 million worth of theatre projects to tour nationally and in some instances across UK borders. As a result, audiences were given a wide choice of high quality theatre performances across a range of genres, which complemented the regionally based theatre work from its producing theatres. Theatre accounted for 39% of all touring work in England in 2003–04, and since the theatre review, four building based producers were awarded three year fixed-term National Touring Contracts to increase the range and diversity of touring work at the large and middle scale. The investment in touring work has encouraged dynamic and mutually beneficial relationships across the country and has stimulated collaborations and touring circuits to meet the needs of artists, venues and their audiences.

43. The audience for street arts is also significant. A recent pilot study (2001) carried out by social survey division of the Office for National Statistics indicates that over a 12 month period, 18% of respondents had attended street art, carnival or circus compared to 22% at a play or drama, 11% at pantomime and 10% at a dance event. The survey also showed that 23% were 16–24 year-olds and 25% were 25–34 year-olds.

(b) *in the regions specifically*

44. The National Policy embraced regional distinctiveness. We are aware that theatres develop in different ways and react to their individual environments accordingly, reflecting their regional identity, such as the Liverpool Everyman. The Hull Truck Theatre has a different approach to programming to the Salisbury Playhouse. Additionally, theatres are very important locally and can often be a driving force for cultural policies and building blocks for cultural activity. Local Authority investment in our RFOs for 2001–02 was £17.2 million<sup>23</sup>, with a median local authority grant of £45, 800<sup>24</sup> for the same year, which reflects the importance they play in communities.

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<sup>22</sup> A statistical survey of regularly and fixed term funded organisations 2001–02, Arts Council England 2004.

<sup>23</sup> A statistical survey of regularly and fixed term funded organisations 2001–02, Arts Council England 2004.

<sup>24</sup> Implementing the national policy for theatre in England, Case Studies 1 by MORI for Arts Council England.

45. Attendance numbers for theatre in the regions are consistently high, typically between 21% and 29% of those surveyed seeing a play or drama in 2003<sup>25</sup>. There are a number of excellent examples of theatres linking with their local communities, and we cannot outline them all here. Theatres will also provide a central focus for communities at a local level through their education sessions. For example, there were 846,000 attendances at education sessions delivered by Arts Council England theatre RFOs in 2002–03<sup>26</sup>.

46. Another important method by which theatres have had a positive impact on the regions is through Creative Partnerships, which provide children across England with the opportunity to develop creativity in learning and to take part in cultural activities of the highest quality. Creative Partnerships works in schools in areas of high deprivation to foster sustainable partnerships between schools and the widest possible range of cultural and creative professionals and organisations, which includes theatre companies and many others. The projects aim to broaden learners’ cultural experiences, animate all aspects of the curriculum and promote systemic change. The Partnerships can have a real direct impact in their local areas, and engage communities and their local theatre companies in an effective and strategic way.

(c) *within the UK economy, directly and indirectly*

47. The creative industries are the largest growth sector in economy. In May 2004 Arts Council England published the most comprehensive economic impact study of theatre, which shows that the economic impact of UK theatre is £2.6 billion annually. Overall, the economic impact of theatre beyond the West End is £1.1 billion. Tourism and leisure industries directly benefit with every audience member spending an average of £7.77 on food, transport and childcare when they visit a UK theatre outside of the West End. The West End directly contributes £1.5 billion to the economy and with audience members more often travelling to stay in London, they will spend £53.77 on food, transport and childcare (excluding accommodation) when they visit the West End.

48. Each theatre makes both direct and indirect contributions to the local economy. The direct impact: local spending on purchasing supplies; wages paid to staff that live locally. The indirect impact is the “knock-on” effect generated by the direct impact, where spending money leads to more money being spent. When theatres purchase supplies from a local company, that income helps the company pay wages to its staff that then use it to buy other goods. All that expenditure is constantly circulating around the local economy, helping to preserve jobs, and boost economic growth. The Everyman Theatre in Cheltenham is an excellent example of this, with goods and services bought locally totalling £478,166, with an estimated local economic impact of £4.1 million in 2002–03.<sup>27</sup>

49. The additional visitor spend (AVS) also demonstrates how audience spending can make a significant difference to the local economy. By attracting people into an area—where they might eat out, spend money on transport or buy local produce—theatres help sustain jobs, generate additional economic activity and act as forces for economic and social regeneration.

50. Artists and arts organisations funded by Arts Council England do much to promote Britain’s image abroad. Performances by the Royal Shakespeare Company at Stratford-upon-Avon act as magnets of excellence for visitors to this country. British theatre and the RSC especially, act as a great international ambassador. A survey<sup>28</sup> indicates that 29% of overseas visitors (of which there were 24.7 million in 2003) are drawn to visit Britain by the chance to see performing arts. This contribution towards inward earnings is complemented by Britain’s cultural exports. National Theatre productions have been acclaimed on Broadway and contribute to the national identity by taking high quality, high profile work all around the world.

THE EFFECTIVENESS OF PUBLIC SUBSIDY FOR THEATRE AND THE RELATIONSHIP BETWEEN THE SUBSIDISED SECTOR AND THE COMMERCIAL SECTOR, ESPECIALLY LONDON’S WEST END

51. The Economic Impact Study of UK theatre report gives a clear picture of the state of English subsidised theatre and the first indications of the impact of the Arts Council’s 2001 theatre review. A great deal of this information is detailed above. Our public subsidy goes into supporting work and companies that would not be viable in a commercial market. The subsidy allows for innovation and experimentation and the development of a broader range of work that could not be sustained in a purely commercial environment. We are not suggesting that subsidised work is not entertaining or that commercial work is not valid. We believe that there is a natural relationship between experimental theatre in a found space and purely commercial work, for example. Subsidy can protect theatre from the vulnerability of the commercial market place, which is shown clearly by the current health of the regional theatres as opposed to the commercial sector, which is experiencing some difficulties. Arts Council England welcomes cooperation

<sup>25</sup> Arts in England 2003, Arts Council England, 2005.

<sup>26</sup> Annual Survey of Regularly Funded Organisations, Arts Council England 2005.

<sup>27</sup> Economic Impact study of UK Theatre, Dominic Shellard, University of Sheffield April 2004.

<sup>28</sup> Overseas Leisure Visitor Survey, 1996.

between different sectors within the theatre industry particularly where this results in the promotion of opportunities for greater access to work initiated with the help of public funds. Such cooperation can also result in the creation of valuable income streams for subsidised companies.

52. The Theatre Investment Fund, which is now called Stage One, is an important element of this relationship between subsidised and commercial theatre. Stage One is a charity that provides commitment to training and support for theatre producers. Since its creation in 1976, the fund has invested £3.4 million in over 700 productions and has run a programme of workshops and courses available to all producers. Arts Council England supports Stage One because of the invaluable experience it provides to the subsidised sector. Through a relationship with the commercial sector, producers are able to learn skills around contract negotiation, receive guidance about working methods and ensure a smooth transition of shows from subsidised to commercial markets. In addition, it ensures the development of a reciprocal relationship between the two sectors and creates mutual trust and understanding.

53. A healthy West End is good for theatre as a whole, just as healthy subsidised theatre sector is important to health of West End. This was noted in the Wyndham Report, which concluded that the success of commercial theatre due to its symbiotic relationship with the subsidised sector. The journey of *Jerry Springer: The Opera*, from the BAC in Battersea, to the Edinburgh Festival to the National Theatre and then to the Cambridge Theatre in the West End is an excellent example. Co-operation between two sectors is important as it creates valuable income streams and allows for the cross fertilisation of experience between commercial and subsidised sectors, thereby creating new partnerships.

54. We are aware of the Theatres Trust Report *Act Now!: Modernising West End Theatre*, which has identified a need of £250 million to upgrade London's commercial West End theatres. We are currently taking part in discussions with the DCMS, Heritage Lottery Fund and the Theatres Trust as to how to take this report forward, and we very much welcome this involvement. As we have noted above, it is important for the West End to thrive, as its contribution to the theatre ecology is invaluable.

55. While we welcome discussions and may be a small contributor to the West End's needs, we will not be able to solve what the Theatres Trust has calculated will be a £250 million renovation project. As we have already detailed above, there will be a decrease in the amount of National Lottery money available, not least if it is decided that Arts Council England should no longer be a distributor. Our capital Lottery budgets have also already been allocated until 2006. It would therefore be difficult to make any commitments, at least until we are reconfirmed as a distributor.

#### PROGRESS WITH SIGNIFICANT (RE)DEVELOPMENT PROJECTS

56. Information is provided in Appendix E.

## APPENDIX A

### SUMMARY OF FUNDING

#### ROLE

*Funding:* Arts Council England receives grant-in-aid from the DCMS, and is responsible for distributing it in accordance with the objectives set out in the Royal Charter. The majority of grant-in-aid is awarded to organisations, which receive funding on an ongoing basis. Arts Council England is also a National Lottery distributor.

*Partnerships:* A key function of Arts Council England is to forge partnerships that benefit artists and arts organisations. This includes bringing funding from other sources to match the Arts Council support and making wider links between arts organisations and/or funding bodies.

*Other activity:* Arts Council England commissions research and provides advice and information to arts organisations on matters such as marketing, business practice, and touring. It provides an overview of arts activity that allows it to address gaps in provision both by area and by art form.

#### PRINCIPLES OF OPERATION

The relationship between DCMS and the Arts Council is known as the "arm's length" policy. This means that the Arts Council is given freedom to make individual funding decisions without frequent or overbearing intervention by the Government. The Arts Council must, however, be able to account for their decisions and explain them to Government, Parliament and public. The Government may intervene in matters of significant public interest.

## RESTRUCTURING AND RENAMING

Up until 2002, the Regional Arts Boards were independent companies and grants were awarded to them from The Arts Council of England, subject to conditions set by the Arts Council. On 1 April 2002, The Arts Council of England and the 10 Regional Arts Boards joined together to form a single development organisation for the arts in England. Arts Council England has nine regional offices matching the Government's regional boundaries, and a national office.

## GRANTS FOR THE ARTS

The Arts Council currently runs five funding programmes under Grants for the arts:

*Grants for individuals:* An individual can apply for a grant for arts-related activities, which might include:

- projects and events;
- commissions and productions;
- research and development;
- capital items (such as equipment);
- professional development and training, including travel awards;
- bursaries;
- fellowships
- residencies; and
- touring.

Applications can cover more than one type of activity and awards typically range from £200 up to a total of £30,000. Most grants awarded are under £30,000. Applications for grants can be made to cover activities lasting up to three years.

*Grants for organisations:* Arts organisations and other people who use the arts as part of their work can apply for grants for arts-related activities. This might include:

- projects and events;
- activities for people to take part in;
- education activities;
- research and development;
- commissions and productions;
- marketing activities;
- audience development (activity carried out specifically to meet the needs of audiences and to help arts organisations develop ongoing relationships with audiences);
- capital items (such as equipment and improvements to facilities and buildings);
- professional development and training;
- organisational development to improve the long-term stability of arts organisations; and
- touring.

Applications can cover more than one type of activity. Grants to organisations usually range from £200 up to a total of £100,000, but most are under £30,000. Applications for grants can be made to cover activities lasting up to three years.

*Grants for national touring:* National touring applies to tours in two or more Arts Council England regions. All kinds and scales of work receive funding to tour in England. Tours are also considered where up to 15% of the planned tour is in Northern Ireland, Scotland and Wales. Grants can help cover costs associated with time-limited, not-for-profit tours. Arts Council England encourages artists, producers, venues and promoters to work together so that audiences can enjoy the best possible work.

Grants for national touring are available for individuals and organisations and normally range from £5,000 up to a total of £200,000, but most are under £100,000. Applications for grants can be made to cover activities lasting up to three years.

*Grants for stabilisation and recovery:* Grants for the arts for stabilisation and recovery are aimed at larger-scale organisations, which are central to arts provision in England and have a financial turnover of £250,000 or more with audiences in excess of 25,000 per year.

Stabilisation helps arts organisations to develop and re-focus their work, giving them an opportunity to put themselves on a more secure footing. These awards are made to help organisations develop their own stabilisation strategies and to provide the funding necessary to enable change.

Recovery assists key strategic arts organisations to develop financial recovery plans, in conjunction with their key stakeholders, which will enable them to secure their operation's stability in the medium term.

*Application Procedures*

Grants for the arts, Individuals; Grants for the arts, Organisations; and Grants for the arts, National Touring.

Who can apply?

- Artists, performers, writers, promoters, presenters, curators, producers and other individuals working in the arts;
- arts organisations;
- local authorities and other public organisations;
- partnerships, collectives, and regional and national organisations;
- organisations whose normal activity is not arts-related, including voluntary and community groups; and
- groups of organisations or individuals. (One of the organisations or individuals involved will need to take the lead and have the main responsibility for managing the application and any grant.)

The application has to be arts-related and based mainly in England. There are, however, certain exceptions to this rule, such as when artists based in England undertake professional development activities in other countries. You must be based in the UK if you are applying for a grant for touring.

Restrictions apply to organisations that receive regular funding from the Arts Council. They will need to check with their lead officer before applying. Individuals working for regularly funded organisations may only apply for training, professional development and travel grants in certain circumstances.

*National Lottery*

The National Lottery was launched in November 1994. DCMS is now responsible for overseeing lottery distribution. Each of the lottery distributors makes decisions independently of government within a framework of policy directions that they receive from DCMS. The National Lottery Commission oversees the process of the National Lottery independently. The allocation of Lottery funding is governed by the principle of “additionality”. This means that the distributors must not give grants that might subsidise a statutory service or replace statutory funding.

The distributors who give some, or all, of their funding to the arts are:

- Arts Council England, Arts Council of Northern Ireland, Scottish Arts Council and Arts Council of Wales;
- Big Lottery Fund.

*Arts Council England*

The Arts Council has five main funding programmes: Grants for Individuals, Grants for organisations, Grants for Touring, Grants for Stabilisation and Grants for Recovery. The Grants for Individuals Programme is funded by Grant-in-Aid and the remaining programmes are lottery funded.

**APPENDIX B****ARTS COUNCIL ENGLAND DIVERSITY INITIATIVES****BLACK REGIONAL INITIATIVE IN THEATRE (BRIT)—THE NEXT STAGE**

The Black Regional Initiative in Theatre (BRIT) developed out of the Regional Black Theatre Initiative set up by the Arts Council in the early 1990s. BRIT is a key strategic fund of Arts Council England that aims at a more equitable black and Asian theatre in England.

BRIT aims at providing a holistic approach to change and development across theatre in England. In particular, strategic action has been taken in three specific areas:

1. Opportunities for black and minority ethnic theatre artists in the mainstream of English theatre.
2. Tackling institutional racism through action in relation to governance and management practice.
3. Audience development for black and minority ethnic work and encouraging black and minority ethnic audiences generally.

BRIT provides a variety of opportunities for black and minority ethnic theatre artists. A network of venues, developed since the mid-1990s, to assist new and aspiring theatre artists and companies in developing touring, form the basis of BRIT.

Each organisation takes an entirely independent approach to the development of black and Asian work. This includes commissioning new work, developing artists, youth theatre, audiences and training.

The Haymarket Theatre, Leicester has a focus on the development of Asian work and audiences and is the first regional repertory theatre in England to appoint an Asian co-Artistic Director, Kully Thiarai. In Huddersfield, the collaboration between a black arts centre and a regional presenting theatre has seen a range of culturally diverse programming and audience development initiatives, supported by an outreach worker. In Bristol, a similar collaboration has seen the development of black writers.

Other activity includes a series of debates among leading culturally diverse artists about the making of theatre to inform thinking on the future of theatre in the 21st century.

#### *Eclipse Conference and Report*

Following the Eclipse Conference on developing strategies to combat institutional racism in theatre in June 2001, Arts Council England published the Eclipse Report in April 2002, in partnership with Nottingham Playhouse, Arts Council East Midlands and the TMA. The report contains 21 recommendations, focusing on:

- Governance
- Audience development
- Employment and training
- Equality of opportunity
- Positive action
- Programming of Black work

Since the publication of the report, seminars and surgeries have taken place in every region for senior managers and board members of regional subsidised theatres, touring companies and a number of presenting theatres on Equality of Opportunity and Positive Action. This has started to see a range of activities and awareness being developed across the country.

These were followed in Autumn 2004 with regional seminars in collaboration with TMA for chairs of boards, and surgeries for all regularly funded theatre organisations on planning and writing Race Equality Action Plans. This work has been evaluated and fed into the Arts Council England Race Equality Scheme.

In depth work is also being undertaken to develop awareness and touring of culturally diverse work to rural touring circuits and training needs of promoters in programming BME companies. This incorporates work with the Pride of Place companies, funded to tour to rural areas of England.

#### *Eclipse Theatre*

The development of quality black work in middle scale theatre was one of the gaps identified through the Theatre Review. Led by Nottingham Playhouse together with Wolsey Theatre, Ipswich and Birmingham Repertory Theatre a consortium was formed to produce one piece of quality black work to tour on the middle scale on an annual basis. The producing theatres are joined by a network of presenting theatres, each one committed to programming culturally diverse performing arts. These venues are supported by Arts Council England Touring Department's Promoter Development Fund, providing opportunities to share good practice, particularly in the areas of marketing and audience development.

The first production for Eclipse Theatre, *Moon on a Rainbow Shawl*, directed by Paulette Randell, toured in the spring 2003. The second production, a new adaptation of *Mother Courage* toured nationally in Spring 2004. The third production, *Sweet Little Thing*, by Roy Williams will open at Wolsey Theatre, Ipswich in February 2005 before touring nationally.

Eclipse Theatre provides opportunities for training for individuals and black writers who wish to create work for larger stages, as well as developing and sharing audience development strategies.

#### *Employment*

Work is being undertaken in collaboration with Equity to ascertain the number of culturally diverse Equity members in employment within the English regional subsidised theatre industry over a period of six months. This will give a baseline for the future.

Working with Creative People the number of individuals working in theatre will be identified, along with their aspirations for future development and employment in the theatre industry.



Work with BECTU has started in developing opportunities for BME individuals to undertake training and employment in technical work in theatre, first mapping BME individuals who have undertaken technical training through accredited courses over the last three years. In January 2005, BECTU and BRIT will develop an agreed strategy for technical theatre training for BME individuals.

#### *Rural Touring*

Working with the National Rural Touring Forum and Pride of Place companies, BRIT, together with a number of BME artists has developed an strategy to develop awareness of culturally diverse artists, attendance at decibel Performing Arts Showcase, training where appropriate, and opportunities for commissioning and touring BME work to rural areas.

#### *South Asian Theatre Touring Consortium*

Working with Arts Council London a consortium of venues has been established to programme and promote South Asian theatre. At the centre of this is a focus on audience development for the venues and touring companies. The consortium will also increase opportunities of touring companies profile in the London area. The consortium is supported with two bursaries for a South Asian Audience Development worker and a South Asian Producer.

#### *Writer Development*

2004 saw a major pilot partnership between BRIT, ROOTS, BBC Radio Drama, Local Radio and regional theatres in Birmingham, Leicester and Hampstead. This has developed new voices and writers from community groups for local and national radio, and seen three commissions for Radio 4 to be broadcast in May 2005. Each theatre has established relationships with new writers that may lead to future commissions, as well as opportunities for audience development.

A training programme, through Eclipse Theatre, has seen the development of 10 BME writers, five of which are now attached to regional theatres, Contact, West Yorkshire Playhouse, Birmingham Repertory Theatre, Wolsey Theatre, Ipswich and Nottingham Playhouse.

Through BRIT, three black/Asian writers in residence will be based at Birmingham, Ipswich and Manchester Contact/Peshkar, the latter developing skills in participatory and youth theatre.

#### *Decibel*

The aim of the decibel legacy development programme is to establish effective mechanisms for supporting artistic excellence within the BME-led sector and to identify a number of key organisations and individuals with the potential to play a strategic role in strengthening the sector. We have undertaken a scoping exercise into development best practice to identify what has worked well and what has not. decibel is working with 21st century organisations, Race Equality Scheme and the Capital department of Arts Council England.

#### *Race equality scheme*

For the arts to play a vital role the Arts Council believes the arts need to be relevant to the many, not just the few. The Race Equality Scheme is the primary mechanism for the Arts Council to achieve the race equality goals as stated in the Arts Council's Corporate Plan 2003–06. The scheme states that the Arts Council will:

- promote good practice and cooperation in race equality across the organisation;
- make sure that local, regional and national organisations are consulted when identifying good practice;
- consult regularly on new policy developments with target groups, for example through appropriate staff networks;
- consult with other staff groups to encourage wider ownership of the race equality agenda;
- conduct annual staff attitude surveys that highlight where Arts Council England stands in relation to our aims;
- make sure that all Arts Council policies take race equality into consideration;
- support Black and minority ethnic artists and organisations as necessary to enable them to create and develop projects that encourage their greater confidence and self-sufficiency in developing arts for their own communities and for society as a whole.

The scheme includes an action plan, which details how the Arts Council will incorporate the principles and commitment in the race equality scheme into all other Arts Council policies and procedures.

### *Stages of Sound*

Stages of Sound is a pilot project between the BBC and Arts Council England. The aim of Stages of Sound is to generate ideas, talent and open up a debate about cultural diversity. Pathways for writers, actors, directors and producers will be created from grassroots communities through to regional theatres, local radio and commissions for national radio networks. This project is a deep talent search.

The pilot project will take place in London, Birmingham and Leicester. There will be one project per region. Writers will work with community groups to write a radio script. Each play will receive a rehearsed reading in the regional theatre; some of the script will be broadcast on local radio. A commission from each region will generate work to be broadcast on BBC Radio 4 in May 2005.

The regional theatres to be included in the project are: Hampstead Theatre, London, Birmingham Repertory Theatre and Leicester Haymarket.

The project will be managed by Shabina Aslam, BBC Radio Drama Diversity Director, assisted by a co-ordinator, who will be based at the Arts Council. Each regional project will be managed by a working party made up of a Radio Drama producer, Roots Co-ordinator, local radio producer and a Literary Manager/Artistic Director from the regional theatre. Dramaturgical support will also be available from the BBC Writers Room.

The Roots Co-ordinator will act as a grassroots facilitator for the project in their region. The writers will receive dramaturgical support from the Radio Drama producer/Literary Manager. Essentially, though, each regional working party will be responsible for and have ownership of their project.

The writers will be chosen by the regional working parties and will be invited to apply to the project. This project will build on writing development initiatives made by Arts Council, England and BBC Writers Room by providing further training to new Black and Asian writers. The writers will be nominated by the regional theatres, BBC Writers Room, and Arts Council England.

## APPENDIX C

### IMPLEMENTING THE NATIONAL POLICY FOR THEATRE IN ENGLAND

#### CASE STUDIES: 1—EXECUTIVE SUMMARY

##### INTRODUCTION

This small, qualitative study of Arts Council England-funded theatres was conducted by Market and Opinion Research International (MORI) on behalf of Arts Council England. It is the second stage of a project establishing a baseline against which the implementation of the national policy for theatre in England can be measured. The first stage of the project, conducted in 2002, was a survey, published by the Arts Council as Research report 33: *Implementing the national policy for theatre in England—baseline findings*. (The report can be ordered or downloaded from the Arts Council website: [www.artscouncil.org.uk](http://www.artscouncil.org.uk))

This is a complementary piece of work exploring some of the issues raised in the quantitative study. The qualitative case studies primarily looked at how theatre organisations are implementing two of the national theatre policy's priorities: "diversity and inclusion" and "new ways of working". The theatres have shared with us their views on, and experiences of, the extra funding from the theatre review and the new policy. They have also provided examples of successful initiatives and the challenges they are trying to meet.

##### METHODOLOGY

Sixteen organisations were invited to participate in the study and were selected on the basis of the answers provided in their questionnaire return for the baseline survey. Those chosen were geographically spread (at least one from eight of the Arts Council England regions) and ranged from those with a large number of staff to those with very few, including specialist theatres such as children's theatres. Regional and national touring companies and producing and presenting building-based theatres were included. None of the organisations had negative total reserves at the end of the financial year 2001–02, and all were intending to focus on new ways of working and/or diversity and inclusion.

A researcher spent a day with each organisation, interviewing key members of staff and board members, to draw together a picture of the organisation, its current working practices and aspirations and intentions for the future. Up to six interviews were conducted in each organisation, with a total of 62 interviews taking place. Those interviewed included: board members and chairs (8), artistic directors/producers (13), chief executives and executive directors/producers (10), associate directors (three), education/training and marketing staff (six and 10 respectively), general managers (two) and performers (three).

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## MAIN FINDINGS

- There is a widespread feeling that recent changes in the theatre industry have been hugely positive. The national policy for theatre in England has provided a formal framework for development and has in many cases reinforced the theatres' objectives and strategies. Many theatres had plans and development programmes that they have been able to implement because of the additional funding made available through the theatre review.
- Two of the priorities identified in the policy are “new ways of working” and “addressing diversity and inclusion”. Both are seen to be crucial to providing theatre that is meaningful, relevant, inclusive and accessible to everyone. It is evident that the initiatives being run in theatres cover much more than these two areas and there is significant overlap with other priority areas. Although theatres may have identified two or three areas on which they are focussing or intend to focus, they are in fact working in many more and are constantly improving the quality and range of their productions.
- Theatres are striving to produce an ever-wider and higher-quality programme. New ways of working, increased investment and the resulting ability to plan over a three-year period have contributed to improved quality and sector development.
- Theatres are commissioning more new writing from an increasingly diverse range of writers. This provides new and exciting work that may attract different audiences and may also help to encourage a greater mix of people into working in the industry longer term.
- Education continues to be a priority area for theatres and includes work with all ages and abilities. Theatres are increasingly using workshops and teaching resources that look at many aspects of the theatre, including the production itself and the components that go into making it a success. Workshops supporting specific productions provide insight and try to engage audiences more fully.
- Marketing and education departments are increasingly working together to formulate strategies and share ideas. Many of the initiatives involve educational components or targeting specific groups. Specialist staff in the theatres we visited generally receive support to realise these goals from all levels within their organisations.
- New partnerships are contributing to the changing environment in which theatres are operating. Working alongside commercial and public sector partners is beneficial to both parties and many theatres are increasingly looking for ways in which to develop these relationships.
- Projects targeted at previously under-represented groups (both adults and children) are being tried by many theatres. Audience development is a significant part of this, encouraging new groups to use and enjoy the theatre and to experience a wider range of productions than they might be used to.
- Encouraging a more diverse range of professionals into the industry is crucial in tackling diversity and inclusion and for developing the industry profile for the future. Recruitment is an issue at all levels of the industry, including board members and artistic directors. Although theatres are actively trying to broaden the diversity of their staff it is often seen as a struggle to do so: finding the people to fill the positions available is felt to be difficult. Many of the theatres are working towards encouraging more people into the theatre by having open days and demonstrating the variety of job roles that the theatre industry includes.

## THE NEXT STEPS

Theatres are clear that funding holds the key to their future. They are concerned that the extra funding from the theatre review will prove to be a short-term fix and that the Arts Council will feel it has “done its bit” for theatre. Many theatres started from a poor financial position and although the money has helped them to stabilise and invest, some consider that it is not sufficient to guarantee their survival. The renaissance in theatre spawned by the theatre review needs continued investment; money holds the key to the successful implementation of the national theatre policy and the sustainable development of theatre in England.

The Arts Council will continue to monitor the impact of the theatre review and the national theatre policy through the repeat collection of data gathered in the baseline survey and further case studies exploring how the national policy is being implemented.

## APPENDIX D

## ARTS COUNCIL ENGLAND MAJOR LOTTERY AWARDS TO THEATRE (AWARDS £1 million)

<i>Project</i>	<i>Project received date</i>	<i>Award Amount (£)</i>
Scarborough Theatre Trust	11 Jan 95	1,578,000
Cambridge Arts Theatre Trust	23 Jan 95	7,490,000
Shakespeare Globe Trust	13 Feb 95	12,400,000
English Stage Company	3 Apr 95	21,159,031
Contact Theatre Company	24 Apr 95	4,802,292
Dormston School	18 May 95	2,940,295
Southampton Nuffield Theatre Trust Ltd.	31 May 95	1,279,330
Milton Keynes Council	2 Jun 95	20,171,485
Herefordshire Council	20 Jun 95	3,750,000
North East Theatre Trust	20 Jun 95	1,049,650
Oxford Playhouse	7 Jul 95	2,930,660
Winchester Theatre Fund	11 Jul 95	3,025,250
Brewery Arts Centre	24 Jul 95	3,444,530
Royal National Theatre Board	11 Aug 95	31,590,000
North Devon District Council	7 Sep 95	3,042,973
Soho Theatre Company	7 Sep 95	7,934,713
Octagon Theatre Trust	6 Nov 95	1,684,768
Salisbury Playhouse	8 Nov 95	1,476,143
Cranleigh Arts Centre	15 Nov 95	1,056,000
Malvern Festival Theatre Trust	29 Nov 95	5,087,640
Dartington Hall Trust	5 Dec 95	1,616,383
National Youth Theatre Of Great Britain	15 Dec 95	1,758,750
Nomad Players	27 Dec 95	1,024,000
Wimbledon Civic Theatre Trust	29 Dec 95	2,082,389
Tricycle Theatre Company	5 Jan 96	2,384,986
Empire Theatre Trust (Merseyside)	15 Jan 96	7,630,000
Teddington Theatre Club	29 Jan 96	1,668,711
Royal Academy Of Dramatic Art	12 Feb 96	26,146,871
Cumbria Theatre Trust	25 Mar 96	4,685,704
Latimer School Enterprises	29 Mar 96	1,222,125
Clean Break Theatre Company	3 Jun 96	1,049,041
Unity Theatre	14 Oct 96	1,241,120
Mansfield District Council	5 Dec 96	1,799,891
Royal Exchange Theatre Company	14 Apr 97	24,984,168
University Of Wolverhampton	30 Apr 97	1,259,078
Norden Farm Centre Trust	21 May 97	7,074,195
New Shakespeare Company	29 Jan 99	1,492,479
Birmingham Repertory Theatre	1 Mar 99	6,523,500
Hampstead Theatre	10 May 99	11,292,478
Almeida Theatre Company	28 Jul 99	5,607,161
Theatre Royal Plymouth	6 Sep 99	5,025,767
Trestle Theatre Company	8 Aug 00	1,562,036
Louth Playgoers' Society	2 Oct 00	1,507,500
Unicorn Theatre For Children	27 Jul 01	4,110,000
Lyric Theatre Hammersmith	17 Sep 01	1,441,500
English Stage Company Ltd	19 Oct 01	1,008,411
Palace Theatre Watford Ltd	19 Dec 01	4,342,518
Northern Stage (Theatrical Productions)	18 Jan 02	3,610,000
Royal Academy Of Dramatic Art	6 Feb 02	2,400,000
Doncaster Metropolitan Borough Council	24 May 02	2,060,000
Coventry Theatre Network	24 Jul 02	3,110,000
Hackney Empire Theatre	7 Jan 03	1,200,000
Almeida Theatre Company Ltd	13 Jan 03	1,000,000
Northampton Theatres Trust	18 Sep 03	1,718,477
Royal Shakespeare Company	30 Mar 04	4,468,278
Leicester City Council	29 Jun 04	12,220,000

## APPENDIX E

### (RE)DEVELOPMENT PROJECTS

#### (a) *Royal Shakespeare Company (RSC)*

1. Over the last 18 months the RSC has been through a significant period of organisational change. The appointment of Sir Christopher Bland as chairman and Vikki Heywood as Executive Director, working closely with Artistic Director, Michael Boyd, has brought about a significant renewal of the management team and structure. The organisation now has the management capacity and flexibility to undertake a significant capital project whilst maintaining the scale and diversity of its operation both nationally and internationally. As a result of improved performance and savings as a result of improved efficiency, the organisation is returning significant surpluses and is on course to eliminate its current accumulated deficit.

#### 2. *The capital project*

Arts Council England has been working very closely with the RSC in reviewing their plans. In early 2004, we asked them to consider a detailed review of options for their redevelopment, for which we have made an allocation of £50 million. The RSC have undertaken a rigorous option appraisal considering three detailed options with the preferred option being one that places the new large auditorium for the RSC within the existing RST building. This option retains the important heritage elements of Elizabeth Scott's building, primarily the front façade, foyers and the fountain staircase. Arts Council England has given its support to this option, as has the Chief Executive of English Heritage. This removes the issue of the proposed complete demolition of the Scott building. Advantage West Midlands, the regional development agency, has publicly announced its support for the Stratford redevelopment.

#### 3. *Next stages*

The RSC is now in the process of procuring their architectural team and plan to make an announcement of the chosen architect in April 2005. The company is in the process of applying for formal planning permission for a temporary theatre structure in the car park of The Other Place theatre in Stratford. The proposal is for a six hundred-seat auditorium. This will form the transitional performance space for the RSC during closure during 2007–08, but will also form a key part in the complete works of Shakespeare season the RSC are hoping to stage during 2006. The redevelopment is scheduled to be completed by 2009. The Board has capped the redevelopment expenditure at £100 million; comprising £50 million from Arts Council England, £20 million from Advantage West Midlands with what we believe is an achievable fundraising target of £30 million from the private sector. Arts Council England continues to work with the RSC on ensuring that there are sustainable medium and long-term plans for the company's presence in London as well as national touring. In the last year the company's work has achieved high critical acclaim both nationally and internationally and audience levels are high.

#### (b) *South Bank Centre*

4. Find below information relating to the South Bank Centre. Please note that while requested within this inquiry, the South Bank Centre is not a theatre and is intended to provide an alternative on the South Bank to the National Theatre.

5. The capital project is for the redevelopment of the South Bank Centre estate, which includes the Royal Festival Hall, Hayward Gallery, Queen Elizabeth Hall, Purcell Room, Jubilee Gardens and Hungerford Car Park. A Masterplan has been drawn up by Rick Mather and Associates. The Arts Council's allocation to this project is £40 million, including a £5 million allocation recently agreed with DCMS.

#### 6. *Key points*

- Organisationally, the South Bank has a strong executive team, including David Parkhill, Chief Operating Officer, Ian Blackburn, Project Director and Morven Houston, Finance Director, supporting Michael Lynch, Chief Executive.
- Plans for the refurbishment of the Royal Festival Hall (£74 million) are at the final tender stage of a two-stage process, which will allow for a high level of cost certainty. The contract will be let in March/April 2005 following an OGC/Key Stage Review, which is taking place shortly. Closure is planned for July 2005, re-opening in January 2007.

- Good progress has been made on the Extension Building; an effective method of financing this project has been put into effect with the result that the project is now in construction (£18 million project cost). The new building will create new retail units and space for the South Bank's staff, maximising the public space that can be made available within the Royal Festival Hall.
- Contracts for the retail and restaurant elements of the Extension Building are complete and licensing issues have been resolved. Landscaping works along the riverside will enhance the relationship of the Royal Festival Hall to the Thames.

(c) *Bridewell Theatre*

7. The Bridewell Theatre, a small-scale producing and receiving venue for musical theatre in the City of London, closed in December.

8. The venue has faced closure since last year when its landlords, the St Bride's Institute withdrew grant support and imposed a substantial rent, following their own reduction in funding from the Corporation of London. The theatre's situation was discussed during the select committee enquiry into musical theatre in 2003–04. The Arts Council had awarded the theatre a grant towards consultancy costs to search for a potential new home and to develop a viable business plan. The Arts Council also succeeded in leveraging a one-off award of £30,000 from the Corporation of London to match an ACE award for operational costs whilst the business plan was developed.

9. The board of the Bridewell took the decision to liquidate the company having explored a number of options for the theatre's future. The Arts Council was clear that it was not in a position to meet the theatre's annual running costs (in excess of £300,000 per year) through regular subsidy.

10. The Arts Council regrets the Bridewell's closure and is in discussions with the former Artistic Director about the possibility of future funding for specific musical theatre development projects through grants for the arts.

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**Memorandum submitted by the Heritage Lottery Fund**

The Heritage Lottery Fund welcomes the opportunity to submit evidence to the Committee on our funding of theatres. In the 10 years since the National Lottery began, HLF has committed over £115 million to projects which aim to conserve and enhance historic buildings that are in use, or are to be converted to use, as performing arts venues. Of these £22 million has been committed specifically to theatres.

**THE ROLE OF THE HERITAGE LOTTERY FUND**

The Heritage Lottery Fund (HLF) distributes money from the National Lottery to heritage projects across the United Kingdom. Our definition of heritage is very broad, encompassing our historic buildings, great museums and public parks, but also the natural environment and local history, languages and traditions. Since the National Lottery began in 1995, we have committed over £3 billion to more than 15,000 projects across the UK.

Our primary aims<sup>29</sup> in distributing this funding are:

- to encourage more people to be involved in and to make decisions about their heritage; and
- to conserve and enhance the UK's diverse heritage;
- to ensure everyone can learn about, have access to and enjoy their heritage.

A further aim is:

- to bring about a more equitable spread of our grants across the UK.

Amongst other things, our Policy Directions require HLF to ensure that the projects we support "promote the public good . . . or charitable purposes and . . . are not intended primarily for private gain". We can fund projects which involve private and commercial owners and do so in certain circumstances. Private or commercial owners as sole applicants may apply for a grant of up to £50,000 under the "Your Heritage" grant programme for a project which seeks to increase access to and learning about heritage in private ownership in order to enable people to increase their understanding and enjoyment of heritage. They may be part of a wider partnership where the application is for educational and access schemes only. If private owners are involved, we need to see that the public benefit is greater than any private gain. Otherwise projects by private or commercial owners are regarded by Trustees to be a low priority for funding.

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<sup>29</sup> Broadening the Horizons of Heritage: the Heritage Lottery Fund Strategic Plan 2002–07.

## HLF COMMITMENT TO THEATRES

In the 10 years since the National Lottery began, HLF has committed over £115 million to projects which aim to conserve and enhance historic buildings that are in use, or are to be converted to use, as performing arts venues. Of these awards, over £22 million has been committed specifically to theatres. Grants range in size from £86,000 for the Little Theatre in Macclesfield to over £20 million for the Royal Albert Hall and £19 million for the Royal Festival Hall in London.

Funding from HLF may be used to conserve and enhance only those parts of a theatre building which are integral to the heritage of the building itself. This can include:

- the restoration of the historic fabric and decoration, both internal and external;
- the reinstatement of the original design, for example for the stage level and rake; and
- the replacement of inappropriate features such as 1950s seats in a Victorian theatre.

It excludes improvements to modern areas, such as rehearsal space, and the technical infrastructure for performance, such as stage machinery.

However, to restore and upgrade a historic theatre to make it suitable for today's needs inevitably requires a mixture of work to heritage elements and modern elements of the building and of the facilities provided for the audience. This means that an award from the HLF will usually be only one part of a wider funding package, which is likely to include other arts funders, principally the Arts Council, as well as the applicant's own funds.

## EXAMPLES OF HLF-FUNDED HISTORIC THEATRE PROJECTS

In 2001 HLF awarded a grant of £10.9 million towards the complete restoration and refurbishment of the London Coliseum, a Grade II\* listed building, and the capital's largest theatre. The 2,358 seat auditorium has been returned to its original Edwardian splendour and the theatre, originally styled as a "People's palace of entertainment and art", is now open again to the public with greatly improved facilities. Our grant contributed to the overall project cost of £41.3 million, with a further £15.8 million contributed by the Arts Council.

In East London, HLF contributed £4.5 million to the recent restoration of the Hackney Empire alongside £6.4 million of capital funding from the Arts Council, as well as £1 million from the London Development Agency. The heritage elements of the project focused on the restoration of the auditorium, including original ornate plaster work and decoration, which is once again in keeping with the original design by Frank Matcham of 1901.

Among provincial theatres HLF has funded projects in Blackpool, Bury St Edmunds, Wakefield, Macclesfield, Richmond, Northampton and Buxton.

In contrast to large London theatres, the Georgian Theatre at Richmond in North Yorkshire seats only about 200 people, but is of major historic importance as one of only five theatres listed at Grade I. With HLF funding of £730,000 the theatre has been fully restored and can be enjoyed by local people and tourists alike.

A recent award of £1.8 million aims to restore the Royal Theatre in Northampton to its original 1889 design. This heritage scheme is part of a wider project to improve both this theatre and the Derngate Theatre next door (which is not a heritage building), to which the Arts Council is contributing over £6 million.

In Buxton, an HLF award of £621,000 contributed to the restoration of the Opera House, with the heritage project focusing on the rewiring and restoration of the auditorium, designed by Frank Matcham, to its original 1903 glory. The seating in the stalls, dress circle and upper circle was also renewed.

## PUBLIC BENEFITS OF HLF FUNDING

In line with our Policy Directions, every project we fund must deliver public benefits. In the case of theatres, this extends beyond just the improved experience for people attending performances to wider economic, social and community benefits.

There is a very obvious public benefit in the enhanced external appearance of a theatre, which is often one of the major historic buildings of a town; from our experience of funding historic building projects of all kinds, we know that this is likely to promote the restoration of neighbouring buildings and the creation of new facilities for the area. Theatres play a crucial role in the economy of our towns and cities, attracting both local people and tourists from the UK and abroad to the performances themselves and to new facilities such as cafés and education programmes.

If the building restoration and re-opening is accompanied by an access scheme such as reduced price seats for target groups, it will encourage people who would not normally go to the theatre and who may be excluded from this aspect of our cultural life; this presents opportunities for a heritage education programme to reach new audiences specifically for the heritage as well as for theatrical performance.

The process of restoring the building presents excellent opportunities for educational and community projects. For example: as part of the Citizenship curriculum local schoolchildren can look at the planning process and the decisions that are made in a major building project; older students can undertake work placements to enhance vocational skills; working with a museum or archive, older residents can create an oral history and documentary record of theatre-going in their community; local people of all ages can train as volunteer guides to the building; the theatre's own education programme can expand to include heritage education for children and adults.

#### FUTURE NEEDS

The Theatres Trust, in their report *Act Now! Modernising London's West End Theatres*, published in 2003, conclude that "at least £250 million at today's prices will need to be spent over the next 15 years or so" to restore and upgrade the 40 commercially-owned and managed theatres in London's West End. Of these, 33 are listed buildings, including two which are Grade I and nine which are Grade II\*. We agree with the Theatres Trust that the benefit of investment in London's historic theatres extends beyond the theatre-going audiences of today and the next generation, to the tourist trade, the UK economy and the cultural life of the nation as a whole.

The Heritage Lottery Fund is involved in continuing discussions with the Theatres Trust on the issues raised by the report and we have made clear the role which we could play within our current priorities for funding.

19 January 2005

*Witnesses:* **Sir Christopher Frayling**, Chair, **Ms Kim Evans**, Acting Chief Executive, **Ms Nicola Thorold**, Acting Executive Director (Arts), Arts Council England, and **Ms Carole Souter**, Director, Heritage Lottery Fund, examined.

**Chairman:** Welcome. It is very good to see you. I will call on Michael Fabricant to open the questioning.

**Q484 Michael Fabricant:** Thank you, Chairman. I want to explore funding in two areas. First of all, the amount of funding that is being made available by the Arts Council for theatres in general and then how you actually allocate that funding. You will have heard Sir Peter's polemic. He said that he was appalled at the new grant. It is now stop/go. Could you clarify precisely what is now the position for funding of theatres? Is there an increase, is it static, or has there actually been a cut?

**Sir Christopher Frayling:** Over the next three years, 2005–06, 2006–07, 2007–08, there is stand-still funding; so the bench mark of 2005–06 will remain constant, which we estimate is a real terms cut across the piece, not just the theatre, across the piece of £33.8 million.

**Q485 Michael Fabricant:** What is that as a percentage?

**Sir Christopher Frayling:** Over three years.

**Q486 Michael Fabricant:** So based on inflation that would be, I would imagine, about 6 or 7%, something like that, over three years?

**Ms Thorold:** Yes.

**Q487 Michael Fabricant:** You said that is right across the whole area of Arts Council funding. Are you going to concentrate on that cut, if you want to call it that, in some areas more than others? How will theatres come out of it?

**Ms Evans:** If I can say something about the process that we are going through. First of all, the stand-still funding was a real disappointment for all of us, and I know you have heard that from the people who have

come to speak to you. Secondly, we have been working in a really responsible way with government to see how we can mitigate what will be a serious impact on the arts and we have behaved very responsibly through that process. We have done things like look at every area of our budget, our own administration which we are keeping at a standstill over the next three years, which will be tough but we are doing it. Our job is to get as much money as possible to the arts. We are then going through and coming close to the conclusion of—if we were meeting in three weeks time we would be able to give you the results of that process—a very thorough process for how we allocate money to the organisations that we fund for the next three years. They have got a good increase, many of them, in 2005–06 because that is the tail end of the last spending review, which was good news. In 2006–07 and 2007–08 the impact of this stand-still settlement will begin to bite. What we have done is go through for the first time a really coherent process which is the same process for every organisation in our portfolio, and we have currently got 1,288 organisations in that portfolio of regularly funded organisations. So we have gone through a process of assessment of each of those, and we will be making our allocations based on that assessment and on the national picture and the national narrative. We cannot tell you I am afraid at this stage what the impact will be for theatres specifically, but we are very minded that when we got settlement which enabled us at the end of the theatre review to really empower theatre to take a major step forward we were very clear that the job had not been finished. One of the great disappointments for us and for the theatre practitioners you have heard from is that we are not able to finish the job in the way that we would have wanted to. We have got to try and maintain the



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benefit as much as we can, but we are working in a situation which is not going to enable us to do that in a way that we wanted, but we are not doing equal misery for all—that would be extremely old fashioned and unproductive—we are going to make real choices based on individual need and we are committed to rewarding the excellent whilst recognising that sometimes those who are failing need support to the get to the next stage.

**Q488 Michael Fabricant:** I know you were preempting my next question, because you also heard Peter Hall saying that the Arts Council should discourage that which has not succeeded and encourage that which shall, and that ties in with evidence that we heard earlier on from the Independent Theatres Council, who suggested to us very robustly that the Arts Council understandably, of course, supports those organisations; and you have mentioned more than 2,000 organisations with which you already have close links in terms of funding, but it actually prevents the new, the innovative, the exciting, from getting a look in. How would you counter that?

**Sir Christopher Frayling:** In two ways. Peter Hall referred to the fact that we do a lot of planning, and obviously our national policy for theatre and theatre review and the 25 million that emerged from that is an example, I think, of the Arts Council at its best when it takes a planning view on this. As a result of that, a number of new organisations entered the regularly funded portfolio—I think it was 34—after the theatre review. So in terms of the ebb and flow of organisations, there is much more going on than people realise. In terms of how do you get on the ladder, there is a ladder. There are one-off grants, our project grants, our grants for the arts, there are our managed funds, there are our regularly funded organisations. Not everyone who gets to the bottom of the ladder wants to become a regularly funded organisation; some that do eventually become so, but I do not think it is an issue of innovative versus non-innovative, it is a more open system than I think the publicity would suggest.

**Q489 Michael Fabricant:** Can you be open on this question. Adrian Flook, my colleague who had to leave just now because he has some visitors, was asking Councillor Colin Ablett at a session we had in Birmingham last week about funding of the Lichfield Garrick Theatre and Councillor Ablett answered (and I am taking this from Hansard), “Certainly it has been said to me that we have an issue in that we are locally authority owned.” This is the Lichfield Garrick. “As to a reason, I do not know, but whether it is suspected that effectively grants to a local authority owned theatre is purely subsidising the rate I do not know but there is an unwritten preference against funding locally authority owned venues.” Is that true?

**Sir Christopher Frayling:** I will turn to Nicola on the detail, if I might, because she is the ex-director of theatre in the Arts Council, but just a general point: there is no identikit way of funding theatres. There are partnership arrangements of different kinds and

different balances and, of course, theatres have different scales of building, of staff, more permanent staff and so on and so forth, and so there is sometimes an assumption in those sorts of questions that there is a one size fits all, so let us compare one theatre directly with another. There are different balances and everything is dealt with on a case by case basis. In some cases there is more local authority funding the partnership, in some cases there is less, in some there is none at all, but that is fine, it is a diverse sector, but if the assumption is that one is penalising people for having local authority that is not true at all, but everything is dealt with on a case by case basis.

**Ms Thorold:** The example of Lichfield is an interesting one. Lichfield was a civic venue, which is often what we call the local authority owned venues, and was therefore presenting work rather than producing its own work. When the theatre was rebuilt the local authority continued to want it to be a civic venue and I understand there was no discussion of that changing. There is a new artistic director in post who is very able, who has discussed whether it could become a producing venue. That comes into the issue of do we have the resources for another producing venue, because that is not just another £50,000, that is several hundred thousand pounds when you get into that. I do not believe, I do not know the detail in Lichfield’s case but I do not believe the local authority has got the resources there to do the kind of matched funding that we have seen in other producing venues, which is in fact the only way to make them sustainable.

**Q490 Michael Fabricant:** That is an interesting point you raise. I was going to about chicken and egg here, but you are saying that providing there is max funding and providing the Arts Council has the money in the first place to distribute that is the sort of target you are looking for?

**Ms Thorold:** As director of theatre, I have to say that the more theatre for the pot the better, but we have to be reasonable and realistic about the resources that are there. Local authority partnerships are essential for maintaining and developing theatres in their communities and we could not be where we are without that local authority investment. It would be a debate with a local authority that probably we would want the local authority to lead at this point if they wanted to transform a venue from presenting work to producing work. As you say, we are not in a position at the moment to have that kind of dialogue, particularly with a stand still setting.

**Sir Christopher Frayling:** Can I add something on local authorities. There has been much publicity rightly about the settlement where the Arts Council is concerned because local authorities themselves are under great pressure. This is not a statutory responsibility for them. Some have been excellent in their investment into the theatre sector, some less so, but that is also a factor for instability at the moment. We are under pressure. They are under pressure. It is very important that we support each other in this.

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**Q491 Derek Wyatt:** Good morning. It is rather amateurish that these things are not statutory, that the whole purpose of culture, which is such a profound thing for our people, that living today, here we are, sixty odd years after the second World War, still arguing about the most basic things which are the sticking things that make a community. Is this not the fundamental flaw in this whole argument?

**Sir Christopher Frayling:** It would be nice if it was statutory. It would be nice if one did not have to depend on the extreme flexibility of leisure and tourism budgets for arts provision, but we do not see any sign of that changing.

**Q492 Derek Wyatt:** It will have to come in the review of local tax or local council, or whatever. I do not want to go there. Can you confirm that the reduction that you have announced is because of the impact of the Olympics, or is it nothing to do with the Olympic fund?

**Ms Evans:** We certainly cannot confirm that it is as a result of the Olympics.

**Q493 Derek Wyatt:** If £750 million for the Olympics is in the lottery and, if we do not get that, that money becomes re-available?

**Ms Evans:** That may well be the case. You may know more about that than we do at this stage. We are focusing here on our grant in aid budget largely rather than the lottery budgets, but, you are right, the lottery economy, as far as we are concerned, is one that is reducing, our lottery budget is going down, and I am sure we all want London to win the Olympic bid—that would be great for culture in many ways—but if that money came back into the lottery budget that could also serve culture well.

**Sir Christopher Frayling:** Can I just say on the lottery as well, of course it raises another issue about the Arts Council as lottery distributor about which post 2006 we do not know anything at the moment; so we are in this slightly strange position of not being able to make forward commitments beyond that period, and, indeed, having to be very, very prudent about how much we spend up to 2006 because we have no inkling at the moment about how that cake is going to be sliced where the lottery is concerned. That is a cause of some frustration.

**Q494 Derek Wyatt:** Perhaps Miss Souter could just tell me whether the £750 million that is allocated for the Olympics will come back into all the good causes of the lottery if we do not get it?

**Ms Souter:** Were we not to win the Olympics, then our budget would not reduce in the line that is currently being forecast by the Department, but I think we should say that up until 2009, the end of the current guarantee of lottery shares, it is not expected that there will be a significant impact on the individual distributors; it is likely to be after that in the run up to 2012.

**Q495 Derek Wyatt:** In your evidence you have Appendix D. It just gives the major lottery awards to theatres. I have counted quickly 54. Do you actually

sit down and say, “For the South East of England we want the Playhouse at Oxford and the Marlow in Canterbury, and, I do not know, there must be one in Hampshire, they are going to be our centres of excellence regionally and that is it”? In other words, what strategy has there been to decide where the money goes? Is it just first in the door or best in the door?

**Ms Evans:** I think this is where what Peter Hall helpfully referred to as our plan has become quite useful, because I believe planning can be very good for theatre. Theatre practitioners themselves are extraordinarily creative. Our job is to have plans that enable them to be creative, and that includes having good venues to work in. We do have a national policy for theatre. That has been a really valuable tramline and framework that has enabled us to have an overview of how theatre is developing in this country and where those needs are. In our assessment processes we have both regional priorities and national priorities as part of a matrix that enables us to best assess where our money can work hardest for arts and for the audiences for the arts; so it is absolutely not first in the door. One of the things that I very much hope you will feel when you hear our budget announcements at the end of March is that we have been able to really make sure that where we have been able to support new buildings for the arts we are now also able to support the art that is going to take place in those buildings. I think the lottery has been a very big learning curve for all of us, practitioners and funders, and what we really know now is that buildings without the budgets to perform in those are not doing anybody a service, and so one of our priorities in our current spending round is to make sure that we finish what we refer to as the capital tails, the tail end of the capital project, there is a strategy and it look across the country.

**Q496 Derek Wyatt:** I have noticed that in the most deprived areas of Britain they struggle to get an art gallery, a museum, a theatre, or anything. Will you be addressing that?

**Ms Evans:** We have addressed it to some extent in that we are obviously aware of where there are areas of deprivation that is where we really need to look at how provision can really go in to support those areas, and in the last part of our capital programme, the arts capital programme, we specifically have priorities to address deprived areas, but what is happening now is our lottery budgets are going down and there is still work undone. What we need to look at is it is not buildings alone, of course, that allow the arts to thrive, and we tend to focus rightly on our building base theatres, but we also support a large number of touring organisations, not all of which have to tour in a traditional theatre space, and we are aware of the importance of rural communities, and we are working with those communities to make sure that they have a chance to experience the arts in their schools, in their community buildings as well as in the purpose built theatres.

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**Sir Christopher Frayling:** In our creative partnerships scheme which pairs professional artists with schools, professional theatre companies, or visual artists, or whatever, we have, in fact, emphasised the areas of severest deprivation in England for that scheme, and it has had quite an impact, schools with art.

**Q497 Derek Wyatt:** Each time I try to get a theatre group to come down to my constituency, no matter what they say here, they say, “Yes, we are going to come”, when it comes down to it, they never come. I come back to them time and time again; they never come. In your plans I have got a specialist school that has just been, as you heard in my evidence, yet I have got a £10 million scheme to build a white elephant that will be a theatre. I cannot believe that you cannot put the theatre in the school. Special schools now are moving to 18 hours a day opening, so they take on a different management staff at six o’clock. It is slightly mad to have different schemes for art in our community that do not talk to each other. So when you say you have done this assessment, it seems to me you have not done it too well in my community?

**Ms Evans:** I take your point about your community, but I think you have given us a real incentive to make sure next time we need you will be able to say to me, “Yes, they have been to visit me”, and I can certainly make sure that we have those discussions at our end; but I think you are right about looking at the arts in a more pluralistic way. You have mentioned the extended school day. That is something that we are talking hard with various government departments about at the moment; that offers an enormous number of opportunities for children wanting to take part in the arts. You will have heard from a number of arts organisations, theatres, about how they engage way beyond the stage. Nothing can complete the experience of sitting in a theatre and feeling a play as a member of the audience, but having a theatre come to your school to engage with you on your terms, not just on their terms, can be one of the most transformational experiences, which is my we are all in this business. Many of us have that experience in a different generation. We are working to ensure that children of this generation and generations to come have that experience?

**Ms Thorold:** I think the extended school day is a great opportunity for theatre practitioners and the kids themselves. We very much want to be able to enable youth theatre participation to build up so it has the capacity to meet its potential time during the school day to actually engage with children. It will be difficult to do because of the number of professionals that will be required to deliver that, but it is possible and it is something we are focusing on over the next few three years.

**Q498 Alan Keen:** Arts funding is fragmented, is it not? Sir Christopher mentioned the struggle that local authorities have had. I can illustrate it with my own local authority, Hounslow, where the Government has put massive increases into the health service and into education. If I can mention

health quickly. Sport is really part of health education, and I think a little bit of money from the health service in sport will improve people’s health. In the same way, I think that very rigid education funding, which goes through into Hounslow and straightaway is passported through to schools, the theatre is such a great part of education but more difficult to define when it comes to describing the benefits, evaluating the benefits. Would you agree with me that the Government is really in its very heavy funding of those two main areas, health and education, have not really seen the value of the arts and could we not have a go at them to raise awareness?

**Sir Christopher Frayling:** You raise two very important issues; one of them is the role of the arts across government. We have this partnership with the DFES for our creative partnerships with schools, we are beginning to talk to the Home Office about youth crime and young offenders in relation to the arts, we are beginning to talk to the health people about hospitals and the arts. There are big subjects there to be dealt with, and I think we need to beef up that argument across government much more than has been the case in the past. The second point I think is really interesting, because we are meeting in the same fortnight that the latest issue of our Arts in England Statistical Survey comes out—we do a periodic statistical survey—and I think some people feel that maybe there is not a democratic will to support public subsidy of the arts; there is a kind of upward cadence in the voice when they talk about arts which you do not get with other areas of social policy. Our latest statistics show, and I think it is a remarkable statistic that 79% of people in England agree that the arts should receive public funding, and that is an increase of 5% on 2001, 79%. That is almost the same figure as you get when you poll people on education and on health, astonishingly. So there is a democratic will, and I am beginning to wonder whether that argument is not the argument we should put more strongly that, yes, we can talk about the arts, we can talk about how transforming they are and, of course, we all believe in that passionately, but the argument that cuts ice is: is there a democratic will to do this, are there votes in it and do people care if there is not public subsidy? And we are beginning to discover that that is the case, so I think that is an important indicator for us.

**Q499 Alan Keen:** Derek Wyatt has just mentioned his not being able to get a theatre group to come down to his constituency, and he touched on in a way the issue I was raising earlier on this morning and in previous weeks that there are some links that should be strengthened between schools and there are facilities in areas which have not been fully used because of cuts in budget. It was interesting, a few weeks ago that there was a gentleman from Wales and he said that, although I am not happy that the Welsh Arts Council, or whatever it was, called before they decided not to go ahead with it, I am not happy with that, but he did say that the Welsh Assembly is encouraging arts forums in every area or region where different sorts of art groups can link

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together and look at facilities. That is what the I interpret from what he was saying. Have you thought about encouraging arts forums in local authorities to bring people together?

**Sir Christopher Frayling:** It is interesting. There have been two references earlier this morning to would it not be great if someone took a bird's eye view—I think it was you—of arts provision, and, secondly, the importance or not of planning in the arts. I believe the Arts Council is uniquely placed to engage in both activities. There are various examples over the last few years of that in action. We did a bird's eye view study of dance across England—in fact it was the UK in those days—as a result of which all these dance agencies were set up in various regions. Then came the theatre review which looks at provision nationally—where are the holes, where are the gaps where are the regions, or the cities or the rural areas where things are not that well provided? Should we deal with that through touring? Should we deal with that through direct investment? How should we deal with it? We are just starting one on the visual arts. I think those sorts of exercises are the Arts Council at its best, that stepping out of the individual voices and taking a bird's eye view of an entire sector and then in a rational way looking what sort of public investment should be used. That is not just about individual art forms. It is about bringing art forms together and looking at local authorities, business sponsorship and public investment so everything is put into the cocktail. I think we are the only body that is in a position to take that bird's eye view with the Chairs of all the regional arts councils sitting round a table with art form people. I completely agree that is the approach to arts funding, and I think it is a good one.

**Q500 Chris Bryant:** Sir Peter Hall was saying earlier that one of the major issues is about security of funding, and it felt a bit as if the theatre is always relying on the kindness of strangers. I wonder how you can enhance it. If people have now got a three-year settlement rather than a one-year settlement, obviously that is an improvement but it is not much of an improvement if it is an announcement of three years of bad news. How can you provide security without at the same time falling into that trap of only looking after the 1,288 clients that you have got, especially when some arts organisations maybe have a natural life and they may have started founded around the great inspiration of an individual person, that person has moved on—your organisation might have developed a bit of artistic sclerosis and needed to die?

**Ms Evans:** People are always encouraging the Arts Council to make hard choices and to close organisations.

**Q501 Chris Bryant:** We would be the first to run away!

**Ms Evans:** Except when you tell them that it is theirs, and then, of course, everybody says, “Yes, you can cut, but not me.” I think we have to have a really clear process so that organisations can go on that journey with us. Now that we are a single

organisation for the arts in this country we have the ability to have a process in place which can take organisations on that journey. Interestingly, some organisations do come to us now, particularly founder member organisations, and say, “We have reached the end of our natural life cycle.” I can think of a number of examples—the ones I am thinking of are not actually in theatre—where a founder member will say, “I want to do something else.” That is a good example of reaching closure on the life of an organisation, and that allows us to disinvest in a mutual way. There are some cases where organisations are failing, but we know that what we describe as failure is often due to leadership, and when you get new leadership that organisation can suddenly flourish again. Giving people a chance to move from failure back to success, I think, is also really important; so this is a process that can take time, but there are other instances where we do need to take hard decisions, where perhaps an organisational has not been thriving for some time and we have given it our best shot in terms of support and we are now, and, again, I am sorry to be rather tantalising, but when we make our budget announcements in March I think you will see the result of our having made choices, and those choices will be at both ends of the spectrum. Despite the tight circumstances, we will be bringing in new organisations and there will be some organisations that are likely to be disinvested in.

**Q502 Chris Bryant:** That is an Arts Council version of downsizing, is it?

**Sir Christopher Frayling:** Disinvesting.

**Ms Evans:** Yes. Sorry, is that a new word to you? It is a delicate word.

**Q503 Chris Bryant:** A euphemism in fact?

**Sir Christopher Frayling:** But you are right. From 1997 through to 2004 we thought that an era of stability and sustainability and coherence was with us. Hence the theatre review and hence the restructuring of the Arts Council within that period. It does make what has happened since December particularly irksome, because, as you rightly say, arts organisations have quite a long planning period. If you are planning repertory, if you are planning a cycle of plays, or whatever, sometimes you are two, three years ahead, so you need to know. It is not just a matter of stability. For the organisation to run you have to make forward commitments in that way. We are doing our best to have a stable ecology of the theatre, but it is not easy when you have stop/go funding.

**Q504 Chris Bryant:** Let me just ask you about youth theatre. I declare a very minor one hand interest in that I am an associate of the National Youth Theatre. It took many, many decades to get any funding from the Arts Council to the National Youth Theatre, so it is glad that it gets some, but I just wonder how well integrated the whole business of building new audiences, building new acting

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talent and creative talent through not just the National Youth Theatre, but other youth theatre in the country?

**Ms Thorold:** It is absolutely vital. We know that many of the people you have met as part of this inquiry will have started through youth theatre experience. Historically the Arts Council's funding youth theatre has been through many of the regional theatres almost all of whom have youth theatres as part of their remit. We are now looking beyond that precisely because of this issue. It feeds the professional sector and it provides unparalleled opportunities for young people when they are in there, and as we increasingly engage with issues around participation, youth theatre becomes centre stage.

**Q505 Chris Bryant:** A very important question that I ought to ask differently—it is one of the issues that has been raised with many of us—is about the £125 million for West End theatres which were described earlier as a national treasure. What do you want to say about it?

**Ms Souter:** We are talking to the group that the Department has brought together with the Society of West End Theatres and the Theatres Trust. We are able to fund privately owned facilities, but they are regarded as a low priority for our trustees as a general rule. What we are talking to the group about at the moment is whether there are mechanisms which would make it more of a priority in our trustees' terms, but I think we would need to be clear that we are looking at a situation where our level of commitment is going to decrease from next year until the year after, and it would be a new area for us to be looking at specifically funding privately owned.

**Q506 Chris Bryant:** You sound much more hesitant about this than we had I think heard from other people, who seem to be pretty certain you are about to hand over £125 million.

**Ms Souter:** I am grateful that we are personally not being asked for £125 million. The approach is to look at that level of public funding, and I think it is very important that we, the Arts Council and the LDA, who are the three partners involved in this exercise, are able to look at this together. I am sorry, I am not intending to sound hesitant, but equally I do not want to suggest that as of tomorrow there will be a signed cheque because we are not at that point. There is an awful lot of work to do to be clear about the mechanics of how these would work. It would be a relatively new area for us to fund in this way, and I think we also need to talk to the theatres themselves about whether they are comfortable with the requirements which we would have for access, involvement and public benefit to demonstrate that the public gain outweighs any potential privately.

**Q507 Chris Bryant:** I think the issue of accessibility, which again we heard earlier, is absolutely vital to any funding?

**Sir Christopher Frayling:** Can I reiterate that. Where the Arts Council is concerned we have a long history of the relationship between the public sector and the private sector. You have heard about the crucible of young actors, many shows that are running in the West End started life as publicly funded shows, etcetera, so, in principle, there is no problem at all about this kind of cross over. The practical issues are access, as you rightly mentioned. What goes on on the stage? What sort of stage? And there may be discussions to be had between the conservation aspect of these buildings and building a stage for the twenty-first century, which may not look like an Edwardian stage—those sorts of issues come into it—but, above all, whether we are to be lottery providers after 2006. There is no question of making commitments—forget about £125 million—of any kind until we have some sort of guidance on that because we simply do not have the money. It is a wrong moment, in a sense, to be talking about it, and a lot of newspapers are rather jumping the gun from that point of view, I feel, but access and what is on the stage are very much the Arts Council's thing, and that is what we put in the pot.

**Q508 Mr Doran:** I hope you would add to that the facilities for the performers?

**Sir Christopher Frayling:** Yes, of course, I included that in the stage, back stage and so on.

**Q509 Mr Doran:** That is a wee bit worrying. Like Chris Bryant, I got the impression that things were moving on a little bit faster, working hard to produce the report some time in the spring. We are almost there?

**Ms Souter:** We have certainly been working at it very sensibly and comfortably with this group that has been set up. It will be a matter for our trustees, and our strategic planning process for the period after 2007 will begin this autumn when we will be consulting on a whole range of things. I think that one of the things that the trustees want to look at as we prepare for that process is what sort of engagement do we have with assets which are in private ownership but which have tremendous public good and add value. We will be doing that as part of that process, and I think the proposition that the Society of West End Theatres has put together is a really interesting way for our trustees of testing the issues about what is it that really would make the case for putting lottery players' money into what is ultimately a commercial venture?

**Q510 Mr Doran:** Have you got a view on the proposal to establish a trust, for example?

**Ms Souter:** We have been talking about the options for doing that. Obviously a trust that is established and regulated by the Charity Commission removes an obstacle, if you like, a technical obstacle in terms of the applicant.

**Q511 Mr Doran:** It probably creates a few more of them?

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2 March 2005 Arts Council England, Heritage Lottery Fund

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**Ms Souter:** If it can be achieved, that may be great, but I think there is a step or two to go beyond that, to say, “Let’s remove one obstacle.” It does not necessarily automatically make it something that we can do. I am not intending to be hesitant in that we are not interested or that we do not want to talk about it, but I would not want you to have the impression, as some press reports have suggested, that it is about to happen, because it will not happen instantly.

**Q512 Mr Doran:** Another issue was the accuracy of the figure of £250 million, because we had evidence from the Old Vic, and they are not included, I gather, and they clearly have a very expensive prepared project that they have got to go through?

**Ms Souter:** Absolutely, and I think from our general experience working with historic buildings, there is no doubt that once you start your project it is quite often the case that you find that there is something that you had not seen before you took the roof off or you took the back off, or whatever, and it does tend to get more complicated. I think, given our general funding patterns, it would be very unlikely—I speak only for the Heritage Lottery Fund—that we would sign up to a 15-year programme full stop without any periods in which we looked again, or whatever. Even if there were an agreement in principle that that was something we were working towards, we would have to look at it on a slightly more short-term basis and roll-over, I think, and I suspect that would be saying to the Arts Council were they to agree that that was something they wanted to do.

**Sir Christopher Frayling:** The figure is probably the first word, not the last.

**Q513 Mr Doran:** We will get to 2022 when all this work is supposed to be done and I think we will probably have discovered a few more problems.

**Ms Souter:** As with all buildings, and I know this is very much easier said than done, and it is an observation, not a criticism, ensuring that work once done is then properly maintained and looked after for the future is absolutely crucial so that we do not in any area put money into a terrific renovation project only to find that ten years later it has been downhill all the way since then.

**Q514 Mr Doran:** The thin end of wedge, I think we call that. On to another area and one that has been raised by a few colleagues, and that is what some of our witnesses have called the sclerosis that affects the Arts Council funding of theatre groups. Once you are in the door you are fine, but it is very difficult to get in as a new organisational, and we had a number of examples of the problems that that creates. It is interesting to hear your response to that, but I was particularly troubled more in Birmingham and listening to the RSC and the situation that we had there where obviously one of the jewels in the crown of culture, not just theatre, in the UK but they have messed up pretty badly over the last few years, and it does not seem to have affected their situation in

terms of funding at all. They were very defensive and they did not give us a lot of detail when I pressed them on the point, but I am interesting to hear what the Arts Council’s view of that is?

**Ms Evans:** That is a good example, I think. The RSC, as you say, is a flagship organisation and one, whatever happens to it, which will have far wider coverage than what happens in many organisations, but it is a good example of how we do work with them. First of all, a number of organisations come into our stabilisation programme when they recognise that they have a model which does not work, and the RSC is one of those. Let us not pretend that the RSC was a model that was working well. It was it. It recognised that it had falling audiences, its art was less attractive to artists, actors were not coming to work with it in the way that they once had in earlier times and the RSC recognised it had to do something. It came to us and worked through a model, which was not one—you are right—that initial model—that really was going to deliver for them, but that is often the case with organisations. They come in and develop a plan and the first plan is not necessarily the one that is going to see them through. What has happened now to the RSC, and this may be why the current team that you talked to were not able to give you as much information as you wanted, is that the team now in the RSC have established a model which has got the art back as the story that is being talked about with that company. They have a deficit which has been wiped, and they have a model which is delivering for the future and plans for a redevelopment in Stratford which are, as far as we are on that journey with them at the moment, robust. I think that is a good example of an organisation that has turned itself around, but, you are right, there were two stages to that turn around and the journey that it went on was a very public one. The Arts Council went on that journey with the RSC. We put some finance to in support them, but they are a company which is rich in their own assets as well, so they were able to do a certain amount of that turn around themselves, and they are now in very good health. I can assure you that, as with many organisations, the dialogue we had with them was very robust. We do not choose to hold that dialogue in the pages of the press, but we do have a dialogue which I think if you talk to many arts organisations they would say was pretty plain speaking, and where you have a mature relationship with an organisation, that dialogue can actually have a very productive outcome.

**Sir Christopher Frayling:** I do not think they have recognised the line about teeth that was mentioned earlier.

**Ms Evans:** Most people do see our teeth.

**Sir Christopher Frayling:** Also, as a general point, and it is an interesting chicken and egg one, sometimes when flagship organisations are in difficulty, that is precisely the time they need the most support from the Arts Council in terms of advice and staff time and shoring things up, because we recognise they are part of the landscape. So it is a tricky one.

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**2 March 2005 Arts Council England, Heritage Lottery Fund**

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**Q515 Chairman:** Thank you very much indeed. That was extremely valuable. One of the things I note with pleasure, as sometimes happens on our inquiries, is that previous witnesses stay on to listen to the rest of the evidence, and that is always very encouraging. Thank you.

**Sir Christopher Frayling:** Chairman, can I make a one second valedictory remark to you? We gather this is your second to last inquiry before you step down. We would like to put on record our gratitude for everything you have done for the arts and their public profile over the last 13 years.

**Chairman:** Thank you very much.

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### **Memorandum submitted by the Department for Culture, Media and Sport**

The Department welcomes the Select Committee's interest in theatre and can offer the following information about the Government's involvement in the development of this artform.

*The current and likely future pattern of public subsidy for the theatre including both revenue support and capital expenditure.*

Theatre and drama play an important role in the cultural life of the UK. After a period of sustained under investment in the 1980s, the 2000 Theatre Review and subsequent increased investment in the sector has meant that theatre is now flourishing as an artform across the country, with regional as well as national focus.

#### REVENUE FUNDING

The majority of public subsidy for theatre in England is provided through direct government funding. In England this subsidy is channelled through Arts Council England (ACE). 236 theatres are currently in receipt of ACE funding.

The 2000 Theatre Review showed that since 1994 audiences for plays had decreased by 1.4% throughout (while audiences for other artforms such as dance or opera had increased), and that over this period funding for touring companies had resulted in 24% fewer performances and 13% fewer workshops (leading to a corresponding 28% decrease in audiences) and that there were also lower numbers of technical and production staff employed in theatres than ever before.

As a result of the 2000 Comprehensive Spending Review settlement, in 2001 ACE announced an increase in the funding for theatres. In 2002–03 an additional £12 million was allocated to theatres, rising to a £25 million increase in 2003–04 and subsequent years. This increase in funding represents a 72% increase in the budget for theatre between 2000–01 and 2003–04.

Levels of revenue funding for theatre in England since 1998–99 are shown in the table below:

<i>Year</i>	<i>Amount (£)</i>
1998–99	27,128,000
1999–2000	29,987,000
2000–01	29,946,700
2001–02	30,288,800
2002–03*	74,629,940
2003–04*	89,566,873
2004–05*	95,601,602

\*prior to 2002–03 awards listed do not include awards made by regional arts boards.

In 2003–04, the first year of the funding increases, spending on theatres represented 35% of ACE's total spending.

As agreed in the 2002 Spending Review, in April 2005 ACE funding will increase by £45 million to £412 million. Although in 2006–07 and 2007–08 funding will be held at £412 million each year, the Department is working with ACE to ensure that the funding available for arts organisations and artists does not fall in real terms.

Steps being adopted include:

- achieving further efficiency savings within ACE, with a guarantee that all such savings will be made available to the arts;
- re-shaping arts education spending to release funds for arts organisations and artists; and
- using flexibility in existing budgets to make resources available to the arts in the third year of the spending review period.

Individual funding decisions remain a matter for ACE and they will set the future pattern for the public subsidy of theatre within their budgets.

In addition to ACE funding, other sources of public funding are available for theatres in England. Local authorities also invest public money in the arts. £220 million is invested in the arts each year from this source, some of which goes to theatres.

#### CAPITAL EXPENDITURE

In addition to central Government funding, £441 million has been invested in theatre and drama since the introduction of the national lottery. This money has been used for capital projects and one-off grants to organisations.

*The performance of the Arts Council in developing strategies and priorities and disbursing funds accordingly.*

Following the publication of the ACE-commissioned Theatre Review in 2000, a National Policy for Theatre in England was produced in July 2000.

The National Policy set out eight priorities for regularly funded organisations:

- a better range of high quality work;
- attracting more people;
- developing new ways of working;
- education;
- address diversity and inclusion;
- develop the artists and creative managers of the future;
- an international reputation; and
- regional distinctiveness.

While DCMS has no locus to intervene over funding decisions made by ACE, it has four strategic priorities which inform the work of the Department and its sponsored bodies. These priorities are:

1. Further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the full benefits of participation.
2. Increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations.
3. Maximise the contribution which the tourism, creative and leisure industries can make to the economy.
4. Modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs individuals and communities.

The National Policy for England reflects these priorities, encouraging theatres to work with local communities and young people and to provide a better quality product which will encourage audiences (and therefore increase the contribution of the artform to the national economy). ACE has also used the National Policy to champion new and innovative ways of working which will modernise delivery and increase efficiency.

ACE published a research report in December 2003 which focussed on the implementation of the National Policy for Theatre. The report is a baseline study which provides the first indication of the results of the Theatre Review and the subsequent introduction of the National Policy for Theatre in England in 2000. The research report focuses on the financial year 2001–02 and the theatres' plans for 2002–03, the first year that the Theatre Review grants were allocated. The report suggests that the combination of a strategy for theatres and the increase in funding is achieving the National Policy's objectives.



*A better range of high quality work*

The National Policy for England expects all Regularly Funded Organisations to deliver on this objective. While it is clear that assessing quality is not simple, the report measures the types of productions on offer; production budgets and time allocated to research/development and rehearsals on the assumption that if future surveys find an increase in these areas it is likely that the overall quality of productions will also increase.

DCMS welcomes this methodical approach, and is confident that the success of the National Policy as a whole will result in an increase in the range and quality of work available.

*Attracting more people*

The National Policy for England expects all Regularly Funded Organisations to deliver on this objective. The report shows that in 2001–02 there were approximately 25,500 performances across the sector, with theatres selling around  $\frac{2}{3}$  of their available tickets. Although there are, as yet, no audience figures for the sector as a whole, theatres throughout England are taking steps to attract new and more diverse audiences. Regional theatres are reporting rises in their box office figures, with the Liverpool Playhouse and Everyman theatre reporting a 33% rise in ticket sales over the past season (for a corresponding 5.1% increase in their ACE grant) and Derby Playhouse reporting a 40% increase in attendance (including an increase in the sale of season tickets from 3,156 to 20,888).

*Developing new ways of working*

In 2001–02 78% of theatres said that they were focussing on new ways of working. 82% said they planned to focus on this in 2002–03. The most common forms of developing new ways of working were introducing longer rehearsal times and experimenting with new artistic collaborations and partnerships. Other new ways of working included using new technologies (3% of organisations undertook webcasts in 2001–02) or working in non traditional venues.

DCMS welcomes this emphasis on modernising delivery and experimenting with new ways of working. The available evidence suggests that an increasing number of theatres are doing this; of the organisations undertaking webcasts in 2001–02, all were using the new technology for the first time.

*Education*

A significant number of organisations were focussing on children and young people, with 76% of theatres producing educational activity in 2001–02. 84% of organisations had plans to focus on education in 2002–03.

This links directly to the Department's stated aim to increase access for young people and DCMS welcomes the evidence that additional funds are allowing more organisations to provide activity for young people.

*Address diversity and inclusion*

Many funded organisations focus on diversity and inclusion, using techniques such as concessionary rates and targeted programming and participatory work to encourage more diverse audiences. Some of the groups targeted include people considering themselves to be unemployed, older people and black and ethnic minority groups. In 2001–02, 64% of organisations were focussing on this issue, 80% had plans to do so in 2002–03.

DCMS recognises the value that ACE has placed on addressing diversity and inclusion and welcomes the report's findings, which suggest that this emphasis is having an effect on the number of organisations able to focus on ways of addressing diversity and inclusion.

*Develop the artists and creative managers of the future*

Before 2000, the industry was unable to focus on development, with the number of actor employment weeks decreasing, the loss of many assistant and associate director posts and low numbers of technical and production staff. In 2001–02 63% of organisations were actively developing the artists and creative managers of the future. 77% of theatres had plans to do so in 2002–03.

DCMS welcomes the National Policy's focus on developing future artists and managers and recognises the impact that training and development can have on modernising theatres' delivery and maximising the contribution that theatres can make to their communities and the economy.

### *An international reputation*

In 2001–02 46% of organisations were focussing on their international connections. Of these, 48 % toured overseas in 2001–02, 78% of whom toured internationally, 37% undertook education work, 13% were involved in participatory work with international audiences and 11% presented community productions. 59% of organisations intended to focus on their international connections in 2002–03.

The Department recognises the value that an international reputation can have for an organisation and hopes that the added investment in theatres will allow more theatres to develop an international profile.

### *Regional distinctiveness*

In 2001–02 38% of funded theatres were focussing on their regional distinctiveness. 46% of theatres intended to focus on this in 2002–03.

This links directly to the Department’s aims of strengthening communities and enhancing access to culture and DCMS welcomes the fact that an increasing number of theatres were planning to focus on their international role in 2002–03.

ACE’s findings give an early indication that the National Policy for Theatre and the increase in funding is having a beneficial effect on the sector, both in terms of the ACE’s stated priorities for the Artform and for the Department’s priorities for the sector as a whole.

ACE are also developing programmes to create a more diverse sector. For example, the Black Regional Initiative for Theatre has focused on developing the representation of black and ethnic minority communities through the establishment of a consortium of regional producing theatres (Nottingham Playhouse, the New Wolsey Theatre and the Bristol Old Vic) which will produce and tour one piece of Black work each year. The first production of this initiative was the Nottingham Playhouse’s “Moon on a Rainbow Shawl”, which toured in March 2003 to critical acclaim. DCMS welcomes these initiatives, which allow greater access to a range of culturally and ethnically diverse work.

ACE have also supported companies like “Mind the Gap”; the UK’s largest disability-related theatre company outside of London. The company’s mission is to dismantle barriers to artistic excellence so that learning-disabled and non-disabled artists can perform alongside each other. Each year it tours to a range of small and middle-scale arts and theatre venues across the country. In 2001 the company was awarded £59,500 towards developing a new independent theatre company governed by people with learning disabilities. The new company was launched after a programme of supported employment, training and mentoring for the participants. The participants first completed Mind the Gap’s three-year accredited theatre training programme for people with a learning disability, the Making Waves Apprenticeship. This project helped them progress from training to professional activity as independent artists.

Support for the maintenance and development of:

- theatre buildings;
- new writing;
- new performing talent.

### THEATRE BUILDINGS

Theatre buildings are an important part of our cultural landscape. They provide venues for creative and cultural activities, opportunities for young people to experience the artform (often for the first time) and can provide an identity and vitality to local areas.

Government support for theatre buildings is provided by ACE through grant-in-aid which can be used to maintain theatre buildings. DCMS also supports the Theatres’ Trust, a statutory body created by Parliament in 1976 to provide protection for theatres. The Trust ensures the protection of theatre buildings and attempts to retain the buildings for theatre use wherever this is sustainable. The Trust is a statutory consultee on all planning applications that affect land on which there is a theatre across the whole of the United Kingdom.

Theatres are also entitled to apply for lottery funding for capital projects which will develop and renovate theatre buildings. Recent examples of this include:

*Royal Court Theatre: Awarded £21,159,031*

The award contributed to the redevelopment and upgrading of the Grade II listed 395-seat theatre and 60-seat Theatre Upstairs, with additional foyer and bar/restaurant facilities. The theatre reopened in 2000, with significantly improved building facilities for both performers and theatre-goers. The intimate auditorium has been retained and enhanced, while the out of date backstage facilities have been modernised. In particular, the theatre includes facilities for people with disabilities and, for the first time in its history, is fully accessible for audience members, performers and staff.

It has also enabled a new full and varied education programme with a variety of activities, both pre and post show, aimed at inspiring new playwrights.

*Palace Theatre Watford: Awarded £5,272,568*

A new modern stage with fly-tower has been added to a refurbished auditorium that has been reduced from 660 to 608 seats to allow greater comfort and better sightlines. Improved technical facilities and production areas have been added, including new flying and lighting systems. Front of house areas have been significantly modernised with new bar and restaurant areas, a new box office and new office space.

The theatre reopened in October 2004 with greater resources dedicated to education work and a renewed commitment to work outside of the theatre. The combination of the new building and increased revenue funding (awarded as a result of the Theatre Review) will enable more ambitious work to be staged.

*West End Theatres*

The greatest concentration of listed theatre buildings in England remains in London. London's West End contains over 40 theatres, the majority of which are listed. However, the vast majority of these buildings are owned and managed by commercial operators and they do not, therefore, receive public subsidy. The Theatres Trust report *Act Now!*, published in 2003, highlighted the problems facing these theatres. The report estimated that £250 million would need to be spent on renovations to the West End theatres over the next 15 years to ensure that they continue to adapt to meet the needs of 21st century audiences.

The Department recognises the concerns highlighted in the report and brought together leading players from the sector and other interested parties at a seminar last year. As a result of this seminar, Ministers set up a Working Group to investigate the issue. The Working Group made its first report to ministers in December 2004 and plans to report again in Spring 2005.

## NEW WRITING

Theatre in the UK is currently a vibrant and exciting industry as the impact of regional theatres increase and a greater diversity of voices are heard. New writing in particular is essential to the health of the sector as a whole. A commitment to new writing could mean providing space for young playwrights such as Lucy Prebble, who is now under commission to both the Royal Court and the National Theatre after winning the prestigious George Devine Award 2004 for *The Sugar Syndrome* (performed at the Royal Court); or supporting ethnic minority writers such as Tanika Gupta who adapted the critically acclaimed *Hobson's Choice* for an Asian cast at the Young Vic, or innovative fact based dramas such as last year's production of *Stuff Happens* at the National Theatre.

While these productions can be controversial, theatre has always thrived on innovation, experiment and re-invention in its efforts to stretch the mind and challenge the public. As the furore over the Birmingham Rep's production of *Behzti* shows, this can, at times, lead to controversy and criticism, but it is never the role of Government to act as censors.

ACE recognises the value of new writing and the role that theatres themselves can play in nurturing new talent. The National Policy for Theatre in England expects all theatres in receipt of revenue funding to deliver "a better range of high quality work" and organisations are encouraged to "develop new talent". ACE's baseline findings show that this emphasis on the development of new talent has been successful—in 2001–02 11% of productions were new commissions, with a further 11% of productions involving other new work categories.

## NEW PERFORMING TALENT

DCMS is committed to enhancing access to opportunities for young people, ensuring they get the opportunity to develop their talents, promoting lifelong learning and participation. We recognise the benefits that arts and culture can have to the development of children, young people and communities. DCMS' flagship arts education programme is Creative Partnerships, which has supported 582 theatre/drama projects, as well as 536 combined arts projects since its introduction.

There are many organisations which provide young people and local communities with opportunities to engage with theatre and drama for the first time. All regional producing theatres and both the RSC and the Royal National Theatre have youth companies or work with young people as part of their educational and community outreach work. Many local authorities and youth services fund local youth theatre groups and there are often youth theatre sections attached to local theatres. DCMS, DfES and ACE have also been involved in the creation of a small scale drama programme, comprising 12 drama pilots established around the country. The aim of the pilots is to create school-theatre relationships which will provide models of replicable practice for theatres and schools who want to work together in future. Drama activities and work with schools is taking place during the current school year. Case studies and guidance will then be disseminated in late 2005.

These types of activity often provide young people with their first access to theatre and drama, which may be the first step in identifying new performing talent, and can otherwise provide young people with new interests and skills through participation.

ACE funds the three main national youth drama organisations:

*The National Association of Youth Theatres* is the umbrella body for the sector. Founded in 1982, the National Association of Youth Theatres is the flagship membership organisation for youth theatre practice in England and Wales, supporting the development of youth theatre activity through programmes of training, advocacy and participation.

*The National Youth Theatre* gives people aged 14–21 throughout the UK the chance to participate in theatre to a high professional, artistic and practical standard. It contributes to their social and cultural development and encourages them to aspire to excellence.

*National Student Drama Festival* is a company organises a unique festival (in Scarborough since 1990) offering talented students opportunities to participate in a week of live performance, discussion and debate. NSDF is dedicated to nurturing young talent, awakening creative potential and giving new voices the opportunity to be heard.

In addition to this provision, the Department for Education and Skills funds the *Dance and Drama Awards*. These are national scholarships available in 22 of the leading private performing arts institutions in England and are offered to students on the basis of talent demonstrated at audition. The Awards pay for the majority of the students fees and give them access to means-tested help with their living and learning costs. The Awards are available to students 18 and above for acting and stage management courses.

The significance of the theatre as a genre:

- (a) within the cultural life of the UK;
- (b) in the regions specifically; and
- (c) within the UK economy, directly and indirectly.

(a) Theatre and drama are an intrinsic part of the cultural life of the UK. MORI research shows that when asked what constituted “the arts” 79% of people mentioned theatre and drama. 69% of people have watched, participated or experienced theatre or drama in their lives.

In 2001 attending a play or drama was the fourth most popular arts event, with 22% of people attending a play or drama. 6% of respondents had done so within the last four weeks. About three in five people attending plays and dramas had attended more than once in the last 12 months.

People are also accessing the arts through new media. In 2001 6% of people had listened to a play on CD, mini disk, tape or record, 9% of people had listened to a play on radio and 21% had watched a play on TV, video or DVD over the previous four weeks.

Drama was also the most commonly studied arts subject, with 2% of respondents taking a class or lesson in drama over the previous 12 months. 2% of people had performed or rehearsed a play or drama over the same period.

The amateur theatre and drama sector is also flourishing in England, providing many people with the opportunity to learn new skills, develop their talents and participate in their artform. As part of the response to HM Treasury’s cross cutting review *The Role of the Voluntary and Community Sector in Service Delivery* the Home Office is committed to increasing activity in the Voluntary and Community Sector (VCS) by 5% and the Chief Secretary to the Treasury has formally requested all Government Departments to contribute to this. DCMS is committed to improving our working relationship with the VCS and is working with ACE to improve relationships and encourage them to work more closely with the voluntary and amateur sector.

(b) Since the added investment that followed the 2000 Theatre Review, regional theatre has undergone a renaissance—delivering exciting and innovative programmes of work throughout the country. Producing theatres such as the “Sheffield Crucible” have benefited from increased funding which has allowed them to deliver a critically acclaimed body of work such as the acclaimed production of *Don Carlos* which is transferring to the West End. Receiving theatres have also benefited from touring companies, which may provide the only opportunity that people in rural areas have to interact with drama and theatre companies.

ACE's research into the National Policy for Theatre in England shows that most theatres consider themselves to have a regional remit. 59% of organisations felt that they had a distinct local or regional role, and 56% described themselves as "a regional organisation, making and presenting work for the region".

Theatres also have a significant impact on their local economies. They make both direct and indirect contributions to their local economies by purchasing supplies and paying staff.

(c) In May 2004 ACE published a comprehensive economic impact study of the theatre. This found that annually the economic impact of theatre in the UK is £2.6 billion. The 492 theatres outside London's West End contribute £1.1 billion to the national economy. The West End contributes £1.5 billion to the national economy. In London, audience members spend an average of £53.77 on food, transport and childcare while in the rest of the country additional visitors spend (on food, transport and childcare) per audience member is £7.77. Theatres also play a role in attracting tourism, with the resulting spend on hotels and other services.

The Wyndham Report (1998) estimated that at least £200 million worth of taxes paid were directly attributable to the West End. This includes VAT on West End ticket sales (1997): £37 million; VAT paid by hotels and restaurants: £49 million, income tax £94 million, as well as other taxes (such as corporation tax, customs and excise duty, fuel taxes etc) which could be worth between £20–50 million.

*The effectiveness of public subsidy for theatre and the relationship between the subsidised sector and the commercial sector—especially London's West End.*

Since ACE's Theatre Review and the subsequent increase in public subsidy that was announced in 2000, the current health of the sector would suggest that it has been a success. The theatre sector is currently vibrant, producing increased levels of exciting and innovative work for a wide range of audiences across the country.

Research from MORI shows that the Theatre Review has revitalised and invigorated the theatre industry, giving organisations a new impetus to develop and succeed. The quality of work of theatre in England has improved and morale has improved significantly. A relatively small amount of public subsidy has given theatres the opportunity to improve dramatically and to make a huge contribution to the national economy. There are now more and better employment opportunities available in theatre, with theatres able to plan ahead, be more strategic and more financially secure.

Although revenue funding makes up a large proportion of the income of a subsidised theatre it would be wrong to assume that theatres are reliant on public subsidy. Research from ACE shows that in the year 2001–02 the largest sources of income was earned income (ie income from ticket sales etc) (median 39%); ACE/Regional Arts Board subsidy (38%); and other public subsidy (ie local authority subsidy) (15%); with contributed income and income in kind making up the remainder. Although it was estimated that the proportion of public subsidy would be a slightly higher proportion in 2002–03 because of the increased funding, it would be misleading to assume that the subsidised theatre is wholly dependent on public subsidy.

Theatres are also benefiting from business investment. Theatres in England received £10,870,311 from business sponsorship last year. Organisations around the country have benefited from this investment, including the Derby Playhouse, who have used business sponsorship to fund a campaign which will provide wider access to the theatre for local people. The theatre works with local businesses and charitable organisations to distribute theatre tickets to first time audiences, deliver community based drama workshops and train a network of Community Volunteers who will foster links with local community groups.

The sector is increasingly diverse, with a good relationship developing between public sector and the commercial, particularly London's West End. This allows the cross over of successful productions from the subsidised sector into the West End. For example, the innovative musical *Jerry Springer—The Opera* began experimentally at the Battersea Arts Centre before appearing at the Edinburgh Fringe. It then transferred successfully to the National Theatre before beginning its current West End run at the Cambridge Theatre.

This flexibility allows productions to be seen by much wider audiences than would otherwise be the case, and it can work in reverse, with West End productions beginning national tours once their run has ended. For example, the successful West End production of *Journey's End* will begin a national tour of both subsidised and commercial regional theatres when its West End run finishes in Spring 2005. The relationship between the commercial and subsidised sector is thus beneficial to audiences, who are given further opportunities to see the performance, and to theatre companies themselves, who are often able to make a profit from the added income of these cross over shows.

ACE recognises the value and importance of the relationship between the commercial and subsidised sectors and has published *Relationships Between Subsidised and Commercial Theatre*, which is designed to provide guidance for subsidised theatre operators who are dealing with the commercial sector.

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*Progress with significant (re)development projects as may be brought to the Committee's attention.*

Current redevelopment projects in receipt of funding from ACE include:

**NEWCASTLE PLAYHOUSE: AWARDED £3,000,000:**

The outdated Newcastle Playhouse and Gulbenkian Studio will receive £3 million from ACE towards its transformation into a European centre for the performing arts and home to Northern Stage. The total project cost is £8 million and is expected to be complete in autumn 2005.

There are three main areas to the redevelopment. A new performance space is being built at the heart of the building, an accommodation block on the north side of the building will bring all the staff of Northern Stage under one roof for the first time, and a new foyer. It will include a dedicated education space and room for corporate entertaining. The 70s modernist style architecture will be re-modelled into a stylish and attractive building that will complement Newcastle University's plans for a cultural quarter.

**UNICORN THEATRE FOR CHILDREN: AWARDED £5,110,000**

The Unicorn has been awarded £5 million from ACE towards building the first purpose-designed theatre and education centre for children in the heart of London. The total cost of the project is £12.5 million.

Unicorn's new theatre in Southwark is due to open in autumn 2005 and will include a 340 seat performance space, open and accessible front of house spaces, back of house spaces and accommodation, and three studios for education, workshops and rehearsal. Enabling the theatre to offer high quality art and education programmes to over 100,000 children each year, many from disadvantaged communities.

14 January 2005

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*Witnesses: Rt Hon Estelle Morris, a Member of the House, Minister for the Arts, and Ms Grace Carley, Head of Arts Funding, Department for Culture, Media and Sport, examined.*

**Chairman:** Minister, I would like to welcome you and Ms Carley here today to wind up our inquiry into theatre and I am going to ask Michael Fabricant to start the questioning.

**Q516 Michael Fabricant:** Minister, we had Sir Peter Hall before us and he spoke very robustly about funding. He said that he was appalled at the new grant; it was stop-go. Just now we have had Sir Christopher Frayling of the Arts Council and we were asking him exactly what the impact will be on funding for theatre, and although they have not decided precisely where the chop will appear, it appears that overall over the next three years there will be a 6 or 7% real terms cut because it is going to be kept at the same monetary levels. Where does the DCMS see the future of the theatre and how has the funding got to this state? Is it DCMS holding back the funding or was it DCMS's inability to get the funding it needed for the arts from the Treasury?

**Estelle Morris:** Thank you very much, Mr Fabricant. I will answer the questions not necessarily in that order. First of all, the DCMS, and indeed the government, sees theatre as an incredibly important part of our life. It is part of our cultural identity and I could not imagine a county, city or town where there was not access to theatre. It would be a much impoverished existence. The government also sees it as an essential part of the economy, not just because it attracts visitors but because at the end of the day it pays into the Treasury, and therefore it will do all it can to support theatre but acknowledges that it does not control it. I am not sure I recognise the figures which you have just given, Mr Fabricant. Maybe I can put it into a bit of context. It is true that the amount of money that we have made available to the Arts Council for the next spending review is at level

pegging; it stays at £412 million in years two and three of the settlement. However, I have to say that I think it is disingenuous not to acknowledge the increase in money that has gone to the theatre over recent years. The figure is £90 million now. That is a 70% increase over the last three years. I have to say that in any area of ministerial responsibility I have ever held I am not sure there has been a portfolio that has seen a 70% increase in funding over three years. What I do understand though, and I think this perhaps comes back to past experience in recent decades, is that when ACE were arguing for increased funding as part of the spending review of course they wanted to see that increase and the line continue to grow. Of course I accept that, having made that money available to them, they would have continued to do good work, and of course I accept that the evidence they were able to show for the extra £25 million they got is a powerful argument for us to take to the Treasury. I think we secured a good settlement this year from the Treasury in the light of the general increases that were allocated to government departments but equally Mr Fabricant will probably know that had we been doing a select committee report on museums, for example, I would not have been able to tell the same story about increased funding. I felt that to be able to provide for theatres this year an increase of 4.6 and 3.5 over the two years of the spending review was good.<sup>2</sup> Therefore, although I say yes, the amount of money is the same, it is not going to be true that many of our RFOs will not see a real return to increase in spending over the next two years. We just need to get those figures separately. I do not make an apology for ACE

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<sup>2</sup> These figures were quoted in error. Arts Council England had not at this time, arrived at nor ratified final financial allocations for arts organisations, including theatres.

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having to tighten up on their administration and make sure that more of the money goes to RFOs. It might not be as good as last year. It is certainly not a bad settlement. It is certainly not a cut. It is certainly not rising and falling and I think that many RFOs may be pleasantly surprised when ACE announce the funding measures whenever they do.

**Q517 Michael Fabricant:** In fairness to Sir Peter Hall, the Arts Council recognised the big increase that took place a few years back but they are concerned, and I am sure you can understand that, that there will be a real terms cut and these things over three years.

**Estelle Morris:** I do not accept that there will be a real terms cut. There is if you look at ACE's budget in total because it is a standstill budget of £412 million, but what ACE have managed to do and what reassurance they have given is that their central core will take most of the cut, the administration, and indeed the money from the creative partnerships has been freed up, so in terms of the nature of this inquiry I accept that it is level pegging, it is a real terms cut for ACE. What I do not accept is that at the end of the day when the theatres know what their individual funding settlements will be all of them will get a real terms cut. Some may; many will not.

**Q518 Michael Fabricant:** You may just wish to check the transcript, when we get it through, of the evidence that was given just prior to this particular session. Tell me: does DCMS have a policy regarding the direction that it gives ACE in the way it applies funding?

**Estelle Morris:** It is always a difficult one, that. I am always conscious that in this field perhaps more than many (or even any) other of government activity, government's hands should be off it. The notion of running our theatres or our cultural life from central government is a recipe for not doing it very well but it is also particularly dangerous in the wider sense and the wider debate. I am equally conscious that there is an awful lot of taxpayers' money going into the arts and I do feel an obligation to make sure that that is spent efficiently and that will be part of our accounting arrangements with ACE. I do not shirk that fact and we are entitled on behalf of the taxpayer to indicate some directions of travel. I do not think we are entitled to tell them how to spend the money. I think we have got that balance about right. Again, if I may just compare different ministerial departments, I never felt as few levers of control as I do in this job in terms of money. It tends to go to the funding agreement at the start of the spending round and then I have to say that all the work that I have done with ACE since then has been by agreement, by discussion and by debate, which I think is a proper role for a minister. I think it is right that we say what the government's priorities are, and if I may give two examples, one is our wish to have more access for more people, and you do actually need to spend some money to create that sometimes, and, secondly, for arts organisations to take on an education role. If somebody says that that is government control I would not deny that that is what we say but I do not think it is too much

government control. I do not think it is control at all. I think it is a proper debate between government and ACE.

**Q519 Michael Fabricant:** I am sure you are very wise to say that it would be wrong for government to be involved with the direct leaders of power. The thing that has been concerning me, I think, during the whole course of the inquiry, partly because I have a constituency in trust but also because the Independent Theatres Council have raised this, has been often a difficulty for newcomers to access funding for various artistic projects. I was just wondering whether DCMS takes a view on this at all, recognising, of course, that the Arts Council has to continue to fund many of its existing commitments. Another thing Peter Hall said today was that the trouble with the Arts Council is that it should discourage that which is not succeeding and encourage that which does succeed or might succeed.

**Estelle Morris:** I might be on Sir Peter Hall's side on this one. It is really easy because I am about to say something I am not making the decisions for and am not taking the flak for at the end of the day. Unless the list of regularly funded organisations is going to be static and is never going to change, either lots and lots more money has to go in or somebody has to fall off the list. That is a truism. I suspect that in the past, and I do understand this, it has been very difficult to remove funding from a theatre once it has got used to getting it. There is always a reason why you might give it another year or another two or three years. I am of the view that ACE ought to vigorously look at their lists and make decisions to remove people as RFOs if they think it appropriate. I would never talk to them about an individual theatre, I would never intervene. I would never even actually say, "You ought to do that", but if as part of this allocation round they had taken some people off their list and added some to it I would think that that was vibrant, that was right, that was looking forward. To answer the way you introduced the question, it would give other theatres a chance of getting on the list. Otherwise I do not know how things change. What then becomes interesting is the criteria you use for putting people off the list. Is it success because they can stand on their own feet or is it failure because they cannot stand on their own feet? That is the difficult nature of the job. I think we do need a mature discussion about that and I for one am for pruning the list now and again to make sure that the ACE funding is responding to the reality out there.

**Q520 Alan Keen:** Can I put the same point to you as I put to Sir Christopher Frayling? You as a former Secretary of State for Education will know better than most people and perhaps I can illustrate it by talking about my own local authority. The government has put a tremendous amount of money into health and education, and I gave the example to Sir Christopher that putting money into sport helps the health of the nation and putting money into the arts, the theatre particularly, helps to educate children. My local authority found it extremely difficult on this last round because a massive amount

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of money was passported straight through to education. Being allowed to spend some shavings off that on theatre, for instance, in the local authority would I think have benefited the children much more than just letting it all go straight through to schools. Do you think we have put too much into education and health and could have used part of that for theatres? I know that education does fund the arts in an indirect way. Could not some of that money be taken so that it could be funded more directly?

**Estelle Morris:** I do not think we have put too much money into education but I do recognise what you say. I think sometimes, if I might say so, we have not always won the debate as a nation or as a DCMS with local authorities about the importance of arts. Too often some local authorities think that it is the thing that they can save money on. There is a debate to be had. Interestingly, when we put the money into Renaissance in the Regions through the museums it actually levered more money out of local authorities rather than less, so there are good examples of local authorities who continue to support theatre. I worry like you do that with all of the mechanisms in local authorities now it is not up to us; it is up to them, but we do not see as much local authority money going into arts as we would sometimes hope. In particular I think what has happened in the past is that the criteria by which local authorities are judged have often not asked them to show how much money they spend on arts and creativity and culture. Some of them have been able to get away without spending money on arts and culture without there being a consequence. I hope that that changes and I do think that that is partly about the wider debate of us as a nation understanding what you have just said, that if you take local authority money out of arts and culture we suffer. I ought to put on record that local authorities are probably the biggest funder—

**Ms Carley:** They are about half as much as the Arts Council.

**Estelle Morris:** They are not insignificant. I would not like to give the impression that they do not spend on much but I recognise that scenario which you pointed out. Just on education very quickly, I think where we have got to get to with education is that they operate now with freedom to spend money as they wish in that it is not ring-fenced. I am trying within DC...MS to get to a state where schools choose to spend their money on our sector. For a long time that has not happened, but if arts and creativity are important to schools what we do, whether it is our orchestras or our theatres or whatever, does not come free to schools. It costs and, given all the money that is going into education, I would like to see some more schools saying, "We are going to spend part of our annual budget on making links with our local theatres" in the same way that they say, "We are going to spend some of our money on employing a maths teacher". That is legitimate, it should happen more than it does, and I very much hope that over the next few years we will see that transition and maybe that will help a bit to allay your original fears.

**Q521 Alan Keen:** Instead of asking another question perhaps the Chairman will allow me to say that when you were Secretary of State for Education and now in

this job it has been obvious to me—and it is not me praising you; it is people that I have spoken to and listened to—that people never stop saying what a great job you did in education. They trusted you more than I think any other politician, and so do the people in the arts. Thank you. I am so sorry we are going to lose you.

**Estelle Morris:** Thank you very much.

**Chairman:** That is lovely!

**Q522 Chris Bryant:** You made an important point about the arm's length principle. Have you had that discussion with the Welsh Assembly?

**Estelle Morris:** No.

**Q523 Chris Bryant:** Do you think you should?

**Estelle Morris:** I am trying to get the point you are making.

**Q524 Chris Bryant:** The point is that they are taking large chunks of arts funding directly into the Assembly and it is going to be done directly by ministers rather than by the Arts Council.

**Estelle Morris:** As colleagues and comrades obviously we are entitled to have discussions but it is not a conversation I have had with them.

**Q525 Chris Bryant:** One of the things that I get told regularly by employers in my area is that one of the things that they are looking for from young people but often do not get is good communications skills. It seems to me that the theatre in schools can be one of the absolutely vital ways of enhancing those skills and for some people who are less academically gifted it is a different way of finding expression and self-value and all of that. How confident are you that we have a strong enough policy to enable schools to advance that?

**Estelle Morris:** I think we are only at the beginning. There are lots of good things that have happened over the last few years—arts and arts-created partnerships, money given to the whole of arts and culture for education. They have got an education element. I have just come this morning from St Luke's, the LSA centre in Islington, which is absolutely brilliant. If you were to ask me am I happy with the nature of the structures to bring together the worlds of education and art, I would say not quite but that progress is being made. Creative Partnerships will never be a national programme. It was never intended to be that and yet we want a national structure. The structure that they have now got between the world of sport and the world of schools is actually very good and over time will deliver a national sports strategy and sports entitlement. That is a huge cultural shift for teachers and for artists, but I really do think that within five years we will have made that change.

**Q526 Chris Bryant:** One other thing: in the last few years it has been very exciting; we have seen some great new theatre buildings, we have seen some great renovations of theatre buildings—Cardiff has got a fabulous Millennium Theatre—but sometimes one worries, with all this capital expenditure, about what



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is going to go on in it and is it really going to be sustainable. Do you think we have got that balance right between capital and revenue?

**Estelle Morris:** I think we are getting better but, I agree with you, sometimes you see problems in funding when talking to ACE, and it is the revenue consequences of earlier capital expenditure. From my conversations with the Arts Council England, as they have been letting me know what their plans are for this spending round, I think they are on top of that now; I have noticed in their comments to me that in the early stages of their planning they are well aware of the revenue consequences of capital projects that are currently taking place, and have made plans for them. It is an issue. I am not sure I know the answer; I just know, as a politician, it is easier to get capital money than it is revenue money. It is really tempting to go ahead with a capital project and not think it through. I think part of this was at the time of the Millennium. I was not there but my impression is that the revenue consequences of some of the Millennium-funded arts projects were not always thought through.

**Q527 Chris Bryant:** When will the Arts Council England know whether it is going to be a Lottery distributor after 2006?

**Estelle Morris:** I do appreciate the difficulty that this is putting them in. I may be able to drop you a note before you complete your deliberations, but I cannot say today. We are just trying, within Government, to agree the timetable for making those announcements, but it has not actually been agreed yet. I do acknowledge the problems that that gives them and I think we owe it to them to do it as soon as possible.

**Q528 Derek Wyatt:** Good morning, Minister. I am quite interested in the debate that is going on in Wales. Do you think, as a Minister, you make the policy on theatre or do you think the Arts Council makes it on our behalf?

**Estelle Morris:** I think probably it is, sort of, at the top and headings underneath. We contribute to the policy. Even securing the extra funding for theatre is a policy, in actual fact; it is the Government saying theatre is important. So, in terms of the strategic headlines, I do feel that I have got an involvement but, beyond that, no. So in terms of how they allocate their money or how they prioritise who they want to fund, I have never felt that that was part of my business. However, I do feel entitled to ask them, when they come in, for an explanation and a discussion with them.

**Q529 Derek Wyatt:** When you compare when you were Secretary of State for Education, do you think it rather odd that you had companies and organisations almost doing all this for you? What is the purpose of having a department, then, if we do not actually control the divas?

**Estelle Morris:** I think you have to do your politics in a different way. I think it is more subtle. I actually think it is more difficult but it is very interesting. I would suspect, if I can put it round the other way, that

without Government action I do not think we would have seen the progress we have made on access right across DCMS' responsibility; I do not think we would have seen the progress that has been made with arts and cultural institutions making partnerships and working with each other. We certainly would not have seen the bringing together of education and arts, and I do not think the sector would have had the confidence to do, for example, some of the more risky work they are doing at the moment, encouraging new writers. So I think we both create an environment and set a framework in which that takes place. I do not feel powerless, but if you compare this job with my previous job I do not feel as though I am in control of it in the sense of exercising the levers of control that are there, for example, in education or health.

**Q530 Derek Wyatt:** Given you are retiring and given you are probably going to write something about—

**Estelle Morris:** Stepping down rather than retiring. I have resisted that—

**Q531 Derek Wyatt:** I am sorry. You can almost say what you like here. So would your instinct be that it would be much better for the department to take back all this authority, so the Welsh development is a good development?

**Estelle Morris:** No, I do not, actually. I think the vibrancy is there. Our relationship with ACE is good and positive, and I enjoy our debates. I have never, ever felt from them that they feel controlled by us; they have never indicated to me personally that the arm of government is too short or that it has got shorter. I have never had that conversation—and I meet with them on a regular basis. I think it is difficult, but, equally, when I look at arts and the theatre I can see the influence of government. I think that is about right. Put it this way: I would not have taken this job on had that been the case; I would not have felt that I had the skills or the background to do it, but I do feel I have the skills and the background to contribute the political element of the relationship that there is.

**Derek Wyatt:** I did not know that ministers had to have necessary skills, but there we are, Chairman.

**Q532 Mr Doran:** I am going to try and avoid sounding too demob happy, but one of the features of the time that I have spent on this Committee in looking at the work of the DCMS is how often the department is dependent on other departments. When you came to the inquiry we had into dance, for example, there were large issues about the role of health and education and how difficult it was to get these two departments in behind the idea of promoting dance as a healthy pursuit etc. We have recently looked at libraries, and we have not finished our deliberations yet, but, clearly, the role of ODPM and education is extremely crucial. One of the things that strikes about theatres is just how important it is to have the education department running alongside, and on each of the occasions when we have had these discussions I have felt very strongly that the DCMS did not seem to me to be operating very effectively as a champion for dance, for theatre, for libraries, and I am interested to hear your views on that. I am more interested in what

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you can say about how we can improve and how we can get more pressure applied to these other departments. A key issue, I think, in theatres is the number of people who are now saying that theatres is a key part of regeneration, that there are huge economic benefits from successful theatres, and that we should be pushing local authorities, the Arts Council, and everyone else—particularly RDAs—to be focusing on theatres as part of regeneration and yet there seems to be very, very little groundwork having been done in this area.

**Estelle Morris:** Yet it is happening. Most of our major urban areas now have regenerated on the backs of art or culture, so it is happening. I think you are being a bit harsh. Maybe I can give an example: I remember, as Secretary of State for Education, allocating a sizeable amount of money—£70 million—straight out of the education budget for creative partnerships. I would not have done that unless DCMS had lobbied me at that time. I would not have made that decision; it was not my priority, there were other things on my plate. So I actually think DCMS is getting better; I think it is a skill that it needs to learn. I have come to the conclusion that DCMS' role, in part, is to make sure that the area of arts and creativity does get up other people's agendas, because by itself it has not got the resource to actually fund the sector in the way that it does. So I think it has influenced; there is money coming out of the education budget that would not have come out of that budget had DCMS not been a lobbyist. I constantly have meetings with ODPM, the Home Office and Health as well. When I got this job I set up regular meetings because—I think you are right—it is our influence on those budgets that will actually make the difference. I really could not see a circumstance now where we did what we did in the 60s, in terms of urban regeneration, and built communities without arts and culture. That is progress. When ODPM does the development of the new towns, they will have arts and cultural facilities. DCMS might not get the credit but, honestly, DCMS has been there on the shoulder of ODPM making sure that that happens. I think part of our job, in some ways, is changing the culture within Whitehall to make sure it understands the importance of culture and creativity. I find that none of our ministerial colleagues are against arts/culture creativity but sometimes they are not sufficiently for it to actually make the decision to spend their money on it. It is my job to make them more for it rather than just not against it.

**Q533 Mr Doran:** That is very helpful. On a completely different tack, we have been discussing the issue of the fabric of the London theatres, and we know a working group has been set up and we expect that to report quite soon. Can you give us some indication of where the working group is and where you are on the deliberations in that area?

**Estelle Morris:** As you know, when the West End Theatre report came out they, obviously, came to see us and it would not have been proper—neither did we have the resource—to help, but it seemed to be one of those moments in time where if we did not respond in some way nothing would happen and, in the medium to long-term, we would potentially jeopardise the success of the West End Theatre, so we perhaps needed to find an innovative way of going forward. What we decided to do was to call all the parties together and try and see if, between us, we could come up with some sort of a solution. I think you are aware that what has happened, at the moment, is that the theatre owners themselves have agreed to put some money in, and they will submit applications to Lottery distributors in the same way that they normally would. I do not know what will happen there; (it is a golden rule) I have not had conversations other than fairly superficial ones. That is wrong; I have had conversations with both ACE and HLF about this, but I have not had conversations about the detailed applications, so we have to wait. However, I think that partnership is actually a very important one; it need not continue for a very long time but I really do hope that everybody who has got their hands on the cash, as far as this is concerned, does do something to enable this to go ahead. This is probably a bit demob happy: I personally would be disappointed if the efforts we had put in to the West End Theatre forum came to naught, but I just do not know—the Lottery distributors have a lot of pressures on their resource.

**Mr Doran:** That is very helpful, thank you.

**Q534 Chairman:** Minister, that concludes an inquiry which, in terms of the quality of the evidence that we have received, is one of the best inquiries we have had. We are grateful to you for rounding it off in the way that you have. It is now up to us to see if we can respond in a parallel way. Thank you very much indeed.

**Estelle Morris:** Thank you very much.

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**Supplementary Memorandum submitted by DCMS**
**FUNDING FOR THEATRE 1986–87 to 2004–05 INCLUDING REAL TERMS FIGURES**

Levels of revenue funding for theatre in England are shown in the table below.

<i>Year</i>	<i>Amount (£)</i>	<i>Amount (real terms £)</i>
1986–87	29,765,000	57,207,812
1989–90	36,029,000	57,268,044
1994–95	45,559,000	58,857,895
1998–99	27,128,000	31,230,483
1999–00	29,987,000	33,785,364
2000–01	29,946,700	33,352,554
2001–02	30,288,800	32,896,338
2002–03*	74,629,940	78,372,141
2003–04*	89,566,873	91,481,813
2004–05*	95,601,602	95,601,602

\*prior to 2002–03 awards listed do not include awards made by regional arts boards

Real terms figures calculated using HMT guidelines, with 2004–05 as the base year.

4 March 2005

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# Written evidence

## Memorandum submitted by Arts & Business

I was interested to hear of your inquiry into the nature and adequacy of public support of theatre in Britain and thought you would also be interested in the levels of private sector support for the theatre.

In 1976 the year Arts & Business was established, corporate support for the arts stood at £600,000. This figure for 2002–03 rose 8% year on year to £120 million.

For the first time in 2002–03, Arts & Business combined the figures for business investment in the arts with individual and trust giving to the arts and produced a definitive figure for private sector support for the arts. The figure for 2002–03 is £376 million (up from £347 million 2001–02).

The specific business investment figure for drama/theatre in 2002–03 was £12,091,313, a fall of over £7 million from the 1997–98 figure.

Arts & Business would like to explore how we can help the committee understand the overall funding mix for theatre which includes the growing role of the private sector. I hope the attached submission cast some light in this area.

I would welcome the opportunity to be a witness for this enquiry and outline how we might expand our work in developing private sector support for theatre.

### INTRODUCTION

Arts & Business maintains that private sector funding should always be a supplement, never a substitute to public funding. It is vital that the artistic quality, imagination and promise in UK theatres remain abundant and vibrant. We need a combined effort from the public and private purse to ensure that the structures and resources required to support the work of theatres can adapt to the political, social and economic climate.

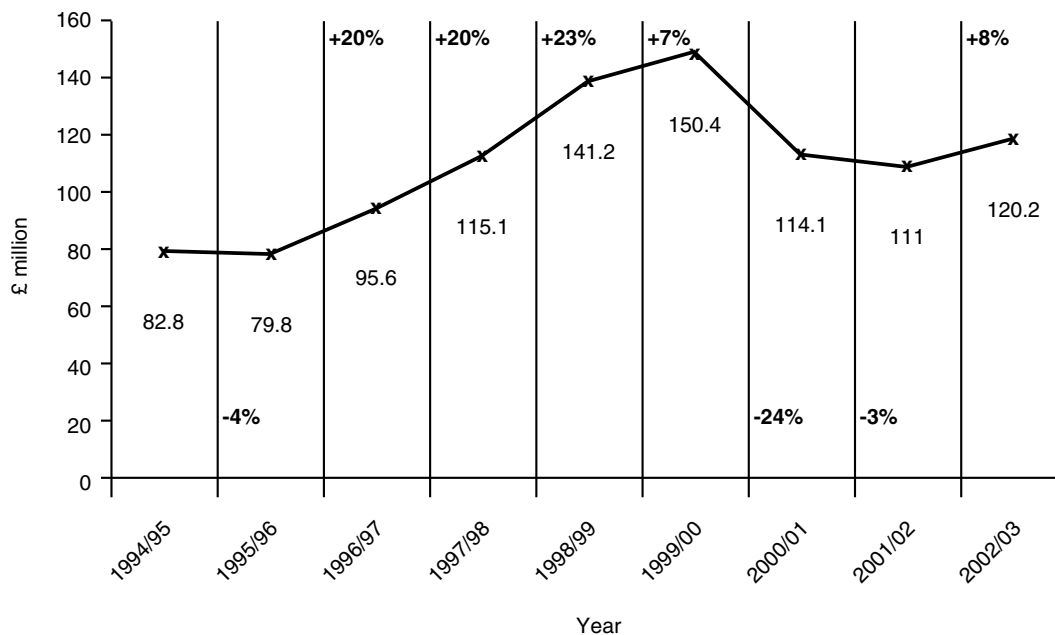
Arts & Business is the only body to give an insight into how much companies, foundations and individuals invest in the not for profit arts sector year by year.

### BUSINESS INVESTMENT TO THE ARTS

#### Total Business Investment

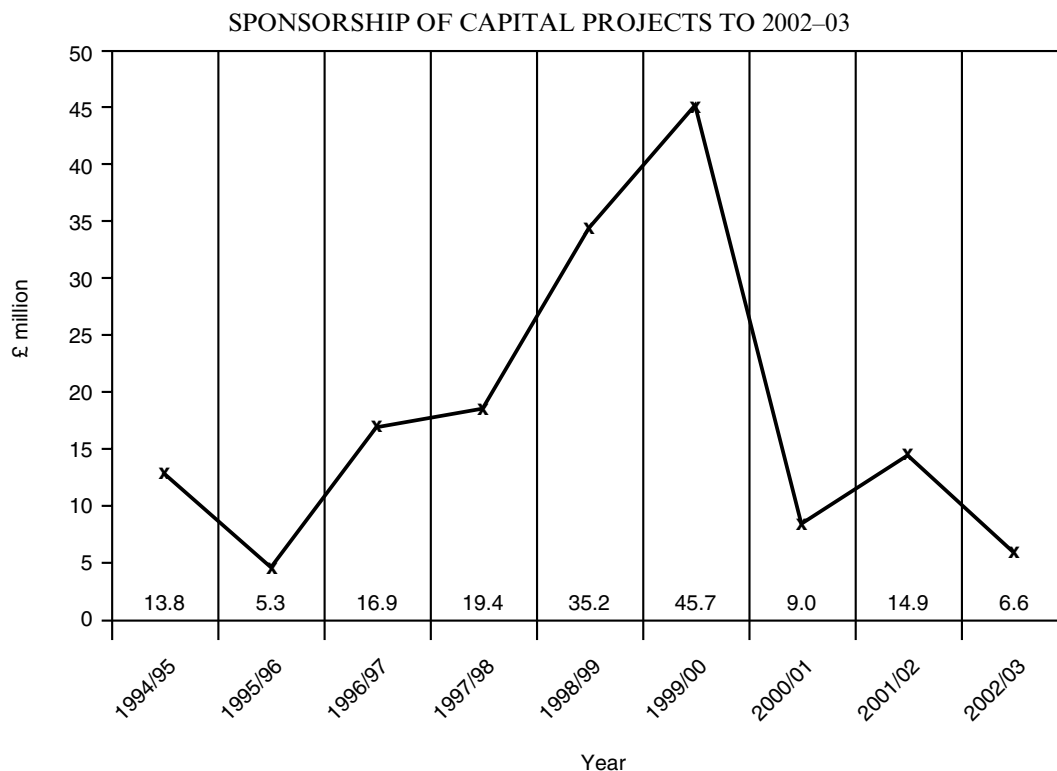
There has been an 8% rise in total business investment in the arts across the UK in 2002–03—with the total now standing at £120.2 million. The levels of investment are now levelling out after a relatively steep drop after the millennium (which covers a short period of economic and political instability).

**Figure 1:**  
**TOTAL BUSINESS INVESTMENT TO 2002–03—INCLUDING SPONSORSHIP OF CAPITAL PROJECTS**



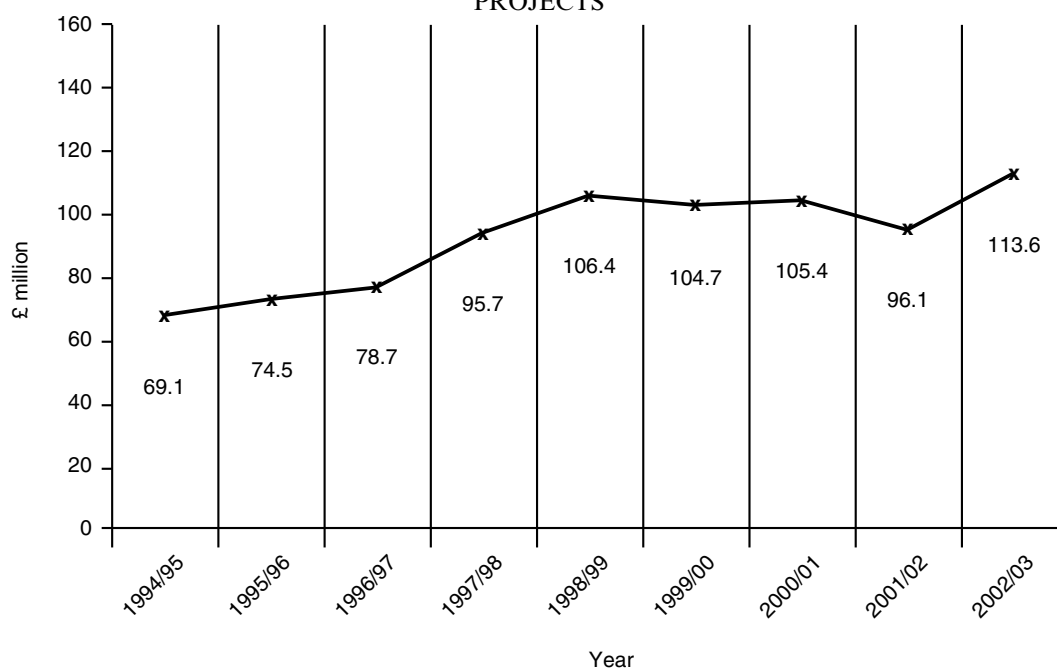
Capital investment played a key role in driving up the investment figures over the millennium period, with key capital campaigns attracting high levels of business support. Capital investment reached 45.7million in 1999–2000 and is now standing at £6.6 million across the UK.

**Figure 2:**



**Figure 3:**

**TOTAL BUSINESS INVESTMENT TO 2002–03—EXCLUDING SPONSORSHIP OF CAPITAL PROJECTS**



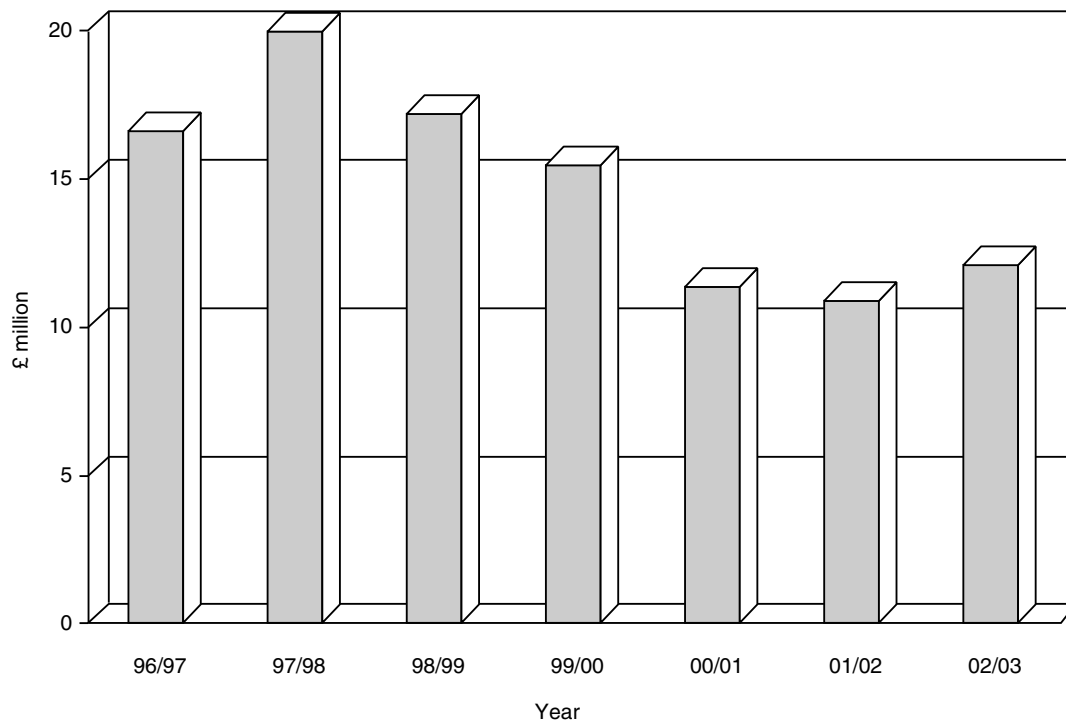
**BUSINESS INVESTMENT BY ART FORM 2002–03**

Museums & Galleries bring in the largest amount of investment (20% of the overall total) and Music has seen a 53% increase in total business investment over the 2002–03 period—now reaching £14.63 million and contributing 13% of the UK total. To put this into context, Arts Centres account for 4%, Festivals 8% and Film & Video 7%.

Drama and Theatre contributed 11% of the total UK Business Investment and saw a £1.19 million increase in financial terms for the year 2002–03. This increase can be accounted by the rise in financial investment through Corporate Donations (+ 7%) and Corporate Membership schemes (+ 73%).

**Figure 4:**

**TOTAL BUSINESS INVESTMENT IN DRAMA AND THEATRE ORGANISATIONS IN THE UK TO 2002–03**



**Top 10 Drama/Theatre organisations receiving Business Investment in the UK, 2002–03**

Derby Playhouse	East Midlands
Donmar Warehouse	London
Grand Opera House Trust	Northern Ireland
Hackney Empire	London
International Shakespeare Globe Centre	London
Open Air Theatre, Regent's Park	London
Royal Exchange Theatre Company Ltd	North West
Royal National Theatre	London
Royal Shakespeare Company	West Midlands
Theatre Active Ltd	East

**OVERVIEW OF INDIVIDUAL SUPPORT FOR THEATRES**

As evidenced by a discussion at a recent Theatre Managers Association conference, theatres across the country are becoming increasingly interested in developing support from individuals for their work. In part this is no doubt because they feel that (rightly or wrongly) developing corporate support is becoming a very exact science and that their organisations are not necessary equipped to deliver the types of benefits that the corporate sector are now interested in. However, there also appears to be a more positive, encouraging belief that in developing individual giving they would be focusing on a largely untapped income source to date.

**INDIVIDUAL AND TRUST GIVING TO THE ARTS**

For the past three years Arts & Business has also been collecting through its annual survey data on individual and trust giving to the arts. Our statistician has suggested that three years is too short a period to begin to analyse trends year-on-year. However, the figures we have for 2002–03 are the most comprehensive to date and give a fairly clear snap-shot of the situation across the country.

As the following table shows, in 2003 theatre attracted £17.4 million of support from individuals and trusts/foundations. This represents 6.8% of the total income raised by the cultural sector from these income sources. Heritage raised the most amount of money from these sources but theatre still managed to raise more than any other performing art form.

<i>Cultural activity</i>	<i>Income (£) in 2003</i>
Heritage	150,951,003
Museums & Galleries	26,269,748
Drama/Theatre	17,429,692
Visual Arts	13,781,776
Music	11,100,982
Opera	8,506,381
Festival	6,603,163
Other (inc LA)	5,110,685
Dance	4,895,042
Arts Centres	4,834,793
Community Arts	3,441,857
Literature/Poetry	1,820,231
Services	394,517
Film/Video	234,683
Crafts	220,102
Photography	54,878
Total	255,649,533

As the following table shows, Trusts & foundations were the most important income source for theatres, providing the sector with 21% (£10.9 million) of their total support for the arts in 2003. Surprisingly individual donations were over twice the size of Friends Schemes income; given the focus in the arts on developing regular, ongoing support mechanisms, one would assume the reverse would (or at least should) be the case. Legacy and bequest income was surprisingly low; of the £58 million which went to the arts from this source, theatre attracted only 0.68% (only film, literature and crafts received less). Given that neither the Gift of Shares nor Payroll Giving were significant sources of income for any art form in 2003, the failure of theatre to attract much support from either source is unexceptional.

<i>Income Source</i>	<i>Income (£) in 2003</i>
Individual Donations	4,417,309
Legacies & Bequests	391,787
Friends Schemes	1,683,699
Charitable Trusts & Foundations	10,931,876
Gift of Shares	0
Payroll Giving	5,021
Total	17,429,692

The table below shows the breakdown regionally. To a large measure the difference between each region can probably be ascribed to the extent of non-for-profit theatre production in each region. Thus it is unsurprising that London is such a key player across the UK.

<i>Region</i>	<i>Theatre Income (£) in 2003</i>
East	308,035
East Midlands	686,500
London	7,820,336
Northern	342,212
North West	439,323
South East	480,890
South West	436,321
West Midlands	6,020,969
Yorkshire	260,947
Scotland	536,667
Wales	26,221
Northern Ireland	71,271
Total	17,429,692

#### CONCLUSION

The current and likely future pattern of public subsidy and private money for theatres is woven together. It is important for the arts sector to recognise that the last few years have been good and they have done well out of spending rounds. Arts organisations can survive this new climate. Arts and Business will work with our business partners to support any success as businesses want to be part of a successful art form. The sector should not feel it is in trouble because of a lack of significant uplift in this years spending review, they must look to the private sector to provide partner funding. Business has become an even more important partner and the role of Arts & Business in developing private sector support for theatres is now even more valuable.

14 January 2005

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#### **Memorandum submitted by Joanne Benjamin**

I sent a version of this submission to the DCMS for its review of musical theatre funding, I do not hesitate to send it again for the current review.

Musical theatre is the most popular live art form in the world. That is its problem. A small number of musical theatre productions are commercially successful and a small number are high profile failures which give the general view that (a) the art form is not one which has cultural or artistic excellence and (b) it does not need public subsidy. Both premises are false.

Musical theatre in its widest form encompasses many art forms, opera, ballet, jazz, cabaret, concerts, as well as main stream musical theatre. Main stream musical theatre provides a considerable annual sum to the Treasury's budget from the VAT on the theatre tickets from musical theatre productions around the country, the national insurance and tax paid by artists involved in this area, actors, directors, choreographers, stage management, not to mention theatre staff both front of house and back stage, and corporation tax paid by the producers and theatre owners. Additionally reports have been done to show the amount of money which comes into the economy from the spend by theatre goers, both from the UK and abroad, on hotels, transport, restaurants and shopping around their visits to the theatre. It is acknowledged that theatre is one of the main tourist attractions for visitors from abroad and musical theatre provides the main magnet for theatregoers, especially those from countries where English is not the first language. Not one penny of this income comes directly back to the mainstream musical theatre industry in subsidy. The Arts Councils of England, Scotland and Wales do not have musical theatre officers and do not accept requests for funding for this art form, not even for the education and new writing initiatives based on this art form. Subsidy is needed to help this area of the entertainment industry regenerate in order to continue to provide this level of income to the government.

In 2002 an initiative took place, which was unique, and the first of its kind in the world. The first International Festival of Musical Theatre took place in Cardiff. For three weeks the whole city was taken over with musical theatre in all its forms, international artists, writers, composers, directors and musicians took part in 100 performances over 11 venues. Audiences from all over the world came to the city. Both the Bridewell Theatre and the National Youth Music Theatre took part in this initiative and productions from both institutions formed part of the Festival's programme. 782 young people, including many from disadvantaged backgrounds and those who were disabled participated in Festival productions. However,



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not one penny of direct arts funding was provided for the Festival. Despite a deficit after the first Festival, its support funders and corporate donors have showed their commitment and we are now preparing for a second Festival which will take place in April this year.

The feedback we have received and is mirrored in the evaluation of many other education projects is that the participation in a musical theatre project is of immense value to the children who take part. It is especially valuable to those children who may not achieve academic success, as they can find an area in which they can excel and therefore develop their sense of self-esteem. They develop skills of teamwork, and raise their levels of confidence. In 2005 over 1,000 young people will take place in the second Festival of Musical Theatre, but once again we have been refused any funding from public bodies. Exchange schemes are being developed for these young people eventually to travel and work with children in other countries in joint projects.

The development of new writing and the participation in musical theatre events was, and continues to be, at the heart of the Festival's programme and it is the Festival's intention to make both of these areas the subject of year round development programmes, given we can acquire funding for the same. We are in contact with a number of organisations in the US, in particular the National Alliance of Musical Theatre and the new writing programmes in Chicago and Los Angeles with whom we are also working on this developmental programme.

In the US the development of new writing is seen as a necessity rather than a luxury. Most regional theatres in the US produce at least four or five new musical productions per annum. In the UK the regional theatres are unable to afford even one without some direct commercial financial input.

The Global Search for New Musicals, the heart of the Festival's own new writing programme, received 165 entries from 16 different countries in 2002—of the nine shows which were chosen for showcase performances at the Festival six have had interest shown for future development and three are already in the process of being developed further, but tellingly, all by US theatre companies. For this second Festival 256 entries have been received from 28 countries, but we again have been unable to get any public funding to help with this programme.

The relationship between commercial and subsidised sector has over the past 20 years expanded in that the commercial sector has recognised that in the subsidised sector, especially regionally, it can find a base where new work can be tried out at a lesser cost and further from the spotlight than immediately into the West End. A number of new musicals and plays have been tried out in regional venues prior to reaching London. The advantages are there for both sides. For the regional theatre, the commercial producer provides extra investment capital so that a production, which the theatre itself could not afford on its own annual budget, can be produced. If the show continues to have a future life after its run at the regional venue, an ongoing income stream is produced for the regional theatre, and the on-going presence of the show in the wider arena provides the ability for that theatre to attract other producers with future projects. For the commercial producer, the benefits are that they have a venue in which to try out a production away from the glare of the West End, and if necessary make changes prior to its opening before the critics. Additionally the costs to a commercial producer of starting a show in the subsidised house, are less than those of starting immediately in the West End. However, with more direct subsidy to these regional venues specifically for the development of new musical productions, even more could be produced, providing more revenue back to the venues and ultimately to the government.

New musical writing development is, as has already been shown to you in the previous DCMS study into musical theatre, a risky and expensive area. I do not need to reiterate all the points that were made at this submission. However, I wish to add to this argument by adding that direct funding needs to be extended not just to the development of new musical writing but also to support the presentation of the standard repertoire as well. In order for new writers to learn their craft they need to see and study those works that have already stood the test of time. In drama, new writers study Shakespeare, Ibsen, Shaw, and Arthur Millar, David Hare and other acclaimed writers of the 20th century. Artists study the work of Turner, Picasso, Rubens; composers study the work of Mozart, Beethoven, Puccini, Verdi. In none of these disciplines is it questioned that the works of these artists should be presented and supported by public funding or that their study by artists of today is necessary. It is exactly the same in Musical Theatre. The composers of today need to study the work of Gershwin, Porter, Rodgers, Berlin, and indeed Coward and Novello, and other giants of 20th century writing in order to learn their craft.

The vision of musical theatre is of an area of the arts that is not artistic and very commercial—there is a mistaken view that huge profits are made and therefore an assumption that those commercial producers who are in this area of the business should fund its development. The profit is made by the Treasury, not by the commercial producer and it is time that the value of this art form was recognised and its on going development publically funded.

It should not be questioned that our larger subsidised theatres both in London and the regions should programme the works of these composers. It is acknowledged that these works are also programmed to provide an income for the venues, as they are popular works. However, these works should be balanced by the ability of our regional theatres to support development of new writers in, say, their studio theatres and there could possibly be a relationship established such that funding bodies could equate a grant for development work balanced against the income from the production of an established work. Unless we help to provide the base from which new writing can be developed, and nurtured, we will not in future years have the luxury of a musical theatre industry, which is currently the envy of the world.

Participation in theatre, and especially that of young people, is another area in direct need of subsidy. The participation of young people in musical theatre is widespread throughout the UK, and indeed the rest of the world. Again, the volume of school and young peoples' productions of musical theatre works adds to their knowledge and to their education in many areas. There are literally thousands of amateur productions of musicals produced every year all over the UK providing participation experiences for many people, young and old. These also provide an audience for theatre for the future and, incidentally, again considerable additional income to the Treasury. At the 2002 International Festival of Musical Theatre over 792 young people participated in Festival events, including disabled youngsters and those from disadvantaged areas. The benefits these young people gained from this participation are immeasurable, especially for those who are not academically gifted, or who are disabled. For them to find an area in which they can excel in is without price.

At the moment the Arts Council, the only direct funding body for the arts, does not have a dedicated musical theatre officer. They have officers for music, opera, drama. A large part of the music subsidy goes to opera but any applications for funding for mainstream musical theatre productions, even if these are in the areas of new work, or education are not assessed by people with a direct knowledge of the sector. This is because musical theatre in this country is not viewed with the esteem in which it is held, for instance, in the United States. There appears to be a view that it is a purely commercial art form, and it should be supported from within its own sector, ie by those producers who benefit from the art form. It is also viewed as an art form without artistic merit. Artistic merit and commercial success are viewed as being mutually exclusive. It is time that this thinking was eradicated. It is true that there are many musical theatre productions of great artistic merit which are not commercially successful, especially those experimental productions which have been so successfully produced at the Bridewell Theatre. However, the industry should not be penalised because there are a few productions which are commercially successful.

Musical theatre is at the heart of our cultural life. In the area of the arts it has been the Cinderella for too long. It is now time that proper support is given by public subsidy to support this art form.

24 January 2005

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#### **Memorandum submitted by Contact Theatre, Manchester**

Contact is a theatre dedicated to young people, new work, emerging artists and new audiences. In 1999, after closure for a lottery funded rebuild, Contact re-opened with the vision of engaging young people in theatre in new ways: breaking down the barriers between professional and participatory work; finding innovative mixes of writing, music and visuals; building strong relationships with Manchester's many communities; and above all making a theatre building an exciting place to be. The statistics speak for themselves. Over two thirds of Contact's audiences are under 35 years old—an unheard of balance in regional theatre—and over a third are from black and Asian communities. Artists of all backgrounds come to Contact, to meet, argue, explore new ideas, and relax. Young people from local areas such as Moss Side, Rusholme, Longsight take part in all decisions affecting the venue, while having opportunities to develop new theatre work with national and international artists, and alongside other young people from as far away as India, New Zealand, Nigeria, Sri Lanka, Malaysia, Syria, Jordan . . .

The core idea of Contact's new way of working grew out of the opportunity of the lottery rebuild. In an exciting new space, designed with young adults in mind, Contact was able to escape many of the negative associations of theatre for young people. However, it was with the very substantial uplift provided by the theatre review that Contact was able to really develop its ambitions. The new funds allowed Contact to move from an improvisatory, last minute approach to activity—where every move was financially perilous—to a planned, expansive way of working. While always busy and working to capacity, staff are able to make time to mentor young people in each department of the theatre, artists and new work can be developed over months and years, and new, ambitious theatre can have real investment. Contact is now used as a resource for good practise in theatre for young people internationally, and has been part of the new confidence and cultural innovation that has characterised Manchester in recent years.

In the past few years the image and impact of theatre in Britain's culture have been transformed. Nationally, and increasingly internationally, British theatre is seen as characterised by innovation, experiment, cultural diversity and contemporary relevance, as opposed to being a branch of the heritage industry. The relevance of theatre to young people is potentially huge. More and more young people, who would previously only have seen an outlet through music, now turn to theatre as a way to express themselves and explore their futures.

In Contact's recent collaboration with the British Council, *Contacting the World*, young people from six countries—many of them Islamic young people who have recently had a troubled relationship with the UK—worked alongside young people from six different UK cities over a nine month period using exchanges, emails, script sharing and visuals to share information about their lives and ideas. When all 150 young people came together at Contact for a week in summer 2004 to share the shows they had created, to run workshops for each other, to discuss, debate and socialise, it was really possible to believe that theatre could change the way we communicate globally.

For a relatively small investment, theatre has transformed itself, and is transforming the UK's international cultural impact. If we are to invest in success and promise, theatre is the right place to be putting out money.

17 January 2005

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### Memorandum submitted by the Guildhall School of Music & Drama

#### INTRODUCTION

1. The Guildhall School of Music & Drama (GSMD) welcomes the opportunity to respond to the Committee's inquiry into Arts Development: Theatre. GSMD was founded by the Corporation of London in 1880. It offers musicians, actors, stage managers and theatre technicians an environment in which to develop as artists and professionals. The reputation of the teaching and, increasingly, the research, is well respected and the School aims to be active, not merely reactive in response to the challenges of the professions.

2. At GSMD actors are being trained to work in as diverse ways and places as possible. It is vital that there are as many opportunities as possible for them to ply the craft in both modern and classical work.

3. This note attempts to set out the School's response to the initial areas identified by the Committee when it announced the inquiry.

#### PATTERN OF SUBSIDY

4. It is important from the GSMD's point of view that theatre is supported by the Government and/or the Arts Council in order to encourage the employment of actors in a diversity of work. Such support sustains and enables the development of the actor's craft in a wider range of work. The pattern should continue to strengthen the craft and ensure that a wider range of audiences across the country are able to see a wider range of work. For example, most large cast plays are only performed in London or Stratford since most regional theatres are not able to afford a cast larger than eight. Unfortunately this effectively rules out much Shakespeare and other classics pieces. It is important that there are theatres big enough to stage this work.

#### PERFORMANCE OF ARTS COUNCIL

5. There is a perception that the Arts Council is overly bureaucratic with only limited first-hand experience of running theatres or companies. It is suggested that the Council should be more part of the industry it serves. It used to have specialist panels to advise on matters but now only has a board. Actors should be encouraged to serve as Arts Council members.

#### SUPPORT

6. Local authorities often cannot afford big theatres—for example Teeside has just one run-down theatre to serve 650,000 people. Unless new writing and new young acting talent are encouraged, it is feared theatre will become non-regenerating.

#### SIGNIFICANCE OF THEATRE AS A GENRE

##### (a) *Cultural Life*

7. Theatre is one of the major strands of our culture, and has been for many centuries. The UK is pre-eminent in world culture for its written, text-based theatre addressing a variety of strands of human life. It is important that theatre is seen not just as art, but as entertainment too.

(b) *Regions*

8. In addition to maintaining a varied range of theatrical work, it is important to continue to widen access to this work, especially because of the issues it addresses. If access is restricted the gap between regions widens as well as the gap between London and the provinces.

9. Increased funding for the regions in the last two or three years was beneficial, but only went to the selected few, such as Salisbury or Liverpool. Many other regional theatres are getting left behind. Young actors used to be able to develop their craft in repertory theatres, but there are now far fewer opportunities for this to happen before being over-exposed too soon in major roles on TV in subsidised national companies.

(c) *UK Economy*

10. Theatre is critical for the regions as well as deprived inner-city areas—a new theatre can add new life to a main street attracting ancillary amenities such as wine bars and restaurants. The land values in Minneapolis have risen dramatically since the Tyrone Guthrie Theatre opened. Portsmouth University's study of the economic impact of Chichester Festival Theatre on the city showed that the theatre, directly or indirectly, brought £20 million to the area. People, especially younger graduates, are attracted to work in areas which have these cultural facilities.

11. Actors are now being trained not only to work in theatres but to go into cinema and bring money back from abroad. The disproportionate number of English actors in character roles in Hollywood movies is not only a tribute to their talent but to the fact their skills were honed after training in character roles in British theatre both in London and in the regions.

12. The amount of tourism attracted to London for its theatres is widely recognised and well-documented.

EFFECTIVENESS OF PUBLIC SUBSIDY

13. Non-commercial theatre includes not only the National and the Royal Shakespeare Company but also children and young people's theatre, ethnic work and disabled companies.

14. There are mutual economic and artistic benefits to commercial managements and subsidised theatres when they mount co-productions. The managements get a lower-risk start and the theatres enhance their programme. This seldom applies, though, to large cast Shakespeares.

15. Many subsidised theatres develop and encourage new writers who go on to write not just for theatre, but TV and film—Julian Fellowes only the most recent example.

*January 2005*

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**Memorandum submitted by Michael Holden Associates**

In preface I should state that I am a member of the Society of Theatre Consultants (elected 1974) with some 35 years of consultancy experience preceded by work in stage management and as a theatre producer. I am a UNESCO consultant in arts and cultural provision.

In my work I have created and formed theatre companies and written the architectural briefs and management plans for theatres and other buildings. Amongst these have been:

- The Lyric Theatre, Hammersmith, where I was also founder chairman, leading the company through its first five years.
- The Barbican Arts Centre where I contributed as specialist advisor to Henry Wrong, the first Chief Executive.
- Sam Wanamaker's Globe Theatre where I also undertook the role of Chief Executive completing the theatre and the establishment of core activities following Sam's death in 1993. A £12.4 million ACE Lottery investment was solicited and expended during my period as CEO.

I have also designed the auditorium and stage together with its technical facilities of more than 60 theatres and in full or in part have been responsible for the expenditure of some £37 million of Lottery capital funding.

In all this work I have been involved with the structures of government and non-governmental bodies in this country and overseas and am well qualified by this experience to offer evidence to the Committee.

I am concerned about two aspects of current approaches to support of the arts, one concerned with the physical provision and maintenance of theatre and the other to do with the nature of revenue support. Attached are the relevant submissions I would like to offer to the Committee. I would be happy to expand on these rather hasty summaries if requested.

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## CULTURAL CAPITAL

Theatres in today's leisure markets have little if any margin on operations to pay a commercially viable rental for buildings that have become increasingly expensive relative to other building types. The value of a theatre building under commercial valuation systems is therefore low or nil and land value is therefore much less than other land uses. Even in the West End of London rental returns on theatre are well below competitive land uses.

As a result of the low property value there is pressure to demolish theatres and considerable difficulty in improving them as the resulting improvements will not be reflected in the balance sheet. There is, to, a reluctance from donors to give to what is perceived as a "black hole" since their contribution may one day be lost to the community.

Once a theatre is lost it is a difficult and expensive matter to purchase in the commercial market place a site for new or replacement theatre should the community require it. As most modern theatres have been constructed using public contributions, local authority or lottery money the community has made a significant cash investment in theatre capital. Where this is not the case (as in the West End) the community derives considerable utility from access to the theatre and considerable ancillary benefits to the local economy. Yet under commercial valuation systems the value of a theatre (since it makes little or no capital return) is very small or nil. Where a theatre is lost there is a consequential loss of community capital. Where the lack of commercial capital value diminishes the ability to improve theatres there may be a loss of usage and therefore of benefit to the community utility which is incalculable.

This situation needs to be improved with a view to:

1. Increasing the ability of commercial and charitable trust managements to improve their buildings by increasing balance sheet valuations.
2. Increasing the value of theatres so that they may compete for or maintain a presence in town centres.
3. Improving the regard and readiness for community investment by placing a greater value on the resulting property.

A potential solution to this problem is the concept of establishing a "Cultural Capital Value".

The concept is a simple one, it presumes that theatres (and indeed other cultural buildings of little commercial value) have a place in society and that society's investment in them is real and rational. That our communities will continue to require places for the exchange of ideas, information, stimulation of thought, entertainment and above all of social interaction and will need buildings for this purpose which can not be commercially funded in their entirety. It follows that the value to the community of these building is equivalent to the value of the commercial building they supplant or replace and that this capital value can be calculated and ascribed to the property. It would be known as the Cultural Capital Value of the building and can be calculated and noted in the Balance Sheet.

Under the Cultural Capital concept theatres would be valued on a full replacement equivalent basis then its replacement, should it be necessary, and improvement will be reflected in its improved commercial asset value. By this if a theatre is demolished to make way for a new development its asset value for purpose of the development land would be sufficient to make a purchase of equivalent land and buildings to serve the community on another, equivalent, site. Thus the community capital investment is retained at full value. In the case of a commercial theatre or a trust winding up, the asset value of the land and buildings would be the full replacement value levied on behalf of the community less the commercial value of the property which would be the compensation to the property owner.

In the case of improvement of theatres (especially improvements by commercial managements) the increased investment would be properly reflected in the asset value and recovered under the above formula due to the implicit support to the balance sheet established by Cultural Capital. At the moment the improvement of, say, a foyer or bar will make only a small increase in operational surpluses and thus little increase in ordinary commercial valuation. If the concept of Cultural Capital is applied then the increased investment (subject to depreciation) is directly reflected in the recoverable balance sheet asset value thus encouraging improvement investment.

The concept of Cultural Capital is to some extent established by the Planning Act's Section 106 agreements by which the community, in the person of the planning authority, is compensated by the land developer for the cost or loss of amenity to the community of the development. In recent years these "compensation" payments have occasionally been devoted to the provision of new cultural buildings. I recently administered on behalf of a local authority the shell construction of a theatre by a developer as part of a Section 106 Agreement. The concept of Cultural Capital simply expands on this basis to form a regularised and reliable valuation of the community capital that can be relied on as a basis in assessing the community value of theatres by reference to full replacement cost.

Cultural Capital would be legally established by extension of the Planning Act Section 106 Agreement provisions. This would require that the redevelopment (or material change of use) of a theatre would be compensated to the community. The measurement used to be the full replacement cost to the community through the purchase and construction of a similar building on an equivalent commercial site. This would be the sum attributable to Cultural Capital after deduction of the agreed commercial value of the theatre

which would be payable to the owner in respect of the actual purchase. The Cultural Capital remaining would establish the basis for the Section 106 Agreement which could be offset either by developers replacing the value in a new cultural building or making a cash sum available to the community. In the case of change of use the sum might be deferred where there is no deleterious change in the Cultural Capital of the property but that capital charge would continue to apply.

Improvements in a building would be reflected in this valuation by reason of the replacement value equivalence, which would accrue to the book value by reason of its implicit value support as an off-set to the Cultural Capital assessment. Theatre might be advised to establish their cultural capital value and note it in their accounts.

The effect of this would be to regularise the community compensation to a certifiable sum intrinsically framing the asset value of the theatre. It would have the same effect for local authorities wishing to dispose of theatres, often theatres where public donation and Arts Council donation have been important original capital contributions.

Individual examples can be worked through as illustrations of the huge differentials between commercial valuation of cultural buildings against the value to the community of the investment originally made. The Committee might like to review the case of the Mermaid Theatre where imposition of a more realistic Section 106 Agreement (to some degree following this concept) has resulted in revised proposals to retain the Mermaid as a cultural asset. They might also like to review the proposed disposal of the Redgrave Theatre in Farnham where the council will achieve little compensation for a lost theatre, more than half of which was originally funded from public donation and the Arts Council's Housing the Arts Fund.

There remains the administration of this aspect of the Planning Act. Local Authority planning departments and valuers are well able to establish and calculate a cultural capital under this rule and to argue the case with the developers valuers both working from a common basis of assessment.

However, the cultural capital if realised in cash by a development may not always be best re-invested in the local authority's immediate area. It might be better used for maintenance and refurbishment of other existing properties or for investment in other districts. For example where there is a diminishing population or over provision of theatre it may be desirable to apply the capital to investment in cultural provision in expanding population centres or where provision is low. The balance of provision in the outer areas of London is an example of the relative riches and poverty of different geographical sectors.

The realised cultural capital might therefore be better held by Regional or National authorities or institutions to apply to wider community needs. The Theatres Trust is currently undertaking this role in a very small way from returns on its own theatre properties.

#### PATRONAGE RATHER THAN SUBSIDY

The concept of continuous central government subsidy for the theatre arts was established by the formation of CEMA from which John Maynard Keynes led the inspiration of the Arts Council in the closing days of the war. The Arts Council was conceived very much as a centralised disbursing of cultural product with local authorities providing venues and organising support for amateur activities. A schema of appropriate venue provision was set out—a theatre for a town of 10,000 people, a concert hall would be added for a town of 30,000 people and so forth. Each venue was recommended to have a library and larger venues were to have a restaurant. The restaurant might have been inspired by the British Restaurants of the war years and there was a similar flavour to the idea of a nutritional, balanced cultural diet. Certainly the assumption was of largely centrally provided professional programme and local amateur provision.

This Arts Council never enjoyed Keynes's chairmanship nor his direction of its form. The model he had in mind I am sure is that of the BBC the major patron of the arts in this country through its programme of commissioning work for publication. Keynes's Arts Council would, I believe, have been a similar patron commissioning work and publishing it by touring across the country. The body that was chartered was rather more modelled on civil service lines based on assessment and response in individual circumstances to service an expressed need. It quickly developed from broad arts response to only supporting professional work.

General Secretaries to the Arts Council over the years have recorded the difficulty of providing this service and of defending the cost to the Treasury. A letter (in the Public Records Office) from the Treasury to the Secretary General of the Arts Council in 1950 lists the next three years revenue support required for the Royal Opera House for the next three years and asks how much the Council is likely require! The 1962 Arts Council Report hints of desperation at having to justify every single major grant to Treasury officials and it is significant that new headings for new subsidiary grants have increasingly developed in later years. Currently the plethora of titles and makes following the pattern of grant aid extremely difficult to follow and time consuming for clients to apply, monitor and report.

The Arts Council's approach to subsidy is firmly rooted in the concept of meeting an assessed need. It assumes without substantial question a need to continue a pattern of support on a continuum. In many ways this denies the artist the ability to be inspired by opportunity and, most importantly, the right to fail. These are necessary adjuncts to the business of creativity. These uncertainties insist on commitment (rather than policy) and apply risk, which sharpens the energy and impact for creator and recipient.

This is in strong contrast to Keynes concept of a programme of work commissioned and accepted by an Arts Council then ready to show its commissions to the nation. That model in the theatre draws much more on the preceding pattern of patronage, notably by Annie Horniman in Manchester and Barry Jackson in Birmingham but also by many other individuals, companies and local authorities.

Patronage requires an involvement and commitment by the commissioner of the work. It may be the project, a perceived need or simply support for an artist that initiates this patronage but it is a real inter-relationship. Most of the works of art that we treasure today are the result of patronage rather than subsidy. Even in the commercial theatre (from Shakespeare onwards) the patronage (not subsidy) of the public has been the driving force.

The relationship between patron and artist is the important element missing in subsidy. It is easier to exemplar in the field of the visual arts. A patron commissioning an artist to create a blue painting may well find the artist produces a work that explores blueness using every colour of the surrounding palette without ever actually using blue. Or the patron may receive a purely blue painting that explores form or tonal content in an unexpected and exciting way. The artist responds willingly, or in opposition, to the patron's demand as the relationship and mood dictate but the result is more likely to have commitment and energy. More importantly the result will be judged not so much by whether it meets the brief as by how much it excites and stimulates—its intrinsic value. How many paintings have been commissioned for one room but the results hung in a more prominent place? Or in the cellar? Again the right to fail is also important. Similar examples occur in music and all the arts.

The relationship of subsidy to the artist is very different. The selection of artists will be the result of pre-appraisal filtered through various external factors (ethnicity, geographical evenness of cultural provision, social deprivation etc) rather than the championship of a talent or an idea. The results will be assessed by how well the work has met the letter of the brief in order to justify public expenditure rather than valued for its intrinsic worth. The result is likely to be safer and less adventurous. The process of achieving subsidy, in part because of the assumption of continuity, makes it less likely that future subsidy will be placed at risk by radical departure from the commissioner's brief, diminishing creative freedom.

The Arts Council has increasingly found it difficult to frame its role in a consistent management structure as the difficulties of supporting a managed rather than entrepreneurial funding system for the arts has grown ever more insistent with larger funds and more extramural agendas to be met. As it subsidises, rather than providing patronage, it is resistant to new clients and initiatives because they represent an assumed continuum of commitment. The patron has the power to discard as arbitrarily as it commissions keeping the market place active and fluid.

Under subsidy managements have been schooled to increase budgets by creating deficits in order to show need and so justify increased funding. Continuity and growth in staffing establishment is encouraged as part of this process rather than shorter term employment with resulting increase of new inputs of energy and ideas. Lottery money, originally hypothecated for capital projects, is now used to increase client management structures further and to give the Arts Council the ability to support some new clients.

It is time to reconsider the Arts council as an institution and its basic tenets. It may also be time to honour its considerable achievements and move on to a new era.

How should funding be provided in this event? One element may be to remove from the performing company the responsibility of the theatre building with its property management and consistent cost implications. Maintenance of buildings has been sadly neglected over the years in submission to the urgent production needs. Lease or licence use of a building well maintained by others would focus the artistic energy on the artistic product. In many cases local authority ownership of the real estate already allows this to happen without any major change of existing arrangements. Where it is not the case there are existing non-profit distributing institutions capable of expanding to carry out this role.

DCMS (like the Treasury before it) has felt its role in justifying expenditure has been to undertake increasing guidance and monitoring of the Arts Council and lottery bodies and has developed an expanding staffing to shadow these bodies. This has now advanced to the point that the effective control is perceived by the public to be in DCMS hands with the Arts Council and most lottery boards increasingly managers rather than directors of the process.

I would propose to the Committee the concept of a system of champions of performance companies and individual artists to act as advocates on their behalf to the DCMS, Lottery and Local Authorities. These champions would be empowered by those funding bodies to be the patrons, on behalf of the public, of that company or artist taking responsibility, pleasure and enjoyment from their work as patrons for a period of time. The period of time to be proposed by patron and artist in considering the commission but not an implicit commitment or relationship into the distant future.

Patrons/champions would be knowledgeable in their chosen field of commissioning and would be unpaid (though able to recover expenses) and may often, as leaders of businesses or institutions, be in the position of commissioning work with other than public money. Champions would be self proposing or solicited by DCMS and other funding bodies or they might be selected and prompted by artists or companies to advance their cause. This is at least as democratic as the present system of central government appointment to the Arts Councils and the selection of RCCs and has the advantage of a much wider basis of opportunity and selection. I commend it to the Committee for consideration.

22 January 2005

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### Memorandum submitted the Lyric Theatre

We would ask the Committee to consider the following when undertaking its enquiry into the nature and adequacy of public support for theatre in Britain:

1. The £25 million funding increase that the theatre industry in England has enjoyed over the last three years has had a dramatic and significant impact on the theatre ecology in this country. It has, we believe, resulted in increases in both the quality and quantity of theatre on offer to the public. It has also transformed the financial state of many theatre companies, saving many from imminent closure and ensuring that many more are now viable, thriving businesses.

2. The Lyric Hammersmith's experience over the last three years is instructive and, probably, not untypical. In 2000–01, the Lyric's turnover was approximately £1.5 million and the company had an accumulated deficit of just over £200,000. The Lyric was weeks away from closure. By the end of 2003–04, this position had been transformed. Turnover had increased to more than £2.6 million and the Lyric now had accumulated free reserves of almost £200,000. Expenditure on productions had increased from £680,000 to £1.3 million and expenditure on our education programme had increased from £11,000 to £71,000 (with a doubling of our core education team from two to four). Critically, thanks to our ability to invest more in our work on stage, we have, we believe, been able to improve the quality and ambition of our work with the result that we have also seen a rise in annual attendance over the same period from 110,000 to 133,000 (and this has been accompanied by an even more dramatic increase in participation in our education programme from 900 in 2000–01 to 9,000 in 2003–04).

The reasons for this turnaround are largely to do with increases in public funding—in the case of the Lyric through a combination of one-off stabilisation funding and a more than 40% increase in our Arts Council revenue grant. This in turn has enabled us in turn to raise more money ourselves through fundraising and the ticket office. The result is that the Lyric has moved from a hand to mouth existence to an organisation engaged in the strategic and long-term development of its infrastructure and the artists who work within it with a view to creating an innovative new theatre culture. We believe the Lyric is a model of what increases in public subsidy can achieve—both in terms of the quality and innovation of our work and in terms of the broad social audience we attract here through our programme of work on our stages and in the community.

3. We believe the recent decision by the DCMS to freeze the Arts Council's grant in 2006–07 and 2007–08 is potentially disastrous—both in real terms and through the signal it sends out. If the arts returns to an environment in which below inflation grant increases are the norm, then it is likely that most organisations will respond by cutting back on those areas of their programme which carry most risk (and which are therefore likely to be most innovative) in an attempt to protect their core mission.

It is an astonishing decision, especially given that the sums required to inflation protect the Arts Council's grant (£30 million over two years), are so miniscule in Government spending terms. Is the Government, having appeared to champion the arts, now saying that the historic problems of underfunding that the arts have faced in this country have now been solved? If it can recognise that the historic problems of underfunding in health and education can not be solved in two terms, why does it not think the same argument applied to the arts? I thought this Chancellor prided himself on moving away from a stop-start approach to the economy.

What is even more depressing is the Government's apparent surprise at the reaction of the arts community to its decision. Why would they imagine that the arts community would react any differently to the health service or the education sector if the Government had announced standstill funding for these services? Their surprise is perhaps revealing of this Government's true attitude towards the arts—that its grant support is about benevolent patronage rather than a vital investment in an important sector of the British economy; a sector that also helps, critically, to define this nation's sense of itself.

4. We believe that the last few years of above inflation increases in grant aid for the theatre sector have begun to show the potential of what a properly funded theatre industry in this country could achieve. However, we believe that rather than solving the problems of the theatre industry, these year on year grant increases have begun to indicate how much there is still to be done. We believe that a detailed cost benefit analysis of what the theatre industry has achieved over the last few years will make the economic and cultural case not for standstill funding but for further increases in public funding for theatre and the arts in general.



5. We would urge this committee to recommend to the Government that it immediately finds the £30 million required to inflation protect its grant in 2006–07 and 2007–08 in order to prevent any unpicking of the achievements of the last three years. We also urge it to recommend to the Government to commission a detailed analysis of the impact of the recent grant rises in the theatre sector with a view to establishing a proper needs analysis of the sector for the future.

14 January 2005

### Memorandum submitted by Charles Morgan

I welcome the decision of the Committee to inquire into the nature and adequacy of public support for theatre. This is a large subject and I am sure that the Committee will receive many submissions from interested parties. For that reason, I will comment only on the performance of the Arts Council in developing strategies and priorities and disbursing funds and leave the other issues that the Committee has identified as relevant to others who are better qualified to discuss those issues.

#### BACKGROUND

The relationship between the Arts Council and the publicly-funded theatre has been fraught for at least the last 25 years. Perhaps the best description of the frustrations felt by the theatrical community came from former actor Lord Rix, after he had resigned as Chairman of the Arts Council's drama panel in June 1993 in protest at the proposed £5 million cut in the Government's grant to the arts: extracts from his resignation letter were reported in *The Guardian* on 9 June 1993. "We rush like lemmings to the water's edge, devising fatuous so-called policies and strategies and visions and corporate plans, which are merely feeble attempts to cover up the fact that we have been defecated on from a great height . . . For more years than I care to think, The Arts Council has been viewed with barely concealed contempt by successive arts ministers, . . . as well as by our clients."

Two days later, Lord Rix himself contributed an article to the same newspaper under the heading, "One farce I'm happy to quit", which gives a fuller explanation of his concerns (copy attached).

Sadly, more than 10 years later, and despite the Government's increased support for the arts (until December's disappointing announcement), nothing much seems to have changed in the relationship between the Arts Council and the theatre.

#### POLICIES AND STRATEGIES AND VISIONS

For the last 20 years it was no secret to anyone—Government, Arts Council or particularly the theatres themselves—that public funding for theatre was inadequate and that the impoverishment of live drama had been exacerbated by the financial strictures of successive Conservative administrations in the 1980s and 1990s. There had been a succession of reports, many of them by the Arts Council itself, which identified underfunding as a major problem for the development of British theatre.

This had not always been the case. In 1970 The Arts Council of Great Britain (as it was then) published *The Theatre Today in England and Wales*, which in its first chapter entitled Cause for Concern expressed those concerns about the state of commercial theatre ("on its last legs, physically run down and morally disheartened"), but went on to say optimistically that "On the other hand the 50 subsidised theatres outside London, commonly called 'the Reps', owe their survival and, indeed, their increasing numbers, to the Arts Council . . . The subsidised theatres in the Provinces and in London are relatively secure at present and with the likelihood of increasing grants from the Arts Council and the municipalities may confidently expect to remain so." How different the situation was to become a decade later.

In 1982 the Education, Science and Arts Committee commented that: "The Minister reassured us that the arts 'are managing to survive at a time of extremely acute difficulty', but we believe that the test of mere survival is inadequate when set against the outstanding record of achievement by the arts in this country."

The preface to the Cork report, *Theatre IS For All*, published by the Arts Council in September 1986, acknowledged: Theatre is one of Britain's great cultural assets. It brings economic benefit to the country. It is a key element in the international prestige of the nation. It enlightens, informs, and refreshes. Every year, at least one in every three people in the country in its live form and many more in its televised and film forms.

In spite of the lack of adequate finance and resulting pressures on standards, much excellent work is done in the theatre and the theatre is one of the few British assets which have increased the country's prestige and authority abroad. British theatre companies are in demand throughout Europe and, on both sides of the Iron Curtain, they are considered to be most important contributors to world theatre. At home our theatre revitalises our citizens and energises our communities. It provides the television and film industries with talents which generate invaluable export income. It supports the work of our industrialists and businessmen by enhancing the reputation of our country. This is what we want to build on.

The theatre in England has reached a critical point which must not be allowed to become a crisis. After years of decline, a structure based on public investment and private entrepreneurial skill emerged in the 60s and 70s. This structure could draw on the long and broad tradition of theatre in this country and add to it work of the very highest quality. As a result of pressures which we describe later in the Report, theatre now faces problems of confidence and energy.

This Report proposes the restructuring and modification of existing practice which will maintain in the great English theatre its sense of pride in achievement and of being recognised by the community as of the highest value. We want to see an entrepreneurial spirit in the publicly funded theatre, in the Drama Department of the Arts Council and in all the bodies concerned with supporting and enriching our theatrical heritage. If traditions handed on by previous generations are not cherished and sustained, then we shall stand guilty of neglecting a trust and of having damaged the rightful inheritance of future generations.

That enquiry came to the conclusion that . . . “The theatre in England has reached a critical point which must not be allowed to become a crisis.” In total the Cork Report put forward 95 recommendations and the Arts Council’s Annual Report for 1986–87 contained the assurance that; “Perhaps the year’s most significant event has been the Enquiry into the Professional Theatre in England under the Chairmanship of Sir Kenneth Cork . . . The great majority of the recommendations contained in *Theatre IS for All*, have been accepted and endorsed by the Council.”

This assurance was repeated in *A Policy Statement from the Arts Council*, published in November 1987. even though by the time these two documents were published it was already clear that no new resources would be made available to implement the strategy.

On 7 August 1987, *The Guardian* reported:

“Sir Kenneth Cork, a former chairman of the Royal Shakespeare Company, has resigned from the Arts Council, of which he has been a member since 1985. Only last year he was appointed its deputy chairman. Last year Sir Kenneth chaired a committee of inquiry into the theatre in Britain. And his report entitled *Theatre is for All*, which was largely accepted by the Arts Council, proposed a radical series of measures to revitalise the theatre.

When earlier this year Mrs Thatcher reappointed Sir William Rees-Mogg as Chairman of the Arts Council she wrote that Sir William would be able to continue with policies articulated in the Cork report.

But the Minister for the Arts, Mr Richard Luce, has subsequently made it clear that no money is on offer. As a result the Cork policies cannot be implemented within the foreseeable future.”

The Arts Council was forced to accept that it would not be able to implement the proposals of the Cork Report and just twelve months after its publication the Secretary-General of the Arts Council opened his introduction to the Annual Report:

“It has always surprised me how much the key items in any annual report change from one year to the next. In the past the *Glory of the Garden* policy, abolition of the metropolitan counties, the Cork Report and organisational reviews have all featured. At the time they seemed so important and dominated our thinking; but in time their importance or immediacy wanes and something else emerges and takes their place. And so, almost imperceptibly, our agenda changes.”

Further reports were produced which similarly came to nothing. In 1991 the *National Arts and Media Strategy*, for which forests were felled, led to the publication of *A Creative Future* in 1993. This was followed in October 1996 by *The Policy for Drama of the English Arts Funding System* and its accompanying *Statistical Profile of The Professional Drama Sector in England*.

In place of a proper strategy, the Arts Council adopted a series of short-term tactical funding measures—Parity Funding, Incentive Funding, the Great Britain Touring Fund, Enhancement Funding, and small additional funds for selected theatres to build on achievement or who were in a critical position—in a vain attempt to tackle the problems. In recent years, Arts 4 Everyone, Recovery Funding and Stabilisation Funding can be added to that list. What theatres needed was core funding—money to get on with the business of putting plays on stages in front of audiences—but all of these extra funds brought additional requirements or conditions which diminished their potential benefit.

#### THE BOYDEN REPORT

It was not until the change of Government in 1997 that the problems of underfunding which had been facing the theatre for so long could be addressed with any hope of positive support.

At last, in August 1999 the Arts Council commissioned Peter Boyden Associates Ltd to undertake a review of the “*Roles and Functions of the English Regional Producing Theatres*”. The final report was published in May 2000 and helped the Arts Council to persuade the Government to provide additional resources for the regional theatres. However, in its allocation of the additional funds the Arts Council succeeded in tarnishing its achievement.

The building-based producing theatres covered by the Boyden Report were to receive an extra £5,952,787 in 2002–03 (slightly less than 50% of the £12 million increase for that year) and £13,268,732 in 2003–04 (53% of the £25 million increase), hardly the “lion’s share” promised by Gerry Robinson at a meeting with artistic

directors and chief executives of the regional theatres on 17 January 2001. Welcome as these increases were, they were unlikely to “resolve, once and for all, the endemic problems of regional producing theatres up and down the country” (Chris Smith, Secretary of State, in the House of Commons on 25 July 2000).

By spreading the money across a wider range of theatre activity than that covered by the Boyden Report (and without detailed research of the other areas), the Arts Council helped to create the perception that “(all of) theatre has been sorted out”. Set alongside the Arts Council’s earlier promises to reduce administrative spending, perhaps this also contributed to the Government’s recent decision to freeze the arts grant at its 2005–06 level in 2006–07 and 2007–08, believing that it could absorb this cut in real terms without too much pain.

#### THE EVER-INCREASING BUREAUCRACY OF THE ARTS COUNCIL

Arts Council England published two sets of accounts last year. It did its best to ensure that nobody noticed. You might have expected that the first annual report of the new Arts Council England for the year 2002–03 would have warranted a bit of a fanfare. Instead it crept out, somewhat belatedly, on 27 January. This was the day on which the House of Commons was debating the introduction of university tuition fees and the day before publication of the Hutton report. A very good day indeed to bury bad news. The second annual report for 2003–04 followed on 29 November, soon to be overtaken on the arts news agenda by the Government’s grant settlement and, fortuitously for them, by events Birmingham Rep.

In October 1998, soon after their arrival at Great Peter Street, Gerry Robinson and Peter Hewitt announced reorganisation plans promising “a new kind of Arts Council which will be leaner but more effective”. In March 2001, they came up with *Prospectus for Change*, their scheme to create a single arts funding and development organisation which “will employ fewer people than the 660 currently employed by the Arts Council and the RABs together”. This was followed in July of that year by *Working Together for the Arts* which boasted that “the Council intends that the changes should yield administrative savings of £8–10 million a year, once transitional costs have been met”. Even Peter Hewitt did not seem entirely convinced that these savings would materialise. At a London Arts consultation meeting in September 2001 he admitted:

“I completely accept the detail wasn’t and isn’t there. But how can you judge it? . . . You can come back to us in one or two years’ time.” So let’s come back to it.

Needless to say, neither of the reorganisations came for free. The costs of redundancy and outplacement arising from the Arts Council’s first restructuring in 1999–2000 and 2000–01 were £1,419,000. The accounts for the years 2001–02 to 2003–04 show further costs of £7,468,000 relating to the merger of ACE with the RABs. This makes a total of £8,887,000, without taking into account costs incurred by the RABs on the merger—at least £720,000 is identifiable in the accounts for 2001–02.

In 1997–98, the accounts for the Arts Council of England and the RABs showed staff numbers of 652.5 (up from 564 the previous year). The first reorganisation succeeded in bringing this number down to 651 in 2000–01! The latest accounts for 2003–04 show staff at 707, the highest number ever.

Staff salaries have grown from £15,647,000 in 1997–98 (up from £12,567,000 the previous year), to £25,929,000 in 2003–04, an increase of 66% over the six years of Peter Hewitt’s reign.

Senior executives have led the way. The Chief Executive’s remuneration has increased from £78,581 in 1998–99, his first full year in office, to £152,000 in 2003–04 (an increase of 93%). In 1997–98, the highest paid RAB Chief Executives were receiving salaries in the range £40,000–£49,999 in 2003–04, the salary range for Regional Executive Directors at the new Arts Council is £70,000–£93,000 (an increase of 75% at the lower end of the scale to 86% at the top end).

The costs of permanent staff are only part of the story. In November 1999, following my suggestion in a letter to *The Times* that the arts funding system had launched an unprecedented recruitment drive before the 1997 election in order to make later administrative “cuts” less painful to themselves, Peter Hewitt wrote to me to say that the first reorganisation of the Arts Council would not only reduce staff numbers but “will deliver for the Arts Council without the need for temporary staff”. In 1997–98, the agency staff bill for the Arts Council was £1,520,000 and in 2003–04 £2,827,000. During Peter Hewitt’s period in office, the Arts Council’s accounts include expenditure of £13,875,000 on temporary staff.

Professional Fees were reduced from £2,863,000 in 1997–98 to £1,700,000 in 2003–04, so at least there is one area which shows a “saving”, even if it is not enough to make up for the increases elsewhere.

Then there is the mystery of External Assessment—fees to consultants to assess lottery applications. In 1997–98 the Arts Council spent £8,428,000 on external assessment on lottery grants of £445.8 million. The lottery accounts for 2001–02 show that even though lottery grants were down to £162.8 million, external assessment expenditure still stood at a level of £8,066,000. However, in the following year this figure had been “restated” as £1,861,000, a reduction of £6,205,000. There was no explanation of where this money had been “restated” to. It can’t have disappeared—what a useful trick that would be—so where had it gone?

“Efficiency target performance”, paragraph 26 in the most recent accounts, declares that ACE achieved actual savings of £5,614,000 in 2003–04 (against a target of £5 million) in comparison with the administration costs of the 11 previous organisations—excluding the one-off costs of change, the cost of new developments and inflation. That would be fine if there was any evidence to support this claim but there is no explanation of where the savings are supposed to have been made. Almost every other paragraph seems to contradict the assertion. There may be a case for excluding the one-off costs of reorganisation but that doesn’t make it any less money which was diverted away from frontline arts activity. And does anyone remember the Arts Council saying “we will make savings of £8–10 million a year—provided that nobody has any new ideas”? In any case, the “actual savings” are less than the figure promised and if inflation is to be taken into account, shouldn’t the figure of £8–10 million have increased by now?

Six years on, with nearly £10 million spent on reorganisation, the Council has ended up with more staff than ever before at 707, a salaries bill which has increased by 66% to almost £26 million and an additional bill for temporary staff approaching £3 million. “Leaner and more effective”? I don’t think so. “Savings of £8–10 million a year on administrative costs”? That’ll be the day.

20 January 2005

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#### **Memorandum submitted by the National Council for Drama Training**

We are writing as the National Council for Drama Training to suggest that among the issues your Committee should address is the level of support for drama training.

As you may be aware, while there are thousands of degree courses in the UK devoted to drama or theatre studies, only a very small percentage (located in both the FE and HE sectors) are accredited by the NCDT.

Accreditation aims to give students confidence that the courses they choose are recognised by the drama profession as being relevant to the purposes of their employment; and that the profession has confidence that the people they employ who have completed these courses have the skills and attributes required for the continuing health of the industry.

Accredited training is expensive because it presupposes that the schools’ accommodation and resources are suitable to provide practical training reflecting current professional practice. This includes access to modern theatre and recorded media equipment and facilities. Unlike the majority of High Education in this country, accredited training involves considerable staff contact time, often over thirty hours per week in class and rehearsals.

NCDT has welcomed the increase in public funding which has come from the transfer or a number of well-regarded private drama schools into the new Conservatoire for Dance and Drama (funded by HEFCE) and the introduction of the Dance and Drama Awards (funded by DfES) for talented students at small independent drama schools.

But the level of funding varies greatly from institution to institution which has obvious implications for the ability of these schools to deliver accredited training.

NCDT is pleased that the Committee recognises the importance of theatre in Britain. If the Committee is minded to include drama training amongst the issues it addresses, we would be more than happy to make a submission.

19 January 2004

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#### **Memorandum submitted by New Vic Theatre**

I would urge the Committee to pay due attention to the relationship between the subsidised sector and the commercial sector in the regions as well as the West End and ask the Committee to consider the following:

- Where a commercial management is paid by a local authority to manage a venue, is there adequate, detailed and informed scrutiny of the contractual and financial arrangements between the commercial management organisation and the local authority?
- Do local authorities have access to adequate, detailed and informed advice about the financial, trading and accounting practices of the commercial theatre sector when entering into negotiations for services?
- Does the competitive tendering process to manage local authority owned/controlled venues ensure best value when there are so few competitors in the field?
- Where a commercial organisation, paid by a local authority, is both venue manager and show producer, is there a potential conflict of interest when the organisation books its own shows into a venue it also manages?

January 2005

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**Memorandum submitted by Norwich Theatre Royal**

1. Norwich Theatre Royal (NTR) is one of over 50 medium-to-large scale theatres throughout the UK that are known as “receiving houses”; that is, the majority of its presentations are tours. It sells over 340,000 tickets each year for over 400 performances of over 90 different productions to a base audience of about 120,000, in the most sparsely populated county in the kingdom. Its economic churn is put at over £12 million per year.

2. It is also a founder member of the Touring Partnership, a loose federation of receiving theatres whose object, with assistance from ACE, has been to bring to the regions productions that might otherwise be unable to leave the M25 ring. It has toured, among other productions, major creations by Matthew Bourne.

3. NTR’s statistics and experience are fairly typical of the receiving theatres, whose governance varies between charitable trusts (as is the case in Norwich), commercial management and civic administration.

4. Receiving houses have in common that by virtue of their sizes (900-seats plus, up to about 2,500) and repertoires they sell more tickets to more productions to a broader section of the population than the repertory theatres, which tend (with some exceptions) to have smaller auditoria and present fewer, and a more restricted range of, productions.

5. Apart from the few receiving houses that are linked to repertory companies (eg Plymouth, Sheffield) the other common factor is that very few of them have any regular liaison with their regional arts board. This also distinguishes them from the repertory companies, which because of their revenue funding situations have constant communication with their arts boards.

6. In discussions about regional theatre and audiences the actual and potential contributions to community wellbeing, artistic excellence and accessibility, educational initiatives and management/marketing expertise of the receiving theatres are almost invariably ignored in favour of the repertory theatres with whom the government (via ACE) has regular relations.

7. The Committee should find time to consider the significant contributions made by the receiving theatres on a local and community level, their ability to reach far into their communities, their broad statistical base which can provide authoritative and comprehensive information on local spending patterns, discount and target group management, and their positions as valued regional resources.

8. It is in the context of the regional receiving theatres’ economic and social positions that assessments can be made of their capital and revenue funding requirements.

9. The creative training functions of the repertory theatre system are not in dispute, nor are the considerable funds made available to enhance that system.

10. The particular case that has brought the dislocation between the producing theatres’ and the receiving theatres’ needs into focus is the inability of NTR to get its modernisation programme onto ACE(East)’s regional capital priority list, which is dominated by ACE-subsidised organisations.

11. Without endorsement by ACE(E) not only are significant Lottery funds out of reach, but the East of England Development Agency cannot offer financial support, and substantial improvements required for DDA compliance and modernisation are threatened.

*January 2005*

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**Memorandum submitted by Pilot Theatre**

We are a national touring theatre company with over 21 years experience of delivering high quality theatre work to our target audience of young people. We create, develop and tour pioneering new work for young people, by enabling artists and audiences from all sections of society to address the challenges and possibilities of our time.

Pilot create work which is targeted towards young people and developing these theatre audiences for this new century. The work aims to be inspirational in terms of its presentation and production values with an education programme offering aspirational possibilities.

We offer learning through the arts with our performance-based work, both to develop our audiences and encourage their further participation in cultural activities. Using new technologies and multi media, working with venues and teachers in relationships developed over 20 years, we have an integrated approach to arts and education. Through our Education Programme, young people who take part in workshops are encouraged to discuss and debate the issues within the piece of work and how these relate to the world that they find themselves in. Learning about society, expression of ideas and feelings and the ability to make choices is the crux of this work.

Our work is not single issued based as young people do not lead single-issue lives. Pilot recognises this and has developed an approach to look at the issues that are current in young people’s lives. These are then incorporated into a directly relevant and communicable medium. We create theatre which is accessible, powerful and validated.

#### THE IMPACT OF THE THEATRE REVIEW

- Pilot started out as a touring company visiting schools and creating new work for our target audience of young people aged 13+. Since receiving our first Barclays Stage Partners funding back in 1997 we started to work in partnerships with venues including The Lyric Hammersmith, Leicester Haymarket, Bolton Octagon, and York Theatre Royal.
- The Theatre Review resulted in a substantial increase in our funding, both core and touring as we received one of the Arts Council's new Touring contracts. This enabled us for the first time to plan and develop a programme of work over a period of three years and commission new work, which would fulfil our stated objectives.
- Following the Theatre review we were able to develop our partnerships with venues a stage further and actually become resident in a building, (York Theatre Royal), where we have produced 11 shows in the last three years. We were able to extend the relationship further with Stage Exchange funding which enabled us to develop the work for young people with the Theatre across all departments. This has increased attendances of young people under the age of 24 by 49% and with a ticket price of just £3.50 has proved an enormous success.
- As a touring company this not only gives us a great base of support but also allows us to develop our work for, by and with young people working with companies and venues regionally, nationally and internationally. We are the British representative for a Culture 2000 project involving a European Network of theatre companies ([magic-net.org](http://magic-net.org)) and we have been able to host European meetings and conferences at the theatre as part of an initiative to look at developing work for young people across Europe. Having a partner venue of regional importance to do this was of vital importance.
- It has allowed us to develop work across different scales and develop a strategic and integrated approach with Education, Marketing, Production and Artistic teams. The sharing of resources and being at the heart of a space that makes work is an enriching and creative experience.
- Significantly it enabled us to increase our team, attract and retain a high quality of staff to this area of theatre work and invest in training such people as part of a longer term investment.
- The increased funding also facilitated an expansion of our education programme to work with colleagues in education to deliver a National Education programme, sustaining and developing partnerships with organisations to deliver opportunities for curriculum and lifelong learning. It has also been very noticeable that the increase in funding from the theatre review resulted in an expansion of work in venues in Education and the collaborative partnerships we have been able to forge with these departments has resulted in a real increase in the engagement with theatre from Young People.

#### CONCERNS FOR THE FUTURE PATTERN OF PUBLIC SUBSIDY

- A major concern if funding levels to theatre were to be frozen is the impact on the sustainability of the work developed over the past three years. As a company we have invested time and money in the training of staff, permanent and freelance—artistic, educational and administrative—and through evaluation recognise an improvement in the relevance and standards of service.  
A freeze, (therefore in real terms a cut), would jeopardise these developments.
- The planned programme of work would inevitably be curtailed and the expectations of audiences and schools, set up in the past two years, would be hard to meet.
- As a Company who works primarily for young and new audiences we would find it difficult to ensure that our work remains accessible for all young people as the setting of low/subsidised ticket prices would be difficult to maintain with some venues.
- The Company would have to allocate more of its time and resources to sourcing alternative funding/income streams in order to keep its work with Young People accessible, particularly in cost terms.
- Cuts in funding would affect the support and development of new writing and new artists and thus ultimately the development of theatre—particularly in relation to young people.

The last few years have seen a real resurgence in theatre. As a Company who has benefited from a re-distribution of funds in line with Arts Council stated priorities for work with young people we acknowledge the great benefit theatre for young people received under the Theatre Review. Such work is strategic and requires long term investment—the developments that have taken place in the last three years have been both significant and exciting—the news that it may now be jeopardised by a reduction of monies is highly disappointing. We hope that such a decision will be reconsidered.

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### Memorandum submitted by the Royal Society of Arts

We wish to express our support for theatre development at regional level, and our belief in its importance for the cultural life of localities.

The Royal Society of Arts, established in 1751 for the encouragement of arts, manufacturing and commerce, has recently celebrated its 250th anniversary. As part of that celebration, it has drawn up a manifesto of five aims. Three have a bearing upon the importance of regional theatre development, namely the encouragement of enterprise, the fostering of resilient communities and the development of a capable population.

Members of the RSA in the East Midlands have a close interest in regional theatres and some considerable involvement in their activities. For example, a group made a recent visit to the Derby Playhouse. They discovered there a powerful commitment to enterprise, resilience, and capability. A new generation of theatregoers is being created through community involvement, not least among the young and disadvantaged sectors of the East Midlands population. At the same time, many people are being attracted by the breadth and depth of the programme of performances offered, which are being created in house rather than bought in from touring companies.

In its consideration of theatre development, the CMS Committee has set down a number of issues it intends to explore. One incorporates a reference to theatre as a genre within the cultural life of the regions. Amen to that. But if regional theatres are to make an impact upon local culture, the allocation of funds by the Arts Council, or by any other body charged with responsibility for supporting regional theatres, must extend beyond historicity as a yardstick.

It is said of schools that reputation, good or bad, falls several years behind performance. The same is often true of that other powerful medium of education we call the theatre. That being so, it is important that deployment of funds be more equitable and transparent than sometimes seems the case at present. The RSA urges the CMS Committee to turn its mind to the establishment of criteria for the award of grants appropriate for the promotion of best regional theatre in this day and age.

Twenty-five years ago, the great theatre critic Kenneth Tynan observed that a good critic is one who perceives what is happening in the theatre of his time and a great critic is one who also perceives what is not happening but ought to be. Both gradations of performance in the world of the critic require that theatre directors with vision are to be encouraged rather more than those depending on past reputation or outdated assumptions.

The RSA is committed to the visionary approach across the range of its interests, as its manifesto pledges indicate. It urges the CMS Committee to adopt the same approach to the task it has set itself.

13 January 2005

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### Memorandum submitted by Save London's Theatres Campaign

#### INTRODUCTION

1. The Save London's Theatres Campaign (SLTC) is a voluntary campaign and lobbying organisation founded in 1972. We cover not only Greater London but also theatres in the Home Counties. We deal with theatre buildings and a range of performance venues and small-scale or fringe companies, irrespective of whether they are commercially run or subsidised.

2. We are supporting the evidence submitted by Equity which also covers areas which we would wish to bring to the attention of the Select Committee.

3. SLTC has already given its public support to the report by the *Theatres Trust's "ACT NOW!—Modernising London's West End Theatres"*, which was published in association with *The Society of London Theatre*. We are particularly concerned about the future of London's theatres and those in the Home Counties. This is especially important, not just for cosmetic reasons, nor in many instances, just about the need to preserve the architectural and period aspects of each building.

#### UPGRADING AND MODERNISATION OF THEATRES

4. In order for London to remain a major cultural centre of international importance, which draws tourists from around the world, thus generating employment as well as contributing to the UK economy, it is vital to ensure that theatres are fully upgraded and modernised for audience comfort.

5. As is well known, almost every West End theatre pre-dates 1937 with many built in the early years of the 20th century, or earlier. At the risk of stating the obvious, modern audiences expect and deserve a higher standard of comfort than the mainly "class based" facilities, with too few toilets, especially for women, and smaller seats with less leg room than people of the 21st century need. While in many instances these theatres were crammed into small sites, which necessitated smaller foyer, bar and circulation areas, the ingenuity of

modern architects and techniques now enables improvements to be made. Furthermore, new laws of Health and Safety and disabled access, oblige owners to make provision for better facilities. But this sometimes, and inevitably, raises issues about financing such projects.

6. It is universally acknowledged that one of the main attractions for tourists to London is its extraordinary range of theatrical productions both in musical theatre and drama. This includes purpose built playhouses and large theatres as well as other adapted or “found” spaces in central and Greater London. In order to survive, London theatres must be able to present productions using all the latest technology, but this can only be done if buildings are sufficiently upgraded and modernised.

7. With this in mind, Save London’s Theatres commends the proposals in the report, “*Act Now !—Modernising London’s West End Theatres*”.

#### PUBLIC SUBSIDY

8. We are in complete agreement with Equity’s submission, “*Pattern of Public Subsidy*”, items 6 to 11.

9. It is short sighted in the extreme to withhold or cut funding to theatres. Such cuts can be sudden and devastating. This is particularly so with local authority funding. In recent years we have, unfortunately, witnessed the closure of theatres formerly in receipt of some subsidy, for instance, *the Redgrave Theatre, Farnham; the Thorndike, Leatherhead; The Watersmeet, Rickmansworth*, as well as others outside our area of work, including the *Palace Theatre, Westcliff* and the *Swan Theatre, Worcester*. All such theatres not only provide entertainment, education and cultural activity locally but feed into the larger national companies and regional playhouses. They also provide a working environment not just for performers but for all the theatre arts and skills.

10. Funding of the performing Arts has lacked cohesion in the UK over many years now. Some theatres with resident companies or non theatre based companies, including “Small-Scale” companies, receive only civic or local authority funding while others receive it directly from the *Arts Council of England* or, until recent organisational changes, from the, now defunct, *Regional Arts Councils*. In some cases there is a mixture of funding from more than one source. Regional Arts Councils were often hostile to building based theatre companies as well as to retaining theatre buildings. This has, we believe, undoubtedly undermined some theatres or caused them to close or brought about the demise of theatre based producing companies and that damage has not been redressed. In other cases, some small theatres, for example, *The Bridewell* in the City of London, Britain’s foremost venue for new and revived musical theatre, have been allowed to go to the wall. In this instance, the parsimonious attitude of the *Corporation of London*, with whom we have been engaged in lobbying to save the *Mermaid Theatre* for almost a decade, led directly to the closure of the *Bridewell Theatre* in 2005.

11. This is a very haphazard way of looking at arts funding in this country. *The Arts Council of England* has a very important role to play but it should make its funds work as effectively as possible and channel most of it directly to the Arts, while spending less on administration.

#### CONCLUSION

12. We hope that the Select Committee will take a careful look at the methods of funding theatres and companies, not only in London but in the UK.

13. Our Campaign was largely responsible for saving nearly half of London’s West Theatres, all of which are proscenium theatres and we are very aware that, in earlier times, many of these, now ageing, theatres would have been rebuilt or completely redesigned. However, present day building costs are quite colossal in comparison with the amounts originally spent on these theatres. Many have notable and even exquisite interiors which should be preserved. But order for modern staging methods to be used some theatres will have to be adapted from strictly proscenium presentation. There are, however, instances where non proscenium staging is possible in such theatres and we have and would support planning applications which allow this in some listed theatre buildings. A successful recent example of this is the *Whitehall Theatre*, now known as the *Trafalgar Studios*.

14. Any possibility of improvement and change and the survival of British as well as London theatre as a mainstream cultural activity and tourist attraction, will depend on a positive response from Government. The future prosperity of London will, we believe, depend on that as will the performing arts and the livelihoods of a great many people who work in theatres in Greater London. We hope that the recommendations of the Select Committee will assist the survival of theatres and theatre arts in the 21st Century.

24 January 2005

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## Memorandum submitted by the Scottish Arts Council

### INTRODUCTION

1. The break up of the Arts Council of Great Britain in 1994 led to the establishment of the Scottish Arts Council along with the Arts Council England, Arts Council of Wales and the Arts Council of Northern Ireland.

2. The Scottish Arts Council was established by Royal Charter and operates at arms length from the Scottish Executive. In addition, the Arts Council has statutory functions under the National Lottery Act 1993 as amended by the National Lottery Act 1998.

3. The Scottish Arts Council is the lead body for the funding, development and advocacy of the arts in Scotland. In 2004–05 the Scottish Arts Council has a total budget of £67 million. £47 million (70%) of this money comes from the Scottish Executive and £20 million (30%) from the National Lottery fund.

### SCOTTISH ARTS COUNCIL SUPPORT FOR DRAMA

4. The Scottish Arts Council's key aim for drama is to play a key role in developing and sustaining an environment which supports those who create, present and participate in the widest range of quality drama for the people of Scotland.

5. This aim is achieved through supporting a range number of producing and touring theatres, venues and specific projects. The Council also supports development and promotion organisations such as the Scottish Playwrights Studio and Promote YT (Youth Theatre).

### INVESTMENT IN SCOTTISH THEATRE

6. The Scottish Arts Council's budget for drama is £12.8 million (2004–05) increasing to £13.4 million in 2005–06. This total includes over £600,000 of National Lottery funding and the additional funding from the Scottish Executive for the National Theatre of Scotland.

7. We fund producing theatres, which originate new productions and may tour these around Scotland, including:

- National Theatre of Scotland (see below).
- Royal Lyceum Theatre, Edinburgh.
- Tron Theatre, Glasgow.
- Citizens Theatre, Glasgow.
- Dundee Rep.
- Perth Theatre.
- Byre Theatre, St Andrews.
- The Arches Theatre, Glasgow.
- Traverse Theatre, Edinburgh.
- Pitlochry Festival Theatre.
- Theatre Workshop, Edinburgh.

8. In addition, many of Scotland's theatre buildings have received National Lottery capital grants through the Scottish Arts Council.

9. We also fund non-theatre-based companies, which regularly tour work throughout Scotland, including work for children, theatre by people with disabilities, "site-specific" productions, street theatre and puppetry:

- 7:84.
- Borderline.
- Suspect Culture.
- Mull Theatre.
- Stellar Quines.
- Theatre Babel.
- nva.
- Wee Stories.
- TAG Theatre Company.
- Scottish Youth Theatre.
- Imagine.
- Catherine Wheels.

- Benchtours.
- Visible Fictions.
- Puppet Animation Festival.
- Tosg (Gaelic theatre company), Skye.
- Giant Productions (from April 2005).
- Lung Ha's (from April 2005).

10. Project funds also support companies which create and perform across Scotland and often overseas. We also support innovative and experimental work through seed funding for theatre companies which have not previously received support.

#### SUPPORTING RECEIVING THEATRES AND VENUES

11. In addition to the core support for theatre detailed above the Scottish Arts Council also supports a number of multi arts venues which provide the essential infrastructure to host touring theatre productions.

12. Venues which the Scottish Arts Council currently support include:

- Cumbernauld Theatre, Cumbernauld North Lanarkshire.
- An Lanntair Arts Centre, Stornoway, Western Isles.
- Lyth Arts Centre, Caithness.
- Eden Court Theatre, Inverness.
- The Lemon Tree, Aberdeen.
- Tramway, Glasgow.
- Crawford Arts Centre, St Andrews.

#### SUPPORTING FESTIVALS

13. The Scottish Arts Council supports over 100 festivals across the country which range from the Edinburgh International Festival to small village festivals such as the Brechan Arts Festival. These festivals provide an opportunity for Scotland's theatre companies to present their work to new and diverse audiences.

#### NATIONAL THEATRE OF SCOTLAND

14. One of the key developments for theatre in Scotland was the establishment of the National Theatre of Scotland in 2004. The Scottish Arts Council receives additional funding from the Scottish Executive towards the establishment of the National Theatre (£3.5 in 2003–04 and £4 million in 2005–06).

15. The National Theatre has recently appointed an Artistic Director, Vicky Featherstone to take forward the theatres programme. The Scottish Arts Council hopes to see the National Theatre fully established in 2006.

16. The National Theatre's administrative office will be based in Glasgow in the Greater Easterhouse Cultural Campus, Glasgow. The Cultural Campus is due to open in 2005.

17. Unlike Scotland's other national companies—Scottish Ballet, the Royal Scottish National Orchestra, the Scottish Chamber Orchestra and Scottish Opera—the National Theatre for Scotland is a wholly owned subsidiary of the Scottish Arts Council, an arrangement made at the specific request of the Scottish Executive pending the outcome of the Cultural Commission.

18. In summary, the model adopted for the National Theatre of Scotland is as follows:

- (a) The National Theatre of Scotland will commission existing theatres and theatre companies, or bring together directors, writers, designers and performers in new combinations to create productions that will play in theatres and other venues up and down the country.
- (b) The National Theatre of Scotland will develop a quality repertoire originating in Scotland. This will include new work, existing work, and the drama of other countries and cultures to which a range of Scottish insights, language and sensibility can be applied.
- (c) The National Theatre will also look beyond Scotland for inspiration, and stimulate interest in Scottish culture from other countries and cultures. The work will reflect the diversity of Scotland's cultures.
- (d) Quality, colour, spectacle and radical ideas will be at a premium as will events that use new techniques and ways of creating exciting theatre.
- (e) The National Theatre of Scotland will not have a theatre building of its own. It will present work in the existing network of theatres and venues, or exciting venues annexed for the occasion.

- (f) Venues used to host NTOS productions will range from small-scale productions that can play in schools and village halls all over Scotland to large shows that will appear in the main city centre venues.
- (g) Work will also be toured abroad when appropriate.

#### CONCLUSION

19. This is a brief summary of the Scottish Arts Council support for theatre in Scotland, The Council would be happy to provide any further or supplementary information to the committee.

20 January 2005

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#### Memorandum submitted by Theatre by the Lake

I am writing to you to outline a success story which has been made possible with the support of Arts Council England but at the same time to register with the Select Committee for Culture our deep concern that this success will be negated over the next three years by the effects of the standstill award to the Arts Council.

Theatre by the Lake opened in August 1999, on time and on budget, one of the few lottery funded projects to have done so. The level of activity and the scale of operation have greatly exceeded projections and serve to illustrate the extent to which ambition and expectation have grown. A 1997 Business Plan, on which the case for lottery capital funding was based, provided for 39 weeks of performances a year (actual in 2003–04: 50 weeks), a total of 290 performances of home produced and visiting work (actual: 617), 3 in-house productions (actual: 9), 126 performances of in-house work (actual: 375) and total audiences of 60,000 (actual: 120,000). The 1997 plan made no provision for regular work with young people; the theatre now operates a major outreach programme.

Theatre by the Lake is the second largest employer in Keswick. The business has grown from an annual turnover of £377,000 in the predecessor “Blue Box Theatre” to a turnover of £2.1 million. A recently commissioned economic impact study estimates that Theatre by the Lake has created and sustained 130 new permanent full-time equivalent jobs in the area’s economy.

A recent marketing audit and audience survey shows that the theatre attracts 50,000 visits annually involving overnight stays by visitors to Cumbria. Of these, 40% identify their visit to the theatre as an important factor in their choice of destination. The theatre is therefore estimated to attract 20,000 tourists who would not otherwise come to Keswick, with an annual value to the local economy in excess of £1.1 million. The total contribution of the theatre to the Keswick area economy from audiences—spent with food and accommodation providers and retailers—is £2.5 million annually.

Theatre by the Lake has also developed a substantial youth theatre, education, training and outreach service for communities of North and West Cumbria. Over 200 young people are involved in weekly drama skills workshops, rehearsals and performances in five centres. We also work in partnership with Further and Higher Education institutions, providing teaching and special projects for students in Cumbria. The theatre has been instrumental in setting up performing arts courses at Lakes College to deliver new opportunities for people in West Cumbria who previously had no access to specialist training of this kind. A team of six professional Drama Development Workers is now based at Workington focusing on people of all ages who have not previously had opportunities to participate in creative activities, including particularly young offenders and people with disabilities. These activities are likely to represent the main area of development of Theatre by the Lake’s activities during the next two years—but only if current levels of funding can be sustained.

None of this development of crucial work in Cumbria over the last six years would have been possible without the support and commitment of the Arts Council. Core subsidy from all sources in our first year of operation was just £122,000 and our main objective was survival. However, from 2001 onwards the position changed dramatically, with the investment of significant additional funding through the Theatre Review. This security of funding not only enabled us to develop our programme of home produced drama with resident companies but also facilitated the extraordinary development of our outreach activities.

In this context, cash standstill to the Arts Council is extremely bad news. If increases in funding to Theatre by the Lake at least in line with inflation cannot be sustained, it is these key areas of activity that will be most immediately and directly effected. Our professional drama output will decrease in quantity and scale and we will certainly have to cut back substantially on our work with young people—and ultimately to consider whether it is viable to continue such work at all.

If we do face such a pessimistic scenario, it will not be possible in three years time simply to pick things up where we left off. Experienced and committed staff will leave—and will almost certainly be forced to leave Cumbria, the only county in England in economic decline. Theatre by the Lake would have to start again and the last six years would have been wasted.

I can only hope that a government which has previously shown considerable foresight in making a significant investment in theatre through the Theatre Review will now be able to look again at the funding for the next three years and avoid a crisis that threatens to destroy a major cultural and political achievement.

2 February 2005

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### **Memorandum submitted by Unicorn Theatre for Children**

We wish to draw your attention specifically to one sector of theatre in Britain, namely Theatre for Children.

#### **WHAT IS THEATRE FOR CHILDREN?**

We refer in this submission to professional theatre performed to children. We have great regard for theatre work performed by children, but this is not what concerns us here.

#### **WHY IS THEATRE FOR CHILDREN IMPORTANT?**

Learning about the world through play and role-play is a natural part of a child's development. Theatre and drama provide an artistic means for this development. Theatre provides a means to learn, imagine and empathise. It gives every child an opportunity to both express and reflect on their outer and inner worlds. For all children, theatre is a way of mediating life, meaning and experience. That is why, although funding and resources have been slow to take root, theatre for children has become regarded internationally as a major priority.

- All the Arts, including Theatre, give audiences a context outside their own lives and enable them to view things in a different perspective—in brief, acts as a “civilising” influence. This is even more true of work for children whose minds and behaviour patterns are not fully formed.
- The best Theatre for Children assists teachers in the provision of education by offering new perspectives and new ways of approaching the national curriculum; specifically, it helps children in both oracy and literacy.
- Theatre for Children today supplies more arts-aware adults tomorrow.
- The right of children to participate in cultural and artistic life is encapsulated in Article 31 of the UN Convention on the Rights of the Child, to which the United Kingdom is a signatory.

Yet facilities for children to enjoy Theatre have been appallingly neglected by UK authorities.

1. In 1999, London theatres that catered primarily for adults could offer 63,600 seats every evening—enough for London's adults to visit a performance once every 10 weeks. The capacity of seats in the only theatre dedicated to children (Polka in Wimbledon) gave each London child the opportunity to go once every 5.7 years. This statistic is changed only marginally by the fact that some theatres dedicated to adults occasionally—usually at Christmas—offer a “Family” production.

2. No other theatre in the UK in 1999 was dedicated to children, although Contact in Manchester and the Sherman in Cardiff both work with Children and Young People.

3. In contrast, many major European cities and capitals have their own well-resourced professional theatre centres of excellence for children! young people. These include: The Ark (Dublin), La Montagne Magique (Brussels), Het Palais (Antwerp), six national centres in France including two in Paris (Montreuil and Sartrouville) as well as the annual international children's theatre festival in Lyons, Carousel and grips theatres (Berlin), Unga Klara (Stockholm). Every state in Germany (including the towns of Munich, Leipzig, Dresden, Stuttgart, Hamburg and Kiel) and every major centre in Holland from Amsterdam to the rural hinterland has its own theatre for children. New state-funded Theatres for Children have recently been opened in Stuttgart and Vienna.

#### **WHY DO CHILDREN NEED DEDICATED SPACES?**

For 32 years the Unicorn, the UK's longest surviving Theatre for Children, offered daytime productions in the Arts Theatre—sharing it with adult (evening) productions.

In 1998 the failure of a succession of adult, evening productions almost caused the bankruptcy of the Unicorn, even though its productions were both popularly and critically acclaimed.

This sharing of facilities had other drawbacks:

- (a) Dismantling and re-erecting the sets and foyer displays twice every day meant that the designers, directors, lighting designers and writers had to be very restricted in their work and making such work easily able to be moved was also very expensive.

- (b) At the Arts, the facilities had to be designed for adults, rather than for children because there were more problems with adults attending a venue designed for children than *vice versa*. For example foyer counters, display boards and toilets were designed for adults not for children.
- (c) After 32 years of Unicorn's occupation, the Arts had a very confused identity—was it a theatre for children or for adults? The success of the Arts Theatre in the five years since the Unicorn moved out demonstrates how this move has been of benefit to both the Unicorn and the producers of shows for adults.

#### FUNDING FOR THEATRE FOR CHILDREN

Historically, Children's Theatre Companies have been treated as the Cinderellas of Theatre.

As late as 1959 the Unicorn's founder, Caryl Jenner, complained that "the theatrical profession and the world in general should stop regarding children's theatre as a rather nice hobby for amateurs". Unicorn was not funded by the Arts Council on a regular basis until 1967—20 years after its establishment. Productions by Theatre for Children companies are still routinely ignored by most newspaper critics, except at Christmas.

Many Theatre for Children Companies are created and survive only as long as the energies and enthusiasm of their founders. Apart from Unicorn and Polka no Theatre for Children has been permanently based in its own building, and most companies exist by touring productions to arts centres and schools.

#### IN THE LAST FOUR YEARS THINGS HAVE STARTED TO CHANGE

1. In 2001 Unicorn was offered funding to enable it to create the first purpose-designed theatre for children in the centre of London. Costing £12.6 million, of which £8 million has come from public funding, this new cultural destination is due to be opened next autumn. At the same time the ongoing revenue funding for Unicorn was raised to the level required to run such a venture.

2. In 2001 Dream Works opened in Warwick providing work both for and by children. The Egg at Bath has been designed to house (but not produce) work for Children and Young People, and is due to open later this year and the Studio at the MacRobert Arts Centre in Stirling has been dedicated to work for Children.

3. The arguments that Theatre for Children require more, not less, funding than theatres for adults have been acknowledged and the Arts Council has adopted the provision of theatre for children as one of its priorities.

#### BUT THE TASK IS FAR FROM COMPLETE

Polka in Wimbledon is expected to run facilities similar in size, but requiring costlier maintenance, with revenue funding barely half the Unicorn's level.

Polka and the new Unicorn's combined annual capacity is still less than half of London's child population, allowing each child, on average, to visit once every two years.

Most cities outside London have the benefit of, at best, a facility that is given over to audiences of children for a small part of the year.

The arguments for additional funding may have been acknowledged but have not been accepted.

- Theatre for Children costs the same to produce as Theatre for adults, while its ability to earn income from ticket sales is much lower.
- Unlike theatre for adults there are virtually no opportunities for productions by Theatre for Children to transfer to a West End Theatre without destroying the scale of the venture and therefore its unique qualities.
- Changes in VAT regulations which took effect in 2004 will, in the long term, make the discrepancy in earning potential between theatre for children and theatre for adults even worse.

#### UNICORN'S HIDDEN SUBSIDY

The average London salary is £39,286 a year.

Unicorn performers are paid at a rate of £17,680 a year.

People designing Unicorn productions would need to design 13 such shows a year which is a practical impossibility, to earn the average London salary.

Performers and designers can only afford to work for the Unicorn by taking a Unicorn engagement between more lucrative jobs in television or in better-funded theatres for adults.

Salaries for the highest paid Unicorn officers are just £36,000 a year.

In truth the Unicorn, which is better subsidised than any other Theatre for Children in the UK, survives only because of the hidden subsidy provided by its employees.

#### FUTURE FUNDING

Just before Christmas the Arts Council announced that its grant from the DCMS had been frozen for the next three years.

If such a standstill were to be reflected in the grants offered to Theatre for Children Companies, the reality would be that the better funded, more established companies such as Unicorn and Polka would probably survive. Most of the smaller companies, touring to schools and arts centres, would collapse.

In order to survive Unicorn and Polka would be forced to cut cast sizes (currently averaging seven per production) and freeze fees and salaries. This in turn would make it harder than ever to attract good people and standards would fall. The Children's Theatre Movement, which flourishes elsewhere in Europe, would be reduced to perhaps only two poorly funded and poorly performing theatres in the UK.

All theatre will suffer from any standstill in funding, but the delicate blooms of Theatre for Children, only recently accepted as part of the wider Theatre ecology, would be destroyed.

January 2005

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#### Memorandum submitted by The Young Vic Company

*"Encouraged by increased Arts Council funding, the last few years have seen adventurous and high calibre theatre blossom in this country."* (Martin Rowson, *Independent on Sunday* 2 January 2005)

The Young Vic is a mid-scale producing theatre, established by Sir Laurence Olivier in 1969, with the aim of providing opportunities for younger theatre artists to present classical plays and contemporary classics to younger audiences. Thirty-five years on, our commitment to emerging directors, actors and designers is unchanged, but our activity has grown substantially in the past 10 years to include comprehensive research, training and participation programmes. Our theatre, originally intended to last only five years, is currently being rebuilt and we expect to return to the building (following a period of "Walkabout", during which we have moved to temporary office/rehearsal space in Kennington and are co-producing work with partner venues) in autumn 2006.

The company has a turnover of c. £3,000,000, of which one third is provided by public funding, one third through fundraising and the final third through the box office. We present approximately 10 shows each year in our main house and studio to an audience of approximately 100,000. In recent years, our productions have done excellent or capacity business, and the company is enjoying strong public and critical support for its productions and associated activity.

#### THE CURRENT AND LIKELY FUTURE PATTERN OF PUBLIC SUBSIDY FOR THE THEATRE INCLUDING BOTH REVENUE SUPPORT AND CAPITAL EXPENDITURE

We believe the political health of a nation is reflected in the number of competing cultural discourses it fosters and sustains. Public subsidy for the arts does much more than keep ticket prices down, provide employment and support creative events; it speaks of public confidence in the means of self-expression which define and reflect contemporary society. It encourages participation by establishing creativity as a fundamental principle of our engagement with one another and with our world.

Following the Theatre Review, many companies, including our own, have benefited from the longer-term funding rounds which provide vital security and allow for long-term planning which is responsive to and able to absorb difficulties resulting from change (in our case, the arrival of a new artistic director in 2000 and the need to develop a strong company identity through increased production activity, as well as a long-overdue capital project).

The current anxiety is that the latest round of funding is perceived by DCMS as a "return to normal" following a brief and productive flurry of increased investment in theatre as a whole. Inevitably, and rightly, the increased subsidy has primarily gone into increased production and associated activity. But it has not enabled us to address the poor pay and conditions of most of those who work in the arts. This is an urgent and ongoing priority for theatre companies across the country.

A shrinking revenue base (the real result of a standstill in public subsidy) will not only exacerbate this continuing problem, but will inevitably lead to reduced activity in order to sustain the quality of our work. It is vital that we resist the diminishment of our ambitions and our capacity to generate new activity in new ways. Increased reliance on private sponsorship relative to public subsidy will place unsustainable pressure on development departments already working at full stretch and supplementing core grants with extremely

ambitious fundraising targets. The lack of security, predictability and sustainability in this means of income generation poses grave risks for companies such as ours, where private sponsorship has been aggressively sought in recent years to support not only our production and related activity, but also a capital project.

#### THE PERFORMANCE OF THE ARTS COUNCIL IN DEVELOPING STRATEGIES AND PRIORITIES AND DISBURSING FUNDS ACCORDINGLY

The Arts Council has pushed diversity, accessibility and inclusion to the top of the agenda of its funded organisations. The job of companies like the Young Vic has been to adopt and adapt these social objectives in a way that enhances and does not compromise the artistic priorities of the company.

Public subsidy has enabled us to continue to develop our work with younger theatre artists and our diverse local community. Unusually, the Young Vic is a mid-scale producing theatre that actively supports theatre artists—particularly directors—at the beginning of their careers through a comprehensive training programme and opportunities for experimentation. Risk and innovation lie at the heart of this work, and young directors often struggle to find the means to support these early investigations of craft. Our subsidy allows us to support individuals financially, administratively and creatively when they most need it, and to open the door to participants and audiences from many cultural backgrounds who have traditionally been excluded or overlooked as the theatre artists of the present and the future. Our growing directors' programme, our commitment to inclusion and participation at every level of our work, and our burgeoning reputation as a place of training and research must be supported at this critical stage.

#### THE EFFECTIVENESS OF PUBLIC SUBSIDY FOR THEATRE AND THE RELATIONSHIP BETWEEN THE SUBSIDISED SECTOR AND THE COMMERCIAL SECTOR—ESPECIALLY LONDON'S WEST END

The success of Arts Council funding of the theatres is obvious to those involved in the theatre and to growing audiences around the country, but it is very difficult to measure.

It is arguable that without public subsidy theatres such as the Young Vic, which invest a significant percentage of their resources in less “visible” work such as training, participation projects and practical research, would be unlikely to exist. In our own experience, public subsidy is the beacon which stimulates and challenges the private sector to invest in our work. It acts as a profound gesture of faith, which in turn generates confidence elsewhere and, ultimately, at the box office. It allows artists to experiment and take risks, which inspires both private sponsors and the commercial sector to invest in projects and productions which set themselves apart by their ambition and boldness.

Increased and increasing public subsidy, such as we have seen in the past two years, allows companies such as the Young Vic, which have historically relied on a substantial number of visiting productions, to increase our activity, in particular the number of in-house productions and creative partnerships we can pursue. It allows us simultaneously to attract the best and most innovative theatre artists to support the activity and provide the training which lies at the heart of our remit. As a result younger directors move more directly into prominence and younger audiences are drawn by ambitious casting and production values. This in turn enhances the profile of the company and anchors its reputation for confident, diverse programming. As a result, new audiences are encouraged to the theatre, and so on, in a positive chain reaction.

This has been demonstrated during our first “Walkabout” season. The company's profile has continued to grow on the back of momentum engendered by a significant subsidy uplift in the wake of the Theatre Review. Two large-cast, high-profile productions (*Simply Heavenly* and *Romeo and Juliet*) have been acquired and presented by West End producers; we have been invited by the Barbican to present our successful Christmas show *Sleeping Beauty* in the main house in 2004, and to collaborate on a major national/international season of nine “Young Genius” plays in 2005.

Our productivity in 2003–04 (two more productions than in previous years and far greater artistic input into all the work in our season) was a direct consequence of a substantial and sustained increase in our core grant from Arts Council England in 2002–03 and 2003–04, which in turn stimulated both a 47% increase in development fundraising and a 50% increase in BO and touring income in the latter year. The company was able to grow to meet the demands of the increased activity, and in the last two years we have been able to attract some of the world's outstanding directors, including Peter Brook, Luc Bondy and Trevor Nunn, and Rufus Norris, whose career development has been supported by the Young Vic and whose achievements were recently recognised by an Evening Standard Award for Best Director (2004). Designers of the calibre of Ian MacNeil, Richard Hudson, Ultz and Christopher Oram have worked with us, and actors such as Jude Law, Eve Best and David Harewood have drawn new and, in particular, younger audiences to our work.

We have been able to attract such exceptional artists because increased subsidy has enabled us to increase the quality and ambition of our programming. We have recently produced little-known Spanish Golden Age work alongside surreal epic comedy, Renaissance masterpieces, exuberant musicals and challenging chamber classics. In 2004 the Young Vic was presented with an Olivier Award for Outstanding Achievement, which referred specifically to the “audacious” season of work presented by Artistic Director David Lan. It is a yardstick of the success of increased public subsidy that the majority of awards presented when subsidised companies compete on an equal footing with West End productions go to the subsidised companies, or shows created in a subsidised environment.

Our recent successes, and the momentum they have produced, have led to our work being presented to new audiences in the West End (as well as on tour). In response to our own experience, we would encourage a far-reaching investigation and reassessment of the relationship between the commercial sector and the subsidised sector, with the aim of addressing the one-way tendency of creative investment. Added to this, the overwhelming majority of West End theatres are of one configuration—end-on picture-book theatres built in Victorian/Edwardian times. In contemporary theatre these stages have a place alongside many other non-traditional spaces, but the preservation of these buildings raises interesting questions about cultural priorities and has contributed in some quarters to a perception of theatre as an outmoded or dying art—a tourist or heritage industry—when in fact it is flourishing and evolving in original and unexpected forms across the country, often in subsidised theatres. If public money is to be invested in preserving and improving West End theatres then attention should be paid to increasing the variety of performance spaces, and consideration should be given to developing the capacity of subsidised companies to make use of the buildings, thereby increasing the audience for subsidised work and generating actual advantage for participating companies.

#### CONCLUSION

Our commitment to contemporary theatre practice as a means of investigating our identity and developing our capacity to participate in the culture of our making means nurturing an involved, engaged and theatre-literate audience now and in the future. As our profile grows, so do the demands on our resources. We want to meet the demand, and respond to the very different ways in which audiences, theatre practitioners, young people and members of our local community seek to engage with us.

With public subsidy commensurate with the growth, influence and creative appetite of theatre companies such as the Young Vic, we will be able to support our staff in their work and professional development, build our unique directors' programme to meet the growing needs of a generation of younger theatre artists, investigate and improve on current rehearsal processes, increase production activity and touring possibilities, actively seek and respond to challenging co-production ventures, cement and develop international connections while promoting the reputation of the Young Vic as a centre of research and excellence, link up effectively with drama schools and develop our partnerships with schools, colleges and the local community. In other words, we will be able to work vertically as well as horizontally, deepening our practice, increasing both the scope of our activity and access to it. There's everything to play for. To do less would be a betrayal of our community of artists and audiences and an abnegation of our ambitions and responsibilities as theatre-makers, employers, educators and investors in future cultural activity.

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