

Ms Fiona Hyslop MSP  
Cabinet Secretary for Economy, Fair Work and Culture  
The Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh, EH13DG

17 June 2020

Dear Cabinet Secretary,

### **Support and stimulus package for theatre & dance in Scotland**

As you know, Covid-19 has had an immediate and devastating impact on our sector. Successful touring work was cancelled around the world from January and three months ago today theatres, arts centres and dance studios across Scotland closed – well before they were asked to, and with no certainty about their future – to protect their workforce, their audiences and their wider communities.

We are grateful to you for your responses to our situation to date and we appreciate your strong commitment to the survival of our sector. I am now writing to ask you to work with your colleagues in Scottish Government to secure a financial package which will sustain our industry through this crisis and enable it to take its place confidently at the centre of a fair, creative and sustainable Scotland. We are writing in the context of the sector-wide recommendations of Culture Counts and ongoing collaborative discussions between Creative Scotland and development bodies across a range of sectors and artforms, recognising that we are all part of a rich and integrated cultural offer which is at the heart of Scotland's future wellbeing and prosperity.

Our estimates are that our members will have lost more than £80m in turnover by the end of this financial year<sup>1</sup>. Prior to Covid-19 our sector turned over £110m per annum<sup>2</sup>, generating local jobs and supporting artistic, technical, production and design freelancers all over the country, and attracting more than 2.5 million people to productions each year<sup>3</sup>. Theatre and dance contribute to the wider economy, too – research from one of our members showed that every public pound invested in theatre generated a return of between £17 and £20<sup>4</sup>. The Scottish Government's economists recognise that our industry sits in one of the sectors hardest hit<sup>5</sup>, and the only one which cannot fully open even by Phase 3 of the Framework for Recovery's route map. Today's Creative

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<sup>1</sup> FST membership data

<sup>2</sup> FST membership data

<sup>3</sup> Creative Scotland annual review 2019

<sup>4</sup> Feasibility Study for Pitlochry Festival Theatre, BOP/Whetstone, commissioned by Creative Scotland, Perth and Kinross Council and Scottish Enterprise, 2013

<sup>5</sup> The State of our Economy, Scottish Government, April 2020

Industries Federation report indicates a loss of up to 40% of GVA in our creative sectors<sup>6</sup>: given the financial heft of our industry, much of that loss will be borne by our membership and their communities unless investment is made now to support them.

We understand that we cannot bring people together in numbers until the final phase of recovery. As we discussed when we met last week, it is not financially viable for many buildings to open in the traditional way whilst keeping audiences safe<sup>7</sup>. We have already committed to offering all the support we can to our wider communities meantime. In addition to the vital contributions our members are already making across Scotland to health, wellbeing and education, we believe that there may be scope to go further, particularly around supporting our children and young people back into more formal learning environments. This cannot, however, come for free. Opening buildings and paying for both freelance and employed staff will cost. We hope you will agree that this is an investment which offers short, medium and long term value in human as well as economic terms.

We are grateful to you for your commitment to establishing a short-life working group on timescales, which will clearly have an impact on the extent of the support our industry ultimately requires. Meantime based on information from our membership we have estimated that an investment of £30 million across this financial year and next would enable us to:

- Play a leading role in developing place-based approaches to regeneration and recovery, including by sustaining access to large-scale live performing arts for communities across the country and particularly in the North and South of Scotland;
- Refocus and rebuild our business models to meet the challenges of the new reality and to be sustainable and resilient to future shocks;
- Deliver support to communities, reaching out to those vulnerable people who have been living in isolation and fear throughout this time and helping to give them hope and courage;
- Use the skills and expertise of our members across the performing arts as a route back into formal education for our children and young people;
- Lead innovation throughout the industry, exploring new models of intellectual property, fresh ways of reaching audiences and approaches to international exchange which respect our environment.

We fully appreciate that this is a significant ask. We believe it matches the power and potential of our members' work in developing the wellbeing economy which will be so important to building the Scotland of the future.

Yours sincerely



**Jude Henderson**  
**Director**

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<sup>6</sup> The Projected Economic Impact of Covid-19 on the UK Creative Industries, Creative Industries Federation, June 2020

<sup>7</sup> Research carried out by UK Theatre indicates that social distancing reduces capacity to c20%, against business models where break-even typically requires 50-70% of full capacity.

## Appendix: Breakdown of support

### **Employment support: £15m**

- £7.5m for 5 months' further support for the known number of JRS supported-roles in Regularly Funded Organisations (RFOs) across Scotland (data from Creative Scotland's survey work)
- £7.5m for similar support for freelance practitioners, those with mixed freelance/PAYE positions, and those employed in companies and organisations which are not Regularly Funded. (Creative Scotland data indicates that at least half the roles within RFOs are freelance. This plus employment outwith the RFO network is likely to equal at least the same amount again)

### **Adaptation and recovery response: £10m**

- £5m towards opening costs for buildings (this is a very conservative estimate. We know from our members that utility costs alone for larger buildings can be in the region of £30,000 per month; UK Theatre estimates the fixed costs of listed buildings at £70,000 - £100,000 per month)
- £5m towards capital investment in buildings to make safe (again at just over £150k per local authority area this is a conservative estimate. There may be potential to explore collaborative procurement options which could reduce costs.)

### **Recapitalising production: £5m**

- Based on a range of small, mid and large scale work, including touring, to create a 'Scottish season 2021-22'
- Potential to explore different funding approaches including public/private/trust and foundation support.