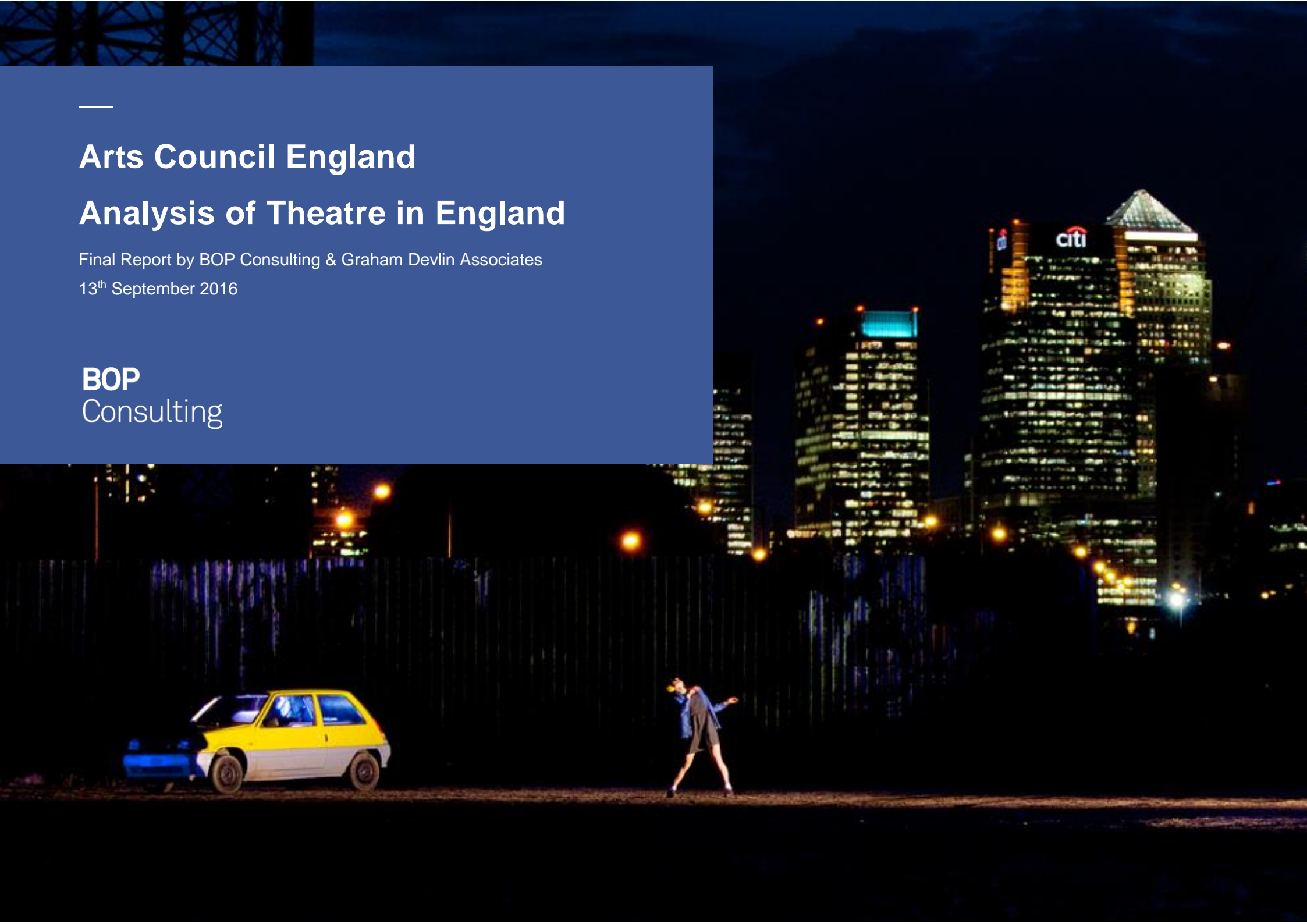# Arts Council England

Analysis of Theatre in England

Final Report by BOP Consulting & Graham Devlin Associates

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— The Audience Agency

— UK Theatre

— Society of London Theatre (SOLT)

Contents

Executive Summary

In December 2015, BOP Consulting and Graham Devlin Associates were commissioned to undertake an analysis of Theatre in England by Arts Council England. The core aim of the study was to gain an in-depth understanding of the current picture of theatre production, presentation and audiences across the subsidised, unfunded not-for-profit, and commercial theatre sectors; as well as to understand changes over the past 15 years.

How was the research undertaken

To address this aim, a range of different quantitative and qualitative research elements were undertaken, including:

— A **literature review** covering the last ten years

— A **stakeholder consultation** including in-depth interviews, industry roundtables, an online consultation and attendance at a number of sector group meetings

— Analysis **of a range of industry data sets**, including from Arts Council England, UK Theatre and SOLT, the London Theatre Report, the Audience Agency, Purple Seven and the ITC.

A mapping of theatre production and presentation was developed based on the listed data sets and further online research; while a map of attendance was based on a database of 16m theatregoers across 230 venues nationwide, provided by Purple Seven.

The structure of the report and how to read it

The report consolidates the main findings from across all research elements into a series of key findings on theatre production, presentation and audiences. It aims to be accessible to a wide range of audiences – from those who wish to gain a quick view of the main findings, to those who want a detailed account. For those with little time, the **Executive Summary** provides a brief introduction to the main findings. For those wishing for some more detail, albeit with a short read, the Executive Summary is followed by a nine-page **Summary Report**.

The full, generally data-driven **Main Report** stands behind this. This, as well as the preceding summaries, is ordered into four main chapters:

— a summary 'scene-setting' chapter with a focus on theatre finances

— a 'mapping' of the sector in terms of production, presentation and audiences

— further considerations on theatre production and presentation

— further considerations on theatre audiences and consumption

For those with a particular interest in certain areas addressed in the report, more information which supports the material in the main report can be found in a comprehensive set of **Appendices.** These contain further content based predominantly on the literature review and sector consultation, cross-referred to at various places across the main report.

Finally, the report has a **Technical Annex** with further detail on the research methodology and data used for this report; information on the literature and sector representatives consulted; and further supplementary data.

The main findings of the report

Finances in the English theatre sector

— It is not possible to assess the finances of the whole sector, due to detailed data on the breakdown of income sources not being readily available across the whole sector for this study. However, one recent report highlighted the importance of private funding across the theatre sector, suggesting that 86% of finance *"at work in the theatre industry"* stems from the private sector.

— Notwithstanding this, the following points focus on the finances of theatre NPOs.

- Analysis was undertaken of theatre NPOs' financial data (2010-2011 to 2013-2014) and workforce and programming data (2011-2012 to 2013-

2014)[1]. For this, a 'longitudinal data set' was developed, consisting of all organisations included across the years (152 organisations).

— Reductions in public funding post-2004 have accelerated since the turn of the decade, driven in particular by cuts to local authority budgets. Arts Council England investment in theatre NPOs has fallen less steeply (4% in cash terms over the four years to 2013/14). In 2013/14, it still accounted for 24% of all NPO income, but 'Other public funding' (principally Local Authority funding) accounted for only 4%.

— Reduced public funding plus a more entrepreneurial approach by organisations has resulted in an NPO portfolio in which private sources of income are most prominent (Earned and Contributed income, i.e. philanthropy, account for 73% of Total income, and saw the largest growth over the four years to 2013/14).

— This might suggest that theatres' success in generating other income leaves the sector less exposed to changes in local authority streams than some other cultural domains (e.g. museums, heritage). However, this general conclusion is not reflected consistently across the country or across different scales and types of theatre – the ability to generate private revenues is very unevenly spread, with a handful of the largest organisations generating a disproportionate amount of Earned income (e.g. RSC and the NT).

Polarisation into 'winners and losers'?

— There is a view in existing literature and in our consultation, that a more marketised sector[2] suits some theatre organisations better than others – in particular, large, urban, and well-funded organisations. Analysis of theatre NPOs' generated income by region and size of venue broadly supports this.

— However, there is more consistent evidence for the NPO theatre sector being polarised according to size of organisations, than by geography: large organisations (51+ permanent staff[3]) generated 78% of all Earned income, compared with 21% by medium-sized organisations (10-50 staff) and 1% by

small organisations (under 10 staff), despite them accounting for 25% of the sample. Earned income also grew by the greatest amount across large NPOs, and a similar pattern exists for Contributed income.

Output and market share

— Trends for output and market share by size and type of organisation also show a concentration in terms of the share of box office among large venues, although the number of productions is more evenly spread.

— The UK Theatre/SOLT data highlights the advantages of large-scale, central-London based companies in terms of producing output and achieving greater market share even more strongly than the NPO data.

Mapping the sector

Venues, production companies and output

— The dataset/map of theatre production and presentation in England created for this report totals 2,173 organisations, including 985 companies (with more than one staff); 774 sole traders; and 414 venues. Additionally, 65 festivals that programme theatre in England across the year were mapped.

— Theatre activity is clustered across the geography of the core cities, particularly London, the M62 corridor, Birmingham and Bristol.

— Looking at the distribution of activity against population shows that London has a significantly larger share of venues and activity than would be expected on the basis of population; and that the Midlands regions are underserved, as are regions in the Eastern half of the country.

— However, analysis at the regional level masks intra-regional differences (e.g. in London, activity is concentrated in the Inner London boroughs).

— Festivals and venues receiving touring productions are mainly based in urban centres, but some are located outside the main urban areas. This is corroborated by analysis of the frequency of touring shows.

— London dominates the sector in terms of output, accounting for 47% of all performances (2014), a little more than the region's share of venues (43%).

— 'Straight theatre' and musicals dominate in terms of genre; although musicals account for a much lower number of productions, they are performed more times than straight theatre productions.

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[1] Note that for all analysis of NPO data, the latest data sets analysed are those for 2013-2014, as the 2014-2015 data set was not yet available at the time of analysis in February 2015.

[2] i.e. a sector in which market forces have a greater influence, where supply and demand are reconciled via the price mechanism and competition, rather than by public funding

[3] as measured in this analysis

Theatre audiences and their regional distribution

— There are strong regional variations in theatre attendance:

  - London dominates (more than 50% of all attendances), according to UK Theatre/SOLT data. It is effectively is an 'export industry', with its theatre performances pulling in a large number of visitors from the rest of the UK and overseas. However, comprehensive data on the latter is scarce.

  - Outside London, attendance is focused on major urban areas, as well as affluent smaller cities and towns.

— London is the only region where overall achievable attendances[4] per person per year is greater than one (i.e. more than one achievable attendance per person per year), indicating the comparative ease of access to theatre there

— There is some evidence in other cultural sectors that proximity and ease of access to local cultural infrastructure play an important role in attendance, and this was a strong theme at several non-London industry roundtables.

— Along with population size, proximity to venues appears to explain some of the divergences in theatre attendance. In most regions, there is a rough alignment: the regions that have the highest shares of venues (e.g. London and the South East), also have the highest share of attendances. The reverse is also true, with the North East having the lowest shares of both.

Further detail on production & presentation

Touring and Collaboration

— The sector consultees report that touring is challenging, but that networks and collaborations are increasing on all scales to address this.

— A 'super-venue' touring circuit, hosting the biggest shows and with high audience occupation rates, is emerging at the large-scale. This can also be related to the increasing popularity of large venues among audiences.

— There is a dearth of attractive middle-scale touring (a desire was reported for more touring from the national companies) – and a perception of the need for more support for touring at the middle and small scales.

— Collaborations between the subsidised and commercial sectors, as well as between the theatre sector and Higher Education, have increased.

Theatre programming

— There are industry concerns that reductions in public funding are limiting theatres' capacity to take risk. Literature and new data analysis on NPO funding supports the widely held view that public funding is important to theatre organisations' ability to invest in quality productions and to innovate.

— On the other hand, the British Theatre Repertoire report shows that new work and writing are strong within overall production.

— The percentage of programming focused on BAME and disability varies between regions. The *Creative Case for Diversity* appears to have been effective in focusing the sector on the issue of diversifying artistic activities.

— Some theatres are adopting a more curatorial approach to programming, which accommodates a range of different voices as part of programme making, and thus better represents different audiences.

— The use of digital technologies in content production varies across the sector. Existing data suggests that adoption seems to have reached a plateau or fallen away a little.

— The UK is a world leader in Event Cinema[5], and theatre is the largest genre by revenue. It is at present concentrated in a few 'big players' (e.g. NTLive).

— Most organisations currently engage in live broadcasting for audience development reasons. Current NTLive data suggests that streamed performances reach a wider audience, but there is concern about whether they displace existing audiences. More answers should be provided by a major current study commissioned by Arts Council England.

Growing and diversifying income

— Theatre organisations are utilising a range of new initiatives in public funding, cultural and social investment, tax relief, loan finance, enterprise investment schemes and commercial investment to grow and diversify their finances.

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[4] the number of available 'seats' (standing/ seating, ticketed and unticketed), multiplied by the number of performances per year

[5] live or recorded broadcast of live arts or sports events

— Theatres are earning more by increasing ticket prices/yield, with no resulting overall drop in attendance. In London, some perceive that further price increases would not harm the box office, but may compromise access.

Workforce development and diversity

— Literature reports a widening gap between skills demand (particularly off-stage) and supply. Concerns were particularly raised with regard to the demands on leadership skills. Sector training and CPD provision remains ad hoc, and are believed to be 'squeezed out' by a lack of time and funding.

— Data on workforce diversity in the sector is limited to the Arts Council's NPOs – it may be worth considering how the workforce makeup looks outside this group. While workforce diversity it has improved in recent years, literature and data suggest further steps are needed.

— The proportion of BAME workers across the NPOs (13%) is slightly higher than that within the overall workforce in England (12%). However, this is deceptive as the theatre sector is concentrated in large urban areas, where the BAME population is higher. BAME theatre workers continue to be under-represented when compared with many local labour markets (e.g. London).

— Overall, BAME leadership of organisations remains rare and there is a continued need for a greater diversity of leadership in theatre.

— People with disabilities continue to be under-represented among the general workforce and within leadership, and there is concern that changes in the benefits system will have a negative impact.

— The gender distribution among the theatre workforce overall is balanced, but there are still imbalances at the top (e.g. women having lower salaries).

— Issues of socio-economic disadvantage are increasingly a concern, with issues such as low average pay, low-paid trainee positions, the growth in sector-specific postgraduate courses, and de-prioritisation of the arts in (state) education, all being flagged by the literature and the consultation.

Further detail on audiences

In terms of audience demographics, Purple Seven data was foregrounded, while Audience Agency's demographic data was used as a supplement to provide a time series analysis and to look in more detail at regional breakdowns.

Audience diversity

— Audience Agency and Purple Seven data show that people from BAME backgrounds continue to be under-represented in the theatre audience, despite some small recent growth in their numbers.

— Sector consultees see this as the product of a lack of diverse programming for BAME audiences, but also caution that BAME audiences should not be thought of as a homogenous group.

— Older audience groups dominate, but younger audiences appear to have been growing fastest, showing some success in reaching out to them.

— Theatres struggle to reach audiences with disabilities. Consultees suggested that community links are necessary to grow disabled audiences and that existing mechanisms to make performances accessible (e.g. synopses, transcripts and use of new technology) are not frequently used.

— Audiences from higher social groups are over-represented in the theatre audience – literature and data demonstrate a link between educational background, affluence and attendance.

Audience development and theatres' awareness of their civic/ social roles

— The consultation and literature suggest that the sector is increasingly interested in its audience development role, and recognises the importance and the opportunities that lie within this work.

— There are ongoing debates about the effectiveness and challenges of different audience development approaches, e.g. subsidising tickets; the diminished profile of theatre in education; overcoming the 'chicken-and-egg' situation of a homogenous workforce producing a homogenous product.

— The sector consultation highlighted the importance of ongoing engagement, rather than short-term activities.

— This chimes with theatres' increasing focus on their local communities and social functions, and of theatres achieving a cultural purpose within a broader set of civic responsibilities. However, consultees generally feel that this side of their work is not well-known or assessed by the Arts Council.

Summary Report

Analysis of Theatre in England: Summary Report

The aim of this study was to gain an in-depth understanding of the current picture of theatre production, presentation and audiences across the subsidised, unfunded not-for-profit, and commercial theatre sectors; as well as to understand changes over the past 15 years. The study is based on evidence from a number of sources – previously published reports, statistical data, interviews and roundtable discussions.

Much of that material has confirmed information or opinion that is already current. A number of developments that were identified are however worthy of special note – this Summary Report seeks to these draw out.

Finances in the English theatre sector

As this report was being finalised, the referendum on the UK's membership of the EU returned the verdict of Leave. This – together with new government and treasury leadership – will have major repercussions. Although at the time of writing it would be premature to seek to predict what they will be, it seems likely that the country will experience a recession. For the theatre sector specifically, a weaker pound may make international touring more lucrative for UK companies, but will increase the costs of bringing work or artists into the UK.

All this, of course, is occurring in the context of post-2008 austerity measures. ACE investment in the theatre National Portfolio Organisations (which receive multi-year funding for agreed programmes of work) declined by 4% over the over four years to 2013/14. This is comparatively little in comparison with other areas of public funding, but research shows reductions in local authority funding to theatres has also fallen by more than 50% in the six years up to 2014/15. There is a strong expectation that this trend will intensify, with attendant risks to small-scale organisations not in receipt of ACE revenue, and to local authority-owned venues (which are often managed by independent trusts or commercial partners).

These developments have led to more entrepreneurial approaches to partnership and revenue generation. Commercial and private sources of income are now more prevalent in the NPO portfolio, but are largely concentrated within urban, large-scale, and well-funded organisations. There are significant regional variances in income-generating capacity and only 1% of all theatre NPO's total earned income is generated by small-scale operations. Of the theatres' Contributed income (i.e. neither grant nor trading), sponsorship makes a relatively small contribution in absolute terms and fell by 1% between 2010 and 2014. However, income from trusts and foundations and through individual giving rose over the period. Regression analysis shows that there are highly statistically significant correlations between:

— size of organisations and all forms of income; and
— a London location and both Contributed and Arts Council England income; although not between a London location and Earned income.

The introduction of Theatre Tax Relief (TTR) appears to be positively affecting the P&L accounts of many theatres. It is too early to identify exactly how these receipts are being deployed – to bolster balance sheets, replace lost income or to underpin risk. The time for a thorough analysis of this will be after the scheme has been operating for three to five years (i.e.in 2017 or 2019), but it should be noted that TTR is now a vital part of the theatre economy and its retention should be strongly advocated.

Mapping the Theatre Sector: Production, Presentation and Audiences

The fierce debate around the distribution of funding, most recently raised in *Re-balancing Our Cultural Capital*, was strongly reflected in the consultation for this report, as were discussions about variations within regions (metropolitan centres and hinterland).

Production & Presentation

The map of English theatre provision developed for this report (see below) shows that theatre activity is generally clustered around the core cities, particularly London, along the M62 corridor, Birmingham and Bristol. This

analysis includes both subsidised and unsubsidised theatres, home-produced and touring. London (with 16% of the population) contains over a third of the producing and presenting companies of all scales. It remains a magnet for audiences, especially at the larger scale (National Theatre and the West End) and other smaller high-reputation theatres.

London accounts for 47% of all performances and 43% of venues in England. It is also effectively an 'exporting' industry in that it attracts large numbers of international visitors and audiences from the rest of the UK to attend theatre performances in the capital.

The concentration of theatre provision in London in comparison with the size of its population stands in contrast to other regions. This is most evident in the North West, where 13% of the national population lives, while the region accounted for only 5% of performances. The situation is similar in the East Midlands (11% & 6%). It is perhaps particularly surprising that the North West, containing Greater Manchester and other significant conurbations, is so under-provided. It would be worthy of further research to understand whether this is caused by limitations of the data source, or a genuine reflection of provision.

A string of hit musicals – a very significant part of the theatre ecology – has contributed to the success of theatre in London and some of the large-scale regional theatres over a number of years. Although only about 15% of shows are musicals, they deliver about 30% of total theatrical performances. However, even reliable popular genres cannot guarantee the success of individual productions. Across all theatre performances, a comparatively small number of hit productions account for a large proportion of box office income (e.g. in 2014, 36 out of 1,864 shows accounted for 56% of total theatre box office income).

Map of organisations that produce and present theatre in England, 2016 (venues: red triangle; production companies: larger light blue circle; sole traders: small dark blue circle)
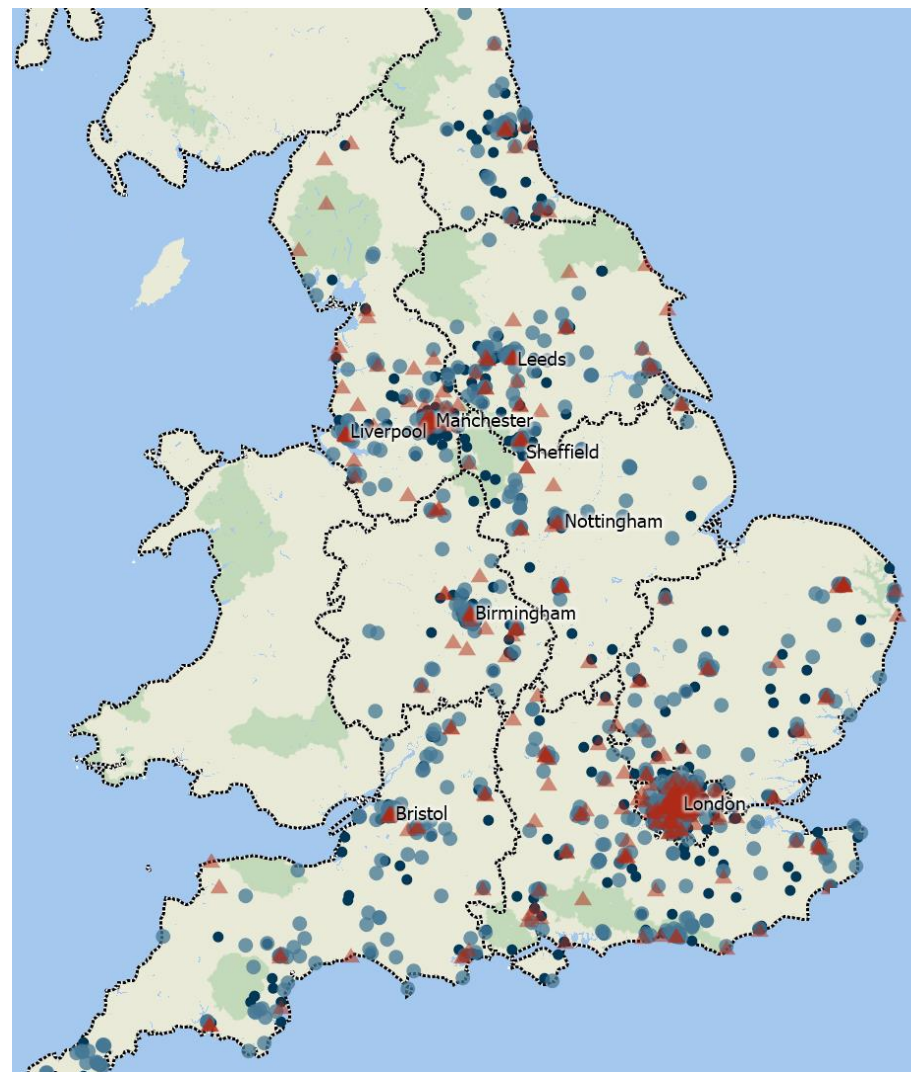
Source: BOP Consulting / Arts Council England / Smith (2014) / TAA / UKT&SOLT / ITC / ATG and Qdos (2016)

Audiences

London's predominance in production and presentation carries across to the sector's audiences. London is the source of just over half the total theatre attendances in England (of which 92% are in inner London). The capital's theatre audience is swelled by the 43% of bookings that originate from outside London. Many of these bookings will have been made by international visitors, though clearly visitors from the rest of the UK are also a factor here. Attendances in London also grew by 5% between 2013 and 2014. Three other regions (South East, South West and West Midlands) also saw an increase, with the South East registering the largest rise (7%).

Theatre audiences in the other five regions saw a decline over the same period, most significantly in the North West (-18%). Some of these declines may be due to particular conditions, such as a re-structuring of programmes to deliver a lower number of performances or temporary closures for capital works. Some regions also report issues arising from audiences' financial situation, aversion to risk-taking and less frequent attendance. If these different regional growth trajectories continue, further analysis should be undertaken to identify their causes and to understand in how far domestic audiences may be being displaced from some regions to others.

Beyond the distribution of the overall population, existing research and evidence points to a range of psychosocial[6] barriers to attendance, linked to factors such as early socialisation, issues of class and ethnicity. However, there is evidence from the cultural sector more widely that proximity and ease of access to local cultural infrastructure also play an important role in attendance levels. A rough analysis of the availability of theatre in the regions suggests a direct link between supply and demand, showing that the supply of theatre is considerably higher (in total and *per capita*) in London than anywhere else in the country. This provides a useful indication about the comparative ease of access to theatre there, which would be worthy of further investigation. In line with this, many contributors at the roundtables identified challenges with their

local transport systems as providing a barrier to attendance, or spoke of *"communities with no infrastructure"* – an issue that is, in part, being addressed through initiatives such as Creative People and Places.

Further details on Theatre Production and Presenting

Touring

The map of touring venues developed for the report suggests some correlation between the size of regional populations and the touring activity available to them – venues again tend to reflect urban centres (e.g. there is a high density of venues receiving touring in London). However, they also include a large number of smaller communities outside the main urban areas (e.g. along the East coast, and in in the East of England). Looking at the number of times that touring productions were hosted within each region furthermore shows that some of the more rural regions received a large proportion of touring productions (e.g. the South West, receiving 14% of touring for 10% of the population), while London, with 16% of the population, only hosted 10% of theatre touring – a function of the unique theatre industry in the West End and a subsidy focus that distributes touring to other regions. However, the less rural South East (with 16% of the population) bucks this trend as the region with the largest proportion of touring productions hosted (17%).

At the largest scale, capital investment over the past 20 years has made it possible for more theatres in the regions to host large scale shows in their original West End production, rather than in a scaled-down version. This has resulted in an informal 'super-venue' circuit of venues[7] that are able to accommodate (for longer periods) the limited number of 'marquee' titles that can be expected to make a good return on investment.

Many contributors reported that middle-scale touring remains increasingly challenging. A key issue for most venues is the lack of affordable quality touring product with sufficient popular appeal to attract significant audience numbers; while many companies reported that the pressure on margins, tightened

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[6] i.e. the combined influence of both psychological factors and the surrounding social environment

[7] generally those theatres with the largest capacity, a good infrastructure (often having received capital investment) and with appropriate catchment areas (generally in conurbations but sometimes in rural areas)

resources, the financial demands made by hosting venues, and a declining number of venues combine to make touring (even if supported by Arts Council funding) near unaffordable. In that context, there is a view that a comprehensive national strategy for touring is needed at this scale.

Across all scales, venues expressed a wish to see more touring by the national companies to enable greater access to high quality work and develop new audiences. There is some evidence that this is happening. The NT is discussing possibilities with a number of partners, and the RSC is developing a new touring strategy across a range of scales.

Collaborations

Collaboration – in various forms – was frequently referenced in the consultation. Subsidised theatres develop relationships with commercial partners in order to extract the full value from their productions through touring or other exploitation (e.g. digital). During the consultation, a number of commercial producers welcomed this (and the Arts Council's) *"increasingly positive"* relationship with the for-profit-sector. To develop this further, a new financial model for co-productions between commercial producers and regional producing houses was suggested, whereby Arts Council investment could be made on a match basis, "*on the premise of a return on investment*". New initiatives such as this could have the potential to help increase touring weeks nationally, develop regional theatres' and independent producers' capacity, increase mutual understanding and recycle investment by re-applying any returns to other productions.

At the same time, a number of venues at all scales have begun, often in consortia with others, to generate their own productions. These are seen as having a range of benefits, including cross-fertilisation of ideas and the exchange of good practice; an increased ability to develop interesting, 'risky' work; resource-sharing and reduced production costs. At the small-scale, in particular, region-wide networks have been established, such as 'house', initially developed by Farnham Maltings and Arts Council England with a steering group of venues. This produces a programme of around 15 contemporary theatre productions each year for a network of over 150 small-scale venues across the South East and East of England.

Partnerships are, however, time-consuming and do not always save money (or can result in a budget set to the lowest common denominator). Multi-partner co-productions in the subsided sector can also result in fewer individual productions overall (although playing more weeks across partners). In addition, some theatres express a concern that too many co-productions may also risk diluting the brand identity of individual theatres.

Several contributors noted that the HE sector is acquiring a new importance in supporting the arts. Partnerships between theatre companies and creative and performing arts faculties can contribute to a range of shared agendas that include widening access, knowledge transfer and innovation, single-subject and interdisciplinary research. Derby Theatre, now a 'Learning Theatre' and part of the University of Derby, has been a model of this sort of co-operation since 2012 with community engagement running through all the company's work with substantial regional and national impact. Creative theatre-making is integrated with pre-professional and HE courses that enable students to learn and work alongside professionals on Derby Theatre productions and high-profile co-productions with touring companies.

Theatre Programming

For several years, subsidised and unsubsidised theatres have - for artistic and financial reasons - evolved operating models that include both production and presentation. Today, most regional theatres, which once would have had a limited number of incoming productions, now complement their home-produced programme with visiting and co-produced work.

As part of this study, we tested the hypothesis that public funding supports creative risk-taking and investment in higher quality productions. This was done by exploring whether organisations in receipt of larger sums of public funding spend more on their artistic programme. This does seem to be the case. There is, moreover, some case-study evidence that risk-taking in theatre is declining because of the current funding environment. Our sector consultation also confirmed this finding, with several consultees mentioning the difficulty of undertaking 'risky' work within constrained budgets.

Despite this reported perspective, the 2013 British Theatre Repertoire report shows that in 2013 and 2014, *"new work had overtaken revivals for the first time in living memory"*, accounting for over 60% of all performances and box office income. However, the report also noted that *"new work has shorter runs and therefore lower attendance and box office"*.

Theatre Programming for a diverse audience

Diversity was raised as a critical issue in almost every round-table and interview. Arts Council England's *Creative Case for Diversity* (with its focus on driving change through an emphasis on diversifying artistic activity and better opportunities for diverse artists) appears to have been effective in focusing the majority of the sector – both subsidised and unsubsidised – on the issue of programming for a diverse audience, and has been reinforced by initiatives such as Change Makers.

Nevertheless, the number of organisations in the Arts Council's theatre NPO portfolio with BAME leadership or focus varies considerably between regions. In 2013/14, London (18.2%), the East of England (14.9%) and the North West (12.6%) registered the highest proportions of BAME programming. However, the proportion in the other six regions declined between 2011/12 and 2013/14. Disability-focussed programming also varies considerably, ranging, in 2013/14, from 21.6% in the North East to 0.6% in the East Midlands. Ramps on the Moon, Unlimited and the 2015 Edinburgh Fringe were acknowledged by practitioners as being important indicators of progress in advancing the work of disabled artists, but are supply-side oriented and do not fully address the further development of disabled and non-disabled audiences. According to one consultee, *"there has to be a shift away from counting the numbers of events supported to counting the number of people who use them"*.

An elegant articulation of the relationship between the Creative Case, the audience and the workforce was made by a BAME practitioner who suggested that the issue can only be addressed by re-framing the work on stage to better reflect the stories, lives and backgrounds of today's diverse society. To do so will require a continued, systematic engagement of diverse programmers, directors and senior managers. In this context, some Artistic Directors in middle scale theatres also reported that they are evolving a more 'curatorial' approach to their programming by modifying the historical model of a regional theatre as primarily the expression of an individual Artistic Director's creativity. This model accommodates a range of different voices as part of creative programme making, thereby reaching and representing different audiences as well as encouraging a greater hybridity of artform and production (e.g. engaging artists from other artforms such as choreographers and video artists as contributors).

New artistic forms and digital distribution

Outside theatre buildings, site-specific and immersive work has developed considerably in the last ten years. This work often creates a different relationship with its audience, who can become participants in the story and have a 'personalised' experience. Such work may become increasingly significant as audiences/ participants seek more agency in their entertainment through active rather than passive involvement. This kind of work often requires new skills and knowledge from outside the theatre sector (e.g. digital capabilities from performance art and interactive video games) and has implications for the training needs of the profession.

Recent research suggests that the UK is a world leader in Event Cinema and that theatre is the dominant genre in terms of revenue in this field. However, although digital broadcasts by the NT and a few others have had a high profile in recent years, only a relatively small proportion of theatre organisations has, to date, been involved. Of those that have, most have done so to grow their reach and develop their audience – and indeed, existing data by NTLive suggests that streamed performances are reaching a wider audience. There is also an anticipation that, in time, the currently small revenues may grow.

Further opportunities may also arise from the possibility of using live-streaming strategically to bolster the profile of high quality producing and touring companies across the country, rather than "*taking London out to the regions".* With that in mind, one contributor suggested exploring mechanisms through which part of the income from live screenings could be used to support the generation and/or distribution of trailers for other live theatre events.

There are however as-yet unresolved issues around costs, quality and skills barriers in this area and uncertainty about the effect of high-profile live-streaming on shows in local theatres and less formal settings. In addition, there is ongoing concern in the sector about whether Event Cinema displaces existing audiences. More answers should be provided by a major study of Event Cinema commissioned by Arts Council England, in conjunction with a range of partners, which will report later in 2016.

Growing and diversifying income

Theatres are becoming more entrepreneurial through a range of business models. Some of these are developments of long-established practice such as flexing ticket prices to improve yield. Evidence across both the commercial and subsidised sectors shows that both box-office income and ticket yields have generally increased in recent years with no overall drop in attendance. Some (in London) see a potential for significantly enhanced box office for their more popular shows within a pricing structure that maintains their commitment to access.

Some organisations are looking at other ways of making themselves more sustainable. A range of new models now exist that include public funding, cultural and social investment, tax relief, loan finance, enterprise investment schemes, commercial investment and entrepreneurial opportunities. These are, as yet, not widely explored within the theatre sector; however, they do offer opportunities for the future.

Other contributors noted how some artists or small groups of artists are now choosing to pare back their infrastructure, working with little or no dedicated office or administration team rather than setting up a permanent company structure in order to maximise flexibility and work across different media.

Workforce development

Previous reports on theatre and the arts have highlighted concerns about the ability of the sector to develop talent and properly train the workforce. This is becoming more urgent in light of the major social, cultural and demographic changes currently underway. Historically, CPD and talent development have largely been ad hoc.

There are some reasons to believe that this situation has improved in recent years. Moreover, there has been an increase in the proportion of theatre organisations with professional development plans – from 63% in 2011/12 to 76% two years later. However, over the same period, the number of theatre NPOs that actually offer CPD to their staff decreased slightly. This may suggest that while NPOs have become more systematic in their planning for professional development, budgetary pressures and other priorities 'squeeze' this out.

The theatre industry is exploring apprenticeships in light of the new apprenticeship levy, funded by companies with wage-bills of over £3m. London Theatre Consortium, for example, is delivering a consortium-wide apprenticeship programme to attract young people unlikely to apply for theatre jobs. One consultee suggested that theatre could also make more use of the BTEC model to offer entry to those who cannot afford the price of a drama school.

In contrast to these positive developments at entry level, a number of consultees identified challenges in management and capacity issues in the theatre sector, including increasingly complex demands on leadership skills and the wide range of responsibilities put on individuals (who are often not fully trained for their managerial roles). As one of these consultees suggested: *"Recruitment at executive director/CEO level is going to become a problem over the next 5 years. As our organisations evolve to survive, the job will get harder, running a number of very different business streams"*.

Also noted was the need to support the development of mid-career workers, alongside initiatives focused on emerging young talent. Secondments (such as in the Clore Leadership Fellowship and the National Theatre-led Step Change Programmes) were referenced as potentially valuable mechanisms for this group. The sector consultation also revealed that a number of theatres have developed a variety of programmes focused on talent development, aimed at both young people and emerging professionals. Derby Theatre's In Good Company is one of the more developed programmes.

Responding to some of these issues, Aldeburgh Music in 2014 convened a well-attended cross-artform conference at Snape Maltings on talent development, supported by the Arts Council. This identified a number of strategic tasks for talent development including advocacy; the dissemination of successful models; and a mapping exercise of what exists now (or might be developed). It further proposed that large organisations nurture small ones as well as dialogue – with Sector Skills Councils and the education sector - to bridge the gap between HE and the cultural workplace. This initiative does not seem to have been progressed visibly in the last two years but there remains an opportunity to do so.

Workforce diversity

Workforce diversity also remains a key concern. At many levels, it has improved in recent years with the proportion of BAME theatre workers in NPOs now slightly higher at 13.3% than in England's overall workforce. However, this is deceptive because the theatre sector is concentrated in urban areas, particularly London, where the overall BAME population is much higher. However, BAME *leadership* of organisation remains rare (at 9% of NPO theatre organisations, mostly small and/or in London).

People with disabilities also continue to be under-represented both among the general theatre workforce and at leadership level. Only seven out of 152 theatre NPOs were disability-led across 2011-2014, none of which were large and only three based outside London. Consultees also noted with concern that changes in the benefits system may reduce the number of people with disabilities that are able to access theatre employment.

Overall, the theatre workforce is broadly balanced in gender terms, but imbalances seem to remain at the most senior levels. The current data does not provide any fine-grain information as to the precise seniority of the female staff in theatre. From 2016, the Arts Council will be collecting data on the diversity profiles of the leadership of their funded organisation. This is to be welcomed.

Issues of socio-economic status are also of concern. Data on this for people working in the theatre in England is sparse. However, that which does exist shows the challenges that face those from lower socio-economic

backgrounds in accessing jobs in the sector, particularly acting. This issue was actively pursued at several roundtables – in particular with regard to the more senior levels of the workforce - with many expressing concern that social mobility in the sector is not increasing; rather, it may be regressing. Factors in this include low average pay (with London theatres considered particularly at risk due to the high cost of living) and (for those who cannot access external financial support) unpaid or low-paid trainee positions and a growth in sector-specific postgraduate courses. A further factor is a de-prioritisation of the arts in state education which, in the words of The Warwick Commission, is creating, *"major concerns that the educational system is not focusing on the future needs of the Cultural and Creative Industries"*.

Further detail on Theatre Audiences

The consultation revealed mixed views on audience taste around the country. Some industry perceptions are of increasingly adventurous audiences, and indicatively, only 5% of online consultees referred to audiences' conservative tastes as a barrier to innovation. In 2013 and 2014, attendance levels for new work were greater than those for revivals. However, others pointed to possible counter-indicators such as:

— the growth of 'celebrity casting' fuelled, in part, by the role of social media; and

— the high volume of attendances at popular musicals referenced above.

This is a complex picture, reflecting a range of audience demographics, artistic policies and the relationship between audiences and theatre. Nevertheless, it was strongly felt among sector consultees that audiences do distinguish clearly about what they want to see, and that – as in previous times of economic challenge – high quality (especially populist) work, the *"unusual and the extraordinary"* do well, while the run-of-the-mill does not.

Audience diversity

People from BAME backgrounds and people with disabilities continue to be under represented in the theatre audience, despite some small recent growth in

their numbers. Contributors see this as the product of a lack of diverse programming for BAME audiences (while also cautioning against taking a reductive view as to what BAME audiences might like). It was also recognised that while there are examples of good practice, a commitment to the building of disabled audiences needs to be more widely adopted through *"audience development and community building"*. Further research into *"why so many people self-select away from theatre because of perceived barriers"* would support this.

The reported failure to mainstream diverse work is referenced in several recent studies of theatre audiences, such as the 2014 London Theatre Report, which revealed that respondents to a survey of West End audiences in 2011 were 92% white. The largest group of bookers by far – among commercial and subsidised theatre, in and outside London – continues to be 92%-96% white, and while London theatres show a slightly higher proportion of bookers from a non-white background (6.6% for commercial and 8.3% for subsidised theatre), this must be set against the fact that 40% of the city's population is of BAME origin. Despite a recent growth in numbers of non-white bookers of circa 20% between 2011/12 and 2014/15 (compared with 12% in the white audience), this is clearly a live issue that will be of continuing importance to the sector, the Arts Council, as well as the Mayor of London, who as expressed a strong commitment to equality, and other cities with devolved authority.

Between 2012/13 and 2014/15, the Arts Council registered an increase in 'accessible performances and screenings' by NPOs, as well as an increase in successful Grants for The Arts applications targeting disabled audiences. Over the same period, there was also an increase in levels of arts engagement and participation by adults with a disability and adults aged 65 or over. However, recent data shows that within the commercial and subsidised theatre sector in London, only circa 6-8% of customers identified as having a disability, compared with 16% of working age adults and 45% of State Pension age adults. Much remains to be done if theatres are to build disabled audiences. The consultation reported that existing mechanisms such as synopses, transcripts, captioning, audio description and use of new technology are still not frequently used, particularly in touring and small-scale theatre. However, the Arts Council's 2015 Equality & Diversity study reported a significant increase in the numbers of awards made via Grants for the Arts for projects targeting BAME, disabled and socially excluded audiences. Furthermore, it reported that 'accessible performances' by NPOs had increased by 14% between 2012/13 and 2014/15 and 'accessible screenings' increased by 101% over the same period.

Evidence confirms that the largest group of bookers across commercial and subsidised theatres within and outside London continues to be middle-aged and older patrons (aged 45-74). Notwithstanding this perhaps unsurprising conclusion, the data does also show a positive movement within younger age groups. Between 2011/12 and 2014/15, the age groups that witnessed the largest growth rate in bookings were the three youngest, with 18-25s growing by 16%, 26-30s by 19% and 31-40s by 17%. In that context, consultees discussed whether the theatre sector could make a determined effort to encourage audiences (particularly young audiences) to put a particular value on 'the new', as they do in, for example, popular music or movies.

Lastly, the literature and sector consultation revealed an ongoing concern about reaching out to audiences from different socio-economic backgrounds, and indeed, data analysis confirmed a clear link between audience attendance and affluence. Analysis in 2014/15 of ticket sales by bookers' social grades among *all* Arts Council NPOs showed that among the population classed as social grades A and B, the percentage of bookers was higher than the representation of these groups within the population. In contrast, among the population classed as social grades D and E, the percentage of bookers was lower than their representation in the general population. This is also reflected in the attendance patterns in the theatre sector specifically: analysis of the Audience Agency's audience segments shows that both in 2011/12 and 2014/15, the three segments undertaking the largest number of bookings are defined as affluent, prosperous or well-off (and show a higher representation among all theatre bookers than within the overall population), while the lowest number of bookings were made segments defined as including less affluent groups of society (all of which show a lower representation among theatre bookers than within the overall population).

Audience development

A key theme emerging from the consultation was that of theatres' social role and the opportunity to achieve a cultural purpose within a broader set of civic responsibilities. Several consultees suggested that this should involve connecting with the general (i.e. not just the theatre-going) public through collaborative relationships that are not necessarily related to the art form, but could help foster an understanding of theatre's importance to a town or city, and its civic role as an agent of cohesion and (sometimes) change.

Contributors acknowledged the need to accept that 'theatre' is not valued by everyone but suggested that, to avoid the sense of being "*irrelevant to many"*, the sector must understand the needs of local communities, acting as a social destination, offering space and activities for both theatre audiences and other community members, without the inevitable expectation of buying seats. To that end, a number of theatres are working in partnership with local authorities or other local organisations to embed a greater sense of relevance, while others are targeting specific community groups (e.g. refugees) or causes (e.g. awareness of health-related issues).

Several consultees noted that this developing civic role can be key to some organisations' delivery of the 'Great Art and Culture for Everyone' objectives, and that it would be helpful if the way in which theatres report to the Arts Council could enable this to be expressed more explicitly.

Further aspects of audience development raised in the consultation included:

— The importance of ongoing engagement rather than short-term activities

— Concern about the reducing interaction between schools and theatres

— The emergence of 'pay-what-you-like' or 'what-you-think-it's-worth' approaches

— The need for further reciprocity and data sharing as encouraged by the Arts Council

— The effectiveness and sustainability of subsidised tickets to draw in more diverse audiences.

Analysis of Theatre in England: Main Report

1. Introduction

Theatre is both part of our heritage and a modern arena for contemporary debate. It is a source of controversy and comfort, provocation and proclamation. As a form it is infinitely malleable, responsive to time and place, circumstance and situation. It is a living dialogue that can define and develop who we are as individuals, communities, regions and nations. And as a nation, we invest heavily in theatre: the ticket buying public, the state, trusts, foundations, charities and private businesses all contribute to a sector which produced over 53,000 performances across England in 2013/14 – as do the artists and producers themselves.

This study has been commissioned at a point when the UK cultural sector is going through a period of major change. The Chancellor of the Exchequer's autumn 2015 statement recognised the value of the arts, concluding that cutting support to them would be a 'false economy'. Both this recognition, and the consequent less-than-anticipated reductions in the Arts Councils' grant-in-aid have been welcomed. Nevertheless, the effects of the government's austerity policy are visible in the level of public funds allocated by DCMS to Arts Council England, with income from grant-in-aid falling in cash terms between 2009/10 and 2014/15, alongside a considerable drop in 'other income', which includes funds from other government bodies and Local Authorities. While these reductions were compensated for by a substantial increase in National Lottery funds, the Arts Council's overall funds have decreased since 2012/13[8].

Over the past six years, other aspects of the cultural sector's financial landscape have also been under pressure. Local authorities' reduced resources have also led to a decline in their own direct investment in arts and culture since 2010, and the abolition of Regional Development Agencies has reduced opportunities for culture in regeneration in many areas. Reducing budgets in

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[8] The net effect of changes to different funding streams is an overall reduction in cash terms from £746m to £725m between 2012/13 and 2014/15, with a more pronounced drop in 2013/14 (Arts Council England Annual Reports 2009/10 – 2014/15).

Education, Health and other public sector agencies have also had collateral impact on the work of many companies working in these arenas. Public funding, of course, is by no means the whole story – English theatre has a strong commercial culture that includes private investment in West End musicals and plays, major touring productions and regional pantomimes that provide a significant element of box office income for theatres around the country. However, box office income has been variable in recent years; and private sector contributions and grants from trusts and foundations are experiencing increasing demand from a sector under intense pressure to ensure maximum return on both public and private investment.

Alongside this, the broader environment in which theatre operates is also changing, with significant demographic and societal shifts bringing additional opportunities and challenges to the central agendas of access and diversity – both of which remain key issues for the theatre sector in terms of the content of the work, its audiences and workforce development. Further recent developments that are affecting the sector include the rise of digital and social media and changes in education policy. Spurred on by digital innovation, new forms of theatre production and presentation, such as live streaming and site-specific works, have also emerged in recent years, creating new opportunities for some in the sector, and challenges for others.

These developments are having a lasting impact on the theatre sector; and it was apparent in the development of this report that theatre in England is going through a process of considerable change. Organisations increasingly need to become more commercial and entrepreneurial and to consider new structural models of governance, to remain sustainable. This is resulting in a growth in collaborations and co-productions, as well as new concerns about balancing artistic imperatives and organisational efficiencies. The relatively simple historical model of producing houses, receiving houses and touring companies has, for the past two decades, been morphing into a more complex ecology of theatres that present a more mixed programme of produced and presented work, alongside an independent sector that is increasingly flexible, digital and less tethered to the funding system.

1.1 The Brief

The Arts Council's investment in theatre over the next four years will make up a substantial part of its overall investment in arts and culture: around £300m for its National Portfolio Organisation (NPO) theatres between 2015 and 2018 (about 30% of the overall expenditure on NPOs).

To ensure that it is *"investing fruitfully in a 21st century theatre industry and that it is delivering for both artists and audiences"* (Arts Council England Brief), the Arts Council commissioned this study of Theatre in England. The core aim of the study was to gain an in-depth understanding of the current picture of theatre production, presentation and audiences across the subsidised, unfunded not-for-profit, and commercial theatre sectors; as well as to understand changes over the past 15 years. This will help the Arts Council to *"better understand the impact of the organisations [it] funds and the theatre landscape in its entirety"*.

Unsurprisingly, given the changes the sector has experienced in recent years, the consultation undertaken for this research revealed some uncertainties about the future of the sector. It is hoped that this report will contribute to ongoing discussions about these questions as well helping the Arts Council – and other funders – to focus on how their investment might best support theatre in England, and how innovation in the theatre world can best be sustained.

1.2 How was the research undertaken

To answer the brief, a research framework was developed, based on three overarching questions:

1. *Where and how is theatre produced and presented today?*
2. *Where and how is theatre consumed today?*
3. *Where and how has production, presentation and consumption changed over time (in the last 10-15 years)?*

A range of different quantitative and qualitative research elements were undertaken to answer these questions, including:

— A **literature review** covering the last ten years

— A **stakeholder consultation** including:

- In-depth interviews (30 stakeholders)
- Seven industry roundtables across England (85 participants)
- An online consultation form for theatre professionals (705 responses)
- Attendance at a number of sector group meetings

— **Analysis of a range of industry data sets**, including from:

- Arts Council England (theatre NPO returns; Grants for the Arts, Strategic Touring and National Activity databases)
- UK Theatre and SOLT (list of members; aggregate data by region and genre)
- London Theatre Report (list of venues)
- ITC (list of members)
- Audience Agency (audience market segmentation)
- Purple Seven (audience demographics)

The data from theatre NPO returns features across the report, providing information on finance, workforce and programming. A longitudinal analysis was undertaken of the theatre NPO's financial data (2010-2011 to 2013-2014) and workforce and programming data (2011-2012 to 2013-2014)[9]. For this, a 'longitudinal data set' was developed, consisting of all organisations included across the years (152 organisations). Regression analysis was undertaken on the full theatre NPO data set for 2013-2014 (178 organisations). A mapping of

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[9] Note that for all analysis of NPO data, the latest data sets analysed are those for 2013-2014, as the 2014-2015 data set was not yet available at the time of analysis in February 2015.

theatre production and presentation was developed based on the listed data sets and further online research; while a map of attendance was based on a database of 16m theatregoers across 230 venues nationwide, provided by Purple Seven. In terms of demographics, Purple Seven data (based on a customer survey of 430,622 customers) was foregrounded, while Audience Agency's demographic data was used as a supplement to provide a time series analysis and to look in more detail at regional breakdowns.

1.3   The structure of the report & how to read it

Rather than presenting the findings from each individual research approach or research question, the report consolidates the main findings from across all research elements into a series of key findings on theatre production, presentation and audiences.

The report aims to be accessible to a wide range of audiences – from those who wish to gain a quick view of the main findings, to those who want a full, detailed account. For those with little time, the **Executive Summary** provides a brief introduction to the main findings of the research. For those wishing for some more detail, albeit with a short read, the Executive Summary is followed by a nine-page **Summary Report**.

The full, generally data-driven **Main Report** stands behind this. This, as well as the preceding summaries, is ordered into four main chapters:

— a summary 'scene-setting' chapter with a focus on theatre finances

— a 'mapping' of the sector in terms of production, presentation and audiences

— further considerations on theatre production and presentation

— further considerations on theatre audiences and consumption

In addition, for those with a particular interest in certain areas addressed in the report, more information which supports the material in the main report can be found in a comprehensive set of **Appendices.** These contain further content based predominantly on the literature review and sector consultation, cross-referred to at various places across the main report.

Finally, the report has a **Technical Annex** with:

— further detail on the research methodology and data used for this report;

— information on the literature and sector representatives consulted; and

— further supplementary data.

2. Finances in the English theatre sector

The detailed analysis and data for this chapter is included within Appendix 1 Marketisation & Polarisation. The following summary provides brief highlights of the key findings.

Glossary

Public funding: includes grants from any public organisation – e.g. the Arts Council or the Regional Development Agency

Earned income: sometimes referred to as traded income, which reflects the fact that this income is generated by activities that the organisation delivers to which some price/ charge/ fee is attached (e.g. ticket sales, workshop fees, selling publications, or other commercial activities (e.g. bar, café, shop), if run as part of the organisation rather than as independent subsidiaries)

Contributed income: philanthropy income given by trusts & foundations, individuals and businesses; in addition to transactional income generated through business sponsorship

Private revenue/ income: all revenues that are not public funding (i.e. Earned income and Contributed income)

Marketisation/ marketised: i.e. a situation in which market forces have a greater influence, where supply and demand are reconciled via the price mechanism and competition, rather than by public funding. This phrase is generally used for sectors that are not wholly commercial.

Finances

— It is not possible to assess the finances of the whole sector, due to detailed data on the breakdown of income sources not being readily available across the whole sector for this study. However, one recent report highlighted the importance of private funding across the theatre sector, suggesting that 86% of finance *"at work in the theatre industry"* stems from the private sector.

— Notwithstanding this, the following points focus on the finances of the longitudinal sample of theatre NPOs analysed for this report.

— Reductions in public funding post-2004 have accelerated since the turn of the decade, driven in particular by cuts to local authority budgets: existing research suggests that money to NPOs from local authorities has fallen by more 27% (in cash terms) between 2010 and 2015. Arts Council England investment in theatre NPOs has fallen less steeply (4% in cash terms over the four years to 2013/14). In 2013/14, it still accounted for 24% of all NPO income, but 'Other public funding' (principally Local Authority funding) accounted for only 4%. This overall figure, however, includes significant regional variations – from 2% in London to 12% in the East of England.

— A new stream of Treasury income, the Theatre Tax Relief (TTR) introduced in September 2014, appears to be positively affecting the P&L accounts of many theatres. Revenues from TTR are expected to grow, and this income stream is anticipated to increase over time.

— Existing literature and the consultation suggests that reductions in public funding has pushed funders and organisations to try out new approaches to partnership and revenue generation.

— The combination of reducing public funding and a more entrepreneurial approach on the part of organisations has resulted in an NPO portfolio in which private sources of income are the most prominent:

  • Corroborating existing literature, the NPO analysis shows that private sources of income (Earned and Contributed, i.e. philanthropy) account for by far the largest amount (73%) of Total income

  • In terms of growth, Contributed income and Earned income also saw the largest growth over the four years to 2013/14, of 74% and 44%

— This analysis might suggest that theatres' success in generating other income leaves the sector less exposed to changes in local authority streams

than some other cultural domains, such as museums and heritage. However, this general conclusion is not reflected consistently across the country or across different scales and types of theatre. The ability to generate private revenues is very unevenly spread across the portfolio; a handful of the largest organisations (e.g. RSC and the NT with hit productions like *Warhorse*) generate a disproportionate amount of Earned income.

Polarisation into 'winners and losers'?

— There is a view in existing literature and in our consultation, that a more marketised sector suits some theatre organisations better than others. In particular, the literature indicates that those most able to mitigate the funding cuts through increased earning power are overwhelmingly drawn from urban, large-scale, and well-funded organisations.

— The types of income generated by theatre NPOs, when analysed regionally and by size, confirms much of this view, but also provides some unexpected results with regard to geography:

- London NPOs dominate the data set: they are more numerous, accounting for 43% of NPOs, with Yorkshire and the North West accounting for the next largest shares, 14% and 13% respectively

- However in relative terms, London comes third to last of all regions in terms of the share of Total income accounted for by Earned income

— The regional picture conforms much more closely to the literature in terms of Contributed income: London organisations raised by far the largest proportion of their Total income from Contributed income sources (19%), with organisations in all other regions raising less than half this proportion.

— Nationally, Contributed income (i.e. income from sponsorship, trusts & foundations and donations) was driven by individual giving (51%) and trusts and foundations (38%); sponsorship was small in absolute terms and fell slightly by 1% over the four-year period compared to the strong growth in other philanthropy revenues over the same period.

— Overall, there is more consistent evidence for the theatre sector being polarised according to size of organisations than by geography:

- Large organisations (over 50 permanent staff[10]) generated 78% of all the Earned income, compared with 21% by medium-sized organisations (10-50 staff) and 1% by small organisations (under 10 staff), despite them accounting for 25% of the NPO sample.

- Earned income also grew by the greatest amount across the large NPOs, at twice the rate of medium-sized organisations and about five times the growth rate of small NPOs; a similar pattern exists for Contributed income.

- The only income stream in which the trend favours small organisations is Arts Council income: the share of funding that has gone to small organisations has increased by 22% over the four-year period, in contrast to 4% reductions to large and medium-sized organisations.

— Concluding the NPO analysis, regression analysis[11] shows that there are highly statistically significant correlations:

- between size of organisations and all forms of income; and

- between a London location and Contributed income and Arts Council England income; but *not* between a London location and Earned income.

— The current debate about the national distribution of public funding was reflected equally in interviews, round-tables and the online consultation.

Output and market share

— The same issue of whether the sector is more polarised can also be examined by looking at output and market share, in which it is possible to draw on a dataset that also covers the commercial sector

— Trends for output and market share by size and type of organisation also show a concentration in terms of the share of box office accounted for by large venues, although the number of productions is more evenly spread.

— The UK Theatre/SOLT data on output and market share highlights the advantages of large-scale, central-London based companies even more strongly than the NPO data (see also Section 3.1.1).

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[10] as measured in this analysis

[11] Regression analysis is a statistical process used to investigate the relationships between different variables (e.g. to investigate the causal effect of one variable upon another).

3. Mapping the Theatre Sector: Production, Presentation and Audiences

Key messages

Production and presentation

— The dataset/map of theatre production and presentation in England created for this report totals 2,173 organisations, including 985 companies (with more than one staff); 774 sole traders; and 414 venues. Additionally, 65 festivals that programme theatre in England across the year were mapped.

— Theatre activity is clustered across the geography of the core cities, particularly London, the M62 corridor, Birmingham and Bristol.

— Looking at the distribution of activity against population shows that:

  • London has a significantly larger share of venues and activity than would be expected on the basis of population

  • the Midlands regions are underrepresented, as are regions in the Eastern half of the country

— However, analysis at the regional level masks intra-regional differences (e.g. in London, activity is concentrated in the Inner London boroughs).

— Festivals and venues receiving touring productions mainly reflect urban centres, but some are located outside the main urban areas. This latter finding is corroborated by analysis of the frequency of touring shows.

— London dominates the sector in terms of output, accounting for 47% of all performances, a little more than the region's share of venues (43%).

— 'Straight theatre' and musicals dominate in terms of genre; although musicals account for a much lower number of productions, they are performed more times than straight theatre productions.

Theatre audiences and their regional distribution

— There are strong regional variations in theatre attendance:

  • London dominates (more than 50% of all attendances), according to UK Theatre/SOLT data. It is effectively is an 'export industry', with its theatre performances pulling in a large number of visitors from the rest of the UK and overseas. However, comprehensive data on the latter is scarce.

  • Outside London, attendance is focused on major urban areas, as well as affluent smaller cities and towns.

— London is the only region where the overall number of achievable attendances[12] per person per year is greater than one (i.e. more than one achievable attendance per person per year), indicating the comparative ease of access to theatre there

— There is some evidence in other cultural sectors that proximity and ease of access to local cultural infrastructure play an important role in attendance, and this was a strong theme at several non-London industry roundtables.

— Along with population size, proximity to venues appears to explain some of the divergences in theatre attendance patterns. In most regions, there is a rough alignment: the regions that have the highest shares of venues (e.g. London and the South East), also have the highest share of attendances), and the reverse is also true, with the North East having the lowest shares of both.

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[12] the number of available 'seats' (standing/ seating, ticketed and unticketed), multiplied by the number of performances per year

3.1   Venues and production companies

The theatre sector is comprised of a complex and interconnected range of organisations. This mapping section of the research does not try to focus equally on *all* individuals and organisations working in theatre; for instance, it does not include theatre actors. Rather, as directed by the initial Arts Council brief, we have concentrated on identifying the venues and non-building based companies responsible for producing and presenting work. It therefore represents an attempt to map the main professional theatre makers in England, and the main places in which audiences encounter theatre work (see Figure 1).

How we developed our map of theatre production and presentation
The data used in the research is a bespoke dataset that has been created from a variety of sources, principally Arts Council England grant databases (NPOs, Grants for the Arts (GftA), Strategic Touring and National Activity)[13], the 2014 *London Theatre Report[14],* theatre organisations covered by The Audience Agency (TAA), and the membership lists of UK Theatre/ SOLT, the Independent Theatre Council (ITC), as well as ATG Group and Qdos Entertainment. These lists were cleaned, de-duped and supplemented with secondary web searching and a small number of additional companies identified through the industry roundtables.

The secondary web searching concentrated on two areas in particular that, for different reasons, were not well covered by the other data sources: university theatres and festivals (both theatre-specific festivals as well as mixed-artform festivals with a theatre programming element). The secondary research produced 50 university theatre venues[15] providing performances for the general public, which are incorporated within the main dataset.

In addition, the secondary web search identified 65 festivals. These are not included in the map in Figure 1 as they often take place over a very short time-period and so would tend to distort the overall picture. Rather, we have included them in a separate map in Figure 4 below.

The main classification used within the main data set is between production companies (which includes some production spaces, as well as both sole traders and companies with staff of more than one) and venues. We have not sought to distinguish 'venues' further between producing and presenting venues (as theatre buildings have usually been classified historically). These distinctions are now far more porous, as for some time, many organisations in both categories – across the subsidised and unsubsidised sectors – have, for artistic and financial reasons, evolved their operating model to include both production and presentation. Thus, most regional theatres, which once would have mounted their own productions year-round, now complement their home-produced programme with visiting or co-produced work. At the same time, a number of venues at all scales have begun, often in consortia with others, to generate their own productions to meet their audiences' needs (see Section 4.1 on Touring and Section 4.2 on Collaboration). As one consultee expressed it:

> *"There are very few boundaries these days between a presenting and producing house. The multipurpose nature of a venue […] is the future format. Such a venue employs elements of both producing and presenting houses. The ways these are connected makes for a richness and complexity of audience and product"[16].*

We have created a separate map of venues receiving touring productions in England, based on the Arts Council's Strategic Touring (2012/13-2015/16) and National Activity databases (2010/11-2015/16). Again, these are not included in the main data set or map, as they include a large number of venues

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[13] Using NPO (2011/12-2013/14); GftA (2014/15-2015/16); Strategic Touring (2012/13-2015/16) and National Activity (2010/11-2015/16). Due to the large scale of the GftA database, the large amount of duplication across the databases and years, and the small scale of many of the recipients (meaning that many of the recipients from earlier years could no longer be traced), the decision was made to focus on the last two years of the grants.

[14] Smith (2014).

[15] Predominantly, these venues programme both student and professional performances; a smaller

number have student shows as their main focus, with occasional professional pieces.

[16] This was also not an isolated view. As another consultee put it: *"I'm amazed that we still think of ourselves in the terms of producing, presenting etc. We are all creation spaces and audience centres... I don't think any of us are just one thing anymore."*

that are not theatre specific – e.g. village halls, schools and community centres – and that therefore are predominantly engaged in non-theatre activity. The touring map is presented below in Figure 5).

Theatre activity is clustered across the geography of the core cities, particularly London, the M62 corridor, Birmingham and Bristol

The aggregate dataset of organisations involved in producing and regularly presenting theatre in England contains a total of 2,173 organisations across England. This is broken down as follows:

— 414 venues, which accounts for 19% of the overall dataset – university venues account for 12% of these;

— 985 production companies, accounting for 45% of the overall sample;

— 774 sole trading theatre makers, which account for 36% of the dataset.

The data mapped in Figure 1 provides an overall impression of where theatre activity is most concentrated in England. The UK's main theatre cluster in London is clearly visible, as is activity that spreads out across the M62 corridor between the North West and Yorkshire, and that which focuses in and around Birmingham and Bristol. There is less activity down the Eastern side of the country, although this would also be true for a map of the general population centres in England.

Figure 1 Map of organisations that produce and present theatre in England, 2016 (venues: red triangle; production companies: larger light blue circle; sole traders: small dark blue circle)
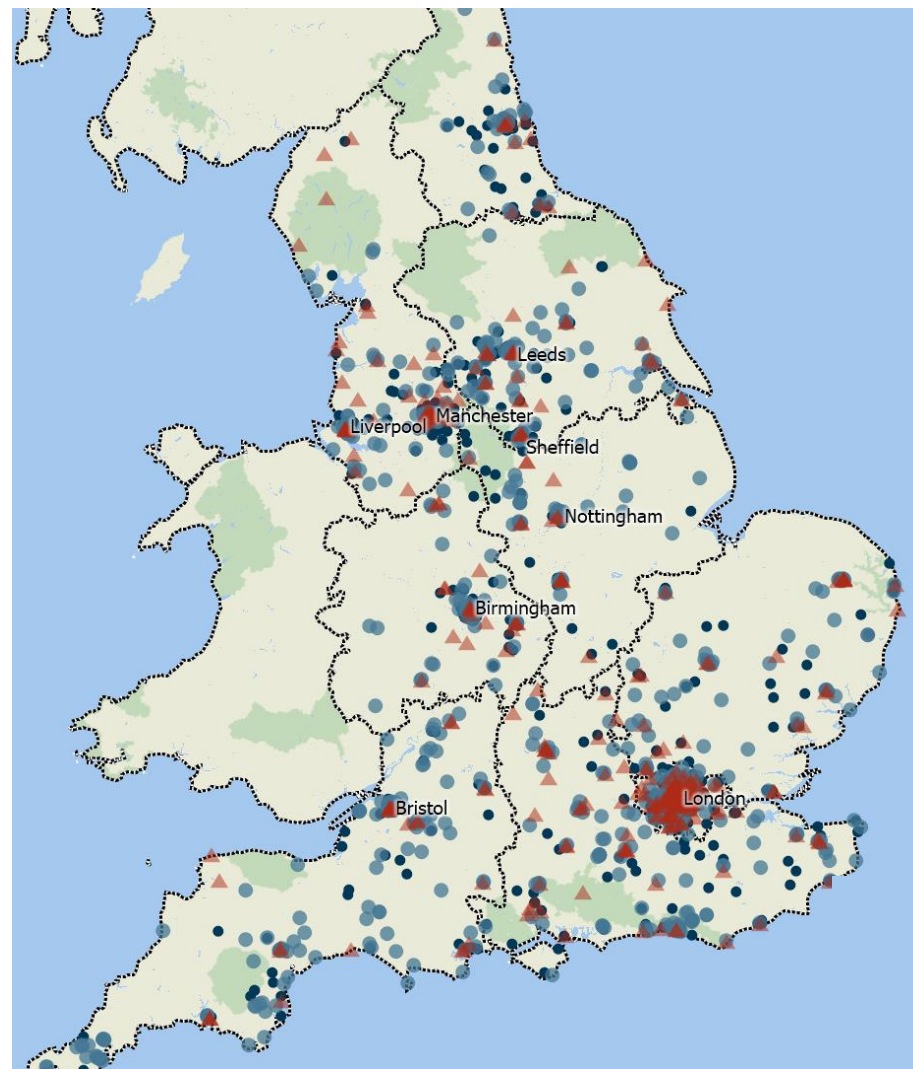
Source: BOP Consulting / Arts Council England / Smith (2014) / TAA / UKT&SOLT / ITC / ATG and Qdos (2016)

This initial regional pattern is confirmed when the data for the full 2,173 organisations is analysed. As Figure 2 shows, London has the highest share of organisations, with the South East, South West and North West having the next highest proportions, each accounting for 11% to 12%. Very broadly, this reflects general population patterns, with all four of these regions also registering among the highest proportions of the total England population (10%-16%).

Figure 2 Organisations that produce and present theatre in England, by region and main type, 2016

Region	No of Company (1+)	% All Company (1+)	No of Sole Trader	% All Sole Trader	No of Venue	% All Venue	Grand Total	% of Total	% of Total Population
East Midlands	49	5%	30	4%	12	3%	91	4%	11%
East of England	63	6%	49	6%	28	7%	140	6%	9%
London	342	35%	290	37%	180	43%	812	37%	16%
North East	36	4%	42	5%	11	3%	89	4%	5%
North West	87	9%	90	12%	57	14%	234	11%	13%
South East	129	13%	92	12%	47	11%	268	12%	16%
South West	143	15%	94	12%	28	7%	265	12%	10%
West Midlands	49	5%	34	4%	20	5%	103	5%	11%
Yorkshire & Humber	87	9%	53	7%	31	7%	171	8%	10%
Grand Total	985		774		414		2173		

Source: BOP Consulting / Arts Council England / Smith (2014) / TAA / UKT&SOLT / ITC / ATG and Qdos (2016)

Regional distribution of the sector looks different when viewed against overall population

However, there are important exceptions to this pattern of the proportion of theatre organisations reflecting general population patterns. Figure 2 in particular shows that with 37% of all organisations and 43% of all venues, London has a lot more theatre activity and organisations than would be expected on the basis of its population (16%). It is the only region in which the proportion of all theatre organisations is higher than the region's share of the overall population of England. This immediately suggests a sector in the capital that is:

— effectively 'exporting', i.e. servicing demand that is coming into London from outside the region (e.g. at least 43% of theatre bookings in London are made by people from outside the capital, including from overseas, see Section 3.3)

— fulfilling the needs of London-based audiences, that are among the most regular theatre attenders in the country(see Section 3.3 on the regional distribution of audiences for more discussion of this).

London's theatre cluster might have been expected to spill out into the South East, but the map and regional breakdown suggests that it does not. In fact, while the South East accounts for the third highest proportion of theatre venues (11%), the proportion of theatre organisations as a whole in the South East lies at 12%, with both lying below the proportion of the region's share of the overall England population (16%). It is likely that this is largely a result of London's ability to attract visitors from the surrounding South East areas to attend performances in the capital. Similarly, while both regions in the Midlands account for double digit shares of the total England population, both have only around half this number of theatre organisations.[17]

Significant intra-regional differences exist, particularly in London

As the England map implies and as many commentators have acknowledged, analysis by region masks significant differences *within* regions. This is particularly true for London. Figure 3 shows map insets for London in which the density of theatre organisations in Westminster's West End are clear and contrast with the lack of organisations in boroughs such as Bexley, Bromley, Barking and Dagenham and much of the rest of Outer London. At the same time, production companies appear particularly dense in the North Eastern boroughs around Hackney and Islington. Similar internal variations can be found in other regions (e.g. those that contain a metropolitan centre and a rural hinterland.)

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[17] This analysis would, of course, be improved by size information related to each organisation, but this is not possible given the information contained in the sources datasets.

Figure 3 Map of organisations that produce and present theatre in England, London and West End insets, 2016 (venues: red triangle; production companies: larger light blue circle; sole traders: small dark blue circle)
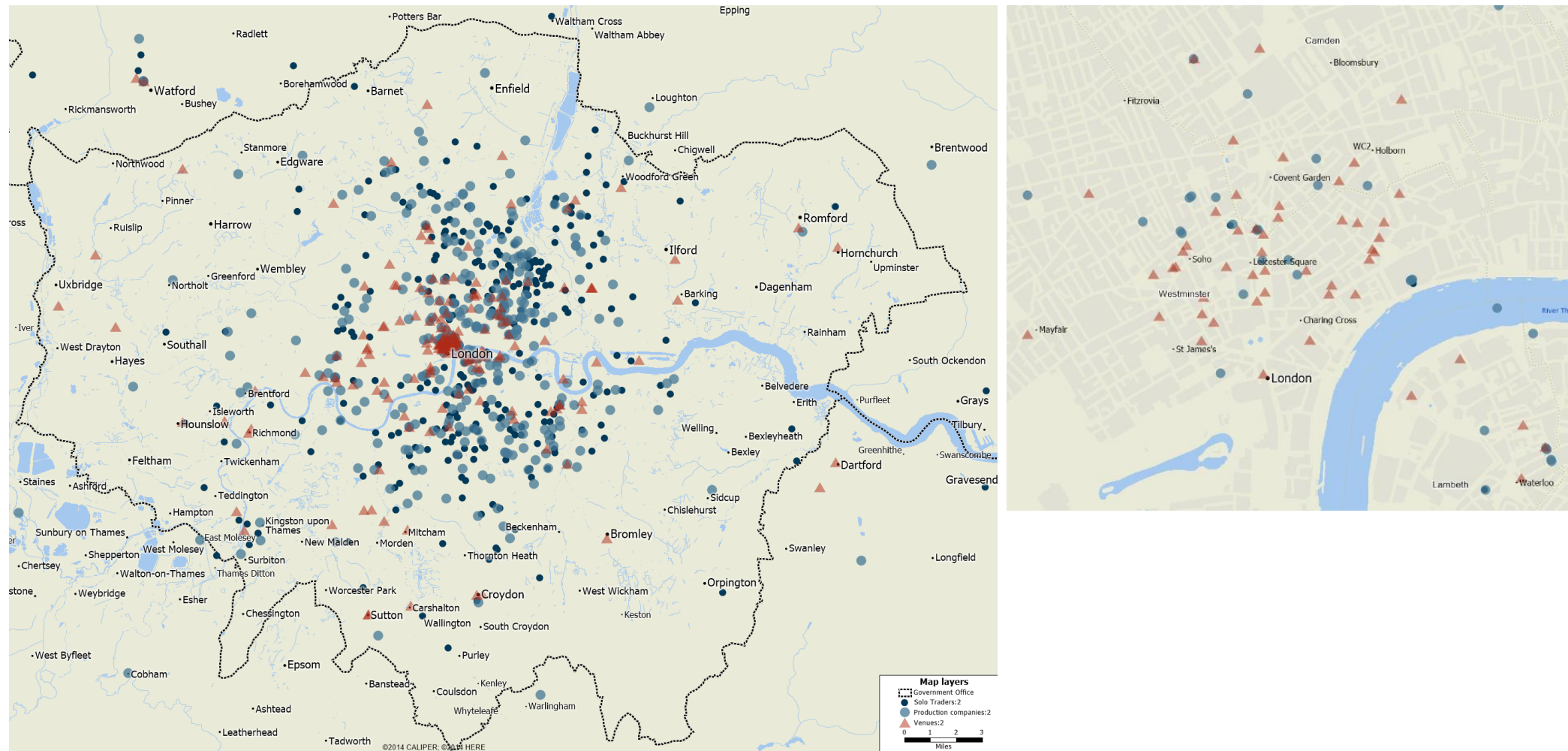
Source: BOP Consulting / Arts Council England / Smith (2014) / TAA / UKT&SOLT / ITC / ATG and Qdos (2016)

Festivals and venues receiving touring productions reflect urban centres, but some are developing in other areas

The UK's burgeoning music festival scene has defied the financial environment and continues to grow in all directions[18], with a collateral impact on theatre. Figure 4 opposite maps 63 festivals (note that a further two included in the main data set are not included in the map as they take place in many locations across England). The majority of these festivals are theatre-specific festivals (e.g. LIFT in London or Ferment in Bristol). However, there are a few non-theatre specific festivals, such as Latitude Festival, which pioneered the programming of high profile theatre, film and visual arts alongside the traditional festival mainstays of music and comedy. This formula has since been adopted by other commercial festivals such as Festival No.6 in Portmeirion. But despite the rural base of some of the large music and combined arts festivals like Latitude, the distribution of the theatre festivals largely mainly reflects the main urban centres of England (e.g. with 16 festivals represented in the map based in London, and 6 in Manchester).

This new outlet for theatre – programmed alongside music, comedy and other artforms – has the potential to reach some audiences that theatre companies might otherwise struggle to reach. This is also true of venues that receive touring productions. These venues again reflect urban centres (e.g. there is a high density of touring to venues in London), but as Figure 5 shows, they also include a large number of smaller communities outside the main urban areas. Noticeably, there are several along various parts of the East coast, as well as in in the East of England region, where production companies and venues are relatively thin on the ground (as seen above in the national map in Figure 1).

Figure 4 Map of festivals that programme theatre in England, 2016

Source: BOP Consulting (2016)

Figure 5 Map of venues receiving touring productions, based on Arts Council England's Strategic Touring (2012/13-2015/16) and National Activity databases (2010/11-2015/16)
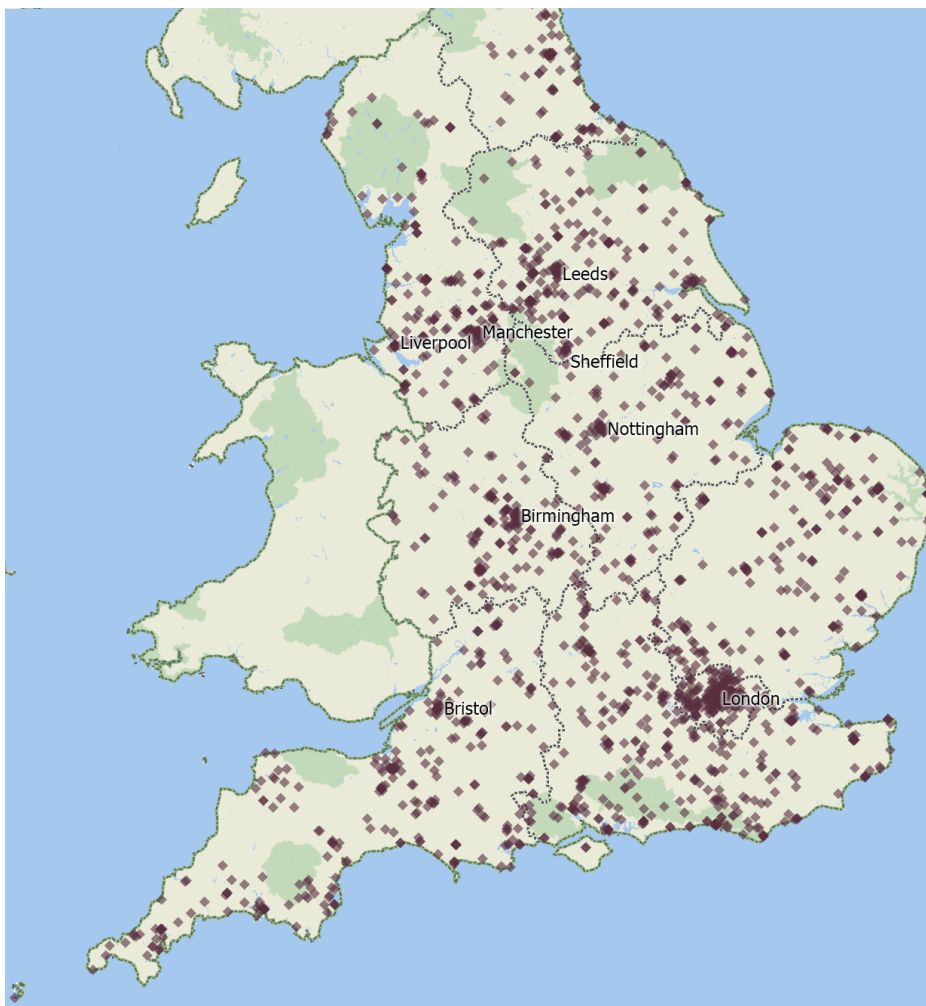
Source: BOP Consulting/ Arts Council England source (2016)

More nuance is provided by adding to this map of touring venues the number of times that touring productions have been hosted within each region (see Figure 6). This shows us that more rural regions such as the South West and East of England received a large proportion of touring productions (14% and 11% respectively, compared to e.g. 10% in London). However, the less rural South East bucks this trend as it is the region with the largest proportion of touring productions hosted (17%). As mentioned above, the South East also registers the third highest proportion of theatre venues, albeit lying considerably below the region's share of the English population.

Figure 6 Frequency of touring productions hosted per region, based on Arts Council England's Strategic Touring data (2012/13-2015/16)

Region	Number of times touring product hosted	%
East of England	743	11%
East Midlands	609	9%
London	707	10%
North East	355	5%
North West	887	13%
South East	1169	17%
South West	961	14%
West Midlands	576	9%
Yorkshire & Humber	764	11%
Total	**6771**	**100%**

Source: BOP Consulting/ Arts Council England source (2016)

3.2   The Sector's output: performances and productions

London accounts for the highest proportion of performances, followed by the West Midlands

UK Theatre/ SOLT data helps to illustrate how the theatre infrastructure mapped above translates into output. This is the most comprehensive source available on output, which includes the main commercial theatres as well as many publicly-subsidised venues. It shows that in 2014 there were 53,486 performances in England[19], an increase of 1% on the previous year's total.

As Figure 7 shows, London is again, by a long way, the most active area, hosting 47% of all performances, a little more than the region's share of venues (43%). The South East, which is home to the third highest proportion of venues, has the next highest proportion (13%). This is followed by the West Midlands, despite having a relatively small share of the overall number of venues. It is perhaps surprising that the North West (5%), home to 13% of the population, and containing a stock of major theatre buildings in Manchester and Salford, producing theatres in Oldham, Liverpool and Bolton, and other civic theatres in the region (14% of all venues), does not feature higher here. It would be worth following up with UKTheatre/ SOLT to understand whether this figure is the result of limitations in the data coverage for the North West, or is genuinely reflective of the actual picture of performances.
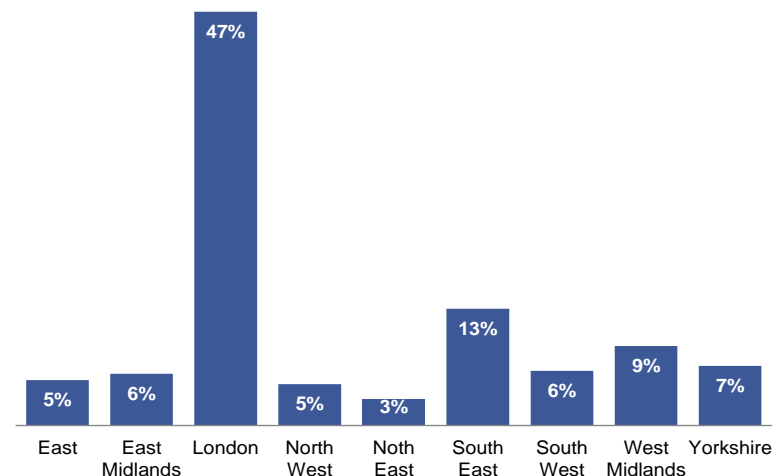
Source: UKT & SOLT / BOP Consulting (2016)

The British Theatre Repertoire reports of 2013 and 2014, based on the same UKTheatre/ SOLT data, also highlight the predominance of London in terms of productions, performances and box office income, and provide further detail of the importance of the West End within the London figures[20]. The reports show that:

— in 2013, while only 16% of productions originated in London, the city presented 46% of performances and generated 66% of all box office income. Broken down further, the West End accounted for three quarters of all

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[19] After excluding opera and dance from the total.

[20] Note that the performance figures as presented in Figure 7 and as detailed in the British Theatre Repertoire reports vary, as the latter includes dance and opera, but excludes amateur theatre and single performances; while the former does the opposite. Nevertheless, it is useful to present both, as both present a similar pattern of distribution.

performances in the capital, 82% of attendances, and 85% of all London box office income.[21]

— in 2014, London's dominance further increased, contributing 22% of productions, 54% of performances, 62% of attendances, and generating 73% of all box office income.[22]

In other words*, "while London has less than a quarter of all productions in England, it has over half of all performances".*[23] This pattern is even more pronounced in terms of attendance (supported by UK and international tourism), with over three-fifths of all visits taking place, and almost three-quarters of all box office income generated in London. Even within the capital, there are marked differences between the inner and outer London boroughs, with the vast majority of box office takings (96% in 2012/13) taken in inner London, which also makes up 92% of all attendance.[24]

The 2014 British Theatre Repertoire report furthermore highlights that while the largest number of productions takes place in smaller theatres (below 200 seats) and the devising of theatre is *"spread more evenly across different size auditoriums"*[25], the majority of attendances and box office income is captured in the largest theatres. For instance, *The London Theatre Report* highlighted that London's 12 largest theatres (1,500+ seats) accounted for 35% of total box office income in 2012/13, and 40% in the previous year.[26]

'Straight theatre'[27] and musicals dominate in terms of genre
Further analysis of the nature of repertoire represented by these performances is possible through the same UK Theatre/ SOLT data. These figures show that

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what the British Theatre Repertoire report calls 'straight theatre' (i.e. plays and devised shows) predominated in terms of supply, accounting for 70% of productions and 58% of performances in 2014 (see Figure 8). However, the strength of musicals is also clear: while there were far fewer productions (14% in 2014), they were proportionately able to programme far more performances in comparison with 'straight theatre' (i.e. indicating longer and/or more intensive runs for musicals), accounting for almost 1 in 3 performances in 2013/14.

Figure 8 Total theatre productions and performances in England, by genre, 2013 and 2014

Genre	Productions		Performances	
	2013	2014	2013	2014
Straight Theatre	72%	70%	59%	58%
Musicals	15%	14%	30%	31%
Pantomime	6%	8%	9%	9%
Installation	0%	1%	0%	0%
Physical theatre	1%	0%	0%	0%
Opera	7%	8%	2%	2%

Source: UKT & SOLT / BOP Consulting (2016)

3.3   Theatre audiences and their regional distribution

There are strong regional variations in theatre attendance, dominated by London
There is relatively little on the geographical spread of theatregoers in the recent literature. A 2013 report commissioned by Ticketmaster found that London and the South East together accounted for almost a third (26%) of all theatergoers in the UK[28]. This does not however suggest a huge skewing of audience attendance towards London, given that ONS population statistics for the same

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[21] Brownlee *et. al.*, 2015, p.3.

[22] Brownlee *et. al.*, 2016, p.3

[23] *Ibid*, p.24.

[24] Smith, 2014, p.36-37; 39

[25] Brownlee *et. al.*, 2015, p.25

[26] Smith, 2014.

[27] Terminology based on the British Theatre Repertoire reports. According to the 2014 British Theatre Repertoire report*, "Straight theatre' is an awkward term to describe 'plays' and 'devised shows'."* (Brownlee *et al.*, 2016, p.4)

[28] LiveAnalytics, 2013, p.10

year show that these two regions accounted for 27% of the total UK population[29]. In fact, given that London also attracts a huge number of overseas tourists that attend West End theatre shows, one might have expected London to account for an even higher percentage.

However, the Ticketmaster figures are contradicted by the data provided by UKTheatre/ SOLT for the successive years of 2013 and 2014. This shows that London registered by far the highest theatre attendance in both years, accounting for more than half of all attendances across England, compared to the next highest region, which was the South East, at 11-12% over the same period (see Figure 9 below). The lowest share of attendance by region was registered in the North East (3% in both years), though this is also the smallest English region in terms of population.

A review of the growth rate between the two years (based on UKTheatre/ SOLT data) also shows up strong regional variations in trends (see Figure 9). London, the South East, the South West and the West Midlands all saw modest to small increases (of 5%, 6%, 1.9% and 0.6% respectively). Theatre attendance in the North East and East of England remained relatively static, if slightly reduced. But theatre attendance in the North West, East Midlands, and Yorkshire & Humber dropped considerably, by 18%, 10% and 10% respectively. As there are just two years of data, it is not possible to draw many conclusions from these trends, as they would need to be tracked over a longer timeframe. However, if this trend continues, further analysis should be undertaken to identify its causes and to understand in how far domestic audiences may be being displaced from some areas to others.

Looking across the data, there is a fair degree of alignment between regional patterns of performance and attendance: London and the South East register the highest proportions for both, while the North East and East of England show the lowest for both. Again, perhaps the most surprising result in terms of attendance is that of the North West, but it does tally with the region's share of performances.

Figure 9 Theatre attendance in England, by region, 2013-14

Total theatre attendance by region 2013 and 2014 (UKTheatre/SOLT)					
	Total 2013	**2013%**	**Total 2014**	**2014%**	**Growth rate 2013-14**
East of England	1,148,934	4%	1,099,859	4%	-4.3%
East Midlands	1,448,566	5%	1,308,406	5%	-9.7%
London	14,221,355	51%	14,915,572	53%	4.9%
North East	817,873	3%	814,006	3%	-0.5%
North West	1,725,954	6%	1,408,502	5%	-18.4%
South East	3,067,365	11%	3,260,811	12%	6.3%
South West	1,504,724	5%	1,533,697	5%	1.9%
West Midlands	2,136,161	8%	2,148,103	8%	0.6%
Yorkshire & Humber	1,721,262	6%	1,553,785	6%	-9.7%
Grand Total	**27,792,195**		**28,042,741**		

Source: BOP Consulting/ UKT&SOLT (2016)

Of course, some of these considerable variances in attendance – in particular the large difference in attendances between London and the rest – may be explained by variances in the total population number in each region. Analysis of total theatre attendance *per capita* nevertheless still shows by far the highest *per-person* annual attendance in London (1.8), compared to the next highest figure registered in the West Midlands at 0.38 and attendance per capita across the whole of England at 0.52 (see Figure 39 in Technical Annex 4).

Theatre in London is an 'export industry'

However, the per capita attendance data in Figure 39 (Technical Annex) still does not tell the full story with regard to London. As noted above, London's theatre sector is unique, with only New York currently comparable in size and appeal across the world. In particular, it is a magnet for tourists – both domestic and international. Figure 40 in Technical Annex 4 shows that a large proportion of those making theatre bookings in London are made by people from outside the capital (43%), including 6% from overseas. But even this is likely to be a major underestimate of the proportion of London theatre bookers who come from outside the capital. This is because the Purple Seven data in Figure 40 is based on box office returns from venues only, and does not include bookings

made through any ticket agencies or other intermediaries (e.g. hotels). As an indication of the difference that a full view across all bookers might make, the last SOLT demographic survey of West End audiences alone in 2008 estimated that 30% came from overseas.[30] As the numbers of international tourists to London has continued to grow since 2008, it seems unlikely that the picture will have varied much since then.

From the Purple Seven data and the earlier SOLT commissioned research it is apparent that the London per capita figure in Figure 39 is likely to be a little misleading: much of the attendance at theatres in London is made by visitors to the capital, not by locals. We should therefore note that a) the per capita calculations must be treated with caution, and b) theatre in the capital should be thought of as an exporting industry.

Outside London attendance is focused on major urban areas and affluent smaller towns and cities

Additional data provided by Purple Seven, based on the England sub-set of their database of 16 million bookers covering 230 venues, provides a much more granular geographic analysis, by output area[31]/[32]. Figure 10 below presents a map of 'theatre engagement'. Showing the level of engagement by the people living in the output area, each output area is scored from 1 to 10, with 1=lowest engagement (light green) and 10=highest engagement (dark green)).

This more detailed analysis again reinforces the fact that theatre attendance is concentrated in most major urban areas. High levels of engagement can be seen in London, but also around Bristol, and Greater Manchester / Merseyside, though Birmingham appears to be a notable exception to this pattern of metropolitan hotspots of demand. Further, the map also shows high levels of engagement in non-metropolitan communities in the

Home Counties, along the South East coast and in Harrogate/York. Perhaps even more surprising than these non-metropolitan but wealthy enclaves, some more rural areas – Cornwall and even parts of the Lincolnshire/Norfolk border – also have relatively high levels of engagement with theatre.

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[30] Ipsos MORI, 2008, *The West End Theatre Audience: A Research Study*, for the Society of London Theatre (SOLT), cited in Smith, 2014.

[31] Output areas, designed specifically for statistical purposes and built from postcode units, are the smallest geographical unit for which Census data is released and are used for the collection and publication of small area statistics.

[32] All the following maps by Purple Seven are based on data of the 18 months up to 1st April 2015

Figure 10 Map of engagement with theatre across England
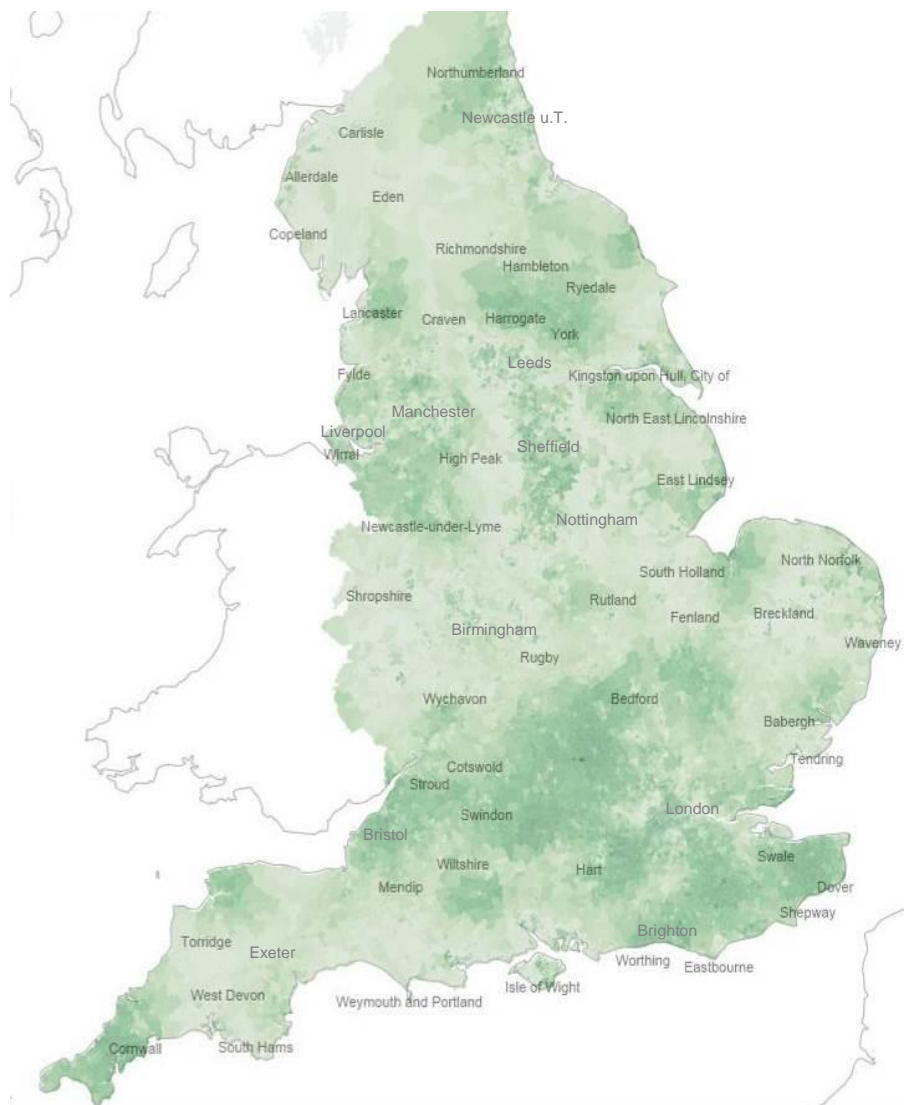
Source: data courtesy of Purple Seven. Used under licence. (2016). Key cities added by BOP Consulting.

A closer analysis of London specifically reveals considerable variances. Engagement with theatre is predictably lowest in many Outer London boroughs, such as Hillingdon, Barking, Redbridge and Croydon – which are also the areas in London where there are fewest venues and theatre organisations. Conversely, many of the boroughs which are home to people that are the most engaged with theatre are Inner London boroughs, particularly in the affluent West/South West of the capital, through Westminster and into Camden. But the output area level shows that within Inner London boroughs such as Southwark, Lewisham and Tower Hamlets, there are also areas of relatively low engagement with theatre, despite relative proximity to most of the venue infrastructure. The degree to which proximity to infrastructure is a key determinant of engagement and attendance is further explored in Section 3.4 .

An almost identical pattern emerges when mapping for the regularity of audiences' engagement (see Figure 41 and Figure 42 in Technical Annex 4). Again, this shows the most frequent bookers residing in the metropolitan areas (with some exceptions) and in the West of London.

Figure 11 Map of engagement with theatre across London
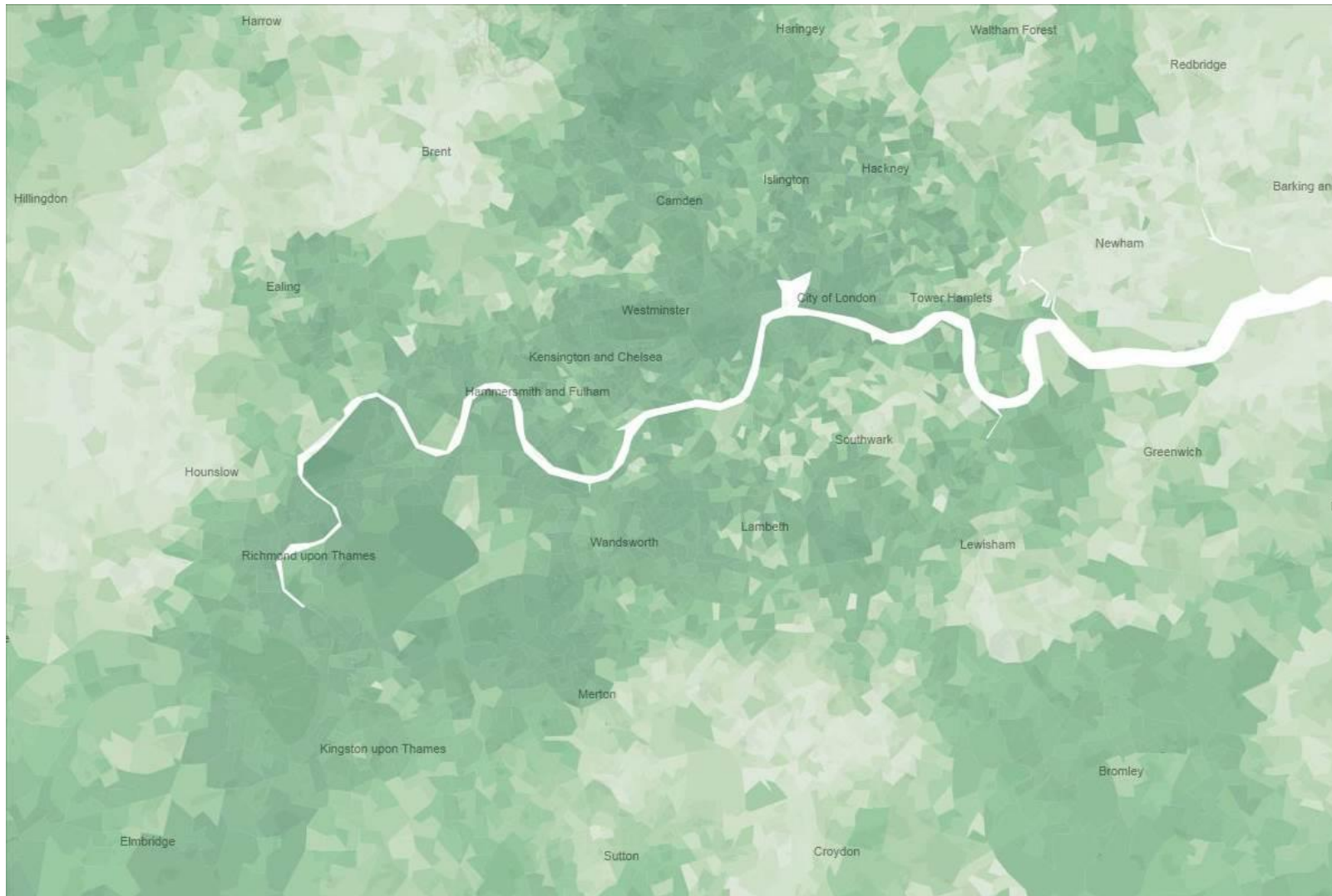
Source: Data courtesy of Purple Seven. Used under licence. (2016)

3.4 The relationship between supply and demand

There is evidence that proximity and ease of access to local cultural infrastructure play an important role in attendance levels
Beyond the distribution of the overall population, much literature and policy research has sought to identify the 'barriers' to greater attendance and participation in culture – indeed, this is one of the key functions of the DCMS Taking Part survey. Much of this research and evidence points to psychosocial[33] barriers to attendance that are in turn linked to factors such as early socialisation, and issues of class and ethnicity (with a further acknowledgement that attendance at an older age is generally difficult due to the greater prevalence of health issues)[34].

However, recent work by Orian Brook has suggested that the effect of proximity to local cultural infrastructure on attendance might have been overly downplayed. Her research has pointed to the importance of accessibility and distance in determining usage levels (while acknowledging that these patterns are further exacerbated by demographic and socio-economic factors – see more on this in Section 5.1). In her research on museum attendance in London, Brook found that people in areas with the best access to venues were 50% more likely to attend, with the effect even greater when controlling for population differences. She identified *"straight line distance"* as a *"crude proxy for access to it",* and suggested that it is *"reasonable to think that this effect might be true elsewhere"* (i.e. other than in the museum sector)[35].

Certainly, this is an important point worth bearing in mind in trying to understand theatre attendance levels. For instance, the evaluation of *A Night Less Ordinary* scheme (which provided subsidised theatre tickets to young people and was designed to widen the theatre audience, running between 2009

and 2011) showed that, while the largest number of young people said costs were the main barrier to attendance, 'distance to the venue' was also given as an important factor[36].

It is therefore instructive, in understanding geographical variances in theatre attendance, to compare the demand side with the supply side – in other words, the 'availability' of theatre in a region. As one indicator of this, Figure 12 below provides a comparison between the distribution of venues within each region (taken from the bespoke dataset created for this research), compared with the proportion of total attendance (taken from the latest UK Theatre/ SOLT data).

Figure 12 Theatre attendance by region, compared with % venues

	% total venues	% total attendance 2014	Population
East of England	7%	4%	9%
East Midlands	3%	5%	11%
London	43%	53%	16%
North East	3%	3%	5%
North West	14%	5%	13%
South East	11%	12%	16%
South West	7%	5%	10%
West Midlands	5%	8%	11%
Yorkshire & Humber	7%	6%	10%

Source: BOP Consulting/ UKT&SOLT (2016)

This shows that in most regions, these two proportions are reasonably aligned. London, for instance, has by far the highest shares of both venues and attendances (46% and 53% respectively); while the North East (3% for both) and the East Midlands (3% of venues, 5% of attendances) have the lowest

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[33] i.e. the combined influence of both psychological factors and the surrounding social environment
[34] See, for instance, the studies cited by Grisolia*et.al.* (2010).
[35] Brook, 2012, p.17

[36]wiredgov, 2012

shares. The only real exception is that of the North West, which has 14% of venues, but only 5% of total attendance.

These figures of course are a long way from the complex geographical modelling undertaken by Orian Brook; but they are suggestive of a direct link, which would be worthy of further investigation.

The capacity of the venue infrastructure compounds the disparity between London and the regions

To provide a more nuanced picture, Figure 13 considers theatre capacity across the English regions on a *per capita* basis, based on the maximum number of 'achievable attendances' per year.[37] London again stands out as it is the only region where the overall achievable attendances per person per year (2.5) is greater than one (i.e. providing more than one achievable attendance per person per year). In all other regions, achievable attendance per capita is lower than one (i.e. providing less than one achievable attendance per person per year). However, it should be remembered that the availability of touring productions, particularly in rural areas, is mainly not included within the UKTheatre/ SOLT data, as these take place in a diversity of theatre and non-theatre spaces (e.g. village halls, libraries, market town arts centres, festivals, outdoor theatre). Such opportunities for attending are therefore not included in the 'achievable attendances' as shown in Figure 13.

Figure 13 Maximum number of achievable attendances per year, per capita (2014)
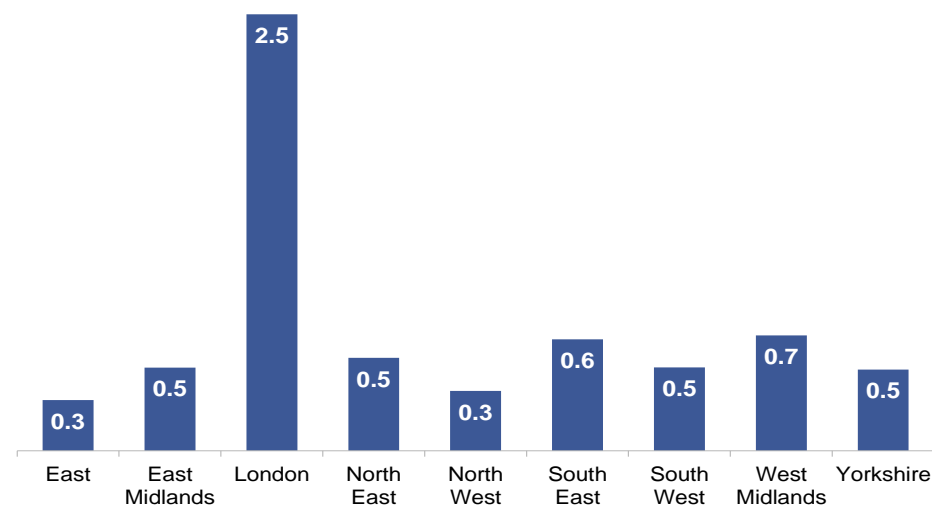
Source: BOP Consulting/ UKT&SOLT (2016)

Notwithstanding this limitation in the data source, these findings again reflect the maps of venues and touring product as shown earlier in this chapter. They demonstrate that the 'supply' of theatre is considerably higher (in total and per capita) in London than anywhere else in the country. The sheer number of theatres in the capital makes them easier to access physically and the larger volume of tickets available also makes attendance relatively more achievable than elsewhere.

This was considered in several of the consultative discussion groups, where it was also observed that this gap in cultural opportunity is often addressed in non-metropolitan areas by rural touring networks that develop close and valued relationships with particular places and people over years (as discussed in Section 4).

Further underlining the importance of ease of access to attendance, many contributors across the roundtables in several regions identified challenges with their local transport systems as providing a barrier to attendance:

— *"Transport is really expensive. There are big issues there […]. Arts Council England doesn't understand that. They are applying London-centric ideas to us, with the notion of people being regular visitors to a range of theatres. Being a regular at several theatres is very difficult in the North."*

— *"In a rural setting, transport and access is far more important than price […]. In Cumbria the last train is at 7.30 […], buses are expensive and sporadic. Organising mini busses, coaches – it's a lot of work, but it yields results."*

Any further analysis of the relationship between supply and demand was unfortunately restricted by the fact that data was only available for this report at regional level. Each region contains much heterogeneity within it and would therefore require data to be available at a smaller geographical area to analyse this relationship in more depth. Local authority level data would be the least that is required in order to get a more localised understanding of where there may be instances of over- or under-supply. Data on attendances would then have to be combined and modelled with other datasets on, for instance, transport and population data.

Further consideration of socio-economic factors influencing attendance is provided in Section 5. Of course, proximity to venues, available capacity and public transport infrastructure as well as socio-economic factors are not the only ones that influence theatregoing. For a consideration of the further influence on audience attendance of theatre as a social experience, the influence of genre, and the impact of digital technology such as live streaming, see Appendix 7.

4. Further detail on Theatre Production and Presentation

4.1 Touring

Key messages
— The sector consultees report that touring is challenging, but that networks and collaborations are increasing on all scales to address this.
— A 'super-venue' touring circuit, which is capable of hosting the biggest shows and attracting very high audience occupation rates, is emerging at the large-scale. This development can also be related to the increasing popularity of large venues among audiences.
— There is a dearth of attractive middle-scale touring (a desire was reported for more touring from the national companies) – and a perception of the need for more support for touring at the middle and small scales (with small-scale companies finding it challenging to move 'up' in scale).

Touring is becoming increasingly challenging, but networks and collaborations are increasing
Subsidised and commercial companies tour to both large and middle scale venues, while the majority of small-scale touring is non-commercial. Across all scales (with a few exceptions, noted below) the consultation indicated that touring is becoming increasingly challenging, with financial pressures that negatively impact on the deals between venues and touring companies, and leave companies feeling less confident about their likely income from venues. This is exacerbated in some cases by a concern that ongoing Local Authority

funding cuts will further undermine the viability of many venues that operate beyond the 'super-venue' circuit identified below.

The development of networks (e.g. The Touring Partnership and Touring Consortium) and the evolution of hybrid producing/presenting organisations in the past two decades, are factors seen as mitigating some of these challenges: they have created fora for dialogue and, on occasion, mechanisms for collaborating on and/or producing shows. Similarly, the introduction of Theatre Tax Relief in autumn 2014 – which is worth up to 25% of qualifying expenditure for touring productions[38] – provides new means of support, although as mentioned elsewhere, the impact of this should be analysed more thoroughly once the scheme has been operating for a number of years.

Within these general observations, the sector consultation highlighted the importance of the particular characteristics of different scales of touring within the overall ecology, as each experiences distinct challenges and opportunities. The following sub-sections therefore consider touring at three different scales of theatre; large, medium and small.

4.1.1 Touring at the larger scale
A number of both subsidised and commercial companies tour to middle scale venues (400-800 seats) and large-scale venues with a capacity over 800. The challenges and opportunities of touring at these scales were articulated by a number of contributors.

The emergence of a 'super-venue' touring circuit was widely noted
Capital investment in some regional theatres over the past 20 years has made it possible for more theatres to host large scale shows in virtually the original West End form (whereas as, in the past, they would be 'cut-down' for technical reasons). Some have become an informal 'super-venue' circuit, able to accommodate the limited number of 'marquee' titles that can be expected to make a good return on investment. These super-venues tend to be those with the largest capacity, a good infrastructure (often having received capital

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[38] https://www.gov.uk/guidance/corporation-tax-creative-industry-tax-reliefs#theatre-tax-relief-ttr

investment) and with appropriate catchment areas (generally in conurbations but sometimes in rural areas)[39]. Some of the presented titles were produced by the subsidised sector, often the National Theatre, including *One Man, Two Guv'nors; Curious Incident of The Dog In the Night-time* and *War Horse,* together with big musicals such as *Wicked.* This effect was widely noted during the consultation[40].

This emergence of a 'super-venue' circuit can also be related to the increasing popularity of large venues among audiences. Analysis of the longitudinal theatre NPO sample's known attendance figures between 2011/12 and 2013/14 shows that audiences seem increasingly drawn to large and medium-sized venues (those with over 50 permanent staff and 10-50 staff respectively, as measured in this analysis) rather than small venues (under 10 staff). Indeed, small venues were the only group to register a negative growth rate during this period of - 6%, compared to +26% for large venues and +10% for medium-sized venues (see Figure 45 in Technical Annex 4).

There is some indication that toured shows can now have longer runs
Some commercial producers identified that increased audience mobility in main urban centres, combined with improved facilities, mean that shows can run for longer than they did a few years ago. Such shows play for a large number of touring weeks and often to near full capacity, providing both good return on investment and significantly boosting audience levels. It should however be noted, in this context, that many contributors from non-metropolitan areas identified inadequacies in transport infrastructure as a barrier to accessing shows in major centres (see Section 3.4 for more discussion on transport barriers).

Consultees expressed a wish for more touring by the national companies
Many venues expressed a wish for more touring by the English national companies. To address this, the RSC is for example currently developing a new touring model that will include large-scale touring, a "first-encounter tour" targeting children and parents, by working with Learning and Performance networks and deploying a mix of educationalists and actors in several three-year relationships. While the NT has toured very successfully over recent years, several major venues commented that the terms of the touring demanded by the NT are such that the local venues make little financial return. It is to be hoped that the NT can find a new touring model that will allow it to continue to tour effectively with strong venue partnerships.

Connected to this, a further observation concerned the disinclination of most star actors to tour for more than a very small number of weeks, and the challenges this presents in terms of audience generation.

4.1.2 Touring at the middle scale

Further challenges were mentioned specifically with regard to the middle scale (400-800 seats).

There is a perceived dearth of quality touring work for the middle-scale
At the middle-scale, theatres consulted for this report expressed particular concerns about a perceived dearth of touring work that is of high quality and has the popular appeal to attract audiences in sufficient numbers. Many companies reported that the pressure on margins, tightened resources, the financial demands made by hosting venues, and a declining number of venues combine to make touring (even if supported by Arts Council funding) near unaffordable.

This is supported, from the literature review, by Wicker, who in 2016 reported that increasingly tight margins are making it more difficult for commercial producers to tour drama in regional theatres – resulting in musicals taking a larger part of the market than previously – as *"people are taking fewer chances, making it harder to tour work "without an immediate commercial hook",*

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[39] E.g. Birmingham Hippodrome, the ATG Manchester venues (Opera House/ Palace Theatre). This also includes some venues outside England (e.g. Wales Millennium Centre, Edinburgh Festival theatre).

[40] In this context, several commercial producers reported that there is a commercial expectation that successful shows (musicals in particular) will tour. This is corroborated by some of the larger regional theatres, which deliver productions that tour on a commercial basis.

such as *"a West End pull"*.[41] This was also reflected in the most recent British Theatre Repertoire report, which found that in 2014 *"musicals continued to dominate, providing 51% of all attendances and 61% of box office"*.[42]

While there are companies producing work that is popular, highly individual and imaginative, the perception is that most middle-scale touring is squeezed between, on the one hand, the spectacular productions available at the large scale, and the intimacy offered by the studio on the other. With tours now co-commissioned by as many as four theatres, there is a concern that co-productions may result in a reduction in the overall number of shows produced, and risk diluting the brand identity of individual theatres.

An opportunity was identified for developing further subsidised/ commercial collaborations for touring, as further described in Section 4.2.2:

— Literature suggests an increase in partnerships between the commercial and subsidised sectors. Perceived benefits include more financially stable touring for both the subsidised and commercial sectors and opportunities to make up for reduced public subsidies.

— The consultative process occasioned several conversations on this topic. While pointing to the opportunities for developing such collaborations, consultees reflected that a further development of relationships is necessary to extract the full value of such opportunities. Several (subsidised and commercial) producers meanwhile raised concerns about deals being skewed in favour of buildings.

Consultees highlighted the need for additional support to ameliorate the risk of touring at the small and middle scale

Overall, theatres consulted for this report noted the lack of a national strategy for middle-scale touring and highlighted the need for additional support at this scale. Notwithstanding the need for such a strategy, the Strategic Touring Fund (STF) – with its expectation *"to see stronger relationships between those on the*

demand and supply sides of touring" – could help to ameliorate some of the issues identified in this area, such as the difficulty of successful shows being 'toured on' shortly after their first run (as they come within the STF's category of 'existing work, revivals and remounts').

Nevertheless, other areas may require further intervention, in particular the issue that the greater market power of venues means that risks lie with the independent producers/ small companies. As one consultee said, an inhibiting factor in touring is perceived to be that "*the risk…should not be as much on the independent producer [or small company] as it is at the moment"*. This transfer of risk from the venue to the touring company at the small and middle scales was frequently referenced. It is symptomatic of the already-mentioned tight margins with which many venues work, including what is seen as excessive recharging for venue facilities; hefty marketing and contra charges[43]; and deals (particularly box office splits) that are not beneficial to the company. One company succinctly summed up the evidence of many:

> *"touring venues are less willing to take risk. They ask us [small companies] to take more risk than them".*

One contributor suggested that it would be useful for companies to have access to some sort of mentoring in this area. The most consistent plea in the face of this situation was for a return of some form of a guarantee system or some other financial mechanism to ameliorate the risk attached to touring. However, it is difficult to see how such a model could be enforced in the context of a series of bilateral commercial contracts. If this is a genuine impasse, it may require an open conversation between touring companies and venues under the auspices of UKTheatre to develop guidelines about the parameters of deals and acceptable risk.

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[41] Wicker, 2016

[42] Brownlee et al., 2016, p.3

[43] i.e. the elements for which venues can counter-charge companies

4.1.3 Touring at the small scale

Touring at the small scale is based on strong and often innovative collaboration

Networks are a key collaborative element at the small-scale, often promoted through mechanisms such as the Black Country Touring scheme or the National Rural Touring Forum. The roles of these agencies encompass curation, talent development and commissioning (or co-commissioning), creating a slate of performance opportunities from a wide range of options (*"we distil 1,000 proposals into 20"*). This model relies on a strong relationship of trust between the agency and the voluntary promoters who are the gatekeepers to their local communities. Theatre Company Pentabus in the West Midlands, for example, have developed their working methodology to reflect this 'gatekeeping role':

> *"We are making work over much longer time, years, in partnership with audience and other organisations. This model is time consuming, but relationship-building. We do not get financial support but emotional support from our partnership audience."*

These companies often demonstrate considerable innovation and generate interest – and many of their promoters have considerable expertise – and often an appetite for development: *"we've taken all sorts of different work into village halls. People out there really embrace it. We can put on shows I know will be successful, or shows at the risky end of the scale – great if you can do both"*.

A number of regional companies see the potential for region-wide networks that drive regional initiatives and investment from a diversity of sources. This approach is exemplified by the 'house' initiative, a consortium which was initially developed by Farnham Maltings and Arts Council England with a steering group of venues. With a staff of two full-time and two part-time workers, it curates and underwrites a varied programme of around 15 contemporary theatre productions each year for a network of over 150 small-scale venues across the South East and East of England (see full case study in Appendix 10).

Small companies struggle to tour on a larger scale

There is evidence that many larger companies work on the small scale in order to extend their reach to more isolated and less engaged audiences. But there are fewer examples of smaller companies making the reverse journey. It was frequently claimed during the consultation that it is often challenging for small companies to make this transition. As reasons for this, consultees identified different and more complex contractual and financial arrangements, uncertainty about audience potential and, hence, concern about the financial risk involved.

In this situation, some consultees suggested that there might be an opportunity for a strategic mechanism, akin to the Strategic Touring Fund, to address this challenge. This might support the development of artists and companies, and possibly counter the perceived lack of product on the middle scale.

4.2 Collaborations

Key messages

— There is a trend towards greater collaboration – cross-sector and between the subsidised and commercial sectors

— In a different context, there are also more collaborations developing with Higher Education

4.2.1 There is a trend towards cross-sector collaboration

A significant theme that emerged from the consultation was an increase in collaborations across the sector – driven by both financial necessity and a genuine desire for artistic co-operation. On the larger-scale, partnerships such as Music and Lyrics, Dance Touring Partnership and The Touring Consortium have been established with the specific purpose of co-ordinating their productions, touring, and the devolution of production costs. On the middle scale, it was reported that the challenging finances of middle-scale work are resulting in more multi-partnered co-productions, while the number of full 'solo'

productions that regional theatres can afford is reducing[44]. There are also many successful examples of touring companies being hosted in regional theatres. Everything from office space to technical support, mentoring and rehearsal space can now be on offer through formal and informal relationships. In the words of one consultee, echoed by others:

> *"The sector has become more collaborative over the last eight years. There is still a long way to go, but that is… - a generational shift".*

The literature confirms the perception that cross-sector collaborations have been increasing between producing and presenting companies over the past 20 years, as well as between the subsidised and commercial sector over the same period. In 2000, Boyden noted that:

> *"…productions containing only home investment which do not travel beyond the home stage make up the majority of work on main stages"*.[45]

In 2009, Lynn Gardner identified the need for regional theatres to become more collaborative: *"if the reps do not become more sharing and caring, they will become white elephants".* She quoted Curve Theatre's Paul Kerryson's belief that "*the old-fashioned model of a theatre that squats in its building and puts on a series of plays is gone. We have to be collaborators, and that means talking to each other".*[46] Also in 2009, the Arts Council in its assessment of regularly funded organisations found consensus in the sector that "*one of the strongest characteristics of the years since the £25 million funding uplift* [as a consequence of the Boyden report, from 2003] *had been the growth of collaborations and partnerships".* This included producing theatres working with each other and with touring companies; co-production among smaller companies; and presenting venues collaborating with independent companies.

Collaborations were of both artistic and financial nature, such as resource-pooling (Arts Council England, 2009, p.37).

The longitudinal NPO dataset also indicates an increasing trend towards collaboration in the past years among this group, with the number of in-house productions reducing between 2011/12 to 2013/14, while productions by visiting organisations increased (see Figure 14). As noted above, the trend for greater collaboration is also likely to be in part driven by the prohibitive costs of producing a large number of in-house shows.

Figure 14 Arts Council England longitudinal NPO sample, share of in-house productions versus visiting productions, 2011/12 to 2013/14
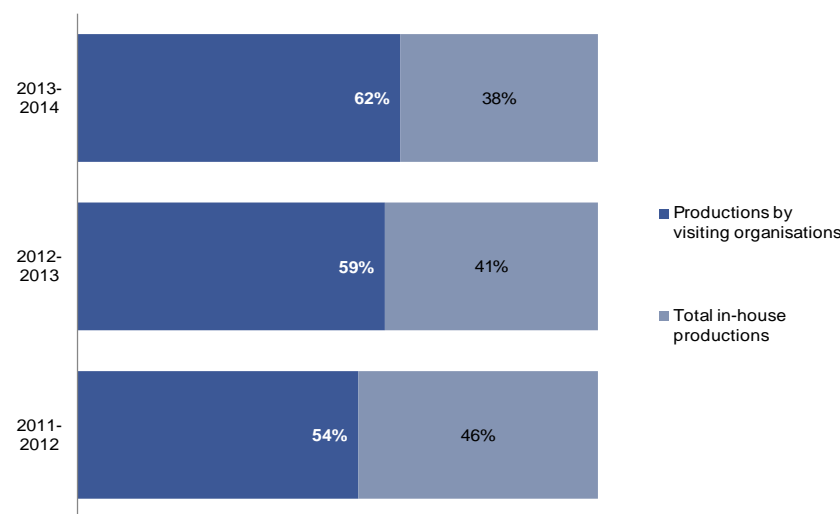
Source: Arts Council England/ BOP Consulting (2016)

The online consultation reflected the importance now attached to cross-sector collaboration and working within a wider creative community. A number of responses alluded to the richness of the sector as a key opportunity in terms of production and presentation: out of 484 analysed responses, 23% identified the themes of greater collaboration, networking and touring between venues, companies and artists (including international) as key opportunities for the

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[44] According to the consultees, it is now not unusual for a regional theatre to produce four or five home grown productions a year, whereas twice that number would not have been uncommon at one time.
[45] Boyden, 2000, p.24
[46] Gardner, 2009/b

sector (by far the largest number of coded responses to the question about opportunities). 12% of 406 answers considered partnerships between venues, companies and artists as a solution for the sector going forward. Meanwhile, only 4% of 511 coded responses highlighted the *lack* of collaboration and networking as a challenge. This indicates that overall, respondents see the development towards increased collaboration as a positive one, which holds potential for the sector.

4.2.2 Collaborations between the subsidised and commercial sector

The sector consultation revealed a new preparedness for the commercial and subsidised sectors to work together. According to one consultee:

> *"The two are now more prepared to work together; I don't think you would have seen that 10 years ago."*

This was also reflected in the literature, which similarly suggested an increase in partnerships between the commercial and subsidised sectors. In its 2009 assessment of Regularly Funded Organisations, the Arts Council reported hearing – with some notable exceptions – of a period of "*less dialogue between the commercial and the subsidised sectors at both a strategic and operational level*"[47]. By contrast, writing more recently in 2015, Hetherington pointed to an increase of collaborations between subsidised and privately financed theatre, observing *"just how common co-production arrangements have become [...] between subsidised producing organisations and privately financed independent producers and companies"*[48]. Youngs in 2015 noted that some theatres are making up for reduced subsidy through *"lucrative runs in the West End, Broadway and elsewhere"*[49]. This was also echoed in a 2016 article in *The Stage*, which, based on interviews with stakeholders in the subsidised and

commercial world, reported *"direct collaboration between the subsidised and commercial theatre sectors is a growing trend in today's touring climate"*[50].

However, the research suggested that such collaboration does not always come easily. Several subsidised (and non-building-owning commercial producers) raised concerns about the nature of deals between theatre buildings and independent producers being skewed in favour of the buildings. They also provided (in confidence) evidence to support this assertion. This may well be an issue that needs to be discussed openly at a national industry level. The corollary to this analysis is the observation by an independent producer that subsidised theatres are now themselves driving harder deals with commercial partners, who may have to assume more risk in partnerships in order to generate the required upside. The suggestion was made that some companies and independent producers feel that venues put all the risk on them, rather than making collaborations a shared endeavour. Consultees pointed to long and complicated contracts (in which *"you really have to read the small print"*) and excessive contras[51] leading to the reduction of the final settlement to companies and an erosion of trust between the two partners.

Moreover, some consultees expressed the opinion that, for subsidised theatres to extract the full value from their creative assets – the productions and plays it commissions and produces – they will need to further develop their relationships with commercial partners. Several contributors – from both the subsidised and for-profit sides of the industry – suggested that the development of more subsidised/commercial collaborations could be encouraged by some form of underpinning investment from the Arts Council and/or another party, which might be returned (along with a share of any profit engendered) to the investors. In the words of one independent commercial producer who welcomed the Arts Council's *"increasingly positive"* relationship with the for-profit sector: "*the last piece in the jigsaw would be enabling Arts Council investment in certain projects on the basis of a return on investment*". This could be aimed at co-productions between commercial producers and regional producing houses for

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[47] Arts Council England, 2009, p.31

[48] Hetherington, 2015, p.44

[49] Youngs, 2015

[50] Wicker, 2016

[51] the elements for which venues can counter-charge companies

regional tours, excluding any London run. Such an investment would be made on a match basis with the intention of increasing touring weeks nationally, developing regional theatres and independent producers, increasing mutual understanding and recycling money through re-investment.

4.2.3 Collaborations with Higher Education

Higher Education Institutions (HEIs) have in the last forty years been fertile ground for emerging theatre artists and companies. Whilst this has often been an informal by-product of graduate training, the sector consultation pointed to the development of more structured collaborations.

Several contributors noted that the HE sector is acquiring a new importance in supporting the arts, as local authorities are become more financially constrained. A number of initiatives have emerged, including Curious Theatre's relationship with Brunel and East London Universities, Talking Birds' ongoing relationship with the University of Coventry, and Derby University's acquisition of Derby Theatre (re-designating it as a Learning Theatre with learning and community engagement laced through all of the work and across the region). Creative theatre-making is integrated with academic courses, pre-professional and HE course with students learning alongside professionals, and high-profile co-productions undertaken with touring companies (full case study in Appendix 10).

Universities are institutions with significant local, regional and sometimes national influence. They are a major source of employment, and can influence policy around regeneration, the regional economy, learning and training, and diversity. Partnerships between theatre companies and creative and performing arts faculties can help universities meet their broader external agendas such as widening access, knowledge transfer and innovation. But a number of contributors also pointed to the mutual benefits this offers in areas such as market intelligence, product-based development, single-subject and interdisciplinary research. Derby Theatre noted that being part of the University (whilst bringing certain challenges) has the beneficial effect of making the theatre a valued part of the city infrastructure and helps realise its civic role (as also discussed in Section 5.2). Also, the engagement of HEIs in the

development of new work can be an important factor in funding applications to Research Councils, trusts and foundations.

Perhaps most importantly, a key element of relationships between HEIs and theatres is in the areas of skills and talent development, and knowledge transfer. As consultees commented:

> *"There is a constant flow of students at our place. They need the practical skills we can give them. The university is much more focused on opening up and place-making."*

> *"The skills agenda around university students is an opportunity for the sector. We can provide practical experience and employability."*

The very different cultures of theatre companies and academic institutions, with their administrative processes and complex communications systems, have to be mutually understood for these relationship to work. A university workforce is measured in thousands and its turnover in the hundreds of millions: all theatre organisations are small in comparison. To effectively engage in dialogue, there must be a clear articulation by the arts sector of the benefits that such partnerships bring.

Alongside financial benefits to collaboration, the literature and sector consultation revealed a range of other benefits of cross-sector collaboration; as well as requirements to make collaborations successful. More detail on these can be found in Appendix 2.

4.3 Theatre Programming

Key messages

— Existing literature and new data analysis on NPO funding supports the widely held view that public funding is important to theatre organisations' ability to invest in quality productions and to innovate.

— There are industry concerns, and some partial reported evidence, that suggest that current reductions in public funding are limiting theatres' capacity to take risk and are impacting on their programming.

— On the other hand, research for the British Theatre Repertoire report shows that new work and writing are strong within overall production.

— The percentage of programming focused on both BAME and disability varies considerably between regions. The Arts Council's *Creative Case for Diversity* appears to have been effective in focusing the majority of the sector on the issue in terms of producing and presenting for a diverse audience. However, in addition to this, more progress is needed in terms of the diversity of leadership/workforce and audience development.

— Several consultees reported that theatres at the middle-scale are adopting a more 'curatorial' approach to programming, which accommodates a range of different voices as part of creative programme making; thus representing different audiences and encouraging a greater hybridity of artform and production.

— The sophistication and use of digital technologies in content production varies across the sector, but overall adoption seems to have plateaued or fallen away a little

— Event Cinema is becoming increasingly important for the theatre sector, with theatre the dominant genre in terms of revenue. It is at present primarily concentrated in a few 'big players' (e.g. NTLive); relatively few theatre organisations have to-date been involved in this activity.

— Most organisations currently engage in live broadcasting for audience development reasons and data from NTLive suggests that streamed performances are reaching a wider audience. However, there is ongoing concern about whether Event Cinema displaces existing audiences. More answers should be provided by a major current Arts Council England commissioned study.

4.3.1 Reduced public funding is limiting theatres' capacity to take risk individually and is impacting on their programming

Literature highlights the value of public funding in enabling creative risk

> "*The desire and ability to innovate and the willingness to take risks is fundamental for any organisation striving to be excellent.*"[52]

However, the literature review identified several recent reports which have suggested:

— that the ability to take creative risks can be overridden by the importance of maintaining sound finances, and

— that reductions or insecurities in funding are impacting on theatres' capacity to develop high quality innovative and creative new work, with knock-on effects for the commercial sector.

Dunton in 2009 spoke of the *"real impact"* that additional funding since 2003 had had on theatres' ability to take risks, innovate, and support the writing and presentation of new work[53]. More recently, Albert *et al.* suggested that *"subsidised theatre fuels risk taking and talent development",* with such benefits branching out into the commercial theatre sector and the wider creative industries. The authors concluded that *"public investment in theatre […]*

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[52] McMasters, 2008, p.7

[53] Dunton, 2009, p.29

generates additional value in the wider creative economy, but in ways that can be complex to track"[54].

Similarly, Hetherington in his report on finance in the British theatre sector underlined the ongoing importance of public funding, stating that *"without public funding, the frequency and scale of risk-taking has to be contained"*.[55] He argues that while public subsidy in presenting theatres generally amounts to only around 3-5%, it can make possible multi-million pound operations. Consequently, a continuation of the *"current declining trajectory of subsidy to earned income"* would increasingly restrict theatre producers' and operators' ability to take risks and *"would change the character of the work produced"*[56].

NPO data indicates that public funding contributes to rising artistic expenditure

To test the hypothesis that public funding helps to sustain risk-taking and higher quality productions in the theatre, we explored whether organisations in receipt of larger sums of public funding are likely to spend more on their artistic programme[57] (both staff and non-staff) across the full 2013/14 NPO theatre portfolio.

Our analysis supports this hypothesis: the regression model indicates that an increase of 10% in the total amount of public funding (Arts Council plus 'Other public funding') contributes to a 6% rise in total artistic expenditure[58]. The scatter plot below visualises the strong linear relationship between public funding and artistic expenditure, with organisations in receipt of higher Arts Council funding and Other public subsidy spending more on artistic costs.

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[54] Albert *et.al.*, 2013, p.3

[55] Hetherington, 2016, p.49

[56] Hetherington, 2016, p. 70

[57] See Technical Annex 5 for details of the regression analysis logarithms

[58] Of course, it might equally be the case that the reverse is true: that Arts Council is more likely to spend more money on organisations that already spend more on artistic costs. We tested for this reverse causation and, while there is a relationship (i.e. a 10% rise in Total Artistic Expenditure produces a statistically significant 3.3% increase on Income from Arts Council and Other Public Subsidy), this is less strong than in the first model. What this analysis suggests is that Arts Council England and Other public funders are more likely to invest in organisations that prioritise spending on artistic costs, but having Arts Council England funding allows these organisations to spend even more.

Figure 15 Arts Council NPOs' scatter plot of public funding and artistic expenditure, 2013/14
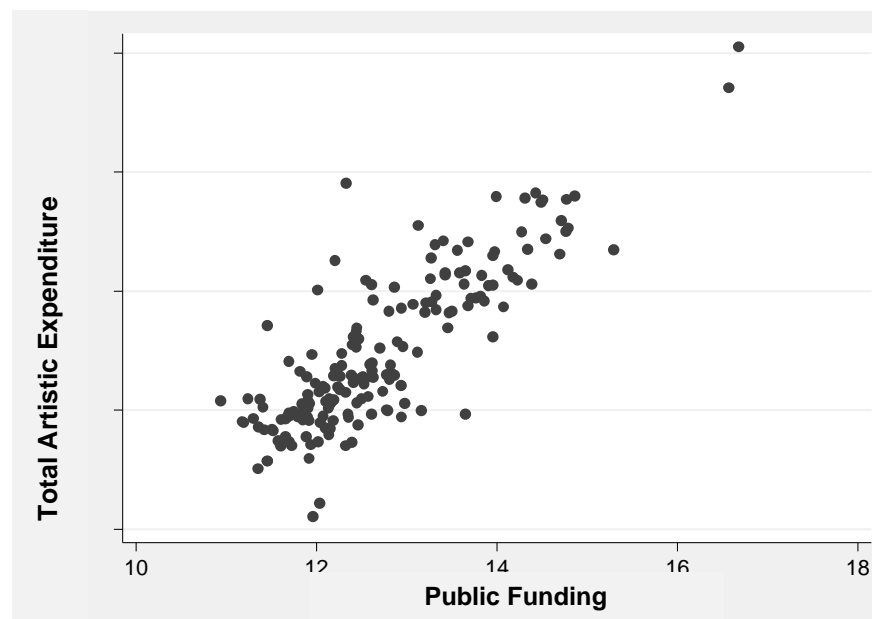
Source: BOP Consulting/ Arts Council England (2016)

All the above strongly suggests that public funding often provides an opportunity for the creation of new and/or riskier work that would not happen otherwise. Reflecting the importance of risk-taking and the need for this to be supported, 11% of 406 open text answers to the online consultation for this research identified the enabling or encouraging of risk-taking as a way for the sector to realise opportunities and mitigate challenges. This was the third most frequently mentioned topic in the online consultation.

However, despite this demonstrable link, public funding, and in particularly local authority funding, is decreasing (see Section 2 and Appendix 1 for more detail), endangering some of the capacity for risk-taking and high quality, on which the UK theatre sector has established its reputation.

To address this, some contributors to the consultation raised the example of the film industry's approach to the distribution of risk by seeking investment in a 'slate' of productions. With this approach investment is apportioned across a number of projects, thereby mitigating any downside (or upside) on any individual element of the portfolio. Indeed, some claimed to have undertaken projects on this sort of basis (see case study on BFI/ Home in Appendix 10). Such an approach might require a different approach to investment from both participating theatres and the Arts Council; but it may well be an area worthy of further investigation.

Evidence of a negative impact of funding cuts on theatre programming is still emerging

There is some individual evidence that risk-taking in theatre is declining because of the current funding environment. Our sector consultation reconfirmed these findings, with many mentioning the difficulty of undertaking 'risky' work within increasingly constrained budgets:

> *"We have no reserves, we have to make the sustainability of the building work. Within that parameter, we can take risks, but the business plan is so finely calibrated, it leaves very little room."*

The impact of funding cuts on programming was perhaps most clearly spelled out by Newcastle Theatre Royal's (NTR) Chief Executive Philip Bernays, who reported in a recent article that NTR now put less *"'hard' work"* on stage, but that *"making the programme popular has increased attendances, so we have both put up prices and we have more people coming through the doors"*, with both together covering the theatre's loss of funding[59].

However, looking for further quantitative evidence of how widespread this experience of reduced risk-taking may be proves less conclusive. For instance, there is data that shows that a small number of long-running shows account for a very large share of the box office. In 2014, 36 long-running shows accounted for 56% of theatre box office income (out of 1,864 shows in total). Writing in

2016, David Brownlee argued that this demonstrated the *"importance of a few super-successful productions to the theatre's economy and ecology"*[60]. But without long run time series data, it is not possible to state whether this is a new trend or in fact just a standard feature of the theatre market (as this 'hit-driven' dynamic is certainly common to many other cultural industries such as film, games and music).

A further statistic, which might suggest less risk-taking, is Youngs' identification in 2015 of a drop in the number of weeks actors were working in recent years, suggesting *"that productions have shorter runs or are using smaller casts"*[61]. Alston in 2012 noted that maintaining long runs within a volatile market was risky[62], so the reduction in length of runs reported by Youngs could be interpreted as evidence of a more risk-averse market.

More demonstrably, the *In Battalions* report in 2013 detailed the impact of government cuts on new writing in theatre, with around half of survey respondents pointing to fewer new plays being produced in the season since April 2012, compared to previous seasons[63]. However, other data from the more recent British Theatre Repertoire report is more equivocal, as outlined below.

4.3.2 New work and new writing are strong within overall theatre production

The 2013 British Theatre Repertoire report shows that in 2013, *"new work had overtaken revivals for the first time in living memory"*, accounting for over 60% of all performances and box office income in both 2013 and 2014 (see Figure 16 below). The performance figures were similar when specifically looking at 'straight theatre'[64]. However, box office income was slightly lower for new work within 'straight theatre' (54% in 2013 and 57% in 2014) and the report

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[59] Youngs, 2015/b

[60] Brownlee *et.al.*, 2016, p.12

[61] Youngs, 2015

[62] Alston, 2012, p.11

[63] Kennedy, 2013, p.9

[64] I.e. without musicals, opera, dance, physical theatre, pantomime and performance installation - i.e. excluding those genres (musicals and pantomimes), which tend to fill the largest number of seats

furthermore noted that *"new work has shorter runs and therefore lower attendance and box office"* (across straight theatre).

In terms of new writing, the report concluded that *"we found that in 2013, 'new writing' appeared to be in good health, continuing to have a crucial, even dominant, place in the theatrical ecology"* (Brownlee *et.al*, 2016, p.14-16). Figures for the following year were again broadly the same. For new writing, among all theatre, the 2014 data showed a slightly lower proportion of performances, box office and attendance than in 2013; however as a proportion of 'straight theatre', 2014 performance, box office and attendance figures were slightly up from the previous year.

Figure 16 Proportion of new work and new writing across theatre production, performance, box office income and attendance, 2013 and 2014[65]

	New Work	2013	2014	New Writing	2013	2014
All Theatre	% of productions	59%	62%	% of productions		
	% of performance	64%	65%	% of performance	52%	50%
	% of box office	66%	63%	% of box office	45%	41%
	% of attendance	63%	64%	% of attendance	46%	44%
'Straight theatre'	% of productions	69%	67%	% of productions		
	% of performance	62%	63%	% of performance	56%	56%
	% of box office	54%	57%	% of box office	53%	55%
	% of attendance	55%	56%	% of attendance	53%	55%

Source: Brownlee *et.al*, 2016

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[65] % of production figures available for new work only, not for new writing

These figures are encouraging, indicating that despite increasing financial constraints, theatres seem to be able to continue to develop new work and new writing, though the report noted that given the short time span, *"no significance can [yet] be placed on this movement"*.[66]

4.3.3 Programming for a diverse audience

The literature review shows that the theatre sector has made positive steps regarding programming for a diverse audience; however more remains to be done. In 2000, in setting out its National Policy for Theatre, Arts Council England agreed that *"in many parts of the country, theatre has failed to engage with a broad audience. It has certainly failed to engage adequately with young people and with multi-cultural Britain"[67].* This document also highlighted the Arts Council's expectation that the theatre community needed to develop work that speaks *"to the diverse audiences who make up this country today"* (p.5).

By 2007, Equity found that the *"theatre sector has also been taking increasingly positive steps to address issues of diversity",* highlighting initiatives by the Arts Council such as the Black Regional Initiative in Theatre (BRIT), and the work of theatres like the Theatre Royal Stratford East in creating *"new work that reflects the interests and concerns of local communities, particularly black and Asian people"[68]*.

Two years later, the 2009 Arts Council theatre assessment pointed to a number of successful projects that had taken place in the past years, and which had supported the development of a more diverse mix of theatre work, more support for multi-lingual work, and sign language. Nevertheless, it found that *"there was a consistent view that diverse work was still not widely integrated and connected with main programming[69]".*

The Arts Council's 2015 Equality & Diversity study reported an increase in awards made via Grants for the Arts for projects targeting:

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[66] Brownlee *et.al*, 2016, p.14-16

[67] Arts Council England, 2000, p.1

[68] Equity, 2007. p.13

[69] Arts Council England, 2009, p.39

— BME audiences (a 50% increase to 1,352 successful applications in 2014/15)

— disabled audiences (a 25% increase to 454 successful applications); and

— socially excluded audiences (25% increase to 891 successful applications).

Furthermore, it reported that 'accessible performances' by NPOs had increased by 14% between 2012/13 and 2014/15 to 3,754, and 'accessible screenings' increased by 101% over the same period to 4,674.[70]

Analysis of the Arts Council's theatre NPO portfolio shows us that the percentage of theatre NPO's overall programme with a BAME focus varies considerably between regions. According to the theatre NPO's annual surveys, in 2013/14, London (18.2%), the East of England (14.9%) and the North West (12.6%) registered the highest proportions of BAME-focused programming[71] (see Figure 31 in Technical Annex 4). However, the proportion of BAME programming dropped in two thirds of the regions between 2011/12 and 2013/14. Some caution should be read into findings outside London, because the number of NPO organisations is generally quite small. This means that the absolute amount of programming is also relative low, and changes in the percentage of BAME-focused programming in either direction will therefore appear relatively high on small absolute changes.

In terms of disability-focussed programming among theatre NPOs, the proportions again vary considerably between the regions (see Figure 32 in Technical Annex 4). In 2013/14, the North East showed the highest proportion (21.6%), followed by Yorkshire & the Humber (12.8%) and London (12.5%), compared to 0.6% in the East Midlands. The proportion of disabled-focussed programming dropped in one third of the regions between 2011/12 and 2013/14, while showing substantial increases in the South West and South East. Again, it is worth noting that both these regions started from a very low base (2% and

1.6% respectively). Contributors to the consultation considered that *"Ramps on the Moon could be a game changer for the large scale"* and noted that the *"Edinburgh Fringe 2015 was incredible for the breadth of disability representation in small scale theatre - but it still tends to be in specific works"*.

The topic of diversity was raised in almost every roundtable and interview. The Arts Council England's Creative Case for Diversity, launched in 2011 to bring about a *"fundamental shift in the way we approach diversity"* (with a focus on driving change through an emphasis on diversifying artistic activity and better opportunities for diverse artists), appears to have been effective in focusing the majority of the sector (in both the subsidised and unsubsidised fields) on the issue of diversifying their artistic activities. As one consultee saw it, *"the Creative Case for Diversity represents the real possibility of sustainable change. [It moves diversity from] being an issue of monitoring to being embedded as a creative principle within our shared cultural spaces."*

Nevertheless, contributors observed the need to further address this issue in terms of leadership/ workforce (see Section 4.6 on workforce diversity), work presented (see above), and the audience (see Section 5.1 on audience diversity). The relationship between all these elements was articulated elegantly by one contributor to the consultation (a BAME practitioner), whose opinion is that the imperative to achieve further diversity can only be addressed by re-framing the work on stage to better reflect the interests and backgrounds of a diverse society. That – involving more diverse bodies on stage – will attract more diverse audiences and raise awareness of the range and variety of jobs on offer in the profession[72].

This will require an ongoing and more systematic engagement of diverse programmers, directors and senior managers. In this context, several consultees highlighted the requirement for a more 'curatorial' approach to programming,

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[70] Arts Council England, 2015, p.19

[71] As defined in the Arts Council England NPO returns: 'activity that is directed at enhancing Black or minority ethnic people's participation in arts and culture through specific activities'. Provided as % in the NPO returns.

[72] One consultee suggested more might be done to encourage companies to consider access from the outset in the creation of new work. She proposed a model in which GFTA recipients would be able to apply for additional resources to 'build accessibility' (pointing to the Big Lottery's Reaching Community Fund, in which successful projects can now apply for additional resources for 'building capacity').

which is beginning to evolve in some venues. This aims to accommodate a range of different voices as part of creative programme making (rather than solely that of the Artistic Director), thereby representing a wider range of audiences as well as encouraging a greater hybridity of artform and production. This is having an impact upon traditional perceptions of what an Artistic Director does and their wider role as a creative champion. Consultees referred to the need to acknowledge this changing role of the Artistic Director from delivering a 'personal' artistic vision to acting more as a 'curator' of a diverse body of work: *"In a big building, you are programming for a big diverse audience – your job is to get lots of different voices to feed in. Artistic Director[s] need to be open and generous."*

4.3.4 New artistic forms & the influence of digital technology

The following section presents a summary of a more detailed chapter on new artistic forms within the theatre sector, as well as the increasing influence of digital technology on theatre production and presentation, which can be found in Appendix 3.

Site-specific and immersive work
— Despite a spate of recent critical and popular successes (particularly with younger audiences) site-specific and immersive work features irregularly within the repertoire of many theatres, and only rarely came up in the roundtable discussion. Nevertheless, the recent trend in such work suggests it is likely to become increasingly significant.

— This kind of work requires new kinds of skills and knowledge, which often reside outside the theatre sector (e.g. within performance art or video games). Its growth, therefore, may well lie in partnerships being developed between companies with specialist expertise in this field and partner 'hosts', such as festivals or theatre buildings.

— There is some evidence that the training sector is now thinking through what implications site-specific and immersive work has for theatre education and training.

Integration of new technologies in production
— There is some evidence that the sector has not yet sufficiently embraced the possibilities of the digital world: While a 2009 Arts Council report noted *"an increase in the integration of new technology into theatre creation"*, a more recent report[73] noted a slight drop in the rating of the 'importance of digital technology in creation' in the theatre sector. During the sector consultation for this report, some contributors suggested that the sector has not yet sufficiently embraced the possibilities of the digital world. Indicatively, only 2.5% of 484 coded responses in the online consultation referred to the use of digital technology as a key opportunity for making and presenting.

— Consultees suggest that money, challenges in partnering with digital companies, and a lack of practitioners that span artistic and technical fields may be contributing to this.

— However, many companies are exploring the possibilities digital technology can bring – it seems that this may particularly be the case among those engaging in more immersive theatre practices.

Digital distribution
— Recent research suggests that the UK is a world leader in Event Cinema and that theatre is the dominant genre in terms of revenue. However, only a relatively small proportion of theatre organisations has to-date been involved in this activity (estimates vary but are in the range of 12%-21%).

— Organisations generally seem to become involved in this area for audience development reasons. Current data (predominantly from NT Live) suggests that streamed performances are reaching a wider audience – including lower income groups – but are concentrated in urban areas. More detail on the audiences for live streaming can also be found in Appendix 7.

— Overall, the sector is still negotiating the challenges of live streaming and playback, with concerns about costs, quality and also skills barriers. Few

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[73] Nesta, Arts Council England & AHRC, 2015, p.10

expect significant revenues, although there is anticipation that this will change over time.

— Audiences for Event Cinema are growing. Both the literature and the consultation point to concern about the current dominance of the big players (NT Live in particular), and the potential of Event Cinema to 'cannibalise' regional theatre audiences. While current research suggests this may not be the case, there is as yet not enough data to properly assess whether Event Cinema is attracting or displacing audiences.

— To this end, Arts Council England, in conjunction with a range of partners, has commissioned a major study of Event Cinema that will be published on 20 October 2016, along with the Theatre Analysis and the Arts Council response.

4.4   Growing and diversifying income

Key messages

— Theatre organisations are utilising a range of new initiatives in public funding, cultural and social investment, tax relief, loan finance, enterprise investment schemes, commercial investment and entrepreneurial opportunities to grow and diversify their finances.

— They are also earning more by increasing ticket prices/yield. Evidence across both the commercial and subsidised sectors shows that ticket prices have increased in recent years, with no overall drop in attendance.

— In London, there is some feeling that the market remains buoyant and that further price increases would not harm the overall box office, but may compromise access.

As Sir Peter Bazalgette recently summarised,

"Many arts and cultural institutions have done good work diversifying their revenues, developing alternative income streams and growing commercial activities. And tax credits introduced by the government are playing their part"[74].

Such new or potential sources for income generation were referred to by the 2015 report on touring for UK Theatre, which identified new initiatives in public funding, cultural & social investment, tax relief, loan finance, enterprise investment schemes, commercial investment and entrepreneurial opportunities[75]. Investigation of these new revenue streams and models is beginning to happen across the sector, but theatres are also utilising a simpler mechanism: increasing ticket prices.

4.4.1   Increasing ticket prices/yield

Rising ticket prices have not stopped people from attending theatre, resulting in an overall increase in box office income

Youngs highlighted a rise in ticket prices between 2013 and 2014 both outside central London (a 5.5% increase) and in the West End (a 5.1% increase). The figures also showed that "*rising prices did not stop people going to shows*", and were in fact in part due to theatre-goers choosing more expensive seats. As a result, box office income outside central London increased by 8% from 2013 to 2014.[76] The British Theatre Repertoire 2014 report also found that ticket prices increased across all theatre genres by:

— 5.1% – 5.4% for musicals (to £40.39) and straight theatre (to £25.99), and

— 4.8% for pantomime (to £18.93).

The report concluded that *"despite numbers of productions remaining pretty stable and the UK inflation rate remaining just under 2%, during 2014, box office income between 2013 and 2014 increased by over 10%"*[77].

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[74] Bazalgette, 2016, p.4

[75] Devlin & Dix, 2015

[76] Youngs, 2015/b

[77] Brownlee et.al, 2016, p.9

The analysis of the longitudinal theatre NPO sample also confirms this trend. In 2011/12, the average ticket yield (i.e. ticket price achieved) across the theatre NPOs was £7.45. Although this is clearly far lower than tickets in the commercial sector (reflecting the subsidised nature of the NPOs), by 2013/14, this figure had risen to £8.81, an 18% increase.

However, this rise in ticket yield was not uniform, varying by both size of organisation and by region. As can be seen in Figure 17 above, while large organisations only increased ticket yields slightly over the three years (by 3% to £14.96), prices increased much more rapidly among mid-sized organisations (28%) and across smaller ones (18%), though from a smaller price (£6.96 and £3.07 respectively).

Figure 17 Average ticket yield (£) by size of organisation, 2011/12 to 2013/14 (Arts Council England longitudinal NPO sample)
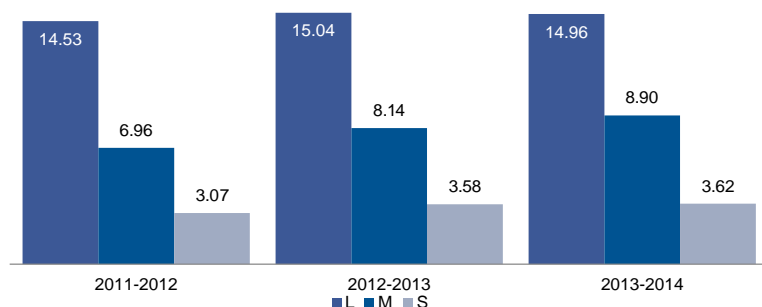
Source: Arts Council England / BOP Consulting (2016)

Across the regions, average ticket yields were highest for NPOs in the South East (£15.66), higher than in the East Midlands and London. However, average ticket yields for NPOs in the capital rose fastest over the three years (32%), followed by the West Midlands (27%) and the North East (16%) (see Figure 33 in Technical Annex 4).

Reflecting the general trend for rising ticket prices, the members of the London Theatre Consortium in their meeting with us for this study gave

evidence for the potential of significantly enhanced box office for their more popular shows[78]. They were confident that for some shows (which are known to have been sold on secondary ticketing markets at more than 100% mark-up), they could have extended the run and charged premium prices. The Young Vic gave the example of *The Scottsboro Boys*, which did extend by four weeks at somewhat increased prices. However, they – and other colleagues – were exercised by how, in general, this approach could best be reconciled with the theatres' and the Arts Council's commitment to access.

In addition to ticket prices, a number of other entrepreneurial approaches to generating income and new organisational models came up through the consultation and the literature, including:

— *Property development and the rental of venue space and other facilities*

— *Membership programmes/ individual giving, fundraising from trusts & foundations, and corporate sponsorship*

— *Collaborations with other sectors*

— *New management models to create flexibility and adaptability*

These approaches are described in Appendix 4.

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[78] Related to this, some theatres reported generating additional income from tickets sold during international touring (which additionally helps develop an international profile).

4.5   Workforce development

Key messages

— A widening gap between skills demand and supply is reported in existing literature. Sector training and CPD provision remains ad hoc, and are believed to be 'squeezed out' by a lack of time and available funding.

— Concerns were particularly raised with regard to the demands on leadership skills in an increasingly complex sector, and the development of the next generation of leaders.

— There is a continued need for a greater diversity of leadership in theatre – and perhaps a development in the nature of the leadership model.

4.5.1   Widening gap between skills demand and supply

Recent literature on workforce development specifically in the theatre sector is scarce. However, those who have written on the subject since the Boyden report have identified a widening gap between the skills demanded by the sector and those supplied by education and training providers. The Arts Council's Theatre Assessment 2009 noted concern within the sector *"about the quality and quantity"* of HE graduates, with a notable growth in relevant postgraduate courses *"leading to a greater number of graduates wanting to enter the profession who had high expectations but low skills"*[79].

This was echoed by a CCSkills report around the same time, which highlighted the recruitment challenges faced by the performing arts industry, with:

— 53% of surveyed employers reporting a lack of experience among applicants as the main reason for their recruitment challenges

— 21% a lack of required specialist skills; and

— 7% identifying the fact that applicants lacked the right qualifications.

38% of surveyed performing arts businesses also reported identifying skills gaps in their current workforce (in off-stage areas). The report argued that this was exacerbated by the presence of many small businesses in the industry, in which individuals are required to perform a variety of management- or business-related responsibilities outside their main area of expertise. It therefore concluded that

"*the future workforce of the performing arts industry is composed of a large pool of 'qualified' potential recruits who do not have the specific 'associate professional and technical' skills that nearly half of jobs require"*[80].

It would be helpful to develop a more holistic understanding of the sector's training needs. UK Theatre/ SOLT is intending to undertake such an exercise in the near future.

4.5.2   Skills and diversity gaps in leadership

The sector consultation reflected the above concerns and, in several round-tables referenced the issue of skills gaps at leadership level[81]. In the words of one senior figure, which were echoed by others:

"What is being asked of leadership is huge – the politics, the funding etc. I'm in charge of £3m turnover without financial training…"

Consequently, several senior leaders throughout the consultation expressed concern about how the theatre might identify and develop the next generation of leaders, given the increased demands of the role:

"Recruitment at executive director/chief exec level is going to become a problem over the next 5 years. As organisations evolve to survive, the job will get harder, running a number of

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[79] Arts Council England, 2009, p.51

[80] CCSkills, 2010, p.17-21

[81] Several contributors also noted that the sector contains a number of 'bed-blockers' who are (unintentionally) preventing the next generation of leaders taking control when young.

very different business streams. [...] Already it is very hard to recruit dynamic, brilliant people and it's bound to get worse".

This concern, which some consultees also related to the issue of diversity of leadership (see Section 4.6), exists despite several leadership initiatives that have been running in the UK cultural sector in recent years. They include the Clore Leadership Programme, the Arts Council-sponsored Cultural Leadership Programme (from 2006-11) and, as part of the Creative Case, the Change Makers Fund, which is specifically aimed at increasing the diversity of Leadership in the sector.

The pressure on the Executive Director/Chief Exec role reported through the consultation perhaps suggests that a greater variety of leadership models may be required. This is one of the findings of the recent *Moving Arts Leadership Forward* report from The Hewlett Foundation in San Francisco, which documents that those under 40 years old believe in a more shared, 'distributed' model of leadership, rather than one based on hierarchies[82].

4.5.3 Sector training and CPD provision remains ad hoc

The literature review and sector consultation provided interesting insights into the current status and approaches to sector training and CPD provision. They suggest that while the sector identifies a range of skills gaps, staff training remains limited and ad hoc. Key findings include:

— Formal staff training within performing arts businesses is limited, despite identified skills gaps
— This is believed to be due to a lack of time and available funding, with training being squeezed out by more pressing priorities.
— Where training is available, it is usually focused on new talent, with a lack of available support for mid-career workers and self-employed independents.

More detail on sector training and CPD provision can be found in Appendix 5.

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[82] Ono, 2016.

4.6   Workforce diversity

Key messages

— Data on workforce diversity in the sector is limited to the data returns from the Arts Council's NPOs. It may be worth considering the workforce makeup looks outside this group of theatre organisations.

— Workforce diversity remains a key concern. It has improved in recent years, but the literature and data analysis suggests further steps need to be taken.

— The proportion of BAME theatre workers across the NPOs (13.3%) is now slightly higher than the 12.2% of people from BAME communities within the overall workforce in England. However, the national figure is deceptive, as the theatre sector is concentrated in large urban areas, particularly London, where the overall BAME population is much higher. BAME theatre workers continue to be under represented when compared with many local labour markets.

— While BAME staff are not all working in low level positions, overall BAME leadership of organisations remains rare and there is a continued need for a greater diversity of leadership in theatre.

— People with disabilities continue to be under-represented both among the general permanent workforce and within leadership of theatre organisations, and there is concern that changes in the benefits system may have a negative impact.

— The gender distribution among the theatre workforce overall is balanced, but there are still imbalances at the top. Wider literature also points to women in the sector tending to have lower salaries.

— Issues of socio-economic disadvantage in the industry are increasingly becoming a concern.

4.6.1 Workforce diversity (ethnicity and disability) has improved in recent years, but more needs to be done

The sector consultation revealed that workforce diversity remains a key concern in the sector, with the abiding challenges of improving the diversity of the workforce, including its leadership, raised as a key issue in almost every roundtable and interview. Literature over the past 16 years similarly demonstrates the ongoing issue of workforce homogeneity, especially in terms of ethnic diversity and disability.

Drawing on employment figures from ERPTs in the late 1990s, Boyden concluded that *"a strong commitment to cultural diversity […] must remain a priority"*[83]*.* Six years later, Young argued that despite an array of related recommendations, these were consistently made *"without previous ones being addressed"*, eroding the confidence and goodwill of the sector[84]. Despite research in 2007 that highlighted some positive developments within the seven biggest regional theatres in England[85], the Arts Council in 2009 spoke of continuing barriers for practitioners from BAME and disability backgrounds[86]. The same year, Dunton argued that while BAME writers had become more visible in theatre, in part due to targeted policies, this remained inconsistent across the minority communities, with *"a perceived problem of ineffectual progression routes into mainstream careers"*. She concluded that *"theatre can still seem to be an exclusive club to which only the young, articulate, white middle classes can automatically claim entry"*[87].

Alongside its work on the Creative Case for Diversity, with its emphasis on requiring NPOs to develop diverse artistic activities, the Arts Council is also undertaking several initiatives focussed on diversifying workforces[88]:

— investments in strategic funds with the aim of improving the representation of ethnic minorities and deaf and disabled people within organisations' creative teams

— an ongoing consultation into the definitions of 'diverse-led' organisations; and

— a renewed push to collecting meaningful diversity data including on temporary staff, and on different types of disability[89].

Data analysis shows that permanent BAME staff in theatre NPOs are better represented than within the overall workforce, with comparatively high recent growth rates

Detailed data on workforce diversity in the sector is largely concentrated on Arts Council theatre NPOs – which have in recent years seen increasing demand from their funder to address workforce diversity (e.g. through the Creative Case for Diversity). This means that it is at present impossible to compare the data from the NPOs with that of the theatre sector more widely. Going forwards, it may thus be worth investigating how the workforce makeup looks outside this group of theatre organisations.

Analysis of the longitudinal theatre NPO sample for this report however suggests that some progress has been made in terms of workforce diversity. In 2013/14, 13.3% of the overall permanent workforce in theatre NPOs was reported as BAME – this was slightly higher than within the overall workforce in England (12.2% of people from BAME communities)[90]. The growth rate among BAME staff in theatre NPOs was also higher than the overall staff growth rate (and that of white permanent staff members) in six out of nine English regions between 2011/12 and 2013/14 (see Figure 34 in Technical Annex 4).[91]

[83] Boyden, 2000, p.30

[84] Young, 2006, p.35

[85] Equity, 2007, p.13

[86] Arts Council England, 2009, p.36

[87] Dunton, 2009, p.29

[88] While much of the work done by Arts Council England is around race, disability and gender, the Arts Council looks at diversity as defined by legal 'protected characteristics' (which also include age, sexuality,

religion, marital status, etc.) and is mindful of all these characteristics in their equality work.

[89] Arts Council England, 2016; see also Hutchison, 2015

[90] Data from the ONS, 'Economic activity by ethnic group, aged 16+'. However, in making this comparison with the 2011 census data, it should be borne in mind that overall figures may have changed between 2011 and 2014/15.

[91] In order to further investigate the progress that has been made in the area of workforce diversity across theatre NPOs, we undertook regression analysis. This examined the relationship between the proportion of BAME permanent staff across the full portfolio of 2013/14 theatre NPOs and the amount of Arts Council England funding they received (while controlling for the size and location of organisations). This

There are naturally large variations between individual theatre NPOs and some criticisms have been made regarding the still low levels of BAME staff among some of the larger theatre NPOs[92].

BAME representation in the theatre workforce is linked to the ethnic composition of the wider local/regional labour market
In considering the representation of BAME people across the theatre NPO workforce, it should be acknowledged that a large proportion of the sector is based in metropolitan areas – areas that typically have a greater than average level of ethnic diversity. Thus the regions with the highest proportion of BAME staff across theatre NPOs are likely to be – and are – the regions that have large BAME populations in general.

When measured at the regional level, the theatre NPO figures look less representative. For instance, while London NPOs employed the highest proportion of BAME staff in 2013/14 (19%), just over twice this proportion of London's overall population in 2011 was of a BAME background (40%). By comparison, 15% of the theatre NPO workforce in the West Midlands was BAME, with 17% of the overall population coming from a BAME background.

This regional analysis also suggests the reverse: that it will be hardest to recruit BAME people into the theatre sector in areas of England where the general population is the least diverse. This point was made strongly by one theatre director:

> *"Our workforce diversity exactly reflects our county, where people can travel in [to work] from. To increase our diversity, we'll have to look outside our counties, but how can we compete, with the salaries we can pay?"*

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demonstrates that there is a strong positive correlation between Arts Council funding and BAME staff: to the extent that a 10% increase in Arts Council England funding results in a 2.4% increase in BAME permanent staff. However, when testing for the reverse causality, the results are also strongly positive: i.e. a 10% rise in BAME staff results in a 3.5 % rise in Arts Council England funding (see Technical Annex 5 for details of the logarithms used). Taken together, these results show that Arts Council is targeting its investment towards organisations that already take the issue of BAME staff in the workforce seriously, and sometimes are able to improve this as a result of Arts Council England funding.
[92] Hutchison, 2015.

4.6.2 Further details on workforce diversity
Further in-depth considerations of workforce diversity are detailed in Appendix 6. In summary, these cover the following main areas:

BAME staff are not all working in low level positions, but overall BAME leadership of organisations remains rare
While there has been an overall improvement in the representation of BAME workers in the theatre sector over the past few years, the proportion of BAME staff remains rarer in more senior roles. Analysis of the Arts Council England theatre NPO longitudinal sample shows that:

— In 2013/14, 12% of staff in management positions within theatre NPOs were registered as being from a BAME background, slightly lower than the overall proportion across theatre NPOs (13.3%). While the period between 2011/12 and 2013/14 saw a proportionate growth of BAME managers among all managers, in absolute terms the number of BAME managers fell by 5% (the proportionate growth relates to the fact that, in absolute terms, the number of white managers fell more than that of BAME managers).

— Organisations that are led by BAME managers tend to be of medium to small scale, and – similar to representation within the overall workforce – most of these organisations are based in London.

People with disabilities continue to be under-represented both among the general permanent workforce and within leadership positions
Analysis of the longitudinal theatre NPO sample shows that people with disabilities continue to be proportionately under-represented both within the general workforce as well as at leadership-level:

— The percentage of the theatre workforce with disabilities is proportionately lower than that of the general workforce.

— Leadership roles held by those with disabilities is even lower (4.6%), with the greatest proportion in London. Across the three examined years, only the same seven out of 152 theatre NPOs were disability-led.

— One consultees noted that there continues to be little evidence of crossover in the employment of disabled actors into content that is not about disability. Some contributors further suggested that training institutions are not sufficiently developing disabled actors, and that there is a need for training to support and encourage young disabled performers to enter the industry.

— Changes to the benefits system (in particular the move from the Disability Living Allowance scheme to Personal Independence Payments) could create more entry-barriers into the sector. As one consultee noted, *"the decimation of disability benefits is having a marked impact – it is and will continue to reduce, rather than support, the range of disabled people on our stages".*

Gender distribution among the theatre workforce overall is balanced, but there are still imbalances at the top

Analysis of the longitudinal theatre NPOs sample indicated that the amount of men and women working in theatre is fairly equal, with a slight increase in the number of women in recent years. However, looking at the gender balance in more detail shows up some ongoing discrepancies:

— There continue to be significantly more men than women in senior management positions. While the current data does not provide any fine-grain information as to the precise seniority of the female staff in theatre, the Arts Council will be collecting data on the diversity profiles of the leadership of their funded organisation from 2016.

— There is some evidence that women in some areas of the sector tend to have lower salaries (e.g. at executive level), their shows have shorter runs, and productions tend to take place in smaller houses than those of their male counterparts. This suggests that there continue to be considerable discrepancies in terms of opportunity between men and women in the sector.

Issues of socio-economic disadvantage are increasingly becoming a concern

There is very little data on the social class of people working in the theatre in England. However, the literature that does exist shows the difficulties that those from non-middle class backgrounds face in accessing jobs in the sector, particularly acting.[93] This issue was very actively pursued at several roundtables – in particular with regard to the more senior levels of the workforce, with many expressing concern that this problem is increasing. Key messages include:

— Low average pay in the sector is seen as impacting on the social make-up of the theatre sector workforce, with London theatres considered particularly at risk due to the high cost of living in the capital.

— The prevalence of unpaid or low-paid trainee positions is further advantaging those who can rely on external financial support. Some see apprenticeships as an opportunity to address this imbalance. The theatre industry is now exploring apprenticeships in light of the new apprenticeship levy, funded by companies with wage-bills of over £3m.

— The growth in sector-specific postgraduate courses is seen as further exacerbating the current socio-economic makeup of the sector workforce.

— De-prioritisation of the arts in (state) education is considered as a further concern in terms of reaching out to disadvantaged young people.

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[93] Friedman et.al, 2016

5. Further detail on Theatre Audiences

5.1 Audience diversity

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Key messages

— People from BAME backgrounds continue to be under-represented in the theatre audiences, despite some small recent growth in their numbers.

— Sector consultees see this as the product of a lack of diverse programming for BAME audiences, but they also caution against taking a reductive view about the needs of BAME audiences who should not be thought of as a homogenous group.

— There has been some success in reaching out to younger audiences: while older groups predominate, younger audience groups appear to have been growing fastest.

— Theatres' struggle to reach audiences with disabilities. Consultees reported that community links are necessary to grow disabled audiences and that existing mechanisms to make performances accessible are still not frequently used.

— Audiences from higher social groups are over-represented in the theatre audience – literature and data demonstrate a link between educational background, affluence and attendance.

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5.1.1 Expanding the ethnic diversity of audiences remains a challenge

The lack of diverse programming for BAME audiences is reflected in a homogenous theatre audience

The continued inability to mainstream diverse work as outlined in Section 4.3.3 seems to be reflected in recent studies of theatre audiences. Bunting in 2008 pointed to an ongoing *"negative correlation of the Black ethnic group with arts attendance",* based on an Arts Council survey[94]. The 2014 London Theatre Report referenced a 2011 report, which revealed that among surveyed West End audiences, 92% of respondents were white[95]. In their Equality & Diversity study of the following year, the Arts Council cited time series data from the DCMS Taking Part Survey, finding that there was *"no statistically significant change to the proportion of Black and minority ethnic engagement with and participation in the arts over the past nine years – 69.9% in 2005/06 and 70.4% in 2013/14".* The report added that the gap in engagement between BAME and white people had actually widened slightly in that period, due to an increase in arts engagement among the white population[96].

Demographic data by Purple Seven[97] of theatre bookers (see Figure 50 to Figure 53 in Technical Annex 4) confirms that the largest group of bookers by far – among commercial and subsidised theatre; London and outside London – continues to be white bookers (92%-96%), while all other ethnic groups together amount to no more than 4%-8%. London-based theatres show slightly higher proportions of bookers of a non-white background both among commercial theatre (6.6%) and subsidised theatre (8.3%), compared to theatres outside the capital (4% and 4.9% respectively). However, even London theatres' relative

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[94] cited in Grisolia et al., 2010, p.242

[95] Smith, 2014, p.42

[96] Arts Council England, 2015, p.19

[97] data courtesy of Purple Seven; used under licence; data based on a survey of 430,622 theatre customers during the 18 months up to 1st May 2016 (made up of: London/Commercial theatre: 36,685 customers surveyed; England Other/ Commercial theatre: 201,437 customers surveyed; London/Subsidised theatre: 38,437 customers surveyed; England Other/ Subsidised theatre: 154,063 customers surveyed)

success looks less convincing when compared against its population (40% of BAME origin).[98]

This picture is further confirmed by the analysis of the Audience Agency's booking data from 2011/12 to 2014/15[99], which showed that 90% of bookers in 2014/15 were white. Similar to the Purple Seven analysis, this data again revealed that:

— the ethnic make-up of bookers is most diverse by far in Greater London: 79% of London bookers are white, 12% Asian/Asian British and 4% Black/Black British

— in all other English regions, Asian/Asian British bookers make up only 3-4% of the bookers, and Black/Black British only 1%.

Even these London figures point to a consistent picture of under-representation of theatre bookers from BAME communities, compared to their representation within the general population (see Figure 44 in Technical Annex 4).The Audience Agency data, however, does indicate that the recent growth rate among non-white bookers (Mixed, Asian/Asian British, Black/Black British and other groups) between 2011/12 and 2014/15 was between 19%-21% (depending on group); considerably higher than the growth rate of 12% among white bookers. While this indicates progress in attracting BAME bookers among all bookers, theatre still has a long way to go in this respect (see Figure 43 in Technical Annex 4).

Reflecting these figures, ethnic diversity within theatre audiences was mentioned frequently as an issue within the sector consultation[100]. Contributors had different views about the sector's ability to address the issue going forward.

While some contributors were pessimistic about the sector's potential to overcome disengagement, others forcefully expressed optimism by agreeing that the Arts Council and the sector have a responsibility to address this, and that "*I do not think it is too late…Those of us with financial support from Arts Council should act as gatekeepers for the whole theatre sector [to help address this]"*. Indeed, many contributors were adamant that audience diversity should be seen as an asset rather than a challenge. They particularly highlighted the importance of seeing BAME audiences not as one coherent group, but to appreciate the complexity of all theatre audiences' motivations.

5.1.2 There has been some success in reaching out to younger audiences

LiveAnalytics' analysis of theatre audience data in 2013 pointed to some success in attracting younger audiences, finding that *"audiences have been growing proportionally younger for some time […], with a 71% increase amongst 16-25 year olds since 2009",* and pointing out that *"likelihood to attend the theatre was highest amongst 16-19 year olds"[101]*. Reflecting this, members of the London Theatre Consortium reported seeing an overall reduction of their audience's age profile, while at the same time pointing to the danger of an upward pressure on prices potentially damaging this gain.

However, the comprehensive demographic data provided by Purple Seven[102] of theatre bookers (see Technical Annex 4) confirms that:

— the largest group of bookers – among commercial and subsidised theatre; both in and outside London – continues to be middle-aged and older patrons (aged 45-74)

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[98] ONS, Ethnicity and National Identity in England and Wales, 2011 (www.ons.gov.uk)

[99] This is based on an average of ethnicity defined within the Audience Agency's audience segments. The segmentation of each booker is assigned at household level; information on ethnicity is then extrapolated from the attributed Audience Agency segment.

[100] This was also reflected in Brownlee's recent 'Hopes & Fears' sector survey, in which 70% of respondents were more negative than positive about the prospects for Diversity in the theatre audience over the next ten years, with an average optimism/pessimism score of only 2.85. Asian or Asian British and Black or Black British respondents had an even lower average score (Brownlee, 2016).

[101] LiveAnalytics, 2013, p.4

[102] Data courtesy of Purple Seven; used under licence; data based on a survey of 430,622 customers during the 18 months up to 1st May 2016 (made up of: London/Commercial theatre: 36,685 customers surveyed; England Other/ Commercial theatre: 201,437 customers surveyed; London/Subsidised theatre: 38,437 customers surveyed; England Other/ Subsidised theatre: 154,063 customers surveyed)

— for commercial theatre, the largest number of bookers were aged 65-74 both in London (26% of 36,685 customers surveyed) and outside London (29% of 201,437 customers surveyed)

— for subsidised theatre the largest number of bookers were within the 55-64 age bracket.

In contrast, bookers in commercial London-based theatres aged 16 to 27 made up only up to 3% of the audience; and those aged 25-44 made up 21%[103]. This picture is further confirmed by the analysis of the Audience Agency's booking data between 2011/12 and 14/15. This shows that (among the predominantly publicly-funded organisations that provide data returns to the Audience Agency), the largest group of bookers consistently remain those aged between 41 and 60 (see Figure 46 in Technical Annex 4)[104].

The data does, however, also show a slight 'catching-up' of younger age groups. Between 2011/12 and 2014/15, the age groups that witnessed the largest growth rate in bookings were the three youngest age groups:

— those aged 18-25 grew by 16%

— 26-30 year olds grew by 19%.

— 31-40 year olds increased by 17%.

As with ethnicity, this data however only covers three years, and the overall picture indicates that much work still needs to be done to reach younger audiences.

5.1.3 Theatres also struggle to reach audiences with disabilities

Very little information was found in the recent literature about audience members with disabilities; and reaching out to disabled audiences was not generally highlighted within the sector consultation. In both cases, ensuring representation of people with disabilities within the workforce was more frequently mentioned. As already seen in Section 4.3.3, the Arts Council between 2012/13 and 2014/15 registered an increase in 'accessible performances' and 'accessible screenings' by NPOs, as well as an increase in successful GFTA applications targeting disabled audiences.[105] The same study also reviewed DCMS Taking Part data over the period 2005/06 to 2013/14, finding an increase in levels of arts engagement and participation by adults with a disability and adults aged 65 or over in the same period[106].

Audience analysis by Purple Seven allows for a more detailed understanding of the sector's reach to audiences with disabilities[107]. Based on demographic data referenced above, it was found that within the commercial and subsidised theatre sector in London, only 6% of customers identified as having a disability. The proportion was virtually the same outside London (with 7% in the subsidised and 8% in the commercial sector) (see Figure 50 to Figure 53 in Technical Annex 4). General population data for 2014 shows that 16% of working age adults and 45% of adults over State Pension age are disabled – a strong discrepancy with the proportions indicated by the Purple Seven data. Taken together, these data sources suggest that the factor of whether audience members' had a disability or not influences attendance more than geography or the type of theatre attended.

This confirms the government's conclusion that *"disabled people remain significantly less likely to participate in cultural, leisure and sporting activities*

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[103] It is worth reflecting here upon the fact that across all four categories, 83%-85% of bookers do not have children living at home, indicating that one reason the age groups of 25-44 may attend theatre more rarely is due to issues of child care, which older age groups would no longer have (data courtesy of Purple Seven; used under licence)

[104] As with the Audience Agency's data on ethnicity, age-related information is based on an average of age defined within the Audience Agency's audience segments. The segmentation of each booker is assigned at household level; information on the age of bookers is then extrapolated from the attributed Audience Agency segment.

[105] See also Arts Council England, 2015, p.19.

[106] Arts Council England, 2015, p.19

[107] Data courtesy of Purple Seven; used under licence; based on a survey of 430,622 customers during the 18 months up to 1st May 2016 (made up of: London/Commercial theatre: 36,685 customers surveyed; England Other/ Commercial theatre: 201,437 customers surveyed; London/Subsidised theatre: 38,437 customers surveyed; England Other/ Subsidised theatre: 154,063 customers surveyed)

than non-disabled people"[108]. Consultees reported that, in addressing these challenges, community links are necessary if theatres are to build disabled audiences, and that existing mechanisms such as synopses, transcripts and use of new technology – are still not frequently used.

5.1.4   Ongoing concern about reaching out to audiences from different socio-economic backgrounds

Recent literature stresses audiences' education and socio-economic background as key to attendance

Recent literature particularly highlights the ongoing importance of education and socio-economic background as key to attendance patterns. Grisolia *et.al.*in 2010 cited several recent studies which found that "*education, social status and, less importantly, ethnic group were the most important determinants of participation in the arts"*[109]. The authors themselves concluded that:

> "*Education is crucial to theatre attendance; but […] it is not education alone that is crucial […]: occupational background, and/or socio-economic positionality, also play a part. […]"*[110].

A 2014 literature review and report on the subject across the wider cultural sector similarly referred to the *"dominant influence of socio-economic factors on the scale, diversity and nature of engagement with the arts and wider cultural sector",* which *"permeates through much of the evidence base"*[111]. In 2015, the Warwick Commission concluded that *"publicly funded arts… [are] predominantly accessed by an unnecessarily narrow social, economic, ethnic and educated demographic not fully representative of UK's population"*[112].

The sector consultation, too, revealed that the notion of theatre as something made by and for 'posh people' remains a perceived barrier to attendance. One touring company for example observed that:

> "*What is engaging us is social engagement and participation; work with marginalised people […]. A problem at the moment is that we are not focusing on socio-economic problems. […] We need more support for socio-economic groups."*

Evidence demonstrates a link between audience attendance and affluence

Such concerns are reflected in recent data analysis looking at the link between arts/theatre attendance and socio-economic situation.

In 2013, LiveAnalytics reported a correlation between attendance and household income, whereby likelihood to attend the theatre among the UK population steadily increases with household income[113]. The 2014 London Theatre Report referenced data which revealed that among surveyed West End audiences in 2008, average income was £31,500, considerably higher than the average salary at that time[114]. A longitudinal study of the Taking Part data between 2011/12 and 2013/14 also found that respondents who reported more frequent engagement with arts were still more likely to be in the upper socio-economic group. People in the most deprived areas tended to engage less with the arts, and increasingly less so: 14% of 'former engagers' were drawn from areas in the lowest decile of the Index of Multiple Deprivation, compared to only 8% of 'new engagers'[115]. More positively however, the Arts Council's recent study on Equality & Diversity reviewed DCMS Taking Part data over the period 2005/06 to 2013/14 and found an increase in levels of arts engagement and participation by adults from lower socio-economic groups over that period[116].

These findings are further reflected in the recent analysis in 2014/15 by the Audience Agency of ticket sales by bookers' social grades among all Arts

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[108] Disability Facts and Figures, 2014 (www.gov.uk)

[109] Interestingly, the author also remarked upon the relatively high level of correlation between theatre attendance and those identifying as having 'no religion' (p.235)

[110] Grisolia et.al, 2010, p. 230; 241

[111] Consilium Research & Consultancy, 2014, p.8

[112] Warwick Commission, 2015, p.32

[113] LiveAnalytics, 2013, p.10

[114] Smith, 2014, p.42

[115] Prior *et.al*, 2015, p.10

[116] Arts Council England, 2015, p.19

Council NPOs. Across all English regions, among the population classed as social grades A and B, the percentage of bookers is higher than the representation of these groups within the population as a whole. In contrast, looking at the population classed as social grades D and E, the percentage of bookers is lower than their representation in the population across all regions (see Figure 18).

Figure 18 NPO ticket sales by social grade (2014)

		Social Grade A		Social Grade B		Social Grade D		Social Grade E	
		% National	% bookers	% National	% bookers	% National	% bookers	% National	% bookers
1.	North East	4%	7%	15%	24%	15%	11%	22%	12%
2.	Yorkshire & Humber	4%	8%	17%	25%	15%	10%	20%	12%
3.	North West	4%	7%	17%	24%	15%	11%	20%	12%
4.	East Midlands	4%	7%	18%	24%	14%	11%	18%	11%
5.	West Midlands	5%	7%	17%	24%	14%	11%	19%	12%
6.	East of England	5%	8%	19%	25%	13%	10%	17%	11%
7.	South East	7%	10%	23%	29%	11%	8%	15%	10%
8.	South West	6%	8%	20%	26%	12%	9%	16%	11%
11.	Greater London	7%	11%	20%	25%	11%	9%	18%	13%

Source: Audience Agency for Arts Council England

More specific analysis focused on the theatre sector can be achieved by considering the proportion of all theatre bookings made by each of the Audience Agency's audience segments (see Figure 49 in Technical Annex 4). This shows that both in 2011/12 and 2014/15, the three segments undertaking the largest number of bookings (the 'Commuterland Culture buffs', 'Dormitory Dependables' and 'Metroculturals') are all defined as affluent, prosperous or well-off, and each shows a higher representation among all theatre bookers than within the overall population. In contrast, the lowest number of bookings in both years were made segments all defined as including less affluent groups of society ('Heydays', 'Facebook Families' and 'Kaleidoscope Creativity') – all of which show a lower representation among theatre bookers than within the overall population.

These Audience Agency segmentation findings corroborate the results of the Taking Part longitudinal study, the booking figures among all NPOs, and the Live Analytics findings.

5.2   Audience development

The following section presents a summary of a more detailed chapter on theatres' audience development activities, which can be found in Appendix 8.

Despite persistent challenges, there is an ongoing commitment to continuing and improving audience development within the sector
In the context of the persistent attendance patterns identified above, the literature review and consultation suggest that the theatre sector is increasingly invested in its audience development role. Consultees recognise the importance and opportunities lying within this work. Nevertheless, challenges and ongoing debates about the effectiveness of different audience development approaches were identified, including:

— An ongoing debate about the effectiveness and sustainability of subsidised ticket schemes to draw in more diverse audiences; with scepticism about whether they reach their target audiences or the 'usual suspects'.

— The reducing profile of theatre in education (e.g. reduced provision and take up of relevant subjects) and less interaction between schools and theatres (among NPOs, the number of school performances grew in only two regions between 2011/12 and 2013/14, while it decreased in all others).

— The 'chicken-and-egg' situation of a homogenous workforce producing a homogenous product, which tends to deliver a homogenous audience. As mentioned above, one suggested solution is to acknowledge the changing role of the Artistic Director from delivering a 'personal' artistic vision to acting more as a 'curator' of a diverse body of work.

— A lack of control in certain issues that affect audience diversity; as well as the costs of reaching out to diverse audience groups.

Despite such challenges, there is ongoing commitment to continuing and improving audience development, and the sector consultation highlighted the importance of long-term engagement over more short-term activities. To achieve this, some theatres are:

— developing more collaborative relationships with their communities (e.g. involving them in programming or production)

— finding new ways to connect with 'communities', that are not necessarily related to the art form, but which may help to develop a recognition of the importance of the venue to the town/city

— increasingly communicating more directly with audiences through digital technology and social media.

To further encourage organisations to reach out to wider audiences, the Arts Council will increasingly take into account organisations' contributions to the Creative Case for Diversity (with its aim to drive change through an emphasis on diversifying artistic activity and better opportunities for diverse artists), when making funding decisions. It will also require organisations to sign up to the Audience Finder in order to better understand their audience.

5.3   Theatres' awareness of their civic and social roles

The following section presents a summary of a more detailed chapter on theatres' civic roles, which can be found in Appendix 9.

Both the literature and sector consultation referenced a broad awareness of theatres' community/ social functions, and of achieving a cultural purpose within a broader set of civic roles. Several consultees suggested that this should involve connecting with the general (i.e. not just the theatre-going) public,

— by providing a welcoming space that invites the whole community, not just audiences; and

— through collaborative relationships that are not necessarily related to the art form but could help foster an understanding of theatre's importance to a town or city and its civic role as an agent of cohesion and sometimes change.

This involves developing a more community-based understanding of their function, based on theatres gaining a more thorough awareness of what is needed by local communities.

Reflecting this, a number of theatres reported that they are working in partnership with local authorities or other organisations on a range of activities to provide community services. By doing so, they are achieving a closer relationship with their local communities, and supporting local communities' needs (e.g. public realm, education, library services). Other organisations are working to make a difference by targeting specific community groups (e.g. refugees) or causes (e.g. awareness of health-related issues).

Some sector representatives also highlighted the reciprocal link between an opening-up of theatres to their communities, and communities actively engaging in and supporting their local theatres.

Several consultees noted that this civic role can contribute to some organisations' delivery of Great Art and Culture for Everyone objectives, and that it would be helpful if the way in which theatres report to the Arts Council could enable this to be expressed more explicitly.

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Appendices

Appendix 1: Marketisation & Polarisation

Key messages

Finances

— It is not possible to assess the finances of the whole sector, due to detailed data on the breakdown of income sources not being readily available across the whole sector for this study. However, one recent report highlighted the importance of private funding across the theatre sector, suggesting that 86% of finance *"at work in the theatre industry"* stems from the private sector.

— Notwithstanding this, the following points focus on the finances of the longitudinal sample of theatre NPOs analysed for this report.

— Reductions in public funding post-2004 have accelerated since the turn of the decade, driven in particular by cuts to local authority budgets: existing research suggests that money to NPOs from local authorities has fallen by more 27% (in cash terms) between 2010 and 2015.

— Arts Council England investment in the longitudinal theatre NPO sample analysed for this report has fallen far less steeply, having dropped by only 4% over the four years to 2013/14.

— A new stream of Treasury income, the Theatre Tax Relief (TTR) introduced in September 2014, appears to be positively affecting the P&L accounts of many theatres. Revenues from TTR are expected to grow, and this income stream is anticipated to increase over time.

— Existing literature and the consultation suggests that reductions in public funding has pushed funders and organisations to try out new approaches to partnership and revenue generation.

— The combination of reducing public funding and a more entrepreneurial approach on the part of organisations has resulted in an NPO portfolio in which private sources of income are the most prominent:

  - Corroborating existing literature, the NPO analysis shows that private sources of income (Earned and Contributed, i.e. philanthropy) account for by far the largest amount (73%) of Total income

- In terms of growth, Contributed income and Earned income also saw the largest growth over the four years to 2013/14, of 74% and 44% respectively

— However, the ability to generate private revenues is very unevenly spread across the portfolio; a handful of the largest organisations (e.g. RSC and the NT with hit productions like *Warhorse*) generate a disproportionate amount of Earned income.

— In 2013/14, Arts Council England income still accounted for 24% of the income of the longitudinal theatre NPO sample, compared with 'Other public funding' (principally Local Authority funding) at 4%. This overall figure, however, includes significant regional variations – from 2% in London to 12% in the East of England.

— This analysis might suggest that theatres' success in generating other income leaves the sector less exposed to changes in local authority streams than some other cultural domains, such as museums and heritage. However, this general conclusion is not reflected consistently across the country or across different scales and types of theatre.

Polarisation into 'winners and losers'?

— There is a view, in both existing literature and throughout our consultation, that a more marketised sector suits some theatre organisations much better than others.

— In particular, the literature points to those that are able to mitigate the funding cuts through increased earning power as being overwhelmingly drawn from urban, large-scale, and well-funded organisations.

— The types of income that theatre NPOs generate when analysed regionally and by size confirms much of this view, but also provides a few unexpected results with regard to geography:

- London NPOs dominate the data set: they are more numerous, accounting for 43% of NPOs, with Yorkshire and the North West accounting for the next largest shares, 14% and 13% respectively

- However in relative terms, London comes third to last in terms of the share of Total income accounted for by Earned income

— The regional picture conforms much more closely to the literature in terms of Contributed income:

- London organisations raised by far the largest proportion of their Total income from Contributed income (19%), with organisations in all other regions not managing to raise even half this proportion

— Nationally, Contributed income was driven by individual giving (51%) and trusts and foundations (38%); sponsorship was small in absolute terms and fell slightly by 1% over the four-year period compared to the strong growth in other philanthropy revenues over the same period.

— There is more consistent evidence for the theatre sector being polarised according to size of organisations than by geography:

- Large organisations (over 50 permanent staff, as measured in this analysis) generated 78% of all the Earned income, compared with 21% by medium-sized organisations (10-50 staff) and 1% by small organisations (under 10 staff), despite them accounting for 25% of the NPO theatre sample

- Earned income also grew by the greatest amount across the large NPOs, at twice the rate of medium-sized organisations and about five times the growth rate of small NPOs; a similar pattern exists for Contributed income

- The only income stream in which the trend favours small organisations is Arts Council income: the share of Arts Council England funding that has gone to small organisations has increased by 22% over the four-year period, in contrast to 4% reductions to both large and medium-sized organisations

— Concluding the NPO analysis, regression analysis shows that there are highly statistically significant correlations:

- between size of organisations and all forms of income; and

- between a London location and Contributed income and Arts Council England income; but *not* between a London location and

Earned income.

— The current debate about the national distribution of public funding was unsurprisingly reflected equally in interviews, round-table discussions and the online consultation.

Output and market share

— The same issue of whether the sector is more polarised can also be examined by looking at output and market share, in which it is possible to draw on a dataset that also covers the commercial sector.

— The UK Theatre/SOLT data on output and market share highlights the advantages of large-scale, central-London based companies even more strongly than the NPO data (see section 3.1.1 above).

— Trends for output and market share by size and type of organisation also show a predictable concentration in terms of the share of box office accounted for by large venues, although the number of productions is more evenly spread.

Finances

A medium term trend of declining public funding in theatre has accelerated more recently

In the early 2000s, a number of reports were highlighting the challenging financial circumstances of the wider theatre sector. Boyden in his comprehensive report on English Regional Producing Theatres (ERPTs) from 2000 spoke of a £6.15 million deficit across the sector, following a *"steady decline in financial fortunes since the early 1980s"*. He pointed to the damaging artistic impact of ERPT's being, by *"commercial standards, […] under-capitalised for their task"*, highlighting the importance of lottery investment in keeping them solvent[117]. Further sources around this time pointed to financial difficulties particularly among producing/presenting venues and producing

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[117] Boyden, 2000, p.31, 32

venues, with both more likely to report a deficit (in 2001/02) than across the industry as a whole. Presenting venues, promoters and festivals in contrast reported the highest financial reserves[118].

Arts Council England responded to the publication of the Boyden research with a major investment in English regional theatre. This led to what a report produced by Equity in 2007 described as a period of *"unprecedented improvements in UK theatre funding"* between 2000 and 2004. However, Equity also noted that reductions in funding post-2004 had led to a noticeable slowdown in activity. The authors argued that this highlighted the fragility and sensitivity of the sector to *"fluctuations in the level of financial support"*, and warned that *"if UK theatre is to maintain its recovery, this slowdown must not continue"*[119]. The report went on to suggest that the relatively small amount of public subsidy in theatre has a major return, arguing that:

> *Subsidised theatre nurtures the award-winning actors, writers, directors and technicians who contribute so much to our international standing in commercial theatre, television and film. Yet the public subsidy that supports theatre is only around £120m, or about 0.02% of Government spending"* (p.4).

The authors of the Equity report argued that further funding reductions would thus lead to fewer and smaller productions in local, regional and national theatres; less rehearsal time; raised ticket prices and reductions in diverse productions and outreach work (p.6).

The dangers to the theatre sector of decreasing public sector funding were re-iterated by Hetherington in 2016, who pointed to the importance of public funding for regional venues' finances, suggesting that *"very few regional venues could justify a claim to be profitable, were all central and local government subsidies removed"*[120].

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[118] Martin & Bartlett, 2003, p. 5
[119] Equity, 2007, p.5
[120] Hetherington, 2016, p.55

Despite widespread concern about the effect of reductions, public funding to the theatre sector has continued to fall over the recent past. The perception is that this has been driven in particular by cuts to Local Authority budgets. As Adrian Harvey recounts in his recently published report *Funding Arts and Culture in Times of Austerity*, total spending by Councils on arts and culture in England declined by 16.6% (in cash terms) from £1.42bn to £1.2bn between 2010 and 2015[121] – a difference of £236m. Culture budgets have been particularly vulnerable to the cuts as they are not statutory services within Local government.

Looking at Arts Council-supported organisations in particular, NPO's income from local authorities dropped by 27% (in cash terms) between 2010 and 2015. Despite this decline, Harvey found that the rate of local authority funding reductions to arts and culture funding has actually so far been lower than that for overall spending (although there are major differences at the individual authority level). Harvey argued that the below overall level of reductions signalled that this, *"suggests that councils have tried to protect these services where they can"*[122]. In the wake of Harvey's report and the recently launched White Paper for culture, which *"reaffirmed the importance of local authority funding in the national arts ecology"*, Arts Council England chair Sir Peter Bazalgette therefore argued that the *"single biggest challenge currently facing our sector [is] the pressure on Local Authority funding for arts and culture"*[123].

Funders and organisations are adapting to 'the new normal'

Despite this generally challenging picture, the arts have not suffered as much from direct central government cuts as most in the public or third sectors. Our consultation found that this has surprised many in the sector. Nevertheless, further cuts to local authority culture budgets are inevitable and these will be unequal across the country. In addition, it is likely that such cuts will have a varying impact on different parts of the sector – Local Authorities have had an important role in supporting presenting houses for example (often in conjunction with independent trusts or commercial operators), of which the Arts Council only covers a small number on a revenue basis. The consultation found that Local Authorities are responding according to the value they place on culture within their wider policy agendas on regeneration, learning, the economy and wellbeing. The experience varies greatly from place to place.

This adaptation in public funding strategies was also highlighted by Peter Bazalgette: *"local councils are coming up with a range of ideas to try to continue the vital support for arts and culture"*[124]. He went on to list innovative examples (across the wider cultural sector), including the development of new partnerships and the identification of new sources of local revenue (see section above on 'New business models'). While he argued that the funding lost from Local Authorities cannot be replaced by the Arts Council alone, he pointed to new approaches the Arts Council is taking to support this new ecology, focused on networking, sharing of best practice and deploying Arts Council funds in targeted *"dynamic and imaginative ways"* (p.7). Nevertheless, Bazalgette warned that with anticipated ongoing cuts, *"the real concern is the next four years"* (p.4). This was echoed by Harvey, who concluded that:

> *"New ways of working will become ever more important over the coming years, as the funding environment becomes increasingly difficult. The cuts are far from over. This is challenging terrain and ever shrinking resources will make it harder to navigate. But there are already signs that councils and the cultural sector are beginning to feel out a way forward".*[125]

Alongside this picture of decline in the two most important sources of public funding for theatre, a relatively new development in central government's approach to the arts has been the extension of the film, high end TV, games, animation and VFX tax relief (for the Digital Visual Effects industry) to theatre. The impact of the Theatre Tax Relief (TTR) has the potential to offset some of

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[121] Harvey, 2016, p.10; p.12

[122] Harvey, 2016, p.9

[123] Bazalgette, 2016, p.2; p.1

[124] Bazalgette, 2016, p.5.

[125] Harvey, 2016, p.18

the significant declines in public support seen in other areas. In its first year it is estimated that the sector benefited from an additional £15m from TTR and it is expected that this will increase rapidly as more companies apply. While many participants in the consultation see the direct and explicit involvement of the Treasury in TTR as bypassing the arm's length principle, the Tax Relief has broadly been welcomed.

The result is a mixed economic sector in which private sources of income come to the fore

Hetherington in his recent report on finance in British theatre more widely highlighted the importance of private funding across the whole theatre sector, suggesting that 86% of finance *"at work in the theatre industry"* stems from the private sector[126].

Detailed data on the breakdown of income sources is unfortunately not readily available across the whole theatre sector (e.g. publicly funded, private and charity) for this study. This provides an obstacle to gaining a full understanding of the economics of the sector. However, it is available for all of the Arts Council England National Portfolio (NPO) theatre organisations. The following section therefore focuses on the finances of the longitudinal sample of theatre NPOs analysed for this report. For this, data for the most recent four financial years was analysed (2010-2011, 2011-2012, 2012-2013, and 2013-2014)[127]. Moreover, in order to get an accurate and consistent time series, only NPOs that appear in each year of the datasets were included. As there is a fair degree of 'churn' in the portfolio – with some organisations exiting and some entering anew – this meant excluding approximately 50 organisations in 2011-2012, and around 30 organisations in years 2012-2013 and 2013-2014. This still

means that the large majority of all theatre NPOs (152 organisations) are included within the analysis.

The analysis shows that even theatre NPOs – the organisations in receipt of the largest sums of public funding in the sector – are often strongly reliant on private income sources. Across the 152 NPOs in our time series analysis, in 2013/14 'Earned income' accounted for 61% of Total income and 'Contributed income' (i.e. all kinds of philanthropy) accounted for a further 12%, so private sources of income combined added up to 73% of total income (see Figure 19).

Figure 19 Arts Council England Theatre NPOs longitudinal sample: Income, by type (£), 2013/14
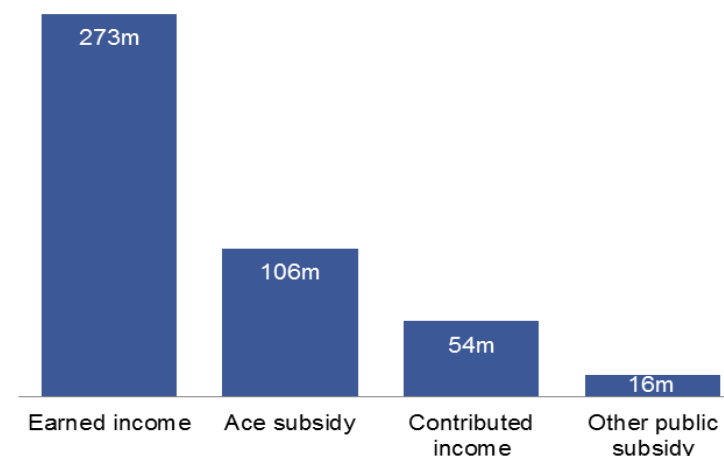
Source: Arts Council England/BOP Consulting (2016)

However, the ability to generate earned income is very unevenly spread across the theatre NPO portfolio. As Figure 20 below shows, there are three 'outliers' across the portfolio in terms of their size (in particular, the National Theatre and the RSC), as measured by permanent employees. These organisations are also outliers in terms of the amount of Earned income they generate.

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[126] Hetherington, 2015, p.35. Hetherington defines private funds as *"those derived from individuals or private companies entirely for their own reasons (noting that, in legal terms, companies and charitable trusts are private bodies). By this definition, income from trading in the marketplace, business investments, gifts, donations, and sponsorship are all private funding, as is most patronage",* as opposed to public funds which *"emanate from government"* (Hetherington, 2015, p.15)

[127] These four years are contained in three datasets released by the Arts Council: 2011-2012, 2012-2013, 2013-2014. Each dataset contains financial information on two financial years, the previous and the current one. In other words, one is a 'retrospective' budget adjusted for actual expenditure and income, while the other is a prediction of the current year

Figure 20 Arts Council England all theatre NPOs, scatter plot of Earned income and Size (total permanent staff), 2013/14
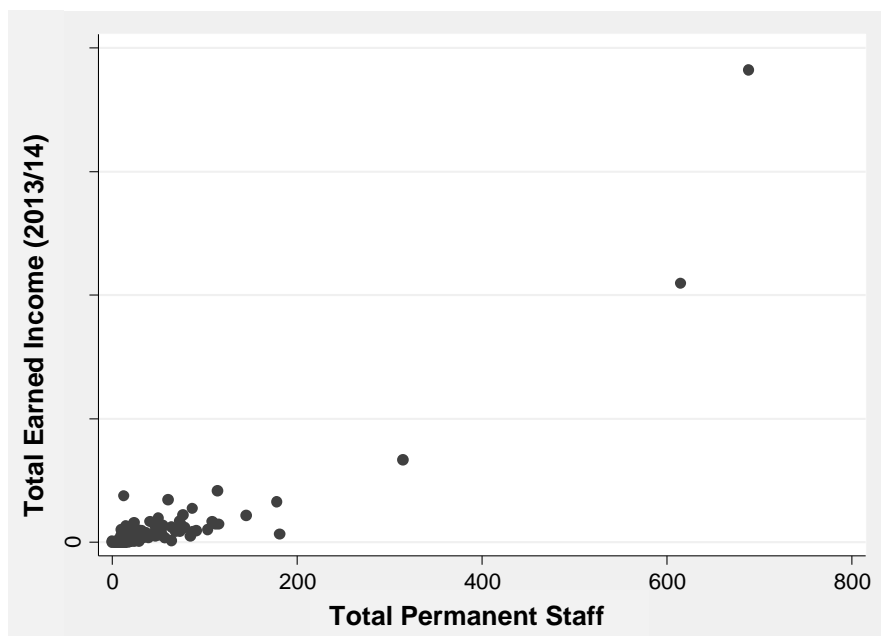
Source: Arts Council England/BOP Consulting (2016)

Arts Council England income still accounted for a not inconsiderable 24% of all income, but 'Other public funding' (principally Local Authority funding) was relatively negligible, at just 4% (see Figure 19). But the national figure hides considerable variation by region, going from a low of 2% in London to a high of 12% in the East of England (see 'Geographic trends' below).

Looking over time, while Arts Council England funding fell across the sample of NPOs between 2010-11 and 2013/14 by 4%, both Contributed income and Earned income grew rapidly over the same period (by 74% and 44% respectively).

In considering this analysis, it must be remembered that by far the largest proportion of Arts Council England's core investment in theatre resides in its

investment in NPOs. By contrast, local authorities have historically supported a wider range of theatre organisations on a revenue basis, including – in addition to NPOs (e.g. West Yorkshire Playhouse, Royal Exchange, Home) – more presenting theatres and many very small organisations (who may, of course, also access Arts Council Grants for the Arts funding). With this qualification in mind, it still seems reasonable to conclude on the basis of the NPO data that the ability of theatres to generate other income streams means that the kinds of challenges posed by the ongoing local authority cuts would seem to be less severe for NPO theatre companies than in other cultural domains, such as museums and heritage.

Further, if we were able to look across the finances of the sector as a whole, as opposed to just the most subsidised organisations in the sector, public investment (as a proportion of Total income) would diminish significantly from these figures, given the numbers of both large commercial organisations and the many small, unsubsidised charities that receive either no or very little support from either local government or the Arts Council. However, this synopsis ignores some of the complexities of the mixed economy of theatre in England. For instance, although lower in absolute terms, Local Authority funding has often played an important role in supporting small companies to develop and increase their capacity such that they can then secure Arts Council funding. Further, and as noted above, Local Authorities (often in conjunction with private sector partners) have supported many of the presenting houses around the country that have not received Arts Council funding.

The consultation uncovered many stories of how theatres have adapted and become more adept at raising both earned and contributed income. Some have responded by developing new business models, creating new business strands and new stakeholders to sustain their activities, others by driving more traditional ancillary revenues harder (see Section 4.4 for more details, as well as in the case studies in Appendix 10).

Summing up the result of recent changes to funding models, one funder attending one of the industry roundtables observed that *"theatres have become more resilient in recent years than I expected: I thought far more organisations would be struggling by now. You've gone through hard times and you're still*

there – you've become very entrepreneurial I think. Young artists don't think so much of grants, they are thinking of other ways to get things off the ground". This latter point was echoed elsewhere in the consultation by the example of many younger artists, who, for a number of reasons, do not see regular Arts Council England funding as either feasible or necessarily desirable.

Despite the resilience and adaptability demonstrated by the sector, the consultation found that many note that it has been won at a price. A senior theatre director pointed to the increased overhead for organisations in driving private income: *"the shift in the proportion of those involved in arts from creative practitioners to administrators is undeniable, largely driven by the sort of things art organisations are required to do such as fundraising".* Similarly, another contributor stated: *"we're all spending a vast proportion of our time on fundraising and stakeholder management and far less on directly engaging in making work".*

Polarisation into 'winners and losers'?

Within a context in which public funding is being cut and organisations are more responsible for generating their own income, there is a thesis – in both the literature and throughout our consultation – that the new circumstances suit some organisations better than others. In particular, the *Rebalancing Our Cultural Capital* report in 2013 identified the disproportionate share of Arts Council England funds in general that was being allocated to London's arts and cultural organisations.[128] With regard to theatre in particular, it is often advanced that the sector is polarising between larger organisations versus smaller ones, and those based in large metropolitan centres (and London in particular) versus those based elsewhere.

Finances
The literature suggests that while funding cuts *are* being mitigated by increased earning power in the theatre sector, this is particularly the case among urban, larger-scale and well-funded organisations. In 2015, Hetherington argued that

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[128] Stark *et. al*, 2013.

those companies with scale and commercial know-how were able to generate higher income from the private sector, pointing out that *"companies that produce work more easily exploited or particularly attractive to sponsors/donors show a much higher proportion of income from private sources".* In particular, this applied to drama/musical productions and to *"prestigious London-based national companies".*[129]

BBC research in 2014 found that the number of plays staged by the UK's most-subsidised theatres had increased in the past five years. In contrast, production levels at a further 42 theatres receiving smaller grants had remained *"roughly level".*[130] While this points to some success stories amid funding cuts, here too, Youngs highlighted that many of these successes were to be found among some of the *"best-funded theatre companies"*, through fundraising and producing more hit shows via lucrative runs in the West End or Broadway. The author also noted that such measures to generate earned income are more difficult to achieve *by "smaller operations and those outside London".* He pointed out, for example, that "*the National Theatre, which gets the biggest subsidy of any theatre in the UK, has also been the most successful when it comes to boosting income from its hit shows".*[131] In contrast, research by the London Assembly in 2012 found that "*beyond the bright lights of Theatreland, half the capital's small venues fear financial pressures could force them out of business".* Of 105 surveyed small theatres in London, 50% felt 'insecure' about the future and a further 20% 'very insecure'. The research suggested that these theatres were particularly worried about rising rents, maintenance costs, a fall in consumer spending and arts funding cuts.[132]

Income by geography
Looking at the issue of polarisation across the NPO sample helps to shed light on this ongoing subject of debate. The types of income that theatre NPOs

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[129] Hetherington, 2015, p.35.
[130] Youngs, 2015.
[131] *Ibid.*
[132] Clark, 2013.

generate when analysed regionally confirms established wisdom in many cases, but also provides a few perhaps unexpected results.

In absolute terms, London NPOs dominate the data set. In large part this is because they are more numerous: London accounts for 43% of NPOs in the longitudinal sample, with Yorkshire and the North West accounting for the next largest shares, 14% and 13% respectively. This means that the Total income of London-based theatre NPOs is close to three times the size of the next largest region as measured by income (the North West).

But when considered in relative terms, a more nuanced picture emerges. For instance, London is not the region in which **Earned income** accounts for the largest share of Total income across the NPOs based in the capital. In fact, in 2013/14 only the East of England (52%) and the North East (36%) had lower proportions than London's (57%). However, London's NPOs did experience the third highest growth rate in earned income (46%) over 2010-2014, after the West Midlands huge 188% increase and the North East's 50% (see Figure 21). When looking in more detail at the West Midlands' substantial increase, this is driven primarily by a couple of companies – in particular the RSC, where Earned income grew both in terms of absolute amounts and the growth rate, by 30.5m (268%). This may be down to a combination of the RSC's refurbishment coming to an end in late 2010, and the hit show *Matilda* coming on stream at Christmas that year. Elsewhere, Talking Birds' Earned Income grew by 187%, albeit but from a very low base, and the Birmingham Rep also did well in absolute terms, growing by 2.2m over the period (a 96% growth).

Figure 21 Arts Council England Theatre NPOs longitudinal sample: Breakdown of Total income at regional level 2013/14, and % growth rate 2010/11-2013/14

	Main Income Source	2013-2014 Total Income	%	Growth rate (2010-2014)
East Midlands	**Total income**	**23,759,585**	**100%**	**12%**
	Earned Income	16,960,047	71%	38%
	ACE Subsidy	4,652,043	20%	-26%
	Contributed Income	470,517	2%	0%
	Other Public Subsidy	1,676,978	7%	-24%
East of England	**Total income**	**12,084,274**	**100%**	**13%**
	Earned Income	6,224,796	52%	15%
	ACE Subsidy	3,882,997	32%	8%
	Contributed Income	541,595	4%	43%
	Other Public Subsidy	1,434,886	12%	8%
London	**Total income**	**218,972,834**	**100%**	**33%**
	Earned Income	125,080,383	57%	46%
	ACE Subsidy	48,575,972	22%	0%
	Contributed Income	42,009,871	19%	84%
	Other Public Subsidy	3,306,608	2%	-55%
North East	Total income	5,518,320		-3%
	Earned Income	1,998,183	36%	50%
	ACE Subsidy	2,817,606	51%	-21%
	Contributed Income	432,665	8%	-11%
	Other Public Subsidy	269,866	5%	-13%
North West	**Total income**	**28,570,744**	**100%**	**2%**
	Earned Income	14,995,005	52%	10%
	ACE Subsidy	9,165,375	32%	-6%
	Contributed Income	1,757,584	6%	49%
	Other Public Subsidy	2,652,780	9%	-22%
South East	Total income	16,683,322	**100%**	-4%
	Earned Income	11,641,869	70%	-7%
	ACE Subsidy	2,976,134	18%	3%
	Contributed Income	1,390,491	8%	6%
	Other Public Subsidy	674,828	4%	8%
South West	**Total income**	**31,299,068**	**100%**	**-1%**
	Earned Income	23,590,081	75%	7%
	ACE Subsidy	4,926,308	16%	-13%
	Contributed Income	1,893,113	6%	318%
	Other Public Subsidy	889,566	3%	-73%
West Midlands	**Total income**	**78,766,716**		**76%**
	Earned Income	51,716,306	66%	188%
	ACE Subsidy	20,484,484	26%	-3%
	Contributed Income	4,289,782	5%	40%
	Other Public Subsidy	2,276,144	3%	-19%
Yorkshire	**Total income**	**32,893,220**	**100%**	**7%**
	Earned Income	20,636,624	63%	12%
	ACE Subsidy	8,455,562	26%	8%
	Contributed Income	1,105,709	3%	38%
	Other Public Subsidy	2,695,325	8%	-25%

Source: Arts Council England/BOP Consulting (2016)

However, the regional picture conforms much more closely to the literature in terms of **Contributed income**. As Figure 21 shows, London organisations raise by far the largest proportion of their Total income from Contributed income (19%), with organisations in all other regions not managing to raise even half this proportion. London's Contributed income also grew by 84% over the period, the second highest after the South West, which saw a huge increase of 318% over the same period, but from a very small base (e.g. growing from just 1% of total income to 6%). Indeed, the overall experience across the regions over the four-year period was extremely polarised. In the North East, Contributed income actually fell slightly, and in the East Midlands and the South East, little or no progress was made whereas NPOs in other regions managed to double or treble this income over the same period.

Looking a little deeper into what is driving the patterns of Contributed income at the national level, individual giving (Donations) and income from Trusts and Foundations account for almost 90% of all Contributed income. As Figure 22 below shows, not only is sponsorship small in absolute terms, but it also fell slightly by 1% over the four-year period compared to the strong growth in both income from trusts and foundations and individual giving over the period.

Figure 22 Arts Council England Theatre NPOs longitudinal sample: Contributed income, by region, 2013/14, and growth 2010/11 to 2013/14

Contributed income sources	2013-2014 (£)	%	Growth (2010-2014)
Sponsorship	5,943,229	11%	-1%
Trusts & foundations	20,568,968	38%	73%
Donations	27,379,130	51%	109%
Total	53,891,327	100%	74%

Source: Arts Council England/BOP Consulting (2016)

Figure 21 above further shows that as a share of total income, the proportion accounted for by **Arts Council England funding** in London (22%) was the third lowest in 2013/14, after the East Midlands (20%) and the South East (18%). Of course, it should be remembered that this is a relative measure only and is in large part low for London because of the strengths of other income streams across the NPOs in the capital. Also, while Arts Council England investment remained constant with 0% growth over the period in London, several regions saw significant decreases, including the East Midlands (-26%), North East (-21%), and South West (-13%). But again, when Arts Council England funding is looked at in terms of what it contributes towards in terms of a rough measure of overall output (the annual number of performances), then London NPOs received on average £3,389 of Arts Council funding per performance compared with an average across the other regions of £4,119.

Analysis of **'Other public subsidy'** (which is overwhelmingly local authority funding), shows that London has the lowest share at 2%. Regions where local authority funding is most significant as a percentage of overall income are Yorkshire (8%) and the North West (9%), as well as the East of England (12%).

The picture of Arts Council England theatre NPOs by region does, then, broadly exemplify the polarisation described in the literature between London and the regions, but with a few complexities and nuances. The picture of polarisation in the theatre NPOs by size is less nuanced.

Income by size
In 2013/14, large organisations (as measured by those with over 50 permanent staff in the analysis) generated 78% of all the **Earned income**, with medium-sized organisations (10-50 staff) generating 21% and the small organisations (under 10 staff) contributing just 1% of all Earned income, despite accounting for 25% of the longitudinal sample. Earned income also grew by the greatest amount over the four-year period across the large NPOs, twice the rate of medium-sized organisations and about five times the increase managed by small NPOs (see Figure 23).

Figure 23 Arts Council England Theatre NPOs longitudinal sample: Earned income, by size, 2013/14, and growth 2010/11 to 2013/14

Size of organisations	2013-2014 (£)	%	Growth (2010-2014)
Large	212,591,928	78%	51%
Medium	57,035,125	21%	25%
Small	3,216,241	1%	10%
Total	272,843,294	100%	44%

Source: Arts Council England/BOP Consulting (2016)

The pattern is very similar for **Contributed income**. Large organisations generated 69% of all Contributed income in 2013/14, medium-sized NPOs proved relatively better at attracting Contributed income than Earned income as they accounted for 30% of the former compared to the latter, and small organisations accounted for the remaining 1.7% (Figure 24).

Figure 24 Arts Council England Theatre NPOs longitudinal sample: Contributed income, by size of organisation, 2010/11 to 2013/14
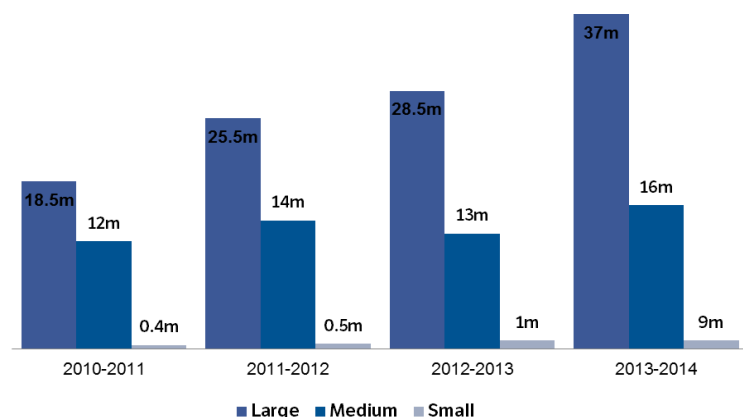
Source: Arts Council England/BOP Consulting (2016)

Large organisations also grew their Contributed income the most over the four-year period (by 100%), compared with 33% by medium-sized organisations. Although very slight in absolute terms, small theatre NPOs also grew their Contributed Income by 100% over the four years.

Finally, Figure 25 shows that looking across organisations' ability to secure **public funding**, the data also shows that large organisations account for the bulk of Arts Council England funding (as would be expected given their size). However, the share of public funding accounted for by large organisations (63%) is smaller than the share of Earned or Contributed income accounted for by large organisations (78% and 69% respectively).

Figure 25 Arts Council England Theatre NPOs longitudinal sample: Arts Council England funding, by size, 2013/14, and growth 2010/11 to 2013/14

Staff size	2013-2014 (£)	%	Growth (2010-2014)
Large	66,690,501	63%	-4%
Medium	33,385,120	32%	-4%
Small	5,860,860	6%	22%
Total	105,936,481	100%	-3%

Source: Arts Council England/BOP Consulting (2016)

The only income stream in which the trend favours small organisations is Arts Council income. The share of Arts Council England funding that has gone to organisations with less than 10 permanent staff has increased by 22% over the four-year period. In contrast, funding to both large and medium-sized organisations fell by 4% between 2010 and 2014.

Income: regression analysis[133]
The descriptive statistics appear to tell quite a strong story of polarisation across the theatre NPOs, particularly when viewed by size, but also by geography. However, in order to gain a deeper understanding of how size and geography

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[133] Regression analysis is a statistical analysis used to investigate the relationships between different variables (e.g. to investigate the causal effect of one variable upon another).

affect income generation, we undertook some regression analyses. Specifically, these were used to disentangle the effect of size from geography, and also to try to estimate exactly how strong the relationships between these factors and the different types of income generation might be. We then also explored whether there was any significant interaction between the different income streams. This produces an understanding, for instance, of how Arts Council England income influences a theatre organisation's ability to generate both Earned and Contributed Income.

For the purpose of the regression analysis, we opted to use the full 2013-2014 NPO dataset, containing 178 organisations, as this was not time series analysis and therefore the larger the sample, the more robust the regression analysis. Empirical models tested two hypotheses: namely that a causal relationship exists between the dependent variables (Earned income and Contributed income) and a set of independent variables identified for each model (Arts Council funding, Contributed income, Permanent staff and Geography for Earned income; and Arts Council funding, Other public subsidy, Permanent staff and Geography for Contributed Income).

The results prove that there are highly statistically significant correlations:

1. between size of organisations and all forms of income; and
2. between a London location and Contributed income and Arts Council England income; but *not* between a London location and Earned income.

What is more, the relationships between size and geography and the different types of income go a long way to explaining differentials in these income sources[134].

Looking more specifically, the **first model** demonstrates that Contributed income does not show a statistically significant relationship with the dependent variable Earned income, meaning that Contributed income does not reliably

predict Earned income. However, the model does prove a relationship between Arts Council England funding and Earned income, to the extent that an increase of 10% in Arts Council funding corresponds to a 2.5% increase in Earned income, keeping Contributed income and Total Permanent Staff constant. When reversing the causation model to test the effect on Earned income and Contributed income on Arts Council England funding, we can however conclude that neither Earned nor Contributed income have a significant effect on Arts Council England funding. Additionally, Earned income has no effect on Contributed income (keeping Arts Council funding and Total Permanent Staff constant), as the model is weak with adjusted R-squared at 44.45% (see Technical Annex 5 for details of the logarithms used).

The **second model** shows an even stronger relationship between Arts Council income and philanthropy: an increase of 10% in Arts Council funding corresponds to an increase of 6.2% in Contributed income, keeping constant the number of permanent staff and Other public subsidy. Further analysis to check if there was any reverse causation shows no effect on Contributed income of the combination of Arts Council England and Public Subsidy Income.

What this data shows is that there is clearly no evidence that public sector funding 'crowds out' other types of investment (as organisations do not bother to seek it out) – an argument that has sometimes been made against public subsidy. Rather, if anything, it provides strong evidence that, as some of the literature has also argued, public investment – specifically Arts Council England funding – 'crowds in' other types of income. The strength of the correlations compared with the weakness of the reverse causation models suggests that Arts Council funding positively affects the capacity of organisations to attract external resources such as Contributed income, and helps to drive commercial trade revenues, rather than the reverse. As with all regression models, there are still 'confounding factors' that cannot be incorporated within the model, and which could be influencing the relationships that have been identified. Nevertheless, the analysis remains a significant finding.

Similarly, larger organisations seem to be more able to generate all types of income sources and those in London have an advantage with regard to philanthropy (as has already been demonstrated with regard to Arts Council

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[134] This is demonstrated by the R-squared values, which are all over 50%. R-squared is *"the "percent of variance explained" by the model. That is, R-squared is the fraction by which the variance of the errors is less than the variance of the dependent variable"* (Nau, 2016). In other words, the closer the R-squared is to 100%, the stronger the capacity of the model to predict a dependent variable.

England's Catalyst programme[135]) and to securing Arts Council England funding.

The finding that a London location is not causally related with Earned income is perhaps at first surprising. But it should be remembered that the dataset contains only publicly-funded Arts Council NPOs and none of the very large concentration of commercial theatres in London's West End and beyond (whose potential to attract earned income is thus not reflected in the analysis). The West End has a very strong pull with international tourists, but these visitors are less likely to be swelling the ranks of many of the London theatre NPOs.

The findings from the above data analysis provide strong evidence that having a highly marketised theatre sector, even within the NPO portfolio, does mean that it is a very uneven portfolio. There are definite peaks and troughs in terms of funding, geographical coverage and the size and scale of organisations.

Output and market share

The above findings in relation to the polarisation of the sector by income are limited to Arts Council England's NPO organisations. But the same issue can also be examined by looking at output and market share, in which it is possible to draw on datasets that also cover the commercial sector. In particular, UK Theatre/ SOLT data published in the Repertoire reports for 2013 and 2014 cover approximately 150, mainly unsubsidised, venues (though there is an overlap with the Arts Council England portfolio organisations). Because of its wider coverage of the commercial sector, the UK Theatre/ SOLT data on output and market share highlights the advantages of large-scale, central-London based companies even more strongly than the NPO data (see section 3.2 above). Trends for output and market share by size and type of organisation also show a predictable concentration in terms of the share of box office accounted for by large venues, although the number of productions is more evenly spread (also see section 3.2 above).

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[135] See BOP Consulting (2015) Catalyst Year Two Evaluation, for Arts Council England. (http://www.artscouncil.org.uk/sites/default/files/download-file/Catalyst_report_year_2.pdf)

This polarisation in terms of geography and size is now arguably being exacerbated by the reduction of public funding, which might otherwise have been able to offset some of the competitive dynamics that favour larger, better-funded, metropolitan organisations. However, Harvey did find that London boroughs were the authorities that saw the largest average cuts to their arts and culture budgets between 2010 and 2015 (19%), compared to the Shire counties which made the smallest cuts at 15% (Harvey, 2016, p.10) – perhaps reflecting some recognition of the relative challenges faced by arts organisations in London versus those in non-metropolitan settings.

Consultees' views

The current debate about the national distribution of public funding was unsurprisingly reflected equally in interviews, round-table discussions and the online consultation. In terms of the latter, decreasing funding was one of the most regularly cited 'challenges to making and presenting' that was raised through the online consultation. This response accounted for 26% of all the challenges that were received, though the responses covered a wide range from local authority cuts to Arts Council England reductions to just 'lack of funding' in general.

From the in-person consultation, it was clear that questions of local identity, demographics and the strength (or otherwise) of regional economies were all major factors in determining how individuals viewed this issue. Contributors often articulated the needs of their particular place or region and linked these to various perceived 'anomalies' in how resources are deployed around the country. Responses ranged from one London-based producer whose view was that *"the critical mass in London needs to be supported: nowhere else in the country can approximate to it. You need hot spots to address market failure – ACE could target possible places in the regions in the long-term"*, to another contributor who felt that, *"the disparity between London and other regions is just shocking. London needs to move down the list to where protection isn't given over any other region [with] other areas struggling in order to keep London supported."*

Contributors from both the North East and the South West (the most distant regions from London) felt that 'the capital' is not fully aware of their

particular identities and the ways these are reflected in the work of artists and their audiences. The What Next? movement has, in some areas, supported regional and sub-regional relationships. One contributor proposed building on this to develop a regional structure, to be supported in a more holistic way that enables collective regional advocacy. The Newcastle Gateshead Cultural Venues consortium, We Are Ipswich, and LARC in Liverpool are models of several organisations working collectively and strategically around local agendas (more detail on collaborations and co-productions can be found in Section 4.2).

A number of consultees made suggestions about funding companies to stay – and develop – in their region and to actively encourage non-building-based companies to relocate out of London through the targeted application of Lottery funds. On a couple of occasions, the French example of the "implantation" scheme in the 1970s/80s was cited. This provided funds for leading and emerging choreographers to relocate to French regional cultural centres.

Allied to this, the industry consultation threw up that there is a need to re-appraise what "validates the regions". Up until recently, contributors suggested that many in the industry still focus on validation from London (e.g. "five star reviews"). But the media reviews and coverage of regional productions are patchy and intermittent and do not give an accurate picture of what is going on outside London. Consistent local coverage has been seen as good for attendances, but does not have the reach of national reviews – which have been necessary for establishing the reputation and viability of shows for national touring. However, there were also some consultees that challenged this status quo: *"Support from local stakeholders is much more important than a small comment in The Guardian"* (a regionally-based touring company). Combined with the falling print circulations of national newspapers and the proliferation of social media platforms for audiences to review and recommend shows to one another, this may signal that the gatekeeping power of a handful of London-based writers and critics will be reduced going forward.

Appendix 2: Sector collaboration: other benefits and requirements for success

The sector recognises a wide range of benefits in collaboration
The literature and consultation both identify a range of mutual artistic and financial benefits from collaboration. As one consultee recounted: *"It can work really brilliantly: we did a production with Kneehigh – they brought artistic force, we brought the audience".* Specific benefits referenced include:

— **Cross-fertilisation of ideas and the exchange of good practice**. As one venue consultee said: *"We are getting access to new ideas, new artists and art forms".* A consortium partner recounted that *"the others member brought new experiences, new values. It has been an opportunity also to examine our vision and mission."*

— **The development of interesting, 'risky' work:** Increased collaboration *"enabled larger organisations to take more artistic risk"*, with *"more exciting work [through] collaborations between buildings and independent companies".* Smaller companies have, meanwhile, gravitated towards better-resourced producing theatres[136] . As one consultee pointed out, working within a consortium *"allows us to plan together in the long term. We can reallocate artists, compromise on a plan, negotiate our objectives."*

— **Resource-sharing**: A consultee spoke of their experience working within a consortium, recounting that *"ten of us worked together, thinking how to use [our] resources [...] we shared information about audiences among the members of the group. That is a bold step: you give away what used to be secret."* In another example, one consultee highlighted the benefits of being able to *"write bids together and support each other when receiving funding".*

— **Income generation and reduced production costs:** Hetherington found that those involved in co-productions *"thought they can produce better work and at lower cost than otherwise possible"*[137].

— **Increasing audience numbers**: Several consultees felt that more can and should be done in terms of reciprocity and data sharing to enhance audience development. One roundtable discussed the possibility of replicating the process of Hofesh Schecter's dance piece *In Your Rooms*, which was co-commissioned by three venues (The Place, The South Bank Centre and Sadler's Wells), and toured across them, growing its audience from around 300 to 1,700 per night.

Examples of effective consortium working
The London Theatre Consortium works collaboratively on cross-consortium projects that are beyond the capacity of a single organisation to deliver. As an example, LTC has developed a draft Equality and Inclusion commitment which will contain clear agreements on the sharing of data, 'breakthrough measures', ambitious benchmarks and best practice in recruitment and training.

Very differently, HOME is using its role as a cinema distributor supported by the BFI audience network fund[138] to collaborate more closely and support smaller local organisations:

> *"We got a quarter of a million pound from BFI … to distribute to local organisations. We channel funds from the BFI through joint funding agreements. This has changed our relationship with these local organisations…. if bigger organisations were funded more, had bigger responsibility to work with other artists etc., then we might see some more opening out."*

Such a model, with appropriate safeguards, might be transferable to the theatre sector.

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[136] Arts Council England, 2009, p.37

[137] Hetherington, 2015, p.48

[138] which funds hub organisations to work with small exhibitors across the region to develop specialised film exhibition

In an overseas example, Why Not Theatre in Toronto created a collaborative model, which involved a community of 'senior' and emerging artists and companies to reduce financial risk for emerging artists and enable established companies to present seasons of 'emerging' work (see full case study in Appendix 10).

Requirements for making collaborations work

Across the consultation, a number of requirements for successful collaborations were highlighted, such as sharing a vision or goal, sharing audience data; transparency and not *"trying to control it all"*.

Several authors identified in the literature review highlighted the challenges of co-producing – in particular between subsidised and commercial producers. Cogo-Fawcett wrote of such relationships having a history of being "*clouded with suspicion and deep mistrust*".[139] More recently, Hetherington similarly spoke of the possibility of "profound misunderstanding of others' operating paradigm and techniques"[140].

This was also reflected in the consultation:

"The marriage between commercial and subsidised sectors is important but their respective demands are not generally understood. The difference between subsidised and commercial sectors should be more carefully examined for differences in process/ risk/ ambition"

When it comes to collaborations, size seems to matter. A representative of a larger organisation argued that: *"smaller and independent companies…are more flexible. They can afford developing these relationships. We have only been able to do that with an independent producer in an Arts Council scheme about building long-term relationships".* But differences in scale can be problematic: *"People can be invited into buildings on an unequal basis; big theatres are satisfied by making small investment".*

The report on the cultural sector's use of digital technology, commissioned by Nesta, Arts Council and AHRC, highlighted a further issue, citing Headlong Theatre on the difficulty of venues and companies sharing information: *"as a touring company, it is hard for us to obtain accurate data about our audience as we have little or no access to the audience data from the venues we visit"*[141]*.* This has long been a bone of contention and consultees consistently highlighted the need for venues to share in order to allow touring companies to establish strong local relationships. It is worth noting here that in order to address such data gaps in the sector more generally, Arts Council England has introduced requirements for its NPOs from April 2016, by which all NPOs must enter into data sharing agreements with other relevant Arts Council-funded organisations and be able to share personal customer data with each other. The aim is for this to help all Arts Council-funded companies gain a better understanding about their customers and thereby contribute to the competitiveness of the publicly funded sector.

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[139] Cogo-Fawcett, 2003, p.6

[140] Hetherington, 2015, p.44

[141] Nesta, Arts Council England &AHRC, p.18, 2015

Appendix 3: New artistic forms & the influence of digital technology

Key messages

Site-specific and immersive work

— Despite a spate of recent critical and popular successes (particularly with younger audiences) such work features irregularly within the repertoire of many theatres – but it is likely to become increasingly significant, both indoors and outdoors.

— This kind of work requires new kinds of skills and knowledge, which often reside outside the theatre sector (e.g. within performance art or video games).

— There is some evidence that the sector is now thinking through the implications of site-specific and immersive work for theatre education and training.

Integration of new technologies in production

— There is some evidence, both in existing literature and in the online consultation, that the sector has not yet sufficiently embraced the possibilities of the digital world.

— Consultees suggest that money, challenges in partnering with digital companies, and a lack of practitioners that span both the artistic and technological realms may be contributing to this.

Live streaming and playback

— Recent research suggests that the UK is a world leader in Event Cinema and also that theatre is the dominant genre in terms of revenue. However, only a relatively small proportion of theatre organisations has been involved in this (estimates vary but are in the range of 12%-21%).

— Organisations overwhelmingly get involved at present for audience development reasons, very few expect significant revenues although there is anticipation that this will change over time.

— The sector is still grappling with the pros and cons of live streaming and playback, with concerns about costs, quality and also skills barriers. Both the literature and the consultation point to concern about the dominance of the big players at present, and NT Live in particular

— Although a contentious issue, there is as yet not enough data to properly assess whether Event Cinema is attracting or displacing audiences. To this end, Arts Council England, in conjunction with a range of partners, has commissioned a major study of Event Cinema that will report later in 2016.

From the Literature Review, recent articles highlight the appeal to both audiences and artists of new forms of theatre production in recent years. In this, three developments stand out in particular.

Site-specific theatre and immersive theatre

Site-specific theatre and immersive theatre productions – while different in some aspects – both seek a more immediate and participatory relationship with the audience. They are seen as contrarian, breaking away from established forms of theatre making and eliminating the fourth wall. Audiences become participants in the story and often have a direct effect on the unfolding of the drama, which may vary from person to person. The environments for such work are makeshift, pop-up, may be indoor or out and offer artistic challenge and inspiration. The work sometimes questions assumptions about what theatre is or is not, and may defy artform categorisation. It often enables a place or location to become the unexpected star of the show and may range over considerable geographical footprints.

The rise of this form of theatre practice was referenced in a number of recent reports and articles. Gardner in 2009 wrote of a rising generation of artists and companies who have "*freed themselves from the constraints of formal theatre spaces, worked with new technologies, and built a relationship*

with audiences that is a world away from people sitting quietly in the stalls while actors command the stage". She argued that regional theatre venues need to take note[142]. Three years later, White pointed to both the critical success and audience appeal of Shunt and Punchdrunk, with their *"use of large-scale, maze-like found spaces as locations for extensive environmental performances"*[143].

This was echoed in the same year by McInery, who argued that techniques previously confined to performance art were now moving into mainstream theatre and *"[refused] to be constrained by boundaries, with an emphasis on playfulness that prioritizes the notion of pleasure through experiences, […] [having] tapped into a deep human desire for self-expression"*[144].

There are many examples of theatres working in this way with companies who specialise in work with multiple narratives, speaking to large audiences with storylines that are bespoke to each viewer. Punchdrunk popularised immersive theatre in the early 2000s and has frequent requests for collaborations from theatres throughout the UK, despite the fact that it rarely works in conventional theatre spaces. In another example, the Guardian reported in 2015 that You Me Bum Bum Train, *"with its deranged energy levels and euphoric audience interaction...has been a theatrical sensation since its inception in the mid-noughties, becoming the Barbican's fastest-selling show ever in 2010[145].*

Some commentators have, however suggested that the increasing popularity of "*getting theatregoers on stage*", with *"customer-actors […] likely to become a more common sight"* might contain within it potential challenges such as audiences feeling uncomfortable or unwilling to engage.[146] This discomfort can, however, be theatrically very productive. Blast Theory and Hydrocracker's production of *Operation Black Antler* at the 2016 Brighton Festival, for example,

used the blurring of boundaries between storytelling and reality to deliberately (and effectively) discomfort the audience.

Despite in-principle criticisms of site specific and immersive work, these styles of theatre remain popular (including – and perhaps especially – with younger audiences). In the words of one consultee *"many of these pieces are genuinely reaching a new audience which is bored of the stagnation within the current theatre sector and looking for more. Hybridisation seems to have appeal".*[147] Reflecting this view, LAMDA is exploring the possibility of research into the ways in which theatre training can prepare actors for work in new theatre forms that are interactive and participatory, as classical theatre skills may not equip the practitioner for working in this area.

Nevertheless, given the general perception that theatres are becoming more flexible and less bound by existing structures (see Section 3.5), the topic of immersive, site-specific and (in the words of one contributor, *"non-theatre"*) theatre only rarely surfaced in the consultation. This may be because such work features irregularly within the repertoire of many theatres. This is changing, however, and as an evolving form is likely to become increasingly significant, both indoors and out.

Integration of new technologies in production

The second noteworthy development is the integration of new technologies into the creative process and product. The Arts Council in 2009 reported a *"general agreement of an increase in the integration of new technology into theatre creation"* between 2002/03 and 2006/07, but pointed out that "*this is yet to become widespread practice*"[148]. A subsequent report also flagged this development with new technologies contributing to *"innovation in art form development"*, e.g. making use of virtual realities in live stage performances[149]. However, the recent report by Nesta, Arts Council England & AHRC on Digital

[142] Gardner, 2009/b

[143] White, 2012, p.223

[144] McInery, 2010, p.245-246

[145] Beaumont-Thomas, 2015

[146] Lawson, 2014.

[147] Similarly, another consultee pointed to the *"democratising force"* of such work, suggesting that *"the form can still democratise theatre going. Generations of audiences who think theatre 'isn't for them' may be more tempted by an experience in an interesting space."*

[148] Arts Council England, 2009, p.38

[149] Bakhshi& Throsby, 2012, p.205; 209-10

Culture identified a drop in the rating of importance of digital technology in creation in the theatre sector from 57% to 45% between 2013 and 2015[150]. This seems counter-intuitive, given the prevalence of digital in every other aspect of life and entertainment and may be worth monitoring over the next few years.

Within our sector consultation, some contributors suggested that the sector has not yet sufficiently embraced the possibilities of the digital world. Indeed, within the online consultation, only 2.5% of 484 coded responses referred to the use of digital technologies in the question of key opportunities for making and presenting. Nevertheless, many companies are exploring possibilities for it to be increasingly regarded as a new, complementary art form to traditional theatre practice – and it seems that this may particularly be the case among those companies engaging in the more immersive theatre practices discussed above. Punchdrunk, for example, believes that the impact of digital on their work continues to be *"huge",* and that it enables them to develop a style, driven by the internet, that blends form and defies categorisation. Their shorthand for this is *"a video game translated into live entertainment",* with audiences invited to engage through different media. At the time of writing, the company is going back into the studio for an extended R&D period to see how it can work with a games developer from outside the theatre sector to develop a new form of show using *"a digital black box with depth",* and to see how this might enable the company to develop its own version of 'touring'. In doing this, the company acknowledges that its operating style may become more like a film company's, with similar development processes and time scales.

Evidence from others who have explored this area suggests that, to be successful, the implications need to be embedded in organisational practice. One impediment to this identified in the consultation is that *"there remains a 'two cultures' division between technology and the humanities in education. […] As a result, there are few 'sandpits' where artists and technologists can be brought together".* It was further suggested by one contributor that there can be a disjunction of language when an arts organisation deals with a digital company. For companies less established than Punchdrunk, the economics of developing

such initiatives can also be challenging, with a lack of available funding to support such work. According to one small company:

> *"A lot of my work is digital. But it is about bodily interaction with digital. There are huge problems with funding to this. The only Arts Council funding to this area was through Nesta, but it had limited access. Arts funding does not understand offline digital work. We do not fit into any of the funding categories at the moment".*

Digital distribution is splitting opinion in the sector

While at present still focused on some key players, the sector sees live streaming and playback as becoming increasingly important
Recent years have seen the emergence of live streaming and playback of theatre performances. Gaining a full understanding of this emerging area of work within theatre in England is however currently hampered by a lack of data. In order to explore this issue in greater depth, across the whole theatre sector, ACE, SOLT and UK Theatre have commissioned a study from AEA on the growing marketplace for 'live-to-digital' in the theatre and wider arts sector. This includes (but is not limited to) the Event Cinema market, which is set to reach £60-80 million in the UK and $1 billion worldwide in the next year alone. AEA will report in summer 2016. The following sections therefore reflect the currently published literature and evidence, which is small and relies strongly on the singular example of NT Live.

Currently existing research tells us that the number of arts organisations using live streaming and playback remains small: the longitudinal Digital Culture study shows livestreaming to be undertaken by only 12% and 15% of surveyed organisations over 2013 and 2014[151]. Other research, carried out by MTM in 2015 and based on a survey of 124 performing arts organisation (which included 56 theatre organisations), placed the figure a little higher at 21%.

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[150] Nesta, Arts Council England & AHRC, 2015, p.10

[151] Nesta, Arts Council England & AHRC, 2015, 2015, p.5

Our sector consultation suggested that many contributors acknowledge that live streaming and playback is already – and will increasingly be – a major adjunct to the traditional model of live performance that should be embraced; and that it has the potential to act as marketing tool and reach new audiences, especially in geographically hard-to-reach areas: *"It is inevitable: we all are going to broadcast our shows in the future. That is the point: we should embrace this new way from the beginning."* Indeed, the consultation revealed that many companies (e.g. Hull Truck Theatre, Warwick Arts Centre, Mac Arts, Gulbenkian Canterbury, The Point, The Dukes Lancaster) have recently acquired the relevant technology to support this, while companies such as Pilot Theatre have led on the digital distribution of work and its application as part of an arts programme.

Indeed, arguments are now emerging for live streaming to be considered as a new artform in itself. TBR found that for some audiences, *"event cinema is considered a new art form […]; an alternative way to experience performances that complements the original art form rather than competes with it"*[152].This is echoed by a recent article*,* which argued that *"streamed theatre production is becoming its own art form with its own following, both dependent on and strangely divorced from the original"*[153].

While the sector values the possibilities of live streaming and playback for reaching out to a broader audience, there remain mixed feelings about the overall benefits
TBR in their 2015 review of Event Cinema found that for producers of event cinema content, the main motivation for engaging with this new art form is the hope of reaching a wider audience and promoting their brand. The study further suggested that event cinema *"seems to be delivering this impact*[154]*".* Indeed, current data (predominantly from NT Live) suggests that streamed performances are reaching a wider audience – including lower income groups -

but are concentrated in urban areas. *More detail on the audiences for live streaming can be found in Appendix 7.*

This finding on the motivation for performing arts organisations to engage in live-to-digital work was also corroborated by the MTM study, which found that 56% of organisations stated that their reason for creating this type of content was audience development. Only 2% stated that they were primarily motivated by generating revenues.

Related to this, Nesta's 2011 report on NT Live found that Event Cinema lent itself well to promotion through digital marketing tools, such as web, social media and email. In addition, the report highlighted a range of other benefits, pointing to benefits in *"ease of use, in cost of production, and in security of storage"* – alongside being *"a way to preserve performances for the future"*. Certainly, the report suggested that it is advisable to have an understanding of what the primary aim for developing such activities is: one 'lesson learned' that was drawn out was the importance to *"distinguish between commercial and mission-related activities"*, while *"the pursuit of not-for-profit mission and commercial exploitation need not be mutually exclusive"*[155].

However, other literature indicates that the theatre sector is still grappling with understanding the advantages and disadvantages of this development, an observation reflected in some of the roundtable discussions (see below). Nesta, Arts Council England and AHRC reported mixed feelings about live streaming due to costs, *"worries about audience cannibalisation"* and disappointment with output quality[156]. Concerns over funding, as well as the skills to implement projects, were also identified as the main barriers to live-to-digital projects within the MTM report. TBR similarly pointed to some concern about a lack of consistency in the quality of the product. Moreover, TBR referred to the current dominance of 'big players' such as National Theatre Live, while information on the impact on smaller organisations thus far remains limited.

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[152] TBR, 2015, p.6

[153] *The Economist*, 2016

[154] TBR, 2015, p.32

[155] Nesta, 2011, p. 37, 12 and p.23

[156] Nesta, Arts Council England &AHRC, 2015, p.5; 23

While the authors suggest that smaller organisations could potentially suffer from competition from live streaming by the 'big players', they also highlighted examples of smaller organisations that had successfully produced content for live streaming, providing *"evidence that small-scale organisations are able to enter this market"*[157]. One consultee, freelance theatre producer Bobby Tiwana, who creates cultural activity for members of the South Asian LGBT community, reported seeing digital production as a major influence – both on his work and as a source of opportunity for the small company. His short films have been distributed globally and seen by many. This is a major change, even from a few years ago when *"DVDs had to be sent in the post"*. The consultee sees the digital realm as a way of connecting non-geographical communities in ways that reduce isolation and build a dispersed critical mass. He referred to this as *"intersectional diversity"* that works with *"meta minorities"*. For someone working within minority communities this is particularly important; however, he recognised that digital content is not the only answer to minority isolation.

Audiences for Event Cinema appear to be increasing, but despite recent research finding little evidence of this 'cannibalising' regular theatre audiences, many in the sector remain worried about the impact on regional theatre
Recent reports indicate that audiences for Event Cinema screenings themselves are growing. Bakhshi and Throsby refer to the huge rise in the take-up of NT Live Screenings, growing from 28,000 audiences in 2009 to over 250,000 watching NT Live Hamlet in 2015[158]. TBR similarly pointed to *"an indication that [Event Cinema] may inspire further attendance at event cinema screenings"*[159].

To what extent live streaming may contribute to *displacing* audiences for live theatre performances still seems unclear, in particular for smaller

theatres[160]. TBR subsequently suggested that there was as yet no evidence to suggest that film or theatre audiences are being displaced by event cinema, nor any evidence that it is growing new audiences for live performances, pointing to a lack of data for both[161]. Analysing the National Theatre's Live Screenings of their Phèdre production, Bakhshi and Throsby however found that results suggest that rather than *"cannibalising audiences for the live performance in the theatre, the availability of the NT Live satellite transmission was actually associated with an increase in bookings for live performances of the play"*. They concluded that *"if this result is representative of live broadcasts more generally, it implies that theatre companies can significantly expand their audience reach through digital broadcasts to cinemas without cannibalising their audiences at the theatre"*[162].

When Bakhshi and Whitby looked more specifically at the impact of National Theatre Live on attendance at local theatres, they found *"no evidence of cannibalisation on theatre attendance at a broad spread of English venues"* since the establishment of National Theatre Live in 2009, with evidence instead pointing to *"a complementarity between NT Live and in-person theatre attendance"*[163]. A recent article in The Stage supports this view, quoting Jon Bath (Head of production for plays, Garrick Theatre), who suggested that screenings can act as *"call to arms"* for audiences to buy tickets to live events[164]. Some contributors to this review endorsed this: For the Rocky Horror Show, for example, a live streaming event in London had *"helped to spread the word and added to the overall marketing of the UK tour"*[165].

Nevertheless, the sector consultation revealed some disquiet about the impact of live streaming and playback on regional theatre. Many contributors were keen to discuss National Theatre Live, which is proving contentious with a

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[157] TBR, 2015, p.6 and 32-33
[158] Bakhshi &Throsby, 2014
[159] TBR, 2015, p.6

[160] Bakhshi& Whitby, 2014
[161] TBR, 2015, p.6
[162] Bakhshi& Throsby, 2013, p.7
[163] Bakhshi & Whitby, 2014, p.14
[164] Hutchison, 2016/b
[165] Wicker, 2016

number of producers and presenters around the country. Contributors ranged from enthusiastic through cautious to hostile:

— *"NT Live etc. is brilliant – it's complemented our programme and gives high quality theatre product that brings in new audiences. There is crossover, mainly to music audiences, less so for theatre. It brings a mark of quality and is a driver for change."*

— *"We broadcast NT Live in our cinema. There are some programming clashes. We need to take everything. The cinema environment can get new audiences. But my concern is what kind of work we have to screen."*

— *"We have a problem with NT's live screening. It is damaging the viability of live performance in the regions. It is about a price issue. The problem is not the audiences, but the promoters who do not want to take risk with live performance."*

— *"NT is cheaper and can work with Judi Dench. Our relationships with venues are getting damaged."*

On the other hand, another consultee pointed out that up until now, *"digital distribution is about taking London out to the regions, not the other way round"*, arguing that through enabling wider distribution, it has the potential to be used strategically to bolster the profile of high quality producing and touring companies located across the country. This was echoed by another contributor who suggested that this could be supported by creating a mechanism through which every live screening contributed to a central fund, used to support the generation and/or distribution of trailers for other live theatre events.

Current research points to the financial potential of Event Cinema, although it remains unclear how much of this is passed on to the content providers

In 2016 Hetherington pointed to the lack of evidence of the net income made currently by theatres through cinema relays[166]. In contrast, in the recent article in The Stage, Jon Bath (Garrick Theatre) suggested that allowing for screenings

provided additional funds to allow for higher production quality: *"cinema broadcasts were a fundamental part of this season's business model because the extra revenue forecast allows for better production value"*[167].

Research by TBR points to the financial potential of Event Cinema. It refers to the UK as a "*world leader"*, with Event Cinema worth over £35m in the UK and Ireland. The authors found that while most screenings are opera, theatre "*has secured its place as the dominant genre in terms of revenue"*, accounting for 45% of the market in 2014. How much of this is passed on to the content producers remains unclear, though the report suggested while *"financial returns are not always expected…there is evidence of financial returns being made"*, pointing again to the success of National Theatre Live[168]. Bakhshi and Throsby supported this view, reporting that NT Live directly generated 5% of NT's overall revenues in 2013 – almost equal to their sponsorship and philanthropy income – and further suggesting that *"NT Live may have in addition boosted box office revenues at the National Theatre itself"*[169].

TBR concluded that while still in its infancy – and suffering from a perceived lack of public awareness and lack of budgets for marketing (word of mouth not being reliable for one-off events) – the prevailing view is that live streaming will continue to grow its share of box office and content, and that quality will continue to improve[170]. MTM arrived at a similar conclusion, stating that *"consumer research suggests that 37% of the population may be interested but haven't tried live-to-digital yet"*[171], in producing an estimate for the size of this market of £60-80m in 2017.

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[166] Hetherington, 2016, p.26

[167] Hutchison, 2016/b

[168] TBR, 2015, p.1-2; 6

[169] Bakhshi& Throsby, 2014

[170] TBR, 2015, p.6

[171] MTM, 2015, p.44.

Appendix 4: Ancillary business development & new organisational models

Social Enterprise and ancillary business development

Many theatres pursue strands of activity that support their core activities. Some of these are long-standing, such as cafés, restaurants, bars and, increasingly room (or whole-venue)hires. However, as one recent report noted, such activities can have drawbacks: *"if your artistic and education programmes are being compromised by your need to use your venue to earn non-arts related income"[172]*. Notwithstanding this caveat, the sector consultation revealed a number of examples of theatres generating income from space rental: West Yorkshire Playhouse leases a part of its property stock to a club/restaurant, while the Bike Shed has a bar that supports its theatre activities.

More ambitiously, Live Theatre in Newcastle has developed a social enterprise model based on the development of its waterside site with a cluster of offices, catering, arts and small businesses that delivers rental income to the theatre. The company has fundraised over £20m for these projects, which have given it a complex of theatre buildings including a new writing house, a range of assets on the balance sheet, and (from 2017/2018)a net income of £500,000 of unrestricted funds from catering and office rental to invest back into its mission. In doing this case, Live stresses the *"importance of alignment with [your] overall vision"* is critical(see full case study in Appendix 10).

A second example of theatre as social enterprise is Battersea Arts Centre. BAC sees itself as an arts organisation, a learning organisation and a social change organisation, with the purpose of inspiring people to take creative

risks to shape the future. To that end, it offers an alternative learning environment to schools by supporting young people to develop social enterprises, is developing a hub for creative businesses, and is opening up the spaces beneath the building's Grand Hall as an incubator for start-up creative ideas. Most radical, perhaps, is the idea that BAC (perhaps in collaboration with other arts organisations) might run academies/free schools to demonstrate the positive benefits of a creative education (see full case study in Appendix 10).

Membership/ private fundraising and corporate sponsorship

A 2013 report by Ticketmaster into the UK Theatre industry found that *"whilst public funding is decreasing, theatres are looking to other sources such as membership and sponsorship to diversify their income sources and reach wider audiences"*. The report also found that audiences are predominantly happy for events to have sponsors (if they keep the prices down – 78%), and suggested that:

> *"Sponsorship, memberships and special access schemes are on the whole well received, though they don't reach a large proportion of attendees, suggesting there is more scope for growth"[173]*.

As the analysis of NPO contributed income in Section 2.1 (and Appendix 1) showed, theatres have been successful in growing their revenues from private sources above and beyond traded income. However, for all the attention given to corporate funding of theatre and the arts more generally, this is a very small portion of even Contributed income for most theatre NPOs and is not one that is growing, unlike individual giving and money from trusts and foundations. Arts and Business's annual survey of giving to the arts in the years before it ceased publishing in 2012 regularly reported small and static levels of corporate sponsorship to the arts.

Collaboration with the property sector

The Theatre Trust 2015 Conference discussed how the theatre industry can engage with the property sector, who are *"now playing an increasingly important*

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172 Brownlee, 2015

173 LiveAnalytics, 2013, p.28-29; 4

role as theatre builders and capital investors"[174] by bringing value to regeneration and commercial/mixed-used schemes. The conference highlighted the value some property developers see in being located in proximity to theatres (e.g. Shaftsbury Estates in the West End, Theatre Peckham), as well as the need for expertise in working together and the importance of shared objectives between stakeholders. However, it also highlighted ongoing challenges, including limited knowledge of commercial property development within the theatre sector, and concluded that "*more innovation needs to come from the cultural, rather than the commercial, side of the relationship. The appetite from developers is there as long as theatres are willing to prove their worth"*[175].

Collaborations with other sectors/ service provision

The consultation also discussed creative and financial agreements between theatres/ theatre companies with organisations outside the sector, e.g. with agencies such as the RSPB, the National Trust, the Waterways etc. In some cases, this takes the form of theatres becoming service providers, commissioned to deliver specific services for a (usual public sector) agency in, for example, Health, Education and Social Care.

Indicating the potential attached to this approach, the NCVO Cultural Commissioning Programme has been established to specifically facilitate this area of work and has run training programmes throughout the UK. According to one sector consultee, such collaborations *"bring some money but also access to space and expertise etc. and have been absolutely crucial."* Similarly, The Deptford Albany's taking over responsibility for Canada Water Library and Deptford Lounge provides the theatre with a new source of funding, while being able to *"give back artistically"* to the community.

Digital technology

The final *Digital Culture* report in 2015 found that digital technologies are becoming increasingly important for revenue generation, with 45% of arts organisations reporting this as important to their business model, with

organisations *"keen to try new things"*[176]. Approaches included online donations and ticket sales as well as crowdfunding, which the authors identified as being eagerly anticipated by the sector. Indeed, this enthusiasm was reflected in the sector consultation, where crowdsourcing was mentioned a number of times.

The authors of the report however found that take up of online ticket sales was slightly higher in London (of online ticket sales) as well as among NPOs, with the latter experiencing fewer barriers and better access to skills and being more likely to be engaged in R&D. They reported evidence of an increasing gap between NPOs and other organisations, and found that *"crowdfunding […] has sometimes been more difficult and resource-intensive than expected"*[177]. This suggests that there is potential for further expansion in these areas across the sector.

New organisational models

In addition to these new funding models and alternative sources of additional income, some in the theatre sector are adapting to the new economic environment by moving towards more structurally different management models.

The emergence of consortia and other partnership arrangements has already been noted. Some not-for-profit theatre organisations are also combining other structural mechanisms such as Community Interest Companies and trading companies with their charitable company to create a multi-faceted 'group' able to optimise opportunity

Other examples of developing models include, on the larger scale, HOME in Manchester, which is based on a multi-dimensional model in which other activities support its theatre output:

> *"[HOME] does not need theatre audience to drive footfall. We have a cinema that does that well. It would be more cost-effective not do theatre at all. If you need theatre to drive your*

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[174] The Theatres Trust, 2015, p.4
[175] The Theatres Trust, 2015, p.17-18

[176] Nesta, Arts Council England & AHRC, 2015, p.5-6
[177] Nesta, Arts Council England & AHRC, 2015, p.5-6

footfall, you need to keep doing stuff for people to come through your door."

In contrast, the sector consultation revealed examples of organisations benefiting from the flexibility that comes from being small and flexible, providing capacity to take risks because the financial exposure is less (although the financial rewards of success are also often limited). Some do this by *"operating at different scales. Being independent you can move up and down the scale. We're driven by the ideas that we have."*

Related to this, several contributors noted that emerging companies are far less likely now to be thinking of having their own office or administration team, and are more likely to think about partnership working and links with different venues. Indeed, increasing numbers of them are choosing not to incorporate – become legal entities – at all (or only nominally). Instead, they work across platforms (live, immersive, digital etc.) with different forms of associations and collaborations, often bringing individual artists together for a limited period of time. In the words of one contributor: *"this is a fundamental shift in the way [the model] is structured."* Describing their own practice, contributors said:

"I work in a shell of an organisation. It does not make sense for us to be an organisation. It is easier to work with independents. We are cheaper."

"You just have to think differently about things – work from home, communicate by Skype etc. Why spend £100 on a board room if I can hold the meeting in my own house?"

In this context, one small regional production company, Tangle in Cornwall, operated a model based on planned part-time working, in which all members of the company, including the director and the actors, have subsidiary jobs to ensure *"a decent salary overall"*: "*When we work with new entries, we provide them with diversity of skills, e.g. project management, to support them finding different jobs*".

The online consultation, however, indicated that such developments in organisational management are accompanied by challenges: 15% of 511 coded responses referred to management and capacity issues as a key challenge; while 12% pointed to access to venues and rehearsal space.

Appendix 5: Sector training, CPD & talent development

Sector training and CPD provision remain ad hoc

Successive reports on theatre and the arts have highlighted concerns about the ability of the sector to develop talent and properly train the workforce[178]. More specific concerns have also been raised regarding the central role of publicly subsidised theatres in talent development, and their ability to continue to do so given the funding constraints they face[179].

Literature suggests that formal staff training within performing arts businesses is limited, despite identified skills gaps

Despite this recognition of the value of sector training, CCSkills found that in 2008/09, only 45% of performing arts businesses had engaged in staff training, with a steady decline in this proportion over the previous seven years. 40% of the organisations that had not engaged in training cited a lack of available time and an inability to back-cover staff as barriers[180]. Across all the organisations surveyed, 89% had no internal training budget and little previous experience of accessing external training funds. Only 11% of businesses had accessed any public funding for training, and *"the most frequently stated reason for not increasing a performing arts organisation's training budget was a lack of funds"* (p. 31). The report concluded that:

> *"[…] the sector is not particularly engaged with [the areas of 'associate professional and technical skills'] when it comes to planning training. As such, the acquisition and retention of hands-on skills and the existence of specialist offstage and backstage training centres is absolutely crucial"* (p.20).

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[178] Boyden, 2000; Young, 2006; McMasters, 2008.

[179] Boyden, 2000; Albert *et.al.*, 2013.

[180] CCSkills, 2010, p.27

The report also pointed out that despite identifying a large number of skills gaps, only 13% of businesses thought these were caused by the limited availability of training, and 43% felt their staff had no need of continuing professional development (CPD). This led the authors to suggest this may be *"another indicator that [the organisations] may not be thinking sufficiently about future skills issues"* (p.27).

It is not possible to determine whether this picture has changed since 2008/9 for the sector as a whole. However, our analysis of the longitudinal sample of Arts Council theatre NPOs does show that the majority (76%) had a professional development plan in 2013/14 – an increase from 63% in 2011/12 (see Figure 34 in Technical Annex 4). However, the NPO figures also show that over this same period, the number of theatre NPOs that actually offer CPD to their staff has slightly decreased (see Figure 35 in Technical Annex 4). This may suggest that while NPOs have become more systematic in their planning for professional development, budgetary pressure and other priorities mean that this is not always followed up in terms of actual CPD provision. This is reinforced by evidence from the round-tables, in which the issue of a general lack of capacity was frequently raised.

The consultation indicates that training and skills development are not prioritised by the sector

The online consultation undertaken for this research sheds further light on the above findings. While the subject of training (or lack thereof) came up, the number of open responses referring specifically to the need to nurture talent and/or the lack of training opportunities as a key challenge for the sector was relatively low (7% of 511 coded responses). A very similar proportion of responses identified the nurturing of talent through training and workshops as a specific opportunity for the sector (7% of 484 coded responses), or as a 'solution' to realising the opportunities and mitigating the challenges identified (6% of 406 coded responses).

These online consultation findings would suggest that the sector still does not prioritise training and skills development very highly against other challenges or actions. The industry roundtables also suggested that there is no widely shared or strategic approach to this issue. Participants in the consultation

did, however, highlight a range of valuable (if ad hoc) CPD initiatives that are being undertaken by the sector. In addition, a number of theatres have developed a variety of programmes focused on talent development, aimed at both young people and emerging professionals.

There is a particular lack of support for mid-career workers

Several publications in the literature review also point to a lack of specific support for mid-career workers (i.e. for those who are past entry level, but not yet nearing the end of her careers), as the training and CPD initiatives that do exist typically focus on emerging young talent[181].This challenge was also reflected in the industry consultation for this research, though participants did identify secondments (such as through the Clore Leadership Fellowship and the National Theatre-led Step Change Programmes) as a successful CPD mechanism for mid-career professionals. While secondments do require a degree of organisational commitment (of both time and money), contributors strongly suggested that they offer benefits to both individuals and organisations, and should be encouraged.

It should be noted that the above paragraphs largely focus on the working environment inside organisations. Self-employed independents – who form a major part of the workforce – have even more limited developmental opportunities. It was suggested through the roundtables that this issue may be addressed by the Arts Council's expectation that large (and possibly also smaller) NPOs should take on some responsibility for mentoring and skills development for others in their region.

UK Theatre is planning on undertaking a major study of the sector's workforce needs and development in 2016/17, including in terms of leadership. It is hoped that this will shed more light on the sector's needs and how they may be addressed.

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[181] Arts Council England, 2009, p.50

CPD and Talent Development

Participants in the consultation highlighted a range of valuable (if ad hoc) CPD initiatives for both artistic and non-artistic staff that are being undertaken by the sector. These included:

— well-regarded schemes such as the Weston Jerwood Bursaries

— the innovative post of trainee artistic director at the Donmar Warehouse

— mentoring of emerging organisations and individuals by NPOs and other established agencies or companies

— showcasing of work-in-progress at festivals such as Ferment in Bristol

— student placements (especially when framed by long-term planning)

— internships, which can lead to paid employment (although unpaid internships are poorly regarded as potentially exploitative and divisive)

— secondments.

While such initiatives might be undertaken more easily by building-based or larger organisations, several smaller companies also reported an active engagement in this area. Production company Fuel, for example, offers trainee producer places.

Responding to some of these issues, Aldeburgh Music in 2014 convened a well-attended cross-artform conference in Snape on talent development, supported by ACE. This identified a number of strategic tasks for development including:

— advocacy

— identification and dissemination of successful models

— a mapping exercise of what exists now, and what might be developed

— dialogue with the Education sector, to bridge the gap between HE and the cultural workplace

— dialogue with Sector Skills Councils.

— In addition, the conference suggested further individual initiatives, such as:

— large organisations nurturing small ones

— creating a toolkit for artists

— 'training the trainer'

— establishing an event similar to the 2014 conference specifically for artists / or ensure that individual artists are part of the dialogue through other mechanisms.

The sector consultation furthermore revealed that a number of theatres have developed a variety of programmes focused on talent development – predominantly with a focus on artistic staff – aimed at both young people and emerging professions. Derby Theatre's (see case study in Appendix 10) is probably the most developed. Other initiatives across the 'Big Twelve', often focused on their studio theatres, include:

— Free youth theatres

— Performances by young people on main stages

— Work experience programme and work placements

— Making available studio spaces for emerging artists

— Scratch Nights

— Associate Artists Programme supporting local artists and companies

— Script reading service and new writer's programme

— Resident companies

— Readers' Groups

— Trainee Producer's Placements

Overall, a number of sector contributors however also wondered what had happened to the energy generated by the Aldeburgh Music talent development event. This initiative does not seem to have been progressed visibly in the last two years but there remains an opportunity to do so.

Appendix 6: Workforce diversity: further literature and consultees' views

Key messages

— The consultation revealed that workforce diversity remains a key concern within the sector. There are particular concerns around the impact of recent government changes to support for the disabled.

— The lack of workforce diversity remains particularly visible at leadership level in terms of ethnicity, disability as well as gender. Consultees pointed to the importance of diversity at leadership level, given the impact at this level on the wider workforce, programming and, ultimately, audiences.

— Social class is increasingly becoming a concern, impacted by:

  • low average pay in the sector – given the high cost of living, this is considered particularly pressing in London;

  • the prevalence of unpaid or low-paid trainee positions, further advantaging those who can rely on external financial support (however, some see apprenticeships as an opportunity to address this imbalance);

  • the growth in sector-specific postgraduate courses; and

  • the de-prioritisation of the arts in (state) education, which is reducing possibilities to reach out to disadvantaged young people.

Workforce diversity in terms of ethnicity and disability remains a key concern within the sector

Reflecting the data findings detailed in the main report, the lack of workforce diversity in terms of ethnicity and disability was raised as a key issue in almost every roundtable and interview. One BAME contributor in particular highlighted a number of specific issues faced by successful BAME practitioners in the sector, further underlining the challenging environment in which BAME practitioners find themselves. She pointed out that ethnic background can sometimes determine your role within the sector, recognising that she was expected to be more than a role model for BAME trainees:

> *"You are [also] expected to be a carer for younger black people. People don't realise what that does to your creativity and time; it's an added layer of responsibility. If there were more of us doing it, more diversity, it wouldn't be such a big deal. But with us being so few, it's a problem for all of us."*

In addition, she highlighted difficulties around career development: *"As a black artist, you sometimes get considered as 'emerging' until the day you die".*

The consultation also raised a particular concern around the sustainability of the livelihood of disabled artists arising from recent changes in access to Employment and Support Allowance (ESA), and the move from the Disability Living Allowance scheme to Personal Independence Payments. This may reduce the number of people with disabilities able to access theatre employment (including on stage). One contributor said that:

> *"There is a very real possibility that work will become an unaffordable luxury for disabled performers. The need for support workers is vital and if there is no state funding for this, we could see a rapid decline in the number of active disabled theatre professionals."*[182]

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[182] This was echoed by another consultee: *"The decimation of disability benefits is having a marked impact - it is and will continue to reduce rather than support the range of disabled people on our stages".*

Giving further credence to this feeling of concern, Brownlee in his recent 'Hopes & Fears' sector survey also found that 67% of respondents were more negative than positive about the prospects for disability arts over the next ten years, though interestingly, respondents who self-identified as disabled were on average slightly less pessimistic than the general average[183].

Lack of workforce diversity remains particularly visible at leadership level

While BAME staff in theatres are not all working in low level positions, overall BAME leadership remains rare

It is important to understand more about the overall gains that have been made with regard to improving the representation of BAME workers in recent years across the NPO theatre portfolio.

Among staff in management positions within the theatre NPOs, 12% were registered as being from a BAME background in 2013/14. This is only slightly lower that the overall proportion across theatre NPOs (13.3%). There was also a proportionate growth of BAME managers over the three-year period (2011/12-2013/14) among all managers, although this is somewhat deceptive as the number of BAME workers in management positions fell in absolute terms by 5% (i.e. the proportionate growth relates to a larger fall in the absolute number of while managers than the absolute number of BAME managers over the same period).

Further investigation of the overall leadership of theatre NPOs shows that in 2013/14, only 13 out of 152 NPO theatres (9%) were led by someone of BAME origin – none of these were large organisations and the largest share were small organisations (see

Figure 36 in Technical Annex 4). They were also geographically very unevenly spread: 10 of these 13 organisations were based in London. This last analysis echoes Hutchison's 2016 article in *The Stage* which stated that

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[183] Brownlee, 2016

analysis of BAME leaders' salaries in the sector was impossible to analyse *'as there are none at any of the top 20 most heavily subsidised theatres'*[184].

People with disabilities continue to be under-represented both among the general permanent workforce and within leadership

Data analysis shows that people with disabilities continue to be proportionately under-represented both within the general workforce as well as at leadership-level. Analysis of the longitudinal NPO sample shows a substantial variation in terms of the proportion of permanent staff with disabilities among the regions, ranging from 1% in the East of England to 7% in the East Midlands; London lies at 5% (see Figure 37 in Technical Annex 4). Among all regions other than the East Midlands, the proportion of permanent staff with disabilities in theatre NPOs is higher than the proportion of disabled staff across *all* Arts Council NPOs (1.9% in 2014/15)[185]; however, it is still substantially lower than the 18% registered as disabled in the general workforce[186].

Further analysis of the theatre NPO data reveals that only (the same) seven out of 152 theatre NPOs (4.6%) were disability-led across 2011/12, 2012/13 and 2013/14, none of which were large organisations. Again, the largest proportion (four out of seven) were based in London.

One consultee, whilst strongly welcoming Ramps To The Moon, noted that a key indicator will be *"how many disabled artists are employed by the involved theatres within the next 3 years outwith the Ramps performances".* This contributor noted also that there is little evidence of crossover in the employment of disabled actors from specific disability-focused shows into content that is not about disability although *"it's happening on TV"*[187].

Contributors also suggested that training institutions are not sufficiently developing disabled actors on the basis that there are not yet enough jobs to

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[184] Hutchison, 2016.

[185] Arts Council England, 2015, p.7, p.12

[186] The Warwick Commission, 2015, p.35

[187] It should be noted that, at the time of writing, Jamie Beddard, actor formerly with Graeae, is a cast member of the National Theatre's *The Threepenny Opera*, which may prove to be a significant breakthrough.

justify shifting the training intake and that there is a need for staff training and programmes to support and encourage young disabled performers to enter the industry. As one consultee pointed out, *"training institutions are lagging behind the producing companies. There is an increasing demand for trained disabled practitioners, but these are not coming through."*

The gender distribution among the theatre workforce overall is balanced, but there are still imbalances at the top

Among the longitudinal sample of theatre NPOs, our analysis shows a balanced distribution of male and female staff across management, artist and other staff (permanent and casual), with female staff in many cases making up a slightly larger proportion. In almost all cases, the proportion of female staff increased from 2011/12 to 2013/14, in particular among permanent staff in all three categories (see Figure 38 in Technical Annex 4). For permanent managers, for example, the proportion of female staff increased from 50% to 58%. This suggests a general gender balance across the workforce, including at management level. However, the data at present does not provide any finer grain information as to the seniority of the female staff at management level. It may, for example, be instructive in future to also identify the number of organisations led by women, similar to the data available for BAME and disabled-led organisations. The Arts Council will be collecting data on the diversity profiles of the leadership of their funded organisation from 2016.

While this suggests that gender considerations are less acute than the workforce inequalities faced by people with disabilities and from BAME backgrounds, the literature nevertheless suggests that some differences do still exist with regard to gender, when looking at particular aspects of the workforce. A 2016 article in *The Stage* pointed to a continuing wide gender pay gap at executive level in subsidised theatre, with *"women leaders at top subsidised theatres […] paid £29,000 less on average than men"*[188]. The most recent British Theatre Repertoire report in turn found that plays by women tended to play at smaller houses, with shorter runs and with lower ticket prices. Theatres also tended to revive fewer plays by women. The report concluded that *"it would appear that, despite a few high-profile successes, the progress of women playwrights on our stages is at a standstill"*[189].

Consultees point to the importance of diversity at leadership level

In the face of these ongoing challenges, contributors to the sector consultation welcomed the Arts Council's Creative Case for Diversity and recognised the need to consider diversity across all aspects of theatre making – sector leadership, the workforce, the work and the audience. To quote two representatives:

> *"If we don't have diversity in the people that make decisions, we will end up with restricted, unimaginative product with no vision. The sector needs leadership from people who see the world in different ways. The diversity question could have a profound effect (for the good) on the theatre sector".* (Director of a building-based theatre organisation)

> *"The disabled performer is a super weapon to illustrate the limitations of [traditional] methods and forms of acting. The kind of performance they are able to make is so dynamic and extraordinary."*

Contributors also welcomed a number of Arts Council England initiatives that have been developed to support The Creative Case (e.g. *Unlimited, Elevate, Change Makers, Sustained Theatre, Ramps on the Moon*).

For the future, consultees highlighted the need for continuity and persistence ("*not short-term initiatives*") to preserve and advance the gains that have been achieved to date regarding increasing diversity. Some contributors expressed concern that the emphasis so far has been on increased opportunity, rather than necessarily changing the structures, policies and people that inhibit change – this point was in particular made with regard to the diversity in leadership roles. One BAME practitioner articulated the issue elegantly,

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[188] Hutchison, 2016

[189] Brownlee *et.al*, 2016, p.32

highlighting the link between the *"still-shocking under-representations of BAME people"* at the top of organisations with the work presented on stage (in terms of both stories and people), in the workforce more generally, and in the audiences (more on this last in Section 6). In her opinion, only by redressing the first of these imbalances will the sector be able to attract BAME audiences into its auditoria and only when that happens, will it be able to demonstrate to BAME communities that it can offer them the full range and variety of jobs involved in the profession. For such change to happen, she suggested that those who run theatres and have other leadership roles will need to surrender some of their power, by enabling BAME programmers and directors.

A similar concern was expressed with regard to disability arts. Jenny Sealey of Graeae highlighted the importance of established companies such as hers in promoting this area, since without such companies, there is a danger that the disabled performer will become invisible. Consequently, an argument was made on a number of occasions for the nurturing of disabled directors to lead such companies.

Perhaps related to this was the perception that drama schools could do more to help address these issues, with some consultees perceiving an under-recruitment in both ethnic diversity and (especially) disability. A number of contributors raised questions about the diversity of young people being nurtured through the HEI system more generally – in terms of ethnicity, disability and socio-economic disadvantage (aka 'class'). In a professional world where, as noted earlier, there remains an imbalance in career opportunities for people from these backgrounds, this should remain a priority for those responsible for professional training.

Socio-economic disadvantage is increasingly becoming a concern

The sector consultation revealed that the general perception is that the sector is still disproportionately run by 'white middle class men'. While some contributors argued eloquently that this is changing in many places, fear was also expressed that any positive developments in recent years may be lost again. As one, professionally very successful contributor said: *"I come from a very working*

class background in the North East, I doubt I would be where I am now [under current conditions]." Another contributor from a regional theatre made a written submission following the roundtables, saying:

> *"About ten years ago [we] did a straw poll of [the] Big 10 [theatres] and found that almost all the Artistic Directors had gone to public school and all the Executive Directors/CEOs to comprehensives. In terms of Artistic Directors that situation has improved since - and the gender imbalance has definitely moved forward…But the future looks really grim for social mobility in theatre if GCSE drama is no longer offered, theatre trips are no longer part and parcel of teaching… and theatre is not seen as a viable, vocational career. So this moment in time may end up being a peak of social mobility unless we do something about it".*

Despite these widely expressed views, robust quantitative data about the socio-economic make-up of theatrical leadership is scant, with conflicting views expressed in roundtables. To be able to provide more detailed information on the make-up of the senior management tier, it would therefore be instructive to collect and publish details for the two or three most senior decision-making executives in every organisation – this is an area in which robust longitudinal data would be very valuable.

What the literature and consultation make clear is that four key factors are currently seen as exacerbating this trend: the ubiquity of low pay in the sector; the prevalence of unpaid or low-paid trainee positions; an increase in the importance of higher education; and changes in secondary education. Each of these are considered in more detail in the following sections.

Low average pay in the sector is seen as impacting on the social make-up of the theatre sector workforce, with London theatres considered particularly at risk

In 2007, research by Equity revealed that *"theatre is still a low pay industry"*, with average weekly wage in the largest subsidised regional theatres at £383 and average annual pay of Equity members in the industry of only £10,500

"from their work in entertainment"[190]. In 2013, a survey among theatre professionals revealed that half of 1,129 respondents had earned less than £20,000 per year over the previous three years, compared to an average (2012) salary across the UK employed workforce of £26,500. The survey also indicated that those working in commercial theatre tended to be higher earners. Moreover, while 73% of respondents had worked in the 'arts sector' for the majority of their careers, only 62% had earned the majority of their income through 'the arts'[191].

A recent theatre sector gathering (Devoted & Disgruntled 11, Birmingham Repertoire Theatre) raised the issue of *"artists, producers and other independents [providing] the greatest source of invisible subsidy to the arts in this country"*, arguing that *"they cannot afford to continue to subsidise the sector with their under/unpaid work. This is an urgent diversity issue"*[192].

This issue of the cost of maintaining a career in theatre being prohibitive for many was strongly reinforced during our consultation. The 'invisible' support previously available through cheap housing, the benefits system and student grants have all declined or disappeared, limiting opportunity to those who have access to other resources. Contributors identified the combination of economic circumstance, social mobility and diversity, as having a strong influence on the social makeup of the theatre sector workforce:

> *"People are not disinterested, unengaged, they don't think 'this is not for me' but they are getting poorer, with fewer options and becoming more risk averse career wise".*

> *"Research shows the biggest barrier to entry the arts is the salary: this is why people aren't joining us."*

An independent director who participated in one of the roundtables recounted the case of a group of talented young theatre makers with whom she had worked: *"the ones still working are the white middle class ones, the black ones*

are all working at Pizza Hut". This link between workforce diversity and the economics of working in the theatre sector was also referenced by several participants at the meeting of the London Theatre Consortium (LTC) for this study.

All present at the LTC meeting stressed the particular challenges in London for theatre (individuals and organisations) arising from the city's financial characteristics – in particular the imbalance between remuneration levels in the industry in a city and a very high cost of living. These factors are seen as combining to result in *"people giving up or moving out".* There is a widespread prediction among these employers that specialist staff will leave – either transferring out of the city or leaving the industry. Two categories felt to be the most at risk were theatre directors who *"can only survive long-term by doing hit commercial shows",* and technical experts (e.g. IT, marketing), who can transfer into another sector. This, while completely credible, is anecdotal. However, some robust data can be identified, which highlights the extent of the issue. One theatre director, for example, pointed out that:

> *"We have middle managers who earn 80 pence more than the minimum wage – there's a time bomb for the industry, across all working in the theatres, artists, practitioners, technicians. How do we attract talent unless we see massive wage inflation? Our biggest expense is [already] pay roll".*

A full analysis of these economic factors and potential consequences would be beneficial.

The prevalence of unpaid or low-paid trainee positions is further advantaging those who can rely on external financial support, but some see apprenticeships as an opportunity to address this imbalance
Several consultees specifically highlighted the issue of unpaid or low-paid trainee positions – as did the Warwick Commission, which in its report noted the prevalence of unpaid working across the whole Cultural and Creative Industries, citing that 91% of the workforce said they had worked for free at some point in

[190] Equity, 2007, p.6
[191] Albert *et.al*, 2013, p.19; 3
[192] Crowley, 2016

their career[193]. ACE too has noted the proliferation of unpaid internships, reliant on *"some sort of family or other support; another inhibitor to widening the workforce*"[194]. As one attendee of the LTC meeting for this report noted, these economic factors inhibit access to training opportunities for those without private means. In considering these challenges, some contributors discussed how opportunities through apprenticeships and funded bursary might contribute – indeed, the theatre industry is now exploring apprenticeships in light of the new apprenticeship levy, funded by companies with wage-bills of over £3m. As one consultee said:

> *"Apprenticeships are much more flexible than they were and the arts sector has not embraced them as much as it should. [We need to create] a model that works for the sector as well as for the apprentice. Regional producing houses could be delivering more of that in partnership – perhaps something that 'the Big 12' could be tasked with leading on… We're less diverse now than we were five years ago. We don't get applicants [despite] operating Positive Action in a city that is 25% non-white. We believe that Organisation Based Training makes all the difference… the Cause4 Fundraising Fellow model is a very good one. Those fundraisers will be ready to employ by the end of the year".*

To address this issue, LTC is working jointly on an apprenticeship programme. The ambition of this programme is *"to help create the conditions for long-term culture change by reaching young people we do not normally hear from when recruiting."* This initiative explicitly targets under-represented communities through a selection process focused on talent and potential, rather than on experience and qualifications. This is showing success. Over the past three years, 56 apprentice roles have been created, of which 60% are from non-white UK backgrounds and 27% have a disability (mostly hidden). The majority are also from family backgrounds where university would not be considered an

option[195]. Members of LTC stress the reciprocity of this approach, arguing that the apprentices are bringing new perspectives into their organisations and*, in the long term, [making] us better able to serve London's communities."*

Another consultee suggested that, as students cannot now leave school at 16 without a job or an apprenticeship, theatre could be making more use of the BTec model. This might offer entry to those who cannot afford the price of a drama school, by offering them access to full production facilities and training.

The growth in sector-specific postgraduate courses is seen as further exacerbating current the socio-economic makeup of the sector workforce
The 2009 Arts Council report on regularly funded organisations also argued that the growth in postgraduate courses in the sector contributes *"to the perpetuation of existing employment demographics particularly with regard to lower socio-economic groups"*[196]. This concern has been widely echoed in the national media, through interviews with, among others Dame Judi Dench[197] and Julie Walters[198].

The sector consultation revealed that this concern is widely shared. To quote two contributors (an independent producer and a theatre director):

> *"You need to go to university to get into theatre. The root to talent and access to the theatre market is through education. This system is excluding a lot of people".*

> *"We are seeing a narrowing of the routes into the industry. Go back 10 years ago, there were a multitude of small scale colleges, courses, quite open access. That question of where*

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193 The Warwick Commission, 2015, p.46

194 Arts Council England, 2009, p.51

195 Providing further detail, it was recounted that some of the apprentices had spent their teenage years in care homes, have gone through Pupil Referral Units, several had few or no GCSEs, and at least one had a criminal record. Many have very complex needs arising from a range of issues including mental health, dyslexia, eating disorders, unsettled home life etc. So far, the programme has cost in excess of £800k, of which CCSkills Creative Employment Programme contributed £107,000. An additional £50,000 was raised by the consortium, and the rest came from AGE, LTC funds and the employers.

196 Arts Council England, 2009, p.51

197 Alberge, 2014

198 Gill, 2015

does the next alternative talent - that isn't coming from Oxford, or can't afford RADA – will come from, is critical".

These trends are not confined to theatre, nor even to the cultural industries but, if confirmed, they presage an increasingly closed world which will have a deleterious effect on the work, created, the workforce and the diversity off the audience.

De-prioritisation of the arts in (state) education is considered as a further concern in terms of reaching out to disadvantaged young people

The Warwick Commission signalled that current trends in secondary education are creating, *"major concerns that the educational system is not focusing on the future needs of the Cultural and Creative Industries"* – leading to fewer pupils taking up relevant subjects. The study cited a reduction of 23% in pupils taking drama at GCSE level; and a small decline in the number of state schools offering arts subjects taught by specialist teachers, with a drop of 8% in drama teachers and 4% fewer hours taught per week in drama since 2010. The report highlighted that this *"has disproportionately impacted on schools serving the most disadvantaged pupils"* – and pointed out that any extra-curricular opportunities which may compensate for this decline are also often beyond the reach of low-income families[199]. This worry was also reflected in Cadwalladr's recent article, which referred to (financial) strains that in particular state schools currently operate under, leading to a situation in which it is *"difficult to justify"* arts subjects[200].

Many in the sector consultation raised concerns that the de-prioritisation of arts subjects, the focus upon STEM subjects and the introduction of the EBacc could result in a decline in the numbers benefiting from an arts education and fewer core arts progression routes, with the sector consequently becoming invisible as an employment option to young people. This was also strongly reflected in Brownlee's recent 'Hopes and Fears' sector survey, which found that 84% of respondents were more negative than positive about the prospects for arts opportunities in schools over the next ten years, with 1/3rd of respondents stating they were deeply pessimistic (Brownlee, 2016). The cost of this to the sector could be significant, with the risk of a generation of young entrants being lost to the industry. One consultee, who self-defines as working-class and is now the CEO of a major arts institution, made a strong point about the link between education and the theatre sector:

"One of the reasons I do what I do now, is because I went through a liberal education system that saw art as a legitimate career path…How can you aspire to something you have never seen? That is one of the fundamental problems of the education sector at present".

To address this, the same consultee argued that *"Arts Council has got to seriously engage with the formal education sector, where the pipeline of talent has been squeezed."* Another contributor suggested that a campaign could be developed (by some combination of Arts Council England, UK Theatre and others) to establish the possibility of employment in the sector on young people's radar. Another pointed out that, for a number of years, the science community has sent ambassadors into schools to introduce the idea of a career in science. One commented that a regional approach to talent and skills development could be constructed, based on a regional consortium model.

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[199] The Warwick Commission, 2015, p.46-7
[200] Cadwalladr, 2016

Appendix 7: Other factors affecting theatre attendance

Key messages

— Audience motivation is complex and subject to range of influences.

— One of these is social interaction which research and data suggests is an important aspect of theatre attendance, and there is a wide variation in party size between genres, with popular genres such as Pantomime, Open Air Theatre, and Entertainment being more likely to have people attending as groups and families.

— Genre also plays a part in determining attendance, with the literature suggesting that comedy, musicals and pantomines are enduringly popular, albeit with some socio-economic and regional differences, and with differences according to different audience segments.

— There are suggestions that 'celebrity casting' is growing, in part fuelled by the role of social media in growing celebrity culture.

— While there are some noticeable differences in audience taste between regions, there is no clear consistent pattern.

— Despite the enduring popularity of certain genres and the rise of celebrity casting, some metrics and industry perceptions point to increasingly adventurous audiences.

— Current data (drawn predominantly from NT Live) suggests that streamed performances are reaching a wider audience –including lower income groups - but are concentrated in urban areas.

Audience motivation is complex, with social interaction among audiences considered as an important aspect of theatre attendance

Various reports point to the complexity of theatre audience behaviour, highlighting complicated value judgements and the importance of motivation, emotions, and social interaction in determining audiences' choices.

Chan and Goldthorpe in 2005 for example argued that *"theatre attendees are omnivores, meaning that they enjoy both high and popular culture"*[201]. Echoing this, a report by the British Theatre Consortium suggested that spectators value theatre for a variety of reasons, allowing them to find it possible to consider a performance both intellectual challenging and entertaining at the same time. This led the authors to call for more research on *"the concept of 'entertainment'"*[202].

In 2012, Walmsley in his research particularly highlighted the importance of emotion and escapism in motivating theatre attendance, suggesting that the most important driver among research participants was that of pursuing an emotional experience and impact, which makes audiences continue to return to the theatre. Based on this, the author suggested that theatres should tap into audiences' expectations of theatre providing a challenging escape from their daily lives, by continuing to offer demanding work[203].

Reinelt meanwhile has highlighted the importance of peoples' social tendencies in valuing theatre experiences, pointing to the importance of social interaction among audiences of the Royal Shakespeare Company, the Young Vic, and the Theatre Royal Plymouth[204]. This is corroborated by quantitative research around the same time, which found that *"theatre is very much a social experience, with the majority (38%) of attendees going in groups of three and a*

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[201] Chan &Goldthorpe, 2005, cited in Grisolia, 2010, p.230
[202] The British Theatre Consortium, 2014, p.88-89
[203] Walmsley, 2012
[204] Reinelt, 2014

further 36% attending in groups of four or more"[205]/[206]. Analysis of the Audience Agency's England-wide booking data allows for a more fine-grained picture. When looking at party size by genre, perhaps not surprisingly, the largest party sizes are registered for those genres which may be classed as less challenging and more likely to be visited as a family: in 2014/15, Pantomime had the largest average party size (5.96), followed by Open Air Theatre (4.15), Children & Family (3.36) and Entertainment (3.25). Party size across all remaining categories ranged between 1.82 for Experimental Theatre and 2.74 for Musical, with no particularly strong differences between 2011/12 and 2014/15.

Connected to the notion of providing a social experience, feedback from the sector consultation showed that consultees believed that audiences are prepared to pay high prices for shows which offer a near-guarantee of a "good night out". It was felt that, given the cost of such an evening (i.e. including tickets, transport, drinks, food, babysitters etc.), audiences would tend to choose quality/ enjoyment of the evening over frequent attendance.

Such complex audience motivations inevitably increase the challenge of understanding and predicting what shows audiences will be attracted to: *"if producers always knew what audiences wanted they'd all be very rich – and they're not"*[207]

The popularity of different theatre genres across society and the regions

The literature suggests that comedy and musicals are enduringly popular, though with socio-economic and regional differences
Despite the complexity of audience behaviour and motivation, the literature suggests that certain genres prove enduringly popular – albeit with different audience patterns both geographically, as well as across society:

— **Ongoing appeal of comedy – with socio-economic differences:** The LiveAnalytics report also referred to the ongoing appeal of comedy as a genre, with 42% of attendees citing it as the most appealing genre. However, the authors found that this is slightly more the case among those whose maximum qualification is GCSEs or equivalent (49%), while drama was slightly more popular among theatregoers with a postgraduate degree (35% compared to 30% among all attendees[208].This finding echoes previous research in 2010, which pointed to social variances in the engagement with different theatre genres, stating that *"whereas RSC and drama in general are clearly defined in terms of status and higher education, showing a more elitist profile, family shows and especially comedy seem to embrace a more diverse social segment"*[209].

— **Enduring popularity of musicals and pantomimes – though with some regional differences**: Figures from around the millennium (1998) suggested that musicals were then the most popular genre in terms of tickets sold in the West End, where they accounted for 60% of all tickets sold. In contrast, audiences for pantomime/ children's work only made up around 1% of the West End's audiences, but *"was the single largest bringer of audiences [in] the regions"*, with 28% of all sales[210].

More recently, research by LiveAnalytics found that 75% of theatre attendees had been to at least one musical in the past year, compared to 72% to a play. The report found that *"long-standing musicals are highly popular amongst theatre attendees. They also boast the highest attendance and conversion rates from awareness to attendance"*. The report further found that 66% of audiences were keen to maintain or increase the number of musicals and plays they attended, *"which would continue the upward trend in attendance of West End theatre"*[211].

[205] LiveAnalytics, 2013, p.10
[206] Related to this, the longitudinal research results of the Taking Part survey similarly showed that people, in starting to engage in the arts, were often influenced by their friends' attendance patterns (Doeser, 2015).
[207] Gardner, 2013

[208] Liveanalytics, 2013, p.19
[209] Grisolia, 2010, p.242
[210] Quine, 1999, p.14
[211] LiveAnalytics, 2013, p.15-17

This was corroborated by the latest British Theatre Repertoire report, which found that in 2014 51% of all attendances were for musicals, 35% for 'straight theatre', and 11% for pantomime. It also pointed out that musicals and pantomimes *"are the two theatre forms that on average fill the highest percentage of seats".* The report highlights that this is the case despite big differences in ticket prices – with the average price for musicals (at £40) considerably higher than that for 'straight theatre' (£26) and pantomimes (£19)[212]. The 2015 UK Theatre report highlighted the particular popularity in 2014 of 'family musicals' (almost a quarter of all box office income) compared to a decline in popularity of 'adult musicals', within an overall increasing market share of musicals[213].

— **The rise of 'celebrity casting'**: In addition to the importance of the genre of a show in defining its likely appeal and audience, there is also reference in the recent literature to the rise of 'celebrity casting'. A recent article in *The Economist* reported that while theatre has *"always relied on the popularity of actors to draw in crowds"*, the rise of live-streaming has further increased the incentive for producers to *"try to get the biggest names they can"* in order to increase the popular appeal of their show[214]. The sector consultation also revealed that some worry that this works in favour of metropolitan theatres (particularly London), as most 'name' actors live in London and are not generally keen on committing to long tours.

Data analysis confirms the overall appeal of plays, entertainment and musicals

Our analysis of the Audience Agency's England-wide booking data provides more detail on the popularity of different genres (see Figure 26). However, it is important to bear in mind that the data consists principally of publicly-funded organisations (73.4% NPOs), and does not include commercial theatres e.g. in the West End. The data is based on the genres booked by individuals: if one individual books three genres once each, each booking is registered once against each genre; if an individual books one genre 10 times in a year, this also registers just once against the particular genre (in the following paragraphs this measure is described as '*instances booked'*). While the data thus does not tell us about the depth or frequency of engagement with a particular genre, it shows which genres are more popular across a wider part of the population (those genres registering high numbers of times booked) versus those which are popular within a smaller group of the general population (those genres with a low number of times booked).

The data tells us that across England as a whole, within this data set, 'Plays' register by far the highest number of 'instances booked' of all genres (56% in 2014/15, up from 48% in 2011/12) – in other words, are booked most widely across the population. This was followed by 'Entertainment', which includes comedy productions (18% of 'instances booked' in 2014/15, up from 17% in 2011/12) and Musicals (12% in 2014/15, interestingly down from 19% in 2011/12) – reinforcing the wide appeal of comedy and musicals as expressed in the literature. More 'niche' genres registered significantly lower numbers of 'instances booked', with the lowest registered by Open Air Theatre and Puppetry & Visual Theatre – in other words, these tend to be popular among certain parts of the population.

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[212] Brownlee *et.al.*, 2016, p.6-7;16

[213] UK Theatre, 2015, p.3

[214] The Economist, 2016

Figure 26 Popularity of genres across bookers ('instances booked') (2011/12 – 2014/15 data)

Genre	2011/12	% 11/12	2014/15	% 14/15	Growth Rate
Plays	437,940	48.4%	588,313	55.7%	34.3%
Circus	7,435	0.8%	15,061	1.4%	102.6%
Experimental Theatre	9,715	1.1%	14,582	1.4%	50.1%
Physical Theatre	4,103	0.5%	8,345	0.8%	103.4%
Puppetry & Visual Theatre	3,715	0.4%	2,203	0.2%	-40.7%
Entertainment	150,756	16.7%	193,694	18.3%	28.5%
Musical	172,227	19.0%	121,733	11.5%	-29.3%
Children and Family	27,616	3.1%	35,053	3.3%	26.9%
Open Air Theatre	383	0.0%	607	0.1%	58.5%
Pantomime	91,346	10.1%	77,089	7.3%	-15.6%
Total	905,236		1,056,680		16.7%

Source: BOP Consulting/ Audience Agency (2016)

To get a better sense of the *depth* of engagement with each of these genres, it is worth re-visiting the average party size across genres, as mentioned above. In 2014/15, the largest average party sizes were registered by Pantomime (5.96), Open Air Theatre (4.15) and Children & Family (3.36) – in other words, for each of the number of times these genres were booked as above, a proportionally large number of tickets were booked. This is particularly relevant when comparing Pantomime with Plays – while the former registers lower levels of instances booked (unsurprisingly, given its seasonal appeal) than the latter, the average number of tickets booked is far higher, meaning that Pantomime is comparatively more popular with bookers than the above figure suggests.

Data analysis corroborates that different genres appeal to different audience segments

Within this predominance of certain genres, the Audience Agency data also underlines the findings of the literature review in terms of the appeal of different genres to different groups of audiences. Using the audience segmentation developed by the Audience Agency to look at which genres are most popular with which audience segments shows us that (see Figure 47 in Technical Annex 4):

— **Plays and Musicals** register most 'instances booked' among 'Commuterland Culturebuffs' – defined as affluent groups working in higher managerial and professional occupations, often mature families, living in suburban locations, particularly in the South East. They are keen consumers of culture, tending towards more traditional offerings.

— **Circus, Experimental Theatre, Physical Theatre and Puppetry & Visual Theatre** register most 'instances booked' among 'Metroculturals' – prosperous, liberal, highly educated groups who live in prospering city centre locations and are interested in a wide spectrum of activity

— **Entertainment, Children & Family and Pantomime** register most 'instances booked' among 'Dormitory Dependables' – well-off mature couples or families who live in suburban or small towns across England and prefer popular and more traditional mainstream arts.

This makes clear the preponderance within all genres of audience segments who are relatively well-off and who live in urban or sub-urban settings (more detail on the challenges of reaching out to bookers of different socio-economic backgrounds can be found in Section 5.1). However, more traditional offerings such as plays, musicals, pantomime and entertainment tend to get booked by more mature audiences or families; often living in suburban settings, while more 'niche' offerings such as experimental or physical theatre tend to get booked by more attractive to urban, highly-educated groups.

While there are some noticeable differences in audience taste between regions, there is no clear consistent pattern

The 'instances booked' of genres across the regions for 2014/15 does not show any particularly consistent patterns, although there are some noticeably differences (see Figure 48in Technical Annex 4) between the regions:

— Plays make up the highest proportion of 'instances booked' of all genres in London (67.5%) with a very comparable proportion in the North West (67%) and North East (63%). However, these returns differ substantially from the West Midlands (29%), indicating large differences in instances plays are booked between the regions.

— Other genres also register substantial differences in the proportion of 'instances booked' between regions – musicals for example range from 17% in the South East to only 4.2% in the North East; Pantomime from 16.2% in the East of England to 1.8% in the North East.

— More 'niche genres' such as Circus, Physical theatre, Experimental theatre and Puppetry & Visual Theatre tend to do slightly better in London than in the other regions; with one main exceptions: physical theatre registers most 'instances booked' in the North East.

— Both 'entertainment' and musicals register less instances booked in London than in most other regions. However, in this, it has to be remembered that these figures do not include the commercial West End, which will make up for a large proportion of musicals booked in London[215].

— The fact that London registers the second-lowest number of 'instances booked' for the 'Children & Family' genre (1.7%) reflects to a certain extent Quine's findings of the stronger popularity of 'Children & Family' theatre in the regions; however, only the West Midlands (11.7%) shows significantly higher bookings than in the capital.

In summary, the data suggests a slight tendency for plays and more 'niche' theatre to register most 'instances booked' in London (which is consistent with the findings that the latter are most popular with 'Metroculturals' living in urban environments), while entertainment and musicals register more instances booked in other regions. However – given e.g. the huge variances in the popularity of genres across the different regions outside London – this is not consistent: in practice, no clear pattern of bookings by genres across all the regions can be established.

Some metrics and perceptions point to increasingly adventurous audiences

Despite the tendencies for the popularity of certain genres, it was strongly felt among sector consultees that audiences distinguish between the excellent and the mediocre, and that - as in previous periods of financial uncertainty – high quality (especially populist) work, the *"unusual and the extraordinary"* do well, while *"unexceptional"* does not.

This picture of audiences being increasingly keen to 'experiment' was also reflected in the British Theatre Repertoire 2014. As already noted in Section 4.3.1 on risk taking in theatre production, in 2013 and 2014, attendance levels for new work had overtaken those for revivals. Similarly, the analysis of Audience Agency booking data by genre also showed that some more 'niche' genres, most noticeably Physical Theatre and Circus – which as shown in Figure 26, register only a small proportion of total 'instances bookers'– experienced the highest growth rates of 'instances booked' among all genres between 2011/12 and 2014/15. In contrast, the numbers of 'instances booked' for some of the more popular genres such as Musicals and Pantomime have dropped (see Figure 27).

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[215] See findings by Quine and Live Analytics as cited above.

Figure 27 Growth rate of 'instances booked' among genres

Genre	Growth Rate
Plays	34.3%
Circus	102.6%
Experimental Theatre	50.1%
Physical Theatre	103.4%
Puppetry & Visual Theatre	-40.7%
Entertainment	28.5%
Musical	-29.3%
Children and Family	26.9%
Open Air Theatre	58.5%
Pantomime	-15.6%
Total	16.7%

Source: BOP Consulting/ Audience Agency (2016)

This suggests a tendency for increasing experimentation among bookers, which is resulting in a slightly more even spread of bookings across genres - lending credence to the literature above that describes theatre audiences as *"omnivores"*[216]. This is supported by 13% of 394 open text responses to the online consultation's question of 'what were the top three opportunities for theatre in terms of audiences' focusing around the fact that respondents felt that their work had adventurous and cultivated audiences. Although this is not a large proportion, only 5% of the open responses in contrast referred to audiences' conservative tastes as a barrier, suggesting that industry consultees feel on balance that their audiences are (increasingly) discerning and willing to take risks.

Streamed performances are reaching a wider audience, but are concentrated in urban areas

A 2015 survey by MTM indicated that livestreaming to cinemas is so far attracting more audiences than livestreaming at home, with 19% of the UK population having watched live-to-digital arts content in the cinema, and only 7% having watched it online but not in a cinema. Among the cinema audiences, it furthermore seemed that livestreaming events proved more popular than repeats of live shows. Livestreaming is now widely known: only 12% of survey respondents were still unaware of the possibility of viewing live arts events in cinemas[217].

As TBR's report highlights, producers and broadcasters point in particular to the benefits of event cinema in extending the reach of productions to audiences who may otherwise be unable to access live performance (e.g. due to cost or location). Recent reports suggest that – to a certain extent – this is indeed happening. Nesta's 2011 report on NT Live found that it reached new audiences by *"[enabling] the National Theatre to take the play to people who would not otherwise have been able to attend, because of constraints of distance or unavailability of tickets"*. Specifically, they found that NT Live appeared to have drawn in larger lower income audiences than those at the theatre, with a quarter of the cinema audience earning under £20,000 per year, and the proportion of those earning under £50,000 per year being considerably lower than at the theatre[218]. TBR's more recent report corroborates this, highlighting that NT Live has *"drawn in lower income audiences than those who attend live theatre performances"*. The report also found that those who had seen live screenings were slightly more ethnically diverse than those who had not[219]. A recent article in *The Economist* corroborates this, mentioning that NT Live has reported that studies of audience demographics show that performances are reaching a younger and less affluent audience, as well as older people who might not be able to get to a theatre. The article concluded that *"streaming […] is less a threat than a hope, doing more than any other innovation to tackle the elitism and the lack of access that plague the performing arts today"*[220].

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[216] Chan &Goldthorpe, 2005, cited in Grisolia, 2010, p.230

[217] TBR, 2015, p.21-22
[218] Nesta, 2011, p.38; 31
[219] TBR, 2015, p.21-22; 24
[220] The Economist, 2016

TBR however also found that so far, people living in urban areas are far more likely to have seen a live screening, with the highest density recorded in London and the surrounding areas, and the lowest in the North West and Yorkshire and the Humber. The authors suggested that *"this does not lend support to the view that event cinema opens up live performances to those not in or near London"*, but highlighted the need for more data (e.g. on the geographical differences in terms of number of live screenings) to investigate this further[221]. Again, the current study commissioned by the Arts Council and the BFI may be able to shed further light on this once published.

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[221] TBR, 2015, p.23

Appendix 8: Audience development & communications

Key messages

— The sector is increasingly interested in its audience development role, and recognises the importance and the opportunities lying within this work.

— There are some abiding challenges and ongoing debates about the effectiveness of different audience development approaches:

- An ongoing debate about the effectiveness and sustainability of subsidised tickets to draw in more diverse audiences.

- Concern about the reducing profile of theatre in education (e.g. reduced provision and take up of relevant subjects) and reducing interaction between schools and theatres

- The challenge of overcoming the 'chicken-and-egg' situation of a homogenous workforce producing a homogenous product

— Nevertheless, there is ongoing commitment to continuing and improving audience development. In meeting existing challenges, the sector consultation highlighted the importance of ongoing engagement rather than short-term activities. To achieve this, theatres are:

- developing audiences through collaborative relationships with the community (e.g. involving them in programming or production)

- finding new ways to connect with 'communities' that are not necessarily related to the art form, but which may help to develop a recognition of the importance of the theatre to the town/city

- increasingly communicating more directly with audiences through digital technology, with social media becoming a more important and sophisticated and aspect of marketing and communications

— To further encourage organisations to reach out to wider audiences, the

The theatre sector recognises the importance of audience development

Recent literature on theatres' audience development activities – which seems largely to have been produced in the past eight years – suggests that the sector is increasingly interested in their audience development role, rather than seeing education or access policies as a restriction. Scollen in 2009 suggested that the combined force of decreasing audience numbers, competition for leisure time and a public arts policy focused on attracting non-attendees, led to a review of practices after 1997 within the industry. She highlighted in particular two programmes developed in this *"positive climate"* – *Talking Theatre* and *Test Drive the Arts* – both of which, as she argued, *"sought to build new audiences […] by shifting the companies' concentration from product to public"*[222]. Reinelt in her 2014 study of audience motivation argued that theatres have become more interested in audience research and development than was previously assumed, highlighting initiatives by the RSC, Young Vic and Theatre Royal Plymouth[223]. This was supported by Hetherington, who in his interviews with producers receiving public funding found that:

> *"nearly all the interviewees thought that funders' requirements did not run contrary to the purposes of their companies nor their own artistic ambitions. […] None […] found educational activities or the need to extend access to the performances, as unreasonably restricting"*[224].

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[222] Scollen, 2009, p.3
[223] Reinelt, 2014, p.359
[224] Hetherington, 2015, p.43

The sector consultation undertaken for this report reflected the literature, revealing that contributors were generally very clear about the qualities that a 21st century theatre needs to display in order to create an effective relationship with its audience and address pervading audience patterns – and recognised the opportunities lying within this. The responses received to the online consultation also confirmed the sector's view of the potential benefits of diversifying audiences: diverse audiences and potential new audience segments (including young audiences) featured strongly as audience *opportunities* for theatre, accounting for 29% of all open responses given to this question. The chance to provide a more diverse offer (including for ethnic minorities, families and people with disabilities) was mentioned in 16% of all responses to the same question.

Challenges to addressing existing audience patterns persist

Despite this generally positive attitude, various reports over the past ten years – corroborated by the sector consultation – point to abiding challenges and ongoing debates about the effectiveness of different approaches, in widening audiences. The online consultation was roughly evenly divided between those identifying the accessing of a more diverse audience as an opportunity and those who saw it as a key *challenge* (26% of all open responses given to this question).

There is an ongoing debate about the effectiveness of subsidised prices to draw in more diverse audiences
Perhaps the most widely discussed challenge is that of the importance of early and long-term engagement, as opposed to the cost of attendance. LiveAnalytics in 2013 argued that as cost is the main barrier to non-attendees, *"money-friendly schemes would encourage or enable more people to attend"*[225]. McMasters in 2008 suggested that *"all admission prices should be removed from publicly funded cultural organisations for one week"*. In order to overcome the "*it's not for me' syndrome"*[226]. The sector consultation also suggested that subsidised

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[225] LiveAnalytics, 2013, p.13
[226] McMasters, 2008, p.7

tickets or free events are considered as an important approach to bringing in more diverse audiences. In the online consultation, the affordability of theatre was reported by 15% of the 488 open text responses about challenges in relation to audiences. Meanwhile, several contributors to the interviews and focus groups mentioned running subsidised ticket schemes[227], while others provided examples of how they are trying to reach wider audiences through free events or special programmes:

> *"We are in the 'most working class city in the UK'…last year we engaged 320,000 people with a free 'stumble across it' arts event. More came than we could have persuaded to pay for it"*

> *"We've started to do student things where anyone from the city can come along for free and a lot of those were completely new."*

However, the sector consultation revealed wide-held scepticism about the effectiveness and sustainability[228] of such schemes including concerns about ensuring that such schemes reach their target audiences:

> "*The dilemma is how to make sure the 'right people' get the tickets. In many cases going to the theatre is not a question about buying the ticket price, but also a problem about affording bus and baby-sitting etc."*

> *"You wouldn't believe how hard it is to get out 1£ tickets to people who don't want to come. It's important to get over the 'not for me' threshold. It's a long-term game we're playing."*

> *"We have a free ticketing scheme, but it doesn't gain traction in the poorer areas, most of the uptake is in the wealthy areas."*

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[227] E.g. "*We have a ticketing scheme that includes free tickets for council tax payers who are new attenders"; "We give tickets to certain poorer people. If you want a wide range of people in your space, you need to cater for them"*
[228] As one contributor (a funder) observed: *"One of the problems of traditional audience schemes is that they are predicated on subsidised tickets. That is not sustainable. What is the resource needed to build new audiences long-term?"*

'Pay-what-you-like' or 'what-you-think-it's-worth' approaches were also discussed in the consultation: Slung Low's venue in Leeds, for example operates primarily as a 'pay what you decide' model, collected after the show. This approach – based on the principles of 'goodwill' and 'generosity' – extends to offering opportunities for companies and artists to make use of the Hub's physical resources for playmaking. Similarly, this principle of opening access to those with limited resource has also found a national expression through the Fun Palaces programme based on Joan Littlewood's 1960s concept. It may be that the quantity of flexibly-priced work is on the increase, but further research would be required to determine is scale and impact.

Early engagement with future audiences is considered as important, but there is concern about the reducing profile of theatre in schools
Several consultees suggested that the type of product offered ultimately outweighs considerations of ticket price:

> *"It's not about cheap tickets. If you give people the right product, the audiences will come. […]. People will pay the money, if they really want to see something."*

> *"Price can be one barrier, but it's not the only one. Price can become an easy answer – 'it's too expensive', when sometimes it's just the wrong thing you're doing.*

The longitudinal research results of the Taking Part survey recently supported this view of the limited importance of low-cost tickets, finding that the cost of attending or taking part was barely mentioned as a factor in peoples' (non-) engagement with the arts (Doeser, 2015). Echoing these sentiments, Grisolia in 2010 found that "*income was not found to be a significant factor in determining arts attendance*". Instead, Grisolia highlighted the importance of arts engagement with children from an early age in order to promote adult engagement, arguing that *"a more balanced policy towards promotion and early*

engagement of children would be more likely to […] widen the socio-economic profile of theatregoers" than subsidised tickets[229].

However, data and feedback from the online consultation suggest that this is at present not being adequately pursued, either in the education or theatre sectors. The Warwick Commission report recently found that based on the annual Taking Part survey, the proportion of 5-10 year olds who engaged in theatre or drama activities dropped from 47% to 32% between 2008/09 and 2013/14. The report also raised awareness of reduced provision and take up of relevant subjects within the education system, for example citing a 23% drop in the GCSE numbers for Drama and 8% fewer Drama teachers and 4% fewer Drama hours taught in English state schools since 2010[230].

Reflecting this, the online consultation revealed the sense of a missed opportunity of working with schools, certainly among some representatives of the sector, with engagement with schools considered as critical to developing new audiences (10% of open responses to the online consultation referred to greater collaboration and networking, especially with schools, as a way to realise identified opportunities/ mitigate identified challenges). This missed opportunity is also reflected in the number of school performances in theatre NPOs (see Figure 28). The figure varies considerably, from 1,645 performances in London to 79 in the East of England. The number of school performances grew in only two regions between 2011/12 and 2013/14 (in the South East by 24% and the West Midlands by 30%), while it decreased in all other regions – i to a considerable degree in some (-70% in Yorkshire and -65% in the South West, although it is important to note that in both these regions, the total number is still higher than the East of England and the South East).

[229] Grisolia*et.al.*, 2010, p. 230; 242
[230] Warwick Commission, 2015, p.34; p.44-48

Figure 28 Number of school performances in theatre NPOs (2011/12-2013/14)

	2011/12	2012/13	2013/14	Growth rate 2011/12 - 2013/14
East Midlands	500	191	252	-50%
East of England	138	69	79	-43%
London	1902	1371	1645	-14%
North East	266	168	222	-17%
North West	574	371	290	-49%
South East	78	83	97	24%
South West	665	213	231	-65%
West Midlands	310	259	402	30%
Yorkshire	1016	556	293	-71%
Grand Total	5449	3281	3511	-36%

Source: BOP Consulting / Arts Council England (2016)

The link between the sectors' homogenous workforce and the struggle to present work that will attract a diverse audience

A 2014 report by Consilium references several previous reports, which point out that *"the producers of culture and the content"* do not reflect the UK's diverse society" – for example quoting Baroness Lola Young as saying that *"our arts organisations are still frequently run by cultural elites tethered to old-fashioned notions of cultural and class identities"*[231]. The consultation process also raised these issue of theatres mainstreaming diverse work and representing their audiences in their programmes (see Sections 3.5.4. and 3.8).

Several reports in the literature review pointed to a lack of skills/ understanding and resource capacity within organisations, which is exacerbating this struggle to present work that will attract a diverse audience. In 2006, Baroness Lola Young for example pointed to the lack of consensus of *"what constitutes 'black theatre'"*. She recommended that based on conversations with representatives in the sector, *"the Arts Council should work to develop further its*

understanding, language and thinking in relation to 'race', ethnicity and culture"[232]. On an institutional level, a 2014 report found that *"despite their commitment to equality and diversity, many arts organisations don't have the expertise or resources needed to design and implement effective approaches to meet obligations outlined in the Equality Act 2010"*[233].

That this is having a direct impact on attracting more diverse audiences was put succinctly by Lynn Gardner in a 2015 article which highlighted the success of some venues in providing increased diversity on stage (e.g. the Bush theatre under director Madani Younis): *"why should [audiences] come unless they see themselves reflected on stage and in every aspect of a theatre or company's work?"*[234]. This 'chicken-and-egg' situation, in which a homogenous workforce tends to produce a homogenous product, which tends to deliver a homogenous audience, was also strongly recognised by participants in the sector consultation. One consultee from a non-building based company saw her company's role as working to make theatre less of *"an echo chamber"* in which the sector speaks to itself rather than to others. According to another consultee:

> *"It's about the stories you choose to tell. The story needs to talk about what you are surrounded by. […]. What is a barrier to people is the total lack of representation. Audiences should have access to a palette of varied work that is all theirs".*

In this context of theatres' responsibility to serve a broad range of communities, several consultees referred to the need to acknowledge the changing role of the Artistic Director from delivering a 'personal' artistic vision to acting more as a 'curator' of a diverse body of work. As one independent artist observed:

> *"In a big building, you are programming for a big diverse audience – your job is to get lots of different voices to feed in. Be a curator,*

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[231] Consilium Research & Consultancy, 2014, p.70

[232] Young, 2006, p.23; 49

[233] Consilium Research & Consultancy, 2014, p.77

[234] Gardner, 2015

especially if you have loads of public money. You don't have to like it, to know it is good".[235]

In addition, other challenges to widening the theatre audience were highlighted across the literature and sector consultation:

— **Many factors lie beyond the sector's direct control**: As Consilium's 2014 report concluded, *"many of the practical barriers (i.e. cost), psychological barriers (i.e. an individual's sense of identity linked to their social background) and institutional barriers (i.e. level of trust in publicly funded services) are beyond the direct control of the arts and cultural sector"[236]*.

— **The cost of a diverse, accessible programme**: Boyden referred to the cost of developing a representative programme, arguing that *"for as long as ERPTs are forced to balance their budgets […] their capacity to deliver programmes of appropriate range (and therefore to empower minority communities by providing them with a clear regional voice) […] will remain inhibited"[237]*. A short-term pressure to balance the books was also more recently mentioned as a barrier in a comment by one of the sector consultees, who pointed out that *"the pressure to sell seats often means taking the path of least resistance – finding more people like those who come already. That's coming back to bite us."* The issue of cost was highlighted particularly with regard to providing accessible performances for audiences with sensory impairments, with research indicating expense continues to be one of the main obstacles for venues and producers to offer accessible

performances[238]. The online consultation meanwhile suggested that barriers to creating innovative and diverse work (including a lack of open-mindedness from funders and venues) were a key challenge to theatre making and presenting (accounting for 12% of the open responses).

New approaches in audience development

Despite such challenges, both the recent literature and sector consultation suggests an ongoing commitment to continue and improve audience development. Indeed, in meeting such barriers, the sector consultation highlighted the importance of ongoing engagement rather than short-term activities. As the Chief Executive of one regional theatre said:

> "*Audience retention and diversification are two complementary aspects of development: Getting new audiences is easy, getting them to come back is difficult. It's generational. For it to be meaningful and sustained, it's going to take years. Short-term initiatives don't work. That's why we have the typical audience - If they don't' come when they are young, they'll forever say the building is not for them. Underneath money, this idea of being allowed to come in, is the biggest barrier.*"

That this is true for small touring companies just as much as venues was highlighted by another consultee, who said*: "we need to build long-term relationships. That takes time and resources. Especially if we are not doing a regular programme of productions".*

Given this need for long-term solutions, several items in the literature mention the emergence of collaborative approaches to working with audiences or communities – seeing them as partners or collaborators, rather than 'just' as audiences. Similar sentiments were expressed in the sector consultation,

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[235] Similar suggestions were made by two further consultees: *"Yes of course they [Artistic Directors] should have artistic vision, but… it's about responding to what is going on in the city, what the concerns are, what the stories are that people want to engage with… Having the communication with the community is what an Artistic Director needs to be there for."* And: *"Are we comfortable with the fact that artistic direction is no longer what it was 10 years ago? We have a new Artistic Director from a new generation. He sees himself as more of a curator. An Artistic Director has to like what is put on – how can they nurture it otherwise? But they need to be open and generous… [You need to be] porous and at the same time authentic, putting on work that you can commit to".*

[236] Consilium Research & Consultancy, 2014, p.77

[237] Boyden, 2000

[238] Myers, 2009, in Consilium Research & Consultancy, 2014, p.25

indicating that theatres are developing their understanding of the value of being rooted in – and knowing more about - their local communities, thereby creating relationships of trust and dialogue to help a range of audience segments decide what they want to see and feel they can take manageable risks. As a theatre director who created free 'stumble across it' arts events said:

> *"I want to be a conduit for audiences to access a risky programme. We devised all sorts of things that were different and new. But it took £200,000 extra money. It moved us and the audience along, people talk differently about the city now."*

A number of different approaches to such collaborative working were referenced across the literature and consultation, including:

— **Offering space to amateur groups**: The consultation referred to theatres giving their stages over to non-professional organisations on a regular basis. One example of this is York Theatre Royal's annual *TakeOver Festival*, where the entire programming of a theatre is handed to a youth company for a week. This sets different criteria of quality *("Not every production is staged because it is excellent but because it has a right to happen")* and of management *("What kind of financial model can deliver both empowerment of community and at the same time nurture high-level artistic skills?")*.

— **Drawing the local community into theatre programming**: One example referenced in the literature was that of Theatre Royal Stratford East's *Open Stage* project, which aimed to develop a discussion with members of the East London community about what they would like to see on the stage. In an analysis of the project, Glow in 2013 highlighted *Open Stage's "local, aesthetic, participative and democratic"* approach, pointing to its direct engagement with the community and its approach to involving them in programming decisions. This, the report suggested, comprised a new model of leadership based on a *"democratic understanding of the responsibilities of arts organisations to the individuals it serves"[239]*. A sector consultee

referenced another example of a local community being drawn into a theatre's programming:

> *"Kes at Cast is an example. The models that work with new audiences are the ones that break down the barriers between community work and professional product. Cast increasingly engages with the community as programmers."*

— **Involving the community in theatre production**: many contributors pointed to the importance of *"real dialogue"* between theatre and audience, which puts audiences *"at the heart of the process"* and *"[embraces] them not just as consumers, […] but as equal participants"[240]*. As an example of involving communities in the production process, the idea of finding 'stories' in the local community was referred to by several sector consultees:

> *"A theatre community should not be constructed around a building. You have to go out into that community and find the relationship around which you are going to build your theatre. Slung Low in Leeds went out in the community and found the stories. They built theatre space after."*

One Artistic Director pointed out that this role of theatre as civic animator is questioning the relationship between the professional artist and artistic director, and the non-professional:

> *"We have put the work of artists on a pedestal - for good reason - but it was a mistake separating the artist from the community. Organisations are a home for people's creativity. We should develop ideas across the whole community in which, of course, [professional] artists should be a part. This is about breaking down hierarchies in the creative sector".*

Driving home this point, another consultee went on to suggest that the Arts Council strapline *Great Art and Culture for Everyone* could be usefully expanded to read '*Great Art and Culture For, With and By Everyone'*. It was thought that

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[239] Glow, 2013, p.133

[240] Gardner, 2013

this formulation would send a message about a shift of hierarchy and a change in the conversation.

Finding new ways to connect with communities

Connected to the above, the sector consultation also suggests that a further aspect of this approach to developing a more collaborative relationship with the community is the preparedness to accept that 'theatre' will simply not be interesting to everyone:

> *"We need to be ready to accept that some people just don't like going to the theatre. If we are prepared to think about that, we can think about how we become part of somebody's daily routine"*

In order to avoid the sense of being "*irrelevant to many in the community*", it was suggested that venues can find different ways of serving their community, which are not necessarily related to the art form but with the potential for developing a recognition of the importance of the theatre to the soul of the town or city. A number of contributors referred to the opening of West Yorkshire Playhouse, when the foyers were used for a range of non-arts activity (including, famously, a knitting circle). This was particularly effective in blending the theatrical and non-theatrical aspects of the building's identity. Consultees felt that this is a valid way of serving the community and avoids the risk of "*wasting effort trying to make people attend who don't want to".* As another contributor suggested:

> *"The most successful venues are those that have opened up to the public in the daytime, making the community feel that even if they don't want to go to the theatre, there is something there for them. Saturday morning events for kids [helps families feel] they are important to you, and encourages them to lobby on your behalf."*

While this was also referenced in the online consultation, it did not feature particularly strongly – only around 7% of the open responses to the question of opportunities in terms of audiences referred to the notion of engaging with communities, rather than simply 'audiences'.

Approaches to communicating more directly with audiences through digital technology are increasing

Several reports in the literature highlight the opportunities of digital technology to enhance theatres' communication with their audiences. Writing in the early days of social media, McMasters pointed to the *"extraordinary opportunities"* offered by digital technology to support communication between audiences and artists in a bid to *"explore ways to communicate more effectively"[241]*. Bakhshi and Throsby similarly highlighted the *"far-reaching potential of new communications technologies"* for audience diversification and *"audience deepening",* by providing new ways to improve organisations' engagement with their audiences. Alongside live broadcasts, they pointed to opportunities for using online resources *"to inform and educate consumers, by interacting with them on social networks"* and on creative websites, and to get audiences "*involved in artistic creation"[242]*.

More recent literature points to an increasing understanding and valuing among theatres of how to use social media in reaching out to existing and new audiences. In 2010, Gardner spoke of the need for theatres to *"[use] social media properly – not just for free advertising"*. She suggested organisations should use the opportunity to create relationships with audiences through providing them with a better understanding of what they are doing, and offering opportunities *"for them to comment both favourably and unfavourably"*. She indicated the value of this, pointing to a survey by SOLT which showed that 65% of people felt that social media helped them decide whether to go to the theatre, but suggested that *"on the whole, theatre seems to be waking up rather slowly"* to this opportunity[243].

Two years later, Trueman pointed to the recent proliferation of *"digital content about theatre",* such as the Royal Shakespeare Company's myShakespeare site or the Royal Court's *Young Writers Toolkit.* Trueman argued that while theatres had previously *"been criticised for getting social*

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[241] McMasters, 2008, p.8

[242] Bakhshi & Throsby, 2012, p.208-209

[243] Gardner, 2010

media wrong, […] there's definitely movement in the right direction. They are starting to think of us as audiences online as well as offline"[244]. Most recently, Devlin and Dix similarly highlighted the growth of digital media and social networking *"with an accompanying shift away from the traditional producer/consumer paradigm"[245]*.

Reflecting this, participants at every roundtable, as well as the members of a London Theatre Consortium meeting, observed that the role of social media is becoming ever more important and sophisticated and, consequently, an increasingly important aspect of theatres' marketing and communication work. One company recounted that it had received a bad review in Edinburgh, but that the subsequent Twitter conversation generated high levels of activity, so that Twitter became increasingly the *"voice that was listened to"*, reversing the negative impact. Members of LTC in turn mentioned the value of Trip Advisor for reaching new audiences. However, the consultation also suggested that some theatres feel the need for more resources and help to build capacity in this area, particularly around marketing. Indicatively, in the online consultation, around 8% of the open responses to the question of challenges in terms of audiences referred to marketing or communication challenges, including the use of new technology.

Audience development in the future

In the new Arts Council funding cycle, organisations *"have been asked to shape their artistic programme to better reflect the communities they serve, and to show evidence of doing this"[246]*. This will include arts organisations' contribution to the Arts Council's Creative Case for Diversity will be taken into account in assessments for future funding decisions, and organisations will also be required to sign up to a new analysis service, Audience Finder to improve the understanding of the make-up of cultural audiences[247]. As highlighted earlier in

this report, some additional targeted funding for theatre makers from diverse backgrounds has also been made available, which may go some way to address the issue of representation.

This is seen as an important step, with one contributor arguing that:

"One of the most encouraging signs […] came with the [Arts Council's] announcement of a new strategy to encourage diversity by holding non-profit organisations to account over how well they are reflecting diversity in the communities they serve. It sounds a long way from the kind of box-ticking we've seen in the past, that lets theatres off the hook by simply allowing them to programme the odd slot, or get the outreach department to do some work, to prove their commitment to diversity."[248]

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[244] Trueman, 2012

[245] Devlin & Dix, 2015, p.5

[246] Arts Council England, 2015, p.20; p.9

[247] Interestingly, only around 5% of open responses received to the online consultation mentioned the potential of exploiting digital technology and data through box office and ticketing systems as a potential solution to realising identified opportunities/ mitigating identified challenges going forward.

[248] Gardner, 2015

Appendix 9: The awareness of theatres' civic and social roles

Key messages

— Both the literature and sector consultation reference awareness of theatres' community and social functions, and of theatres achieving a cultural purpose within a broader set of civic responsibilities.

— This includes an emphasis on engagement with *"all communities"*, for example by offering space and activities for both theatre audiences and other community members. In this, the importance was expressed of needing to understand what is needed by local communities. Reflecting this, a number of theatres are working in partnership with local authorities or other local organisations, thereby gaining a closer relationship with their local communities and ensuring they are addressing their communities' need. Other organisations are working to make a difference by targeting specific community groups – e.g. refugees – or causes – e.g. raising awareness of health-related issues.

— At the same time, some sector representatives highlighted the reciprocal link between an opening-up of theatres to their communities, and communities actively engaging in and supporting their local theatres.

— The sector consultation revealed a strong perception that this civic role of theatres is not being adequately valued or assessed by the Arts Council, despite being essential to achieving many of the outcomes demanded by Great Art and Culture for Everyone. This led some to suggest that the Arts Council often misses some of the theatres' most interesting work.

There are some references in recent literature to an increasing awareness of the importance of theatres' community and social functions. This coincides with on-the-ground evidence of communities becoming more actively involved with their

local theatres. One of the outcomes of the consultation process was, therefore, the perception of – and emphasis on – theatre's role within a civic and societal context. This was recognised by both building-based and non-building-based organisations, as well as other independent voices. As expressed by Canadian playwright and director Jordan Tannahill,

> *Theatres must [...] further integrate themselves into the greater cultural fabric of our cities and into the everyday lives of citizens. The way we build our theatres informs the kind of performance we make, the kind of programming that is possible [...] and an audience's relationship with that programming. Theatres must reimagine themselves as sites of confluence between art and community.*[249]

Theatres' deeper involvement in their local communities

In 2014 the Theatre Trust put the theme of 'community theatre' at the centre of their annual conference, defining it as theatre that *"reflects the diversity of its surroundings, has both theatre and a social purpose at its core and is loved by its community"*. In her introduction to the conference, Theatre Trust Director Mhora Samuel spoke of the importance of theatres' engagement with *"all its communities"*[250].

While it seems to be gaining increasing traction, this trend is not new, and many venues have long recognised the importance of placing their communities at the heart of what they do (with the Theatre Royal Stratford East cited as pioneer). Representatives across the consultation for this report emphasised that venues and organisations can achieve a wider cultural purpose within a broader set of civic responsibilities, which value the wellbeing and vibrancy of a place or a community. In the words of one regional theatre: *"We are part of the infrastructure and it is important that we do our part"*. As an independent artist said:

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[249] Tannahill, 2015, p.80
[250] Theatres Trust, 2014, p.4

"Art is as vital to the health of the nation as the NHS – it's a part of society where we all participate and where we grapple with the issues of the day. […] Making it should not be the preserve of the privileged".

Providing a space for audiences and visitors

The Theatre Trust conference report highlighted how participants were keen to engage more widely with their community – both as audiences and through other forms of engagement. Kully Thiari spoke of Cast's aim to become Doncaster's *"cultural living-room"* with an artistic and social ambition, which draws in the community in a variety of ways. She argued that *"if theatres aren't community theatres, connecting and working for and with their communities, […] what are they for?"* (p.8)[251]. Another referenced example was Clifton Community Arts Centre which, in its provision of a public café bar, was led by local peoples' interest *"in a place where they can gather […] and find artistic and creative expression"*[252].

Related to this, many referenced how it is becoming more common for theatre venues to be a resource for their communities – a social destination, without the inevitable expectation of buying seats – while, in parallel, non-building-based companies focus on participation and engagement activities. Participants in the consultative process almost all identified the aspiration to make their spaces welcoming to everyone, regardless of social or economic background; although many noted that this could be challenging.

This engagement is seen as being wider than simply attracting and retaining audiences. Building-based theatres in one roundtable suggested that the term 'audience' itself was limiting and that theatre should be considering its relationship with the public more generally. As one participant put it,

"The quality of the work we do is also about the relationship we

have with our city – including those who sit in the garden outside our venue or in the restaurant… There are many different kinds of relationships we can have with our city: 'audience' is just one of the many ways…We don't enter enough into the debate of our city".

Working in partnership with local councils and other organisations to address local needs

In moving towards such a community-based understanding of theatre's function, the Theatre Trust conference report highlighted participants' views about theatres' responsibility to understand what is needed by their local community[253]. Reflecting this, several organisations across the consultation reported working together with their local authority to provide community services, thereby gaining a closer relationship with their local communities and ensuring they are addressing their communities' needs. These included:

— **Talking Birds** in Coventry are working together with their local authority to build upon their capabilities in immersive site-specific theatre to work together with communities and other, smaller companies.

— **The Stephen Joseph Theatre** in Scarborough has developed a mutually beneficial relationship with its local authority that provides support for the Council's priorities. The council identified growth areas and gaps in provision, where both could work in partnership. This resulted in a consolidation of the council's core grant, through the theatre providing town centre tourist information, and public realm development support as part of a wider coastal regeneration strategy.

— **We are Ipswich**, a consortium of seven national and regional companies, has developed a collective engagement with the local authority which has provided a focus for culture-led regeneration, as a response to the decline of local industry. The consortium's partnership with the Council led to We are Ipswich being party to decisions on the distribution of local arts funding.

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[251] An independent producer participating in one of the roundtables similarly argued that *"theatre is about a meeting of people to have an experience together, on stage, in the foyer, in the café. That's what theatre does – it brings together people who think about the world we live in - in the spaces, and in the work we do."*

[252] Theatres Trust, 2014, p.11

[253] Theatres Trust, 2014, p.4-16

While this led to some difficult processes, the arts community is now working with the council as peers to develop a joint application for funding that will enable greater reach and achievement.

Other theatres are also developing links with third sector organisations or groups. This helps them play a more active role in their community, at the same time as providing a potential source of alternative funding for the theatre:

— **Bolton Octagon** is engaging with its community by running a degree course, and is talking to property developers about creating housing for actors and theatre workers.

— **The Albany** in London has taken responsibility for Canada Water Library and Deptford Lounge (which also includes library provision). This arrangement deepens The Albany's community engagement and informs its creative output. Already, the venue is the landlord for a large cluster of creative businesses. They all have a mutual commitment to engaged practice and the critical mass they represent allows for a range of shared activities and approaches.

Making a difference by targeting specific community groups or causes
One contributor, again highlighting the importance of understanding the needs of their communities in order to be successful, said

> *"theatre-makers can enable communities to come together socially, end isolation, solve local problems and articulate their ambitions. Every time they do so they are challenging [...] established ways of thinking and doing and proving that theatre and activism are excellent bedfellows"[254].*

Many companies are also targeting or raising awareness of more specific community groups or causes through their work. Some have as their raison d'être an engagement with particular disadvantaged communities – such as Cardboard Citizens who work with homeless people, and Clean Break who focus on women and crime. Others take on projects as a part of their overall

work, adding such activities to their core business of producing and presenting work for general audiences: Nottingham Playhouse, Shakespeare's Globe and Complicite have all, for example worked with refugees, either in the UK or at the Good Chance Theatre in the 'Jungle' in Calais.

Communities supporting their theatres

As a 'second part of the equation', Theatre Trust Director Mhora Samuel in the Theatre Trust conference report also pointed to communities that are actively engaging in supporting their local theatres and arts centres. As theatres' relationships with local authorities are changing from funding relationship into partnerships, the hope is that *"communities take over theatres and ensure they continue to support local economic growth and provide access to a centre for the arts in their locality"*. The conference report spoke of the new opportunities that exist to advance active community involvement – through mechanisms such as Right to Bid and Community Asset Transfers – but suggested that more advice was needed for those hoping to engage[255].

Such sentiments appear to be echoed by other voices in the sector. Following the fire at Battersea Arts Centre in 2015, Director David Jubb wrote about the many people who offered their help in order to protect an important community asset: *"the response has been a manifestation of civic pride: of a local community, a cultural community, a national and sometimes international community. People have come together to protect something they feel passionately about"*. Highlighting the reciprocal link between an opening-up of theatres to their communities, and communities actively engaging in their local theatres, this activism in turn led Jubb to consider three key purposes for a venue like BAC:

— providing 'sanctuary' where people can *"be different together"*

— going 'beyond the walls' and into the community, to play *"a connecting role across the community"*; and

— agency – supporting creativity in the wider public as well as among artists.

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[254] Gardner, 2016/b

[255] Theatres Trust, 2014, p.4; p.18

Jubb argues for a social role for theatre, which *"[inspires] people to take creative risks, and by doing so, [supports] them to lead change and shape our communities"*[256].

A need for recognition by the Arts Council

Across the sector consultation undertaken as part of this report, it became apparent that while this development is of increasing importance to many companies and venues, it is perceived as not being adequately valued or assessed by the Arts Council, despite being essential to achieving many of the outcomes demanded by Great Art and Culture for Everyone. In the words of one contributor (from a large building-based theatre): *"we need to judge theatre not just by the main stage, but by that which is 'invisible'".* Others similarly pointed out that community work is still often seen as an add-on, whereas a truly thriving theatre company/venue needs to contribute to the health and vitality of a community or a place as a central part of its identity.

According to the CEO of one regional venue, *"we would be happy to be seen as something bigger than 'a theatre organisation', [but] the Arts Council don't evaluate that role"* (i.e. of serving the theatre's community holistically). Some contributors considered that due to this lack of recognition, the Arts Council in particular can miss some of the theatres' most interesting work. As the CEO of one building-based NPO observed:

> *"The projects that address this agenda are those that Arts Council struggle with the most. They miss the most interesting stuff we do sometimes – Big Lottery Fund gets it; Gulbenkian [Foundation] gets it."*

Another contributor (a Director) echoed this, recounting that *"I worked on a big womens' refugee theatre project. Besides the theatre, we were providing them with bus tickets, food, well-being activities… the whole care of the community, over 100 women. None of that ever got reflected in the Arts Council assessment."*

Such observations were reflected widely in the consultative process, which suggests that Arts Council England may wish to reconsider some of its funding criteria to better reflect this developing social/civic role as a complement to the existing criterion of 'great art'. In the words of one contributor, in making the argument for the support of such activity, *"citizenship and participation is a more compelling view for subsidised theatre".*

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[256] Jubb, 2016

Appendix 10: Case Studies

The following case studies were provided by representatives of each of the featured organisations, who participated in the wider sector consultation. We thank them for their engagement and support of this report.

Collaborative Producing - A Toronto model

Before the recent doubling of the arts budget under the new Liberal government, non-building-based Canadian arts organisations faced many issues similar to their UK peers: very small (or no) growth for relatively established companies and standstill for the emerging sector. This financial squeeze was complemented by rising costs of production, limited access to space and the difficulties of audience development across a very small number of shows.

To address this, Why Not Theatre created a collaborative model which involved a community of 'established' and 'emerging' artists/companies working together to reduce financial risk for the emerging and build the role of the established (in a way similar to that desired by Arts Council England). The RISER project (supported by Toronto Arts Council and the Department of Canadian Heritage) utilises existing infrastructure by sharing resources, risk and energy to reduce the burden on artists, moving away from the 'independent' model to an 'interdependent' one, involving:

— 35 established companies annually each of which has an operating budget of $600,000 p.a. (£325k)

— A venue partner with access to a theatre building

— Independent artists or small companies with an identified project

— Why Not Theatre acting as a catalyst and facilitator

In May 2014 Why Not Theatre presented three new plays, produced by three artists under the aegis of a senior company in Toronto's Theatre Smith-Gilmour. The sharing of some administrative and production resources, with a risk-mitigating financial contribution from Why Not and Smith-Gilmour, lowered individual production budgets by 25% (ranging from $12-15k). Risks became affordable, enabling cross-marketing and, by virtue of the collaboration, eligible for additional funding. The three shows ran in repertory for six-weeks, the artists were paid in advance (not the norm) and the spread risks were assumed by Why Not and Smith Gilmour. The experiment was deemed a success with two shows breaking even and the third going on to a second, profitable production on a national tour. Since that first year, Why Not has run a second, expanded edition with four artists, again making efficiency savings.

RISER is seen as having non-financial benefits as well, building relationships between organisations, enabling senior companies to refresh and develop through a new role and incentivising the whole cohort to support and market each other's shows. It also encourages the production of shows that could otherwise be endlessly stuck in development (a risk also identified by some UK contributors to this study).

The RISER model is seen as incentivising companies to re-invest "downwards" to partner, smaller organisations: Why Not Theatre's director, Ravi Jain, calculates that by replacing one show of a ten-production season with RISER projects, a host venue could support/co-create three different shows and a wider base of artists within – and at the centre of - the ecology. He also anticipates that the model will be replicated in other Canadian cites (initially Montreal).

Derby Theatre and the University of Derby

The theatre in Derby has been on its present site (in the shopping centre) since 1975. It has not, however, always had an easy history. Its last difficult period led to it going into administration and closure in 2009 after which it was bought by University of Derby after which it lost all of its local authority funding and Arts Council RFO status.

The venue has now emerged with a radically new model, re-opening in 2012 as Derby Theatre, a wholly owned charitable subsidiary of the university, positioned as a Learning Theatre. After an initial three years of strategic funding it is now an NPO and through a unique new partnership with University of Derby and ACE it is transforming from a traditional producing house to an organisation

of training, mentorship and artistic excellence which combines a professional programme of produced and presented work with an exciting suite of undergraduate and postgraduate courses and an emerging talent programme aimed at developing the next generation of artists. Learning and community engagement is laced throughout all the company's work and reaches out across the region including people of all ages and from all backgrounds in a unique offer.

This success has been driven by:

— Total integration with the university courses– so students learn alongside professionals.

— Opening up of the creative process with learners and community members observing rehearsals and attending creative meetings and artistic processes being broken open and disseminated for students and others, both digitally and practically.

— All staff from technicians to the chief exec undertaking regular training to develop their capabilities to disseminate their practice in a learning arena.

— Artistic product often springing from a learning idea as well as vice versa: the two are not seen as mutually exclusive.

— Artist Development and the escalator of talent being key drivers in every area.

Key achievements have included:

— The development of In Good Company a comprehensive artist development package for artists across the region which sees Derby Theatre as supporting smaller arts centres and taking a leadership role in developing the sector.

— Critical acclaim for productions

— High profile co-productions with such companies as Headlong, Graeae, Gecko.

— Innovative projects such as Plus One and Solace of the Road, which sees young people in care given a real voice in the development of artistic product, the delivery of the business model and how the building interacts with their peers.

— Winning the Times Higher Education Award for Excellence and Innovation in the Arts for our Partnership with the University of Derby.

— Development of a suite of pre-professional training and higher education courses based in the heart of the Theatre delivered by industry professionals and connected to our professional programme.

— Key partnerships built with high profile partners such as BBC, BAC, and key funders Esmee Fairburn, Paul Hamlyn, BBC etc

— Critically acclaimed commissions by such artists as award winning theatre makers Caroline Horton, Lucy J Skilbeck and Jane Wainwright.

house, Farnham Maltings

Started in 2012, house is delivered by Farnham Maltings. It is steered by a group of regional programmers and producers from different sized venues within the network.

With a team of two full-time and two part-time staff, house curates and underwrites a varied programme of around 15 contemporary theatre productions each year for a network of over 150 venues. house's programming is informed by the views of the steering group, venue network and their audiences. Taking already existing contemporary performances, house is extending the life of the best work, and working closely with venues to develop audiences for it. In their first three years, 176 artists, technicians and producers received paid work through their tours with house.

Each tour is supported with marketing and publicity strategies that sit alongside specific audience development strands. The four main programming strands are: *All The Family*, *Something Different*, *A Night Out* and *Young Imaginations*.

house is strengthening the theatre ecology of South East England by hosting regular training and networking opportunities and by brokering conversations between companies and venues. Between 2012 and 2015, their six Venue Network Days were attended by 407 network members and each year, house subsidises a group of programmers from within the network to attend the Edinburgh Festival Fringe. In 2013, this programming group attended 699 performances during their visit to the festival.

house is also developing their website as a digital platform for the professional theatre sector, both in our region and beyond. The website is an open resource that shares ideas, templates, information and opportunities, as well as hosting a regularly updated blog. In 2014, the house website was visited over 53,000 times and their resources were downloaded 1,683 times for free.

Battersea Arts Centre

Battersea Arts Centre sees itself as an arts organisation, a learning organisation and a social change organisation, with the purpose of inspiring people to take creative risks to shape the future. BAC believes that

"*all publicly funded organisations have a role to play in helping people shape their future and the futureof their community. Hospitals and health centres should help us to live better lives. Libraries and schools should help us expand our horizons. Arts organisation should enable us all to tap in to our own creativity and put it to good use*".

BAC uses its tried and tested "Scratch" process across all its work to encourage people to test ideas, listen to feedback and develop them iteratively to effect positive change. Its existing projects include:

— **The Agency**: in partnership with People's Palace Projects and Contact in Manchester, supporting young people to develop social enterprises based on the needs and desires they identify in their local area. BAC is developing a national *Agency* model to be rolled out across the UK with an event in House of Commons on 11th May.

— **The Collaborative Touring Network**: a partnership with eight independent producers (Thanet, Torbay, Gloucester, Wigan, Darlington, Hull, Peterborough, Medway) to develop a regular cultural programme, based in part on the BAC model, but tailored to each different context.

— **Homegrown**: a growing strand of activities for young people - young producers, beatboxers, spoken word artists, theatre makers. This seeks to offer an alternative learning environment to schools and to support young people in leading on their own projects and career development.

BAC's future plans include:

— **Agents of Creative Change:** pairs artists with people working in the public or third sector. A recent pilot included people working in the police force, public health, criminal justice and employment support. Each individual brings a specific challenge from their work in the community and then uses their creativity to tackle their specific challenge, using Scratch to test out new ideas.

— **The Create Course**: a 10-week programme which empowers local people to get in touch with their innate creativity and find different ways of using it in everyday life. It creates a social network for people across Battersea to come together and explore their creativity.

— **A hub for creative businesses**: to open in the spaces beneath the building's Grand Hall, as an incubator for start-up creative ideas. BAC will curate hub members, including cultural and tech start-ups, and opportunities for projects developed through in-house programmes like The Agency and Agents of Creative Change.

— **Creative Museums programme**: BAC thinks heritage can play a major role in helping shape the identity and future of our local communities. The Creative Museums programme is working with six museums around the UK to use Scratch as a way of people re-imagining their local history museum.

Moreover – and potentially very importantly – BAC is raising fundamental questions about whether cultural spaces should take the opportunity to run free schools to demonstrate the positive benefits of a creative education.

Live Theatre Social Enterprises

In 2006 Live Theatre set out a programme change borne from the recognition of the need to increase and diversify income streams. This strategy has resulted in a number of projects over the decade and has focused on the acquisition and exploitation of assets that result in both increased income and a strengthened balance sheet.

Phase 1: 2006 - 2008 Live Theatre Development & Caffe Vivo
We began by purchasing the adjacent warehouse alongside our theatre and administrative offices on Broad Chare. We developed those to create:

— a changed layout of our theatre to provide additional earned income

— a partnership with Michelin starred chef Terry Laybourne and his 21 Hospitality Group to use our newly acquired property to build a new Italian restaurant – Caffé Vivo

Phase 2 – 2010 beaplaywright.com
Second, we created the first web based interactive playwriting course delivered by a producing theatre company – beaplaywright.com – earning income from those enrolling to learn the art of a playwright from our experienced literary team.

Phase 3 – 2011 The Broad Chare
In May 2011 we opened our first joint venture with Restaurant 21 Group - The Broad Chare - a new and award winning gastro pub, whose income supports one production annually.

Phase 4 – 2012 The Schoolhouse
We then bought and restored the Grade II* Schoolhouse and developed it into office spaces for rent by small creative and digital businesses.

Phase 5 – 2014 – 2016 Live Works
In 2014 we purchased the derelict land behind Live Theatre (a 0.149 Ha site) and the commercial buildings on Broad Chare in order to develop Live Works. Live Works, completed in April 2016, includes a 15,000 sqft commercial office, a large garden space with outdoor stages for film and performances called – Live Garden, and Live Tales a creative writing centre for children and young people. Tenants are about to move into the new office building on Newcastle quayside overlooking the river.

In total, Live Theatre has fundraised over £20m for this range of projects. This includes a £6m loan from Newcastle City Council. These enterprises have given Live Theatre; a beautiful complex of theatre buildings perfect for a new writing house, a range on assets on the balance sheet and (from 2017/2018) a net income of £500,000 of unrestricted funds to invest back into its mission.

> *".....or the gastro-pub in which Newcastle's Live Theatre is a partner. These are shrewd investments whose revenues help secure the future of the institutions they support."* (Peter Bazalgette)

Technical
Annex

Technical Annex 1: Methodology and description of data sets

How was the research undertaken?

The research remit specified by the Arts Council for this project was comprehensive, including both the production and presentation of theatre, as well as theatre consumption. The following comprehensive definition of 'theatre' was developed for the purposes of the project:

> *The definition of 'theatre' will be guided by its performative nature. This means that, alongside traditional stage productions, it will include theatre at festivals, site-specific activities, as well as live and recorded digital transmission – in the world of both funded as well as commercial theatre.*

Across this remit, the Arts Council wished to gain an insight into developments in the sector over the past 10-15 years, as well as a more detailed 'snapshot' of the current situation. As a first step, we therefore developed a detailed research framework to guide the subsequent research, based on the three overarching research questions:

1. *Where and how is theatre produced and presented today?*

2. *Where and how is theatre consumed today?*

3. *Where and how has production, presentation and consumption changed over time (in the last 10-15 years)?*

A range of different quantitative and qualitative research elements were to be deployed in answering these three questions, in order to provide detailed information on the situation today as well as information on trends and changes in the theatre world over the last 10-15 years.

Based on this approach, a work plan was developed, setting out in more detail the different elements of the research. This included three distinct phases:

Scoping Phase

The scoping phase aimed to provide a first insight into the most significant developments, challenges and opportunities in the sector, including:

— A review of existing literature from the last ten years, including academic and grey literature

— 30 in-depth one-to-one interviews (face-to-face, by telephone or email) with a selected group of key sector stakeholders (see Technical Annex 3 for the full list) to set the agenda for the research and to test emerging findings

Alongside this, the scoping phase was used to approach a range of potential data providers and identify the type of data sets that could be made available to feed into the research. These included: Arts Council England, The Audience Agency, UK Theatre, SOLT, London Theatre Report (The Stage), Ambassadors Theatre Group (ATG) and the Independent Theatre Council (ITC).

The results of the scoping phase were set out in an interim report for the Arts Council, detailing the 'key sector messages' emerging from the research at that point.

Research Phase

The subsequent research phase was designed to engage with a much broader constituency. The aim of this was to understand the changes in theatre production, presentation and consumption over the last decade and identify key opportunities and challenges as understood by sector representatives from across the country. This wide-ranging sector consultation included:

— **Seven industry roundtables held at theatre venues across England** (The Old Vic and Battersea Arts Centre in London; HOME Manchester; Bristol Tobacco Factory; the Curve Theatre in Leicester; the Birmingham Hippodrome and the Theatre Royal in York) with between 10 and 16 regional sector representatives each. Participants were carefully selected with input from the Arts Council, in order to ensure an even representation in terms of participants' geographical spread and diversity (in terms of e.g. age, ethnicity). Care was also taken to include both representatives from larger funded and commercial venues/ companies, as well as independent

freelance theatre makers. In total, the roundtables had 85 participants. We thank the participants for their time and valuable contributions, and the venues for their generous offer to host the sessions (see Technical Annex 3 for details of participants).

— **An online consultation form for theatre professionals,** which was circulated across the sector, to ensure that the consultation was open to everyone who wished to contribute. This received a total of 705 responses, with the three main open questions completed by 230 to 250 respondents each. These were:

- *"What do you consider as the three key opportunities for theatre in the region(s) you work in in terms of making and presentation/ audiences?"*

- *"What do you consider as the three key challenges for theatre in the region(s) you work in in terms of making and presentation/ audiences?"*

- *"What do you feel could be done to realise the opportunities and mitigate the challenges that you have identified above?"*

Respondents were widely spread across England (with 31% from London, 12% from the South East, 10% from Yorkshire & Humber, 9% from the North West, 8% from the West Midlands, 7% from the South West, 5% from the North East and the East Midlands each, 3% from the East of England and 10% 'too varied to say'), and included independent theatre makers as well as representatives of large and small venues and companies (with 46% from small organisations, 28% from medium-sized organisations, 6% from large organisations and 20% 'too varied to say'). The responses were subsequently analysed by applying a code to each individual point made in each response and then aggregating these codes, to assess how many times one particular 'challenge' or 'opportunity' was mentioned.

— **Attendance at a number of sector group meetings:** The 'Big 12' group of theatres, constituting of the largest producing theatres in the English regions; London Theatre Consortium; and the Touring Partnership (see Technical Annex 3 for details of participants)

In addition, access to a range of **data sets** was secured during the research phase and analysed (see below for further details), including:

— **Arts Council England**: NPO returns and database (for 2011/12-2013/14), databases of Grants for the Arts (GFTA), Strategic Touring and National Activity

— **UK Theatre**: full list of members; aggregate data by region and genre of production numbers, performances, box office data, ticket price and tickets sold (for 2013 - 2015)

— **SOLT**: full list of members; and data combined with UK Theatre data for 2013/14, and separate for 2015

— **London Theatre Report**: full list of venues included

— **ITC**: full list of members (based on the online members database)

— **Audience Agency**: audience market segmentation, broken down by ticket price, region and patrons' demographics; number of bookers by region, broken down by genre, average booker frequency and party size (for 2011-2015)

— **Purple Seven**: audience demographics across 2014-18

Synthesis & Analysis

Based on the insights gained from the Research Phase and data analysis, the identified 'key sector messages' outlined in the interim report were then further shaped and extended.

In summary, each of the above research elements feeds into different parts of the research framework as outlined in Figure 29.

Figure 29 How the research elements feed into the key research questions
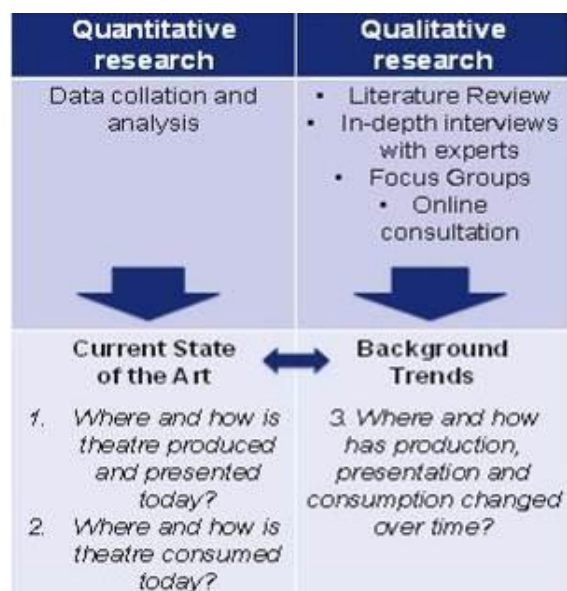
Source: BOP Consulting, 2016

Description of the data sets

Figure 30 provides an overview of the various different data sets used in the report, and where and how they were used. Note that for all analysis of NPO data, the latest data sets available are those for 2013-2014, as the 2014-2015 data set was not yet available at the time of analysis in February 2015.

Further detail explaining how some of the data sets were used is provided below.

Figure 30 Overview of data used and purpose

Arts Council England		
Theatre NPO returns	2011/12-2013/14	Mapping/ descriptive statistics of production & presentation
	2010/11-2013/14 (longitudinal data set of 152 organisations)	longitudinal analysis: - finance (2010/11-2013/14) - workforce and programming (2011/12-2013/14)
	2013/2014 (full NPO data set of 178 organisations)	regression analysis
Grants for the Arts	2014/15-2015/16	Mapping/ descriptive statistics of production & presentation
Strategic Touring	2012/13-2015/16	Mapping/ descriptive statistics of production & presentation
National Activity	2010/11-2015/16	Mapping/ descriptive statistics of production & presentation
UK Theatre/ SOLT		
UK/Theatre SOLT membership list and data (2013 and 2014)	Mapping and descriptive statistics of production, presentation and consumption	
London Theatre Report 2014		
Full list of included venues	Mapping/ descriptive statistics of production & presentation	
ITC		
Full list of members (April 2016)	Mapping/ descriptive statistics of production & presentation	
Audience Agency		
Audience Finder ticketing data (from 78 theatres, with booking information up to around 1m bookers)	Descriptive statistics of audiences and attendance: - distribution - segmentation - demographics	
Purple Seven		
Database of 16m theatregoers across 230 venues nationwide	Mapping of audiences and attendance distribution	
Survey of theatregoers based on 430,622 responses from 18 month up to 1 March 2016 (made up of: London/Commercial theatre: 36,685 customers surveyed; England Other/ Commercial theatre: 201,437 customers surveyed; London/Subsidised theatre: 38,437 customers surveyed; England Other/ Subsidised theatre: 154,063 customers surveyed)	Descriptive statistics of audiences demographics	

Source: BOP Consulting (2016)

Further notes on the data used in the report

The theatre NPO data set was analysed to derive information on finances as well as workforce and programming:

— In terms of the longitudinal analysis of financial data, data for the most recent four financial years was analysed (2010-2011, 2011-2012, 2012-2013, and 2013-2014). These four years are contained in *three* datasets released by the Arts Council: 2011-2012, 2012-2013, 2013 -2014. Each dataset contains financial information on two financial years, the previous and the current one. In other words, one is a 'retrospective' budget adjusted for actual expenditure and income, while the other is a prediction of the current year. Moreover, in order to get an accurate and consistent time series, only NPOs that appear in each year of the datasets were included. As there is a fair degree of 'churn' in the portfolio – with some organisations exiting and some entering anew – this meant excluding approximately 50 organisations in 2011-2012, and around 30 organisations in years 2012-2013 and 2013-2014. This still means that the large majority of all theatre NPOs (152 organisations) are included within the analysis.

— In terms of the longitudinal data of workforce and programming data, this multiple-year data (as available for financial information) is not available, as all other variables contained in the three datasets refer to the current year only. As above, the same sample was used which includes only NPOs that appear in each year of the datasets.

— For the regression analysis, we opted to use the full 2013-2014 NPO dataset containing 178 organisations, as this was not time series analysis and the larger the sample, the more robust the regression analysis. Empirical models tested two hypotheses: namely that a correlation exists between the dependent variables (Earned income and Contributed income) and a set of independent variables identified for each model (Arts Council funding, Contributed income, Permanent staff and Geography for Earned income; and Arts Council funding, Other public subsidy, Permanent staff and Geography for Contributed Income).

A mapping of theatre production and presentation was developed based on the listed data sets and further online research; while a map of attendance was based on a database of 16m theatregoers across 230 venues nationwide, provided by Purple Seven.

In terms of demographics, we foregrounded Purple Seven's data, and used the Audience Agency's demographic data as a supplement to provide a time series analysis and to look in more detail at regional breakdowns. The Purple Seven data is more robust: it is based on a customer survey of 430,622 customers, while the Audience Agency data is based on averages (e.g. of age/ethnicity) defined within the Audience Agency's audience segments. In their system, the segmentation of each booker is assigned at household level; information on the age of bookers is then extrapolated from the attributed Audience Agency segment. We have provided information on how the data is derived within the report where relevant.

Audience Agency data on genre is included in the booking data they hold. However, it is not based on the number of bookings nor on the number of tickets sold, but instead derived in the following way: if one individual books three genres once each, each booking is registered once against each genre; if an individual books one genre 10 times in a year, this also registers just once against the particular genre (we refer to this in the report as 'instances booked'). The data thus does not provide information about the depth or frequency of engagement with a particular genre, it only shows which genres are more popular across a wider part of the population (those genres registering high numbers of times booked) versus those which are popular within a smaller group of the general population (those genres with a low number of times booked). Again, we have referenced how the data is derived within the report where relevant, but it does mean that information on genre should be treated with caution.

Audience Agency data on demographics and on genre are derived from two different data sets provided by the Audience Agency. This, and the reason that one is based on individuals and the other one on booking information also means that the totals in different Audience Agency analyses across the report do not always tally.

Technical Annex 2: Literature Review

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Technical Annex 3: Sector Consultation

In-depth interviews (in alphabetical order)

— Alan Lane, Artistic Director, Slung Low

— Annabel Turpin, Chief Executive, ARC Stockton Twine

— Bill Gee, Independent Producer

— Bobby Tiwana, Freelance theatre producer

— Chris Thorpe, founder member of Unlimited and artistic associate of Third Angel

— David Lockwood, Co-founder, Director and Chief Executive of The Bike Shed Theatre

— David Jubb, Artistic Director, Battersea Arts Centre

— Dawn Walton, Director, eclipse

— Edward Snape, Founder/Director, Fiery Angel Productions

— Erica Whyman, Deputy Artistic Director, RSC

— Evie Manning, Founder/ Director, Common Wealth

— Felix Barrett, Director, Punchdrunk

— Geraldine Pilgrim, freelance director, designer and installation artist; Artistic Director of Corridor and Hesitate & Demonstrate, lecturer

— Jamie Beddard, Theatre Director, Writer, Trainer, Actor, and Diversity Consultant

— Jem Wall, Artistic Director, Hydrocracker

— Jenny Sealy, Artistic Director, Graeae

— Jess Thom, Co-Founder, Touretteshero

— Jo Verrant, Senior Producer, Unlimited

— Judith Knight, co-director of Artsadmin, member of the Julie's Bicycle and the Create Advisory Group, on the Board of IETM

— Kully Thiarai, Executive and Artistic Director, Cast, Doncaster

— Lisa Burger, Executive Director, The National Theatre

— Lyn Gardner, the guardian

— Matthew Byam Shaw, Co-Founder/Director, Playful Productions

— Purni Morell, Artistic Director, Unicorn Theatre

— Rachel Tackley, Director of English Touring Theatre

— Sarah Brigham, Artistic Director, Derby Theatre

— Sarah Frankcom, Artistic Director & Fiona Gaspar, Executive Director, The Royal Exchange

— Stewart Griffiths, Programming Director, Ambassadors Theatre Group

— Tania Harrison, Creative Director, Latitude

— Tom de Keyser, Head of Music, Bill Kenright Productions

Theatre Sector roundtables (by date)

— **HOME Manchester, 22nd February 2016**, Attended by: Dave Moutrey (Director/ CEO, HOME); Cheryl Martin (Independent); Ruth Eastwood (CEO, Blackpool Grand Theatre); Adam Quale (Director, Box Of Tricks); Julia Fawcett (CEO, The Lowry); Sue Robinson (Director, Spot On Rural Touring); Matt Fenton (Artistic Director/ CEO, Contact Theatre); Patric Gilchrist (Executive Director, Theatre by The Lake); Roddy Gauld (CEO, Bolton Octagon Theatre); Richard Gregory (Director, Quarantine); Matthew Linley (Artistic Director, Unity); Theresa Heskins (Artistic Director, New Vic)

— **Battersea Arts Centre, 25th February 2016**, Attended by: David Jubb (Artistic Director, BAC); Mohra Samuel (Director, Theatres Trust); Stella

Duffy (Producer/ writer, Independent); Andy Field (Co-Director, Forrest Fringe); Gavin Stride (CEO, Farnham Maltings/ HOUSE); Brigid Lamour (Artistic Director, Watford Palace Theatre); Natalie Ibu (Artistic Director, Tiata Fahodzi); John Luther (Manager, South Street Arts); Jack Lowe (Artistic Director, Curious Directive); Sian Alexander (Executive Director, Lyric Hammersmith)

— **Birmingham Hippodrome, 1st March 2016**, attended by: Fiona Allan (CEO, Birmingham Hippodrome/ Arts Council England Area Council Member); Stuart Rogers (Executive Director, Birmingham Repertory Theatre); Elizabeth Freestone (Artistic Director, Pentabus); Miguel Oyarzun (International Director, Be Festival); Ed Collier (Co-Director, China Plate); Katie Day (Independent); Hamish Glen (Artistic Director, Belgrade Coventry); Tyrone Huggins (Independent); Dawinda Bansal (Producer, Black Country Touring); Pippa Frith (Producer, Independent); Lara Ratnaraja (Senior Research Facilitator, Digital Humanities Hub Digital/ independent digital and cultural sector consultant/ Stan's Café Board member); Wendy Rouse (Co-Director, Red Earth)

— **Bristol Tobacco Factory, 4th March 2016**, attended by:Ali Robertson (Director, Tobacco Factory); Katie Keeler (Executive Producer, Theatre Bristol); Tom Morris (Artistic Director, Bristol Old Vic); Kate Yedigaroff (Co-Director, Mayfest); Charlotte Bond (Associate Director, Kneehigh); Nikki McCretton (Artistic Director, Stuff & Nonsense); Kate Wood (Executive Director, activate performing arts/ Arts Council England Area Council Member); Mark Wallace (Director, Beaford Arts); Nick Young (Artistic Director and Managing Director, Circomedia); Sebastian Warrack (Executive Director, Salisbury Playhouse); Emma Betteridge (Independent); Helen Cole (Independent)

— **Curve Theatre, Leicester, 11th March 2016**, attended by: Chris Stafford (Executive Producer, Curve Theatre); Martin Sutherland (CEO, Northampton Theatres); Jack Mcnamara (Artistic Director, New Perspectives); Janet Vaughan (Artistic Director, Talking Birds); Rachael Savage (Artistic Director, Vamos); Sarah Brigham (Artistic Director, Derby Theatre/ Arts Council England Area Council Member); Stephanie Sirr (Artistic Director, Nottingham Playhouse); Suba Das (Associate Director, Curve); Trina Halder (Artistic Director, Mashi Theatre); Christopher Davies (Artistic Director, Bamboozle); Samir Bhamra (Artistic Director, Phizzical); Peter Wilson (Norwich Theatre Royal); Griselda Yorke (Producer, Royal Shakespeare Company)

— **Royal Theatre, York, 14th March 2016**, attended by: Liz Wilson (CEO, York Theatre Royal); Robin Hawkes (Executive Director & Joint Chief Executive, West Yorkshire Playhouse); Eileen Evans (Executive Director, Forced Entertainment); Steve Byrne (Artistic Director, Interplay); Mark Hollander (Executive Director, Phoenix Dance Theatre); Jim Bierne (CEO, Live Theatre); Lorne Campbell (Artistic Director, Northern Stage); Ian Morley (Programmer, Barnsley Civic); Iain Bloomfield (Artistic Director, Theatre in the Mill); Dick Bonham (Producer, LittleMighty/ Independent Producer); Nazli Tabatabai-Khatambakhsh (Artistic Director, Zendeh Productions); David Porter (Director, Creative Arts Promotion/ Arts Council England Area Council Member); Amy Golding (Artistic Director, Curious Monkey); Miranda Thaine (Creative Producer, Theatre Hullabaloo); Lee Corner (LAC Limited/ Arts Council England Area Council Member); Mark Babych (Artistic Director, Hull Truck)

— **The Old Vic, 15th March 2016**, attended by: Kate McGrath (Co-Director, Fuel); Alistair Smith (Editor, The Stage); Indhu Rubasingham (Artistic Director, Tricycle Theatre); David Hall (Chief Executive, Foyle Foundation/ Arts Council England Area Council Member); Raidene Carter (Head of Creative Programmes, The Albany); Anna Coombs (Artistic Director, Tangle); Amit Lahav (Artistic Director, Gecko); Jonathan Lloyd (Artistic Director, Pegasus Theatre); Deborah Aydon (Executive Director, Liverpool Everyman & Playhouse); Mathew Russell (Arts Council England Area Council Member)

Sector group sessions attended

— **London Theatre Consortium**, attended by: Vicky Featherstone (Artistic Director, Royal Court); Lucy Davies (Executive Producer, Royal Court); Rebecca Holt (Chief Operating Officer, BAC); John Gilchrist (ED, Bush Theatre); Mary Caws (ED, Theatre Royal Stratford East); Clare Slater (ED,

The Gate); Christopher Hayden (AD, Gate); Emma Rees (Director, London Theatre Consortium); Bailey Lock (General Manager, Donmar Warehouse); Alan Stacey (Development Director, Young Vic)

— **Big 12' Meeting**, attended by: Emma Stenning (CEO, Bristol Old Vic); Chris Stafford (CEO, Leicester Curve); Alan Finch (Executive Director, Chichester Festival Theatre); Martin Sutherland (CEO, Northampton Theatres); Dan Bates (CEO, Sheffield Crucible); Deborah Aydon (Executive Director, Liverpool Everyman and Playhouse); Stephanie Sirr (CEO, Nottingham Playhouse); Stuart Rogers (Executive Director, Birmingham Rep); Kate Denby (Executive Director, Northern Stage); Robin Hawkes (Executive Director & Joint CEO, West Yorkshire Playhouse); Adrian Vinken (CEO, Plymouth Theatre Royal); Fiona Gasper (Executive Director, Manchester Royal Exchange)

— **Touring Partnership** meeting, attended by: Chris Stafford (Curve Theatre, Leicester); Geoff Rowe (Everyman Theatre, Cheltenham); Dan Bates (Sheffield Theatres); Robert Sanderson (Nottingham Theatre Royal and Royal Concert Hall); Duncan Hendry (Edinburgh Festival City Theatres Trust); Jane Spiers (Aberdeen Performing Arts); Philip Bernays (Theatre Royal, Newcastle); Adrian Vinken (Theatre Royal, Plymouth)

Technical Annex 4: Supplementary Data

Supplementary data on production & presentation

Figure 31 Percentage of programme with a BAME-focus among theatre NPOs

	2011/12 (%)	2012/13 (%)	2013/14 (%)	Growth rate 2011/12 - 2013/14
East Midlands	8.6	7.2	7.0	-19%
East of England	16.0	14.2	14.9	-7%
London	17.0	19.0	18.2	7%
North East	0.4	5.4	1.0	150%
North West	14.9	10.0	12.6	-16%
South East	3.7	1.8	2.0	-46%
South West	4.2	1.7	3.2	-24%
West Midlands	3.1	3.9	4.7	48%
Yorkshire	5.6	3.1	4.0	-28%
Grand Total	12.1	11.8	12.0	-1%

Source: BOP Consulting / Arts Council England (2016)

Figure 32 Percentage of programme with a disability focus among theatre NPOs

NPO programming with disabilty focus				
Region	2011/12(%)	2012/13(%)	2013/14(%)	Growth Rate 2011/12-2013/14
East Midlands	0.94	2.60	0.60	-36.17%
East of England	0.94	2.47	1.41	50.67%
London	13.15	12.37	12.49	-5.00%
North East	20.00	21.20	21.60	8.00%
North West	7.65	8.44	7.83	2.35%
South East	1.55	1.50	2.75	77.42%
South West	2.00	4.40	4.75	137.50%
West Midlands	3.30	2.40	2.94	-10.91%
Yorkshire	12.32	12.73	12.77	3.69%
Grand Total	9.80	9.89	9.85	0.52%

Source: BOP Consulting / Arts Council England (2016)

Figure 33 Average ticket yield (£) by region, 2013/14 and growth from 2011/12 to 2013/14 (Arts Council England longitudinal NPO sample)

Region	Average ticket yield (£), 2013-2014	Growth (2010-2014)
East Midlands	12.46	8%
East of England	9.62	-1%
Greater London	10.08	32%
North East	6.78	16%
North West	5.51	11%
South East	15.66	14%
South West	7.81	-11%
West Midlands	9.61	27%
Yorkshire & the Humber	6.10	1%

Source: Arts Council England / BOP Consulting (2016)

Figure 34 Arts Council England Theatre NPOs longitudinal sample: proportion of BAME permanent staff, 2013/14, and growth in BAME staff 2010/11 to 2013/14

Region	Ethnicity	2013/ 2014 (%)	Overall staff growth rate	Staff growth rate by ethinicity (2011/12 - 2013/14)	% BAME in general population
East Midlands	White	91%	13%	15%	
	BAME	9%		0%	11%
East of England	White	91%	13%	10%	
	BAME	1%		54%	9%
London	White	81%	7%	6%	
	BAME	19%		10%	40%
North East	White	89%	-1%	-4%	
	BAME	11%		25%	5%
North West	White	92%	14%	15%	
	BAME	8%		6%	10%
South East	White	86%	1%	-2%	
	BAME	14%		22%	9%
South West	White	92%	3%	1%	
	BAME	8%		23%	5%
West Midlands	White	85%	7%	-3%	
	BAME	15%		152%	17%
Yorkshire & Humber	White	93%	0%	3%	
	BAME	7%		-28%	11%

Source: Arts Council England/ BOP Consulting (2016) / 2011 Census Data, ONS

Figure 35 Arts Council England Theatre NPOs longitudinal sample: proportion that offer CPD opportunities to their staff, 2010/11 to 2013/14

Bar chart:
- 2011-2012: Yes 85%, No 15%
- 2012-2013: Yes 81%, No 19%
- 2013-2014: Yes 80%, No 20%

■ Yes ■ No

Source: Arts Council England/ BOP Consulting (2016)

Figure 36 Arts Council England Theatre NPOs longitudinal sample: BAME-led organisations 2011/12 to 2013/14

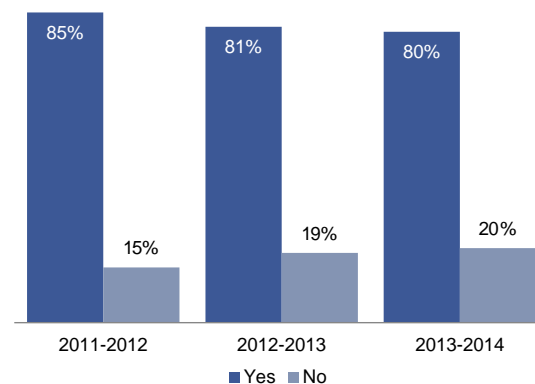| Black or Minority Ethnic Led Organisations	2011/12	% out of total theatres NPOs (152)	2013/14	% out of total theatres NPOs (152)
large organisations	0	0%	0	0%
medium organisations	5	3%	5	3%
small organisations	8	5%	8	5%
Total	13	9%	13	9%

Source: Arts Council England/ BOP Consulting (2016)

Figure 37 Arts Council England Theatre NPOs longitudinal sample: proportion of disabled permanent staff, 2013/14, and growth 2010/11 to 2013/14

Region		2013/14 (%)	Staff Growth Rate by Disability (2011/12-2013/14)
East Midlands	Disabled Staff	7%	69%
	Non-Disabled Staff	93%	12%
East of England	Disabled Staff	1%	0%
	Non-Disabled Staff	99%	16%
London	Disabled Staff	5%	0%
	Non-Disabled Staff	95%	11%
North East	Disabled Staff	3%	-67%
	Non-Disabled Staff	97%	7%
North West	Disabled Staff	4%	-23%
	Non-Disabled Staff	96%	14%
South East	Disabled Staff	3%	100%
	Non-Disabled Staff	97%	-1%
South West	Disabled Staff	2%	300%
	Non-Disabled Staff	98%	3%
West Midlands	Disabled Staff	4%	33%
	Non-Disabled Staff	96%	2%
Yorkshire	Disabled Staff	4%	-35%
	Non-Disabled Staff	96%	-8%

Source: Arts Council England/ BOP Consulting (2016)

Figure 38 Arts Council England Theatre NPOs longitudinal sample: gender distribution

	2011-12		2012-13		2013-14	
	Male	Female	Male	Female	Male	Female
Managers-Permanent	50.1%	49.9%	40.4%	59.6%	41.6%	58.4%
Managers-Casual	41.9%	58.1%	44.1%	55.9%	46.5%	53.5%
Artists-Permanent	50.1%	49.9%	40.7%	59.3%	39.4%	60.6%
Artists-Casual	55.3%	44.7%	54.0%	46.0%	52.3%	47.7%
Other Staff-Permanent	57.9%	42.1%	40.7%	59.3%	41.0%	59.0%
Other Staff-Casual	44.6%	55.4%	46.0%	54.0%	44.8%	55.2%

Source: Arts Council England/ BOP Consulting (2016)

Supplementary data on audiences

Figure 39 Theatre attendance in England per capita, by region, (2014)

	Total attendance 2013/4	Population	Attendance per capita
East of England	1,099,859	5,954,200	0.18
East Midlands	1,308,406	4,598,700	0.28
London	14,915,572	8,416,500	1.77
North East	814,006	2,610,500	0.31
North West	1,408,502	7,103,300	0.20
South East	3,260,811	8,792,600	0.37
South West	1,533,697	5,377,600	0.29
West Midlands	2,148,103	5,674,700	0.38
Yorkshire & Humber	1,553,785	5,337,700	0.29
Grand Total	**28,042,741**	**53,865,800**	**0.52**

Source: BOP Consulting/ UKT&SOLT (2016)

Figure 40 Origin of theatres bookers in London, 18 months up to 1st May 2016

Origin of booker	% of total bookers in London
London	57%
South East	15%
East of England	9%
International	6%
South West	3%
East Midlands	2%
West Midlands	2%
North West	2%
Yorkshire & Humber	1%
Scotland	1%
Wales	1%
North East	0%
Northern Ireland	0%

Source: Data courtesy of Purple Seven. Used under licence. (2016)

Figure 41 Map of regularity of theatre engagement across England[257]
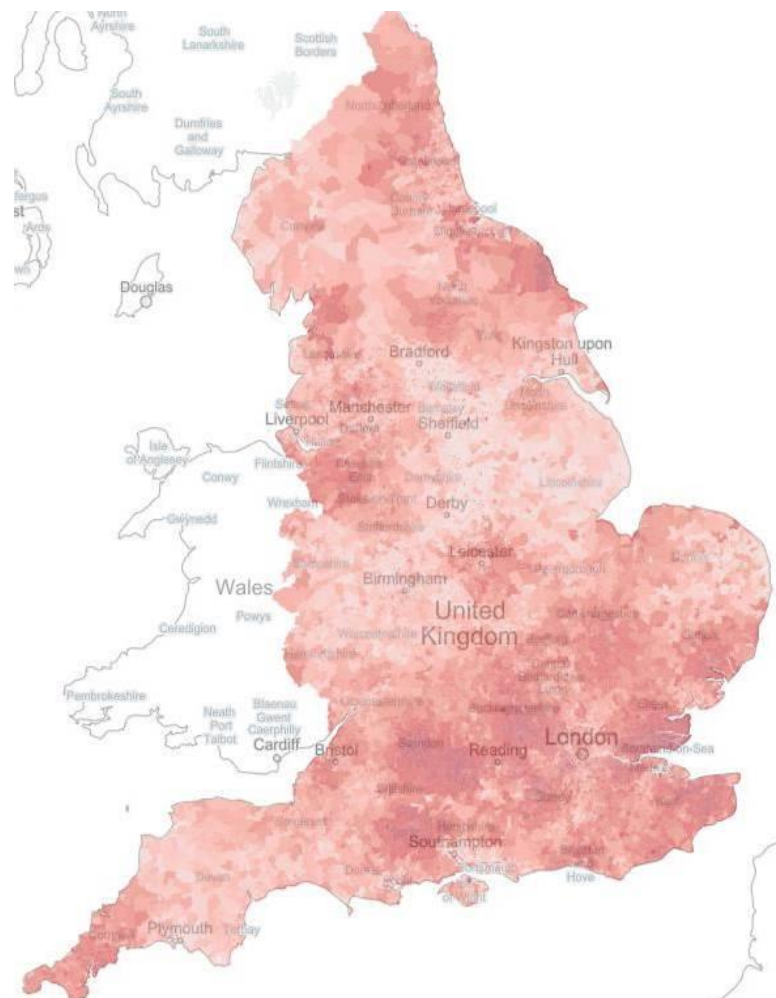
Source: data courtesy of Purple Seven. Used under licence. (2016)

[257] 'Frequency of theatre engagement' scored from 1 to 10, with 1=lowest engagement (light red) and 10=highest engagement (dark red). Based on data of the 18 months up to 1st April 2015.

Figure 42 Map of regularity of theatre engagement London[258]

Source: data courtesy of Purple Seven. Used under licence. (2016)

Figure 43 Total number of theatre bookers by ethnicity (2011/12 and 2014/15)[259]

	2011/12	% 2011/12	2014/15	% 2014/15	Growth Rate (2011-2015)
White	623,999	91.1%	698,471	90.5%	12%
Mixed	13,555	2.0%	16,178	2.1%	19%
Asian/ Asian British	33,998	5.0%	41,370	5.4%	22%
Black/ Black British	11,877	1.7%	14,196	1.8%	20%
Other	1,641	0.2%	1,982	0.3%	21%
Total	**685,069**	100.0%	**772,198**	100.0%	

Source: BOP Consulting/ Audience Agency (2016)

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[258] 'Frequency of theatre engagement' scored from 1 to 10, with 1=lowest engagement (light red) and 10=highest engagement (dark red). Based on data of the 18 months up to 1st April 2015.

[259] All Audience Agency data relating to bookers' ethnicity and age groups is based on origin of booker (government standard regions). It should be noted that these figures are based on approximations developed by the Audience Agency.

Figure 44 % theatre bookers by ethnicity and region (2014/15)

% bookers ethnicity by region (2014/15)	White	Mixed	Asian/ Asian British	Black/ Black British	Other	% BAME in general population
East Midlands	95%	1%	3%	1%	0%	11%
East of England	94%	1%	3%	1%	0%	9%
London	79%	4%	12%	4%	1%	40%
North East	94%	2%	3%	1%	0%	5%
North West	93%	2%	4%	1%	0%	10%
South East	94%	1%	3%	1%	0%	10%
South West	93%	2%	4%	1%	0%	5%
West Midlands	94%	2%	3%	1%	0%	17%
Yorkshire & Humber	94%	1%	3%	1%	0%	11%
Total	90%	2%	5%	2%	0%	

Source: BOP Consulting/ Audience Agency (2016)

Figure 45 Total known attendance in theatre NPOs by organisation size (2011/12 – 2013/14)

Total Known Attendance by organisation size 2011/12-2013/14 (theatre NPOs)				
	Total 2011 /12	Total 2012 /13	Total 2013 /14	Growth rate 2011- 14
Large	7,177,853	9,058,434	9,036,787	25.90%
Medium	3,108,310	3,062,069	3,430,659	10.37%
Small	215,667	207,266	202,214	-6.24%
Grand Total	10,501,830	12,327,769	12,669,660	

Source: Arts Council England/ BOP Consulting (2016)

Figure 46 Total number of bookers by age (2011/12 and 2014/15)

	2011/12	% 2011/12	2014/15	% 2014/15	Growth Rate (2011-2015)
Age 18-25	13,716	2.0%	15,902	2.1%	16%
Age 26-30	35,710	5.2%	42,580	5.5%	19%
Age 31-40	101,081	14.8%	118,135	15.3%	17%
Age 41-50	153,745	22.4%	175,556	22.7%	14%
Age 51-60	145,057	21.2%	165,247	21.4%	14%
Age 61-70	130,560	19.1%	144,437	18.7%	11%
Age 70+	105,200	15.4%	110,342	14.3%	5%
Total	685,069	100.0%	772,198	100.0%	

Source: BOP Consulting/ Audience Agency (2016)

Figure 47 Most popular genre by Audience Agency audience segmentation (2014/15 data)

Genre	Predominant Audience Agency Segment	% of bookers in Segment
Plays	Commuterland Culturebuffs	23%
Circus	Metroculturals	39%
Experimental Theatre	Metroculturals	38%
Physical Theatre	Metroculturals	27%
Puppetry & Visual Theatre	Metroculturals	39%
Entertainment	Dormitory Dependables	24%
Musical	Commuterland Culturebuffs	25%
Children and Family	Dormitory Dependables	27%
Open Air Theatre	Trips & Treats	23%
Pantomime	Dormitory Dependables	25%

Source: BOP Consulting/ Audience Agency (2016)

Figure 48 % of instances genres are booked, by location of booker (2014/15 data)

Region	Total Bookers 2014/15	Plays	Circus	Experimental	Physical	Puppetry & Visual	Entertainment	Musical	Children & Family	Open Air	Pantomime
East Midlands	107,821	44.2%	0.8%	0.3%	0.6%	0.1%	25.8%	14.3%	2.8%	0.2%	10.9%
East of England	51,708	44.4%	0.9%	1.0%	0.4%	0.2%	18.4%	15.8%	2.7%	0.0%	16.2%
Greater London	238,558	67.5%	3.8%	3.6%	1.6%	0.6%	11.4%	5.1%	1.7%	0.0%	4.6%
North East	38,937	62.7%	0.2%	0.9%	2.2%	0.0%	24.2%	4.2%	3.8%	0.1%	1.8%
North West	94,260	66.8%	0.1%	1.3%	0.3%	0.0%	11.6%	15.1%	1.3%	0.0%	3.4%
South East	224,031	56.2%	1.2%	0.7%	0.5%	0.1%	16.3%	17.1%	2.4%	0.0%	5.5%
South West	98,037	60.2%	1.3%	0.3%	0.3%	0.3%	18.7%	11.8%	4.0%	0.0%	3.1%
West Midlands	96,068	29.1%	0.4%	0.3%	0.6%	0.0%	37.9%	8.4%	11.7%	0.2%	11.4%
Yorkshire & Humber	107,260	52.6%	0.1%	1.4%	0.5%	0.0%	16.3%	11.4%	3.1%	0.0%	14.6%
Total	1,056,680	55.7%	1.4%	1.4%	0.8%	0.2%	18.3%	11.5%	3.3%	0.1%	7.3%

Source: BOP Consulting/ Audience Agency (2016)

Figure 49 Total number of bookers by Audience Agency audience segmentation (2011/12 and 2014/15)

Audience Agency Segment	Socio-economic element of Audience Agency Segment definition	% of total 2011/12	% of total 2014/15	% of England population
Commuterland Culturebuffs	"affluent and settled"	22.8%	22.1%	11%
Dormitory Dependables	"thriving, well off"	19.4%	19.3%	15%
Experience Seekers		7.9%	8.8%	8%
Facebook Families	"cash-strapped, in areas of high unemployment"	3.2%	2.9%	12%
Heydays	"raft of health, access and resource barriers"	1.5%	1.2%	6%
Home & Heritage		11.8%	10.2%	10%
Kaleidoscope Creativity	"low incomes and unemployment can present barriers"	4.2%	4.4%	9%
Metroculturals	"prosperous; highly educated"	12.2%	14.9%	5%
Trips & Treats		11.7%	11.4%	16%
Up Our Street	"on average or below average household incomes"	5.2%	4.7%	9%

Source: BOP Consulting/ Audience Agency (2016)

Demographic data by Purple Seven

Figure 50 Demographic data of subsidised London-based theatres, based on 38,437 customers surveyed (period 18 month up to 1 March 2016)
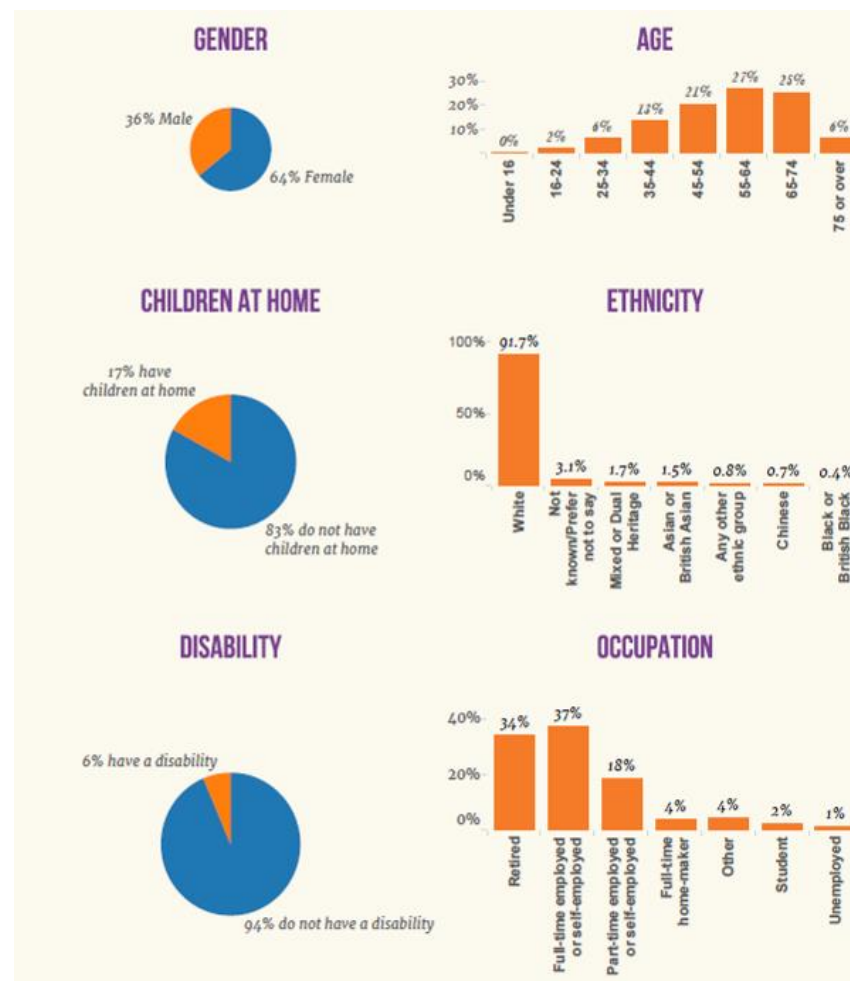
Source: Data courtesy of Purple Seven. Used under licence.

Figure 51 Demographic data of commercial London-based theatres, based on 36,685 customers surveyed (period 18 month up to 1 March 2016)

GENDER

37% Male

63% Female

AGE

30%
20%
10%

Under 16 0%
16-24 1%
25-34 9%
35-44 14%
45-54 24%
55-64 26%
65-74 19%
75 or over 5%

CHILDREN AT HOME

15% have children at home

85% do not have children at home

ETHNICITY

100% 93.4%
50%
0%

White 93.4%
Not known/Prefer not to say 2.0%
Mixed or Dual Heritage 1.7%
Asian or British Asian 1.5%
Any other ethnic group 0.6%
Chinese 0.5%
Black or British Black 0.3%

DISABILITY

6% have a disability

94% do not have a disability
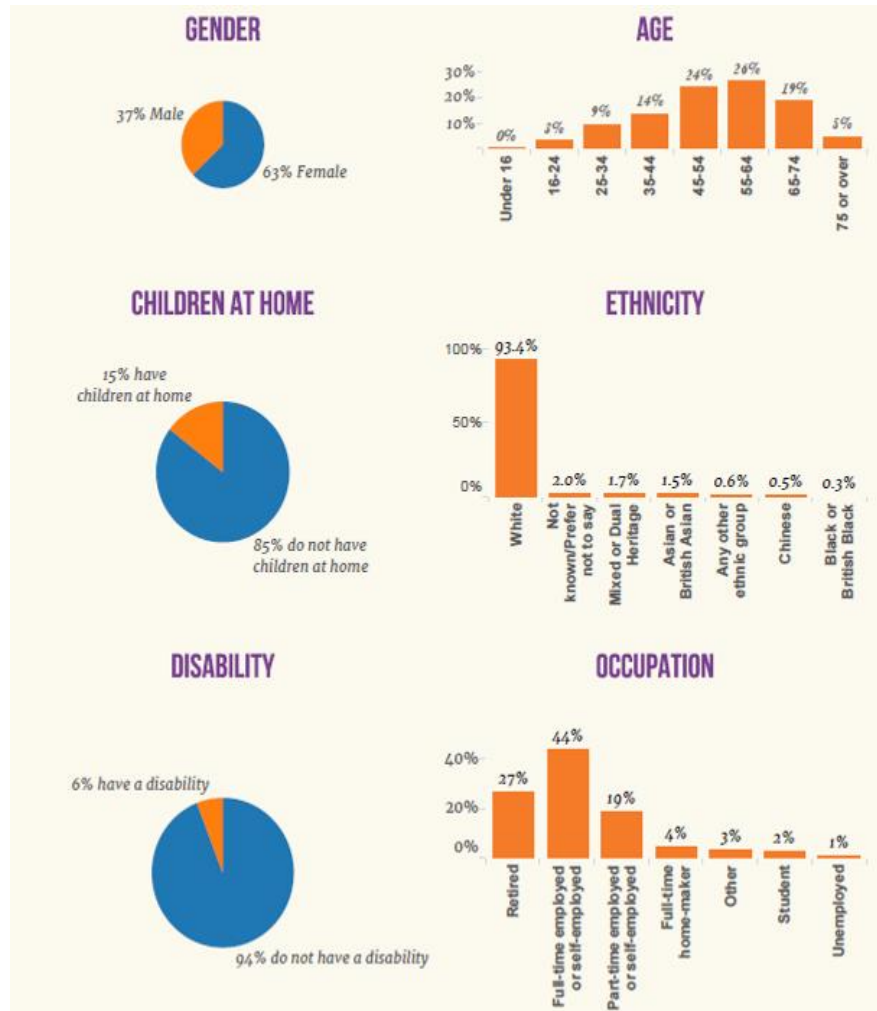
OCCUPATION

40%
20%
0%

Retired 27%
Full-time employed or self-employed 44%
Part-time employed or self-employed 19%
Full-time home-maker 4%
Other 3%
Student 2%
Unemployed 1%

Source: Data courtesy of Purple Seven. Used under licence source

Figure 52 Demographic data of subsidised theatres outside London, based on 154,063 customers surveyed (period 18 month up to 1 March 2016)

GENDER

36% Male

64% Female

AGE

30%
20%
10%

Under 16 0%
16-24 1%
25-34 5%
35-44 11%
45-54 20%
55-64 29%
65-74 27%
75 or over 7%

CHILDREN AT HOME

17% have children at home

83% do not have children at home

ETHNICITY

100% 95.1%
50%
0%

White 95.1%
Not known/Prefer not to say 2.6%
Mixed or Dual Heritage 0.9%
Asian or British Asian 0.5%
Any other ethnic group 0.4%
Chinese 0.2%
Black or British Black 0.2%

DISABILITY

7% have a disability

93% do not have a disability

OCCUPATION

40%
20%
0%

Retired 41%
Full-time employed or self-employed 34%
Part-time employed or self-employed 17%
Full-time home-maker 3%
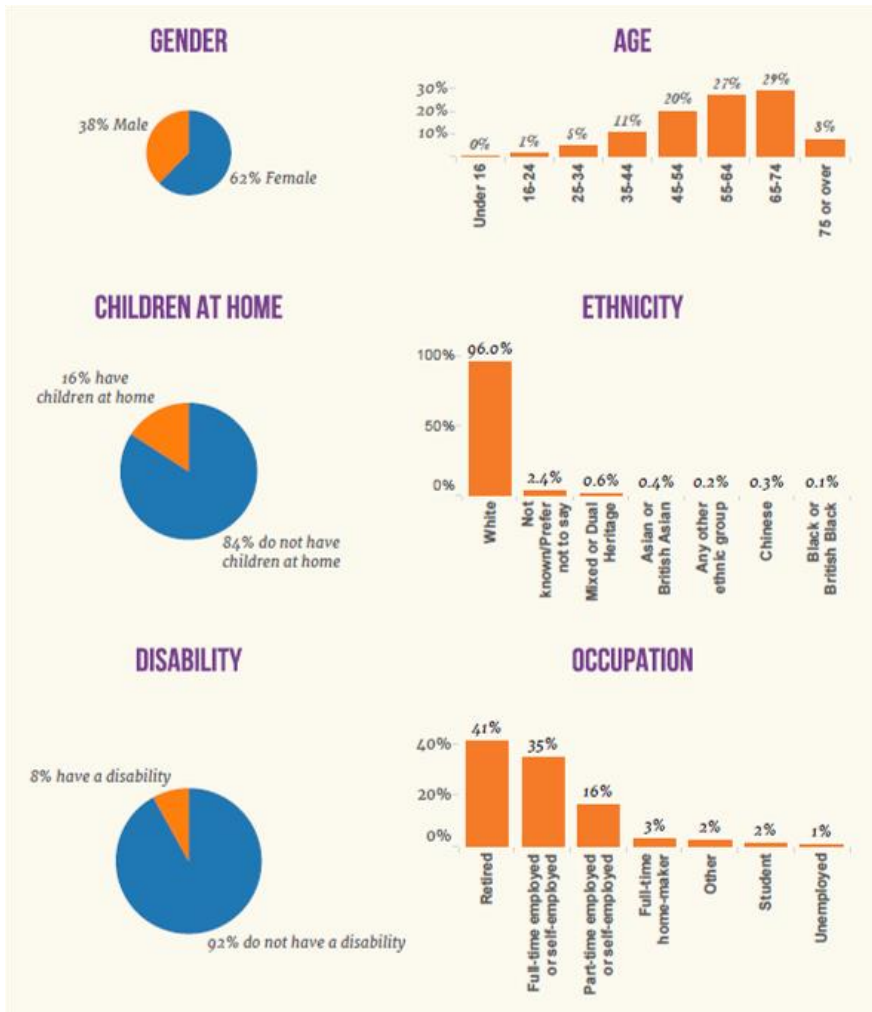Other 3%
Student 2%
Unemployed 1%

Source: Data courtesy of Purple Seven. Used under licence,

Figure 53 Demographic data of commercial theatres outside London, based on 201,437 customers surveyed (period 18 month up to 1 March

Source: Data courtesy of Purple Seven. Used under licence

Technical Annex 5: Regression Analysis

Figure 54 Logarithm of Artistic Total Expenditure/ Arts Council England & Public Subsidy

Logarithm of Artistic Total Expenditure				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm ACE and Public Subsidy	0.6016267	0.000***	0.4200526	0.7832008
Logarithm total permanent staff	0.5869128	0.000***	0.3993784	0.7744471
Number of observations	174			
Prob > F	0.0000			
R-squared	0.7651			
Adj R-squared	0.7624			

Source: BOP Consulting / Arts Council England (2016)>

Figure 55 Logarithm of Arts Council England and Public Subsidy Funding/ Artistic Expenditure [reverse regression]

Logarithm ACE and Subsidy Funds				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm Artistic Total Expenditu	0.3326008	0.000***	.2322202	.4329815
Logarithm total permanent staff	0.5109784	0.000***	.3774397	.644517
Number of observations	174			
Prob > F	0.0000			
R-squared	0.7846			
Adj R-squared	0.782			

Source: BOP Consulting / Arts Council England (2016)

Figure 56 Logarithm of BAME Permanent Staff/ ACE Income

Logarithm of BAME Permanent Staff				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm ACE Income	0.2404687	0.003**	0.0813829	0.3995545
Logarithm total permanent staff	0.3431231	0.000***	0.1836876	0.5025587
Geography	-0.282897	0.006**	-0.4844654	-0.0813285
Number of observations	101			
Prob > F	0.0000			
R-squared	0.6174			
Adj R-squared	0.6056			

Source: BOP Consulting / Arts Council England (2016)

Figure 57 Logarithm of ACE Income/ BAME Permanent Staff [reverse regression]

Logarithm of ACE Income				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm of BAME Permanent Sta	0.3530927	0.003**	.1194987	.5866867
Logarithm of Total PermanentStaf	0.6397735	0.000***	.4732697	.8062774
Geo	-0.1136016	0.375	-.3663999	.1391968
Number of observations	101			
Prob > F	0.0000			
R-squared	0.7161			
	0.7074			

Source: BOP Consulting / Arts Council England (2016)

Figure 58 Logarithm of Earned Income/ Permanent Staff

Logarithm of Earned Income				
	Coefficient	P>|t|	[95% Conf. Interval]	
Geography	-0.2511912	0.141	-0.5867721	.0843896
Logarithm total permanent staff	1.590829	0.000***	1.425844	1.755813
Number of observations	178			
Prob > F	0.0000			
R-squared	0.6745			
Adj R-squared	0.6708			

Source: BOP Consulting / Arts Council England (2016)

Figure 59 Logarithm of Earned Income/ Arts Council England & Contributed Income

Logarithm of Earned Income				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm ACE Income	0.2928571	0.038*	.0166959	0.5690184
Logarithm Contributed Income	0.109703	0.052*	-0.0008902	0.2202962
Logarithm total permanent staff	1.139234	0.000***	0.8570256	1.421442
Number of observations	164			
Prob > F	0.0000			
R-squared	0.6865			
Adj R-squared	0.6806			

Source: BOP Consulting / Arts Council England (2016)

Figure 60 Logarithm of Contributed Income/ Arts Council England & Public Subsidy

Logarithm of Contributed Income				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm Public Subsidy	-0.1186303	0.173	-0.2901397	0.052879
Logarithm ACE Income	0.6210984	0.000***	0.2820343	0.9601626
Logarithm total permanent staff	0.7412622	0.000***	0.3564449	1.126079
Number of observations	110			
Prob > F	0.0000			
R-squared	0.5631			
Adj R-squared	0.5464			

Source: BOP Consulting / Arts Council England (2016)

Figure 61 Logarithm of Arts Council England income/ Earned & Contributed Income [reverse regression]

Logarithm of ACEIncome				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm of Earned Income	0.091108	0.038*	.0051941	.1770218
Logarithm of Contributed Income	0.0883761	0.005**	.0275	.1492523
Logarithm of Total Permanent Staf	0.5605942	0.000***	.396405	.7247835
Number of observations	164			
Prob > F	0.0000			
R-squared	0.6716			
Adj R-squared	0.6655			

Source: BOP Consulting / Arts Council England (2016)

Figure 62 Logarithm of Contributed Income/ Earned Income & ACE Income [reverse regression]

Logarithm of Contributed Income				
	Coefficient	P>|t|	[95% Conf. Interval]	
Logarithm of Earned Income	0.2135199	0.052*	-.0017327	.4287725
Logarithm of ACE Income	0.5529099	0.005**	.1720489	.9337708
Logarithm of Total Permanent Sta	0.4768264	0.042	.0174308	.936222
Number of observations	164			
Prob > F	0.0000			
R-squared	0.4548			
Adj R-squared	0.4445			

Source: BOP Consulting / Arts Council England (2016)