

Energy bill surge threatens UK arts/culture venue cuts and closures

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Soaring inflation and rocketing energy costs are pauperising millions of workers and their families. The increases now having a devastating impact throughout society are an indictment of capitalism's inability to safeguard any aspect of cultural or artistic life. Art and culture venues across Britain face crippling bills that could see many close.

The rising energy price cap, placing an upper limit on the price per kilowatt hour used, applies only to households. It is predicted that the energy cap increase just announced, bringing typical bills to £3,549 a year from October, will shoot up to £5,400-a-year in January and to £7,200 by April.

Small businesses including arts venues do not even have a price cap safeguard. Rising energy costs have seen venues' outgoings triple recently. Steeper rises are forecast, against predictions that inflation could reach 21 percent by early next year.

In *The Times*, music critic Richard Morrison's comparison was revealing: "Will many go under, as happened a century ago when the country emerged from the First World War only to stagger into a nightmare decade of hunger marches and mass strikes?"

The crisis follows a decade of stagnating grants, exacerbated by the government's wilfully negligent response to the impact of COVID on the arts. Over a decade the Treasury's arts budget was cut by two thirds from its 2010 level, forcing venues and organisations to rely on commercial income.

By 2020, most UK venues with producing companies earned around 85 percent of their running costs, receiving 15 percent or less in government subsidies.

The inevitable result is that venues which managed to survive this far now confront the effect of devastating rising costs. Even venues championed as funding models are now at risk.

The Lowry in Salford is a modern gallery and theatre complex, hosting the collection of painter L.S. Lowry, and presenting or commissioning some 900 productions across all genres annually. It has around 850,000 visitors each year.

Chief Executive Julia Fawcett told the *Guardian* it generates more than £30 million GVA [gross value added] per annum and operates in line with the government's (non-)funding model. Only 6.3 percent of the charitable institution's total funding comes from public money, in grants from Arts Council England (ACE), Salford council and Greater Manchester combined authority. The Lowry takes 93.7 percent of its income in earnings and contributions.

The fragility of the model can be seen in the impact of the pandemic. In 2020-21, The Lowry posted losses of £659,000.

Built in 2002, it is more energy efficient than older venues, but all venues are expensive. Rising costs of materials are seeing theatre set construction costs increasing 30-40 percent. The Lowry's estimated annual building-related costs are £1.9 million. Rising supply costs will triple its energy bills this winter, posing "a major challenge," as its energy bills are expected to reach nearly £1 million. This, said Fawcett, is "substantially more than the figure the Lowry receives annually from [ACE]'s National Portfolio funding programme"—around £860,000.

The arts are at the mercy of the corporate profiteers. Fawcett could not state explicitly what quotes they had received from energy companies because The Lowry are renegotiating commercially sensitive contracts.

Sadler's Wells, Britain's London based national dance venue, has also announced an expected tripling of its energy costs to around £900,000. This follows more than a decade of standstill funding, amounting to a real terms cut of 25 percent in its ACE grant.

Chief Executive Sir Alistair Spalding said, "Frankly, we are looking at ticket prices." He expects to raise top-end prices for big, popular shows, pushing the arts further out of the reach of working families.

Richard Morrison pointed to top West End prices of £325 for a recent production of *Cabaret* starring Eddie Redmayne and Jessie Buckley. This accelerates the death of theatre as a popular art form, as an impresario told Morrison, "You will always get people willing to pay top whack for top stars, but

middling shows with middling performers are drawing smaller and smaller audiences.”

Despite the warning signs, the impact has not yet been seen in full, in part because some venues are still working through the end of earlier contracts.

Ventnor Exchange, on the Isle of Wight, is championed by ACE as a model of small-scale regional arts development. The creative arts hub and social enterprise combines theatre with a record shop and bar, using profits to fund local cultural opportunities for young people, including the annual Ventnor Fringe arts festival.

Jack Whitewood, Co-Director of Ventnor Exchange, spoke to the WWS about their situation. “Energy bills have risen dramatically in recent months. Fuel and power generation costs at Ventnor Fringe were up 82 percent on 2021, and there is the additional knock-on effect of the rise in haulage and transport costs too, caused by the rising fuel costs. Similarly, our electricity bills at Ventnor Exchange have more than tripled in the last six months.”

He said the “dramatic and rapid rise in costs ... is very concerning.” They had expected rising costs, “but not at this scale or speed.” As “the current trajectory is not sustainable,” they were looking at reducing energy costs where possible, particularly at the Fringe.

However, they had “limited manoeuvre to cut energy consumption at Ventnor Exchange short of reduced hours.”

Whitewood and his team are looking to open co-working facilities, both to support the venue’s work and in recognition of the impact of the crisis on families and small businesses.

He was blunt on the future: “We’ve heard far too little from the government on how they will support families with rising energy prices, and there has been complete radio silence on the pressures facing small businesses and charities, who do not benefit from any energy price cap at all. Many businesses are indebted from COVID, so unless there is urgent action, I would predict there is a real risk of a rise in unemployment in the coming months.”

Ventnor Exchange’s problems are not unique. Mark Davyd, of the Music Venue Trust (MVT), has said 50-100 members of that network face a “frankly imminent crisis” that is “likely to close more music venues than COVID.”

The MVT is a British charity founded in January 2014 to help protect, secure and improve the UK’s music venues. One venue reported an electricity bill 640 percent higher than its last. The additional £31,000 being demanded is higher than the manager’s salary.

Museums, particularly in older buildings, report wild energy increases. Tullie House Museum and Art Gallery in Carlisle has already raised adult admission to £15 following a 138 percent increase in its annual fuel bill.

The Catalyst Science Discovery Centre and Museum in Widnes was sent a tariff increase of 400 percent by its existing supplier. While looking for alternative suppliers, this hike was increased to 460 percent. They eventually negotiated a contract with a different supplier with an increase of 353 percent, from £9,700 to £44,000.

MA policy manager Alistair Brown warned, “Without additional government intervention, organisations will have to make difficult decisions about whether to close for the winter, cut opening hours, or cut other areas of activity simply in order to afford their energy bills.”

Brown called for “concerted action from government—as we saw during the COVID crisis—to help reduce the sudden shock of these huge bills.”

This will not happen, as the Johnson’s criminally slow and inadequate response to the pandemic’s impact on culture demonstrates. Sir Keir Starmer’s Labour Party has pledged only to maintain the domestic price cap, while handing over a further £29 billion in a bailout to the energy conglomerates.

A theatre executive told Richard Morrison, “The mood music out of DCMS [the Department for Digital, Culture, Media and Sport]” about such a rescue package “is saying ‘not a chance’.”

The government’s “levelling up” agenda would see money removed from major arts bodies unless they relocate activity to towns deemed “culturally deprived.” This is being used to dress up further cuts and funding freezes. The same executive said, “Things could get pretty bloody when the Arts Council announces its next round of funding in October.”

Jack Whitewood told us he had not yet heard anything from ACE: “I would imagine many cultural venues, especially those with large buildings, will be sounding the alarm very soon.”



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