

As a result of our Money Talks survey in late 2017, we identified that there were a [range of issues at play](#) when it comes to artists and finances. Some are more systemic (eg the relationship between [artists and venues](#)) and others are knowledge or skills based. In an attempt to help with the latter, Theatre Bristol has commissioned these new help sheets (Dec 2018), written by Emily Williams and Carrie Rhys-Davies, on four hot topics:



- ways to calculate how much your work costs
- understanding financial deals
- understanding fundraising options
- building a case for support

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Understanding Financial Deals

A helpsheet for artists by Emily Williams

So you've made a show and now you're starting to think about touring it. I've focussed this document on financial deals within the U.K. although many of the principles can be applied when in negotiation with international promoters.

Before you speak to any venue, festival or producer (under the umbrella of 'promoter' for the sake of this document) it is important to know the following:

- What kind of run do you ideally want? 1 night, 2 nights, a week etc.
- What does it cost to tour your show for 1 night, 2 nights, a week etc (please see my other help sheet '*Ways to calculate how much your work costs*')
- Can you deliver a same-day get in or do you need longer in the space?
- Typical shows that each programmer takes

The five most usual financial deals offered are:

- A straight hire
- Box office split
- A guarantee vs a box office split
- A guarantee plus a box office split
- A flat fee or guarantee

A straight hire

For many artists and companies a straight hire is out of the question financially, however if, for example you needed to present the work in a particular time frame i.e. so that British Council can see your work in order to assess you for the Edinburgh Showcase, then you may need to consider hiring a space for these purposes.

For venues that offer a straight hire the costings are usually on their website or there may be a dedicated bookings person. Depending on the length of time you need time you need in the space this may affect the cost.

It is likely that there will be hidden costs with a straight hire so be sure to ask questions such as:

- If we use your lighting/sound equipment are there contras*?
- If we need a technician and or operator is this included in the cost of hire?
- Do you take any % from ticket sales?
- If we want to have flyers/posters in your venue is there a charge for this?
- Does your venue have a PRS licence (if you are using copyrighted music in your show)

Box office split

For many emerging artists a box office split deal will be the first kind of deal you are offered by a promoter. This simply means that a percentage of the ticket sales will be yours and a percentage will be kept by the promoter.

It is important to understand the following before settling on a percentage split:

- What is the capacity of the venue?
- What is the average ticket price? (add all ticket prices together and divide by the number of options i.e. £12 + £10 = 22 / 2 = 11)
- How many tickets do you think you'll sell? The standard low risk capacity projection that I always use is 60% and if it is an unknown area or very new venue I would suggest being even more cautious and projecting at 40%
- What were the average ticket sales for the month previously at the venue
- I use the [following template](#) to work this all out and the possible variables in order to know what kind of split I can take (this is an open link to a google drive spreadsheet)
- It is vital that the majority percentage is in favour of the artist or company. The standard box office splits range from 60/40 to 70/30 to 80/20
- Although the higher split should be in your favour, in order to ensure that the venue has a 'stake' in selling the show I would suggest a 60/40 or 70/30 depending on what your box office projection spreadsheet shows
- There are also scenarios (e.g. Vault festival) where there the box office split is minus a venues facilities fee (often around 15%) it is vital to include all of these variables when budgeting on the financial deal you are willing to take
- With pure box office splits it is often possible to negotiate travel on top of this. Make sure you know how many people will be on the road and that you ask this early on in the conversation.

A guarantee vs box office split

This is one of the most common financial deals and lowers the risk for the artist or company. You still need to consider all of the points in the section above.

The way this deal works is that the promoter will put forward a guaranteed amount which you will receive no matter how many tickets you sell and this will act against a box office split meaning that if you sell more than the guaranteed fee in ticket sales you will receive this higher amount.

Ideally the guaranteed fee that you negotiate with the promoter should cover the core running costs of presenting your show.

For example:

100 seater venue with an average ticket price of £10 (including VAT – we'll get onto VAT later)

The total possible sales for 1 night is £1000 including VAT

You and your promoter anticipate sales at 60% for 1 night = £600

The split agreed is 70/30 which without a guarantee would be £420 to you.

If the promoter offers a guarantee of £400 and ticket sales were lower than expected and actually you reach 30% (30 tickets sold) then you would still receive £400 even if the total ticket sales were £300, however if your projection was higher and actually you sold 80% of tickets (80 tickets sold) then you would receive £560.

A guarantee plus a box office split

Occasionally a deal is made where a low guarantee is offered by a promoter with the agreement of a box office split on top of this. The benefit of this versus a guarantee vs box office split is that no matter what tickets you sell you are still likely to receive more income than your guarantee even if you sell a small amount of tickets.

The cons of this deal is that in many cases the guarantee is low and therefore may not cover the essential/core costs of putting the show on.

It's a good idea to try and negotiate travel additionally for a deal like this

A flat fee or guarantee

It is definitely becoming more tricky to secure a flat fee or guarantee for a tour.

Often when an artist or company has a strong track record with a promoter (and their audiences) or if the show has had a successful run in a context like Edinburgh then a promoter might be in a position to offer a flat fee/guarantee.

This price should be determined by the artist or company and should be worked out at the beginning of any tour booking process. You can read more about '*Ways to calculate how much your work costs*' here.

I would always recommend leading negotiations with the flat fee/guarantee cost before discussing other options.

A flat fee or guarantee means that even if the box office income has the potential to be higher than your flat fee, you will only ever receive this.

Depending on the venue there may be other costs that will ultimately be taken from your final flat fee/guarantee. This will be detailed in your contract but might include, technician time, merchandise selling, credit card processing etc.

Other things to consider in understanding your final financial deal

CONTRACTS

At the point in which you agree a financial deal with a promoter they should send you a deal memo or venue agreement which is when your commitment moves from a 'pencil' to a confirmed.

I would recommend getting 2 of you to read through the deal memo or the venue agreement to ensure that you don't miss any hidden costs or commitments.

At this point you will also have the opportunity to negotiate on the number of company comps you have, the amount of flyers/posters you need send in print, your get in/get out time, equipment and technical support.

Depending on the deal you may see ticket prices and most importantly any ticket deals (i.e. group savers) that affect your projections.

COMPANY COMPLIMENTARY TICKETS

This number varies massively and depending on the length of run you should be entitled to at least 2. A good tip is to make sure any press tickets go through the promoter (unless it is a straight hire) and therefore are additional to any of your comp allocation.

VAT

If you are VAT registered you need to make sure that any deal you agree excludes VAT. There are occasions where a venue might have cultural exemption which will mean that even if you are VAT registered all fees agreed will be inclusive of VAT.

For more information on this [please click here](#).

CONTRAS*

From the Latin *contra*, meaning "against." These costs are what a theatre might charge to a company performing there, such as marketing, technical or administration expenses.

If a promoter has contras in place, for example for the use of technical equipment or a technicians time then these costs will be detailed in the contract and deducted at the point of box office reconciliation.

Useful links:

UK Theatre – ‘Improving the deal between venues and producers’

<https://uktheatre.org/theatre-industry/guidance-reports-and-resources/venues-and-producers-improving-the-deal/>

Arts Professional ‘How to plan a theatre tour’

<https://www.artsprofessional.co.uk/magazine/article/how-plan-theatre-tour>

Creative Scotland ‘Arts Strategy’

<https://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/arts-strategy-2016-17>

Edinburgh Festival Fringe – ‘Is your show eligible for touring?’

<https://www.edfringe.com/take-part/putting-on-a-show/touring>

Fuel Theatre – ‘What can we do about touring?’

<https://www.fueltheatre.com/download/1847>

The Guardian – ‘In it together: re-inventing the theatre touring model’

<https://www.theguardian.com/culture-professionals-network/culture-professionals-blog/2012/dec/13/reinventing-changing-theatre-touring-model>