



Orchestra Tax Relief

Orchestra tax relief (OTR) is a new provision which allows amateur and professional orchestras to obtain government finance to support performances. The DSO committee has been looking into whether DSO should claim this tax relief and what changes we would need to make in order to do so. Our considerations have been guided by advice from Making Music, the organisation to which we belong which supports amateur music making. We are now seeking the approval of the members of the orchestra to go ahead with this.

In order to claim the tax relief we would need to set up a production company which would be responsible for putting on our concerts and claiming OTR. DSO would continue to be a charity as at present and it would contract with the production company to organise concerts in return for a fee, which would be equal to the cost of putting on the concert less the amount which could be claimed as OTR. All income from ticket sales and from subs would continue to go to the Orchestra, as at present. It is proposed that the company would have 3 directors (who would also be the shareholders), at least 2 of whom would also be DSO Committee Members. Jeremy Crump, Ishani O'Connor and Liz Cleary have said they are willing to be the initial directors.

Arguments for making this change:

- We could recover some £1,900 annually from the government.
- Making Music supports the proposal and offers help with submitting claims.
- This would be a recurring source of income which would enable us to continue to put on more ambitious concerts and pay for increasing costs of rehearsal venues.

Issues to bear in mind:

- There will be effort required to set up the company and initial arrangements, though the amount of work should diminish once the system is up and running.
- We will need to ensure that we plan for sustainability, e.g. replacement of directors in due course.

- There will need to be a clear contract and Declaration of Trust between DSO and the production company to ensure that the company acts on behalf of the Orchestra. The company will be wholly owned by DSO, and its articles of incorporation will make clear that it can only provide services to DSO.
- There is a significant lead-in time before we could claim, as the production company must be in place before any expenditure is incurred on a concert. For example if we set up the company this autumn we would be able to claim in autumn 2020 for concerts during 2019-2020.

Orchestra members are asked to approve the proposal to set up a production company with a view to claiming Orchestra Tax Relief from 2019-20.

Jeremy Crump
Liz Cleary