

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 24 SEPTEMBER 2013

REPORT BY EXECUTIVE MEMBER FOR HEALTH, HOUSING AND  
COMMUNITY SUPPORT

HERTFORD THEATRE ANNUAL REPORT FOR FINANCIAL YEAR  
2012/13

WARD(S) AFFECTED:

all

**Purpose/Summary of Report**

- To present the annual report for 2012/13

**RECOMMENDATION FOR COMMUNITY SCRUTINY COMMITTEE:**

**That:**

<b>(A)</b>	<b>the annual report on Hertford Theatre for the year 2012/13 be reviewed; and</b>
<b>(B)</b>	<b>the cohort of volunteers be congratulated and thanked for their contribution to the success of the venue.</b>

1.0 Background

1.1 The Council's Executive Committee of 11 May 2010 approved an invest to save development and business plan to transform Castle Hall into Hertford Theatre. Subsequently, following refurbishment and re-modelling works, Hertford Theatre opened in December 2010.

1.2 The community scrutiny committee has previously received and approved two annual reports covering the financial years 2010/11 (committee 14/5/11) and 2011/12 (committee 28/8/12).

## 2.0 Report

2.1 This is the third annual report, covering the financial year 2012/13, and as with the previous year's report, it is structured around the following main elements of the theatre's business:

- Footfall
- Feedback, complaints and compliments
- Theatre shows
- Cinema
- Panto
- Hire
- Café/bar
- Gallery
- Staffing, apprentice and volunteers
- Marketing
- Financial summary including performance against business plan
- Future developments and vision

## 3.0 Footfall

3.1 The estimated footfall for 2012/13 was 127,250. This is up from the 111,104 reported for the previous year. The footfall is made up of, the following:

Ticket Sales	59,000 (up from 50,000 in 2011/12)
Regular Classes	23,500*
Functions	13,500**
Day Trade Café	31,250***

**Total Footfall            127,250**

\*Space hired for classes including : Fun with Drum, Fun With Dance, Hertford School of Dance, Expressions Dance, Graham School of Dance, Zumba, Yoga Shala, Hartbeeps, Busybees, Lazy Daisy, Dinky Dancers – calculated on average number of attendees over 37 weeks (average number of weeks per year hirers are in attendance). Some organisations run more than one class per week.

\*\*Non-ticketed events. Calculated on the events held over the year including Big Drawer Exhibition, HRC, Sports Awards, Barratts, Employment Service, HCC, Dance Festival, EHDC Staff Awards, Harlow College, Private Business Meetings, Auditions, U3A, National Trust, Christenings, Wakes, Wedding Anniversaries, Serco, Unison, European Study Tours, Conferences, Play Readings, Herts Regional College, Children's Party, Art Previews, Hertford Library.

\*\*\* calculated on an average of 125 customers per day over 5 days per week, 50 weeks per year.

#### 4.0 Feedback, complaints and compliments

4.1 The feedback received at the theatre continues to be extremely positive. This is monitored via the feedback cards at the box office and via the website. A selection of recent feedback is presented at **Essential Reference Paper “B”**.

4.2 Negative feedback this year has centred around two issues in the main: 1. the quality of the technical equipment in the main auditorium and 2. the ‘creakiness’ of the seating. Both these issues are referred to in paragraphs 14.1 and 14.2 respectively below, that address future development.

#### 5.0 Theatre shows

5.1 The Theatre’s mission as a community based venue is to create a balanced programme of arts and entertainment. As a still relatively new venue, this means trying out new products for new audiences; a development process that inevitably results in a range of commercial success from sell-outs to shows that sometimes do not achieve the desired box office return.

5.2 There were 45 different live events (excluding Panto) in 2012/13 compared with a business plan target of 50 and 65 actual in 2011/12. 11,966 tickets were sold with an average attendance of 240 per event in 2012/13, compared with 12,936 at an average of 199 in 2011/12.

5.3 Best selling shows in 2012/13 included: Jack Dee, Harry Hill, Steeleye Span, Tiddler, Jungle Book, Counterfeit Stones, Marcus Brigstocke and Jon Richardson.

5.4 Less well performing shows included: Verve, Mari Wilson and Canterbury Tales.

5.5 Income from live shows in 2012/13 was £144,339 against an original business plan target of £140,700 and an outturn of £173,494 in 2011/12. The difference in outturn figures between 2011/12 and 2012/13 is attributed largely to the increased use of the auditorium for cinema (ref. increased income from cinema in paragraph 6.4 below).

5.6 The committee is invited to consider whether it feels the right balance is being achieved in Hertford Theatre's programme of drama and live shows. A full list of shows broken down by category is presented at **Essential Reference Paper "C"**.

## 6.0 Cinema

6.1 Cinema continues to be a very popular part of Hertford Theatre's offer. There were 250 screenings in 2012/13 with 20,073 tickets sold at an average attendance of 80 per screening. This compares with 223 screenings, 12,711 tickets and an average of 57 per screening in 2011/12.

6.2 There were sell-out screenings of: The Artist, The Best Exotic Marigold Hotel, Skyfall, Les Miserables and Quartet. Films that did less were Rust and Bone, Jackpot, Liberal Arts and L'Appartement.

6.3 Screenings of live and recorded live broadcasts continued to be popular with 8 events in total up from 4 in 2011/12. *Rigoletto* live from the Royal Opera House proved to be a highlight. The average attendance was 100.

6.4 Income from the cinema in 2012/13 was up to £92,670 compared with £65,654 in 2011/12. This increase in income was despite the cancellation of several films in prime time at the end of January and February due to a problem with the projector and severe weather.

6.5 The committee is invited to consider whether it feels the right balance is being achieved in Hertford Theatre's programme of film, live and recorded screenings. The full list of screenings is presented at **Essential Reference Paper "D"**.

## 7.0 Pantomime

7.1 The audience for our pantomime has been steadily increasing. Cinderella was Hertford Theatre's very first pantomime in December/January 2010/11 and it sold 5,000 tickets. Sales for Aladdin in 2011/12 increased to 7,500. Last year Dick Wittington sold 8,500. The Panto for this coming Christmas and New Year is Beauty and The Beast and advance bookings primarily to the schools are going very well; at the time of writing the report six performances have already sold out.

7.2 Income from the Pantomime in 2012/13 was £81,111 up from £68,777 in 2011/12.

## 8.0 Hire

### *Main auditorium*

8.1 The main auditorium was hired for 113 days in 2012/13 compared with 108 days in 2011/12. Hirers included key associate users such as Hertford Dramatic and Operatic Society (HDOS), Ware Operatic Society, Hertford Symphony Orchestra, Mayhem and Rare; as well as regional and national organisations such as U3A, National Trust, Army Engagement and NHS.

### *Studio*

8.2 The studio was hired for 1082 hours in 2013/14 compared with 949 hours in 2011/12. This represents an average of 4.8 hours per day over 37 weeks (average number of weeks per year hirers are in attendance). Regular hirers include: Hertford Yoga, Little Bees, Graham School of Dance, Hertford School of Dance and Expressions.

### *River Room*

8.3 The River Room was hired for 450 hours in 2012/13 compared with 570 hours in 2011/12. This represents an average of 2.1 hours per day over 37 weeks (average number of weeks per year hirers are in attendance). The River Room is a popular hire during the day with regular music sessions for the under 5's with Fun with Drum/Dance and Lazy Daisy. It is also a meeting place for local and regional businesses including: SERCO, Unison, HCC, East Herts Council, Tesco and Barratts.

8.4 The lower number of River Room hours hired in 2012/13 compared with 2011/12 was in large part due to shifting some hires from the River Room to the studio in order free up the River Room for other markets e.g. business meetings, which we want to develop in the future.

8.5 There is a service plan target to increase sales by at least ten percent in 2013/14 (ref. paragraph 14.4 below on future developments).

## *Combined hire*

8.6 The combined hire income for 2012/13 was £112,655 compared with an original business plan target of £82,950 and £120,507 outturn in 2011/12. The difference in outturn figures between 2011/12 and 2012/13 is attributed to the increased use of the auditorium for cinema (ref increased income from cinema in paragraph 6.4 above).

## 9.0 Café/bar

9.1 The café/bar continued to be run in house throughout 2012/13. The total income for 2012/13 was £141,000 against £69,965 for the previous year 2011/12 (note: the 2011/12 year ran only from November 2011 to end of March 2012 i.e. from when the bar/café was re-opened as an in-house operation).

9.2 The volume of trade and the products sold vary greatly depending on the time of day and the type of activity, event and or show. During the day time the trade is often light with a feature being the popularity with mothers' with babies and toddlers who enjoy the space and the relaxed atmosphere. By contrast, and as would be expected, the largest volumes of trade occur for live evening shows, with the highest selling show being Counterfeit Stones and Marcus Brigstocke on 16/17<sup>th</sup> Nov taking £3,690 and £1,958 at the bar respectively; a total of £5648 over two evenings.

9.3 The food offer continues to be reviewed. At the moment the offer, other than crisps and confectionary etc. extends only to fresh sandwiches, cakes and scones.

9.4 As referenced in paragraph 14.5 below, there is an acknowledgement that the food and wine offer needs to be reviewed and refreshed in the context of an expanding programme and footfall. This review is already underway and will be completed by mid October. The main objectives will be to: a) offer greater choice of food and better quality of wines before evening shows, and b) reduce staffing costs during lower turnover day time periods.

## 10 Gallery

10.1 The Gallery continues to have a different exhibition every month under a franchise agreement with Courtyard arts. This provides a

regular refresh to the foyer and bar/café area attracting customers and adding interest.

10.2 The commission received from sales in 2012/13 was £1,545 compared with £2,070 for 2011/12.

## 11 Staffing, apprentice and volunteers

11.1 The staffing cohort was added to in 2011/12 in order to meet the demands of the business that has been expanding at a faster rate than the original business plan anticipated. Three new part-time posts have been recruited to: an assistant front of house manager, an additional box office assistant and a technical assistant. The technical assistant post was filled by the apprentice from Hertford Regional College who successfully completed his apprenticeship and we were pleased to be able to make the post permanent.

11.2 The volunteers' scheme which was launched in July 2011 is now established as a key element of the successful front of house operation. There are currently 70 registered volunteers and a waiting list. The cohort of volunteers is a great asset to the theatre and has made a huge contribution to the welcome and ambience of the venue.

11.3 The salary cost for 2012/13 was £273,421 compared with £318,778 in 2011/12. This reduction in costs is attributable to management successfully focusing on reducing casual staff costs.

## 12 Marketing

12.1 The main seasonal cinema and live performance brochure have now been redesigned and the cost reduced by using the council's in-house print and design unit rather than outsourcing it.

12.2 Repeated 'Contra' deals have been negotiated with Paradise Wildlife Park, Van Hage, with a new partner Café Rouge in Hertford to utilise mutually beneficial opportunities at a no cost partnership advertising.

12.3 Hertford Theatre now has over 850 Facebook friends (double last year) with activity taking place every day including competitions, promotions and photos. Twitter is now up and running and we already have over 800 followers.

- 12.4 A 'lapsed attender' direct mail campaign was successfully completed in 2012/2103. 5,000 people were contacted who had been to Castle Hall but had not attended Hertford Theatre since the refurbishment. These people were given the opportunity to be introduced to the new venue and the chance to sign up to the theatre's mailing list, there was a 45% response to sign up to the mailing list with 23% of those people purchasing tickets in the first 3 months of the campaign.
- 12.5 In 2012/13, 1,720 customers signed up to an emailing list and received regular updates about shows, films and forthcoming activity. The mailing list has increased to 12,000 names. The seasonal brochure is mailed to this list which is frequently revised and updated in line with requirements of Data Protection.
- 12.6 A press database has been compiled with twenty two organisations receiving regular press updates. The Hertfordshire Mercury and the Welwyn and Hatfield Times feature articles relating to shows and films at Hertford Theatre on a weekly basis, equating to over £15,000 worth of free advertising. Articles and interviews have been secured on 3 Counties Radio and Jack FM, equating to the 15 hours of air time worth £5,000 worth of free advertising.
- 12.7 There has been much development work with secondary and primary schools: 23 schools came to see the Panto in 2012/13 including 12 schools from the East Herts area and others from Goffs Oak, Harlow and Welwyn Garden City. Three schools brought their entire school, selling out the performances. Twenty two schools have already pre booked for the Panto this year; 15 of those schools being repeats from last year. The number of schools that receive information about relevant forthcoming productions on a termly basis has increased. As well as the regular schools that book for Panto the number of 'core' schools who regularly attend shows at Hertford Theatre has increased. The theatre offers free 'added value' tours and discussions groups to all interested schools.
- 12.8 This year as well as working in partnership with Paradise Wild Life Park and Van Hage Garden centre to heighten Panto-awareness; they are working with Café Rouge. Marketing activity will include the launch of the Panto at Café Rouge, the opportunity for every school child who attends the Panto to eat at Café Rough for free during the Panto season.



### 13 Financial summary including performance against business plan

13.1 The annual final account position for 2012/13 showed an overall net outturn expenditure of £381,710. The net expenditure in the original estimate budget for 2012/13 was £445,040. The outturn performance therefore represents a favourable variance of £63,330, subject to audited accounts.

13.2 The business plan as approved by the Executive in May 2010 showed a target net expenditure for 2012/13 of £451,100. The outturn for 2012/13 of £381,710 compared against the business plan therefore represents a favourable variance of £69,390.

### 14 Future development, vision and governance

14.1 The council's Executive of 23 July 2013 approved an upgrade to the audio, lighting and technical equipment in the main auditorium of £64,000 in response to the failing and outdated equipment. This investment will considerably enhance the customer's experience and will also serve to attract high quality producers and performers.

14.2 The Executive asked officers to investigate the costs of new or refurbished seating for the auditorium, subject to an appropriate specification and price to be determined by a tender process. The ambition is to upgrade the seating in the summer of 2014.

14.3 In September 2013 a new partnership will be launched with Hertford Regional College which will offer one year drama diplomas based at Hertford Theatre.

14.4 One of the targets for 2013/14 financial year is to improve the number of hires for the River Room by at least ten percent and this target is well on the way to being achieved with new bookings being made for business meetings and parties.

14.5 The management team acknowledges that still more needs to be done on improving the bar/café offer and there are a number of plans that will be implemented in 2013/14 including a better food/snack offer before evening performance and shows, a better quality of beverages and a move to more efficient control of expenditures during less busy daytime periods.

14.6 The Theatre's management team has made good strategic development alliances with the Arts Council, evidenced by:

a) financial sponsorship for the director of Hertford Theatre to attend the Edinburgh Fringe festival for the second year running with a view to securing innovative shows for regional theatres such as Hertford Theatre. Last year this sponsored reconnaissance resulted in the sell-out show The Trench and new theatre company Rhum and Clay being brought back to Hertford for our local audience to enjoy.

b) the Arts Council offering its collaborative support for a marketing campaign aimed at attracting new family audiences in areas that are presenting appropriate demographic characteristics but are, as yet, under-represented in our ticket sales profiles.

14.7 Future governance options remain under longer term consideration. An informal member officer group met on 17/1/13 to consider short to medium term options and concluded that as the Theatre was still in early development and expansion mode and performing well against the business plan, the best option would be to continue with existing 'in-house' arrangements for at least another year or so before further review.

#### 15.0 Implications/Consultations

15.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Executive 11/5/10 Castle Hall investment proposals.

[http://online.eastherts.gov.uk/moderngov/Data/Executive/20100511/Agenda/Item 6 - Castle Hall Investment Proposals.pdf](http://online.eastherts.gov.uk/moderngov/Data/Executive/20100511/Agenda/Item%206%20-%20Castle%20Hall%20Investment%20Proposals.pdf)

Executive 23/7/13 Investment Proposals

<http://online.eastherts.gov.uk/moderngov/documents/s20354/Hertford%20Theatre%20Capital.pdf>

Contact Member: Councillor Linda Haysey – executive member for health, housing and community support  
[Linda.haysey@eastherts.gov.uk](mailto:Linda.haysey@eastherts.gov.uk)

Contact Officer: Will O'Neill – head of communications, engagement and cultural services  
Contact Tel No 01992 531594  
[Will.oneill@eastherts.gov.uk](mailto:Will.oneill@eastherts.gov.uk)