

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 27 SEPTEMBER 2016

REPORT BY HEAD OF OPERATIONS

HERTFORD THEATRE ANNUAL REPORT FOR FINANCIAL YEAR
2015/16

WARD(S) AFFECTED: All

Purpose/Summary of Report

- To present the annual report for 2015/16.

RECOMMENDATIONS FOR COMMUNITY SCRUTINY COMMITTEE:

That:

(A)	The annual report for Hertford Theatre for the year 2015/16 be reviewed; and
(B)	The cohort of volunteers be congratulated and thanked for their contribution to the success of the venue.

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 five annual reports covering the financial years 2010/11 (committee 14/5/11), 2011/12 (committee 28/8/12), 2012/13 (committee 24/9/13), 2013/14 (committee 23/9/14) and 2014/15 (committee 22/9/15)

2.0 Report

2.1 This is the sixth annual report, covering the financial year 2015/16, and as with the previous year's report, it is structured around the following main elements of the theatre's business.

- Footfall
- Feedback
- Theatre Events
- Cinema
- Pantomime
- Hire
- Café/bar
- Gallery
- Staffing and volunteers
- Marketing
- Financial summary including performance against business plan
- Business developments and future plans.

3.0 Footfall

3.1 The footfall in 2015/16 was 180,275 up from 172,757 in 2014/15 and 156,245 in 2013/14. The footfall is made up of the following:

Box Office*	79,393 tickets sold (up from 77,084 in 2015/16)
Regular Classes**	28,286 (up from 26,695 in 2015/16)
Non-ticketed events***	18,896 (up from 17,578 in 2015/16)
Café Bar****	53,700 (up from 51,400 in 2015/16)
Total Footfall:	180,275 (up from 172,757 in 2015/16)

*Number of tickets sold.

**Space hired for classes including : Six Week Social, Hertford School of Dance, Expressions Dance, Graham School of Dance, Zumba, Zumbini, Yoga Shala, We Do Care Yoga, Mamababy Bliss, Hartbeeps, Little Bees, Elite Performing Dance, Staveley Academy, Burlesque, Boot camp, Hertford Regional College, NHS Blood Donors, 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, HCC, Dance Festival, Harlow College, Private Business Meetings, Auditions, U3A, National Trust, Christenings, Birthday parties, Wedding Anniversaries, Serco, Unison, Bonhams Auction House, Job Centre –Business Start, East Herts District Council Meetings, HACO, Health & Well Being Seminars, Conferences, Carers in Hertford, , Mind – Mental Health Week Play Readings, Children’s

Party, Art Previews – Court Yard Arts, Hertford Library, Herts Chamber of Commerce.

****calculated on an average of 179 customers per day/night over 6 days per week, 50 weeks per year.

4.0 Feedback

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 Whilst celebrating the substantial influx of compliments we take any negative feedback very seriously and seek to learn and improve the service as a result. These comments are also presented in **Essential Reference Paper B**.

5.0 Theatre Events

5.1 The Theatre's mission as a community based venue is to create a balanced programme of arts and entertainment. As with all balanced arts programmes some events are much more popular than others but a rich mix of theatre, comedy, music, dance and hires ensures that there is something for everyone.

5.2 There were 49 different live shows (excluding panto) compared with 58 in 2014/15, 54 in 2013/14, 45 in 2012/13 and 65 in 2011/12.

5.3 15,141 tickets were sold in 2015/16 compared to 16,668 tickets in 2014/15, 12,060 tickets in 2013/14, 11,966 in 2012/13 and 12,936 in 2011/12. There was an average attendance of 309 per event in 2015/16 compared with 287 in 2014/15, 223 per event in 2013/14, 265 per event in 2012/13 and 199 in 2011/12.

5.4 Best-selling shows in 2015/16 included: Henning Vehn, Pam Eyres, Katherine Ryan, The Elves and the Shoemaker, Counterfeit Stones, Jo Brand, Monty Don, Vienna Festival Ballet with Coppelia, Aliens Love Underpants.

5.5 Less well performing shows included: A Strange Wild Song, Nicholas Parsons, I Believe in Unicorns.

5.6 Income from live shows in 2015/16 was £184, 615 compared to £198,775, in 2014/15, £154,320 in 2013/14 and £144,339 in 2012/13.

5.7 Benchmarked against Arts Council England threshold for minimum national average attendance of 50% Hertford Theatre shows a positive variance with 72% average capacity.

5.8 Live event summary table:

Live shows	11/12	12/13	13/14	14/15	15/16
Number of shows	65	45	54	58	49
tickets sold	12,936	11,966	12,060	16,668	15,141
average	199	265	223	287	309
sales	£173,464	£144,339	£154,320	£198,775	£184,615

5.9 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 269 screenings compared to 190 in 2014/15, 283 in 2013/14 and 250 screenings in 2012/13. 29,640 tickets were sold in 2015/16 compared with 20,560 tickets sold in 2014/15, 22,051 tickets in 2013/14, 20,073 in 2012/13 and 12,711 tickets in 2011/12.

6.2 There were sell-out screenings of: Lady in the Van, Bridge of Spies, The Revenant and Spectre.

6.3 Screenings of live and recorded live broadcasts continued to be popular with 18 events in 2015/16 compared with 11 events in 2014/15, 9 in 2013/14, 8 in 2012/13 and 4 in 2011/12. Hamlet starring Benedict Cumberbatch broadcast from The National Theatre was a particular highlight. The average attendance at these events was 312.

6.4 Income from the cinema in 2015/16 was £166, 289 compared with £101,514 in 2014/15, £102,945 in 2013/14, £92,670 in 2012/13 and £65,654 in 2011/12.

6.5 Benchmarked against other Picturehouse Independent Cinemas (our co-programmer for film) with national average occupancy

figures of 24% Hertford Theatre shows a positive variance with 33% average capacity.

6.6 Cinema summary table:

cinema	11/12	12/13	13/14	14/15	15/16
screenings	223	250	283	190	269
tickets sold	12,711	20,073	22,051	20,560	29,640
average	57	80	78	108	110
sales	£65,654	£92,670	£102,945	£101,514	£166,289

6.7 The full list of screenings is presented at **Essential Reference Paper D.**

7.0 Pantomime

7.1 The audience for our pantomime continues to grow. 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. Dick Wittington sold 8,500 in 2012/13. Beauty and The Beast sold 9,047 in 2013/14. Cinderella and the Glass Slipper in 2014/15 sold 11,866 tickets sold and Hansel and Gretel continued this upward trend in 2015/16 selling 12,755. The panto in 2016/17 will be Little Red Riding Hood. At the time of writing 6 schools performances have sold out with 14 other schools performances currently selling to 75% capacity plus.

7.2 A ticket price increase was implemented across all tickets and income from the Pantomime in 2015/16 was £154,056 up from £128,920 in 2014/15, £107,278 in 2013/14, £81,111 in 2012/13 and £68,777 in 2011/12.

7.3 Panto summary:

Panto	10/11	11/12	12/13	13/14	14/15	15/16
shows	36	36	36	36	36	39
tickets sold	5,000	7,500	8,500	9,047	11,866	12,755
sales	£31,862	£68,777	£81,111	£107,268	£128,920	£154,056

8.0 Hire

8.1 *Main auditorium*

The main auditorium was hired for 111 days in 2015/16, identical to 2014/15 and compares with 108 days in 2013/14, 113 days in 2012/13 and 108 days in 2011/12. Hirers included key users such as Hertford Dramatic and Operatic Society (HDOS), Ware Operatic Society, Dance Design Theatre, Hertford Symphony Orchestra, Richard Hale School, Top Hat, Mayhem and Rare; as well as regional and national organisations such as U3A, National Trust, NHS.

8.2 *Studio*

The Studio was hired for 1738 hours in 2015/16 compared with 2150 hours in 2014/15, 1726 hours in 2013/14, 1082 hours in 2012/13 and 949 hours in 2011/12. This represents an average of 7.8 hours per day compared with previous years: 9.6 hrs / 7.7 hrs / 4.8 hrs over 37 weeks (based on average number of weeks per year regular hirers are in attendance). Regular hirers include: Graham School of Dance, Hartbeeps, Hertford School of Dance, HertsYoga, Little Bees, Staveley Productions, Xpressions Dance.

8.3 *River Room*

The River Room was hired for 890 hours in 2015/16 compared with 1048 hours in 2014/15, 864 hours in 2013/14, 450 hours in 2012/13 and 570 hours in 2011/12. This represents an average of 4.7 hours per day over 37 weeks (average number of weeks per year hirers are in attendance). The River Room was popular for the under 5's with Little Bees, Mamababybliss and Zumbini; other regular hirers included Jem Ayres, Bootcamp + Studio overflow from Hertsyoga and Xpressions. It is also a meeting place for local and regional businesses and charities including: HCC, NHS, East Herts Council, Bonhams, Natural Therapy Centre, and there have been a number of private functions hires.

Combined hire

- 8.6 The combined hire income for 2015/16 was £156,981 compared with £163,178 in 2014/15 £142,383 in 2013/14, £112,655 in 2012/13 and £120,507 in 2011/12. The main reason for the decline in total hours hired compared with previous year is the discontinuation of our biggest hirer: Hertford Regional College, worth £17,000.

Hire income	12/13	13/14	14/15	15/16
Auditorium	£73,288	£87,671	£93,163	£96,830
River Room	£15,285	£19,283	£26,783	£20,957
Studio	£24,083	£35,428	£43,232	£39,194
totals	£112,655	£142,383	£163,178	£156,981

9.0 Café/bar

9.1 The café/bar continued to be run in house throughout 2015/16 building on from the success of the operation in 2014/15. The total income for 2015/16 was £159,124 compared with £148,999 in 2014/15.

9.2 The volume of trade and the products sold vary greatly depending on the time of day and the type of activity, event or show. During the daytime the trade is often light with a feature being 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 bar trade occur for live evening shows, with the highest selling show being Counterfeit Stones with sales of £3700.

9.3 Innovations in 2015/16 include:

- Introduction of new beers – with Peroni being a best seller
- New cake supplier with introduction of new cakes to include a gluten free range
- Introduction of cookies, which have proved a best seller in the confectionery and biscuit line
- The introduction of Children's birthday party and events catering packages.
- Branded Sweet bags for Panto

9.4 Cost saving exercises include:

- Working with current suppliers across the board to review cost prices and deals.
- Reviewing selling prices across the offer, increasing where needed.

- Introducing 2 PDQ machines. A significant % of sales are now taken by card – with an increased average transactional spend.
- Tightening all operating procedures e.g. waste

9.4 Café/bar summary:

Café/bar	11/12	12/13	13/14	14/15	15/16
income	£70,695	£141,651	£128,314	£148,999	£159,124
Vat adjustment for 11/12 and 12/13			(£13,800) (£20,508)		

10.0 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 Gallery sales in 2015/16 were £6,714.25 compared to £3,721 in 2014/15, £3,391 in 2013/14, £1,545 in 2012/13 and £2,070 for 2011/12.

11.0 Staffing and volunteers

11.1 The volunteers' scheme which was launched in July 2011 is now established as a key element of the successful front of house operation. The current cohort of 70 volunteers is a great asset to the theatre and has made a huge contribution to the welcome and the community ambience of the venue (ref. recommendation B at head of report).

11.2 The total salary cost for 2015/16 was £389,383 including casuals compared with £347,023 in 14/15, £321,015 (plus £2,111 for casuals) in 2013/14, £273,421 in 2012/13 and £318,778 in 2011/12. The increase in costs last year reflects the need to develop capacity to maintain a growing business particularly at weekends.

12.0 Marketing

- 12.1 Hertford Theatre has 3229 Facebook Friends an increase from 2066 in 2014/15. Activity takes place every day and includes competitions, promotions and photos. The number of Twitter followers is continuing to grow and we now have over 3746 followers, an increase from 2823 in 2014/15.
- 12.3 In 2015/16, 7562 customers signed up to join our e- list and received regular updates about shows, films and forthcoming activity, this is up from 3207 in 2014/15. We have also created bespoke e-lists for different art forms including a comedy priority list which was 324 and is now 490 and a family e-list which was 144 and is now 182 names.
- 12.4 Hertford Theatre now attends a number of events including Hertford and Ware carnivals, Hertford Christmas lights switch on and a number of town and village events. The bespoke Hertford Theatre marquee now has external lighting for evening events and the opportunity for seating. We offer face painting, competitions and host a magician to engage adults and children in the work of Hertford Theatre.
- 12.5 Hertford Theatre won Best Regional Theatre in the on-line Muddy Stiletto Awards beating competition from Watford Palace Theatre and the Barn Theatre, Welwyn Garden City.
- 12.6 Hertford Theatre was voted the Top Destination in Hertford by Trip Advisors Users, beating other venues such as Hertford Museum, Courtyards Arts and The Castle.
- 12.7 The press database has increased from 46 to 51 organisations receiving regular press updates. The Hertfordshire Mercury, Welwyn and Hatfield Times, Hertfordshire Life feature articles relating to shows and films at Hertford Theatre on a weekly/monthly basis. Magazines including Primary Times, Axis and Families in Herts all feature shows and screenings from Hertford Theatre on a monthly basis. There has been an increased rise in the number of websites/bloggers including Muddy Stilettos and Herts Mumsnet all who feature Hertford Theatre on a monthly basis. All coverage is free and equates to approximately £30,000 of free advertising per year.

12.7 There has been much development work with secondary and primary schools:

- 32 schools came to the pantomime in 2015/16 compared to 31 schools in 2014/15, 29 in 2013/14, 23 in 2012/13, 11 in 2011/12 and 3 in 2010/11. Schools came from all over East Herts as well as Stevenage, Harlow, Goff's Oak and North London.
- 8 schools came to the Hertford Children's book Festival in 2015/2016 compared to 7 in 2014/2015
- Secondary Schools from all over East Herts came to see drama productions and Live and Recorded Screenings as did schools from Broxbourne, Letchworth and Welwyn Garden City.

12.8 In 2015/16 the Pantomime Press Launch was held at Pretty Gorgeous Cakes in Hertford to tie in with the Gingerbread/ Sweet theme of the show. The response from the press was highly supportive with 7 members of the press attending and editorial from 10 publications. Images from the launch, made the front page of The Hertford Mercury Paper and Axis Magazine.

12.9 Hertford Theatre now delivers a programme of Relaxed Cinema Screenings, specially designed for children and their families with SEN and Autism. The film sessions are run in the same way but without extra stimuli such as queuing and Front of House announcements. Families can also download the Hertford Theatre Social Story (a written and visual guide) via the website to familiarise themselves with the building layout and experience of attending the theatre before arriving for an event.

13.0 Financial and overall business summary

13.2 Business continues positively with increases in both incomes and customer numbers achieved across several lines of the operation: live shows, cinema, panto, bar/café and gallery (as set out in paragraphs 5 to 10 above). However, expenditure has increased in the following areas:

- a) Staff costs arising from the need to increase capacity in line with the demands of increasing business levels (ref. paragraph 11).

b) Property maintenance and equipment costs continued to exceed the budget by 10K due to increased insurance costs and increased wear and tear.

13.3 The annual final net expenditure position for 2015/16 was £441,342 compared with £384,851 in 2014/15 and £446,168 in 2013/14. The net expenditure in the original estimate budget for 2015/16 was £480,130 representing a favourable variance against the budget estimate of £38,788.

14.0 Business developments and future plans

14.1 Hertford Theatre is now open on Sundays.

14.2 An improved IT and projection offer is being sought for the River Room and Auditorium to support the delivery of business meetings, functions and parties to increase hire revenue.

14.3 A new cloud-based ticketing system (Ticketsolve) has been implemented which offers a cost saving whilst providing a more dynamic front and back-end delivery of our ticketing service.

14.4 Once Ticketsolve is fully embedded, ticket prices and administrative charges will be subject to review.

14.5 An out of hours IT support service is now in place to support staff working non-traditional hours. The box office system sits outside of this with its own level of bespoke technical support; creating a greater level of resilience for the business.

14.6 DCM now provide on-screen advertising generating revenue of approximately £6K per annum.

14.7 Proposed install of new till system at café/bar to improve stock control and reporting.

14.8 Proposed install of new coffee machine to provide consistency in delivery and an increased revenue return during events.

14.9 Appraisal of new gift voucher scheme to increase revenue.

14.10 Hertford Theatre is currently working in partnership with Harlow Playhouse and the Arts Council to address issues of access, equality and diversity within the cultural programme and operationally.

- 14.11 Hertford Theatre are planning to work in conjunction with Unit Twenty Three to deliver a programme of work targeting Young Carers.
- 14.12 Hertford Theatre are engaged the NHS Mental Health Trust in the delivery of an event to mark World Mental Health Day.
- 14.13 Hertford Theatre continue to be involved with Creative Hertfordshire in developing a cross-county creative and cultural offer.
- 14.14 Hertford Theatre are engaged with Courtyard Arts, University of Hertfordshire and Hertford Arts Hub in the cultural development of The Old British School and the basement of the McMullens brewery in Hertford.
- 14.15 Plans are in place to deliver a relaxed performance with BSL interpreter for pantomime 16/17.
- 14.16 An options appraisal is planned to review the Business Plan and capitalise on the investment.
- 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>

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