

EAST HERTS COUNCIL

COMMUNITY SCRUTINY SCRUTINY - 28 AUGUST 2012

REPORT BY EXECUTIVE MEMBER FOR HEALTH, HOUSING AND
COMMUNITY SUPPORT

HERTFORD THEATRE – ANNUAL REPORT 2011/12

WARD(S) AFFECTED: all

Purpose/Summary of Report

- To provide an annual review of Hertford Theatre for the year 2011/12.

RECOMMENDATION FOR COMMUNITY SCRUTINY COMMITTEE:

That:

(A)	the annual report on Hertford Theatre for the year 2011/12 be reviewed.
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1.0 Background

1.1 Following refurbishment and installation of a digital cinema in 2010, Castle Hall was transformed into Hertford Theatre, re-opening just in time for its first professional Pantomime in December 2010.

1.2 Community Scrutiny Committee on 14 June 2011 considered and approved a report on performance from the opening of the theatre to the end of the 2010/11 financial year. It was noted that there was a favourable variance against the original invest-to-save business plan of £61,113 (un-audited). Subsequently, final audited accounts including allocated central support service costs (but excluding a one off capital impairment) show a favourable variance of £52,281 against the original business plan.

1.3 The report below summarises highlights of Hertford Theatre's first full year of trading from April 2011 to end of March 2012 incorporating pointers for future development. A financial summary is presented at **Essential Reference Paper "B"**.

2.0 Report

2.1 The report concentrates on the following 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
- Future developments and vision

2.2 Footfall

2.3 The estimated footfall for the Theatre for 2011/12 was 111,104. This is in line with anticipated volume for the first full year since re-opening. Levels might have been higher but in August 2011 the contracted operator withdrew. In November 2011 an in-house café/bar operation began. Future income levels for the theatre are predicted to be higher as the venue continues to establish itself. The figure of 111,104 is made up as follows:

Ticket sales	50,564
Regular classes	20,500*
Show crews	300
Little bees	140 (20x7wks)
Lazy daisy	100
Functions	8,300**
Day trade café	31,200***
Total footfall	111,104

Footfall Key:

*Classes comprise of: Fun with Drum, Fun With Dance, Hertford School of Dance, Expressions Dance, Graham School of Dance, Zumba – calculated on average number of pupils over 37 weeks.

**Calculated on the events held over the year - Panto Press Launch, Big Drawer Exhibition, Eco Film Festival, Hertford Youth Theatre, Sports Awards, Dance Festival, EHDC Staff Awards, Harlow College, Courtyard Arts, External Meetings, Auditions,

U3A, National Trust, Christenings, Wakes, Diamond Wedding Anniversary, Serco, Unison, European Study Tours, Conferences, Play Readings, Herts Regional College, Children's Party, Art Previews.

***Calculated on 100 customers per day over 6 days per week, 52 weeks per annum.

3.0 Feedback, complaints and compliments

- 3.1 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 "C"**. The feedback received informs the programme e.g. Richard Digance and Dr Phill Hammond have been brought in and repeated as a result of requests from customers.
- 3.2 Only one official complaint was received and that was relating to an accident involving furniture.

4.0 Theatre shows

- 4.1 There were 65 distinct shows (excluding Panto) in 2011/12 against an original business plan target of 30. 12,936 tickets were sold with an average attendance of 199 per event. Attendance in last quarter of 2011/12 was 3,739 against 2,978 in 2010/11.
- 4.2 Sell outs in 2011/12 included: Jeremy Hardy, Tim Vine, Shappi Khorsandi, Rock Choir, Friend or Foe, Stickman, Richard Herring, Magic: A Kind of Queen, Charlie and Lola, Counterfeit Stones and Mark Steele.
- 4.3 The theatre has established itself as a leading member of the Arts Council funded 'House' organisation; a consortium of 130 venues across the South East actively working together to promote live theatre across the region.
- 4.4 Income from live theatre and other shows in 2011/12 reached £173,495 against an original business plan of £121,376. However, this original business plan target for shows included anticipated income from the cinema. From October 2011 a decision was made to account for cinema income as separate budget line. If this cinema income of £25,795 (as shown in ERP B) is added back on top off the £173,495 then it can be seen that the income

from live shows and cinema against the business plan target has been exceeded by 60%.

5.0 Cinema

5.1 There were 223 screenings in 2011/12 with 12,711 tickets sold at an average attendance of 57 per screening. The average in the last quarter 2011/12 was 105 against 96 per screening in the last quarter of 2010/11. There were sell-out screenings of Best Exotic Marigold Hotel, The Woman in Black, The Artist, Salmon Fishing in the Yemen, The Muppets and Iron Lady.

5.2 Alternative content (e.g. live broadcasts from Royal Opera House) proved a very popular innovation with Rigoletto selling 250 tickets for the one show. This is an area we are seeking to develop in conjunction with our programmers City Screen.

5.3 During the course of 2011/12 a management decision was taken to separate out the cinema budget. The income for the cinema for the full year was £65,654 against expenses of £34,481.

6.0 Pantomime

6.1 Panto is often a person's first experience of live theatre. It is a key tool for building new audiences and furthering the profile of the theatre. Schools, groups and families that come to the theatre for Panto at Christmas frequently return for other events throughout the year.

6.2 The theatre's second professional Panto was Aladdin in 2011/12 following Cinderella in 2010/11. 2011/12 saw an increase of 50% in ticket sales from 5,000 to 7,500. The Panto for 2012/13 is Dick Wittington. Sales as at the end of July 2012 for Dick Wittington are up by nearly 600% on this time last year.

6.3 The income from the Panto rose to £68,777 in 2011/12 against £31,862 in 2010/11. The income is still short of the target set in the original business plan of £96,948. It is now acknowledged that the original target was overly ambitious for the first few years, particularly in the current economic climate. However it should also be acknowledged that the Theatre only re-opened in December 2010 and there is a clear progression in the number of ticket sales year on year as a new customer base is established.

7.0 Hire

Main Auditorium

- 7.1 The main auditorium was hired for 108 days in 2011/12. Hirers included local amateur and professional arts organisations such as HD&OS, WOS, HSO, Mayhem, Rare, Top Hat and Theatre Train. Plus regional and national organisations such as U3A, National Trust, Ballet Central, Three Counties Youth Ballet and the NHS.

Studio

- 7.2 The studio was hired for 949 hours in 2011/12: Average of 4 hours per operational day (48 weeks Tuesday to Saturday). The studio is regularly booked from 3pm – 8pm every weekday during term-time and all day on Saturday. Local arts businesses such as Hertford School of Dance, Expressions Dance, Little Bees and Graham School of Dance all operate out of Hertford Theatre Studio.

River Room

- 7.3 The River Room was hired for 570 hours in 2011/12: Average of 2.5 hours per operational day (48 weeks Tues-Sat). 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 on Tues, Weds and Thurs mornings during term time. It is also a meeting place for local business initiatives via EHDC, Hertford Market Traders Association, Employment Service, SERCO and Unison.

Combined hire

- 7.4 The combined hire income for 2011/12 was £120,507 against a budget and the original business plan target of £61,050.

8.0 Café/bar

- 8.1 Hertford Theatre opened a new in-house café/bar operation in November 2011, following the withdrawal of the previous contractor.
- 8.2 The bar currently works on a reduced bottle offer, enabling speed of service during an interval which has worked very successfully; one red, one white and a rose wine, three bottled larger, a cider, a real ale, five spirits and a selection of soft drinks. Only tea and filter coffee are offered during intervals to aid efficient service. We

staff one member of staff to hundred customers. During shows this focussed offer enables a maximum return with minimum wastage.

- 8.3 The café offers a simple offer in the café of hot and cold beverages, fresh sandwiches, cakes, cakes, confectionery and crisps. Since taking over the café/bar we have trialled a number of different sandwich suppliers, finally opting with a local company Scarborough's. Day to day trade continues to be unpredictable with no consistent pattern but the management maintain maximum flexibility in terms of staffing, shortening and extending casual staff hours as appropriate. Menu development options include offering speciality coffees, lunch time meal deals, and possibly soup and paninis.
- 8.4 The total income from the bar/café for the period from re-opening as an in-house operation in November 2011 to the end of the financial year was £69,695.
- 8.5 In addition to the bar/café offer, Scarborough's offer our customers a range of catering options for events, parties, meetings and other hires.

9.0 Gallery

- 9.1 The gallery has exhibited 12 separate exhibitions during the period 2011/12, presenting work by both professional and non-professional artists and arts organisations including Courtyard Arts, Hertford Arts Society and Hertfordshire Visual Arts Forum. The theatre is now working close partnership with Courtyard Arts to deliver a rolling programme of exhibitions and art-based events within the building.
- 9.2 The commission from sales of art from the gallery in 2011/12 was £2,070. Whilst the value of having a gallery as an attractor of additional footfall for the bar/café and for general marketing purposes has not been quantified, it is clear that it adds significantly to the Hertford Theatre offer and ambience.

10.0 Staffing, apprentice and volunteers

Staffing

- 10.1 Staffing costs exceeded the original business plan estimates by £46,654. This was due to a combination of factors primarily:

- Starting an in-house café/bar operation following the withdrawal of the contracted service.
- An increased draw on casual staff to cope with increase in the levels of business overall.
- The sponsorship of year long apprentice in the lighting and technical department.
- Costs associated with the tail end of the year-long restructuring process; including some redundancy costs.

Apprenticeship

10.2 The Theatre has just come to the end of very successful apprenticeship scheme in partnership with Hertford Regional College. The apprenticeship was in the technical lighting back stage area of the theatre's operation and proved to be mutually beneficial. The theatre is exploring the business case for retaining these skills in-house.

Volunteers

10.3 The volunteer scheme was launched in July 2011. So far 76 volunteers have been recruited with currently 57 active, with 7 volunteers waiting to join the scheme. The volunteers have been a valuable asset to the theatre and come from all walks of life: students, retired/semi-retired, full time workers - a cross section of ages from 16 – to over 65. Most volunteers are local to Hertford, however we have some who travel from further a field such as Buntingford and Chelmsford.

10.4 Volunteers Duties include: welcoming patrons to the theatre, checking and tearing tickets on the door, seating patrons in the auditorium/Studio, monitoring patrons during shows, playing a vital role should we have to evacuate during a show, selling programmes, merchandise and ice-creams, preparing the auditorium for shows, envelope stuffing for programme mail outs, handing out fliers at events such as the Hertford Christmas Light Switch on and being ambassadors for the theatre and spreading the word.

10.5 Due to the number of volunteers involved known at the theatre, a volunteer has taken on the role of Volunteer Co-ordinator, who works closely with the Front of House Manager to organise and rota the team each season. This has been successfully implemented now for several months and ensures we issue shifts

in a fair manner, and cover all shifts.

11.0 Marketing

11.1 The marketing budget has exceeded business plan and budget estimates by £16,896. This overspend has in large part been paid back through increased incomes (ref paragraphs on Hires, Cinema and Shows) and to some extent reflects the success of venue in terms of the greater than anticipated levels of business. There have also been some apportioned central costs that are being renegotiated with the council's printing and design services. Nevertheless plans are in place for 2012/13 to reduce the expenditure in line with the budget for 2012/13 as follows:

- The main seasonal cinema and live performance brochure has been redesigned and the cost reduced by using the council's in-house print and design unit rather than outsourcing it.
- 'Contra' deals have been negotiated with Paradise Wildlife Park and Van Hage to utilise mutually beneficial, no cost partnership advertising.

11.2 The marketing reach is being expanded (within budget) so that the seasonal brochure is delivered to thirteen other towns across Hertfordshire.

11.3 Hertford Theatre now has over 400 Facebook friends with activity taking place three times a week including competitions, promotions and photos. The option to use Twitter is being considered.

11.4 In 2011/12, 1,400 customers signed up to an emailing list and received regular updates about shows, films and forthcoming activity. The mailing list currently holds just under 10,000 names. The seasonal brochure is mailed to this list which is frequently revised and updated in line with requirements of Data Protection. The Theatre is seeking to increase the numbers on the list substantially as part of the drive to grow audience numbers.

11.5 A press database has been compiled with twenty two organisations receiving regular press updates. The Hertfordshire Mercury and the Welwyn and Hatfield Times featured over 100 articles relating to shows at Hertford Theatre, equating to over £10,000 worth of free advertising.

- 11.6 A database has been set for schools, (secondary and primary) they receive information about relevant forthcoming productions three times a year. A number of 'core' schools now regularly attend shows at Hertford Theatre. The theatre offers free 'added value' tours and discussions groups to all interested schools.
- 11.7 The design and print of the publicity material has been brought in-house to release funds for additional promotional activity for the Panto. This year we are working in partnership with Paradise Wildlife Park and Van Hage Garden centre to heighten Panto-awareness. Marketing activity includes promotion on our partners' Facebook pages, attending launch of the ice rink at Van Hage's and holding the-press launch at Paradise Wildlife Park. Other activities include a presence at the launch of the Hertford Christmas light switch on, shopping events at Van Hage, brochure and flyer distribution.
- 11.8 From early July 2012 the theatre has been operating a 'select a seat' service for on line bookings.
- 12.0 Financial summary
- 12.1 The second year i.e. 2011/12 of the original business plan was updated into the council's formal estimate budget for 2011/12. A summary of financial performance is therefore presented against both the council's budget and the original business plan, as follows:
- 12.2 Against the original business plan for 2011/12, approved in May 2009, overall net expenditure for 2011/12 (as yet unaudited) shows an adverse variance of £16,954.
- 12.3 Against the council's estimate budget for 2011/12, overall net expenditure for 2011/12 (as yet unaudited) shows a positive variance of £7,391.
- 12.4 The overall net expenditure (unaudited for 2011/12) for the first 15 and a half or so months since re-opening against the same period in the original invest-to-save business plan shows a favourable variance of £35,327 (i.e. £52,281 positive variance in 2010/11 minus £16,954 adverse in 2011/12).
- 12.5 A full set of budget figures and the original business plan numbers for 2011/12 are presented at **Essential Reference Paper "B"**.

13.0 Future developments and vision

13.1 The team at the theatre has recently agreed a new vision statement, as follows:

To be one of the best mid-scale, multi-disciplinary, receiving and producing arts venues in the UK.

13.2 As well as the initiatives already referred to in the body of the report and the continued sourcing of quality live performances for a range of audiences, the following developments have been identified as part of the drive to achieve that vision:

- A review of the option to develop of external signage on the building to promote events.
- Using the Council's Link Magazine more to market the Theatre.
- The development of the mailing lists by working in partnership with other business organisations e.g. Hatfield House and Van Hage.
- Targeting the 5,000 lapsed attendees who have yet to visit the refurbished Hertford Theatre.
- Working in partnership with Hertford Library on events such Baby Rhyme Time and Story Telling.
- Working in partnership with Hertford Museum and Courtyard Arts on the National Event 'The Big Draw'.
- The development of a film club in partnership with a local commercial sponsor.
- With the purchase of a new carpet and soft furnishings, the foyer and café area has been transformed into a more comfortable coffee lounge; customer feedback to these changes has been positive. Building on this there are plans to include a charity bookshelf, children and adult board games, newspapers and magazines.
- Explore the options for bringing the rear riverside terrace into more use.
- Explore the feasibility of upgrading or replacing the existing auditorium seating.
- Review of benefits and options for creating a new governance arrangement.

14.0 Implications/Consultations

14.1 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: Invest to save business plan.

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