

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 22 SEPTEMBER 2015

REPORT BY EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

HERTFORD THEATRE ANNUAL REPORT FOR FINANCIAL YEAR  
2014/15

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WARD(S) AFFECTED:

\_\_\_\_\_ all \_\_\_\_\_

**Purpose/Summary of Report**

- To present the annual report for 2014/15.

**RECOMMENDATIONS FOR COMMUNITY SCRUTINY COMMITTEE:**

**That:**

<b>(A)</b>	<b>the annual report for Hertford Theatre for the year 2014/15 be reviewed.</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 four annual reports covering the financial years 2010/11 (committee 14/5/11), 2011/12 (committee 28/8/12), 2012/13 (committee 24/9/13) and 2013/14 (committee 23/9/14).

2.0 Report

2.1 This is the fifth annual report, covering the financial year 2014/15, and as with the previous year's report, it is structured around the

following main elements of the theatre's business, with the addition this year of a new item on Hertford Book Festival:

- Footfall
- Feedback, complaints and compliments
- Theatre shows
- Cinema
- Pantomime
- Hire
- Hertford Book Festival
- 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 footfall in 2011/12 was 111,104, in 2012/13 it was 127,250, in 2013/14 it was 156,245 and in 2014/15 it was 172,757. The footfall is made up of, the following:

Box Office*	77,084 (up from 66,500 in 2013/14)
Regular Classes**	26,695 (up from 24,050 in 2013/14)
Non-ticketed events***	17,578 (up from 15,695 in 2013/14)
Café Bar****	51,600 (up from 50,000 in 2013/14)
Total Footfall:	172,757 (up from 156,245 in 2013/14)

\*Number of tickets sold.

\*\*Space hired for classes including : Six Week Social, Mamababybliss, Hertford School of Dance, Expressions Dance, Graham School of Dance, Zumba, Yoga Shala, Hartbeeps, Busybees, Dinky Dancers, Bootcamp – 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 Council Meetings, HACO,Health & Well Being Seminars, Conferences,NHS Health Checks, Carers in Hertford, Hertford Town

Centre Urban Design Consultation, Mind – Mental Health Week Play Readings, Children's Party, Art Previews, Hertford Library.

\*\*\*\*calculated on an average of 172 customers per day/night over 6 days per week, 50 weeks per year.

#### 4.0 Feedback, complaints, compliments and action taken in response

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. Examples of negative feedback in 2014/15 include concerns over the effectiveness of the auditorium cooling system, the condition of some technical equipment and availability of spaces for hire.

#### 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 responses from sell-outs to shows that fall short of the desired box office return.

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

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

5.4 Best selling shows in 2014/15 included: Michael McIntyre, Monty Don, The Gruffalo, Rich Hall, Magic Porridge Pot, Tic Toc Time Machine, Martin Freeman and Miles Jupp compared with Andy Parsons, Adam Hills, Billy Goats Gruff, Simon Pegg, Stickman, Reduced Shakespeare Company, Omid Djalili, Ed Byrne in 2013/14.

5.5 Less well performing shows included: United We Stand, Lonnie Donnegan Jnr, The Pearl.

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

5.7 Theatre shows summary:

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

5.8 A full list of shows broken down by category is presented at **Essential Reference Paper “C”**. 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.

## 6.0 Cinema

6.1 Cinema continues to be a very popular part of Hertford Theatre’s offer. There were 190 screenings in 2014/15 (a reduced number due to six week closure for seating and floor refurbishment) compared with 283 in 2013/14 and 250 screenings in 2012/13. 20,560 tickets were sold in 2014/15 compared with 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: Mr Turner, The Imitation Game, Paddington, My Old Lady and The Theory of Everything

6.3 Screenings of live and recorded live broadcasts continued to be popular with 11 events in 2014/15 compared with 9 in 2013/14, 8 in 2012/13 and 4 in 2011/12. *Love’s Labour’s Lost* live from Royal Shakespeare Company proved to be a highlight. The average attendance for live and recorded screenings was 133.

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

## 6.5 Cinema summary table:

cinema	11/12	12/13	13/14	14/15
screenings	223	250	283	190
tickets sold	12,711	20,073	22,051	20,560
average	57	80	78	108
sales	£25,795	£92,670	£102,945	£101,514

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

## 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. 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 continued the upward trend with 11,866 tickets sold. The pantomime for 2015/16 will be Hansel and Gretel with advance bookings primarily to the schools going very well; at the time of writing the report six performances have already sold out.

7.2 Income from the Pantomime in 2014/15 was £128,920 up from £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
shows	36	36	36	36	36
tickets sold	5,000	7,500	8,500	9,047	11,866
sales	£31,862	£68,777	£81,111	£107,268	£128,920

## 8.0 Hire

### *Main auditorium*

8.1 The main auditorium was hired for 111 days in 2014/15 compared 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, CVS, Top Hat, 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 2,150 hours in 2014/15 compared with 1,726 hours in 2013/14, 1,082 hours in 2012/13 and 949 hours in 2011/12. This represents an average of 9.6 hours per day compared with previous years 7.7 hours per day over 37 weeks and 4.8 hours per day over 37 weeks (average number of weeks per year hirers are in attendance). Regular hirers include: Hertford Regional College, Hertbeeps, Hertford Yoga, Mamababyliss, Little Bees, Graham School of Dance, Hertford School of Dance and Expressions.

*River Room*

8.3 The River Room was hired for 1,048 hours in 2014/15 compared with 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 is a popular hire during the day with regular music sessions for the under 5's with Fun with Drum/Dance and Lazy Daisy, Tigercheer and Expressions Dance. It is also a meeting place for local and regional businesses including: SERCO, Unison, HCC, East Herts Council, Tesco and there have been a number of hires for private functions.

*Combined hire*

8.4 The combined hire income for 2014/15 was £163,178 compared with £142,383 in 2013/14, £112,655 in 2012/13 and £120,507 in 2011/12.

Hire income	11/12	12/13	13/14	14/15
Auditorium	£106,167,	£73,288	£87,671	£93,163
River Room	£6,435	£15,285	£19,283	£26,783
Studio	£7,905	£24,083	£35,428	£43,232
totals	£120,507	£112,655	£142,383	£163,178

## 9.0 Hertford Theatre Book Festival

9.1 Hertford Theatre is a key partner in the creation and delivery of Hertford Children's Book Festival. The festival takes place around the first weekend in October with new and established authors visiting a range of schools in the district and a range of book-based arts activities and theatre productions based on writing for children taking place at Hertford Theatre. With an ambition to introduce children from across the East Herts district to books, the theatre and the arts, 2014/15 saw visits to Hertford Theatre from (amongst many others) Simon Pegg, Martin Freeman, Amanda Abbington, David Baddiel and John Hegley with performances by Widdershins, Scamp and Wizard Theatre of Billy Goats Gruff, Private Peaceful and I Believe in Unicorns. In addition Hertford Theatre played host to a pop up children's book shop from local business Leaf Café and Books. A highlight at this year's forthcoming festival will be Michael Morpurgo starring in his own work The Mozart Question.

## 10.0 Café/bar

10.1 The café/bar continued to be run in house throughout 2014/15 building on the success of the operation in 2013/14 and 2012/13. The total income for 2014/15 was £148,999 compared with £128,313 in 2013/14.

10.2 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 £3900. Another encouraging result was seen on a two day show of the Children's show of The Tiger that came to tea, which saw sales of £2,200.

10.3 Since in-house operation started in November 2011, there has been a process of trial and error to identify the optimum operational model and the best products. Innovations in 2014/15 include:

- The introduction of a new wine list
- The introduction of healthy children's snacks
- Branded mugs and cups
- Development of the coffee menu and specialist coffee training

- The development of a Children’s birthday party package to be introduced in September 2015

#### 10.4 Café/bar summary:

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

#### 11.0 Gallery

11.1 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.

11.2 The commission received from sales in 2014/15 was £3,721 compared with £3,391 in 2013/14, £1,545 in 2012/13 and £2,070 for 2011/12.

#### 12.0 Staffing and volunteers

12.1 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).

12.2 The total salary cost for 2014/15 including casuals was £347,023 compared with £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.

#### 13.0 Marketing

13.1 Hertford Theatre has 2,066 Facebook friends an increase from 850 in 2013/14 year. Activity takes place every day including competitions, promotions and photos. The number of Twitter



followers is continuing to grow and we now have over 2,823 followers, an increase from 700 in 2013/14.

- 13.2 In 2014/15, the e-marketing list that enables customers to sign up to regular updates about forthcoming shows, films and events grew to 3,207 up from 1,720 in 2012/13. We have also created bespoke e-lists for different art forms including a comedy priority list which now has 324 members and a family e list of 144 names.
- 13.3 Hertford Theatre now attends a number of events including Hertford and Ware carnivals, Christmas light 'switch ons' and a number of village fetes. The Theatre has had a bespoke marquee made which is eye catching and is used to promote the activity of the venue, encouraging people to sign up to mailing lists and participate in competitions and face painting. This is a great way of attracting hundreds of people at a low cost.
- 13.4 A number of added value activities have been included in the film schedule to create 'Event Cinema' within the theatre. Activities include free craft workshops, dressing up sessions and meet and greet characters. These provide opportunities for additional publicity through social media, additional secondary spend from the bar and café and the opportunity to up sell other shows and films.
- 13.5 The press database has been increased from 39 to 45 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. Magazines including Primary Times, Axis and Families in Herts all feature shows and screenings from Hertford Theatre on a monthly basis. All coverage is free and equates to approximately £25,000 of free advertising per year.
- 13.6 There has been much development work with secondary and primary schools:
  - All three Hertford secondary schools came to see a performance in 2014/2105, a 1st for the theatre.
  - seven schools came to the Hertford Children's Book Festival Event in 2014/15 compared to five in 2013/14
  - 31 schools came to the pantomime in 2014/15 compared to 29 schools in 2013/14, up from 23 schools in 2012/13, 11 in 2011/12 and three in 2010/11.

- 13.7 In 2014/15 the Pantomime Press Launch was held at the wedding dress shop in Hertford 'Dresses in Love' to tie in with the romantic theme of the show. The response from the press was very supportive with six members of the press attending and editorial from eight publications.
- 13.8 Hertford Theatre now has their own You Tube 'channel' which gives people the opportunity to view clips from past shows, promotions and activities. The Theatre also has a promotional video linked to the website so that new comers to the theatre are able to have a 'taster' of what they can expect when they come into the building.
- 13.9 Trip Advisor (the travel website) has ranked Hertford Theatre 'excellent' by 13 travellers, the theatre is also ranked the top attraction to visit in Hertford. Reviews included positive comments about the helpfulness of the staff and volunteers, the wide ranging programme of shows and films and the newly refurbished auditorium.
- 13.10 Hertford Theatre won the Muddy Stilettoes Award for Best Local Theatre beating all other venues in Hertfordshire including the Palace Theatre in Watford, Barn Theatre Welwyn Garden and The Abbey Theatre in St Albans, Hertford Theatre received 52% of the votes. Muddy Stilettoes is a blog aimed at families promoting activities and events in Hertfordshire.
- 14.0 Financial and overall business summary including performance against business plan
- 14.1 Business is increasing year on year with increases in both incomes and customer numbers achieved across the range of business activities: live shows, cinema, hires, 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 as with last year to exceed the budget due to unforeseen requirements amounting to an additional £13,000.
- 14.2 The annual final net expenditure position for 2014/15 was £384,851 compared with £446,168 in 2013/14 an improvement of

£61,317. The net expenditure in the original estimate budget for 2014/15 was £433,150 representing a favourable variance against the budget estimate of £48,299.

14.3 The overall cumulative performance of net expenditure, measured against the original invest-to-save ten year business plan targets, show a cumulative favourable variance of £25,772 at the end of 2014/15 financial year, which marks the mid-term of the original plan.

#### 15.0 Mid-term business plan review and governance

15.1 Following an appraisal of potential alternative governance options, which identified no clear preferred alternative model, a pragmatic approach to improving and growing the business has been adopted. This is considered to be an appropriate mid-term point in the original ten year plan to take stock and assess how the business can be modelled to maximise the potential for continued growth. The various strands of this review are presented as follows:

- One of the most substantial reviews undertaken in 2014/15 and concluded in June 2015 has been that of Sunday opening. At the moment Hertford Theatre only opens for pre-booked hires on a Sunday (on approximately 25 Sundays a year), with the box office and bar/café closed. From April 2016 the theatre will run a programme of events, as well as hires, with bar/café and box open. Initially the programme will feature mainly cinema for family audiences in the morning and afternoons. Monday will then become the quiet day with the venue open just for pre-booked hires.
- As the theatre matures and its brand and reputation continues to grow and demand for its studio space starts to outstrip capacity, opportunities are being sought to expand into other venues. Draft business cases are being modelled that could be applied in the event of new premises being secured.
- An internal service level agreement is to be considered between various support services and the theatre, so that both parties will know what to expect in terms of service delivery.

- Currently the theatre does not have an IT support service outside of normal council working hours (i.e. evenings and weekends), other than an informal special service to cover the pantomime programme period. IT is currently working up a project that would deliver this much needed service.
- A review of the box office ticketing system and software is underway with the objective of achieving an upgrade in performance, flexibility and resilience.
- Ticket prices and associated administrative charges are being reviewed, partly as a complement to the box office ticketing system review and partly in terms of standard price sensitivity modelling.
- The Theatre currently shows trailers of forthcoming films. However, there are plans to show paid for advertising for up to 10 minutes before the films from January 2016.
- Hertford Theatre recently won the coveted Arts Council England/House Greenhouse Fellowship Award to work in conjunction with Jolie Booth and Harlow Playhouse exploring mechanisms whereby the facilities and the programme could be opened up to support the development of marginalised audiences.
- We are working with CHIPS, Carers in Herts and special needs schools in the area as well as individuals to promote 'relaxed screenings' of shows for this audience.
- Benchmarking with similar venues in the area is ongoing with a view to seeking additional collaboration opportunities.
- A refresh of café/bar furniture is to be undertaken together with review of the café/bar product lines on offer.
- The River Room is to be re-marketed with a focus on business and corporate use for meetings and functions.

## 16.0 Implications/Consultations

- 16.1 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_6_-_Castle_Hall_Investment_Proposals.pdf)

Executive 23/7/13 Investment Proposals

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

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