

Audit and Governance Committee

Date: 26th November 2025

Report by: Councillor Sarah Hopewell, Executive Member for Wellbeing

Report title: BEAM Trading Update

Ward(s) affected: Hertford Castle

Summary

- This paper covers the main achievements and challenges facing BEAM.

RECOMMENDATIONS FOR DECISION: That Audit and Governance Committee Members:

(A) Review BEAM's position and make any recommendations to the Executive Member for Wellbeing in regards to BEAM's performance

1.0 Proposal(s)

1.1 That Audit and Governance Members review BEAM's progress since opening

2.0 Background

2.1 Since January 2025, BEAM has undergone a significant transformation that has seen us implement a raft of strategies and tactics to unlock financial sustainability. The approach we have taken has been to deliver sustainable growth across and work at a pace that builds financial success and resilience whilst mitigating financial risk.

2.2 In many regards, BEAM can be viewed as a new business and a fairly complex one at that. As with any new business, the path towards profitability can be challenging, but it is clear that our balanced approach to operating BEAM is working well and the

growth we are currently reporting is testament to that. Key areas of progress since January include:

Implementation of a new Programming Strategy

- 2.3 The programme is at the core of everything BEAM does and how the venue is programmed has an enormous impact on the overall performance of the business. Our updated Programming Strategy is built around four core objectives:
- Deliver a balanced and diverse calendar of professional theatre, independent and mainstream film, live music, comedy, dance, and community events as well as other types of event where applicable.
 - Attract broad audiences through a range of accessible and high-quality content that has inclusion at its core.
 - Develop long-term financial sustainability through a considered mix of commercially viable events and artistically ambitious work.
 - Support local artists and companies, understanding the transformational power of self-expression.
- 2.4 This approach is working well and has seen BEAM achieve commercialisation across the programme, whilst protecting BEAM as a community asset and continuing to embrace cultural and artistic development. It is this approach that has seen BEAM successfully programme large-scale Musical Theatre work, mainstream comedy and world-class live music, all of which is performing very well.
- 2.5 This programming approach has delivered 28% growth in average daily ticket sales from Q1 to Q2 of this year and, coupled with a new Marketing strategy has also seen us grow our reach and increase the % of customers who travel into East Herts from further afield. This is bolstering BEAMs local economic impact, which is currently estimated at around £3.7m for the year.
- 2.6 Built into this approach is also a longer-term passive income plan whereby BEAM uses our in-house equipment and expertise to support professional producers with the creation of new touring shows. This approach will see BEAM credited as Co-Producers for these productions and, as well as generating revenue from the

space use during the production period, we will receive royalty payments from subsequent sales.

The opening of Stage 2

- 2.7 The opening of our smaller, flexible space in April 2025 marks BEAM being fully open to the public and we have spent recent months embedding a programme approach for this space that maximises its accessibility within the broader context of BEAMs operation. We also wish to acknowledge the support of Hertford Town Council who provided a £325k grant towards the opening of Stage 2.
- 2.8 The flexibility of Stage 2 has unlocked a host of opportunities across rehearsal, live performance, film and non-cultural activities which is informing how we best achieve the potential of this space.

Embedding a culture of Entrepreneurialism across all business units

- 2.9 As part of our strategic working, we have embedded an approach that centres entrepreneurialism. This has seen all business units within BEAM tasked with maximising revenue from their individual areas and contributing to combined revenue generation across the building.
- 2.10 Within this approach, departments that would not traditionally be seen as 'revenue generating' such as backstage and technical have a responsibility to be entrepreneurial in their work, increasing revenue into BEAM that accelerates our journey towards profitability.
- 2.11 It's important to note that this approach is centred around our commercial programme, rather than community activity, where we aim to work as supportively as possible with local community groups.

Launching a Food Offer

- 2.12 Starting a food offer is a huge undertaking, not least within the context of a highly busy cultural venue and balancing financial risk with potential return. This has been key to how we have

approached the creation of this brand new business unit.

- 2.13 We designed a menu that is excellent value and combines universally loved flavour combinations with seasonality whilst ensuring we're minimising waste across the operation.
- 2.14 Although the food offer is still in its infancy, we have received outstanding feedback and are seeing growth in the popularity of the offer, which will continue to develop with business needs.
- 2.15 Having the kitchen staffed also means we're in a position to capitalise on meetings and conferencing opportunities, which will be an important aspect of our continued business growth from next year.
- 2.16 Across the broader Food & Beverage (F&B) offering we have worked hard to maximise revenue generation and have seen a 24% increase in Spend Per Head compared to last Financial Year, whilst maintaining strong gross profit % across the offer.

Commercialisation of our Digital presence

- 2.17 BEAM is an extraordinary venue with a large number of technologically advanced and integrated systems which allow us to be innovative in our work, however it was clear that our previous website wasn't keeping up with the pace of transformation at BEAM. The previous website (which was subcontracted out by the previous branding company) had very high abandonment rates and was extremely limiting in what it could provide us as an e-commerce platform.
- 2.18 As a result of the challenges we were facing, we took time to re-interrogate our needs, identifying a set of key priorities and weaving them into a new approach to our digital presence. At the core of this new approach will be a totally re-developed website which will make it easier than ever for customers to find out about BEAM and book tickets. After a comprehensive tender process, we partnered with an industry leading web developer (Grandad Digital) who are working with us to build innovative new tools which will transform the experience of using our website and support our broader financial growth. This developer has an outstanding track record of working with Arts & Culture

organisations on websites that increase revenue.

2.19 Implementing a new website is a complex process and includes a number of phases. In order to make the process as smooth as possible and to improve overall cyber resilience, we have now implemented an 'interim' website, which will be live until the full website is delivered in early 2026.

2.20 Measuring our progress is key to understanding the business and ensuring that the decisions we make are aligned with our broader strategy. As we are now well into our first full financial year, we're in a good position to share some key statistics.

2.22 To the end of October, BEAM has:

- Presented 156 stage performances
- Presented 1935 film screenings
- Welcomed around 60,000 audience members for ticketed events
- Achieved 58% occupancy across the Stage programme
- Achieved 21% occupancy across the Screen programme
- Achieved a combined spend per head of £4.84

2.23 During Q1 and Q2 our most popular Stage Genres were:

- Comedy which achieved 87.04% occupancy
- Musical Theatre which achieved 79.7% occupancy
- 'Audience With' events, which achieved 63.46% occupancy

2.24 These metrics will be reported to the BEAM Board going forward, who meet on a quarterly basis to oversee BEAM performance. BEAM Board Members are:

- Councillor Sarah Hopewell, Executive Member for Wellbeing (Chair)
- Councillor Carl Brittain, Executive Member for Financial Sustainability
- Councillor Vicky Glover-Ward, Executive Member for Planning and Growth
- Councillor Mione Goldspink, Executive Member for Communities
- Steve Sargeant, BEAM Venue Director
- Benjamin Wood, Director for Regeneration, Customer and Commercial

- Alison Street, Deputy Section 151 Officer

- 2.25 As BEAM is a seasonal business, the above metrics includes summer which is by far our quietest period. Despite this, the figures provide strong indication that the financial future for BEAM is very positive indeed. By way of comparison, we understand that the national benchmarks for Stage attendance are c54% for established regional theatres and c65% for established large commercial theatres. For cinema, the national benchmark is around 15%-20% for established independent multi-screen cinemas.
- 2.26 Looking ahead to the future, there is much to be excited about as the team at BEAM continues to work tirelessly to deliver for our audiences, visitors and residents alike. For our family Pantomime, *Beauty & The Beast*, we have partnered with commercial producer Imagine Theatre to ensure that we're presenting the highest quality production to our audiences. Looking ahead to next year, the programme continues to develop and we're delighted to be welcoming the national touring production of *Blood Brothers* to BEAM, as well as a host of other world-class performers and productions to our spaces. Our Film programme continues to flourish with a diverse and growing range of cinema events on offer and we continue to host myriad classes, workshops and smaller events in our other spaces right across the year.
- 2.27 As with any new business there are always inherent risks, but we have worked hard to mitigate these through our balanced approach to delivering sustainable growth across BEAM. During the current financial year, we are holding risk in two specific areas, namely the commercial performance of our Pantomime and the forecast performance of our food offer.
- 2.28 Regarding *Beauty & The Beast*, we took the strategic decision to commercialise the approach, delivering exceptional quality and targeting ambitious sales. At present we are tracking slightly behind where we had hoped to be, but understand this is in line with other regional pantomimes this year and the marketing campaign is now accelerating in line with forecast booking patterns.

2.29 Regarding the food offer, we are seeing signs of healthy sales growth, but it is too early to measure trends. This area, therefore, has too many unknowns to be able to confidently predict commercial success in the short-term.

BEAM financial position

2.30 The last iteration of the business case, agreed in January 2025, indicated total revenues of £4.29m over 2024/25. Operating costs, including costs of sales, payroll and overheads were forecast to be £4.09m, providing a surplus of 0.2m. This was built into the Councils' Medium Term Financial Plan for 2025/26 and beyond.

2.31 The revenue mix (ie. % of where income would come from) in the business plan was based upon the following splits:

	2025/20 26
Cinema	24.9%
Theatre	29.4%
Conferences, meetings and business events	1.7%
Events and functions Hire	10.0%
Food and beverage	32.3%
Retail	0.6%
Memberships	1.3%
Grants	
Total	100.0%

2.32 It should be noted that while income split gives a useful indication of the spread of activity across BEAM, costs of sales are also key, hence the relatively small surplus anticipated. This is common across the industry where margins are very tight, even in larger well established venues in London and elsewhere. It's also true to say that the trading landscape for arts and culture venues is exceptionally challenging and has changed dramatically in the post-lockdown years. According to a study released in Summer 2024, there has been a 24% fall in the number of live events in comparable venues to BEAM across the UK compared to 2018 and ticket prices were down 22% in real terms. Given the challenges of

operating with such slim margins it is therefore commonplace for Cultural venues of this scale to receive core funding (eg. from the Arts Council) or a subsidy (eg. from a Local Authority) or both.

- 2.33 Stage events often have bespoke arrangements for income share, depending on performer's overheads and costs alongside risk appetite for share of ticket sales. Cost of sales can vary from 60%-95%. Cinema sales tend to operate on more fixed formulas across different film distribution agencies and we tend to assume cost of sales at around 55%. Food and beverage can range from 15% - 40%, with revenue, of course directly related to ticket sales (ie. we only make money if people are attending shows). Staff at BEAM work hard on researching the offer and negotiating commercial deals with producers, promoters and suppliers right across the operation. Since opening, a set of clear performance objectives have been implemented in order to drive focus on achieving maximum financial success and these are working to accelerate the journey towards profitability.
- 2.34 As the January 2025 business plan made clear when it was agreed, it would need to be revisited to reflect operational realities. After one year of being open we are able to make adjustments based on true operating costs and demand. BEAM is now in the process of making some key revisions, including the following:
- Income from food service at the bar and catering for events was assumed to start straight away and at significant scale, however the staffing structure wasn't set up to support this. We have had to build the food offer from scratch alongside being conscious of location given Hertford has a very competitive food offering. This means getting to the original food related income targets will take much longer than anticipated.
 - Assumptions around the use of stage 2 were optimistic (512 separate events in one year). Although there is reasonable demand for stage 2, it is taking time to grow audiences and secure regular bookings. Events suited for a small capacity tend to be less mainstream or have a smaller profile, so demand is lower. Similarly the small scale is providing some hurdles to local community groups. The space itself is flexible with the ability to change it from a 150 seated auditorium to a completely flat floor, catering for different types of events. However the preparation time for this is immense, taking 4 members of staff

up to 8 hours to support a change around. The likelihood of supporting 512 separate events over 364 days is therefore unlikely.

- Cinema occupancy figures have proved to be optimistic. The business plan assumed 30 – 36% occupancy. Actual occupancy to date is around 21% and the Independent Cinema Office latest benchmark is 15% - 20%.
- Spend per head figures have also proved to be optimistic. The business plan assumed £6 per head for film screenings. Our data indicates it is closer to £3.50, although this is above the Independent Cinema Office latest benchmark of £1.50.

2.35 The impact of these operational realities meant that by the end of September (Q2) BEAM was reporting to be some £267k off target. In other words, rather than making a £200k surplus it would be making a £67k loss. We have also revised the forecast revenue mix to reflect a more realistic split of income across the business, as follows:

	2025/2026
Cinema	15.2%
Theatre	54.6%
Conferences, meetings and business events	1.3%
Events and functions Hire	6.1%
Food and beverage	22.5%
Retail	0.0%
Memberships	0.2%
Grants	
Total	100.0%

2.36 A number of mitigating actions have already been put in place to address the challenges (see 2.2 – 2.20). Other actions to note include:

- Introduction of new Ticketing Fee structures, which have generated more income than expected
- Pulled back on expenditure in a number of key areas and implemented stronger financial controls in-venue
- Implemented new strategies right across the organisation which have facilitated an overall commercialisation of BEAM without losing sight

of the importance of being a community asset. These strategies include:

- A Programming strategy that targets more commercially profitable, high-profile shows.
- Audience Development Strategy designed to extend our reach across the region
- Full review of F&B and implementation of enhanced tariffs on certain events
- New approach to recharging across Marketing and Backstage (which has seen a 30% increase in revenue from recharges)
- Targeting co-production opportunities, which will see BEAM generate passive revenue from touring productions

2.37 These tactics are working and we've seen average daily sales grow by almost 30% for Q2, compared to Q1. We expect the position to continue to improve over Q3, especially as move through panto season where pre-sales are performing strongly.

2.38 Given the number of unknowns as a brand new business, it is challenging to accurately forecast the year-end position, so we are taking a cautious approach. But the growth that has been achieved since the implementation of new strategies gives us cause for reassurance and mitigates against the issues outlined in (2.34).

2.38 We also need to be conscious of emerging challenges. As BEAM moves towards a full programme of activity across stage, screen and social, the staff structure will need revisiting. Currently it consists of a core team 22.82 FTE with casual staff brought in to support events where additional capacity is needed (eg. in the Welcome Team or Technical Team). This has worked so far, but we are at the absolute limit of what we can deliver with current resource and will need to prepare for continued activity growth, as well as the legislative changes that will impact minimum safe operating requirements and compliance as defined by the Terrorism (Protection of Premises) Act 2025.

The Business Plan

2.39 Now that we have a detailed understanding of BEAMs operation and the opportunities and challenges therein, we have spent some time modelling for the future and ensuring that BEAM is operating in line with a realistic business plan that combines excellence

across our programme and efficiency across our operation, with the central requirement to deliver a financial surplus.

- 2.40 The intention is to revise the business plan early in the new year. This will then need to be agreed and ready to be built into the Medium Term Financial Plan for 2027/28 and beyond. Where possible, revisions will be included in the 2026/27 budget.

3.0 Reason

- 3.1 Audit and Governance Committee have asked for an update on BEAM's position. It has now been open for a full year which provides a good basis for understanding its potential.

4.0 Options

- 4.1 N/A – no recommendations made other than for Audit and Governance Members to make recommendations to the BEAM Board or Executive Member for Wellbeing

5.0 Risks

- 5.1 The paper covers key areas of risk facing BEAM (see sections 2.28 – 2.29 and 2.34).
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6.0 Implications/Consultations

- 6.1 N/A

Community Safety

N/A

Data Protection

N/A

Equalities

BEAM is a fully accessible building. In addition the BEAM Board have recently agreed an overall programming framework which sets out the principles behind programming. Ordinarily the venue will not programme events that are designed primarily to promote political parties, ideologies, or candidates, religious beliefs, contain extremist content or pose a risk to public safety, community cohesion, or are inconsistent with the Equality Act 2010 or any UK laws prohibiting discrimination or hate speech.

Environmental Sustainability

Beam recently won the sustainability prize at the UK Theatre Awards.

Financial

See sections 2.31 – 2.35

Health and Safety

N/A

Human Resources

N/A

Human Rights

N/A

Legal

N/A

Specific Wards

Yes – Hertford Castle

7.0 Background papers, appendices and other relevant material

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