

Report of:	Meeting	Date	Item no.
Marianne Hesketh, Service Director Performance and Innovation	Overview and Scrutiny Committee	3 June 2019	6

Performance of Wyre's Theatres – Marine Hall and Thornton Little Theatre

1. Purpose of report

- 1.1 To provide an update around the operational performance of the council's entertainment venues, Marine Hall and Thornton Little Theatre, focussing on the improvements and changes that have taken place since the last update to Overview and Scrutiny in October 2018.

2. Background

- 2.1 An update report providing information about the performance of our theatres – Marine Hall and Thornton Little Theatre (TLT) - was provided to O&S back in October 2018. At that time, the committee considered setting up a task group to look at the strategic focus for the Marine Hall, but concluded that it would be more appropriate to convene in six months' time, to give the Commercial Manager more time in post and for the current subsidy level to be reduced further. This report now provides the latest progress update and provides financial information for the last year 2018/19.

3. Key improvements / changes over the last year

3.1 Income generation and increased levels of business

An analysis of financial performance at the end of the financial year 2018/19 compared to performance at the end of 2017/18 shows that there has been a much better control of expenditure as well as a significant increase in the income generated. The target was to achieve the subsidy level for Marine Hall of £251,000 and £118,000 for TLT but performance has been much better than this and the subsidy has reduced to £226,536 for Marine Hall and £93,988 for TLT. Detailed financial information is available at section 4.

The improvement in income generated has been through general lettings as well as an increase in the number of weddings, resulting in increased income from just over £5,000 for wedding bookings in 17/18 to over £10,000 in 18/19, with an associated additional bar spend of over £15,000. There has also been an increase in commission from catering and ticket sales of over £12,000.

The programme at both theatres has been restructured, with a reduced number of direct engagements of artistes and an increase in the number of promoters hiring the venues or agreeing to split the box office takings with us instead of a guaranteed fee. This reduces the risk to the council and ensures that the independent promoters have an incentive to ensure a good audience. In addition to this, we now sell marketing packages to the hirers, which has brought in additional income.

This new approach to the theatres programme is resulting in many more customers and regular repeat bookings. There has been a significant increase in the number of events taking place and the number of tickets sold for those events. Customers are now buying tickets further in advance for upcoming shows as the quality and diversity of our programme improves. As a result we are now attracting larger, national promoters and performers. We have very few dates left available in this year's diary at either of our theatres. The diaries are also now filling up for 2020 and into 2021.

Marine Hall hosted a successful Wedding Open Day in February 2019 to attract more wedding business to Wyre. This showcased the offer at Marine Hall but also the wedding and family celebration offer at Thornton Little Theatre, the Mount Pavilion and also the Civic Centre in Poulton. So far this year, there has been one wedding at The Mount Pavilion and one ceremony with wedding reception at Marine Hall, as well as a brand new type of wedding to add to our offer – this involved the couple being married at The Mount Pavilion before coming down to Marine Hall gardens to celebrate their reception in a large festival tepee! There are another three wedding ceremonies booked into the Pavilion before it closes for refurbishment in September. There are another three wedding celebrations booked into Marine Hall this year, including the first same sex wedding ceremony at the venue.

The recently formed Fleetwood Trust held a 'visioning' day at The Mount Pavilion in May. We received great feedback and a number of other new bookings as a result.

Online engagement through social media continues to increase and customer satisfaction has increased with fewer complaints and much more positive feedback. Over 4,000 people now follow our Facebook page.

3.2 Soft Market Testing

In November 2018, we carried out a soft market testing exercise to explore options for the future development of the Marine Hall complex. We were looking for ideas around how we could develop an innovative and economically viable 'entertainment hub' that offers an enhanced range of entertainment, leisure, cultural and commercial activities for both residents and visitors to the area. The exercise ran until March 2019 but unfortunately it generated very little interest. One expression of interest was received to develop a seafood restaurant and this is being explored further.

We have subsequently received feedback on the soft market testing exercise and it has been suggested that our approach wasn't quite right. We have therefore decided to contact appropriate leisure and theatre operators and understand market appetite before running the exercise again. In the meantime, the Commercial Manager has been asked to develop our own vision for the complex and put forward some proposals which can be explored further.

3.3 Increased focus on Health and Wellbeing activities and Accessibility

We continue to work in partnership with Healthier Fleetwood to increase the focus on Health and Wellbeing activities at our theatres. The Harmony and Health singing groups have grown in popularity and are now running from Marine Hall, TLT, Hambleton and Garstang. We have secured additional health funding for 19/20 to cover the cost of hiring the theatres and the cost of singing 'leaders' to work with the groups as well as a small contribution towards refreshments.

Our Theatres and Tourism team is part of the Access Fylde Coast Project, which was successful in being awarded almost £1 million of CCF5 (Coastal Communities Fund Round 5) money. Some of the money has been allocated to Wyre Theatres for hire of the venue and programming of high quality performances which promote access in its widest sense and bring in new audiences and tourism. The project is funding a Performance and 'In Conversation with' Dame Evelyn Glennie as well as paying for the hire of the hall and all necessary staffing and marketing. The project will also pay for BSL interpreters at this performance and at one of the Panto shows this year. Other events are yet to be confirmed. This initiative will increase the income at Marine Hall by at least £20,000 in this financial year and bring other benefits.

3.4 Staffing

Two key posts have been recruited to since the last update. Both post holders have recently completed their probationary period and have settled into the team well, making a real difference to capacity and the service provided.

A new structure has been costed which proposes to use money previously used on agency staff to further improve the core delivery team at Marine Hall. This efficiency should result in increased income as well as improved customer satisfaction.

3.5 Policies and Procedures

In 2018, time has been invested in recruiting and training staff in key posts. This has introduced more flexibility in the roles. At the same time, there has been a stronger emphasis on customer care, health and safety and income generation whilst controlling expenditure better.

4. Financial Information

4.1 Marine Hall – Operating Income and Expenditure

Operating income and expenditure	2018/19 budget	2018/19 outturn	2017/18 outturn
Admissions	(35,000)	(17,495)	(32,966)
Kiosk/Café/Bar/Catering	(90,500)	(107,771)	(86,750)
Lettings	(75,000)	(73,778)	(65,871)
Other income	(46,840)	(49,962)	(5,196)
Pantomimes	(7,000)	(8,643)	(8,402)
Weddings	(10,000)	(10,161)	(5,249)
Total income	(264,340)	(267,810)	(204,434)
Staffing	201,600	184,660	218,182
Premises	88,870	79,670	118,943
Vehicle	980	449	1,363
Supplies and Services	127,480	126,798	91,752
Third Party	2,000	1,428	1,732
Recharges	112,960	101,342	95,981
Total expenditure	533,890	494,347	527,953
Operating (Surplus)/Deficit	269,550	226,536	323,519
Non-operating costs			
Capital charges	169,010	169,012	174,760
Ticket sales for externals	0	0	0
Total cost centre	438,560	395,549	498,279

4.2 Thornton Little Theatre – Operating Income and Expenditure

Operating income and expenditure	2018/19 budget	2018/19 outturn	2017/18 outturn
Admissions	(5,000)	(1,214)	(1,345)
Kiosk/Café/Bar/Catering	(2,300)	(3,796)	(4,282)
Lettings	(40,000)	(45,827)	(35,727)
Other income	(3,150)	(7,871)	(3,307)
Pantomimes	0	0	0
Weddings	0	0	0
Total income	(50,450)	(58,708)	(44,661)
Staffing	120,490	102,171	116,913
Premises	27,530	28,557	19,859
Vehicle	0	0	0
Supplies and Services	9,440	5,526	5,920
Third Party	200	0	1,330
Recharges	18,340	16,441	17,162
Total expenditure	176,000	152,696	161,183
Operating (Surplus)/Deficit	125,550	93,988	116,522
Non-operating costs			
Capital charges	38,360	38,364	37,407
Ticket sales for externals	0	0	0
Total cost centre	163,910	132,352	153,929

4.3 Historic subsidy level

The graph below illustrates how the subsidy at Marine Hall has reduced over the previous 10+ years. It also highlights the peaks and troughs in performance which is impacted by cyclical building maintenance costs.

