

Report of Director

CASTLE THEATRE – PROGRESS REPORT

1 Purpose of report

This report provides a review of the Castle Theatre in 2017, looking forward to the plans for 2018.

2 Executive summary

The council took over the operation of the Castle Theatre in June 2016, and 2017 was its first full year of trading. This report provides a review of the challenges faced during that year, and the achievement of the in-house team in ensuring that the theatre provided a full – and well-received - programme for the year. The report also reviews the process for procuring a new operator for the theatre at the end of 2018.

3 Appendices

Castle Theatre progress update

4 Proposed action:

4.2 The committee is invited to RESOLVE to note the presentation, and;

4.3 The committee is invited to discuss issues relating to the Castle Theatre and identify any matters it RECOMMENDS be reported to relevant policy committees for their attention.

5 Background

5.1 The council entered into a contract with The Castle (Wellingborough) Ltd (TCW) – a charity – to provide a range of specified services at the theatre following a procurement process in 2010. The contract with The Castle (Wellingborough) commenced on 1 April 2011 for a period of ten years, but a decision was made to terminate that contract on 22 March 2016. The Administrator appointed by the company handed the keys back to the council on 23 June 2016.

5.2 The council made a decision to continue to operate the theatre until a new operator could be contracted. Given the value of that contract, a full procurement process was required.

5.3 During late 2016 and 2017 a team of staff – some of which were employed at the theatre previously - were appointed. A temporary manager was contracted, and she was supported by a core team, as well as a pool of casual staff and a

number of volunteers. To ensure that there was sufficient resilience the council seconded a part-time deputy manager, and provided support from the Director, property, finance and HR teams.

- 5.4 During the time that the theatre was re-establishing itself in late 2016 and early 2017, it became clear that this would not be a straightforward task. Many companies who were essential to its operation – from film distributors and production companies to suppliers of basic provisions – were reluctant to engage because of outstanding debts. It took the team some months of hard work and negotiation before trust was rebuilt.
- 5.5 In addition, it became clear that the building itself was in a poor state. Before re-opening a thorough review was carried out to assess the condition of the premises. The first stage was to deal immediately with any health and safety issues so that customers could be welcomed back.
- 5.6 In addition to the initial essential works the council identified a large programme of improvements which would be needed to make the building fit for purpose as a theatre, and just over £1m was approved for this work in December 2017. Contractors are currently being procured and a programme of works is under way.
- 5.7 At the same time the council began following a procurement process to put in place a new operator which aims to see a thriving theatre with community involvement for the next ten years. This was overseen by a members' Castle Advisory Group who reviewed and approved the documentation and process. The Leader of the Council and the Leader of the Opposition will take part in the scoring process when tenders are received.

6 Discussion

- 6.1 Attached as an appendix is a more detailed report providing information about the following:
 - (a) a review of performances in 2017, showing costs and income for the shows themselves, not overheads;
 - (b) works being carried out to the building;
 - (c) the procurement process for a new operator.
- 6.2 The result of the procurement process will be reported to a future committee.

7 Legal powers and implications

- 7.1 Section 145 of the Local Government Act 1972 gives the Council the power to provide entertainments or facilities for entertainments itself or arrange for a third party organisation to do so and contribute towards the third party's expenses in so doing. This power is augmented by section 144 of the Local Government Act 1972, which empowers a local authority to encourage visitors to come to a local authority for recreation, health or conference purposes and to provide conference facilities.
- 7.2 Legal advice has been sought in relation to the procurement of the new contract

and the contract itself.

8 Finance, risks and value for money implications

- 8.1 The council has provided financial support to the arts in Wellingborough via its theatre over the years (the council built and opened the theatre in 1995 – at a cost of £3.5m).
- 8.2 The Castle budget for 2016-17 was split into contract fees of £186K and maintenance funding of £90k; a total of £276k for the year. This budget has remained in place during the time the council took over the operation of the theatre, but this has resulted in an over spend of £245k in 2016/17; an overspend of £103k is also forecast for 2017/18.
- 8.3 The over spend is largely due to the start-up costs for a new business. The council inherited no information, data, website or internal IT systems from the previous contractors. Neither did it inherit any goodwill, so a number of suppliers were so wary that they would not be paid, that they would not provide their goods or services without a financial bond.
- 8.4 Additional costs were incurred because the council had no in-house expertise in relation to theatre management. It was therefore necessary to contract with a theatre expert who could advise the council on both the operation of a theatre and the tender documentation for the procurement process.
- 8.5 One of the final reasons for additional costs was the need to bring audiences back and make them aware that the theatre was open for business. The marketing team at the Castle have put a great deal of effort into advertising, publication of leaflets, flyers and brochures, and staffing stalls in the shopping centre.

9 Implications for resources

- 9.1 The Castle has absorbed a large amount of officer time, which has now reduced, but some input will continue to be needed until the new operator takes control. This is, however, a key asset in which the council has invested significantly over the years and to which members have made a commitment.

10 Implications for stronger and safer communities, and equalities

- 10.1 Actions to involve the community in both the short and long term future of the Castle Theatre give an opportunity to reflect the requirements of local people and provide a focus for community activity.

11 Author and contact officer

Bridget Gamble, Director

12 Consultees

Liz Elliott, Managing Director

Julie Thomas, Director
Paul Burnett, Interim Assistant Director
Samantha Knowles, Assistant Director
Shelley Rooke, Interim Manager of the Castle Theatre
Julia Wells, Deputy Interim Manager of the Castle Theatre
Emma McGinlay, Project Officer

13 Background papers

Budgets for the theatre
Contract documents and agreements (some of which are exempt)
Quotations for works
Tender documents (some of which are exempt)

Appendix

A. Performances in 2017

1. Christmas show: The 2017 Christmas show, The Wizard of Oz, was financially a remarkable success for the council. Because of the difficulties in providing a Christmas show in 2016 there was a loss of £59k, but in 2017 the projected surplus is approx. £14.6k. Taking into account the size of the venue, to be able to achieve £14.6k on the first non-pantomime Christmas show is outstanding; to break even would usually be regarded as good.
2. Over the 29 performances the average capacity was 60%. The show was very well-received by schools
3. Box office income of just under £119k was achieved, with the sale of 8,566 tickets (in comparison with 6,883 tickets in 2016).
4. The commitment, flexibility and effort of all the staff at the theatre kept costs down.
5. Tickets for the 2018 Christmas show (the Cinderella Christmas Show), are already on sale. This will be produced by the same company as the Wizard of Oz.
6. Other shows: The most profitable split shows have been Jim Davidson, The Dreamboys, and the live performance of Swan Lake.
7. The most profitable hire shows have been Spamalot by Theatreworkz and Wind in the Willows by Wellingborough School.
8. The most successful film was Murder on the Orient Express.
9. The least successful shows were Stars from the Commitments and children's shows: First Hippo on the Moon and Why the Whales Came.
10. The least successful genre is films.

B. Statistics

By financial year end (17/18) the theatre will have:

- received 99 different shows (198 show performances)
- received 258 film performances
- received 34 live screenings
- accommodated 475 + hirers
- sold 52% of seats on ticketed shows
- sold 19.5% of seats on films
- sold 41% of seats on live screenings
- sold 41.1% of seats in total

By financial year end (17/18) the theatre will have had:

- An average of 43% attendance on all ticketed performances (including live screenings and films)
- Made a surplus (not including VAT and excluding overheads) on shows of £60k;
- A turnover of over £500k through the box office.

	Figures based on actual to date			Based on actual No. of tickets sold on (to date) performances		Box Office Income	
	Income	Expenditure	Surplus/Loss	Tkts No.	%	Projected	Projected
						Gross	Net
Shows Trading	£57,650.99	£52,230.85	£5,420.14	19,454	54%		£322,103.91
Shows Agency	£68,794.90	£24,941.14	£43,853.76	14,716	55%	£188,819.60	£157,349.67
Hires	£26,990.80	£8,084.12	£18,906.68				
Films	£45,597.28	£44,893.22	£704.06	8,035	20.00%		£45,597.28
L Screenings	£21,262.83	£14,678.50	£6,584.33	1,399	44%		£21,262.83
	£220,296.80	£144,827.82	£75,468.98	43,604	43.40%		£546,313.70

C. Improvements to the building

1. An information board will be put up in the Castle foyer to show customers what works are being planned/their progress with the capital monies allocated.
2. Broken taps/tiles/hand dryers are being replaced in affected toilets around the building. Work should commence early in the new year.
3. Site visits have been carried out to progress the cattle market roof and glazed link repair. Works should be carried out in the next few months.
4. A site visit has been carried out by theatre technical experts to progress the works on the safety repairs to the orchestra pit and tilting floor. Quotations have been sought for these works which are due to commence shortly.
5. Quotations are being sought for the replacement of some sound and lighting equipment to be used at the theatre; this will help to ensure shows run smoothly. We aim to have this equipment installed within the next few months.
6. The air handling units (for air cooling and heating) at the Castle have been serviced and quotes have been sought for the repairs/replacement needed. Works should commence early in the new year.
7. Work has been undertaken, and is ongoing, on mechanical and electrical works as identified in the dilapidations report. Further inspections will be carried out and the refurbishment schedule updated.

D. The tender process for a new operator

1. The contract was advertised on 6 October, and standard selection questionnaires (SSQ) were submitted. Shortlisted bidders have now been invited to submit a detailed tender for the contract to operate and manage the Castle Theatre.
2. The deadline for the tenders is 12 noon on 27th February 2018; bidders have until 17 January to submit any questions regarding the contract.
3. A preferred bidder will be agreed by 6 April 2018 and council will vote on whether or not to award the contract at the council meeting on 17 July 2018.

E. Staffing and Health and safety

1. A general manager and two deputy managers were appointed in January 2017.
2. Three casual cleaning staff and three new box office assistants have been recruited due to a shortfall of staff in these areas.
3. The Technical department has recruited two new members of staff.
4. Box Office policies and procedures (including cash handling, bank, and customer service) have been reviewed and updated, along with a uniform or dress code for all front of house staff (including volunteer stewards).
5. Three new Duty Officers have been recruited on a casual basis after a full time Duty Officer left in early 2017. Cost savings have been made on weekdays where there are no scheduled performances or events, with either the Events Officer or Deputy Managers covering the role.
6. The Admin Assistant currently in post has had their role and responsibilities reviewed and have been promoted to an Events and Finance Officer. This Officer works with the Finance team at BCW and regularly reports on budgets, costings and settlements for shows and performances.
7. The new full time Technical Officer completed an apprenticeship at the venue a few years ago and had worked as a casual member of staff since the venue re-opened.
8. The new Technical Assistant is part time. The Technical team were able to offer in-house support during the Christmas show which meant that no casual or agency staff were required, and worked well with the show's producers adding to the success of the show's run.
9. A recruitment drive for more volunteer stewards has been completed with approximately twenty new stewards being available to support the running of front of house at shows and performances. There has also been a review of the roles and responsibilities of the stewards, along with training sessions on fire evacuation procedures.
10. Stewards are provided with an identification badge for security purposes. This has been implemented across all staff at The Castle.
11. Health and Safety has been added to the agenda at fortnightly management meetings at The Castle, and an action list is in place and review at each meeting with target and completion dates.
12. A revised accident form and procedure note has been introduced to ensure compliance with Data Protection regulations.
13. Management are working with officers at BCW to ensure compliance with the General Data Protection Regulations (GDPR) in May 2018.
14. Lone working procedures have been received in line with the roles and responsibilities of Duty Officers, including opening and closing the building, and financial reporting and banking.
15. Personal Development Reviews are scheduled at the beginning of the year for all contracted staff in line with council policy, and all front of house employees have received or will receive first aid training.