

**28 January 2019**

**Gala Theatre Overview**

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**Joint Report of Ian Thompson, Corporate Director of Regeneration and Local Services and Lorraine O'Donnell, Director of Transformation and Partnerships**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide members of the Environment and Sustainable Communities Overview and Scrutiny Committee with background information relating to a presentation providing an overview of the Gala Theatre at appendix two. The presentation will be provided by Steve Howell, Head of Culture and Sport, Regeneration and Local Services.

**Executive summary**

- 2 At its meeting on 13 July 2018, members of the Environment and Sustainable Communities Overview and Scrutiny Committee agreed their work programme for 2018/2019. Included within that work programme was an overview of the Gala Theatre following a request from members of the committee.
- 3 The Gala Theatre was opened in 2000, as a purpose built 500 seat theatre that also includes a two screen cinema, café and meeting areas. In 2009, following local government reorganisation Durham County Council took over control of the Gala Theatre.
- 4 This report gives a general overview of the Gala Theatre that covers:
  - ) Programme and content;
  - ) Performance and impact;
  - ) Current pressures; and
  - ) Future approach and direction.

## Recommendations

- 5 Members of the Environment and Sustainable Communities Overview and Scrutiny Committee are requested to receive this report and consider and comment on the presentation.

## Background

- 6 At its meeting on 13 July 2018, members of the Environment and Sustainable Communities Overview and Scrutiny Committee agreed their work programme for 2018/2019. Included within that work programme was an overview of the Gala Theatre following a request from members of the committee.
- 7 The Gala Theatre was opened in 2000, as a purpose built 500 seat theatre that also includes a two-screen cinema, café and meeting areas. In 2009, following local government reorganisation Durham County Council took over control of the Gala Theatre.
- 8 As part of the meeting members will receive both a tour of the Gala Theatre's facilities and a presentation by the Head of Culture & Sport providing a general over-view of the facility. The presentation will cover a number of areas of the theatre's operation including its:
  - 9 Programme and content: The Theatre endeavours to create a theatre programme which is popular, while remaining artistically sound, and financially strong. The main programme is supported by education work, Gala's own stage school, and a range of artist development opportunities.
- 10 On this basis The Gala's programme is a mix of:
  - 1) Presented Work - the best touring work in: comedy, theatre, music, dance, spoken word, live screenings, opera, film and more.
  - 2) Produced Work - theatre productions created at Gala.
  - 3) Hires - community groups, schools and local amateur societies, who use the venue to present their own events.
- 11 Performance and impact: In 2017/18 the Gala staged 347 live events and presented 2093 cinema screenings, sold 186,183 tickets and had ticket sales of £1,644,013. In 2017/18 this was achieved at a net cost of £673,117, based on an expenditure of £2,952,630 and income of £2,279,513. The cost of providing the theatre can fluctuate due to the inherent risk associated with the nature of the business but is normally managed across the service.

- 12 Current Pressures: Whilst the theatre cost broadly the same as it did in 2009/10 costs have risen in recent years due to a number of pressures namely:
- ) Audience trends: UK Theatre's regional theatre data for 2017 sales figures suggests the number of tickets sold was down by 1.9% on 2016 which for the Gala would represent 3,500 ticket sales. Whilst Gala theatre sales have remain strong against this trend for a number of years, the last two years has seen a decline in sales.
  - ) Emerging competition: The city will see the introduction of two new cinema facilities in the not too distant future. Cinema forms a central plank in both the theatre's public offer and its financing. Similarly, there continues to be a number of new and developing live venues emerging that competing for the available audiences. This clearly has an impact of income both in terms of attendances and pricing.
  - ) Investment Requirements: The Theatre is now approaching 20 years old and will have welcomed millions of visitors since its opening in 2000. Many aspects of the building are now beginning to look tired, albeit they've lasted well, but in an environment of increasing customer expectation can have a negative impact.
  - ) Rising cost base: Whilst budgets continue to be reduced in times of austerity there are a number of significant costs associated with running the theatre that have risen significantly in recent years such as NNDR, pay awards, utilities and external contracts.
  - ) Austerity: Like all areas of service austerity measures have resulted in a number of budget reductions which can impact on the quality of experience that can be provided.
- 13 Future Approach and Direction: The Theatre faces many challenges over the next few years and there a number of areas that will need to be addresses in both the short and medium term.
- 14 From an operational perspective trends in income and expenditure will need to be reversed and there is a Gala Improvement Group in place to ensure this is achieved. There are plans in place to both reduce a number of areas of cost and to increase secondary spend.

- 15 Similarly the programme is focusing on maximising presented products and ensuring they work harder both through better financial deals, bigger audiences, and strong marketing support.
- 16 The 'Gala Productions' (home produced theatre) will continue to be developed facilitating not only a stronger artistic programme capable of external support but allowing income to be maximised by not sharing income with agents and promoters. The potential in this area for co-producing, fundraising and collaboration with other theatres; thereby, sharing the risk, resource and reward, will also continue to be explored.
- 17 In the longer term wider options around operational models are also being explored. The introduction of two new cinema facilities in the city will demand a change in the facility mix and a number of opportunities with partners are being explored on this front to ensure that the facility remains sustainable in the longer term.

## **Conclusion**

- 18 The report and presentation provide a general overview of the Gala Theatre.

## **Background papers**

None

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## **Appendix 1: Implications**

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### **Legal Implications**

None, this report is for information only

### **Finance**

Not applicable

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Human Rights**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

Not applicable

### **Accommodation**

Not applicable

### **Risk**

Not applicable

### **Procurement**

Not applicable