

**Environment and Sustainable Communities
Overview and Scrutiny Committee**



22 November 2024

Durham County Council Theatres & Cinemas

**Report of Amy Harhoff, Corporate Director of Regeneration,
Economy and Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Environment and Sustainable Communities Overview and Scrutiny Committee with a general overview of the management of Durham County Council Theatres & Cinemas, including regional and national context, emerging challenges, opportunities and future plans.

Executive Summary

- 2 The County Council operates three cultural venues: Gala Durham, Empire Consett, and Bishop Auckland Town Hall (BATH).
- 3 The three venues operate in quite different circumstances: scale, facility, location, and audience, and deliver a mixed programme of received and in-house produced performances and cinema screenings.
- 4 Gala Durham is a purpose-built theatre and cinema with a variety of performance spaces including a 500 seat auditorium, two dedicated cinema spaces, seating 136 and 83, Gala Studio, which can accommodate 100, and a large café and front of house area.
- 5 Gala's delivery is a mix of presented work, produced work, and hires. Gala also plays a key role in the delivery of our Arts Council England funded National Portfolio Organisation Festival programme as home to the Durham Book Festival and the Lumiere Hub, as well as hosting performances for Durham Brass.
- 6 Gala also delivers a range of other cultural events working with key partners, for example, *An Evening with Daley Thompson* hosted as part of Durham City Run in July 2024, the annual *Bright Ideas* Gathering, and in 2025, Gala will host the first ever *Women of the World* (WOW)

Festival in the North East of England as part of the S&DR200 festival programme.

- 7 Bishop Auckland Town Hall (BATH) includes the library, a gallery, and a single auditorium /cinema and performance space, with capacity to seat 184. BATH also offers a café facility and a bar service.
- 8 BATH has a programme of presented work and also presents Gala productions.
- 9 BATH partners with the Royal Shakespeare Company (RSC) to deliver an annual Playmaking Festival working with local schools. BATH is also a member of the national Rural Touring Dance Initiative.
- 10 Empire Consett is a single, 500 seat auditorium in Consett town centre. The majority of Empire's programme is presented work with some community hires.
- 11 In 2023/2024, a total of 191,040 seats were sold for live performance and cinema across the three venues. Live performance (both received and in house productions) accounted for 58% of all seats sold and 79% of gross income.
- 12 There is a very full programme at the Gala with 2,129 screenings and performances in 2023/2024. In the same year the programme at Empire was more modest with only 512 screenings and performances, while BATH had 194 screenings and performances. Live performance sold 73%, 71% and 51% of capacity respectively, comparing favourably to similar sized presenting venues across the UK where on average 50% of seats for live performance are sold.
- 13 In January 2023, a change in the programming approach for Gala saw Event Cinema piloted with a view to increasing usage and income for both cinema tickets and secondary sales. This included programming themed and specialist events with linked food and drink offers, screening classic cinema alongside new releases to appeal to a wide range of customers. The pilot also introduced regular *Bringing in Baby* and *Gala Seniors* screenings. Following the success of the pilot, this approach is now embedded in cinema programming across our cultural venues.
- 14 In September 2023, Gala Youth Theatre was launched providing young people with a wide range of opportunities to engage with different aspects of theatre making, to support young people to improve confidence, develop performance and creative skills, and make new friends. In its first year, Gala Youth Theatre engaged with 94 young people aged 4-18 from a wide range of backgrounds and circumstance.

The programme has now been extended to BATH where a new Youth Theatre offer launched in October 2024.

- 15 In addition, a formal schools offer across our cultural venues is being developed for the first time. To inform the development of this new offer a Teacher Advisory Group has been created to build relationships with schools, and to enable teachers to help shape the programme.
- 16 We are currently developing a programme policy for the theatres in line with the wider culture service objectives, including inclusivity and diversity; professional development for the sector and supporting local talent; community involvement and social benefit; place-based - telling relevant stories; and working with CYPS. This will enable the theatres to develop venue identity and build sector reputation, and presence, with high quality work.
- 17 This work will also be influenced by the need to approach programming from a budgetary perspective to ensure we generate sufficient income to meet budget requirements and to maximise earned income generation which in turn will support engagement and participation work with the wider county and audiences who are not currently culturally engaged, or for whom there are barriers to engagement which may include financial, cultural or health challenges.
- 18 The venues are facing a number of challenges and pressures including ageing buildings and facilities, competition, and the need for specialist skills and experience, such as catering and specialist marketing support.
- 19 All three of our cultural venues are beginning to show their age. While Empire was closed between February and September this year for essential works to its roof, impacting on available performance dates and income, Gala has been struggling with ongoing issues with the public lift due to its age and condition, as well as impacts from the demolition of neighbouring 13-17 Claypath during which no access was possible to the Gala service yard and stage door. In addition, aging equipment across the venues is increasingly presenting additional financial pressures, and programme impact.
- 20 Film screening attendances are declining year on year and our cinema offer faces strong competition both from other operators such as Odeon Lux, and from in-home streaming services and a shift in consumer behaviour. The development of the Event Cinema approach is part of our drive to address this shift in audience behaviour and supports revenue generation. However, as more competition comes online, we will need to review in detail whether the cinema offer can remain sustainable and resilient in the longer term.

- 21 All of our cultural venues provide a food and beverage offer which is delivered by an in-house team and represents a net cost. The catering offer across our cultural venues is currently being considered as part of a wider catering review across the council's varied catering provisions.
- 22 Cultural venue marketing is a highly skilled and specialist activity and most theatre venues in the UK have dedicated marketing and communications function/ teams within their core establishment. However, marketing for our cultural venues is delivered by the council's central Marketing and Communications team. Whilst accountability for ticket sales and associated income targets rests with the venues, there is no control over the main source of audience engagement and revenue, or the ability to develop new audiences.
- 23 In response to the challenges outlined above a number of new approaches are being implemented. These include development and implementation of integrated place-based audience development plans, the introduction of demand-based pricing and inventory management, and the development of a fundraising strategy to support the work of our cultural venues.
- 24 In summary, we are repositioning our cultural venues both for, and with audiences, and within the wider sector. We will focus on delivering financial sustainable and resilient programmes. Artistic and programming policies will be more clearly defined, and audience engagement and development initiatives will be undertaken to build and sustain audience levels and drive revenue.

Recommendations

- 25 Members of the Environment and Sustainable Communities Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.

Background

- 26 The County Council operates three cultural venues: Gala Durham, Empire Consett, and Bishop Auckland Town Hall (BATH). The three venues operate in quite different circumstances: scale, facility, location, and audience, and deliver a mixed programme of received and in-house produced performances and cinema screenings.
- 27 As well as operationally and artistically delivering the council's three cultural venues, the venues are also home to the culture service technical team. This team supports regular council wide programmes such as award ceremonies and events, and the lighting of strategic sites and buildings for remembrance, Holocaust Memorial Day, and other key national moments.

- 28 Income for the Cultural Venues is generated via ticket sales, café and bar sales, and venue hire (for performances by amateur companies, schools and colleges as well as corporate meetings, conferences and parties). In addition, the technical team hire out equipment to other venues and companies to generate income, and when time allows, technical staff are also available for hire.
- 29 In 2022, a new management structure was put in place for Cultural Venues and Programmes as part of a wider restructure of the Culture, Sport and Tourism Service. This new structure brought together the artistic direction, programming, and operational delivery of the council's three cultural venues under one service area for the first time. This was to ensure a strategic and holistic approach to the development of the public offer, programming, and revenue streams.

National context

- 30 There are 3,019 theatre assets in the UK: of these 1,647 (55%) are theatre venues, and 1,372 (45%) are theatre production companies. Perhaps, unsurprisingly the highest number of assets are located in London with 599 (20%) and the South East with 503 (17%). While the North East with only 90 (3%) is the lowest in mainland Britain; Northern Ireland has 42 (1%), and the Isle of Man, and Jersey, 1.
- 31 Nationally very few theatres are operated by local authorities, although many receive regular funding from them. Most are registered charities and are governed by a Board of Trustees.
- 32 A recent study (2023) conducted on behalf of SOLT & UK¹ Theatre suggests that the UK theatre sector generates £2.39bn GVA and supports 205,000 workers. This is made up of £1bn of direct turnover in the UK theatre sector, generating £1.3bn worth of turnover in the broader economy.
- 33 Theatre audiences also contribute additional spending in local economies up and down the country when visiting a performance. For every £1 spent on a theatre ticket, an additional spend of £1.40 is generated in local economies, adding up to £1.94bn per annum of extra value added to local economies by theatre audiences. Sound Diplomacy's Economic Impact Assessment of UK Theatre Sector² from June 2023 found that the countries/regions that display the highest effect are East Midlands, where, for every £1 spent in tickets, there is

¹ <https://uktheatre.org/wp-content/uploads/sites/2/2023/10/SOLT-UK-Priorities-for-an-Incoming-Government.pdf>

² <https://www.sounddiplomacy.com/reports/economic-assessment-of-the-uk-theatre-sector>

£2.32, **North East, with a relationship of £2.11**, and Northern Ireland with £1.92.

- 34 So, despite having relatively few theatre assets compared to elsewhere in the UK, the North East is generating more spend within the local economy through theatre assets than other areas of the country with a greater volume of theatres and theatre companies.
- 35 There are several national organisations and arm's length bodies that support the work of the theatre sector in England including Arts Council England (ACE). ACE are the national development agency for creativity and culture, including theatre and performing arts. They have set out their strategic vision that by 2030 they want England to be a country in which the creativity of everyone is valued and given the chance to flourish and where everyone has access to a range of high quality cultural experiences.
- 36 In 2024, Society of London Theatre & UK Theatre launched a new national advocacy campaign, Theatre for Every Child³. This stated that every child has the right to experience and enjoy our country's culture and world-leading theatre, asking political parties to commit to providing funding and support for the aim in their general election manifestos – that every child goes to the theatre by the time they leave school.

Regional context

- 37 As well as commercial cinemas and music venues, university and college venues, not-for-profit museums and galleries, there are a range of local cultural and entertainment venues across the County, including, for example: the City Theatre, and Assembly Rooms Theatre, in Durham City, The Witham, a community-led arts centre, in Barnard Castle, Spennymoor Settlement's Everyman Theatre, and Ensemble '84 based in Horden (formed in 2024 as part of the Into the Light Place Partnership programme).
- 38 Both Tees Valley and Tyneside have a number of significant cultural venues that also serve audiences in County Durham, ranging in size from the large-scale, commercially operated theatres such as Newcastle's Theatre Royal (1,247 capacity), Sunderland Empire (2,000 capacity), and Stockton Globe (2,375 capacity); to culturally significant, Trust operated arts centres such as the ARC Stockton (550 capacity) and Theatre Hullabaloo who specialise in making and touring work for young people; producing theatres such as Northern Stage (600 capacity) and Live Theatre (170 capacity); fringe theatres such as Alphabetti (80 capacity); to local authority operated venues such as

³ <https://uktheatre.org/theatre-for-every-child/>

Middlesbrough Theatre (capacity 450), Middlesbrough Town Hall (capacity 1,200), and Darlington Hippodrome (capacity 1,000).

Gala Durham

- 39 Gala Durham is a purpose-built theatre and cinema opened in 2000 in Millennium Square, Durham city. In 2009, following local government reorganisation Durham County Council took over control of the Gala Theatre & Cinema.
- 40 Gala has a variety of performance spaces including a 500 seat auditorium, two dedicated cinema spaces, seating 136 and 83, Gala Studio, which can accommodate 100 and is used both for performances, rehearsals, engagement programmes and private hire, and a large café and front of house area. The Gala's café has a capacity of 56 covers, there are also three standing service bars. In addition to the main food and beverage function cinema users are offered a confectionary service selling hot and cold drinks, and snacks. On the second floor, Gala studio, with a fully fitted bar, can be hired out with catering options for meetings and events.
- 41 Gala delivers a broad programme which includes comedy, music, performance, dance, opera, film, spoken word and more. The programme is curated to be a mix of both artistically strong and commercially viable content, seeking to draw a wide audience in to the venue.
- 42 Gala is both a receiving and a producing theatre. In the last few years in house productions have included *Brassed Off*, *Alice in Wonderland* and *Peter Pan & Wendy*, as well as the pantomimes *Sleeping Beauty* and *Cinderella*. These shows are created by the Gala team who lead on producing, production management, lighting and sound design, as well as digital animation and technical production. Gala also has a programme of visiting shows including drama, comedy, music and dance alongside in house productions.
- 43 Gala co-produces a Christmas show for under 7s with children's theatre company Wrongsemble. Each year the company rehearses and premieres at BATH before a run at Gala studio. The quality of the productions being produced by this partnership is evidenced by the transfer of our 2022 show, *A Town Called Christmas*, to Sheffield Theatres, one of the largest and most respected regional theatres in the country, for a run in 2023.
- 44 Gala is committed to providing opportunities for local writers, directors, designers and actors, and for local stories to be told by local voices. Being a producing theatre gives the venue its own identity with unique

and original shows. Recent productions co-produced with local artists and companies have included: *A Way Home*, a play about Category D villages in County Durham, and *Beyond Caring*, about care homes. Both shows toured to local theatres and community centres.

- 45 Gala's 2024 pantomime *Beauty and the Beast* will feature 12 North East actors. It is also created by a local writer, director, choreographer and costume designer. The venue is committed to providing opportunities for local performers and creative teams in order to contribute to the local cultural economy.
- 46 From 2021 until 2023, Gala produced and toured a free family show to outdoor spaces in County Durham including Newton Aycliffe, Crook, Consett, Seaham, Peterlee and Chester-le-Street. The team worked with various partners including the AAPs to build audiences. Many families were introduced to theatre from these performances in their local spaces, many of whom had not visited a theatre venue due to financial and geographical barriers.
- 47 Gala also plays a key role in the delivery of the council's Arts Council England funded National Portfolio Organisation Festival programme as home to the Durham Book Festival and the Lumiere Hub, as well as hosting performances for Durham Brass. Brass events also take place at Empire Consett and there are plans to include BATH in the 2025 festival as well. Support of the broader offer and events is a priority for the service; however, delivery needs to be balanced to ensure there is availability of space for the income generating theatre/ cinema programme as well as for our wider cultural offer.
- 48 In addition to the council's NPO programme Gala also delivers a range of other cultural events working with key stakeholders and partners. For example, in July 2024, working in partnership with Events of the North, Gala hosted *An Evening with Daley Thompson* as part of Durham City Run. Gala hosts the annual *Bright Ideas* Gathering. Produced by the same team who created the Thinking Digital Conference, this features twelve talks and performances from innovators and influencers shaping our world and our future. In 2025, Gala will also host the first ever *Women of the World (WOW)* Festival in the North East of England as part of the S&DR200 festival programme. This international festival will feature talks and performances, celebrating achievements and stories from women, girls, and non-binary people from the region and beyond.
- 49 On this basis, Gala's delivery is a mix of:
 - Presented Work - the best touring work in comedy, theatre, music, dance, spoken word, live screenings, opera, film and more.

- Produced Work - theatre productions created at Gala.
- Hires - community groups, schools and local amateur societies, who use the venue to present their own events.

50 In the last financial year Gala had a net cost of £1,234,231 against a budget of £1,351,799.

Bishop Auckland Town Hall

51 Bishop Auckland Town Hall (BATH) includes the Library, a Gallery and a single auditorium cinema and performance space, with capacity to seat 184. It was established in its current form in 1994, and closed for refurbishment in August 2019, reopening in 2021 following Covid.

52 BATH also offers a café facility with a capacity of 76 covers and a bar service to the customers attending performances. In addition to its use for cinema screenings and live performance the auditorium is also available to hire for events and weddings.

53 BATH has a programme of drama, comedy, music, children's work and spoken word and as well as received productions BATH also presents Gala productions. With one theatre space, cinema is programmed around live shows and community hires. BATH has a mixed cultural offer including provision of library services for Bishop Auckland, temporary exhibitions, public events programme, and a café.

54 Both Gala and BATH also offer meeting rooms, and bar/ function spaces for private hires. This year BATH also obtained a wedding licence meaning the venue can now host wedding ceremonies as well as receptions. The venue is regularly used by the local community for events including christenings, parties and funerals.

55 In 2023, BATH joined the Rural Touring Dance Initiative, a national project which supports dance artists and promoters to make great dance performance events happen in rural spaces.

56 BATH partners with the Royal Shakespeare Company (RSC) to deliver an annual Playmaking Festival working with local schools who perform at the venue. It also hosts RSC's First Encounters, 80 minute versions of Shakespeare plays created as introductions to his work for young people aged 7-13 and their families.

57 In the last financial year BATH had a net cost of £475,463 against a budget of £522,546.

Empire Consett

- 58 The Empire is a single auditorium cinema and theatre in Consett town centre built in 1913; it was run by Leisureworks, as part of the outsourced leisure contract, until the Council took it in-house in 2018. Empire Consett is the council's most traditional theatre venue with a single 500 seat auditorium which is used for both theatre and cinema. The majority of Empire's programme is presented work with some community hires. Its programme includes visiting shows such as jukebox musicals, music, comedy, dance and children's work. The venue has a loyal audience for Leah Bell's pantomime. With one auditorium, cinema is programmed around the live shows.
- 59 Empire also offers a café facility with a capacity of 40 covers and a bar service to the customers attending performances.
- 60 Between February and September 2024, Empire was closed for essential works to the roof of the building. The works, which cost about £470,000, included installation of loft boarding, handrails, new steps and access measures into the roof space ensuring that the roof space is safe and accessible for a wide range of productions and performances.
- 61 In the last financial year Empire had a net cost of £135,892 against a budget of £76,116.

Programme quantity and balance

- 62 In 2023/2024, 191,040 seats were sold for live performance and cinema across our cultural venues. Live performance (both received and in house productions) accounts for 58% of all seats sold and 79% of gross income.
- 63 There is a very full programme at the Gala with 2,129 screenings and performances of 239 films and productions in 2023/2024, with cinema accounting for 64% and live performance 36%. Cinema dominates the programme with 1,847 screenings (87%) compared to 282 live performances. However, although there were significantly more film screenings than live performance, cinema delivers only 23% of gross ticket sales, and in total during 2023/ 2024 more people attended live performances than cinema screenings; 75,583 vs. 63,924.
- 64 Live performance sold 73% of capacity. This compares favourably to similar sized presenting venues across the UK where on average 50% of seats are sold (data from UK Theatre).
- 65 Gala's programme covers comedy, dance, family (received), music, drama and talk as well as Gala Productions (including annual panto). The strongest performing area in 2023/2024 was Gala Productions which accounted for 44% of live performances (Figure 1), 47% of seats sold (80% of capacity for gala productions), and 43% of gross income.

This is followed by Comedy and Dance, each delivering 11% of performances, and 17% and 10% respectively of seats sold.

66 Overall, in 2023/ 2024 73% of live performance seats, and 32% of cinema seats, were sold, with live performance generating 77% of gross ticket income (Figure 2).

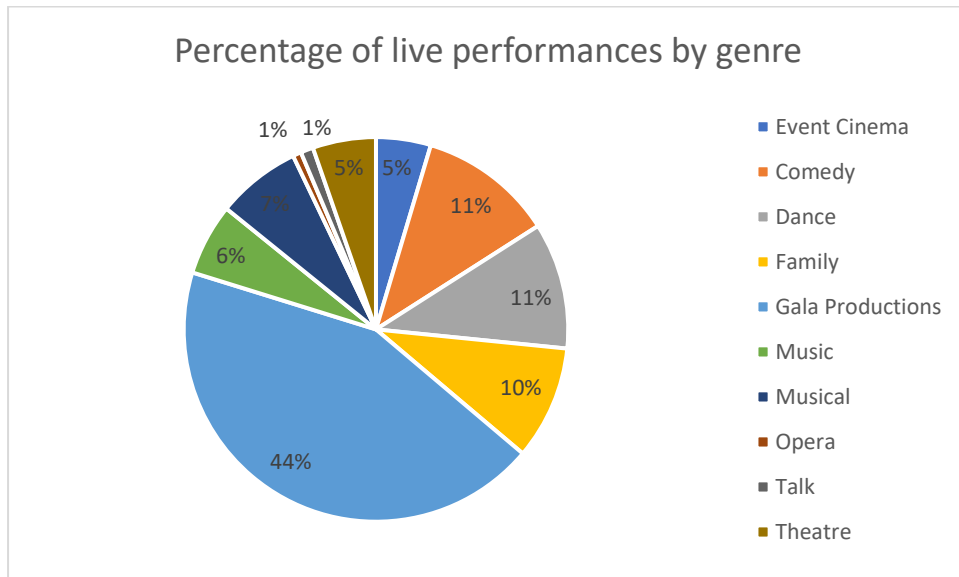


Figure 1 Percentage of live performances by genre at Gala Durham. Gala Productions account for 44% of all live performances.

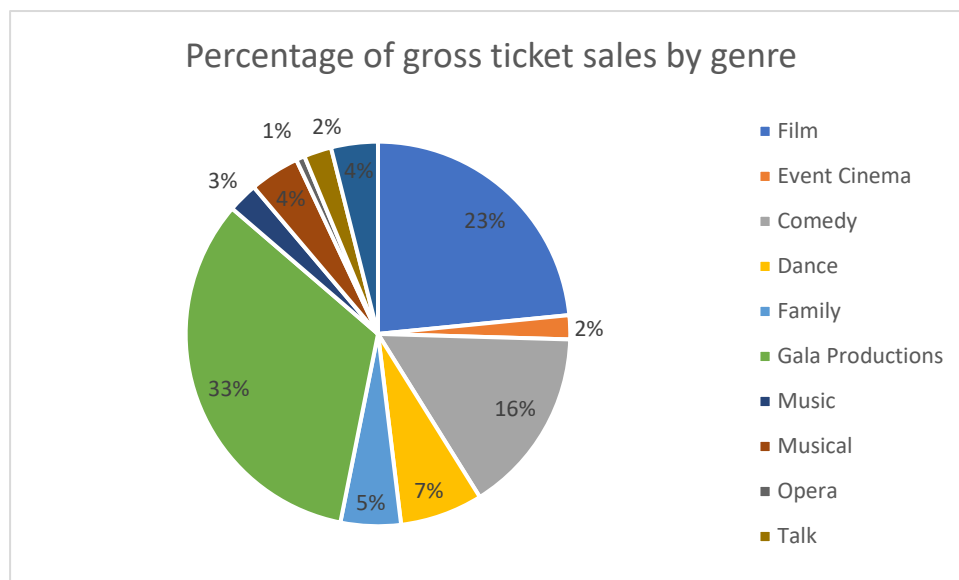


Figure 2 Percentage of gross ticket sales by genre at Gala Durham. In total live performance accounts for 77% of sales with cinema contributing 23%.

67 The programme at Empire is more modest with only 512 screenings and performances of 102 films and productions in 2023/2024. Cinema accounted for 83% of the programme with live performance accounting for only 17%. However, similar to data for the Gala, although there were significantly more film screenings than live performance, cinema

delivers only 14% of gross ticket sales, and in total during 2023/ 2024 almost twice as many people attended live performances compared with cinema screenings; 30,185 vs. 15,251.

- 68 Live performance sold 71% of capacity. This compares favourably to similar sized presenting venues across the UK where on average 50% of seats are sold (data from UK Theatre).
- 69 Empire’s programme covers comedy, dance, family (received), music, drama and talk. The strongest performing area in 2023/2024 were family focussed productions, including pantomime, which accounted for 54% of live performances (Figure 3) and 58% of seats sold (41% of gross income). This is followed by music/musical performances which together delivered 31% of performances, and 32% of total seats sold.
- 70 Overall, in 2023/ 2024 71% of live performance seats, and 7% of cinema seats, were sold, with live performance generating 64% of gross ticket income (Figure 4).

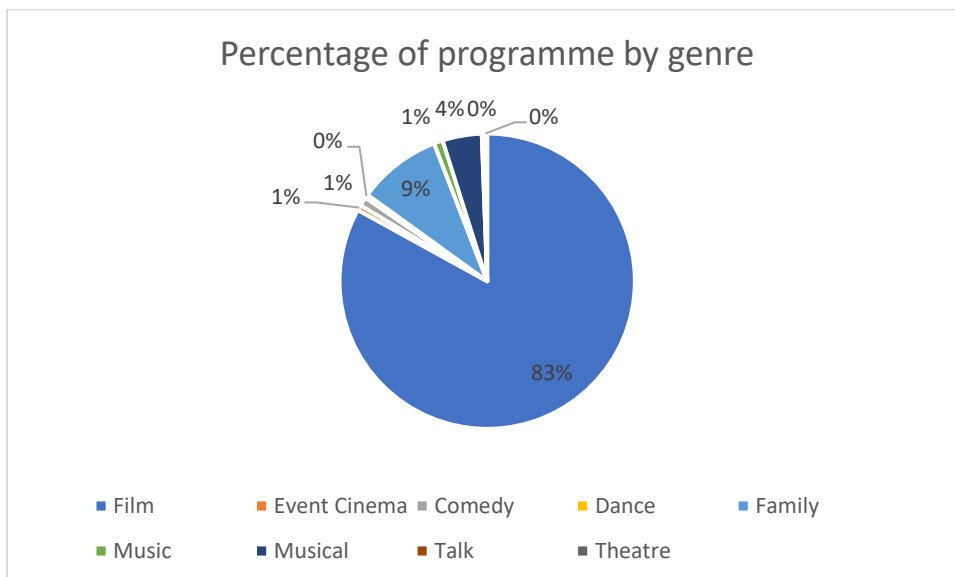


Figure 3 Percentage of live performances by genre at Empire Consett. Of the 102 performances, family programmes, including pantomime, account for 9% of all performances/ screenings but 54% of all live performances.

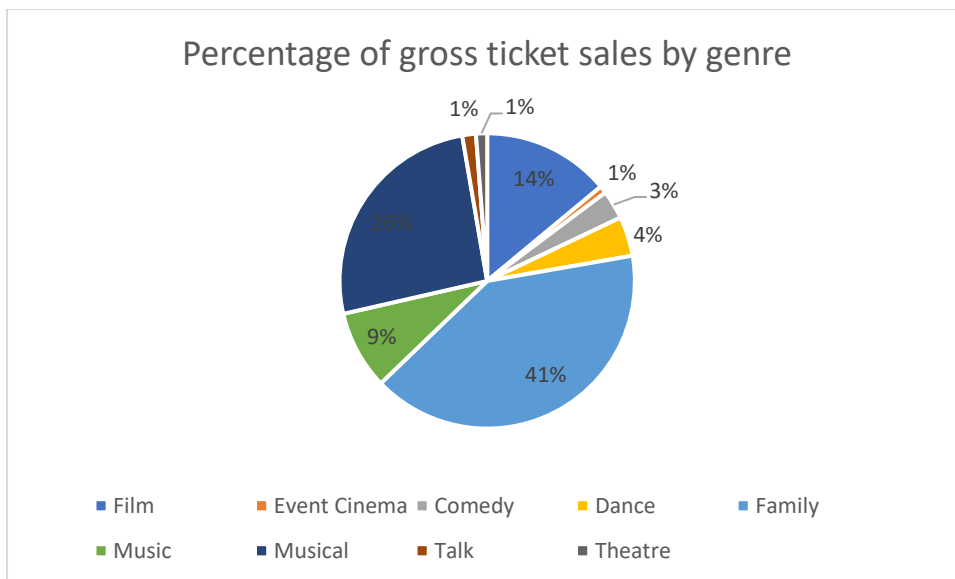


Figure 4 Percentage of gross ticket sales by genre at Empire Consett. In total live performance accounts for 64% of sales with cinema contributing 36%.

- 71 The programme at BATH is our most modest with only 194 screenings and performances of 47 films and productions in 2023/2024. Cinema accounted for 75% of the programme with live performance accounting for 25%. In line with the Gala and Empire, although there were significantly more film screenings than live performance, cinema delivered only 15% of gross ticket sales. In total during 2023/ 2024, more than twice as many people attended live performances compared with cinema screenings; 4,251 vs. 1,846.
- 72 Live performance sold 51% of capacity. This is close to the sector average for similar sized presenting venues across the UK where on average 50% of seats are sold (data from UK Theatre).
- 73 Similar to Gala and Empire, BATH's programme covers comedy, dance, family (external received productions and Gala Productions), music, drama and talk. The strongest performing area in 2023/2024 were family focussed programmes, which accounted for 38% of live performances (Figure 5), 23% of seats sold, and 25% of gross income. This was followed by comedy performances which delivered 27% of live performances, 22% of total seats sold, and 24% of gross income.
- 74 Overall, in 2023/ 2024 55% of live performance seats, and 7% of cinema seats, were sold, with live performance generating 85% of gross ticket income (Figure 6).

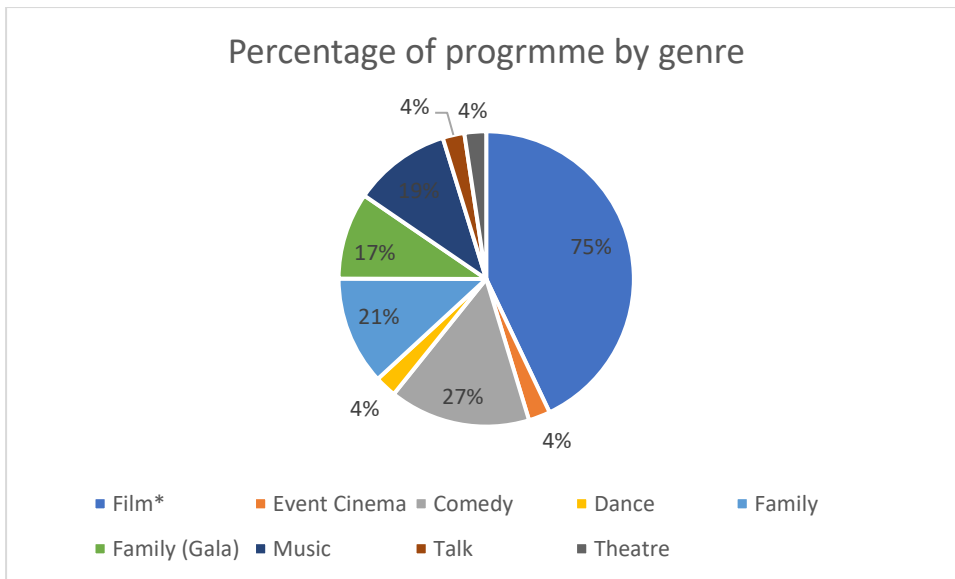


Figure 5 Percentage of live performances by genre at BATH. Of the 194 performances, family programmes lead live performance accounting for 38% of all performances, while film screenings, at 75%, account of the majority of the programme at BATH.

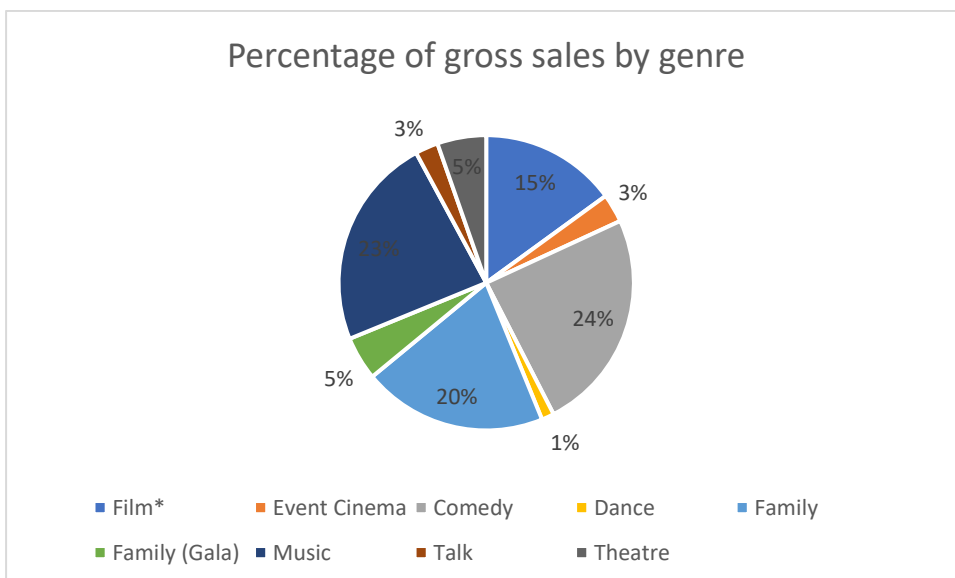


Figure 6 Percentage of gross ticket sales by genre at BATH. In total, live performance accounts for 64% of sales with cinema contributing 36%.

Engagement and participation

75 Research shows that active engagement with the arts, culture and creativity is beneficial for the health and wellbeing of us all. According to research led by the Centre for Cultural Value, 57% of the UK population feel that taking part in arts and culture is important to their wellbeing, positively affecting their mood and helping them to manage anxiety.

- 76 While in 2020, DCMS published evidence summary for policy: The role of arts in improving health and wellbeing⁴ which found that there is strong evidence that arts engagement can enhance aspects of social cohesion, including reducing individual loneliness and isolation, increasing prosocial behaviours, reducing aggression and discrimination, and improving social consciousness As well as evidence that suggested benefits to individuals and communities facing disadvantage, such as reducing discrimination and tensions, and supporting empowerment. They also found some studies suggesting that the arts can particularly support individuals from lower socio-economic backgrounds, enhancing psychological, biological and social outcomes.
- 77 The council's Cultural Venues are well placed to deliver these proven benefits, and to do this we are developing our programmes around five key drivers/ considerations which actively promote a culture of customer-centric continuous improvement:
- a. Ensuring a place-based approach - telling relevant stories
 - b. Delivering programmes that are inclusive and diverse.
 - c. Developing the involvement and voice of our communities to deliver social benefit.
 - d. A focus on opportunities and engagement for children and young people
 - e. Artist development, talent pipeline and support for local talent.
- 78 Gala is proactive in establishing and developing relationships with promoters, artists and theatre companies; and keeps the programme vibrant by avoiding reliance on the same shows returning year after year. In the last few years, the venue has broadened its approach to programming introducing more drama work, and in house produced work, to support and develop audiences.
- 79 Although timescales for programme development are long, we have seen an upturn in sales for Gala's pantomime for the last 3 years with Cinderella in 2023 selling 81% of capacity.

- 80 Producing an in-house pantomime is profitable. Cinderella had production costs of £297,000 but ticket sales of £409,000 and the venue also made additional income from bar, café and merchandise sales.
- 81 The development of in-house produced work has also grown our reputation regionally and nationally within the sector and has opened up co-production opportunities, such as our family work with Wrongsemble, and our theatre productions with Blowin' A Hooley and CaroleW productions.
- 82 The Empire has capacity to increase venue usage. The venue's live programme is very modest, with only 30 live performances in 2023/2024. As part of a review of Empire's programme, consideration will be given to increasing the scale of the live programme.
- 83 The programming team are currently developing a programme policy and approach for the theatres, in line with the wider culture service objectives including inclusivity and diversity, artist professional development and support for local talent, community involvement and social benefit, place-based telling relevant stories, and working with CYPS. This will enable the theatres to develop venue identity and build sector reputation and presence with high quality work.
- 84 This work will also be influenced by the need to approach programming from a budgetary perspective to ensure we generate sufficient income to meet budget requirements and to maximise earned income generation which in turn will support engagement and participation work with the wider county, audiences who are not currently culturally engaged or for whom there are barriers to engagement which may include financial, cultural or health challenges.

Schools and formal education

- 85 As part of the wider Culture, Sport & Tourism restructure in 2023, a new Audience Development & Engagement team was established with dedicated learning engagement roles to help to ensure our venues are recognised and valued as engagement and learning hubs for a range of services, activities, events, and social interaction.
- 86 A dedicated Learning Engagement Support Officer with a theatre specialism is part of this new team. The purpose of this role is to develop and deliver high-quality, learning activities and events and to support and contribute to engagement activities across Gala, Empire and BATH in collaboration with colleagues, partners and businesses.
- 87 A formal schools offer is now being developed. To inform the development of this new offer a Teacher Advisory Group has been

created for the theatres in order to build relationships with schools, and to enable teachers to help shape the programme.

- 88 The team delivered a range of workshops and tours for schools alongside Gala's production of Peter Pan & Wendy in July 2024, working with 200 young people.
- 89 In July 2024, the team also created and delivered a theatre specific weeklong work experience programme at Gala, where 12 young people gained knowledge and experience of various aspects of theatre making including devising, directing, costume, technical, marketing and front of house.

Children and Young People

- 90 With its in-house family productions, the launch of Gala Youth Theatre, engagement with schools, a designated work experience programme and participation in schemes such as Fun & Food, Gala is building its reputation as a cultural hub with a USP for CYPS.
- 91 In September 2023, Gala Youth Theatre was launched. This replaced Gala Theatre Stage School.
- 92 Gala Theatre Stage School was solely concerned with musical theatre – singing, dancing and acting with a focus on performance and members expected to achieve high levels across all three disciplines. Running costs were high due to the numbers of staff required including, for example, an acting coach, choreographer and vocal coach for each session, as well as production costs. Attendance costs were therefore also high and exclusionary.
- 93 Gala Youth Theatre provides young people with a wide range of opportunities to improve confidence, develop performance and creative skills, and make new friends. It is affordable and sessions can be booked weekly.
- 94 In its first year, Gala Youth Theatre engaged with 94 young people aged 4-18.
- 95 This is on par with the number of young people who engaged with GTSS in 2022-23 but Gala Youth Theatre offers wider opportunities for young people to engage with different aspects of theatre making and attracts young people from a greater range of backgrounds.
- 96 Bishop Auckland Town Hall Youth Theatre launched in October 2024.

- 97 In Summer 2024, Gala took part in the Fun and Food programme with a week of workshops and activities available for free for children in receipt of benefits related free school meals.
- 98 A total of 54 young people engaged with the programme over the week taking part in drama, dance and singing workshops, backstage tours and watching performances. The scheme marked many of the young people's first visit to Gala and feedback from both participants and parents was unanimously positive.
- 99 Plans are in development to work more closely with the public health team on fun and food and we have committed to deliver more programmes as part of this scheme across all cultural venues.

Event Cinema Pilot Programme

- 100 In September 2020, DCC received funding from the Arts Council England Covid Recovery Fund (ACECRF) to support the strategic development of Gala Durham, Empire Consett and Bishop Auckland Town Hall, with a view to repositioning of the offer post-Covid to support long term sustainability and resilience.
- 101 External consultants TRG Arts + Purple Seven with FEI were appointed to work with the cultural venues to deliver strategic development support. The scope of the consultancy incorporated a detailed programme analysis, patron loyalty scrutiny, ancillary trading and pricing strategy and strategic business development, with general commentary on marketing and audience development as well as in-depth analysis of sales, demand, and booker behaviour from financial years 2014-20.
- 102 The outputs of this work were a series of recommendations covering several key business areas: staffing, data and resources, audience retention and development, demand and inventory management, and programming for loyalty.
- 103 The recommendations relating to programming for loyalty identified that event cinema can be effective at attracting new audiences. Event cinema is different to standard cinema provision categorised as mainstream films, currently distributed by arrangement with Picturehouse Cinemas. Event cinema includes live and recorded streaming of performances from national institutions like National Theatre Live (NT live) as well as classic cinema presentations and bespoke cinema experiences.
- 104 In January 2023, a change in the programming approach for Gala saw event cinema piloted with a view to increasing usage and income for both cinema tickets and secondary sales. This included programming

themed and specialist events with linked food and drink offers for Valentine's, Pride, Halloween, and Christmas, and screening classic cinema alongside new releases to appeal to a wide range of customers.

- 105 The pilot also introduced regular *Bringing in Baby* and *Gala Seniors* screenings. *Bringing in Baby* screenings provide an opportunity for those with babies or very young children to see the latest releases in a welcoming, baby friendly environment, while *Gala Seniors* screenings showcase classic cinema with a linked discount for the Gala café.
- 106 During the pilot, 20 special screenings were shown with a total audience of 1302 and gross sales of £9,449.
- 107 Following the success of the pilot, this approach was extended at Gala and also introduced at Empire Consett with a family programme during summer 2023 resulting in 1772 additional ticket sales compared to summer 2022.
- 108 Following the pilots this is now an embedded approach to cinema programming across the council's cultural venues.

Sector support and artist development

- 109 The venues are committed to artist development and supporting local talent. Gala is currently working in partnership with local company Blowin' A Hooley Theatre on talent development schemes. These include *Haddaway & Write* and *Yarns From Hyem* which are new writing projects created to remove barriers to theatre and careers in the arts. New plays are written, performed, produced and directed by North East artists and toured to communities in the region.
- 110 The cultural venues team also offer sector support across County Durham. Recent examples include: the Cultural Venues & Programmes Manager and Strategic Manager for Culture, working closely with The Witham to provide support while they undertake resilience planning and business development, and the Cultural Venues & Programme Manager joining the jury for Durham Fringe Festival.

Current pressures

Buildings and facilities

- 111 The demolition of 13-17 Claypath, which began in February 2024, has meant that there has been no access to the service yard or stage door at Gala for nine months. This has affected the programme as the venue has been unable to stage touring shows with large sets as all load ins had to come into the building via front of house routes. It also limited the

number of shows which could be programmed as extra time was needed for 'get-ins' and 'get-outs' of sets.

- 112 Following the demolition of 13-17 Claypath, Durham County Council are seeking a developer for this site, as well as 3-5 Millennium Place which is to be converted and integrated into the new development on 13-17 Claypath. It is expected that construction on this site will begin in 2026, during which time there will again be no access to the service yard or stage door at Gala which will cause further disruption to the venue and its programme.
- 113 There have been ongoing issues with Gala lift due to its age and condition. This has primarily affected cinema sales with the venue unable to programme *Bringing in Baby* or *Gala Seniors* screenings as without the lift to the cinema screens which are on the lower ground floor of the venue there is no level access.
- 114 Gala facilitates events and festivals in support of the broader DCC offer, usually through the provision of space, but increasingly with programme and technical support as well. Supporting these events is a priority for the Culture Service, but the revenue generating theatre programme can often be impacted so .
- 115 Empire was closed between February and September 2024 for essential remedial work in the roof areas. Staff were re-deployed to Gala and Bishop Auckland Town Hall as well as The Lodge in Blackhill & Consett Park to run a temporary Box Office but there has been no income from spring or summer shows or café sales for 6 months.
- 116 We have also had challenges with ageing and failing equipment across the venues including for example the main cinema projector at BATH which had to be replaced this year and lead to loss of screening time and associated income.

Cinema Competition

- 117 Film screening attendances are declining year on year and our cinema offer faces strong competition. The competitor market within the City of Durham is increasing with the following competitors, Odeon Lux, with 6 luxury screens, including a state-of-the-art iSense screen, all with RealD 3D and reclining seats; Everyman; and four student accommodation offering a cinema experience. Outside of the city a Reel cinema will open in Bishop Auckland in 2024. Located in the Fielden Bridge retail and leisure park; this will be a seven screen venue with a luxury Lounge and superior standard screens
- 118 Price is a strong factor for some local people and the Gala offers a cheaper alternative to the major brands. However, following the

pandemic there has been a shift in consumer activity with many people choosing to stay at home and use streaming services such as Netflix, Prime, Disney+ etc. In order to address this change in behaviour many cinemas are re-focussing their offer around the overall experience. Many cinemas now offer high-end food and drink packages with 'table service', luxury seating options, and enhanced sound and vision (e.g. IMAX).

- 119 The event cinema approach outlined in paragraphs 100 to 109 is part of our drive to address this shift in audience behaviour and create an attractive 'event cinema' approach that is experience based and supports revenue generation. However, as more competition comes online we will need to review in detail whether the cinema offer can remain sustainable and resilient in the longer term.

Catering

- 120 All of our cultural venues provide a food and beverage offer which is delivered by an in-house team. While there is a Catering Supervisor at BATH, who is responsible for the offer for both the café and for functions, there is a lack of catering expertise within the other two venues. All three venues have also struggled to recruit to vacant hospitality/ catering roles. As a result, we do not have the in-house expertise to operate a high quality and competitive catering offer that meets our customers' expectations and in all three venues the food and beverage function represents a net cost.
- 121 The catering offer across our cultural venues is currently being considered as part of a wider catering review across the council's varied catering provisions.

Marketing and communications

- 122 Cultural venue marketing is a highly skilled and specialist activity. To deliver against the specialist nature of marketing for cultural/ theatre venues most theatre venues in the UK have dedicated marketing and communications function/ teams within their core establishment, and successful cultural venues have a symbiotic relationship between the programme department and the marketing department, responsible for ticket sales, external communications and audience development. However, marketing for our cultural venues is delivered by the council's central Marketing and Communications team.
- 123 This centralised approach presents a challenge for our cultural venues, as with no dedicated or specialised marketing resource across the venues, whilst accountability for ticket sales and associated income targets rests with the venues, there is no control over the main source

of audience engagement and revenue, or the ability to develop new audiences.

Future approach and development

Audience development

- 124 In 2023, the culture service appointed an Audience Development & Engagement Manager for the first time. The purpose of this role is to lead on the development and implementation of integrated place-based audience development and engagement plans to grow audiences and participation. This work will help us to shape our programme and offer in cultural venues to ensure we achieve both economic and community objectives, and that our programmes and offer remain relevant and targeted.
- 125 In the last year we have reviewed the data we hold and collect in respect of these venues to ensure we are able to gather better quality audience data to support our future plans, and we are using this to inform ways to retain loyalty, reduce lapsed attenders, and increase frequency of attendance and impact.

Demand-based pricing and inventory management

- 126 Inventory Management is a demand-based approach to decide when individual seats are released for sale and uses this to drive customer behaviour. Demand based pricing, often referred to as dynamic ticketing, bases the ticket price on the demand at the time of sale and is widely used nationally and internationally by a wide range of ticketing services including Ticketmaster, but also airlines, Amazon, and Uber.
- 127 A staggered seat release process based on this approach, informed by historical sales data, and banded pricing, enables greater access to cheaper tickets, encourages earlier booking, helps to reinforce the perception of success when there is little demand, builds customer loyalty and grows revenue by improving fill patterns.
- 128 In this process, there are still the same number of seats in the same locations. However, the price of those seats increases or decreases based on how well they are selling. This approach requires regular review and analysis but is not overly burdensome. Managers control the process, making weekly decisions on when prices should be increased or decreased. All performances are marketed as 'Prices from £X,' which enables prices to fluctuate based on demand, without changing marketing materials.
- 129 Demand Based Pricing is used widely and successfully at many cultural venues and theatres across the UK and is increasingly becoming

standard practice within the sector. Several well-known North East venues, including ARC Stockton, Glasshouse International Centre for Music (formally known as the Sage Gateshead) and Newcastle Theatre Royal already use this approach to maximise ticket sales and earned income.

- 130 All DCC theatre venues are now moving to demand based pricing in order to maximise income and sales.

Fundraising

- 131 There has not previously been any targeted external fundraising for our theatre venues and programmes. To address this and ensure we are making the most of opportunities a new fundraising strategy is being developed to support the theatres' work.

- 132 Introduced in 2014, Theatres Tax Relief (TTR) was intended to offset pressures on the theatre industry and boost investment in the cultural sectors. Rates for this cultural relief were temporarily increased from October 2021 to help the sector in their economic recovery from COVID-19 and the increase was extended for a further 2 years at Spring Budget 2023. From 1 April 2025, the rate of TTR will be permanently set at 40% for non-touring productions and 45% for touring productions.

- 133 The introduction of TTR has enabled many theatres to develop high quality, distinctive and attractive programmes to drive revenue and audiences. Including theatres supported by local authorities but run by other organisations such as charitable trusts.

- 134 Currently Gala, Empire and BATH, as local authority run venues, are not eligible for Theatre Tax Relief (TTR).

Conclusion

- 135 We are repositioning our cultural venues both for and with audiences and within the wider sector.

- 136 Artistic and programming policies will be more clearly defined, and audience engagement and development initiatives will be undertaken to build and sustain audience levels and drive revenue.

- 137 We will focus on delivering financial sustainable and resilient programmes.

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Covered in report

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Any proposals will be subject to an Equality Impact Assessment

Human Rights

Not applicable

Climate Change

Although not specifically detailed in this report, climate change and sustainability will be key considerations in further review of the physical cultural venues estate.

Crime and Disorder

Although not specifically detailed in this report, it is still expected that cultural venues will have a positive contribution to overall social value, which will include crime and disorder, but also a much broader and holistic impact across a number of dimensions.

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Any procurement in relation to cultural venues and programmes will be undertaken under the Council's contract procurement rules and with advice of the corporate procurement team