

**For publication**

**Chesterfield Theatres Marketing and Pricing Strategies**

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Meeting: Community, Customer and Organisational Scrutiny Committee

Date: 28 November, 2019

Cabinet portfolio: Town Centres and Visitor Economy

Report by: Arts and Venues Manager

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<b>Purpose of reviewing the topic</b>	To consider the marketing and pricing strategies of Chesterfield Theatres in the context of the overall attendance and budget figures for the theatres, and the contribution of the strategies to the Council Plan priorities: <ul style="list-style-type: none"><li>○ <i>'Making Chesterfield a thriving borough'</i></li><li>○ <i>'Improving quality of life for local people'</i></li><li>○ <i>'Providing value for money services'</i>.</li></ul>
<b>Objectives of the review</b>	To consider the impact of the Chesterfield Theatres marketing and pricing strategies on achieving the Council Plan priorities and specific objectives: <ul style="list-style-type: none"><li>○ <i>'Enable people to access our ... cultural services by maintaining our commitment to a fair and transparent concessions policy'</i></li><li>○ <i>'Reduce the subsidy further for our theatres ...'</i></li></ul>

<p><b>Key Issues for review</b></p>	<p>Aspects of the marketing and pricing strategies, including:</p> <ul style="list-style-type: none"> <li>○ Availability of a loyalty card scheme</li> <li>○ Availability of family ticket options and discounts for those on low wages</li> <li>○ Provision to support those with special needs and/or vulnerability</li> <li>○ Use and impact of special promotions</li> <li>○ Impact of on-costs in accessing the theatres, such as costs of taxis if bus services not available</li> <li>○ Use of technology within marketing, such as QR codes</li> </ul>
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## 1.0 Background

1.1 In 2018/19 the Pomegranate Theatre operated at a deficit of **£92,032 (net controllable costs)**. The theatre earned £1,081,697 in income in 2018/19, the majority of which, £703,646 came from gross ticket sales, £145,496 from bar and other front of house sales and £62,365 through the hire of the theatre, and £106,941 from gross booking fees for both venues.

1.2 In the same financial year, the Winding Wheel Theatre operated at a deficit of **£311,711 (net controllable costs)**. It earned a total of £752,659 in income in 2018/19 of which £483,270 came from gross ticket sales, £147,117 from bar and other front of house sales and £73,498 from room lettings, and associated equipment hire.

1.3 Net controllable costs for the venues are defined as total costs of operating the venues less internal council recharges, IAS 19 adjustments, and capital depreciation costs.

- 1.4 The Council implemented an improvement programme for the venues, following a review in 2011, the key aims of which were to integrate the operation of the venues, improve the arts and cultural offer of the two theatres and reduce the overall subsidy from the Council tax payer. This has seen a significant reduction in the net operational costs for the service. The annual net controllable costs of the Winding Wheel Theatre and the Pomegranate Theatre have been reduced from £687,931 in 2011/12 to £403,743 in 2018/19. This is a reduction of £284,188 which is equivalent to a reduction of 41%.
- 1.5 In 2018, due to the ongoing financial challenges which the Council faced, the Venues were asked to find further savings in its net operational costs. It was tasked with reducing the net controllable costs of the service to NIL.
- 1.6 In the new Council plan for 2019-2023, under the priority *Providing value for money services*, and the objective, *Become and stay financially self-sufficient*, the objective *Reduce the subsidy to zero (net operational costs) for our theatres* is included.
- 1.7 A medium-term financial plan for the Venues has been developed. This plan outlines a route to deficit reduction which relies on a focussed commercial approach to the management and operation of the venues. It combines income growth, and cost savings achieved through procurement and negotiation. The plan builds on the financial improvements achieved at the venues in recent years and envisages incremental change, which will deliver financial benefits in a sustainable way.

## 2.0 **Current position**

- 2.1 Ticket prices for shows at Pomegranate Theatre and Winding Wheel Theatre are negotiated with the visiting production companies throughout the year when productions are booked. Ticket prices vary depending on the promoter's requirements, the costs of the production, and local considerations.
- 2.2 There are a wide range of prices on offer, ranging from approximately £8 for a cinema screening to £15 for family show to £22 for a play to £24 for a TV comedian to £30 for a West End musical.
- 2.3 We agree concessionary prices for many productions, but this depends on the individual promoters. In line with the Council's concessionary policy introduced in November 2016, concessions are based on either income, age or other category, and the current list of concessions is included in Appendix A.
- 2.4 The value of these concessions vary in value depending on the production. For example, for the pantomime at the Pomegranate Theatre, at many performances, there is a discount of £1 per ticket for most concessions, and a discount £2.50 for children. Whilst at some of the performances of the forthcoming production of **Joseph and the Amazing Technicolor Dreamcoat** at the Winding Wheel Theatre, there is a discount of £2 per ticket for concessions (including children), and a discount of £8 per ticket for school parties.
- 2.5 The details of the concessionary prices are detailed in the season brochure of events, and on our website.
- 2.6 In addition to concessionary prices, special promotions are offered from time to time, including family tickets. For example, for **Peppa Pig** at the Pomegranate Theatre

in August 2020, there is a family ticket for 4 people (2 adults and 2 children) which offers a discount of £3 on the normal single ticket prices.

- 2.7 For certain productions, there are also reduced-price Standby tickets which are available for young persons (aged 16 to 25 years old) and local residents visiting the theatre for the first time.
- 2.8 Also, we offer discounts to customers who are members of "Friends of the Pomegranate Theatre" – this is a paid membership scheme with various benefits which are detailed in Appendix A
- 2.9 We are committed to improving access to our venues, and we provide a wide range of activities to improve access, and these are detailed in Appendix B. For example, there is an ongoing programme of screenings for people with dementia and their carers at the Winding Wheel Theatre. In addition, there are signed, audio described, and relaxed performances arranged for **Jack and the Beanstalk** at the Pomegranate Theatre.
- 2.10 From our most recent survey, we have estimated that 80% of our customers visited the theatres by car, whilst 12% used the bus, 4% walked, and 3% came by taxi.
- 2.11 Many of our customers qualify for free parking as residents of Chesterfield Borough Council and can park before 10am, and after 3.30pm and any time on Sunday / Bank Holiday at many of the local council car parks. In addition, many of our customers qualify for free bus travel in Derbyshire as they have the Gold Card and can travel after 9:30am up to 11pm weekdays and at any time during weekends and bank holidays.
- 2.12 Approximately 94% of our customers have access to the internet, and approximately 86% of our customers look

at the Chesterfield Theatres website. In October 2018, the ticketing software system was upgraded and since then there has been an increase in online sales. Overall approximately 50% of our tickets (by value) are purchased online. This figure is growing all the time, and online sales have been as high as 85% of tickets sold (by value) for a recent show at the Winding Wheel Theatre.

### 3.0 **Barriers/obstacles**

- 3.1 Chesterfield Theatres operate in a competitive commercial environment. Whilst approximately 50% of our customers are from the Chesterfield local area approximately 50% live outside the borough.
- 3.2 Residents in the region have a significant amount of choice for entertainment, ranging from theatres/ concert halls and cinemas in Sheffield, Rotherham, Doncaster, Mansfield, Nottingham, Derby, and Buxton. Our theatre pricing and marketing considers the programmes and pricing offered by our competitors.
- 3.3 In order to achieve the income targets required to reduce the operational deficit at the theatres, a commercial approach is required to increase income.

### 4.0 **Future plans**

- 4.1 We are currently looking at extending the current membership scheme to include shows at the Winding Wheel Theatre, and are also considering a separate membership scheme for cinema. In addition, we are considering a loyalty card scheme. We are currently researching these options with our customers, and are planning to finalise our plans in February 2020, once the research has been completed.

4.2 We are considering the use of scanners at Chesterfield Theatres, which would enable us to offer paper-less tickets. We already currently operate an e-ticket system but currently require our customers to print these e-tickets out and present them like traditional tickets. The Royal National Theatre in London are introducing paperless tickets, and it was reported in The Guardian on 5<sup>th</sup> November 2019 that the theatre “would be introducing paperless ticketing in order to reduce its environmental impact and improve the customer experience”.

## 5.0 Conclusion

5.1 A wide range of events are offered at Chesterfield Theatres, and a wide range of ticket prices on offer. For many events there is a range of concessions, and discounts. In addition, we are working with the local community to improve access to our venues and have plans to further increase audiences for the productions.

### Document information

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<b>Background documents</b> None	
<b>Appendices to the report</b>	
Appendix A	<u>Appendix A – Chesterfield Theatre Concessions and Discounts</u>
Appendix B	<u>Appendix B – Improving access to</u>

## **Appendix A - Chesterfield Theatre Concessions and Discounts**

Where applicable, concessions are available to those under 16, people at or over the national state retirement age and in receipt of state pension, full-time students, active armed forces members, carers in receipt of carers' allowance, carers credit or carers premium (when accompanying the person registered to care for), and people claiming certain benefits. Please be prepared to provide proof of status.

Concession category	Evidence required
Income based: <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Income Based Job Seekers Allowance</li> <li>• Council Tax Benefit</li> <li>• Housing Benefit</li> <li>• Universal Credit with no earned income</li> <li>• Universal Credit with housing element</li> <li>• Employment Support Allowance</li> <li>• Severe Disablement Allowance</li> <li>• Universal Credit no work capability element</li> <li>• Full time students</li> </ul>	Award letter within the last 12 months from the Department of Work and Pensions.  An entitlement notice from Local Authority/ Council within the last 12 months highlighting a reduced charge owing to any of the benefit entitlements / criteria.  A valid full-time student ID card
Age: <ul style="list-style-type: none"> <li>• People at or over the</li> </ul>	Photographic ID, Pension book/

<p>national state retirement age and in receipt of state pension</p> <ul style="list-style-type: none"> <li>• Children and young people under the age of 16</li> <li>• Care leavers under the age of 25.</li> </ul>	<p>award letter within the last 12 months from the Department of Work and Pensions.</p> <p>Photographic ID.</p> <p>Letter / Entitlement Notice from the relevant Local Authority.</p>
<p>Other:</p> <ul style="list-style-type: none"> <li>• Active armed forces members</li> <li>• A carer in receipt of carers' allowance, carers credit or carers premium (when accompanying the person registered to care for).</li> </ul>	<p>Photographic armed forces ID card.</p> <p>Award letter within the last 12 months from the Department of Work and Pensions.</p>

## **ACCESS**

We are committed to giving you a warm welcome and making your visit as comfortable as possible. Please inform the Box Office if you need any assistance.

Wheelchair spaces can be booked online, over the phone or in person. Both venues have designated spaces in the stalls/auditorium for wheelchair users. Wheelchair users must be accompanied by a companion, who will be given one free ticket. Please inform the Box Office when booking if you are a wheelchair user.

For customers with other access needs, we offer one free ticket

for essential companions only. This is available when booking in person or over the phone. Please be aware that we will require information about your access needs when a booking is made.

## **CHILDREN**

Children are welcome at the Pomegranate Theatre and Winding Wheel Theatre. Please see individual shows for guidance on age restrictions.

- Children under 16 must be accompanied by an adult
- All children regardless of age, must have a ticket for the performance
- Babies up to one year old can sit on a guardian's knee at no charge and will be issued a free ticket
- Any child aged one year or above will be required to have a paid ticket
- A limited number of booster seats are available at the Pomegranate Theatre on request

## **FRIENDS OF THE POMEGRANATE THEATRE**

Friends of the Pomegranate Theatre is a paid membership scheme to which customers will need to renew their membership every 12 months. Friends tickets can be booked in person or over the phone.

### **Member benefits include:**

- 20% off selected dramas and the annual pantomime at the Pomegranate Theatre
- Special rates for selected live events including ballets and concerts at the Pomegranate Theatre
- 50p off tickets for films at the Pomegranate Theatre which are part of Pomegranate Screenings
- 10% off most satellite broadcasts at the Pomegranate Theatre- Priority booking for selected events which will be announced via e-Newsletter, in the Chesterfield Theatres Brochure and online at [www.chesterfieldtheatres.co.uk](http://www.chesterfieldtheatres.co.uk).

- Reserve tickets for all events at the Pomegranate Theatre and Winding Wheel (see the Reservations section for further details)
- Free parking pass for evening events that have Friends discount and start after 6pm. The free parking passes are valid in Chesterfield Borough Council car parks without a barrier including Holywell Cross.

The price for an annual membership is £15, £10 for a concession and £5 for under 18s.

### **STANDBY TICKETS**

Two types of Standby tickets are now available for selected shows at Chesterfield Theatres. These tickets are typically priced at £7.90 and are available to book from 10am on the day of the specified performance/s by calling the Box Office 01246 345 222. The types of standby tickets are details below.

#### **Young Person Standby Ticket**

For ages 16 - 25

#### **First Timer's Standby Ticket**

If you are a resident of Chesterfield Borough Council and you have not been to either the Winding Wheel or Pomegranate Theatre, you can purchase a 'First Timer' Standby Ticket for the first performance you attend at either Theatre.

## **Appendix B – Improving access to Chesterfield Theatres**

**Chesterfield Theatres has a range of accessible events. Accessible performances are listed below, as well as a description of what to expect from each type of access.**



### **[Dementia Friendly Screening: Miracle on 34th Street](#)**

the Winding Wheel

Tuesday 10 December 2019, 1pm-4pm (Film starts 1.30pm)

#### **Audio Described**

The Pomegranate Theatre has an audio description box in Auditorium. The Audio Describer will use natural pauses in dialog to verbally communicate what is happening on stage & Audience members who wish to hear the narration will be provided with a headset.

#### **Captioned**

Captions for shows at the theatre are displayed in a digital unit box near the stage. A qualified captioner prepares the captions in advance, then cues them 'live' as the action unfolds on stage.

#### **Relaxed Performances**

Open to everyone and is specifically adapted for those with learning disabilities and other sensory and communication disorders – providing a more relaxed and supportive atmosphere in order to reduce anxiety and allow people to experience live theatre.

#### **Signed and Performances without Spoken Dialogue**

Some performances at the theatre have a British sign language interpreter at the side of the stage. and other may be a wordless performance.

#### **Familiarisation Tours**

There are no familiarisation tours available to book at the

moment but please do check back as we have new shows added to our website on a regular basis.

### **Touch Tours**

Available on selected performances, touch tours are guided tours around the set and costumes of a production, putting the performance in context to enhance the experience for blind and partially sighted customers.

### **Chesterfield Theatres Access Group**

Chesterfield Theatres runs a regular accessibility forum. The forum is open to all who would like to get involved in improving access at Chesterfield Theatres. When the next date is available, it will be announced below.

## **ACCESSIBILITY OVERVIEW**

**Assisting dogs** are welcome at all venues but please let the Box Office know when booking.

**Large print** versions of printed materials can be made available on request, advanced notice required.

**Essential companions** can be admitted for free. They will need to be allocated a ticket at the time of booking.

**Car Parking** There is currently 1 dedicated disabled parking space outside the main entrance of the Pomegranate Theatre. And, there are a number of car parks close to the Theatres and Visitor Information Centre with disabled parking.

**Emergency procedures** are in place at all our venues to assist anyone with a disability to exit the venue safely in the event of an evacuation. Equipment is installed to assist with this on stairways and staff members are trained regularly in its use.

## **CUSTOMERS WHO ARE MOBILITY IMPAIRED**

Both venues have designated spaces in the stalls/auditorium for wheelchair users and have adapted toilets. Please be aware that health and safety regulations require that users remain in the wheelchair during performances.

### **Main Box Office** (Visitor Information Centre)

Fully accessible, induction Loop

### **Pomegranate Theatre**

Main entrance and stalls – fully accessible, wheelchair seats & toilets facilities

Theatre Bar – accessed via stairs/stair lift

Theatre Circle – not accessible for wheelchair users due to stairs & no lift

### **Winding Wheel**

Main entrance – fully accessible

Auditorium (ground floor) – fully accessible

Circle (floor 1) – accessible via stairs/lift

Function Room (floor 1) - accessible via stairs/lift. Small ramp to gain access to the Function Room

Ballroom (floor 2) - accessible via stairs/lift. Small ramp to gain access to the Ballroom

## **CUSTOMERS WHO ARE HEARING IMPAIRED**

### **Main Box Office** (Visitor Information Centre)

Induction Loop

### **Pomegranate Theatre**

Pomegranate Theatre on the night Box Office – Induction Loop, two way microphone and speaker system

Auditorium – Infra red hearing assist headsets

### **Winding Wheel**

Winding Wheel Auditorium - Infra red hearing assist headsets &

Wireless Neck Loops

Winding Wheel Function Room – Induction Loop

Winding Wheel Ballroom - Infra red hearing assist headsets &

Wireless Neck Loops