

HAZLITT THEATRE

Business Plan 2021/22

Year 9 of 15

October 2021 - September 2022



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Executive Summary

The period of this Plan covers proposed activity at The Hazlitt Theatre over the contractual period October 2021 through September 2022, which constitutes the 9th year of the 15 year contract between Parkwood and Maidstone Borough Council.

As we learn to live with Covid in the coming year we will continue to face challenges. We will need to increase some prices to combat the economic challenges from rises in minimum and national wage and rising supply costs, in particular for utilities. These rises will be restrained however, mindful of the pressures being faced by the local community on their wallets and purses due to inflationary effects on households.

Our energies will remain focused on providing safe and comfortable facilities for our customers to enjoy the creative arts. The presented programme is already full, and we anticipate our classes returning to pre pandemic attendance levels. We remain confident that all KPI's can be at least met if not exceeded, but we do expect a tough year commercially. Ticket sales for next year are below pre pandemic levels but we recognise that there is caution and hesitancy in the market at present, and this is being witnessed across UK theatreland. The 2021 year end pantomime will not hit the heady attendance heights we had reached pre pandemic. Many of the local schools have cancelled due to covid concerns, and their ticket allocation has been shifted into 2022. The lack of a junior performing company will also impact sales this year, but this is something that we felt was unavoidable due to the risks presented backstage of infection, leading to cancellations.

Our Hazlitt personnel have returned to work and due to their efforts in getting the Hazlitt to the strong place it was in 2019, we are confident that we have weathered the worst of the storm and can build rapidly back to, and then beyond the achievements we previously have attained. It is also clear that the Maidstone community are with us.

Note on current challenges inflicted by the pandemic

2020/21 was an unprecedented year for the theatre sector in England. According to Arts Council England "The Covid-19 pandemic has represented the biggest crisis for the cultural sector since the Second World War, with many organisations among the first to close and last to reopen during national and local lockdowns."

As predominantly a receiving house, the Hazlitt main stage experiences all of the bumps in the road, stresses and traumas that the wider industry is currently encountering. As a local community arts participation provider, which is the other side of the Hazlitt offer, other different challenges are being faced up to.

In year 8 of the contract term the venue's opportunity to generate income was restricted to the period from May to October, and within that period, covid measures and cautionary behaviours impacted. Virtually all of the staff were furloughed or part furloughed for the entire contract year with the job retention scheme only finishing at the end of September. Moreover we had to deal with the Council decision to terminate the contract and then the reversal of that option.

The intervention of the government's cultural recovery fund and job retention scheme, aligned with Parkwoods astute management of resources meant that the Hazlitt made it through the year. However, Covid has not exited stage left, and with a lack of published financial support mechanisms on the horizon, we face a testing year ahead.

After reopening to audiences in May theatres did have a surge in sales but that plateaued around September and we have not managed to reach sales comparative to pre pandemic levels. This is the current reality for all UK theatres. With covid cases on the rise and impending threats of further measures to combat rises, we anticipate that sales will remain sluggish and unpredictable for the majority of contract year 9. In addition sales patterns are now very different with late sales being far more prevalent. This undermines confidence for producers, a lot of whom are more hesitant to send tours out. The theatre industry is speculating that it could take up to four years for the sector to recover to pre pandemic position.

We face problems with recruitment, in particular on the technical side and with front of house stewards. The entire industry is facing skilled technical staff shortages as many have chosen to leave the industry with more lucrative offers from other industries such as transportation. Competition and wage inflation has made theatre front of house pay rates uncompetitive. New national minimum wage and national living wage rates will be a challenge as they shrink the gap between casual and contracted staff rates, which will inevitably lead to a call to increase wages across the board. Current inflation rates at 3%+ also provide additional pressures.

Supply chains to the industry are under stress and unprecedented delays are the current norm. Whether it be timber for set builds or food and drink supplies for the bar we are having to adapt, compromise and deal with it.

Cost of living challenges will impact on our patrons ability to buy tickets as household budgets feel the strain. Utility prices are going to make a much greater indent into expenditure lines than previously felt.

With all of the above in mind we approach the period of this Plan which covers proposed activity at The Hazlitt Theatre over the contractual period October 2021 through September 2022, which constitutes the 9th year of the 15 year contract between Parkwood and Maidstone Borough Council.

It will be a tough year and we will need to increase some of our prices to combat the challenges outlined, but also be mindful of the constraints being faced by the local community. If our energy is focused and we tackle all of the risks in the way we have managed the pandemic thus far, we will have a successful year, even if it is not a commercially lucrative one.

Company Update

Parkwood Leisure has managed the Covid-19 period more robustly than almost all of our leisure operator competitors. However we know that we must now transition into an equally challenging period, where not only we drive recovery but embrace the huge inroads we have made in systems; strategy and innovation and broaden our horizons to start embracing the 'art of the possible!'

Our mission is to create strong, lasting partnerships, built on a foundation of efficient and effective delivery, to encourage happier and healthier lifestyles. Our collaborative approach is based on honesty and transparency, working closely with local authorities to deliver against their own corporate, commercial and social objectives.

Hazlitt Aims & Objectives

- Maximise the number of persons using the Hazlitt in the most cost effective manner.
- Promote the Hazlitt's availability as a venue and encourage residents of and visitors to the Borough to make use of them.
- Invest in improvements to existing programmes and facilities and/or the development of new ones.
- Continue to build on the work put in place creating best practice relationships with other local businesses and outlets.
- Encourage the activities of bodies concerned with the promotion of theatre and arts within the Borough.
- Support the Council's objectives and priorities to:
 - Provide excellent performing and educational facilities
 - Support programming and operational activities for community events
 - Reduce the overall cost to the Council
 - Improve maintenance standards.
- Take account of the need to develop young people
- Engage with the Council and the community to deliver and/or support other cultural events.

Current Performance

In the eighth year of the contract October 1st 2020 to September 30th 2021 we sold 15,115 tickets for performances at the Hazlitt. This forecast figure represents a fall in sales from the 42,357 for the same period sales achieved in the previous 2019/20 contract period. The obvious reason for the fall in sales was due to covid and for the period 20/21 we were shut for most of that time.

As it stands, and taking the pantomime production out of the equation, we currently have 37,727 seats on sale in 2022 of which 6,202 are already sold meaning possible seats sold to capacity currently stands at 17%. The contractual year, October 2021 to close of September 2022, will see 293 live performances take place as scheduled at this point. This is an exceptional number of live performances due to all of the rescheduling that took place following the forced closure from the covid pandemic. For the venue to reach 50% capacity this would mean the venue selling 49,810 seats.

With the expansion of our community offerings and the dense programme the venue will be

dormant for only 42 days in this contractual year meaning the number of days of usage stands at 323. For purposes of maintenance and statutory compliance works we do not see any of the remaining 42 dormant days for other programming or events.

2021/22 Plan

Pricing

Ticket pricing is largely determined by the visiting company depending on possible capacities. The venue does on occasion negotiate if the price being suggested is too low or, in some cases, too high. There is a general price bracket for the Hazlitt Tickets which falls between £22 - £30. We also have to be mindful of other local theatres and their ticket prices for similar shows to remain competitive but at the same time affordable.

Our hire prices were set to rise at the beginning of 2022 but due to the pandemic we are holding off a price hike to ensure and encourage our community companies to continue to use the Hazlitt Theatre. This will be reviewed during 2022 with an option to increase hire prices in 2023 following consultation with the Hazlitt User Group.

Ticket prices continue to be negotiated with promoters and managers on individual visiting shows but on the whole we have increased the booking fee per ticket from £1.50 to £2. This booking fee is to cover the administrative duties in the selling of the ticket and with utilities and minimum wage going up in this contractual year this was one revenue stream that could be raised to aid offsetting the extra expenditure.

We have the desire to keep this year's outdoor project at £5 a ticket but that is dependent on funding streams.

The price of the dance sessions and the choir have gone up for the first time in Parkwood Leisure's tenure. Both the Choir and Dance Membership has gone from £55 to £65 per term. This is still either below or extremely competitive with other local establishments that offer similar services and as both of these groups have grown we are having to employ more staff.

Staffing

2020/21 saw the venue fill these roles.

- Two new technicians have joined the team following the departure of several staff members from this department.
- One box office team member.
- One Youth Theatre Leader (Maternity cover - job share)
- Numerous bar and FOH staff
- Numerous Youth Theatre/Dance assistants

The 2022 budget will facilitate the return of the Caretaker role at the venue and very recently the Marketing & Development Manager left their post so we are in the process of replacing that role.

Strategy 2021/22

We will continue to have plans in place to facilitate any further possible changes regarding covid and or restrictions. However the desire is to deliver an extremely busy programme of events even more so now following the amount of rescheduling forced upon us due to the closure.

We have for, some time now, wanted to capitalize on our community offerings, expand them and develop the current outreach. The pandemic that forced the closure of the venue has given us the opportunity to do this as some of our regular users have not come back so we see this as a starting point to offer what those groups delivered but using our in-house team.

2022 will see the launch of the Hazlitt Institute (HI). HI will encompass all that we presently have by way of our Youth Theatre, Dance Company, Choir and outreach work but be expanded by delivering more opportunities for our customers. As an example two users that haven't come back are Dancing for Fun (a dance session aimed at an older demographic) and Hopshed (an inclusive theatre company for young people) so we aim to now deliver similar sessions plus expanding what we currently do. The Dance Company has moved quickly in terms of numbers and 2022 will see a brand new weekend delivery offering new dance disciplines and genres. We want the Hazlitt Institute to go from strength to strength in 2022.

There is a desire for the venue to become more sophisticated in its use of social media to promote all that we do. We are now working more closely with Parkwood's central marketing team to develop some of the staple promotional tools we have in place such as the website. However, we are also now working with specialists in the social media field, such as we are with the Pantomime 2021, to enhance what we offer in an attempt to develop new audiences as well as keep our current customer base up to date with the tools we know they use.

Programming

The programme, to a degree, has looked after itself for the reason stated earlier which was all of the rescheduling. We are still able to offer a wide and varied programme but due to the amount we are concerned that some shows may slip by the way. We are keen to cease further rescheduling and agreeing with managers and promoters that some shows should be cancelled at no cost to either party.

The genres that the contractual years programme will cover include the following; Drama, Music, Dance, Tribute, Comedy, An Evening With, Family, Alternative. A full list of the shows on offer can be found using the link below.

<https://www.parkwoodtheatres.co.uk/hazlitt-theatre/Whats-On>

Pantomime

2021 will see the venue deliver a version of Jack and the Beanstalk. In an attempt to mitigate financial risk, as well as take the opportunity to see what difference it makes, if any, with ticket sales, we made the decision to not cast a celebrity and move from a live band to pre-recorded tracks for the musical element of the show. We have pondered over the years as to how

important a celebrity name is to a production and this felt like the perfect year to produce a show without the name and the cost that brings. Whereas a live band is a lovely luxury to have, we have noticed that other, larger, pantomime producers have made the switch to pre-recorded tracks. With the software available at the moment it has increased the quality of the final sound of pre-recorded work immensely.

The 2022 pantomime is looking like a return to Sleeping Beauty and will be launched at the opening of the 2021 pantomime.

Audience Development

We are seeking opportunities to develop our own work in order to target new and specific audiences. A specific audience we know we should be attracting a lot more people from is the 20 - 35yr old age category. We are hoping that the programming of the regular comedy stores will attract this age group and then to develop the programme for this age group further from the feedback we receive. A new explanation of how we will be gathering feedback is given later in this document.

We want to become more inclusive and diverse and have shows to try and attract a different audience and offer opportunities for all people to enjoy the theatre. Examples of this type of programming are 'Sign Along With Us' which is a show aimed at deaf people or those that are hard of hearing, The Kakatsisi Drummers who are a group of traditional drummers from Ghana and we will be offering a relaxed performance at our 2021 Pantomime.

One area that we are keen on audience development is to follow up on the success of 2021's outdoor production of Alice in Wonderland at Cobtree Park. It was successful on so many levels but none more so than the amount of audience it attracted but also the type of audience. With most of the production being underwritten by the Cultural Recovery Fund we were able to offer the performances with £5 tickets. This gave the opportunity for families who can't necessarily afford the average ticket price to attend a live piece of theatre, it meant we attracted a lot more families and it appealed to those customers that are looking for a more unique experience when it comes to watching theatre. We are looking at another show this summer but seeking some funding is paramount to its success.

Outreach Programme/Cultural Development:

Pre the lockdown the Hazlitt Theatre was sharing a professional partnership with Maplesden Noakes which saw both parties mutually benefit from working together in a bespoke manner. Since then we have been contacted by a few more schools and now have Maidstone Grammar School for Girls and Oakwood Grammar on board. A professional partnership is a bespoke package resulting in the schools receiving workshops, theatre visits, forums, one to one work with students, ticket discounts and work experience opportunities and in return the theatre is remunerated for work delivered and the theatre and it's events and programme are promoted within the school and it's wider community.

We aim to re-engage properly with our community groups at the beginning of 2022 by way of holding regular meetings as we did prior to the pandemic. Most of these groups still have bookings at the venue for this contractual year and we see the opportunity to once again

communicate with them face to face highly important so that they can understand any changes that have occurred during the pandemic that may affect them going forward.

The Hazlitt Institute as earlier commented on will be the catalyst for developing the outreach programme and cultural development the Hazlitt Theatre has to offer. The bigger picture going forward is to develop the institute and what we offer by including an educational arm to the venue and be offering performing arts opportunities for students looking at 16+ education.

Customer Satisfaction

Recently the Hazlitt Front of House team have been asking customers that are at the venue to take a quick survey for us to be able to gauge customer satisfaction. The first set of results will be issued in the Quarterly Report 4. The venue is aiming for a 70% result in customers being satisfied and will respond if we fall short of that number by acting on what feedback has been given as to why we are not reaching the set target.

We continue to use Purple 7 to provide basic post show feedback surveys.

Marketing Strategy

Marketing is key to any venue and a sizable amount of the 2022 budget is given over to the Marketing Department to engage with customers, build relationships with other local businesses and promote the programme of events.

With the departure of the Marketing Manager very recently we made the decision to delay employing a new person to the role until January 2022. A more concise and detailed Marketing plan will be created with the new employee using the abilities and skill set they provide coming into the role.

In searching for the new employee one major factor we will be looking for is experience and knowledge in the use of social media as this element of marketing is growing and expanding all of the time. We have had huge success over the last few years in forming relationships with local companies and businesses to gain sponsorship opportunities for our events and even though we still see this as extremely important the focus in 2022 will be a little more on the venue's use of social media.

We are also working more closely with the main Parkwood Marketing team in developing the website but, more importantly, creating opportunities for strategic training possibilities. The current stock of four venues Parkwood Leisure manage all have different skill sets, different demographics, varying degrees of community offerings that are beginning to be shared so the learning can also take place within the in-house team.

Operational Standards

Customer Service

We continue to provide customer service training for new staff members and then run refresher courses at strategic points in the year for existing staff.

As stated earlier in this document we will trial an onsite survey with customers in order to capture very immediate feedback to enhance our results requested from MBC.

Cleaning

The venue underwent a very thorough and deep clean process before it opened its doors again back in April 2021. New products used across Parkwood Theatre sites ensured a very high level of sanitization took place and continued to do so all through the time the venue was open under restrictions. The venue has returned to its previous cleaning operation but we still have hand sanitizers in us at strategic points in the building and signage is still in place ensuring customers are aware of the cleaning we are carrying out plus reminding them of some procedures they can follow so that we can operate safely as safely as possible. We are fully equipped and prepared to return to operating procedures that were put in place when in lockdown or under restrictions.

Building Maintenance

We will continue to keep the venue up to date with regards to stat compliance however it's somewhat of a difficult matter to predict what maintenance will be carried out over the contractual year as so much of it is responsive and prioritised. As you will see below some of the items we know that are going to happen are listed but like every year the great majority of what we do is in response to something breaking, shutting down or going wrong.

One issue that we will be investigating further in this contractual year, and stems from ventilation needs due to covid, is an air handling system. As it stands the old mechanism that used to exist before Parkwood took on the management was disabled. We will first be looking at what the job would entail to reinstate the existing system, as well the cost.

Post-lockdown closure, a lot of work was done on statutory compliance, which brought the compliance score to 100%. We are committed to continue these efforts.

In conjunction with the landlord, we are to install edge-protection & mansafe systems on the building's roofs, to ensure proper continued maintenance in difficult areas.

We will continue to push the landlord to keep to their responsibilities with regard to maintenance of the building and the maintenance matrix document.

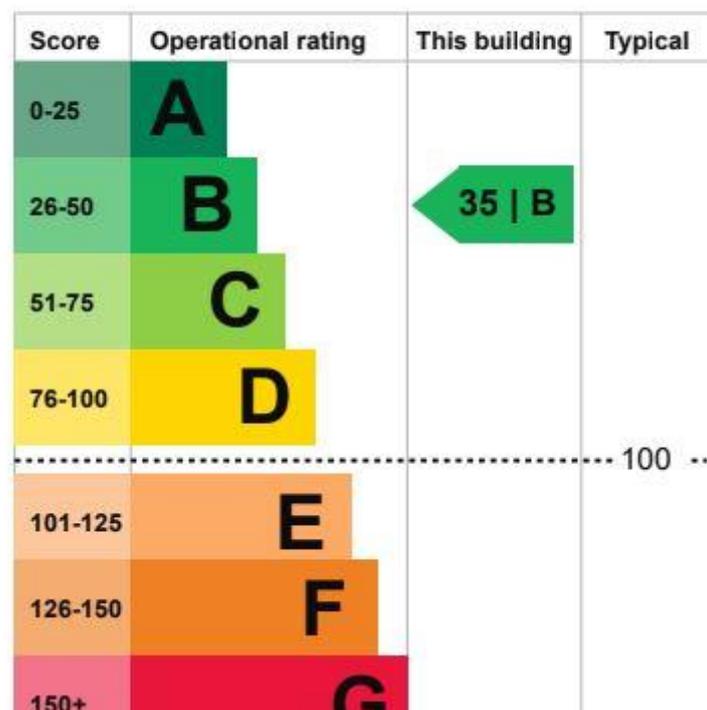
Work has been completed, and will continue into 2022, on magnetically-closing fire doors throughout the building.

Undersized pipework has been identified in the heating system, in the Hazlitt dressing rooms. Work has been scheduled to replace this pipework with the correct diameter piping, in 2022, after asbestos was recently removed to enable these works to happen.

Using Parkwood Capital Expenditure funds, we are to update the CCTV in the later part of 2021/early part of 2022.

Our efforts to reduce energy consumption have been reflected in The Hazlitt’s Display Energy Certificate, year upon year since the contract began. A typical score for such a building would be 100. The Hazlitt’s is now just 35 (see attached image). In 2020-21 we installed new, custom-made LED lighting in the two studio areas and gallery. We also plan to replace the Hazlitt auditorium and dressing room lighting with LEDs soon. This will further reduce our energy consumption.

The typical score for a public building is 100. This typical score gives an operational rating of D.



Health & safety

We will continue to keep up-to-date with any recommended Covid-19 measures, including, as appropriate, displaying QR codes and collating visitor information for monitoring and contacting purposes etc.

As well as updating the CCTV system, we will update the lighting in the traditionally-troublesome bins area.

We are planning to install gates in Rose Yard at our entrance/exit to the building. This should stop Source Bar and others from placing their industrial bins at our fire exit.

The Hazlitt Theatre's health and safety committee meets regularly, and all staff are encouraged to submit their thoughts and ideas to these meetings.

The two main recommendations of any health & safety audits in the last few years have been the rigging of lights on the Hazlitt's advance bar and side booms, and the old and potentially dangerous strip lighting in the dressing rooms. By the second quarter of 2022 we will have eliminated both of these risks- the lighting bars will be motorised, and the dressing room lighting will have been replaced.

Operating Tools & Investment

We will continue to provide the correct tools so that our people can do the best job.

In 2020/21 we received a small amount of capex money to update and reinforce the CCTV system.

Capex is a well established working tool within the processes and procedures of Parkwood Leisure in which venues can source varying items or equipment to enhance the building's aesthetics or its working procedures and there are plans in place for a healthy amount of investment into the venue in 2022. Staff have been made aware and asked to share ideas on how we could best spend the money.