

**Cheltenham Borough Council
Social and Overview & Scrutiny Committee –
23 July 2008**

Report from Chief Executive, Cheltenham Festivals

1. Summary and Introduction

The year-on-year growth that the Festival Company will be required to achieve in order to achieve a financially sustainable future is not to be underestimated, particularly given the economic downturn. It will be a challenge. However, much has been achieved with the first tranche of LABGI funding to make the Company fit enough to meet the challenge. There will be no let up in securing new sources of income as the organisation has only £19,000 of unrestricted reserves at present.

Under item 2 this report contains information on how the first tranche of LABGI funding has been used and information on the 2007 performance of the Company.

Item 3 details the work of the Education and Outreach Department and item 4 reports on how the Company is involved in assisting with plans for the Town Hall development.

2. Use of First Tranche of LABGI Funding – £250,000

The funding has been used by CF in accordance with the priorities in its business plan to assist CF in being an independent cultural enterprise. The Business Plan identified that there would need to be a fundamental shift in management approach and capability particularly regarding the external brand of the Company, commercial skill, marketing and communications of the Festival Company if it were to achieve the commercial income streams demanded of it.

In the Festivals' financial year Jan 07 – Dec 07 (the grant was received from CBC in April) the Company used £148,000 of the LABGI grant up to year end 31 December 2007, carrying the surplus forward for planned expenditure in the first half of 2008 and this has been done.

The company's trading performance in 2007 showed a small deficit of £8,063 which was a major improvement on the deficit in the previous year and

because of the investment of part of the LABGI grant, the Company achieved strong growth as detailed in 3 below. During the year, the Company made increased contributions to CBC as part of the subsidy reduction and the financial arrangements between the two organisations for the Festivals' financial year ended December 31st 2007 was as shown in the following table.

	Cash	In kind support	Total
	£'000	£'000	£'000
Incoming Resources from CBC to CF			
Core grant cash	109	-	109
LABGI grant	250	-	250
In kind	-	140	140
Total	259	140	499
Resources Expended by Cheltenham Festivals to CBC			
Payments cash	85	-	85
In kind	-	-	-
Total	85	-	85

The cash grant from CBC is £109,000 and payments made by Cheltenham Festivals to CBC for use of the box office is £44,000 and hire of venues £41,000, totalling £85,000. The in-kind support of £140,000 that shows in income and costs relates to the following CBC services provided to CF.

	£
Box Office Fees	54,000
Venue Hire subsidy	32,000
Financial Services provision	12,000
ICT Services	21,000
Payroll Services	12,000
Accommodation	3,000
Social & Community Directorate	6,000
Total	140,000

The grant allowed the Festivals to take up a five-year sponsorship deal with HSBC for office accommodation and the Company moved to the Bath Road in March 2007. The cost of the move was £56,000. The main cost being the installation of telephone and computer network lines.

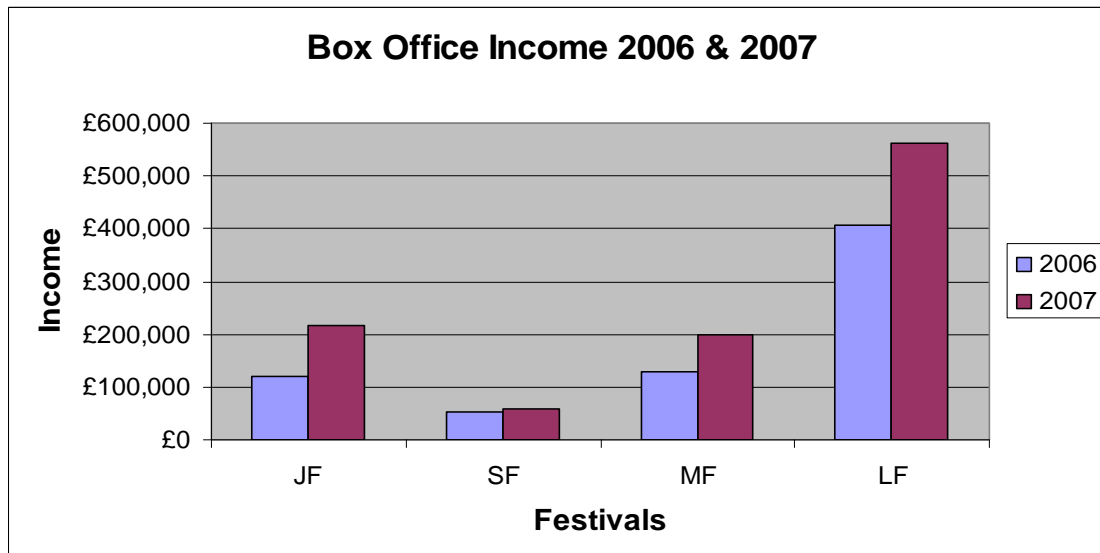
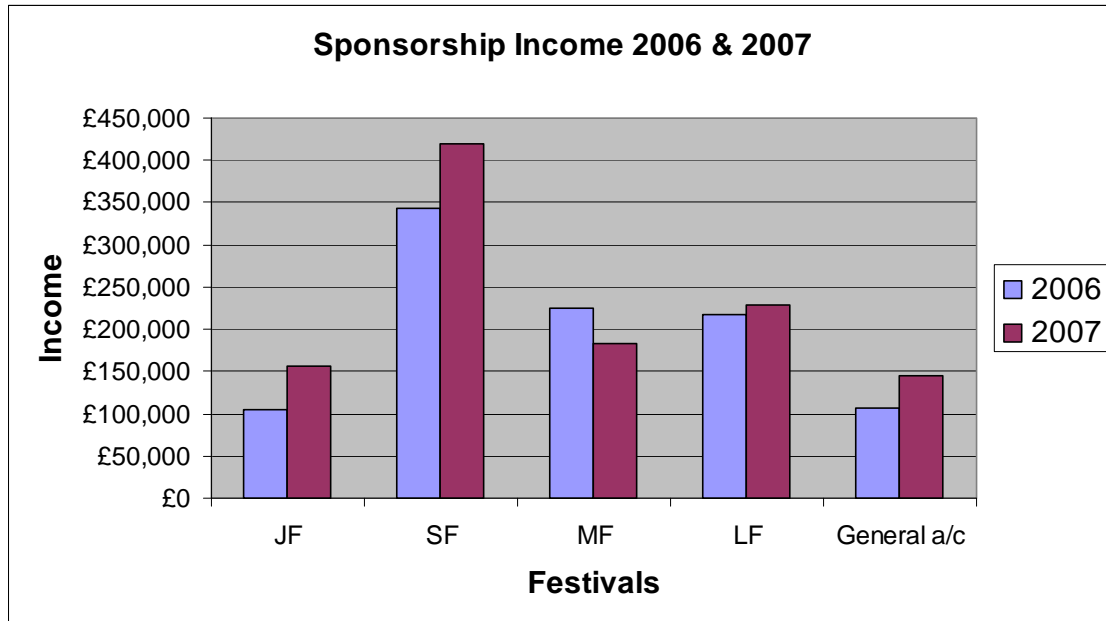
In addition to the office move, further LABGI funds totalling £92,000 have been expended on the following priorities during 2007.

1. Development of a new visual identity for the Festival Company to ensure brand recognition among audiences, sponsors and grant providers.
2. Investment in Fundraising staff to meet higher fundraising targets. For the first time, each Festival has a dedicated fundraiser and a part-time Legacy Officer.
3. Investment in fundraising software package – Raiser’s Edge
4. Investment in website manager to improve the appeal and content of our website as well as assisting with the development of e-newsletters.
5. Improvement in quality and size of marquees both at Imperial Gardens and Pittville Pump Room for the Music Festival to improve the customer and sponsor experience and be able to sell more tickets.
6. Investment in Marketing staff
7. Strengthening of Finance Department to provide improve processing of information with part-time member of staff and more strategic oversight
8. Development of proposed Membership Scheme – “the Festival Club” to be launched in 2009.
9. Improved staff training provision
10. Production of Annual Review of the company for wide distribution and use as a marketing tool.
11. Increased activity in community and outreach work. This is further detailed in 3 below.

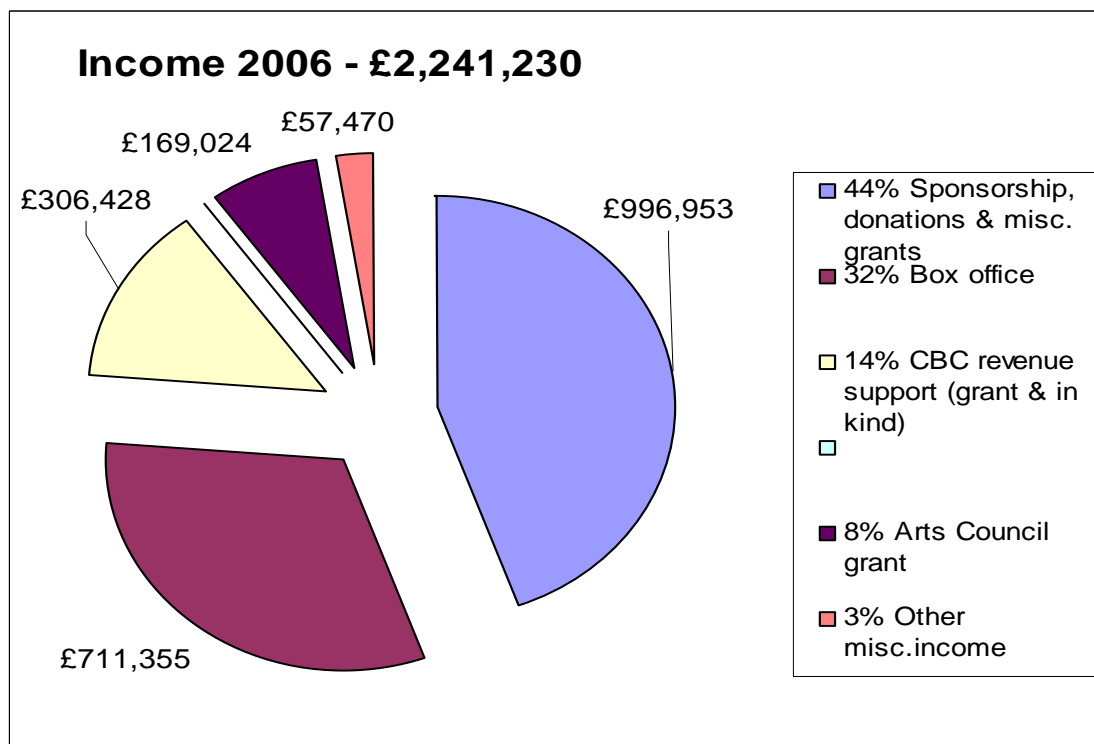
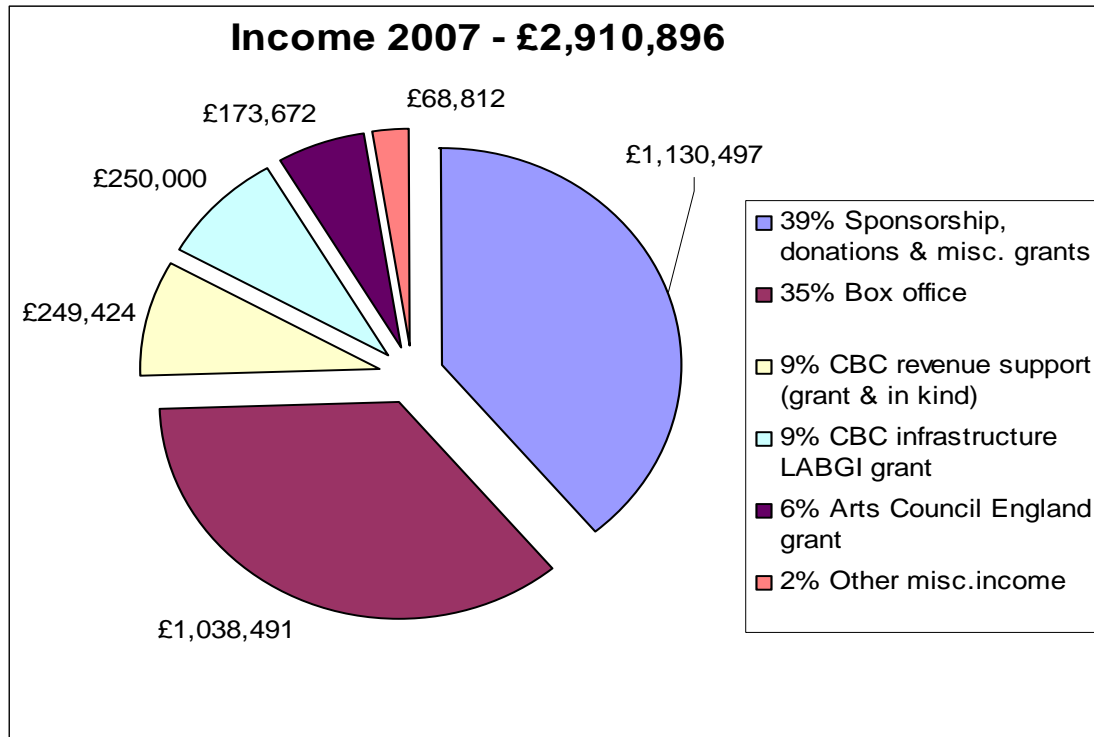
Growth in 2007 was impressive with some 14,000 extra tickets being sold making a total of over 120,000 tickets. We achieved a growth in income of 30% against a growth in costs of 19%. All Festivals put in good performances in increasing box office revenue with the Jazz Festival performing particularly well registering growth of 53% over the previous year. Also, the Music Festival had one of its best ever years in terms of box office receipts recording 32% growth over 2006.

Tables showing growth in box office and sponsorship as well as income and expenditure are shown overleaf.

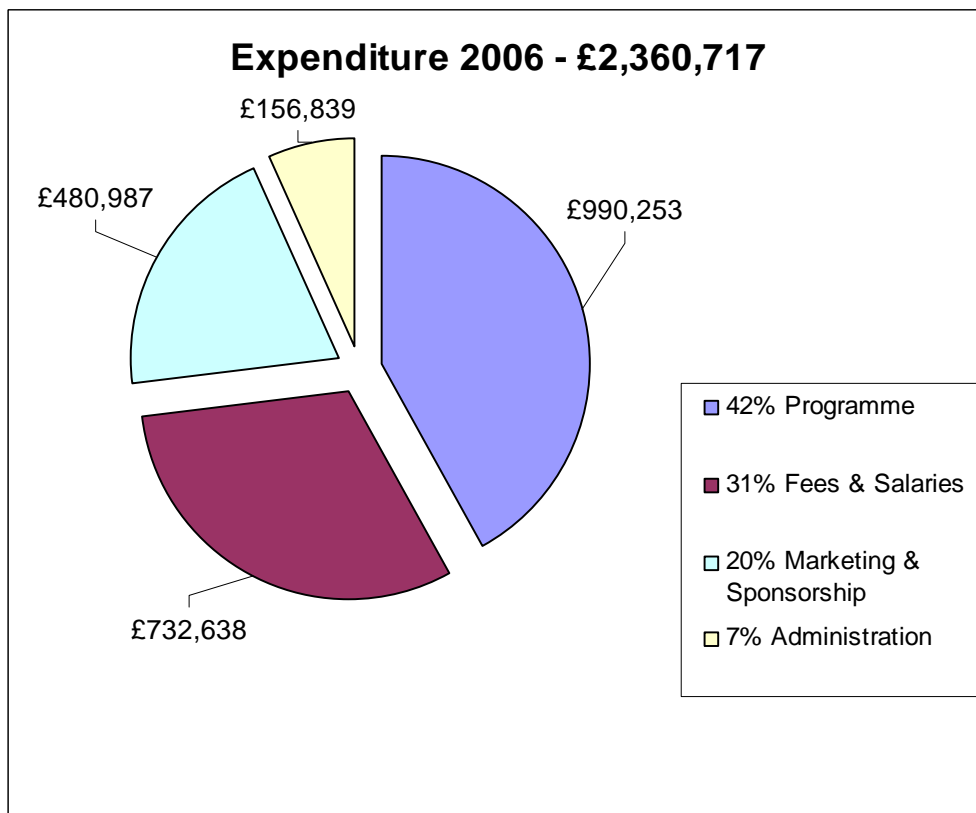
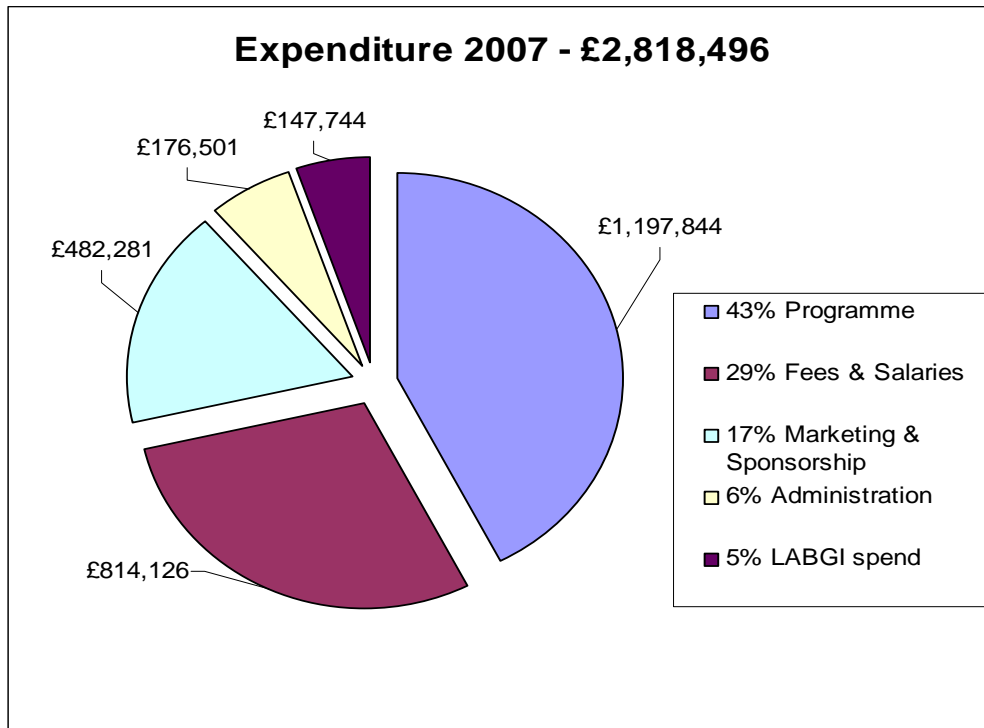
Sponsorship and Box Office Income 2006 and 2007



Sources of Income



Expenditure



3. Outreach and Education Work

Providing and encouraging access for schools and community groups to the treasure trove of culture that the Festivals can offer is central to our work and of the utmost importance in addressing the social divisions in our society.

Jazz – 9 schools, 239 pupils.

- *Jazz It Up!* – Jazz it Up! has now been in operation for a number of years and this year we extended our workshop provision for school jazz bands with a focus on improvisation. The schools then performed at the Festival itself.

Science – 6,365 children and young people.

- 15 events and 15 workshops for schools covered Key Stages 1-5.
- A new project this year, in partnership with Creative Partnerships, was the *Young Science Communicators*. This project ran in the nine months preceding the Festival for schoolchildren aged 11 to 16. Seventy-two pupils from four secondary schools in the Forest of Dean developed a 'science showcase', which they performed for other schoolchildren on the Festival's main arena stage. Many of the pupils had been totally turned off science prior to the project. Adam Hart-Davis compered the final event and was effusive in his praise for both the concept behind the project and the pupils' achievements. The different approach to science teaching resulted in one class of disaffected 14 year olds who regularly played truant consistently turning up for science lessons during the project. It allowed them to explore science outside of the normal classroom setting.

Music – 345 participants.

- *AmeriSong* – a singing and writing project culminating in a performance by 240 primary school pupils which presented the history of modern America through story and song.
- *Festival Academy* - a day of singing, writing and performing involving Music Festival Academy musicians and Performing Arts students at the National Star College. The College serves students with physical disabilities and associated learning difficulties. This workshop was led by the extrovert young conductor, William Carslake. The pupils wrote and choreographed their own song about fruit, entitled "Juicy Love".

Literature – 5,341 Pupils

- 15 events for schools, held mainly at the Everyman Theatre, giving thousands of pupils the opportunity to meet their favourite authors, discover some new ones and exercise their literacy muscles along the way.
- *Across the Bard* – 134 children took part in this project for Key Stage 2 and 3 pupils, run by actress Fiona Ross. Each of the eight participating groups enjoyed four workshops which focused on the language and world of Shakespeare through his play *The Winter's Tale*. The workshops culminated in a spellbinding performance at Cheltenham Bournside School of eight highly original interpretations of the dominant themes and characters in the play. At least three of the schools were in socially deprived areas. A letter received from a parent stated "...my son actually enjoyed the whole process and it didn't involve maths or football!" It was the first visit of our future Chairman of the Literature Festival, James Heneage, to an education project and he was entranced by the quality of work he saw.

Community programme

This year we have focused our energies on community organisations in Cheltenham, and have had a number of useful meetings and conversations with a range of community leaders and workers here. Establishing successful, by which we mean long-term, relationships within communities happens slowly and is achieved through small steps in close consultation with community leaders.

Literature Festival Community Programme

- *Book Stand* – six reading and creative-writing workshops for inmates at HM Prison Gloucester, run by wordsmith Marcus Moore. In Marcus's words: "All in all, this was a splendid project which, in my view, achieved more than we might have expected. HMP Gloucester can be a harsh environment and one where the inmate population is very transient. That several participants attended regularly was a real bonus. Word seemed to get round that Book Stand was a good thing. Opportunities for prisoners to welcome a writer into their midst are not that common. We had a lot of fun, exercised a few minds, and covered countless topics in conversation and on the page. Many fine pieces of writing were produced, of which I hope the lads feel justifiably proud." I visited one of the workshops, and everyone I spoke to expressed their enjoyment of the project and their dismay that it was about to end.
- *Ten Days* – this was a creative response to the floods of July, run by local poet Brenda Read-Brown. Brenda wrote a series of poignant poems in response to conversations with people who were caught up in the disaster. The poems were broadcast on BBC Radio Gloucestershire and displayed at the Festival, where they attracted a lot of attention. The project was immensely popular as it gave people the opportunity to tell their story and to be listened to.

Storytelling

In May we took a storyteller to three venues in disadvantaged areas in Cheltenham as well as to the Art Gallery and Museum. The Centres that hosted our visit were:

- **Family Space in Hesters Way**
- **Hesters Way Children's Centre**
- **Whaddon Children's Centre**
- **Cheltenham Art Gallery and Museum**

Taking the Festivals out and about with a storyteller was a great opportunity to address the myth that the Festivals are exclusive, expensive and take place only at 'inaccessible' venues in town. We were able to highlight the fun side of the Science and Music Festivals and to flag up the fun days and free/less expensive events aimed at families, children and young people. These sessions were well-received. It was interesting to discover that no one in these areas knew about the free activities; many people were keen to find out more and were enthusiastic about coming to try the Discover Zone and the family fun days.

Snakes and Stories

During the Science Festival we returned to the Children's Centres with Rhys Jones, a herpetologist, some of his snakes and a storyteller. These sessions were very popular with children and adults alike; Rhys is passionate about educating the public about reptiles – in a very accessible way – and the Centres are very keen to be visited by the Festivals.

Community Choir

In June we held two open sessions with a local community choir, again in Hesters Way and Whaddon. The choir is now the Cheltenham Festivals' Community Choir.

4. Town Hall Development

One of the major risks to the success of the Festival organisation in the future is the facilities and capacity of the Town Hall and gardens. The Festivals currently spend over £90,000 per annum on marquees.

Plans to develop the Town Hall and to review the way in which the gardens can support Festival activities for the benefit of the wider community are vital to the long-term success of the Festivals and Cheltenham's reputation as a centre of cultural excellence.

The Festivals company has currently taken on an independent consultant to assist in developing the Festivals strategic plans with the Borough Council and to consider

different management and development options for the building as recommended in the Pratley Review published in February 2006 for further discussion with the Borough Council.

Donna Renney
Chief Executive
7 July 2008