



Dear Friends

AGM

Just to remind you that this will be on 9 November after a shortened rehearsal – please try to attend as there is important business to resolve. I do not accept “Any Other Business” from the floor at the AGM, so if you wish to raise something please let me know by no later than Tuesday 2 November – either in person or by email at chairman@sheffieldphil.org.

PHILHARMONIC FINANCES

Several times recently I have spoken about changes in the Chorus's financial arrangements with regard to its contribution to concerts. This "Chat" is to bring you fully up to date with the current situation so that you can make a well-informed decision when we vote on the level of subscriptions at the forthcoming AGM. In conjunction with this letter please see the attached Financial Report for last year and the proposed budget for this. My sincerest thanks to Pamela and Angela for working hard together to produce these in good time so we can consider them carefully.

Historically, SPC has been incredibly fortunate, first to be wholly financed by the City Council up to the 1980s and more recently to continue to have the full cost of concerts met by Sheffield International Venues (SIV). It would be quite reasonable to argue that, since we work with professional orchestras and make a significant contribution to the Sheffield International Concerts season, this should continue to be the case. This argument has, indeed, been clearly communicated to both SIV and the Hallé Concerts Society (HCS), with whom we continue to have regular positive dialogue.

However, times have changed. The reality is that choral concerts cost more to stage than do orchestral ones (soloists, extra rehearsal time, extra seating, and in some cases smaller audience capacity if an extended platform is needed). SIV currently contracts with HCS to guarantee our participation in two concerts per season plus the Christmas Concert. This is not enough to provide us with the quantity and scope of repertoire we need in order to maintain a symphony chorus of our standard. We now need to contribute financially to our concerts to ensure we have enough work which is sufficiently interesting, challenging, and to retain present members and attract new ones.

We have already dipped our toes into this particular water by contributing to one concert in each of the last two seasons, and the results have been encouraging. Having invested £2,060 in the Brahms concert we received in return 10% of Box Office, including VAT, of £1,510.80, giving a net loss of only £549.20.

For this season, we shall be investing £1,000 in the Gerontius concert with a 5% return from Box Office, plus paying for professional basses and tenors to sing in the semi-chorus; £2,000 in the Mozart Concert (which we hope we can sell even more effectively than the Brahms) with a 10% return; and up to £2,000 for the Henry V concert, which is to cover the fee to be paid to our Patron Sam West. Whilst hopefully he will ask for less than this as he is our Patron, we have to be prepared for paying a substitute for him should he be offered a theatre run which he could not turn down. Such a "reneguing" clause will be written into his contract as this is the basis on which he always accepts one-off engagements. Henry V is very much "our concert" as the orchestra isn't performing it anywhere else, so we have not negotiated a box office cut because SIV/HCS are already incurring significant costs to mount the concert.

Because all this year's concerts apart from the Christmas ones are on weekdays we also need to budget for three visits to Manchester for orchestral rehearsals, as these cannot take place during the day when most Chorus members are at work. SIV and HCS are aware that this imposes extra cost for us and this will be taken into consideration when fixing financial agreements in the future.

As you will see from the budget, the above factors mean we shall be financially much more stretched this coming season than we have been in the past. Our budget shows a shortfall of £2,695 and the Committee has discussed on several occasions how this gap should be bridged. Basically we have four options which we can mix and match in various ways:

- 1 We can make a very significant increase in annual subscriptions;
- 2 We can start serious fundraising;
- 3 We can sell lots more concert tickets;
- 4 We can dip into our reserves.

You will see from the attached Financial Report for last season that we made a handsome surplus of £16,000. This was an exceptional year, with massive performance fees (mostly from Star Wars) and two significant legacies. We cannot expect this to happen often, so the Committee feels we should save most of it for future investment in concerts.

However, the Committee also feels that we should use some of this surplus towards covering our extra costs this season. Our proposal is to use up to £2,000 to help pay for our 75th Anniversary celebration next June (not featuring in the budget as we aim for the event to be self-financing), and up to £2,000 to pay Sam, or whoever narrates Henry V. But we cannot replicate this kind of expenditure from our reserves year on year; at that rate the Chorus's current reserves would be completely empty in just seven to ten years!

This still leaves us with a shortfall which we propose to cover by increasing subscriptions, aiming to sell more tickets and (hopefully) fundraising. We propose that the standard sub should rise from £106.20 to £114, which is all of 65p a month increase. We propose leaving the concessionary sub for unwaged members at £36 which is £3 a month. On top of this we need to raise at least £700 in order to be sure of balancing our books - somewhere in the region of just £4 per member. The budget only shows £100 as our target but I am confident we can do considerably better!

Last year we did well with our fundraising from the raffle of Janet's superb Christmas cake; Philharmonic bags and clothing, sale of music CDs, purchases from Amazon made via the link on our website, and donations large and small from members, Honorary Members and other friends and supporters of the Chorus. It should not be difficult for us to raise at least £700, and personally I'd like to see us aiming at something nearer £1,000. Probably the easiest way is for anyone who feels they can to add a bit to their subscription--a number of us already do this on a regular basis. Many of us will, I am sure, also get involved in other forms of fundraising, as we started to last year.

We also need to form the, (for us new) habit of selling tickets for our concerts as actively as we can. As well as helping to close the gap between our expenditure and income, if we can demonstrate to SIV and HCS that our concerts sell well we will be in a much stronger position when negotiating about repertoire with them. We now have an excellent Marketing and Publicity team led by Rachel Mallaband, which is working hard with the City Hall, HCS, local press and media, and via the internet, to promote SPC and its concerts as effectively as possible; but at the end of the day it is ourselves, the membership, who can really make a difference and boost our ticket sales so as to minimise our losses.

I have already received lots of fantastic ideas for fundraising, and the committee is currently working on a number of these: a grand prize draw for our 75th Anniversary, more Chorus clothing, a sale of music scores, and the establishment of a "Friends of SPC". Please keep the ideas coming and/or get involved in bringing them to fruition.

If individual members wish to ask questions or discuss in detail any of the above issues I and other Committee members will be available before and after rehearsals, so please feel free to approach us or to email us via the website. I hope by the AGM that we shall have a clear sense of direction and will be able to make a decision about our subs which everyone can own and feel to be acceptable.

We have a Chorus of which we are justifiably proud and which gives us all the most tremendous pleasure in offering us wonderful opportunities to indulge the passion for singing which we all share and which we communicate to our audiences. Having built our fine tradition and reputation over the last 75 years it seems to me that we owe it to ourselves and to future generations of singers to do all we can to ensure that our Chorus has a secure financial future and can continue to bring joy to its members and its audience alike!

Julie Smethurst

October 2010