

Cabinet – 20 December 2006

Walsall Illuminations

Portfolio:	Councillor Louise Harrison
Service:	Leisure, Culture and Lifelong Learning
Wards:	All
Key decision:	Yes
Forward plan:	Yes

Summary of report

Walsall Illuminations has been held in Walsall Arboretum for 6 weeks every year for over 50 years. In the past the event has attracted upwards of 250,000 visitors per annum, making it one of the Black Country's most successful visitor attractions. In recent years the event has been in slow decline and the average trend in visitor figures is a downward one to 188,500 in 2005.

In view of this, it was decided to undertake a situation analysis for Walsall Illuminations and determine a strategic way forward to secure a sustainable future. The review has been undertaken by external consultants, SQW Ltd and Vision XS Ltd, who are leaders in this field, and experts in stakeholder consultation.

As part of their strategic recommendations SQW Ltd has identified a vision and objectives for Walsall Illuminations. SQW Ltd also identified options for the future development of the event, which have been further refined through consultation as follows: -

1. A 'do nothing' option
2. The closure of the event for one year to enable further finance generation and development of proposals/content
3. A programme of investment in new attractions and infrastructure over a 5 year period
4. A large scale capital investment in the Illuminations to create a changed event in 1 year

The review and risk analysis of these options concludes that an incremental programme of investment (option 3) is the preferred option which delivers a sustainable future for the Illuminations. In order for this option to be taken forward, investment is required in the Illuminations event and in the basic infrastructure of the Arboretum itself. These two developments cannot be viewed in isolation of each other and there must be a duality of investment to achieve the required outcomes. A Heritage Lottery bid for the Arboretum is being prepared for submission by 31st March 2007 and it is, therefore, recommended that the detailed project plans for the Illuminations are developed in parallel with the bid and its associated timescales.

Implementation and re-launch of the new Illuminations would therefore be reliant on the HLF assessment and decision-making timescale. It is therefore likely that it will be 2008, or

even 2009, before significant improvements can be made. Cabinet is asked to endorse this option and the associated funding strategy and to endorse the establishment of an Illuminations Development Group to steer this process.

Recommendations

That Cabinet agree:-

- 1) The continuation of Walsall Illuminations based on the amended vision and objectives identified by SQW Ltd.,
- 2) Option three:- A programme of investment in new attractions and infrastructure over a 5 year period and the production of a detailed 5 year project plan, to complement the Heritage Lottery Fund bid for the redevelopment of the Arboretum,
- 3) Notes the continuation of the Illuminations Working Group to steer the development process, as recommended by the Neighbourhood Scrutiny & Performance Panel,
- 4) Consideration should be given to change the date of the Illuminations, to commence from October Half-term and to incorporate Christmas festive lights, as well as consider the days and times of opening and access by various organised groups and schools,
- 5) Appointment of a full-time Illuminations Manager, and
- 6) Appointment of a part-time Commercial Manager.

Context and Conclusions

There is widespread acknowledgement amongst its stakeholders that Walsall Illuminations is an event in slow decline which needs to be refreshed in line with contemporary market attractions. User figures shown later in this report bear this out.

SQW Ltd, working with The Tourism Company, has identified that the Illuminations essentially pays for itself, using visitor gate receipts and concessions rentals to cover the cost of running the event. Year on year, there are limited monies available to develop new attractions, features and infrastructure; serving only to maintain the status quo rather than pushing the event forward into a sustainable future. If the event is to attract new visitors, or even retain existing numbers, change is needed and can only be achieved through significant new investment.

The final SQW Ltd report outlined strategic recommendations for developing the event and, after extensive consultation, suggested the following vision (revised by Neighbourhood Scrutiny & Performance Panel) for the future:-

By 2012, Walsall Illuminations will be a modern, interactive visitor attraction that appeals to adults and children alike and draws in large numbers of visitors from Walsall and across the Midlands. The event will continue to celebrate the culture and heritage of Walsall and its districts, but will also showcase the innovative and creative side of the borough.

The Neighbourhood Services Scrutiny and Performance Panel has considered the contents of the SWQ Ltd and Vision XS reports and a copy of the views of the Panel have been made available as part of a pack in each of the Political Members' rooms.

The Scrutiny Panel identified four key objectives for the next three to five years:

- Secure the investment required to develop the event into a modern visitor experience.
- Develop the Illuminations into an event that reflects not only the history and culture of Walsall and its districts, but also presents a dynamic and progressive image of the town.
- Enhance the status of the Illuminations as one of the region's most popular visitor attractions, by growing local and regional visitor numbers year on year.
- Double the economic impact of the Walsall Illuminations by making much stronger links between the Arboretum and the town and its traders and attracting increasing numbers of visitors from outside the town. It is hoped that there will be a clear link between the town, the Civic Square through into the Arboretum ~ effectively a "corridor of light".

SQW's report states that there is little appetite for any suggestion that the event should be held away from Walsall Arboretum. The Illuminations is synonymous with the Arboretum and gives the Illuminations its 'unique feel'. A bid is being prepared to the Heritage Lottery Fund for Walsall Arboretum to a potential value of £4 million. The total project cost may be greater than £4m, however this is reliant on securing additional partnership funding that the HLF would then match.

Initial conversations with representatives of the Heritage Lottery Fund indicate that there is recognition that the Illuminations is an essential part of the heritage of the Arboretum. Success in this bid is important to the Illuminations as the condition of the Arboretum and horticultural excellence are integral to the quality and potential of the event. The HLF bid will be submitted in March 2007 to link into the Living Landmarks/Peoples Millions "Greenbridge" project from the Arboretum to Dartmouth Park, West Bromwich.

More detailed information concerning the strategic direction for the Illuminations can be found within SQW Ltd's "Strategic Direction Recommendations on the Walsall Illuminations" document. A copy of this, and other background papers has been placed in each of the Political Group Members' rooms.

In parallel with this work, Vision XS, experts in visitor attraction development, have proposed thematic development and new visitor zones for the event. Their report identifies the need for signature experiences to enable more engaging and interactive activities. A copy of this is attached as Appendix 1.

Resource and legal considerations

The financial position for the 2006 Walsall Illuminations is as follows:-

	Base line budget	Estimate 2006
Expenditure	£692,042	£692,042
Income	<u>£736,492</u>	<u>£597,042</u>
Total Surplus / (Deficit)	£44,450	(£95,000)

The final “outturn” figure for the 2006 event will not be available until March 2007, however indications at this stage suggest that as attendance figures have been lower than expected in 2006, there is likely to be an estimated shortfall overall of £140,000.

The visitor and outturn figures for the previous 5 years are as follows:-

	2005	2004	2003	2002	2001
Attendance	188,500	163,000	193,000	207,500	235,000
Outturn	Surplus	Loss	Surplus	Surplus	Surplus
	£39,788	£51,432	£35,132	£21,954	£35,047

Walsall Illuminations brings additional economic benefits to the borough. SQW Ltd undertook an economic impact assessment as part of their review and concluded that the net economic impact of the event in 2005 was:-

- £513,000 net expenditure contributed to the Walsall economy
- Equivalent to 8.7 jobs created within the Walsall economy

To deliver significant improvement, the level of visitor spend needs to be raised and the event better integrated into the wider visitor/retail economy of Walsall.

Within option 3, a detailed project plan will be drawn up for the Illuminations in parallel with the HLF plan for infrastructure and horticultural development.

SQW Ltd's report identifies the need for:-

- The employment of an appropriately qualified and experienced member of staff to co-ordinate the development of the event. The current part-time arrangements leave very little time for sustained strategic management. The Illuminations is currently organised and managed on a day-to-day basis as part of the work of the Council's Events & Festivals Co-ordinator.
- The appointment of a part-time commercial manager. This post would be necessary to secure sub-regional funding and business sponsorship, to maximise group travel bookings and revenue and to optimise the retail potential of the event, which have been adversely affected by the loss of the Tourism Officer early in 2006.

Citizen impact

In 2005, 188,500 people visited Walsall Illuminations. Approximately 40% of those visitors were Walsall residents which means that almost one in three of the borough's population visited the event; it also means that well over 110,000 people visited Walsall from outside the borough.

Family engagement is the core feature of the event and the show appeals to all cultural groups.

Community safety

Visitor research undertaken annually indicates that the Illuminations is seen as a safe environment for people of all ages and abilities.

Environmental impact

The proposed developments link to the HLF bid for the Arboretum, the “Green Bridge” initiative and the Green Space Strategy. Investment into the Arboretum infrastructure will also make the park more “fit for purpose” throughout the year.

Performance and risk management issues

Each of the four options identified have risks associated with them which can be summarised as follows:

1. The ‘do nothing’ option. This would lead to the decline of the event because of diminishing market appeal and consequent financial liabilities. Eventually the event would become unsustainable.
2. The closure of the event for one year to enable further finance generation and development of proposals/content. This option carries a risk of losing the present momentum from holding the event annually and risks losing an existing loyal audience. There are existing core infrastructure financial commitments that could not be offset by income and would necessitate a predicted overspend of approximately £140,000.
3. A programme of investment in new attractions and infrastructure over a 5 year period. The most obvious risk would be insufficient impact in the initial years to secure the long term market growth which will sustain the event. Drip feed investment might not be sufficient to make the difference particularly within the context of the entertainments industry where leisure fashions change quickly. By year 5, some of the early year new introductions will require replacing and/or upgrading. It will be an on-going programme of development.
4. A large scale capital investment in the Illuminations to create a changed event in one year. This option would not enable the risks associated with market trends to be spread and continued investment would be required to remain up to date with ever changing market trends. The initial capital funding requirement in year one is also likely to be prohibitive.

Overall, option 3 presents the Council with an opportunity which balances risk, flexibility and sustainability to safeguard the future of the Illuminations. The event will still rely heavily on continuing to capture the public’s imagination and will have to compete with an ever-increasing range of leisure alternatives. To re-gain its broad appeal as a regional (and national) attraction and remain sustainable, the event must be re-designed, re-developed, re-packaged and professionally marketed for the 21st century. It provides the opportunity to link the HLF bid to develop the Arboretum and the Illuminations together and develop a new significant regional identity.

Equality implications

The proposed Walsall Illuminations Working Group would be representative of the community underpinning the commitment to inclusion and diversity.

An Equality Impact Assessment is currently underway and will feed into both the development process and the remit of the Walsall Illuminations Working Group. The Illuminations is also a key element in the Cultural Engagement Strategy, currently being developed in Leisure, Culture and Lifelong Learning.

Consultation

Consultation formed a key part of the preparatory work undertaken by SQW Ltd and Vision XS Ltd and was crucial to their final recommendations. This included workshops and interviews with key stakeholders including elected members, local businesses, staff, schools, etc.

Visitor research is undertaken annually for Walsall Illuminations and this information has also been fed into the development process.

The report process culminated in presentations to the Neighbourhood Performance and Scrutiny Panel and their comments and recommendations have been included within this report. Other comments received by the Chair of the Neighbourhood Scrutiny & Performance Panel in writing included:-

- As the Illuminations are held for only part of the year, it follows that a Business Manager should only be required on a part-time basis,
- The cost of such a person would be based on a basic salary coupled to output results such as sponsorship, promotions and sourcing investment, and
- Recommend the Group look at the availability of a possible candidate and salary expectations, with a clear job description and advertised through the Leisure Industry Publications advertisement sector.
- The moving of the Illuminations dates will have a positive impact on attendances, rather than the decline the event is having at the moment.
- The pricing has got to be more user friendly as the event is competing with other attractions such as Blackpool.

Vision 2008

Walsall Illuminations directly contributes to 4 of the 10 Council priorities as follows: -

- Encourage everyone to feel proud of Walsall – Almost 1 in 3 residents of Walsall attend the event and visitor research indicates their positive endorsement of the quality of the show. This indicates local pride and makes a positive contribution to Walsall's identity in the region.
- Strengthen the local economy – Walsall Illuminations already contributes £513,000 net expenditure to the Walsall economy with a key objective to double the economic impact of the event by making even stronger links between the Arboretum and the town and its traders and attracting increasing numbers of visitors from outside the town.
- Listen to what local people want – The recommendations of SQW Ltd and Vision XS are derived from extensive consultation and the major input of the scrutiny process (see above).

- Ensure a clean and green borough – The Illuminations proposals link with the Heritage lottery bid for the Arboretum with the intention of bringing investment and improvement to the borough’s flagship park, Walsall Arboretum

Background papers

Minutes of the Illuminations Working Group, Neighbourhood Scrutiny and Performance Panel, 21 September 2006, amended by Neighbourhood Scrutiny and Performance Panel October 5th 2006

Experience Analysis Report from Vision XS Ltd

A Situational Analysis of the Walsall Illuminations: Interim Report from SQW Ltd, February 14th 2006

Strategic Recommendations on the Walsall Illuminations: Final Report from SQW Ltd, July 20th 2006

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Current visitor experiences and their proposals for modernisation

Walsall Illuminations: Situation Analysis and Way Forward

Background

Vision XS has undertaken an analysis of Walsall Illuminations using their unique X-Mod experience modelling tool, which enables an analysis of the quality and quantity of experience given to visitors to an attraction.

The model is able to assist attraction operators in decision making in the following areas: capacity, marketing, operations, investment, staffing levels, experience quality, learning accessibility, space planning, visitor flow, secondary spend capacity and amenity planning.

The Brief

Vision XS were appointed to draw up development proposals for Walsall Illuminations, using their X-Mod analysis and their extensive experience of visitor attractions worldwide. Specifically, this involved:

- Setting achievable visitor number targets
- Setting income (linked to the new experience value) and expenditure budgets
- Definition and specification writing of new components to improve the experience quality and quantity
- Setting experience goals
- Working with Walsall Council, the local community and the wider consultant group to develop a vision for the Illuminations which meets the needs of the local and wider West Midlands population
- Developing a marketing plan to ensure that future marketing campaigns maximise the pulling power of the event

Summary of Experience Model Analysis from 2005 Walsall Illuminations

- The event offers a good level of active time but offers too many experiences of the same type. Visitors need slowing down.
- The mix of attractions needs to broaden to include more activities, walk throughs and shows.
- The event needs high capacity rides as part of the admission price.
- Several major experiences are needed to lift the visitors at certain points in their journey through the Illuminations, one of which needs to be near to the end of the visitor route.
- The experience quality is poor across all age groups and needs many new, more modern elements to widen the event's appeal to different age groups and different demographics.
- Some of the child content needs replacing with 'all family can do' content.
- Much more indoor capacity is needed.
- More play capacity is needed.
- The level of additional spend items on the site is too high due to the fairground and needs reducing.

- The event needs much more repeatable capacity to ensure people come back each year.
- There is not enough seating capacity for the food offering, which also needs to be more spread out around the event.
- The capacity for the selling of balloons and novelties is too high and needs reducing.
- Another toilet block is needed.
- The event is marginally good value for children and very poor value for adults. This is a major barrier in going forward.
- The event's exhibits have poor market appeal; hence the dangerous reliance on children's brands, which in turn limits the age appeal / market size of the event.

Other Observations made by Vision XS

- The current reliance on obtaining the latest children's brand to market the event is a risky one. The event should be a strong enough experience to drive attendance and the use of brands limited to specific age groups when available, in order to drive the last few percent of visitors.
- The contract for the operation of the children's rides forms part of a long term agreement which may need to be renegotiated if there is an opportunity to expand the fairground area with a few rides to appeal to teenagers and adults.
- The catering offer is limited and does not reflect the ethnic diversity of food eaten in the area. This should be changed to celebrate the best of local food eaten. The food concessions need renegotiating to a 15% turnover rent also. The current estimated catering spend, including sweet food, is £1.50 per head generating £300,000 turnover for the operators. The income from these concessions should be in the order of £45,000.
- It is not possible for event goers to purchase any branded goods based on the Illuminations. This should be generating around £1.00 per head turnover and with a standard 50% margin contributing another £100,000 turnover.
- In marketing terms, Walsall Illuminations is seen as the poorer cousin of Blackpool Illuminations despite arguably offering a much better family experience. A re-focusing of the event on regional business, craft, art, sport and history will redefine it as something different and enable the marketing of the event to reach many new potential customers.

Recommendations of Vision XS

The New Vision

The new vision for the event will see a change in emphasis from being a light based walkthrough into a festival celebrating all aspects, past and present, of the region using the Arboretum and lights as a backdrop.

The traffic congestion in the town will be reduced through reducing the need for the park and ride system as the expanded event will have a second entrance from the main parking area. The existing entrance will be modified to allow the main circulation route around the lake. Bringing people in at two points will partly reduce the current bottleneck and improve the flow providing that there is at least 1.5 hours experience between each entrance. As the event grows, an out of town park and ride will be needed, which can be delivered to the existing entrance to the event.

The new master plan sees the event split into the following four zones. Investment into the new equipment has been carefully considered to allow the town to run other events in the Arboretum throughout the year.

History Zone

A look at the history of the area through various rides, shows and displays. For visitors who use the old entrance, this zone represents a 'high' at the beginning and end of their journey, and a mid-visit 'high' for the car park end entrants. A working group of local and regional historians should be assembled to work on the historical messages and content put across in this zone. *Major components include Boat Ride on the lake, light displays, Dark Ride and Panto Theatre.*

Art Zone

A zone with a vibrant link to the community through art competitions in a gallery that also displays and sells local artists work, together with a talent stage that highlights local entertainers, performers and theatre groups along with running a community X-Factor for local school children. This area will also contain a raised walkway through trees that will re-use some of the old techniques of lighting up the Arboretum to create an enchanting walkthrough. *Major components include Fantasy Wood, Light Tunnel, light displays, Light Workshop, Talent Theatre and Gallery.*

Business and Craft Zone

A zone which celebrates the traditional industry of the area along with the industries that drive the economy today and maybe tomorrow. This zone contains a large actor driven walkthrough adventure, a fantasy land train ride that features many of the local and branded characters associated with the industries of the area and a giant craft hall that entertains as well as presents local crafts. *Major components include Character Ride, Craft Zone, Play Area and Adventure Walkthrough.*

Youth and Sport Zone

A zone where the youth of the region can feel at home through features that relate to their world. A separate large venue will enable children, youth and adults to try certain aspects of many sports and positive lifestyle activities. Details should be made available of local clubs and organisations for visitors to follow up the activities they have experienced so that the event becomes a catalyst for new activity. *Major components include Sports Hall, Extreme Arena and larger rides.*

Delivery Team

The current team will need expanding to deliver the event. In particular, a commercial manager will need to be appointed to attract the levels of sponsorship required, to renegotiate catering concessions, expand the ticketing network and set up the much needed and lucrative event branded shop.