

11 January, 2018

Forest Arts Centre – Update

Ward(s) All

Portfolios: Councillor I Shires – Leisure, Culture & Community

Executive Summary:

This report provides a response to a specific question raised at Corporate and Public Services Overview and Scrutiny Committee on Thursday 23 November 2017 regarding the activities and performance of Forest Arts Centre.

A number of factors have created an opportunity and necessity to review management policies at Forest, which have allowed the service to significantly improve its financial performance.

Key aspects include revised approaches to:

- Charges;
- New Business;
- Marketing & Promotion;
- Operational Efficiency.

Recommendation

That, the Committee note the report.

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Background

The Forest Arts Centre is located in Hawbush Road adjacent to Walsall Adult and Community College.

“Forest” is an amalgamation of the Arts Centre and the borough’s Music Education Hub (the outreach music service to Walsall’s pupils). It is a combination of various buildings; two theatre halls, meeting rooms, recording studios and other arts spaces and music rooms. It also includes the new refurbishment of an old sports hall (July 2016) to create the A3 Arena. This is a specialist hall for large scale arts activities, show development, professional rehearsals, film production, aerial performances and circus arts.

A number of factors have presented the opportunity and necessity for significant change at Forest, these being:-

- Forest Arts Centre receives a Council subsidy of approximately £385k. The revenue budget approved by Council 23 February 2017 reduces this subsidy by £100k from 1 April 2018 and a further £185k for the 2019/20 financial year. This will leave a remaining subsidy of £100k for 2020/21,
- the previous Service Manager retired in March 2016 after 14 years leading the Arts and Events service, and
- Forest Community Association; which had previously used areas of the Forest Arts Centre, was wound up by the Community Association in August 2017 as it was no longer viable.

Collectively, and in-line with the Cabinet’s decision, these factors have encouraged the team at Forest to adopt a more commercial approach with a focus on delivering a service that is less reliant on a council subsidy.

Operational Changes

Charges

Prices for both ticketed events and facility hire have been increased to bring Forest closer to the market rate for charges. Examples of increases in charges are:

Activity	Previous Forest charge	Revised Forest charge	Benchmarks
A3 Hire	£250 - £500 per day	£1,000 per day	Lichfield Garrick £2,500 Solihull Core £1,860
A1 Hire	£240 per day	£500 per day	Cannock Prince of Wales £570+10% tickets Bromsgrove Artrix £825
A2 Hire	£200 per day	£350 per day	Wolverhampton Slade Room £400 Newhampton Arts Centre £400

Historically Forest offered generous discounted and free usage to a range of groups and individuals, probably in-line with its historic education background. These arrangements have now ceased as they were applied inconsistently, contrary to charging policy and do not reflect the need to manage Council resources as effectively as possible.

New Business

Forest has already been successful in attracting new users to the venue. This reflects efforts to raise the venue's profile with agents and promoters to attract higher quality performers and also a more commercial approach to room hire. Forest now hosts large scale conferences and meetings for clients such as Walsall Healthcare NHS Trust, Dudley Mental Health Trust, Walsall Housing Group, Warwickshire County Council, International Dance Teachers Association, Multi-Academy Trusts, etc.

Working with agents and promoters to attract better performers allows Forest to charge higher ticket prices, increasing revenue from ticketed events. Recent events at Forest include:

- Chris Connor (£25 per ticket)
- Cilla & Shades of the 60s (£21)
- Lee Nelson (£20)
- Jenny Eclair (£18)

Forest's previous programme offered lower price ticket events which also sold fewer seats. Audience feedback perceived that low ticket prices equalled low quality.

- Phil Kelsall (£4)
- Knoxville Highway (£5)
- Jean Martyn (£6)
- Tony Wall (£6)

Recent investments in the facilities at Forest, by both Walsall Council and Arts Council England, such as the refurbishment of the A3 Arena (below), have created facilities that can credibly attract high quality and large scale events to Walsall. The A3 Arena currently programmes two large scale events per month. Given current interest and growth, this is projected to grow to four per month in the next 18 months.



Forest's new A3 Arena

Marketing & Promotion

Forest's website www.forestartcentre.co.uk has been significantly improved and now has integrated online booking. An independent website was developed to give a clear commercial, marketable brand and fast access to customers. This was also a condition of Arts Council England (ACE) investment in the A3 Arena. Similarly, the sister website www.forestartsmusichub.co.uk was funded by Arts Council England.

The service's social media presence is strong and growing rapidly:

<https://www.facebook.com/ForestArtsCentre>

<https://twitter.com/ForestArts>

Diversification & product development

Forest has also developed a more commercial approach to its operations around spaces for hire. More rooms and spaces have now been made available for hire. Prices have been raised to be more realistic whilst remaining competitive. Customer service has been improved – for example providing a reception point. The new A3 Arena has been utilised as a hire space, not simply a performance space. The A3 has already also been used for larger scale hires such as technology conferences and awards ceremonies.

Repeat clients are encouraged by providing additional services they request such as breakfast meetings (e.g. Walsall Housing Group).

Forest Arts has increased catering and bar profit margins. This has been achieved via sourcing a variety of external catering suppliers and adding a minimum 15% surcharge. Bars are now run in-house to control stock, reduce management fees and increase the profit margin on drinks.

Forest has developed and increased a broader selection of arts and entertainments to increase ticket sales.

A four strand programme has been developed:-

- In house – Forest youth & adult theatre companies, music groups such as Music Hub shows
- Community – Amateur dramatics companies, local groups, bands, community events such as Senior Citizens Orchestra and Community Variety Show
- Arts funded – touring arts organisations such as Motion-House Dance and Upswing Aerial
- Commercial entertainment – comedians & bands such as Lee Nelson and Jenny Eclair

Operational Efficiency

Forest Arts has taken time to analyse what methods and practices were outdated and could be stopped. This had led to improved efficiency and increased the potential to reduce costs.

Examples include:-

- stopping free or unprofitable service provision,
- bringing operational delivery of staff hours in line with customer demand,
- introducing vending machines rather than “tuck shops”,
- streamlined booking procedures and administrative paperwork,
- introduced on-line seat booking,
- replaced paper based administration with modern databases and IT.

Unnecessary expenditure and wastage on services and materials has been stopped. Equipment and material spend has been reduced unless necessary and subscriptions stopped. These two simple measures have saved approx £17,000.

The team at Forest have also responded strongly to the challenge of delivering a financially sustainable service. They have increased their flexible working to encompass evenings and weekends to facilitate more events and take a more proactive approach to sales, marketing and customer service.

Continued Community Support

Whilst financial sustainability has necessarily become a key focus for Forest, it is important to stress that this has not been at the expense of community provision. Forest continues to provide a venue for a wide range of community events including:-

- Parkinson’s group
- over 60’s club
- community social evening
- community variety show
- community cinema
- charity film shows
- senior citizens painting classes

- senior citizens swing band
- senior citizens jazz band

Performance

The above measures have already yielded significant improvements in performance. Key performance indicators to the end of November 2017 include:-

- 49% increase in hire income
- 55% increase in ticket sale income
- £163k projected year-end under-spend

In the period 1 April 2016 to 31 March 2017 attendances to Forest were 144,000.

Continued Improvement

Forest's 2017/18 performance to-date indicates that the 2018/19 £100k saving should be realistically achievable. It is important however to stress that savings based in increased income are never "achieved" until the income is received in-year. This, plus the challenging 2019/20 £185k savings target, means that additional developments will be required at Forest.

Review of the centre

Following the retirement of Forest's previous facility manager on 31 March 2016, a review of the centre's operation was undertaken by consultants V4 Services. This useful report gave a clearer understanding of the many and varied relationships that were in place including with the Forest Community Association. One of the particular opportunities for future consideration might include an alternative governance model, potentially with a new stakeholder, outside of the council's operation.

Facility Improvement

The growth and development of Forest Arts requires constant reappraisal and assessment of the infrastructure. Enhancements and improvements to manage scale and changes in use may be required. In particular improvements in customer facilities such as:

- *Seating:* additional seating, tiered rakes, seat renovation.
- *Toilet facilities:* modernising old blocks, refurbishments of newer facilities
- *Signage:* improvements to interior and exterior signage
- *Car parking:* improvement and extension of car parking facilities
- *Internal structure:* widening of communal areas, improving crowd flow

Business Development

To maintain momentum in the development of Forest Arts certain key functions need to be expanded upon.

- Service restructured to realign to future operational requirements and financial model.

- Improvement of the service's marketing, social media and audience development to enhance communications. This should lead to more engagement, increased hires and improved ticket sales.
- Continued programme development for A3; increasing usage for conferences and commercial entertainment to maximise earning potential. Engagement of higher profile performers will raise Forest's profile both in Walsall and further afield.

Scrutiny

At its meeting on Thursday 23 November 2017, the Corporate and Public Services Overview and Scrutiny Committee asked for a report on the Forest Arts Centre operation and suggested that Members would offer suggestions and new ideas at a future meeting of Scrutiny for the benefit of Forest.

Any new ideas and proposals will be welcomed and taken on board by officers.