

APPENDIX E

Visitor Information Centres Review

1. Background/Context

As part of the outline review of services provided by the Regeneration and Planning Service, Cabinet (5th November 2013) resolved to consider whether to reduce provision of the district's Visitor Information Centres or provide any visitor support facilities.

This report is structured along the following lines:

- Summary of the role the visitor economy plays in Lancaster District and how this could develop in the next few years;
- An analysis of the VICs role in this and an assessment of how this could change;
- Outline options for change within this context.

2. The Visitor Economy in Lancaster District

The visitor economy is an integral and growing part of the district's wider economy. Our district's visitor economy is worth more than £300 million, brings in more than six million visitors annually and supports over five thousand jobs (STEAM data).

Investment in the visitor economy benefits residents and businesses through improved facilities, jobs and access to a wide range of leisure opportunities. In addition it plays an important part in attracting investment to the area. The visitor economy is now recognised as a key growth sector by the Government and the Lancashire Enterprise Partnership. In turn, Lancaster district is seen as the major growth opportunity in the sector for Lancashire as a whole.

Within Lancaster district, a number of major regeneration initiatives are planned over the next five years which present a once in a generation opportunity to radically improve the district's offer and grow our visitor market share. Implementing the Morecambe Area Action Plan and regenerating central Lancaster (Canal Corridor, Castle, Square Routes etc.) will physically transform our two major centres, especially when combined with the effect of the M6 link road.

To support this physical intervention, a branding exercise has been undertaken to ensure that future marketing and promotion is up-to-date and relevant. This is already enabling the city council and its partners to work together to ensure the district is best placed to deliver a cohesive branding implementation plan and thereby attract the growing numbers of people who wish to visit, work or invest here.

3. VIC Role and Contribution

Visitor information centres are a common feature of centres throughout the country. Most successful tourist locations, eg Windsor, Lincoln, Chester, Carlisle, Scarborough, Blackpool, have a presence of this type. However, the means by which this function is delivered varies: VICs can be run by the public or private sector, in combination or by

trusts/charities. The balance between having a physical and virtual presence also varies and this is an area that is changing rapidly.

This review has proceeded on the basis that not providing some form of visitor information service is considered a last resort, particularly given the many initiatives described above.

In Lancaster District, Morecambe VIC is situated within the Platform Arts Venue whilst Lancaster VIC is located within The Storey venue adjacent to Lancaster Castle. Both venues were corporate choices, placing VICs as anchor tenants to wider regeneration objectives for the buildings concerned.

Details of the current VIC offer and financial performance are contained in the report. However, it is necessary to look beyond the bare statistics to understand the wider role the VICs play. Examples are given below

- Morecambe VIC also acts as the box office for The Platform and Williamson Park, providing 7 day a week service for half the year and 6 day a week service the other half.
- As part of the Storey management arrangements, staff at Lancaster VIC have subsumed the reception service for building and its tenants and also support the on-site room booking facility and, where appropriate, set up arrangements.
- VICs offer a booking service for a range of other partners, including the recently introduced sales of tickets for Lancaster Castle tours, reflecting good partnership working and a visitor focussed approach.
- Since the VICs launched online ticket sales on behalf of Platform, Williamson Park event tickets, The Dukes, Leighton Hall, Southport Flower Show and garden festival tickets for Holker Hall in February 2010 the service has proved extremely popular with both locals and visiting customers.
- The recent developments at Lancaster Castle have had a positive effect on the Lancaster VIC and its location, with the centre opening extended hours when events are taking place at the Castle – this resulted in the centre opening 7 days a week during the summer months contributing to support for tourism partners.
- Working to help enhance other information providers such as Williamson Park and Happy Mount Park.
- Hosting events which support the branding, increase awareness and support income eg Lancashire Day, St George's Day to the recent launch of Discover Lancaster book. Morecambe VIC hosted the launch of Cedric Robinson's new book which resulted in an increased income in book sales.
- Support events, including VIC presence and services at major festivals and University Open Days and Freshers' Fairs, promoting events, what to see and do, where to stay, selling tickets etc.
- VICs issue wristbands, handle hundreds of on the day enquiries and bookings around events. For example, Light Up Lancaster was the Lancaster VIC's busiest week since moving to the Storey.
- The VICs have a successful partnership with Lancashire County Council around delivery of travel and visitor services at Morecambe VIC this year, a service that is well appreciated by residents and visitors alike. In return for this the County Council supply 2 members of staff at MVIC.

4. The net cost of running the VIC's is tabled below

Draft 2014/15 budget	LVIC	MVIC	Total
Expenditure	£	£	£
Employee Related	95,800	66,200	162,000
Premises Related	29,400	33,000	62,400
Transport Related	200	200	400
Supplies & Services	22,500	28,300	50,800
Total Expenditure	147,900	122,700	275,600
Income			
Shop Sales	22,900	28,700	51,600
Ticket/Commission	2,100	5,300	7,400
Total Income	25,500	34,000	59,000
Total	122,900	93,700	216,600

It should be noted that the above are draft figures not yet approved by members. The above includes all income/expenditure but excludes internal recharges (MVIC £15k)

5. Options

In line with the Council's financial challenges, and in recognition that changes need to be cognisant of plans for the two centres, a two stage approach to identifying potential savings has been adopted.

Both approaches are expanded in section 6 however a summary of each is set out below:

5.1. Identify immediate/short term savings which could be implemented from 1st April 2014 and which retain as best we can the current levels of service.

This could include:

- options for savings generated by reducing/changing opening hours

LVIC - reducing the opening hours by 1.5 hours per day, plus closing to the public for half an hour at lunch time and closing Sundays and all bank holidays achieving savings in the region of £12K per annum.

An additional LVIC option of sharing the current location with other retail facing tenants may also offer an opportunity for further staff reductions/costs.

MVIC - closing to the public for half an hour at lunch time and closing one day a week and all bank holidays achieving savings in the region of £12K per annum. As the MVIC staff are largely funded by Lancashire County Council there is no financial benefit to reducing opening hours to the same extent as LVIC. In terms of closing one day a week in the summer months (to mirror winter opening) the preference would be for a weekday as least footfall / impact on current service provision, however this would be subject to existing County terms and conditions of employment.

It should be noted that the savings identified above are based on an estimate for reduced casual staffing costs and does not impact on the core team. It also excludes any potential loss of net income from Sunday/Bank holiday closing (mainly on MVIC) not yet quantified.

There may also be scope for further reducing costs and/or increasing income from things like shop and ticket sales for both centres.

- moving the Lancaster VIC into a smaller space within the Storey/or sharing current location with other retail facing tenants (subject to being financially viable in terms of how best fits with longer term plans for the LVIC and its role within the Storey, etc) and re-letting the existing space for commercial purposes;
- rationalise use of space in the Platform and try to re-use/re-let freed up space.

There are a number of options with potential to be investigated here. Savings arising through reduced rent and service charges could be in the region of £14k p/a for LVIC. It is also possible that savings could arise from MVIC should the back offices at the Platform be vacated and let to a third party. Property Services have advised that at this stage the space would only be suitable for office let due to its location. Any savings would be reduced in year 1 to reflect one-off relocation / refit costs associated with the moves, noting that these costs have not yet been appraised.

As the Council owns the Storey it is assumed that the current occupied space is let to a third party at the same rate. It should be noted that we are tied into a lease with 9 years remaining for the Platform which expires on 30 November 2022. There is a high risk that the space in either site (more so at the Platform) will not be let or will return a lower income than currently having an adverse impact on the savings to be made. New rental charges have been based on square footage occupation and advice as supplied by Property Services.

5.2. Use the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

This could include all the above plus:

- As part of the review of the future of Morecambe Town Hall, look at options to provide a combined customer services/VIC operation in central Morecambe;
- Options for this would include utilising surplus space in the Platform (at least in the short/medium term) together with the possibility of providing a new purpose built facility within the Morecambe centre redevelopment;
- Explore different locations in central Lancaster for a new VIC (possibly combined with a CSC) as part of the review of council office space provision and decisions on the museum/library offer;
- Work up potential different delivery models with the Duchy, British Land, Lancaster BID, the University etc. in the light of proposed physical changes to Lancaster centre;
- Look in detail at options to maximise the use of on-line/virtual means of providing information for visitors;

- In the light of the above, come to a final decision over whether the Council should continue to provide the VIC service in the context of what we are trying to achieve economically.

Should the VIC function be removed in full annual savings in the region of £168,900k could be achieved from year two i.e. after allowing for one-off redundancy costs in year one. Total annual savings could increase to £216,600 however, on the assumption that the respective spaces at the Storey and Platform can be relet. This saving would reduce however, depending on the final option(s) chosen as staffing may still be required to cover storey reception and the ticketing facilities currently undertaken by VIC staff; to man an online function or potential grant / management fee associated with alternative third party delivery models.

The review also needs to take into consideration emerging management plans for the Storey where it is becoming clear that in order to maximise opportunities for the building to break even, or better, a flexible and dependable presence is required. Current consideration is therefore being given to the expanded support role VICs can play in that within existing resources.

Grant funding arrangements agreed at the time of the Storey capital refurbishment and LVIC re-locating to the Storey in 2009 also need to be fully investigated to ensure there are no unexpected one-off costs as a result of either relocating the LVIC out of the Storey or closing altogether, e.g. potential grant clawback, although this is not expected to be a significant risk at this stage.

6. Options Analysis (including risk assessment)

6.1 Short Term Option

Option 1 : Identify immediate/short term savings which could be implemented from 1st April 2014 and which retain as best we can the current levels of service.

This option includes reducing opening hours as per section 5.1 and potentially relocating to smaller office accommodation in the interim, subject to whether financially viable in light of the longer term options still to be considered. This option allows a phased approach where initial savings are delivered during a transitional period towards Option 3 which allows the aforementioned regeneration actions to develop. Current opening hours are 9.30am to 5pm Monday to Saturday with reduced opening hours on Sundays during the summer in line with demand.

NB. Depending on the 'shop' model for LVIC, further staff savings may be achievable

Advantages :

- Allows a saving to be made while continuing service provision including ancillary services to other parts of the council (e.g. Storey reception duties, Platform box office).
- This option can be treated as a minor restructure with no need to change existing LCC staff contracts which enables early adoption of the new hours.
- Limited change to the provision of two staff at MVIC paid for and employed by Lancashire County Council as part of a longstanding agreement for us to deliver various County services on their behalf including promotion of use of public transport via provision of bus timetable and travel pass sales.

- By relocating to smaller spaces within existing premises a saving might be achieved (subject to re letting the existing occupied space and prior to taking one-off relocation / refit costs into account)
- Continues to provide point of contact face to face service for visitors
- Enables VIC staff to 'sell' district attractions and assets, promoting longer stays, re-visits, increased spend.
- Continued support and confidence to local businesses and potential investors
- They continue to support the wider programme of activities in the district and add to the reputation and perception of the destinations

Disadvantages:

- Accommodation cost savings to the council are dependent on ability to rent existing space to a new tenant
- Closing on Sundays and bank holidays will reduce support for the local tourism economy and partners.

Risks:

- Very small risk of lack of sickness/absence cover due to reduced use of casual staff
- Loss of some customers as a result of reduced opening hours
- Reduced net income, although not expected to be significant.

6.2 Longer Term Options

Option 2 : Online delivery only. This would mean provision of visitor information online only. No face to face or telephone service would be available. This could include online ticketing and booking however this would need to be resourced in some way.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC can be let these savings would not materialise.
- Reduction in running costs.
- Staff savings may be possible in longer term. Exact figures need to be calculated taking into account one-off redundancy costs to establish length of time it would take for savings to be achieved.

Disadvantages:

- Provision of Storey reception and mail duties and on site Storey room booking service currently absorbed by LVIC would need to be resourced for elsewhere in the council.
- Provision of Platform box office currently absorbed by MVIC would need to be resourced elsewhere. The new online booking system due to be introduced shortly will be more efficient however still requires resource to fulfil orders.
- Potential one off redundancy costs for current staff subject to redeployment.
- Additional resources required to maintain online offer to ensure fit for purpose.
- Cost to upgrade current web offer – likely to be in the region of £20k as a one off cost plus ongoing annual development costs although further investigation required to confirm this.
- Timing – seems counterintuitive to reduce support for visitor economy before Lancaster and Morecambe are established as tourist destinations via branding and other regeneration activities.
- Likely to lose Lancashire County Council funding for MVIC

- Small reduction in net income due to lack of retail offer.
- Need to relocate Platform back office which currently occupies some of the areas MVIC pays rent for.
- No face to face service for visitors and opportunities to 'sell' district attractions and assets, promoting longer stays, re-visits, increased spend.

Risks:

- MVIC premises on long lease and risk it may not be able to be sublet, thereby continued cost of £25.7k per annum to the council until the lease expires in 2022.
- Perceived lack of support for The Storey.
- Adverse PR for the council.
- Reliance on other organisations to present the district in a way that fits with the evolving branding work and other regeneration activities.
- Potential reduction in commission income depending on whether online ticket sales are included.
- Loss of confidence to local businesses and potential investors

Option 3 : Private/public sector partnership delivery of Visitor Information.

This would be provision of visitor information in partnership with other organisations. There are two options here:

- Grant aided delivery of visitor information by a private or public sector third party. Likely to be more than one partner due to Lancaster and Morecambe localities.
- Shared premises and staffing for delivery of visitor information between the City Council and another organisation.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC are able to be let these savings would not materialise.
- Staff savings may be possible in longer term. Exact figures need to be calculated taking into account one-off redundancy costs (subject to successful redeployment) to establish length of time it would take for savings to be achieved.

Disadvantages:

- Timing – slightly early in the evolution of Lancaster and Morecambe as key visitor destinations to attract potential partners. In addition no scope for now to enter into discussions around sharing City Museum premises/staffing.
- Potential locations and partners unknown.
- Potential TUPE arrangements or redundancy costs for current staff depending on nature of agreed partnership. May be need for compromise agreements leading to additional costs if council hands over provision of visitor information in full as third parties likely to wish to avoid TUPE arrangements.
- Evidence from other authorities shows that any third party is likely to need a grant / management fee for at least 5 years to agree to deliver visitor information. Savings will be more limited therefore during this period, subject to level of subsidy required.
- FTE cost to provide alternative provision of Storey reception and other related duties.
- Small reduction in net income due to lack of existing retail offer.

- Provision of Storey reception duties and on site Storey room booking service currently absorbed by LVIC would need to be resourced for elsewhere in the council.
- Provision of Platform box office currently absorbed by MVIC would need to be resourced elsewhere. The new online booking system due to be introduced shortly will be more efficient however still requires resource to fulfil orders.
- Need to relocate Platform back office which currently occupies some of the areas MVIC pays rent for.

Risks:

- MVIC premises on long lease and risk it may not be able to be sublet, thereby continued cost to the council.
- Perceived lack of support for the visitor economy and The Storey.
- Adverse PR for the council.
- Reliance on other organisations to present the district in a way that fits with the evolving branding work and other regeneration activities.
- Loss of Lancashire County Council funding for MVIC which currently pays for 2 members of staff in exchange for provision of travel information services and travel ticket sales in central Morecambe location.

Option 4 : Online delivery and CSC delivery. This option would include provision of visitor information online and basic visitor information via other channels. Could include online ticketing and booking however back office tasks for this would need to be resourced in some way. Could include Platform box office subject to expertise, systems and FTE.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC were able to be let these savings would not materialise.
- Some staff savings may be possible in longer term. Exact figures need to be calculated taking account which roles would be retained or redundant to establish length of time it would take for savings to be achieved. Likely could achieve management savings for centres however may need to retain Visitor Services Officer and a number of VIC Assistants.

Disadvantages :

- Location of town halls away from main town centres.
- Lack of weekend opening at town halls which is busiest time for tourism activity.
- Potential one off redundancy costs for current staff subject to redeployment.
- Additional resources required to maintain online offer to ensure fit for purpose.
- FTE cost to provide alternative provision of Storey reception and other related duties.
- Timing – seems counterintuitive to reduce support for visitor economy before Lancaster and Morecambe are established as tourist destinations via branding and other regeneration activities.
- Additional FTE provision to provide alternative to Platform box office.
- Need to relocate Platform back office which MVIC currently pays rent on.

Risks:

- Risk of loss of Lancashire County Council funding for MVIC .
- MVIC premises on long lease and risk it may not be able to be sublet.
- Perceived lack of support for The Storey due to lack of reception and on site room booking facility.

- Adverse PR for the council.
- Small reduction in net income due to lack of retail offer.
- Potential reduction in commission income depending on whether ticket sales are included.
- Dilution of specialist visitor information knowledge.
- Issues around how to retain enough critical mass of specialist staff while still achieving savings.
- Issues of impact of mixing customers

6. Officer Recommendation

The officer recommendation is to adopt the two stage approach outlined above. The benefit of this approach is to enable short term continued provision of visitor information and support to wider services eg Platform, Storey and Visitor Website, while achieving savings in advance of a larger step change where greater savings can be delivered. The option avoids the potential risks to the wider economic development of the district.