

| | |
|--|------------------------|
| Committee(s): | Date(s): |
| Culture, Heritage and Libraries | 26 May 2015 |
| Subject: City of London Information Centre: economic impact study and review of progress against SBR savings | Public |
| Report of: Director of Culture, Heritage and Libraries | For Information |

Summary

On Monday 11 May at the VisitEngland Awards for Excellence 2015, the City of London Information Centre (CIC) achieved gold in the category Visitor Information Provider of the Year. Known by some as England's "tourism Oscars", this prestigious award recognises the huge contribution the CIC has made to the London and national tourism industry and the exceptionally high quality of the service it delivers seven days a week, 363 days a year.

This report and its appendix provide information and evidence of the unique role of the Centre and its economic impact, estimated at £3.55m year-on-year nationally (£1.8m generated in the City). The report also seeks to update Members on the large body of work the CIC has undertaken to achieve savings agreed under the Service Based Review (SBR).

These successes should be considered in tandem with the very many services the CIC provides for London and the nation including its leading role in implementing and co-ordinating a national Tourist Information Centre staff exchange programme, in co-ordinating the London TIC network and in delivering expert training to a wide variety of London visitor operatives including the GLA's volunteer Ambassadors, TfL Visitor Centre staff and local street guide schemes.

Recommendation(s)

It is recommended that Members:

- Receive and note the contents of this report for information

Main Report

Background

1. The City of London Information Centre (CIC) is central London's only official tourist information centre (TIC). It is highly regarded within the industry for its expertise and knowledge of London's tourism product and for the high quality of service it delivers to over 300,000 visitors year-on-year.

2. This reputation has been earned through deliberate efforts to position the Centre as a leader in its field and through the impartiality it has retained when many commercially-sponsored visitor information providers have begun to spring up, provided by BIDS and business consortiums that include local retailers and attractions seeking to drive visitor spend in their immediate areas.
3. Appointed by the GLA, since 2012, to provide London product training for their volunteer Ambassadors year-on-year, the Centre's role has grown substantially in this area. With programmes delivered for TfL and local schemes such as the Cheapside Welcome People, it is widely considered the "go-to" for visitor information in the capital.
4. With ambitions to develop staff and to deliver greater national product knowledge to users (promoting the regions), as well as a desire to share best practice and develop its own business model, the CIC implemented a national programme of Tourist Information Centre (TIC) staff exchanges last year. To date, exchanges have been realised with Greenwich, Windsor and Belfast, with Derry, Oxford and Guildford scheduled for 2015. The programme has attracted the interest of VisitEngland and early discussions are underway as to how they might adopt the model and offer it as an opportunity to their partners.
5. In addition to the above, the Centre plays the lead role in co-ordinating the London TIC network. Having taken this group over from the GLA as part of an Olympic legacy, it continues to champion regular meetings and knowledge sharing to deliver service improvements and enhance the experience for all visitors to the capital.
6. In recognition of the large body of work the Centre has undertaken to serve London and the nation (detailed above) as well as the superlative service received by its users, it was recently acknowledged with the highest accolade it could achieve – winning Gold in the category of Visitor Information Centre of the Year at the VisitEngland Awards for Excellence 2015.

Current Position

7. Since achieving a peak footfall of 399,899 in 2012/13, the Centre has seen visitor numbers diminish. This has been due to external factors outside of the Centre's control including temporary disruptions such as roadworks preventing hop on/off tour buses stopping in St Paul's Churchyard (and thus tourists disembarking) as well as the more significant and permanent impact of St Paul's Cathedral pulling out of the London Leisure Pass - resulting in far fewer incidental tourists in the area (those who have a free entry to St Paul's by virtue of the collective pass). This has seen numbers diminish significantly for the cathedral and – in 2014/15 – a corresponding drop in footfall at the CIC of 19.2%.
8. The CIC has been quick to respond and – working with your visitor development team at Guildhall – it has implemented a number of initiatives to reverse the decline. This includes the Centre being one of a handful of London map centres for the current Shaun the Sheep trail, exclusive ticket redemption and sales deals with organisations such as Open Garden Squares

Weekend and winning roles that help position it in the minds of new audiences – not least of these is its position as London’s Official TIC for the Rugby World Cup later this year. To date the results look promising with significant growth evident since December last year:

| Month | 2013/14 | 2014/15 | Growth (%) |
|----------|---------|---------|------------|
| December | 30692 | 31775 | 3.5 |
| January | 20841 | 23869 | 14.5 |
| February | 20441 | 27139 | 33 |
| March | 21484 | 26043 | 21 |
| April | 27298 | 41030 | 50 |

9. From appendix 1, and based on the lowest and most recent footfall data available at the time of compiling, Acorn Consulting has calculated the economic impact of the Centre to be £3.55m a year in additional visitor spend (spend that would not happen if the Centre did not exist). This is broken down as £350,000 at the Centre (purchasing tickets for attractions and events across London), £1.8m in the City, £1.2m in Greater London and £240,000 in the rest of the UK. It is worth noting that as footfall increases (as shown in the chart above) this figure is set to rise significantly.

Proposals

10. In late 2014, it was agreed under the auspices of the Service Based Review (SBR) that the City Information Centre should look to review its business model and achieve savings of £105,000 over three years (£35,000 per year). This represents an overall reduction in local risk of 49% (using 2014/15 totals).
11. To help achieve this, the CIC has effected a staff restructure through natural attrition to achieve a saving of £25,000 in this and future years.
12. In addition, the CIC proposed to your Committee in July last year the introduction of foreign exchange service, to be delivered by a third party provider. The contractual and logistical implications of such a service have been far more complex than originally anticipated and it is to the credit of all officers across the City Corporation working to achieve this ambition that these are now resolved. It is anticipated the pilot one-year tenure of 1st Currency will start on Wednesday 3 June this year and earn the Centre a guaranteed £40,000.
13. Complementing this, a contract has also been agreed with a leaflet distributor to which the Centre will sell 72 premium space (top rack) themed leaflet racks for the display of leaflets for relevant paying attractions, events or destinations and allocate up to 30% of internal and external screen display space for the same. This is expected to achieve £7,000 in this financial year and a minimum of £12,000 in future years.

14. Together, these three initiatives will deliver £72,000 of savings for the Centre in this financial year. It should be noted however that while the staffing structure and leaflet racks are likely to continue to deliver similar levels of savings year-on-year, the foreign exchange is a pilot and – depending on the business performance of the operation – may, or may not be carried into future years.
15. For that reason and to achieve further savings that will enable the Centre to reach its £105,000 target by 2017/18, a number of other schemes have been considered. They include a partnership with a local or neighbouring BID, online ticket sales, the introduction of cash machines, a premium partnership scheme with regional destination management organisations (DMOs) and the growth of ticket sale exclusives. These are actively being explored and your Committee will be updated on progress in due course.

Corporate & Strategic Implications

16. The City Information is an asset provided by the City Corporation that helps it achieve two core priorities in its Corporate Plan 2015/19:
 - a. KPP4: Maximising the opportunities and benefits afforded by our role in supporting London's communities
 - b. KPP5: Increasing the outreach and impact of the City's cultural, heritage and leisure contribution to the life of London and the nation
17. The proposals for income generation align with KPP2 of the same Plan: "Improving the value for money of our services within the constraints of reduced resources"

Conclusion

18. The Centre is a valuable asset to the City Corporation, reputationally, strategically and economically, delivering positive recognition for the organisation through its work with bodies like VisitEngland, the GLA, TfL, and regional tourism offices, helping it to achieve strategic objectives as outlined above and providing in excess of £3.5m economic benefit to the tourism industry nationally
19. A series of challenges have presented themselves to the Centre in the last year including declining footfall figures and the need to deliver significant savings, as required under the City's Service Based Review (SBR).
20. The Centre has responded positively to these challenges, reversing the footfall trend and delivering savings significantly above and beyond its first year targets. Work will continue to diversify the business model of the Centre, not only to achieve savings but so as to remain at the forefront of its field as an innovative and internationally recognised tourist information centre.

Appendices

- Appendix 1: Acorn Tourism Development Consultants; *Assessing the Added Value*

Nick Bodger

Head of Cultural and Visitor Development

T: 020 7332 3263

E: nick.bodger@cityoflondon.gov.uk