Committee(s)	Dated:
Culture, Heritage and Libraries – For Information	18/12/2017
Subject: City Information Centre: annual survey findings 2017/18	**Public**
Report of: Peter Lisley, Assistant Town Clerk and Culture Mile Director	**For Information**
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Summary

This report provides an update on the work of the City Information Centre (CIC) including the results of its annual user survey conducted this summer.

The Centre continues to perform well with 97% of users rating the staff as good or excellent, and 99% rating the quality of information the same in this year's user survey. In addition to this, the Centre's mystery shopper evaluation delivered a score of 90% for the overall quality of the customer experience, the Centre's best score to date.

While this is a good news story, with footfall and sales up to almost record levels and SBR targets achieved, recent and negative fluctuations to London's tourism economy, likely caused by summer's terrorist attacks, perceptions of our welcome following Brexit and months of poor weather, indicate the vulnerability of the business model to external factors.

Recommendation(s)

Members are asked to:

- Note the report and survey findings

Main Report

Background

1. On Thursday 9 November 2017, the City Information Centre marked its tenth anniversary in its current building (which opened on 5 November 2007) with a reception for trade and industry professionals, suppliers and past staff. The event was attended by your Chairman of Culture, Heritage and Libraries.
2. Since opening, the Centre has served over 3.8m visitors, delivered £3.5m year-on-year in economic benefit for the UK tourism industry, welcomed over 50 national and international delegations seeking advice on visitor information provision (viewing the Centre as a model of best practice), and won many

accolades including the top in the business – as Information Provider of the Year at the VisitEngland Awards for Excellence 2015. In this time, it has also seen significant changes to its operating and business models.

3. Under the City Corporation's Service Based Review (SBR), the Centre was tasked with finding savings and/or additional income of £105,000 per annum (just under 50% of its local risk budget) by 2016/17. This year is the first in which the saving has been taken.

4. Initial ideas and early conversations with partners that led to this amount being proposed did not, in the main, bear fruit. This led to the Centre having to reappraise its income options and negotiate new deals to provide a robust and sustainable business model going forwards.

5. These have been reported to your Committee previously and include a staff restructure, the introduction of a foreign currency concession and the hiring out of the Centre's leaflet racks. A shortfall of £28,000 per annum remained following these initiatives being realised and it was hoped this may be met through the introduction of a book and souvenirs business which began trading in July 2016.

6. Following a "bumper" year for tourism in London in 2013 (the post-Olympic-Games-effect), footfall to City attractions (the Centre included) was significantly down year-on-year in 2014 and 2015.

7. Strong signs of recovery were evident in 2016 and for the first half of 2017, with the Centre returning to a footfall total just shy of its 2013 all-time record (achieving over 390,000 visitors in 2016) and, from January to July of this year, out-performing this record further still with just under 5,000 additional visitors (compared to January to July figures for 2016).

8. With such a strongly-performing Centre, the book and souvenir sales business delivered around £30,000 in net income (profit) in quarters one and two of this financial year (2017/18), thus meeting target six months ahead of time.

9. This news, however, must be viewed with some caution, as significant and diminishing footfall and sales figures in August and September across all of the Centre's business areas (including ticket sales which, historically, have been the staple of Centre income) are likely to impact significantly on year-end totals.

10. These footfall and sales reductions (September to October 2017) are not unusual to the Centre and align with the performance of many central London tourism businesses for the period. They are likely a delayed result of the acts of terrorism London witnessed in spring and summer of this year (with a reduction in those pre-booking holidays to London from June onwards only having a noticeable effect after a lag of two months).

11. A summer of poor weather and the impact of Brexit, which has seen a drop in the number of short stay European visitors to the capital, have further impacted on visitor numbers.

User survey

12. The Centre's annual user survey is undertaken every summer and available from the Assistant Town Clerk and Culture Mile Director on request. Particular items of note this year include:

    a. The percentage of UK visitors interviewed increased by 5% year-on-year to 40%. This may reflect an increase in the proportion of UK visitors to the Centre and/or be a direct result of the foreign exchange service establishing itself after two years of operation and attracting local users from the area; however, it could also reflect stronger representation from the UK domestic market in the wake of Brexit and the falling power of the pound (with 'stay-cationing' gaining in popularity), or it could simply be that interviewers tended to select English speaking visitors to question more than they have in previous years;

    b. That said, the number of visitors using the Centre while on day trips to the capital was up from 13% to 25%, which is balanced by a fall in overnight (and likely overseas) markets (declining from 52% in 2016 to 35% in 2017). Again, this is perhaps because of Brexit and this summer's terrorist attacks deterring long-stay visitors which, in turn, will have inflated the Centre's share of domestic day-trippers;

    c. Interestingly, use of the Centre by visitors from the USA/Canada and Australia/New Zealand increased significantly year-on-year, from 14% in 2016 to 22% in 2017. Conversely, visitors from Europe showed the largest decline from 45% in 2016 to 33% in 2017. As before, it is likely that this is a direct result of Brexit and/or the changing nature of overseas visitors who, taking advantage of the diminishing value of the pound, have come to London to shop (and so have less need of a tourist information centre);

    d. Of all respondents, 68% indicated that they were in the City to visit a specific attraction with St Paul's as the leading attraction at 45%, followed by Tower Bridge, Tate Modern and London Eye (around 28%). This perhaps reflects St Paul's having re-joined the London Pass and emphasises the attraction's importance in driving footfall to the Centre;

    e. Only 15% of respondents said that they were in the City specifically to visit the Centre, down from 23% in 2016, with 63% visiting because they saw the Centre when passing. This is likely a reflection of a decision to stop advertising the Centre in the London Planner, a saving realised as part of the Service Based Review that came into effect this April;

    f. Some 83% of overseas visitors were making their first visit to the Centre in this year's survey, while 38% of UK visitors had been to the Centre four or more times, indicating a good level of repeat visits and perhaps a result of the introduction of services such as the foreign exchange which are likely driving local users;

    g. This year saw an increase in those purchasing a map, guidebook or souvenir (from 4% to 7%); this is likely a result of the introduction of a modest retail business in July last year and is, noting this, surprisingly low;

h. In terms of visitor satisfaction, 70% of users rated the staff as excellent – the highest level since 2013 – with 97% rating them either excellent or good. This is to the credit of all at the Centre, who have seen a significant number of staff changes over the year with short but unavoidable periods when positions have had to remain vacant, thus increasing pressure on the remaining team;

i. In addition to the above, 99% of users rated the quality of the information as excellent or good, up from 98% in previous years, with the proportion of 'Promoters' remaining the same as in 2016 (72%);

j. Some 67% of users said that visiting the Centre had increased their likelihood of returning to the City – down from 85% in 2016 – though this is likely accounted for by the higher proportion of UK and repeat visitors found this year; and

k. Similarly, 84% of all visitors stated that their visit to the Centre had *Greatly* or *Slightly* enhanced their overall visit to London which is a decrease of 8% on last year but likely attributable (as above) to the higher proportion of repeat visits (who are most likely local users).

Mystery shopping

13. Each summer, the quality of service provided by Centre staff is assessed by an external provider (Tourism South East) through a series of six 'Mystery Shopper' visits. The headlines for this year are:

a. The overall quality of the experience at the Centre scored 90%, up from 87% last year;

b. Two members of staff scored 92.7%, a particularly high score;

c. No aspects of the Centre's service were considered inadequate or poor;

d. The highest scoring aspects were Product Knowledge and Quality of the Information provided (at 93%), this includes tailoring information to the visitor and adding value; and

e. The lowest scoring areas were knowledge of the rest of the UK at 73% and Upselling at 63%, though this had improved from 53% last year and may be attributable to the training provided to staff following last year's appraisal.

Opportunities

14. While most options for monetising the Centre further have been explored, acted upon or discounted, the Centre has continued to research and exploit opportunities for increased income generation. Members should refer to the Non-Public Restricted Appendix 1 for further detail on these.

Supporting London and the nation

15. The Centre is London's only centrally-located visitor information centre – London being particularly badly served in this regard compared to all other major cities. It continues to be recognised the world over as a model of best practice in the field

of visitor information provision and, in particular, London product knowledge. This year was no exception with countries across the world acknowledging the Centre's contributions to major national and international events and seeking advice. In 2016/17, the Centre has:

a. Hosted delegations from Toyo and (separately) Osaka, Japan (2019 Rugby World Cup / 2020 Olympics), South Korea (benchmarking expedition), and San Sebastian, Spain (for the opening of their new tourist information centre as part of the 2016 Capital of Culture programme);

b. Hosted the Tourism South East Tourist Information Centre Managers' Annual General Meeting at Guildhall;

c. Committed to support the development of training modules for stewards, schools and other volunteers working at *The London Landmarks Half Marathon* (25 March 2018); and

d. Supported this year's Team London Ambassador Training Programme at the invitation of A-Z events on behalf of London & Partners (the Centre has supported this programme since its inception in 2012).

Challenges

16. Against this backdrop, a number of challenges have hindered the Centre's performance. These include a rapid turnover of staff, with periods when the Centre has not been able to employ its full staffing complement putting extra strain on the team who have had to make up hours through overtime. Members should refer to the Non-Public Restricted Appendix 1 for more detail on this.

17. The breakdown of the Centre's till system in summer last year and its replacement in December 2016 (which left staff managing and reconciling sales manually for months) as well as poor and inadequate lighting over sales racks (which is being addressed) have impacted significantly on the books and souvenirs business (as well as on staff morale), noting that had these issues not arisen, sales may well have been greater.

Corporate & Strategic Implications

18. The City Information Centre is a key delivery agent for the City's Visitor Strategy, driving footfall to City attractions and other visitor products, enhancing the welcome for City and London visitors and playing a high-profile role in London's tourism economy while deriving recognition and profile for the City Corporation the world over.

19. Furthermore, it supports the City's 'Serving London' agenda, having played a key promotional role in London and Partners' Autumn Season campaign this year, and being a vital delivery agent within the City Corporation's contribution to London Borough of Culture in 2018.

20. It is also a significant player on a national level and has demonstrated its ability to drive footfall and deliver profile for England's regions as pressure to ensure that

the benefits of tourism are distributed more equally across the country builds; its pivotal role in England's Historic Cities' successful bid to the Discover England Fund will demonstrate further this importance next year and beyond.

Implications

21. The City Information Centre has secured a robust business model going forwards that is set to achieve its Service Based Review targets this year. However, London's tourism sector is fragile and the impact of Brexit, terrorism and a very wet summer have taken their toll on footfall which, in turn, is impacting on the Centre's income.

22. This decrease (at 15%) is aligned with most central London attractions, but is not a trend the Centre can sustain and it will be forced, in future years, to cut essential programmes and activity to meet further proposed cuts and a potentially even greater reduction in footfall.

Conclusion

23. The City Information Centre is a significant asset in the City's cultural and visitor portfolio and has demonstrated its value as a mechanism for delivering benefits to London and the nation in the context of tourism, while deriving reputational gains for the City Corporation as provider of the service.
24. Its staff have worked hard to achieve the savings targets set under the Service Based Review in sometimes trying circumstances, achieving a robust model that will help ensure the future of the Centre in years to come. Should the trend of falling visitor figures continue, the Centre will be vulnerable as there is no padding in its local risk budget to plug any shortfall.
25. The Centre is highly-regarded by all its customers, as well as by the many City, London and national stakeholders it serves. It has a truly global reach and is the welcoming face of the City (and London) across the world's tourism industry.

Appendices

- Appendix 1: Non-Public Restricted Information Relating to this Report in the non-public part of the agenda

Background Papers

A copy of the full City Information Centre Visitor Survey Findings 2017 is available on request from the Assistant Town Clerk and Culture Mile Director.

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