Committee(s)	Dated:
Culture, Heritage and Libraries Committee	13 December 2021
Subject: City Information Centre: Annual Report	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 4, 7, 9 and 10
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Damian Nussbaum, Director of Innovation and Growth	**For Information**
Report author: Nick Bodger, Cultural and Visitor Development Director	

Summary

Over the past year (October to September 2020/21), the City Information Centre has seen a 99% drop in visitor footfall and a 98% drop in sales revenues against its pre-Covid baseline performance in 2018/19.

While these figures seem high, they should be considered in the context of an overall drop of 87% in footfall for the same period across City attractions collectively. Furthermore, assuming most attractions are now operating on pre-Covid opening hours while the Centre has reduced its hours by 70%, the Centre's performance may be viewed as positive.

The reduction in opening hours, which saw the Centre move from a seven-day-a-week operation to a two-day-a-week one, was agreed by your Committee in March 2021, necessitated by TOM savings targets as well a need to mitigate income losses.

Staffing under the new model has now been secured and the Centre remains agile, able to step up operations in response to market demands and/or reduce them without significant financial impact, should Government guidance change and the Centre be required to close again temporarily.

Recommendation(s)

Members are asked to:

- Note the report

Main Report

Background

1. Pre-Covid, the City Information Centre (CIC) was a City Corporation success story. Over the past eight years (since 2011/12), it has won a series of accolades including national recognition as Information Provider of the Year (2015), and it has welcomed over 50 international delegations who have viewed the Centre as a model of best practice on the international stage and sought to mirror operations.
2. Most pertinently, over the period, the Centre had moved from a 76% reliance on City Corporation subsidies in relation to its local risk expenditure to 40%, building commercial partnerships and sales to drive revenues and meet efficiencies. This saw the Centre delivering £28 for every £1 of City Corporation local risk subsidy pre-Covid in terms of economic benefit for the UK's tourism industry (£3.6m annually).
3. The ambition was always to take the Centre to a cost-neutral position on local risk. In a pre-Covid world, this target was viable, with revenues increasing incrementally year-on-year, new initiatives having been identified and the appointment of a Commercial Business Manager (for all Cultural and Visitor Development Team (CVDT) operations) having been agreed as part of Fundamental Review income targets.
4. Those targets have since been assessed as not achievable in the short to medium term given the significant drop of international tourism in central London and thus the loss of nearly all sales revenues (the Centre's 2019 Visitor Survey identified that 79% of its users came from overseas).
5. The loss of the Centre's foreign exchange counter and leaflet rack rentals as a result of the decrease in London's visitor footfall has further exacerbated its revenue position, which is not expected to improve until central London's tourism recovery is better established. A return of pre-Covid visitor levels in central London is now not anticipated until 2025.
6. At the time of writing (11 November 2021), Google Mobility Data shows that the City looks to be recovering faster than almost all London boroughs in terms of a worker return at up to 70% of a normal midweek, with a figure of around 65% Monday and Friday. However, it is still the slowest to recover for retail and recreation footfall – particularly marked on Mondays and Fridays (around 40% of normal, rising to about 50% midweek).
7. Pre-Covid the Centre operated as a 7-day-a-week service, closing its doors on 18 March 2020 in the wake of the pandemic. It opened again on 14 July 2020, first as a five-, and later, a six-day-a week operation, closing again on 19 December 2020 as London entered Tier 4.
8. On 17 April 2021, the Centre reopened for two days per week, aligning with TOM and revenue-loss savings proposals approved by your Committee in March 2021. This saw the loss of six of the Centre's seven-strong team and the introduction of three new 12-hour-a-week positions to cover the new Friday and Saturday openings regime.
9. Installation of social distancing mitigations, sanitiser stations and counter guards, and attainment of the VisitEngland "We're Good to Go" Covid safety

accreditation were achieved last year and have been retained to ensure the ongoing safety of users.

10. Performance reporting to your Committee for the Centre is focussed on an October (2020) to September (2021) year. This report incorporates data relating to footfall and revenues but would usually include the results of visitor surveys and mystery shopping which take place in the summer of any given year. With the skeleton budget and ongoing openings and closures, these evaluation models have had to be suspended for the year reported.

Current Position

11. Pre-Covid, operating on a 7-day-a-week basis and closing on Christmas and Boxing Day only, the Centre opened for 363 days-a-year (a total of 2,792 hours when daily opening times are considered). In the 2019/20 and 2020/21 years (October to September), with lockdowns, reduced opening hours and the recently introduced two-days-a-week openings (necessitated by savings targets), the Centre has opened 55% and 30% respectively against the baseline of hours given.

12. The current drop of 70% in available trading hours and low visitor footfall in the City over the period (see item 6) has, inevitably, had a significant impact on the Centre's revenues. Table 1 (below) shows an overall drop in footfall of 99% against pre-Covid levels, and a corresponding drop in sales of 98%.

13. While small, it is encouraging to note the 23% rise in spend per head against 2018/19 which aligns with national tourism trends which indicate visitors are spending more in venues (likely a result of increased available spend by users who have saved over lockdown, as well as staff having more time to "upsell" to customers given reduced footfall).

Table 1: impact at City Information Centre of reduced hours and a slow tourism recovery

Period (Oct to Sep)	Decrease: opening hours against baseline (%)	Gross sales (£'000)	Reduction: gross sales year-on-year (%)	Footfall ('000)	Reduction: footfall year-on- year (%)	Spend per head
2018/19 (BASELINE)	0	660	12	375	(3)	1.76
2019/20	45	211	(68)	150	(60)	1.40
2020/21	70	10	(95)	5	(97)	2.16
Total reductions against baseline	**70**	**(650)**	**(98)**	**(370)**	**(99)**	**0.40**

14. To give these figures some context, there were 7.4m visits to City attractions in the 2018/19 year (October to September)[1]; for the same period in the 2020/21 year, there were 970k – a drop of 87%. Acknowledging this figure ignores some

[1] SOURCE: City of London Visitor Attractions Monitor

smaller attractions like the City of London Police Museum and Billingsgate Roman House and Baths which have not reopened since the pandemic (very slightly skewing the numbers to show a greater drop) but assuming the majority of attractions have now returned to their full operating hours, the Centre is doing comparatively well given its window of opportunity to attract audiences has lessened by 70% (as per the reduction in opening hours).

15. The Centre’s gross sales figures (which usually deliver a net income of around 40% of that figure) are slightly more impressive given the Centre has had fewer products to sell. Sales are derived from tickets which the Centre sells for third parties (and from which it earns commission) as well as merchandise. Nearly all suppliers selling tickets through the Centre suspended supply over the pandemic because tickets had to be sold direct (by the supplier) in order to capture track and trace data and/or because precise timed slots had to be offered to ensure safe capacities at venues. Incrementally, the Centre has reintroduced such sales as operators have returned to previous arrangements, with the most popular products being tickets for the Hop-on Hop-off buses and for St Paul’s Cathedral.

16. Unsurprisingly, over the year, Centre users have predominantly been domestic. In the early months following lockdown, these were from older age groups with families and couples beginning to use the Centre more only in recent months. The busiest months were July, August and September, over which time the Centre started to see European visitors return in small numbers. The Centre has welcomed very few visitors from outside Europe over the year.

17. As described in item 8, the Centre – anticipating revenue losses (from sales and rental agreements such as the foreign exchange) and aligning with TOM savings targets – reduced its hours of operation to two-days-a-week from April this year. This saw the loss of six positions, two full-time and four part-time. The Centre Manager was retained on a full-time basis to explore income opportunities, to take on management of the Billingsgate Roman House and Baths and to revitalise the Centre’s services as central London’s tourism recovery progresses. Three new 12-hours-per-week posts were created to cover the two-days-per-week operating model.

18. Of the six posts made redundant, one postholder was redeployed within the Cultural and Visitor Services (CVS) Team, and two more were found posts within the local London tourism industry. Recruitment to the new positions however was problematic in that the posts could only be offered on a short-term basis (to end March 2022) as the Team has yet to complete its TOM arrangements. This – along with the number of hours being offered (12 per week) – did not attract suitable candidates, resulting in the positions only being filled in October this year (after three recruitment drives). As such, it was necessary to shut the Centre for a week in September due to staff illness within the remaining team (and thus not enough staff to open).

19. This issue was highlighted at your September Committee meeting, with other attractions within your remit expressing similar vulnerabilities. As such, your Committee requested that a corporate-wide resolution for sharing front-of-house staff between assets be explored. This is the subject of another report at your meeting today.

20. It is anticipated that the Centre will come in just over budget this year with a small overspend of less than £10,000 being made up from the wider CVS local risk budget. This figure was anticipated to be much higher but with the Centre's modest sales performance and the appointment of the new posts only occurring in October (with casuals and other CVS staff used to cover staff shortages), further savings have been made.

21. Going forward, as central London recovers and visitor footfall returns to the Centre, it is hoped – incrementally – to open more and more days a week. Only £248 to £359 needs to be netted above current sales targets to cover salary costs for opening an additional day (lower figure assumes 2 additional staff to the Manager whose salary is already covered within budget; upper figure assumes three). Annually, this figure would be between £12,896 and £18,668 depending on the staff count requirement against demand on any given day.

22. In the current (2021/22) financial year, the Centre has achieved 79% of its target net income at end September 2021. With six months still to go (albeit these are seasonally quieter), it is hoped an extra day may be added before March 2022. The decision to progress will be based on the correlation of anticipated net income for the additional day set against staff costs.

23. If the Centre opens more days a week and footfall increases, it is also hoped that new rental and income sources can be secured (such as a foreign exchange), noting that, without footfall, the Centre is not attractive to commercial operators and/or investors.

24. As Members will note, within the Strategic Destination Review, delivered by independent consultants and presented to your Committee today, the Centre's value in driving footfall to the City and to its visitor assets has been highlighted:

> "The City Information Centre (CIC) was regarded positively and indeed this is backed up by the Corporation's own data. In 2019, the Centre achieved its highest ever staff satisfaction ratings [and]… sales significantly exceeded previous levels…However, the Centre has struggled during the pandemic and now only has a budget for limited (Friday and Saturday) opening hours. Stakeholders noted the catch-22 of being able to build this service back up while it remained closed yet lacked the resources to open fully. Stakeholders regarded the CIC as a useful tool to welcome visitors - and were interested to see how this service could be amplified."

Corporate & Strategic Implications

- **Strategic implications** include alignment with the Corporate Plan at outcomes 3, 4, 7, 9 and 10 in that the Centre:
  - helps promote access to cultural and tourism facilities,
  - seeks to preserve and the City's tourism businesses so retaining the City's attraction as a compelling destination
  - seeks to champion ease of access within, into and out of the City and London; an
  - promotes City heritage assets, cultural experiences and events.
- **Financial implications** are discussed in the report. Currently, the Centre is looking at a £7,648 deficit within the 2021/22 budget year. This will be met from other local risk budgets within the CVS portfolio.

- **Resource implications** include the cost and appointment of staff to open the Centre more days a week as London's recovery progresses. Small revenue gains through sales are likely to enable incremental opening given the modest staffing costs while a wider corporate staff sharing model is being explored with other attractions managed by the City Corporation to mitigate the need to close due to staffing shortages. This is the subject of another paper at your Committee meeting today.
- **Legal implications**: none identified.
- **Risk implications** include the potential for London to move to another lockdown if infections rise and NHS facilities are overwhelmed. Should this occur, the Centre will likely close again but with negligible impact on its finances given the modest sales targets included within its local risk budget for this financial year.
- **Equalities implications**: none identified.
- **Climate implications**: none identified.

Conclusion

25. The City Information Centre has a pivotal role to play in London's recovery, noting its previous record of delivering £3.6m in economic benefit to London's tourism sector per annum and its role in driving footfall to City attractions and events; as well as its value in delivering an enhanced welcome to City visitors, as highlighted in the new Strategic Destination Review, also presented to your Committee today:

    "We strongly encourage that The City's welcome takes on a whole new spirit. It should grow from events and services that build bridges between the City's communities and those who visit…This welcome should encompass …a re-energised City Information Service, enriched by 'City Hosts'..."

26. The Centre's performance over the year mirrors that of other City attractions and is, arguably, better than some given its reduced opportunity to trade brought about by a 70% reduction in its pre-Covid opening hours (necessitated by savings targets) and a reduction in the range and number of products it may sell.
27. The Centre remains agile, able to swiftly respond to changing market conditions, increasing its opening hours (and building its revenues) should visitor footfall in central London increase, or reducing them or closing should demand or Government advice dictate (without impact on its local risk budget's bottom line).

Appendices

- None

Nick Bodger
Cultural and Visitor Development Director, Innovation and Growth
E: Nick.Bodger@cityoflondon.gov.uk
T: 020 7332 3263