



Strategic Options for Tourist Information Centres

Commissioned By



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Introduction

Introduction

The East of England's district and unitary authorities currently operate 47 Tourist Information Centres (TICs), all of which require operating subsidies from their parent authorities, either in cash or in kind. Despite increasing use of the internet and hand held devices, recent research shows that the TIC network still generates millions of pounds of additional expenditure in the region's visitor economy. In addition, we are relying on a number of key centres to play an important part in securing the reputational legacy left by the London 2012 Olympic and Paralympic Games. Finally, the Prime Minister has personally highlighted the importance of the tourism sector in terms of economic recovery and the balance of payments. Notwithstanding the above, unprecedented pressure on local authority budgets coupled with the fact that TIC provision is a non-statutory service means that TIC operating budgets are under very close review. The TICs at Harwich and Flatford have already closed in the course of this financial year. Others are under review. Unless action is taken to provide alternatives to closure there is a serious risk that further centres will close, with damaging consequences for the region's visitor economy.

Purpose of Project

The purpose of this project is to develop strategic options for local authorities considering the future of their TIC service. In many cases the long term aim may be for the service to become cost neutral. As an important first step, this project aims to provide timely advice on a range of best practice options for reducing the net cost of the service. This should help prevent precipitate closures and the damaging consequences for the visitor economy that such action would entail.

Partners

The National Trust shares the concerns identified by East of England Tourism (EET) and has offered expert assistance and advice on the development of the project outputs. EET had lead responsibility for delivering the project outputs, working with Improvement East, the National Trust and Tourism South East.



Strategic Overview

Now, and for some time to come, the public sector must necessarily be focused on finding savings wherever possible. For all services, the key question will be whether delivery can be achieved more efficiently using the existing model or innovative methods. For non-statutory services the questions will also be whether they are still needed at all and whether they deliver value for money relative to other services. In the field of economic development there is the added pressure of demonstrating a competitive return on investment, if possible, or having to rely on anecdotal evidence if not. The future of TIC services depends on the case that can be made in answer to these questions.

All TICs have the opportunity to reduce their net operating costs through improved retail performance. The retail guidelines produced as part of this study give best practice advice to assist TIC managers and should offer a fresh perspective on key issues such as pricing, product mix and display, where there may be considerable scope to improve margins. Historically some centres have avoided stocking lines offered by other local retailers, or they have kept mark-ups low to avoid the appearance of profiting excessively from visitors. However, faced with a choice between a competitively run centre and losing the centre altogether, most visitors and local businesses would much prefer the former. The public sector must take the opportunity to put its operations on a more commercial footing while there is widespread public understanding of the need for change.

In addition to improved retail performance, there are a number of innovative alternative delivery models that could be adopted to help reduce the cost of the service while maintaining or even improving its quality. The models identified by this report may not suit the circumstances of some centres, but our case studies demonstrate that considerable savings could be available in some cases. Once again, it would be rash to ignore such opportunities where they exist.

The continued relevance and value for money delivered by TICs has been demonstrated by a national study commissioned by VisitEngland, which showed that TICs generated an additional £170.2 million for the visitor economy. Until now it has not been possible to quantify the contribution made by individual centres, but this report sets out the preliminary results of a pilot study with Lewes TIC, which indicated that it generated over £990,000 for the local economy at what must be a very competitive return on investment. This is obviously an excellent result that should help safeguard the investment made by Lewes District Council in maintaining the service at Lewes TIC. Individual TICs should now consider whether to follow Lewes' example.

The argument that has posed the most fundamental challenge to investment in TIC services is that advances in mobile internet technology will eventually make them obsolete, even though economic impact assessments show that they continue to deliver a positive contribution to the local economy. However, internet-based information provision has certain disadvantages when compared with face to face interaction at a TIC. The key problems are the unreliability of user generated content, which may account for the fact that visits to official websites are still rising steadily, and the fact that information is presented in order of commercial priority, so that much of the information that brings an area to life is hard to find. For any visitor without mobile internet access or anyone who has a specific need or interest not catered for by generalist websites, the TIC will always remain a valuable resource. Finally the internet argument takes no account of the unquantifiable value of a TIC's role in providing a welcome to visitors. This cannot feature in an economic impact study, yet the impact is so obviously real that it is a matter of national concern that England's welcome does not rank higher internationally. England's reputation would suffer further without the positive impact made by the TIC network at a local and national level. The long term consequences for the reputation of an area must also be considered as part of the decision making process in relation to TICs.



England's welcome would suffer without TICs, which have a positive impact on the local economy

TICs operate within the broader context of the Local Authority's leisure and heritage provision. Although it is outside the scope of this report to make specific recommendations, it's important to make the most of opportunities for the TIC to have an impact beyond their work with customers. TICs must show that they contribute to the place making agenda. This can be achieved effectively by seeking partnerships that can maximise the benefits of the service, whether with other Local Authority departments, peers at neighbouring authorities, the tourism industry or the local community.

In summary it is possible for the TIC network to survive if it responds positively to the challenges posed by the current funding situation. The aim of this report is to provide the network with some assistance in making that response.

Alternative Delivery Models

Introduction

This section of the report examines a range of models that have the potential to offer local authorities' cost-reducing solutions that will also help protect the long term provision of information in the region. The following models are examined:

- Service diversification
- Combined service delivery
- Relocation and sub-letting
- Commercial delivery
- Outsourcing a centre's management and operation

The case study findings outlined in this report were developed after a series of face to face interviews and telephone interviews with TIC providers. Thanks to St Edmundsbury Borough Council, East Cambridgeshire District Council, Cambridge City Council, Northamptonshire Enterprise and Rother District Council for sharing their experiences for the alternative delivery model case studies. Thanks also to Forest Heath District Council and Colchester Borough Council for their support, even though their experiences were not included in this report.

Case Study 1: Service Diversification

Bury St Edmunds TIC

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Introduction

St Edmundsbury Borough Council undertook a review of the TIC Service in 2005. The review established clear peaks and troughs in business trends, with sales activity across the winter period being substantially less than the rest of the year. Skeleton staffing was insufficient to offset the seasonal downturn in revenue.

A Shopmobility Scheme was located in a unit adjacent to the TIC. The Shopmobility Scheme hires manual and electric wheelchairs or scooters to people who may have difficulty walking around the town and the shops and visiting the attractions. It was a well established and successful service, primarily used by local residents. The service was staffed on a full time basis and the manager had expressed a wish to retire. The stand-alone service was costly and therefore might not have been sustainable in the long term. At the same time, there was the option to move the Tourist Information service to a less costly but less prominent position, which could have undermined the quality of service. The TIC user profile was made up of 65% local residents and 35% visitors. This meant that the Shopmobility Scheme was a good fit with the TIC.

It was therefore proposed that the Tourist Information Centre take on the Shopmobility Scheme. This was endorsed at a senior level within the Local Authority, with the Corporate Director adopting the role of ambassador, influencing decision makers and heralding the amalgamation as best practice.

Key Learning Outcomes

The time line for managing the change should not be underestimated. In this case it took around a year.

At the outset the only perceived benefits were the additional staffing. The wider benefits evolved over time. The membership platform gave rise to a committed and loyal customer base that the TIC could exploit. Closer scrutiny at the outset may have led to bigger wins in the short term.

The TIC did not develop a formal plan of delivery which meant that there was a clear lack of measurable milestones including Shopmobility sales targets, thus limiting the delivery of good news stories.

Get your staff on board at the outset and they will be your best ambassadors, influencing slow adopters and laggards.

Excellent training is essential to successfully implementing the service and developing its long term reputation. Although the outgoing Shopmobility manager provided handover and training, more training time needed to be built in.

Guiding Principles

The TIC team knew that if the provision of information to visitors was to be protected in the long term then their operation would need to become more sustainable and deliver increased value to stakeholders. The team needed to consider shared services which were commensurate with the TICs location and visitor profile. A focus on an increase in income generation and footfall were paramount. A multi-skilled and customer service led team would be instrumental to overall success.

Change Management Process

When the concept of amalgamating the two services was discussed, both the TIC and Shopmobility teams and a number of the local users expressed concern about the shared service. The TIC manager focused heavily on changing these initial perceptions through substantive consultation and communication. This was aided by overt support from local tourism and retail partnerships. Once on board, local residents benefitted from accessing the TIC service which they may not have done otherwise and the TIC staff enjoyed a wider and more diverse range of responsibilities. By positioning the Shopmobility Scheme with a team that were already experienced in delivering strong customer service, the overall service could be delivered more professionally.

The amalgamated service was launched formally by public relations activity to raise awareness of the change. The TIC manager worked closely with the Local Authority Corporate PR team and local media. This included photo opportunities of Councillors testing the scooters etc. The sub-story focused on the TIC service, providing exposure and recognition that otherwise would not have happened.

Advantages

By amalgamating the two services the TIC was able to double staff hours during the winter months, gaining 25 hours per week. The combination of the two services enabled the TIC to increase its footfall and the TIC was able to convert Shopmobility customers into TIC customers. This led to increased turnover and a wider recognition of the TIC service within the local community.

As a result of the promotional activities undertaken by the TIC, visitors to Bury St Edmunds became more aware of the Shopmobility Scheme and the service is now used by some visitors to the town. This has increased the take up of scooters and also provided a more comprehensive welcome to the town, providing a positive experience of the accessibility of the town. The coach drop off is conveniently located for this TIC, which drives footfall and



Shopmobility reinforces the message that Bury is an accessible town

increases take up of the Shopmobility Scheme, whilst continuing to reinforce the message that Bury St Edmunds is an accessible town.

Before the service was transferred to the TIC, Shopmobility was only available during week days. Saturday is a busy trading day for this market town and Sunday has become recognised as a popular browsing opportunity. By amalgamating with the TIC, the service could be extended, which has led to an increase in revenue generated from weekend opening.

The Shopmobility Scheme had developed a 'drop in centre' style atmosphere, which in turn negatively impacted the productivity of the staff. When responsibility for the service was moved to the TIC, it provided an opportunity to overcome this whilst retaining the support of the local community.

The Shopmobility Scheme is underpinned by a membership scheme. In the five years that the TIC has been responsible for the service, it has improved the membership offer by using the skill set of TIC staff. They have increased the membership in excess of 300%. This has also enabled them to introduce a low cost membership fee, generating an additional revenue stream at the same time as providing a perceived value to the service. The membership offer is enhanced by the launch of a regular newsletter and membership card.

Whilst the Shopmobility service has been reviewed by the local authority in the past, it is considered an emotive service and as such any proposed cuts are likely to generate significant levels of opposition. By connecting the non-statutory and sometimes misunderstood TIC service, it potentially protects the long term future of these two critical services which influence the economic prosperity of the town.

The experience of diversifying into this service led the team to consider areas where the TIC could support other Local Authority departments. Trading on the success story and the recognition that the team delivers exceptional levels of customer service, the TIC were able to offer cost saving solutions at a time when departments were facing budget cuts. The TIC took on the dispatch of green bags, on-site administration of parking fines, managing post and cash handling for the Parks service, storage facilities for the civic office and supporting the administration of the market stalls. The TIC has become established as the accepted place to handle such services and once the team grasped the multi-skilled and

diverse nature of their new roles it became easy to add services. The TIC manager has continued to reinforce this message at all Directorate and cross-Directorate meetings.

Disadvantages

There is always the possibility that staff will react negatively to the unknown and will not be prepared to take a leap of faith and embrace change. This was pre-empted by proactive engagement to sell the idea to staff. Management time in pre-empting change management issues can be intensive.

When taking on the new service, it was essential for the team to make a significant investment of time and resource linked to initial training. This should not be underestimated and was critical to the overall success of the project. It's important to anticipate a learning curve as it was more time consuming to deliver the new service in the beginning.

Additional staff resource was required to deliver the roles and responsibilities connected with the Shopmobility Scheme. Although the TIC did secure more staff hours, this was not always sufficient to cover the additional workload. This includes the responsibility for providing access to the equipment and preparing it for the day's bookings. In the case of the Shopmobility service, each transaction involves completing booking forms and checking identification, so the transaction period can be comparatively long. This can potentially lead to a longer queuing period for all customers.



A focus on increased productivity and multi skilling enabled the team to achieve a good standard of service for both types of customer within the resource constraints available. It can be difficult to predict busy periods for both TIC and Shopmobility customers. This meant that the workforce needed to become more flexible to compensate for varying demand. It took time for the team to get the balance right.

Next Steps

The service is located in a Grade II listed building. Originally owned by the Local Authority, it was sold to Bury Town Trust. Since the Trust is a charity organisation, it has access to regeneration and redevelopment grants. The upper floors have been partially restored, enabling them to be open to the public for Heritage Open Days. The TIC will look for opportunities to use their skills to benefit stakeholders during this change.

Sharon's top tip:

"Don't dismiss any shared service opportunity out of hand. Take time to look at the proposal in detail, involve your team at the outset and think broadly how services might successfully combine."

Case Study 2: Combined Service Delivery

Ely TIC

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Introduction

The TIC service was originally located in the library but when the Oliver Cromwell House attraction opened the two services were combined. The Oliver Cromwell House is in close proximity of the city centre and close to the main entrance of the Cathedral. The House was previously a vicarage and was purchased by the Local Authority in 1989. The combined TIC and attraction services were established in 1991, recognised as the first combined service pioneered in the country.

The upper floors of the building are used as offices for the council, including the tourism team, which maximises the space in the building. The attraction was originally located on the 1st floor only. In 1995 this was extended across other floors. It is a paid for attraction, with an entry price of £4.50 per full paying visitor.

The TIC attracts footfall in excess of 100,000 per annum, of which 12.5% on average visit the attraction each year. Ely TIC attracts 20% local residents and 80% visitors, many of whom visit the famous Ely Cathedral. There is a staff complement of 6, made up of 2.5 in the summer and 2 in the winter period supplemented by 1.5 casual resource. There are a number of long standing staff within the team.

The city of Ely has a small population of around 15,000 and is one of the smallest cities in the country with Ely Cathedral being a significant draw for domestic and overseas visitors.

Ely TIC is managed by Tracey Harding who is the Tourism Officer and is also responsible for the attraction and the wider Town Centre management role. The TIC budget sits within the

Key Learning Outcomes

Effective implementation can drive footfall and service recognition.

Make sure you position the branding correctly at the outset. Visitors need to understand that there is both a TIC service and an attraction offering.

Remember when marketing it is difficult to combine the TIC and attraction messages so expect to market these independently of each other.

Consider how the visitor profile of both services will complement each other.

Carry saleable items which reflect the needs of the TIC visitor whilst complementing those that visit the attraction.

Empower your team to proactively promote both the attraction and TIC service capitalising on all opportunities in a seamless way

wider Tourism and Town Centre cost centre. The overall function sits within Community Services Directorate of East Cambridgeshire District Council.

Guiding Principles

To relocate the TIC service in a high footfall prime location, following the decision to have a new purpose built library. To protect the long term sustainability of the TIC service. To maximise the use of the Oliver Cromwell House attraction sympathetically.

Advantages



The shared service means that the TIC is in a natural place for visitors to come

By combining the TIC service with the Oliver Cromwell's House attraction, the TIC service could be delivered in an excellent location that is a natural place for visitors to the town to come.

Since the two services were combined, staff have always had to be multi-skilled with strong customer service and retail skills. This has put the team in a good position to take on new services, such as a box office function.

The tourism team have developed strong and effective partnerships with local attractions and accommodation providers, including the Ely Traders Association, enhanced by their position as a city centre attraction. Activity has included the introduction of joint ticketing initiatives and combined advertising opportunities. Specifically, links with the Cathedral have led to combination tours of the Cathedral and Oliver Cromwell House, supported by joint marketing initiatives. The TIC alone would not have been able to add the same value to joint marketing initiatives.

Oliver Cromwell's House has a reputation for being haunted. The TIC runs ghost tours of the attraction that are popular with visitors, and have developed this further with ghost walks in the city. This provides an important source of income to the TIC and has put the TIC in a good position to develop the group travel market. Combined with a City Guides initiative and joint marketing activity, this has led to the group travel business trebling over the last three years.

A room in the building has recently been developed as a function room, promoted as the Tithe Room. It is available for day and evening hire. The history of the building gives it an

additional attraction as a meeting room. During the course of the last year the facility has secured a positive reputation and is being successfully hired out to local organisations as well as being used to stage local events including concerts, music recitals, and team away days. The room also provides a platform to showcase the TICs saleable items, specifically local wines via wine tasting sessions. This generates an additional revenue stream for the business. It has increased the profile of the TIC within the business sector which in turn anecdotally has raised the profile of the TIC and attraction across Ely and surrounding areas.

Since the Oliver Cromwell's House attraction was developed, the people of Ely have come to look on it as a source of civic pride. The tourism budget was cut by £8,000 for 2010/11 and it is well recognised that if the TIC was not colocated then it may have been put at risk and at best relocated in the Cathedral.

Disadvantages

The biggest challenge for the team is the identity of the joint service. This affects the joint service in a range of ways, from how the telephone is answered through to how the offer is promoted and advertised. It takes careful planning to ensure that customers are not confused by the messages that the TIC communicates about the joint service.

Oliver Cromwell's House is a listed building and therefore offers limited signage opportunities. As such it can be missed by potential visitors. 'A' boards located outside the building and finger posts overcome this issue to a limited degree. There is limited parking close to the House which can limit passing trade.

The management of change has been time consuming and support of long standing staff, who offer extensive local knowledge and experience, has been critical.

Next Steps

Extended combination tours and development of the group travel market is key to both the attraction and the TIC. Proactive marketing to visitors to Cambridge and Oxford is being considered, which could be supported by joint marketing initiatives. Commission earning streams will be established where the TIC sells admission tickets on behalf of attractions.

Tracey's top tip:

"Make sure you share with a service that complements your own with the opportunity to offer an effective marketing synergy."

Case Study 3: Relocation and Subletting

Cambridge TIC

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Introduction

Emma Thornton is the City Centre Manager and took on the responsibility for Tourism in 2007. Emma and her team work closely alongside an independent City Centre Partnership, a company limited by guarantee.

The TIC was located in the Guildhall, which is a Local Authority owned building. Its location was recognised as offering significant commercial lease opportunities, although refurbishment of the building would require a £1.1 million grant. The refurbishment attracted a Jamie's Italian restaurant to the site. This meant that an alternative location for the TIC service was required.

A radical review of tourism services took place. Since tourism is not a statutory service and Cambridge has an established reputation as a visitor destination, tourism doesn't have the same priority as it might do for other Local Authorities. It made sense for the review to consider developing a public private partnership. Best practice models of Bath, Bristol and York were considered as offering examples of long term sustainable solutions. Relocation of the existing TIC was a priority within the review.

The review led to a restructure in the tourism team and the introduction of a Commercial Manager, a Web Marketing Officer, and a Membership Officer. These roles were introduced to improve efficiency and revenue potential. The costs of these additions equalled less than the previous staffing budget whilst presenting a greater opportunity for growth.

Key Learning Outcomes

Don't assume all partners will adopt the principles of an industry membership engagement scheme without challenge. Many feel it is their right that the TIC promotes them equally with others.

Consult with your staff throughout the whole process. They need to feel engaged and by doing so will feel more able to deal with those that may not support the changes. Staff advice on how to optimise your service will be invaluable.

Hold regular tenant meetings including your own team to review overall objectives and targets, ensuring that everyone remains engaged and focused on the wider objectives.

Develop a structure and team skill set that will enable the business to achieve its aims.

Find opportunities to constantly reinforce the benefits of the membership with the industry, using real examples of value.

The relocation of the TIC into a new building created an opportunity to sub-let adjacent spaces for retail and for a coffee shop. These income streams meant that the grant for refurbishing the Guildhall would have a pay back period of 11 years. It was recognised that the success of both of these ventures was very much driven by the presence of the TIC, which serves both as a draw to visitors and also as a referral opportunity. At the same time the coffee shop, gift shop and the Cambridge Revisited attraction equally served as a draw to visitors, making it a natural location for the Tourist Information service.

Guiding Principles

Cambridge City Council's ambition was to achieve a better use for the Guildhall which would serve the city's resident and visitors alike.

The new TIC delivery model needed to be more commercially focused and with consideration given to the introduction of an industry membership engagement scheme.

The aim was to make more effective use of the tourism budget and reduce the cost of the tourism service, with the aim for the service to become cost neutral.

Advantages

The refurbishment grant enabled the tourism team to design the TIC from a blank page. The team were able to develop its structure to suit the future needs of the business.

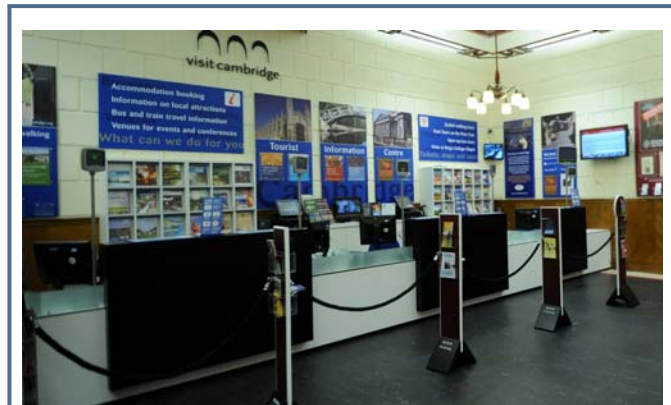


Designed to meet customer needs

The new TIC location could be better designed to meet customer needs, in a way that was not possible in the old location. The new TIC has self-service information points that help to better meet visitor needs and reduce queuing. Blue coloured areas indicate where visitors need to ask for assistance and claret coloured areas offer information direct to the visitor without the need for staff intervention.

The tailored and bespoke design of the new TIC enabled the team to achieve their ambition to better showcase other honey pot destinations such as London. The TIC now attract more visitors seeking information outside of the city and as such offering the TIC team the opportunity to deliver add-on sales to visitors whilst in Cambridge and residents of the city.

The new layout also allows the TIC to better meet the needs of commercial partners. For example, the TIC have been able to redesign their leaflet and poster displays in a way that gives them the flexibility to link their services to the membership engagement scheme. A plasma screen is located above the information desk and provides information on Cambridge. It has been taken on by the Explorer Group and it will promote their travel. The new location has the right professional, commercial atmosphere for better engagement with businesses. The re-design also allowed the team to introduce a private meeting area which could be used by partners. These changes in the TIC service have supported the development of the commercial membership service in a way that might not have been possible in the previous location.



A professional atmosphere for business engagement

The relocation of the TIC also led to a review of tourism that created new opportunities. The new membership engagement offer presented the opportunity to develop a much more meaningful and valued relationship with the industry. A series of stakeholder events were undertaken in year one, to introduce the concept and to gauge what the industry would really value. The platform offered greater networking between sectors, which had not occurred before. The team produced a regular e-bulletin which kept stakeholders informed as part of the process, encouraging feedback. A great deal of positive press and PR activity was undertaken to underpin the commitment the local authority had given to the new membership programme and the refurbishment. This generated a great deal of support and helped convert slow adopters and antagonists. The team took every opportunity to report back successes and to demonstrate the return on investment for the stakeholders, which in turn gained support and commitment from the industry.

It was recognised that the Local Authority framework can limit the potential for retail, making it difficult to operate a dynamic retail offer. Outsourcing the retail offer to a commercial organisation, who are specialists in the field, overcame these challenges. Moreover it removed the risk and liability attached to stock and staff from the Local Authority whilst still providing a guaranteed rental stream which collectively matched that which was achieved at the previous location. This enabled the tourism team to focus on areas where they are best suited to add value using their unique skills.

Regular tenant meetings were undertaken to ensure that everyone felt that they were working as a single team. This enables the local authority to influence the product offering

of the tenants to ensure that it was complementary to the TIC and commensurate with the commercial ambitions for the City.

Another benefit is that the Jamie Oliver restaurant drives footfall to the location, making it an ideal location for the TIC service and the other businesses in the building.

The new operation meant that all staff needed to be multi-skilled and there is an ongoing cultural shift in how the TIC is run. This offered greater flexibility in rostering and ensuring that the operation was run most effectively, both from a customer satisfaction perspective as well as from a financial one.

Disadvantages

The introduction of the industry membership scheme led to a culture change for many partners including the University Colleges and Museums who regarded their presence within the TIC as a given right. Significant resource was dedicated to achieving the change in perception. The challenge for the TIC has been to continually demonstrate how they add value for members.

The new TIC has 40% less space than the previous location. Therefore, it was essential to be able to manage queues. By investing in self-service information points the team were able to manage this, although not all visitors were able to receive a face to face service.

Engaging staff in the new ethos required additional time and investment.

Next Steps

The new Commercial Manager will focus on major business growth opportunities with the aspiration the service become cost neutral.

The Explorer Group buses will carry plasma screens providing information to visitors to the city on park and ride and main bus service routes. This will provide an opportunity for the TIC to promote its services and offer opportunities to members.

Emma's top tip...

"Think radically about your future service provision and learn from other best practice services."

Case Study 4: Commercial Delivery

Silverstone Circuit Visitor Information, Northamptonshire

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Introduction

The East of England region does not currently offer an example of a TIC service being delivered as part of a solely commercial enterprise. Therefore the study has looked at best practice examples outside of the region. The Silverstone Circuit model has been recognised as best practice at national level and as such it was felt well suited to meet the requirements of this study.

The new visitor information service at Silverstone was opened in late 2007. It is located at the Silverstone Circuit, close to the village of Silverstone in Northamptonshire. It offers a 7 day per week service, staffed by permanent and dedicated Silverstone personnel. This includes a Visitor Centre Manager, Deputy Manager and assistants. The service is based in a disused Police Command Centre, adjacent to the Learn and Discovery Centre which has close links with schools and children within the local community. It is colocated with a Costa Coffee outlet which has its own dedicated area and staff. The main reception for Silverstone Circuit is separate to the TIC; however it does sell driving experience tickets etc on behalf of Silverstone. The TIC attracts 80% visitors and 20% local resident use.

The initiative was born out of ambitions of East Midlands Tourism to improve the effectiveness of delivery of visitor information throughout the area. There was a focus on locating information services around tourist hot spots, Silverstone was highlighted as one of these attracting in excess of 1million visitors per annum. It offered a nationally

Key Learning Outcomes

Cheerleaders must be secured early on to keep the project on track.

Engage at a senior level at the outset to ensure long term commitment.

Maintain ongoing close links to overcome changes in personnel and to ensure continuity of service and recognition of the founding principles of the project.

Establish a mentor to provide 'an arm around them' such as a neighbouring TIC.

Establish a mutually agreed and regularly reviewed Service Level Agreement.

Avoid being over prescriptive as commercial enterprises demand a more flexible relationship.

Recognise that commercial enterprises work very differently to the public sector and therefore be realistic in your expectations.

Invest in PR activity throughout the process. Soft launches will not generate the levels of interest required.

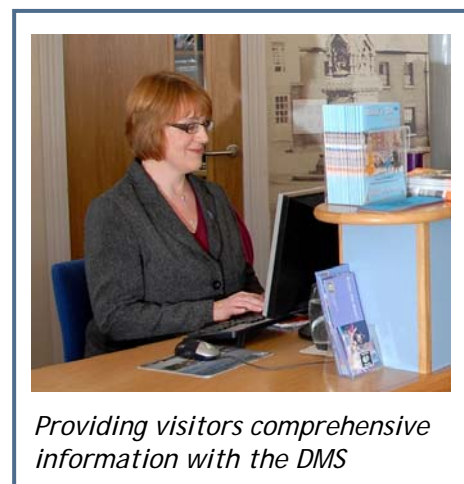
and internationally recognisable brand. It was also commensurate with Silverstone Circuits ambitions of offering an improved and more comprehensive visitor experience.

Guiding Principles

It was established early on that the new service must meet the Enjoy England Official Partner Programme requirements. It should meet the commercial objectives for Silverstone Circuit whilst showcasing Silverstone as a jewel in the crown of Northamptonshire on behalf of Northamptonshire Enterprises Ltd and East Midlands Tourism. The TIC should be a dedicated service with fully trained staff. Silverstone Circuit should promote accommodation and other tourism businesses all year round, not just when events are happening at the circuit. Moreover, an objective was to attract customers to revisit Silverstone Circuit and visit more widely in Northamptonshire on a leisure basis.

Advantages

The new venture was able to fill the gap that the closure of Brackley TIC had left, limiting the economic impact of this decision. An advantage of the location is that the Silverstone Circuit main reception is located elsewhere allowing the TIC to focus on the provision of visitor information. The TIC personnel use the regional Destination Management System (DMS) in addition to touch screen kiosks, allowing the provision of comprehensive information influencing visitors to stay longer and spend more.



Providing visitors comprehensive information with the DMS

The Costa Coffee outlet serves as a draw to both visitors and local residents. It provides an important income stream in terms of rental and offers the opportunity for the TIC to deliver add on sales.

The Enjoy England Official Partner status offered national and international routes to market as well as offering a framework which the two parties could work toward. Silverstone Circuits were happy to do this as it did not conflict with any of their commercial ambitions.

The relationship offered a springboard to engage Silverstone Circuits in the wider economic and inward investment agenda. It provides a public face for Silverstone Circuit outside of event times, when it continues to promote the wider Northamptonshire offer.

The TIC team attend tourism forums delivered by Northamptonshire Enterprises thus ensuring sustainable relationships with the tourism industry and reinforcing the effectiveness of the partnership.

The project led to new signage at Silverstone Circuit and on the main routes, offering promotion of the Northamptonshire branding.

Disadvantages

A dictatorial approach will not win supporters. A commercial organisation's drivers may often be very different to yours, so expect to commit to lengthy and sometimes onerous negotiations. The commercial enterprise is an entity in its own right and therefore may take on services which may not complement that of a TIC service. Recognise that providing the commercial enterprise with the appropriate levels of autonomy are essential yet by doing so may impact on resourcing and structures within the organisation providing the project management at the outset.

Expect to deal with high levels of staff turnover, requiring significant time spent in reinforcing agreements, principles and messages. The staff are employed by the commercial enterprise and as such influence over approaches to customer service and priorities can be limited.

Commercial enterprise partnerships cannot guarantee longevity, therefore alternative delivery models should be scoped out in the background.

In the case study model outlined, Northamptonshire Enterprises Ltd invested in concepts and training of staff as well as capital in terms of equipment and signage. However direct return on investment was nil. Any return would have been achieved through the economic benefits to the wider visitor economy.

Next Steps

To explore complementary income generating opportunities, including ticketing and saleable items

Robin's top tip...

"While the motivators for both parties can be different, you must aim to achieve a common goal. You must be realistic in your expectations of the commercial sector."

Case Study 5: Outsourcing to a Tourism Delivery Body

Rye TIC, East Sussex

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Introduction

In a climate of heavy spending cuts, local authorities are forced to challenge discretionary expenditure and this has put visitor information services under increasing pressure. Outsourcing can offer a suitable solution to protect visitor information provision in the long term. However, East of England does not have any TICs which are outsourced to a dedicated tourism body. Therefore Rye TIC in East Sussex has been used as an example.

Rye TIC was managed under a temporary contract with Rye Town Council due to expire on 31st March 2009. The TIC was located within the Heritage Centre, Rye. A further networked TIC is located within Battle Abbey and operated under contract to English Heritage.

In October 2008 Rother District Council invited interested parties to tender for the contract to manage the operation of Rye TIC for a three year period from 1st April 2009 to 31 March 2012. A grant of £35,000 would be awarded to the successful candidate. This amount was slightly higher than in previous years to reflect the location and high volume of visitor enquiries received at the TIC compared to other regional networked TICs.

Tourism South East was successful in securing the tender and now operates the TIC under contract to Rother District Council. The grant leaves an operating deficit which is made up from retail sales income, which is working towards achieving a cost neutral service.

The centre opened in August 2009 in a new location, in Lion Street in the heart of the town. A private lease was secured at this Grade II listed building. A full refurbishment and

Key Learning Outcomes

An alliance with the regional tourism body can reassure industry partners who might otherwise be sceptical about the benefits of outsourcing models.

A robust and transparent SLA must be achieved to protect both parties.

Time and resource should be invested to review the objectives and goals set out in the SLA in order to ensure the long term aspirations are met.

Delivering the tendering process can be time consuming and therefore appropriate allocation should be made for this within the process.

Carry out consultations with the industry from the outset and throughout the process to ensure a timely and seamless handover.

Consider TUPE legislation and liabilities relating to the transfer of staff.

bespoke shop fit was undertaken. The rental agreement commenced in June and the shop fit spanned two months. The TIC has attracted in excess of 50,000 visitors in its first year of trading.

Guiding Principles

Rother District Council wanted to review and refresh the visitor information provision within Rye without increasing its financial commitments.

The Council required the TIC should conform to the National Guidelines for Tourist Information providers in England and retain its status of Enjoy England Official Partner.

There was a requirement to build more effective and transparent relationships with the local tourism industry to mutual benefit.

Advantages

The Local Authority can reduce their costs and maintain a level of intervention that suits them. This option limits the risk to local authorities since operational activity is delivered by a mutually agreed contract and service level agreement. The liability for the retail operation is also absorbed by the contractor, reducing the risk to the Local Authority.

In many cases, the contractor will be able to add value to the work of the Tourist Information Centre. For example, the contractor may conduct their own marketing, training or research that can benefit the Centre.



Retail may be more profitable due to economies of scale

Where a contractor specialises in tourist information centres, the TIC will be managed by tourism professionals and this will often give the service access to benchmarking and best practice advice for its contracted TICs. With economies of scale the contractor may well be able to run a more profitable retail outlet in the TIC than the Local Authority would be able to. This would mean the contractor could achieve direct cost savings whilst maintaining a high level of customer service.

Disadvantages

The Local Authority should dedicate the relevant time to ensure that an appropriate and robust SLA is developed. They will need to continue to invest some time in the provision of visitor information; mainly around meetings with the contractor to ensure the objectives and goals are being met.

Some local authorities might feel a loss of autonomy when decisions have to be delivered through a third party.

Dependent upon the terms of the contract the local authority may still need to be responsible for buildings, IT and some staff related liabilities.

Next Steps

There may be a natural local partner for outsourcing the management of a TIC. Refer to the section on the outsourcing process for more information.

Emma's top tip...

"Outsourcing is not an overnight remedy. Invest time to get it right at the outset and it will pay dividends in the long term."

Outsourcing Process

Pressure on Local Authority budgets could pose a significant risk of closure for Tourist Information Centres around the region unless sufficient savings can be found by other means. One option that may be worth considering is outsourcing the management of the TIC to a third party. The main potential benefits for the Local Authority would be:

- An immediate reduction in net annual running costs to a fixed amount that could be relied upon for budgetary purposes.
- Further efficiency savings in subsequent years.
- The removal of a significant back-office administration burden.

The outsourcing process would run along the following lines:

- The contractor and Local Authority would meet to get a better understanding of the nature of the centre and clarify expectations regarding service levels, opening times, key performance indicators and a target transfer date.
- The Local Authority accounts team would provide a breakdown of costs and revenues for the last full accounting year and the current year to date. Having established the net annual cost to the authority, the contractor would then be able to make an assessment of the savings they could hope to realise, for example through economies of scale in purchasing. This would form the basis of the offer, which would be in the form of an annual management fee at a fixed reduced cost.
- If the Local Authority decided to proceed, the contractor would purchase the stock in hand on the transfer date at an agreed valuation and the centre staff would transfer to the contractor's payroll under the TUPE regulations.
- Typically, the premises, together with fixtures, fittings and equipment, would be provided and maintained by the authority, which would licence the contractor to use them to perform the agreed duties without creating a tenancy. The contractor would be responsible for all operating costs and to the extent that the contractor was responsible for any enhancements to the fixtures and fittings during the period of the contract, they would become the property of the authority on termination.

- Any arrangement would include reporting requirements and regular review meetings and could be adapted to suit changing circumstances over time.

It is recommended that any outsourcing agreement should cover the following main points:

- Arrangements for the payment of the management fee, including an annual review and identifying any charges that are excluded.
- Grant a licence to use the building and specify the terms of the licence, along with clarification that this does not create a tenancy.
- Restrictions on the use of the centre to ensure that it is only used for the intended purpose. Provision for the Local Authority to reasonably maintain the centre.
- Terms for the purchase and transfer of stock. Clarify that the contractor is entitled to retain income received through the operation of the centre.
- Requirements for contractor staff, including a designated Contract Manager.
- Warranties and indemnities under TUPE for any staff transferred to the contractor.
- Circumstances in which the contract can be terminated.
- Specify requirements and arrangements for indemnity and insurance, Data Protection, Freedom of Information and arbitration.

The outsourcing agreement should include a specification for the management of the TIC:

- Aims and objectives of the tourist information service.
- The information that the contractor should send the Local Authority, including an annual service delivery report and plan and quarterly performance indicators.
- Health and safety.

A comprehensive template for an outsourcing agreement has been developed as part of this project, with advice from Birketts LLP. The purpose of this is to minimise the time Local Authority legal departments have to spend working on any deal. For a copy of the template, please contact East of England Tourism.

Retail Guidelines



Strong retail reduces net operating costs

Tourist Information Centres often have a retail offer to provide an additional source of income and to contribute to the visitors' enjoyment of the destination. Improving the retail offer can deliver better value for money by reducing net operating costs.

Working in the public sector, TIC staff do not have access to specialist retail knowledge or advice. A guidance document has therefore been produced as part of this project, with advice from Retail Matters and the National Trust. The guidelines give best practice advice to assist TIC managers and offers a fresh perspective on key issues and areas where there may be considerable scope to improve margins. The topics covered in the guidance document are:

- Setting objectives
- Staffing
- Location and signage for the retail offer
- Layout of retail area
- Fittings
- Display
- Retail environment
- Merchandise selection
- Ticket sales
- Pricing policy
- Enhancing the retail offer with partnerships
- Systems
- Retail benchmarks

For a copy of *Retail Guidelines for Tourist Information Centres* contact East of England Tourism.

Tourist Information Centre Research Tool

Tourist Information Centres make an important contribution to the economic, social and recreational well-being of their communities. The quality of customer service, facilities and information delivery will impact significantly on visitors' activities in a destination. TICs can influence the length of stay, attractions visited, visitor activities and the overall travel experience. This will impact on the visitors' propensity to return to the destination and to give positive word-of-mouth recommendation. It can also have a direct impact on visitor expenditure in the destination and thus boost the visitor economy in the destination.



TICs have a direct impact on visitor expenditure

Incremental Visitor Expenditure Directly Generated by Tourist Information Centres, a national study on behalf of VisitEngland, examined the role played by Tourist Information Centres and determined the incremental visitor expenditure directly generated by TICs. It found that Tourist Information Centres in England generated an additional £170.2 million for the visitor economy.

In a pilot follow up study, TSE Research developed a diagnostic tool to enable TICs to assess their influence on:

- Encouraging visitors to visit more attractions/places of interest that they had not planned to visit/were unaware of
- Encouraging visitors to stop and eat or drink in local cafés/restaurants/pubs
- As a result of the above - encouraging visitors to spend more time in the area
- As a result of the above - encouraging visitors to spend more money in the area

The methodology for the diagnostic tool involves TICs collecting primary data from walk-in visitors via a visitor survey, with optional follow up, email and telephone enquirer surveys.

Although the pilot study is not complete, it allows TICs to collect the key primary data needed to estimate incremental visitor expenditure. Using the initial data available from the pilot and the national study, EET have developed a template for estimating the incremental spend by visitors resulting from their visit to the TIC. This template is subject to review as the pilot study is concluded.

Best Practice Recommendation: Demonstrating the Value of the TIC Service

It's recommended that all Tourist Information Centres should use the TICKit to collect the information needed to demonstrate the value of the TIC service to the visitor economy. By using the TICKit and EET incremental spend template, the TIC will be able to provide stakeholders with credible evidence of some of the economic benefits of the TIC, without which it may be difficult to secure the future of the service should budgets come under review. It will take up to a year to collect all the data necessary to demonstrate the value of the service, so don't wait until it's too late.

One of the TICs that has taken part in the pilot project is Lewes TIC. Using the data from the Lewes TIC survey of walk-ins, the national study and the EET incremental spend template, we have been able to estimate the incremental spend directly generated by the TIC. Although 43% of the walk-ins to the TIC were local residents, they are not included in the estimated total incremental spend figure. This is because in conventional economic impact analysis spending by local residents is not considered to be an injection of new money into the area, but rather 'recycling' of money already in the area. There is a more detailed analysis of the likely economic impact of residents spending that result from a visit to a TIC in the national study. The result given in the case study is the most conservative estimate because in reality the TIC will influence some local residents to spend in the local economy where they otherwise might have spent elsewhere. Also, the TICKit survey doesn't cover the telephone and email enquiries.

Ideally a TIC would be able to do a follow up survey with visitors to find out how much they spent as a result of visiting the TIC, but this was not possible for Lewes TIC. The estimate is therefore based on the average additional expenditure by day and staying visitors in the national study.

Case Study: Lewes TIC

As part of the pilot study, Lewes TIC ran a visitor survey in 2010 following the guidelines in *The TICKit; A Research Tool for Tourist Information Centres*. The TIC Manager Sally Bass said that it was great having the questionnaire and the inputting template already set up. Her team found that it was much easier to engage with visitors to encourage them to take part in the survey in quieter months. Nevertheless, the TIC managed to collect over 200 responses during the survey periods.

The TIC influenced 84% of its visitors to make changes to their visit to Lewes. Of these, 58% said that they thought they would spend more money as a result. This means that the TIC has directly generated over £990,000 for the local economy by influencing customers, money which would otherwise have been spent elsewhere.



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