

REPORT TITLE: TOURIST INFORMATION CENTRE REFURBISHMENT

14 JUNE 2017

PORTFOLIO HOLDER: Cllr Rob Humby, Portfolio Holder for Business Partnerships

Contact Officer: Ellen Simpson, Head of Tourism Tel No: 01962 848 219 Email
esimpson@winchester.gov.uk

WARD(S): ALL WARDS

PURPOSE

Making the District a 'premier business location' is one of the five outcomes of the Council Strategy. Opportunities are currently being identified which could help to resolve short term challenges whilst delivering on this longer term aspiration. The nature and location of a Council-supported information centre in Winchester is one such opportunity.

The current tourist information centre (TIC) on Broadway was last refurbished in 2009, and with around 125,000 customers passing through its doors each year it is now looking tired.

With a rapidly evolving regeneration programme and a growing number of day and overnight visitors coming to the City, ideas for improving the TIC's appearance, financial sustainability and evolving role have been developed.

The number of businesses engaged with the Council via the Visit Winchester and Heart of Hampshire destination management partnership (DMP) continues to rise steadily, and an increasing number of new businesses are approaching the service for advice. The TIC is therefore a shop window for the city's attractions, shops, bars, restaurants, accommodation, transport routes and events, but also doubles as an advice hub for the tourism businesses. It has an increasing local remit too, providing a display area for small planning exhibitions, consultation events and other promotions designed specifically for residents.

This report recommends modernisation of the functionality and appearance of the current space in order to provide for the needs of both visitors and businesses. In the process, it will be brought into alignment with wider corporate branding developments and digital innovation, making it a showcase for the vibrant tourism sector and developing it as a business hub for the Council. The refurbishment will offer an opportunity to explore increased revenue generation potential, testing

various measures that could reduce the Council's ongoing subsidy of the TIC in the long term.

The proposals take into account the likely need to relocate the TIC in the longer term (i.e. 5+ years) as part of an overall regeneration scheme, offering a 'test of concept' that is firmly based on research into the latest models of information provision and would be transportable to a new site in due course.

The overall scheme would have positive impacts for visitors, residents and businesses, whilst enhancing the reputation of the Council as a modern and customer-focused organisation.

RECOMMENDATIONS:

That:

1. the proposals to refurbish Winchester Tourist Information Centre in its current location on Broadway be approved, on the understanding that elements of the fixtures and fittings could be relocated to a new site if the need arose;
2. the remit of the Centre be extended to provide additional services for businesses from a range of sectors, as well as a continued high level of service for visitors and residents;
3. in accordance with Financial Procedure Rule 6.4, supplementary capital expenditure of £130,000 be approved for the delivery of the project, to be funded from the Major Investment Reserve.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOMES

1.1 The proposals set out in this Report would support delivery of the following outcomes:

- a) Delivering an entrepreneurial approach to efficient public services, by:
- promoting digital infrastructure and new channels for Council services
 - using new digital technologies to enhance the range and efficiency of services offered at the TIC, and as a gateway to a 'digital city' experience more widely for visitors and shoppers.
 - enhancing our assets in order to maximise income possibilities
 - using a more professional and retail friendly space to allow the TIC to test the capacity for the service to contribute to its own running costs using income streams from retail, ticketing, advertising sales and accommodation bookings.
 - acting as a 'test of concept' which would ensure that the most successful elements are incorporated into information provision as part of wider city centre regeneration schemes.
 - inspiring staff by investing in a collaborative and flexible working environment that leads to the delivery of high quality services
 - offering a space where teams across the Council can meet with business customers in a business-focussed environment.
- b) Making Winchester District a premier business location, by:
- *Prioritising support for the knowledge-based, creative and tourism sectors*
 - presenting a more professional first impression for tourism businesses and more effectively promoting their product. In turn this increases the positive economic impact of tourism by encouraging visitors to do more and stay longer.
 - offering a new space for the Council to welcome a range of business enquirers, such as start-ups, grant applicants and planning applicants;
- c) Improving the health and happiness of our community, by:
- *Supporting the delivery of a programme of festivals and events across the District*

- providing enhanced information about the District's cultural life and opportunities to participate, including a full service box office for events across the District.

2 FINANCIAL IMPLICATIONS

- 2.1 The capital expenditure for the project is estimated at £130,000 and will be funded by the Major Investment Reserve. The revenue estimates are presented in Appendix 1 and will form part of the 2018/19 budget setting process.
- 2.2 A reasonable scenario for revenue income over the five year period following completion of the refurbishment and the introduction of new areas of activity projects revenue to be £97,000. Whilst this highlights a net cost position over the five year period of £33,000, these new areas of activity are untested and the goal is to isolate the best revenue streams over the duration of the project and focus on those that perform most strongly when a longer term solution is considered in a city regeneration scheme.
- 2.3 One of the innovations proposed in this Report is the introduction of a box office service to sell tickets for events across the District, including Guildhall Winchester which now has a fast-growing programme of commercial events. The box office service would help to make the most of both assets simultaneously, both generating additional income for the Council – depending on the success or failure of this the balance of retail to box office to information service would be adapted in a future model of welcome centre. The use of e-ticketing software would also mean that this strand of income can be grown without a corresponding requirement for additional staff capacity.
- 2.4 Appendix 1 shows the financial estimates for the project (year 1) and the longer term impact on revenue budgets (years 2 to 6). The proposals and budget figures have been discussed at officer level with the Capital Strategy Group, and are considered to have a viable business justification.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The refurbishment would follow the Council's standard procurement procedures, with the works programme being managed through the Estates Team on behalf of a project sponsored by the Assistant Director (Economy and Communities).
- 3.2 There are no significant legal implications foreseen at this stage.

4 WORKFORCE IMPLICATIONS

- 4.1 The Head of Tourism – who would normally play a key role in the refurbishment - will be working on a cross-service secondment during part of the implementation stage. Although overarching responsibility for the project will remain with this role, day-to-day management is required. The

Organisational Development team has therefore identified a potential need for additional resource around the project. It is proposed that the situation is reviewed when the temporary arrangements in the tourism team have been in place for a reasonable period, giving an opportunity to assess day-to-day work loads and the potential impact of the project.

- 4.2 The tender process will identify an external architect who will lead on the processes around contracting construction engineers and sourcing materials for elements of the build. The lead officer in the appointed agency will need to work closely with the Estates team to ensure the works are managed satisfactorily from a Winchester City Council perspective, ensuring that temporary arrangements are put in place for the service and that safety and impacts on working environment are factored in. It is therefore suggested that Estates to identify an officer to manage the building element of the refurbishment during the preliminary phases and for the eight weeks build period. This resource will be identified from within the existing team.
- 4.3 Support from the Communications Team around consulting with and informing stakeholders will also be necessary, and colleagues in IMT will be required to advise on the digital enhancements that will improve information and functionality.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The TIC occupies an area that is approximately 75m² on the ground floor of Guildhall Winchester. Approximately 125,000 people visit the centre each year for a range of purposes, from seeking advice on Winchester's attractions and making bed bookings, to purchasing tickets for corporate events, buying travel tickets or participating on Council consultation activities.
- 5.2 The TIC was last refurbished in 2009 at a cost of £75k. This saw the introduction of a new enquiry desk and display fittings, improved lighting/wiring, and a glass office within the Centre designed to provide additional 'back office' workspace for processing email enquiries.
- 5.3 Since this refurbishment the Visit Winchester brand has evolved considerably in terms of national profile and visual identity, and neither the presentation nor the functionality of the TIC is in keeping with the current 'personality' of the brand. Moreover, the adjoining Guildhall has been extensively refurbished and there is a sense of 'disconnect' in presentational terms for visitors entering the TIC from the Guildhall corridors.
- 5.4 There are ongoing discussions about the future location of the TIC, as part of wider regeneration plans for the City. However, these are unlikely to be realised for at least five years. Proposals in this Report are based on a 'modest' refurbishment which tests out new approaches to service delivery which could easily be transported to a new location. The advantage of this approach is that the more robust elements of the service in terms of information provisions, welcome, professional use and income can be taken forward having been properly tested.

- 5.5 Should the Council decide to relocate its own offices at any point, there is scope to leave the TIC – in whichever location is identified – to provide a central shop window for the Council where one-to-one meetings with businesses can continue to take place, and visitors can continue to receive a warm welcome to the City.
- 5.6 It is unlikely that planning consent would be required for these internal works, but liaison between the appointed architects, the TIC Team leader and the Estates team with colleagues in Planning, Building Control and Historic Environment will take place to ensure that full account is taken of the fabric and safety of the building.

6 CONSULTATION AND COMMUNICATION

- 6.1 The plans set out in this document were initially scoped following a tourism team away day in October 2016. The discussion centred around what the service delivered in relation to Council reputation, income generation and business support, and went on to examine opportunities that might exist for the service to deliver more strongly against the themes of the Council Strategy.
- 6.2 The Portfolio Holder for Business Partnerships, and the preceding Portfolio Holder for Economy and Estates, have been involved in discussions as the proposals for the TIC have developed. They have been fully supportive, as long as officers are able to factor in to the refurbishment the requirement for new fixtures and fittings to be re-usable in any new location chosen in due course for the Centre.
- 6.3 In refining the business case, the Head of Service and TIC team leader consulted tourism services elsewhere in the UK which are viewed as embodying best practice. These have included Visit Scotland, Visit Bath, Visit Bournemouth and Visit Cheltenham, with additional advice from the regional tourism agency Tourism South East.
- 6.4 Local tourism businesses were consulted at four DMP network events – the Attractions Partnership, Discover Winchester, Conference Winchester and Festivals in Winchester. Their input was incorporated in the draft Business Justification Case for the Capital Strategy Board.
- 6.5 A number of the above discussions have been facilitated using an architect's impression of a new 'business hub', and – although this is not representative of an approved scheme – this can be found at Appendix 2.
- 6.6 If Members approve the proposals in this Report, detailed designs would be commissioned and there would be further consultation with key stakeholder groups, including tourism networks and other business organisations (eg the Winchester Business Improvement District and Chamber of Commerce).

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Following the adoption of the Air Quality Action Plan, the Centre can play an important role in supporting behavioural change among residents and visitors alike. Working more closely with local public transport providers could offer an opportunity to establish the TIC as a ticketing and information hub for local and regional travel. The Centre will continue to promote bike hire and the new Car Club schemes that benefit travellers and reduce harmful emissions.
- 7.2 By increasing digital delivery of information services, the TIC can reduce its paper consumption and fulfil remotely orders for retail goods, tickets and other saleable items for which customers currently have to visit in person. This should also contribute to a small reduction of car journeys in the sensitive Air Quality Management Area.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 The TIC will continue to be a place where people from groups named in Equalities law will be welcomed and treated with respect and understanding. The design of the new Centre will ensure that such customers can continue to expect good – if not better – service. Consultation with the Winchester Area Access for All will be part of the programme of consultation with key stakeholder groups which forms part of the design process, and an Equality Impact scoping review will be carried out on the designs to determine whether there is a requirement for a full Assessment in accordance with standard Council procedures.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> <ul style="list-style-type: none"> • Damage to historic building 	<ul style="list-style-type: none"> • Planning consultancy included in scope 	
<i>Community Support</i> <ul style="list-style-type: none"> • Suspension of service during works 	<ul style="list-style-type: none"> • Implement temporary stations in the Guildhall reception area and leaflet racks in the Customer Service Centre • Ensure satellite hubs such as the Winchester Discover Centre information area and the Railway Station area are well stocked 	Offer more transport related services including bus ticketing etc in refurbished Centre.

	<ul style="list-style-type: none"> • Time works for 'shoulder' tourism season when visitor numbers of lower 	
<p><i>Timescales</i></p> <ul style="list-style-type: none"> • Delays due to contractors 	<ul style="list-style-type: none"> • Engage a single agency (if not Estates) to project manage refurbishment works 	
<p><i>Project capacity</i></p> <ul style="list-style-type: none"> • Head of Tourism on temporary secondment to Corporate Communications, and some responsibilities already being absorbed by other team members 	<ul style="list-style-type: none"> • Arrange focussed support from a Project Officer role • Establish small corporate project group to oversee delivery • Add to Major Projects list 	
<p><i>Financial / VfM</i> Income/investment ratio:</p> <ul style="list-style-type: none"> • Failure of the Centre to pull in expected income streams • Stock not moving and incurring storage costs • Lack of retail experience of key officers 	<ul style="list-style-type: none"> • Retail consultant factored into budget figures to provide training/advice/guidance at outset • Storage solution is included in the plans • Staff involved in development of plans to ensure buy in/enthusiasm for new approach 	<ul style="list-style-type: none"> • Partnerships with other organisations (eg Hampshire Cultural Trust) enable sharing of best practice and joint buying potential
<p><i>Innovation</i></p> <ul style="list-style-type: none"> • Ensuring a balance between the various remits of the service (information-giving, professional welcome and revenue-generation) 	<ul style="list-style-type: none"> • The project will be undertaken as a test of concept, and a review of staffing will occur in the first year of operation, based on findings of the first two months • Procedures for use 	<ul style="list-style-type: none"> • Regular discussion with other HoTs about operational enhancements that could be made based on experience • Feedback from

<ul style="list-style-type: none"> • Providing a space for other teams to use for 'business hub' activity will place new pressures on Centre 	<p>of business hub space to be drawn up and shared with Heads of Team from outset</p>	<p>Centre users to be gathered to assess satisfaction levels/improvement etc</p>
<p><i>Reputation</i></p> <ul style="list-style-type: none"> • Reputation damage as in business model is likely to disturb some of the more traditional business subscribers and cause some time consuming challenges as officers seek to reassure them individually • Retailers concerned about additional sales competition from Council which traditional does not encroach on their territory • Some businesses/residents concerned about encouraging 'yet more footfall' when the city gets particularly busy at peak times 	<ul style="list-style-type: none"> • Use the remodelled space to reassure them in professional surroundings • Active communications programme to emphasise benefits of new 'hub' to businesses from a wider range of sectors – and easier access to Council staff/advice • Use the retail feasibility study to ensure that sector competition is avoided where possible • Use the box office to develop a sense of year round attractions • Continue strategy of developing shoulder season marketing campaigns rather than adding to peak season footfall 	

10 SUPPORTING INFORMATION:

a) *Tourism – A Thriving Economic Sector in Winchester*

- 10.1 Winchester has seen an unprecedented growth in tourism, amounting to a 28% rise in visits since the establishment of the destination management partnership in 2011. This is in contrast to other destinations in Hampshire and the South East. As a result of this rise, around £358 million of visitor spend is now generated within the District each year – a growth of 49% since 2011.
- 10.2 The fact that spend is increasing at double that of the rate of footfall is positive news for a city that is considered by some to be at capacity at peak times (e.g. Christmas) due the compact nature of the medieval centre and its infrastructure. It reflects the development of a quality brand, supported by activities and products – often cross-promoting one another other - which encourage a higher level of spending by visitors, compared with years gone by when Winchester saw very much lower levels of spend per head than its comparator destinations. The TIC in its current format and with its current functionality is not making the most of this trend. It lacks the facility to generate significant commercial income, which would in turn reduce the subsidy required to run the Centre over the longer term.
- 10.3 Visitors from within the UK traditionally make up an estimated 80% of this footfall, and a large proportion of these (up to 60%) are day-trippers from 20-40 minutes' drive away. However, the changes in exchange rates in various currencies against sterling have led to a marked rise in spend from overseas visitors staying overnight (a 9.6% increase in 2015). Staying visitors are more lucrative for the city – spending more on restaurants, attractions and transport - and they typically require more face to face interaction in the TIC. This is where the critical return on investment for attractions and accommodation providers that advertise with the Council typically occurs. However, the number of day-trippers will continue to be a high one, with their greater focus on special events, shopping and cultural activities. Consequently, the consolidation of the role of the TIC as an orientation hub for both the staying and day trip markets needs to be taken into account in plans for the future development of the City.
- 10.4 130 businesses engage with the Visit Winchester and Heart of Hampshire destination management partnership as members or advertisers, this figure rising by between 5 and 15% year on year. The income from these businesses is £70,000 per annum – more or less covering the Council's investment into marketing spend for the Visit Winchester as a destination, and its current 'sub campaigns' for Christmas, Festivals and China.
- 10.5 Recognising that the tourism market is strong and still growing, therefore, this Report sets out proposals for refurbishing the TIC in a way that meets current expectation and future opportunities. This includes improving the look and feel and functionality of the Centre for visitors and residents who already use it, but extending its use to provide a space where businesses

from a range of sectors can meet officers from other teams for advice and support. The move is an important part of embedding the corporate 'Better Business for All' initiative, which encourages all teams to support businesses as well as to regulate them. The TIC will transform itself into a more general 'business hub', providing a welcoming point of access to a wide range of Council services in support of the local economy.

b) *The Need for Improved Presentation of a Busy Council Facility*

- 10.6 The TIC was last refurbished in 2009 at a cost of £75k. Since this refurbishment the Visit Winchester brand has evolved considerably in terms of national profile and visual identity, and the current presentation is out of alignment with that identity. Moreover, at a time when the corporate brand is being reviewed as part of a new era for the Council, it is critical that the TIC – a street-level window on the organisation – is seen to exemplify the new brand, emphasising the 'place-based' approach of the Council in delivering its services.
- 10.7 Since the last refurbishment of the TIC, the adjoining Guildhall has also been extensively refurbished meaning that there is a sense of discontinuity of presentation and finish for visitors entering from the Guildhall doors.
- 10.8 It is proposed that the TIC – which welcomes around 120,000 personal visitors a year – is in need of a refurbishment to modernise it, to align it with the corporate brand and to provide a consistent high level of presentation with the Guildhall.

c) *The Opportunity to Generate More Income*

- 10.9 The TIC benefits from a strong retail position on Broadway, confirmed by the excellent performance of the annual Charity Christmas Cards operation (generating £65,000 in a seven week period). Officers are certain that there is an untapped potential for income generation from retail, box office services, additional transport ticketing and bed bookings, and new chargeable Council services (e.g. for business clinics). Projections are shown at Appendix 1, and are based on actual figures and experience offered by 'best in class' tourism services across the UK.
- 10.10 The plans which have been evolving would provide not only for better display and merchandising within the TIC, but also more efficient stock purchasing and storage arrangements. A new box office service, providing choice and greater availability for event-goers, would be operated from the Centre, building on the existing demand for ticketing resulting from corporate and Guildhall events.
- 10.11 The creation of a modern, digitally-enabled 'business hub' as part of the refurbished TIC would also make advertising and sponsorship more attractive and to a greater range of local businesses. For example, audio-visual displays could more effectively draw on the online information from

adverts, film and social media, leading to an improved conversion rate from advertising to customer spend.

- 10.12 Members are asked to consider the proposal for a refurbishment as part of the Council's aspiration to be more entrepreneurial, generating income in new ways – including digital service delivery – in order to reduce the running costs of the organisation.

11 OTHER OPTIONS CONSIDERED AND REJECTED

- 11.1 Over a three month period, more ambitious proposals with capital costs of up to £250,000 (twice the amount now proposed – see Appendix 1) were explored. However, the refurbishment has been scaled back in order to ensure a shorter payback period and the 'transportability' of new fixtures to a new location as part of the wider regeneration programme for the City.
- 11.2 Implementing cheaper/low level improvements (eg the use of vinyl fronts on existing furniture and windows) has also been explored but these have a much shorter shelf life, and can be a false economy in terms of officer time and finished results.
- 11.3 Currently uncosted options may play a key part in the future delivery of services, such as creating a single reception for the Council (merging Customer Services, the Guildhall and Tourism). This plan would require consideration in the City Offices refurbishment project and at present too many variables exist to create a meaningful case.
- 11.4 The option of doing nothing was also considered, and rejected. The rejection of this option was due to a perceived risk to reputation with DMP members who look to the service to offer a coherent package to visitors. With a new website and brand launching imminently, there was a need to enhance the appearance and functionality of the TIC to protect brand integrity, maintain business confidence and support the Council's reputation as a serious partner in key economic sectors.

BACKGROUND DOCUMENTS:-

05 05 17 Tourism Business Justification Case (BJC).doc

05 04 17 Tourism Business Justification Case (BJC).xlsx

APPENDICES:

Appendix 1: TIC refurbishment project - capital and revenue budget, years one to six

Appendix 2: Artist's impression of new business hub

Appendix 1: TIC refurbishment project - capital and revenue budget, years one to six (£000)

Capital Expenditure

Revenue

TIC

External Income

- Retail

- Digi-Box Office

- In-Centre & Broadway Advertising

- Accommodation Bookings

Equipment, Furniture & Materials

- Retail

- Digi-Box Office

- Portable Info Hubs

- Back Office Storage

Contribution

Employees

Transport

Supplies & Services - Other

- Feasibility Study

- Advertising & Exhibitions

- Photography

Support Services

NET TIC Revenue Expenditure

Marketing

Employees

Transport

Supplies & Services

Support Services

External Income

TIC & Marketing

Capital Expenditure Less Net Revenue Income

Net Income - Proposals

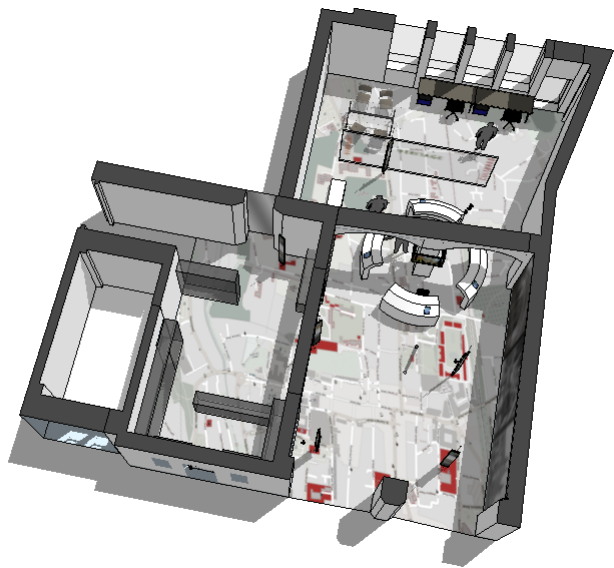
Digi-Box Office

Retail

In-Centre & Broadway Advertising

Accommodation Bookings

	Proposals					TOTAL BJC
	2018/19 BJC	2019/20 BJC	2020/21 BJC	2021/22 BJC	2022/23 BJC	
Capital Expenditure	130					130
Revenue						
TIC						
External Income						
- Retail	-13	-25	-25	-25	-25	-113
- Digi-Box Office	-9	-15	-19	-20	-22	-85
- In-Centre & Broadway Advertising	-5	-7	-8	-9	-10	-39
- Accommodation Bookings	-2	-1	-1	-1	-1	-6
	-28	-48	-53	-55	-58	-242
Equipment, Furniture & Materials						
- Retail	10	20	20	20	20	90
- Digi-Box Office	10					10
- Portable Info Hubs	5					5
- Back Office Storage	3					3
	28	20	20	20	20	108
Contribution	0	-28	-33	-35	-38	-133
Employees						
Transport						
Supplies & Services - Other						
- Feasibility Study	14					14
- Advertising & Exhibitions	4	4	4	4	4	20
- Photography	2					2
	20	4	4	4	4	36
Support Services						
NET TIC Revenue Expenditure	20	-24	-29	-31	-34	-97
Marketing						
Employees						
Transport						
Supplies & Services						
Support Services						
External Income						
TIC & Marketing	20	-24	-29	-31	-34	-97
Capital Expenditure Less Net Revenue Income						33
Net Income - Proposals						
Digi-Box Office	1	-15	-19	-20	-22	-75
Retail	-3	-5	-5	-5	-5	-23
In-Centre & Broadway Advertising	-5	-7	-8	-9	-10	-39
Accommodation Bookings	-2	-1	-1	-1	-1	-6



Appendix 2:
Artist's impression of new business
hub for Winchester

