	REPORT TO CABINET TO BE HELD ON 16 FEBRUARY 2016	
	Key Decision	YES
Corporate Priority Prosperous Inclusive and Vibrant	Cabinet Portfolio Holder Tourism & Culture	Cllr Andrew Backhouse Cabinet Member for Tourism and Culture Cllr Donohue- Moncrief Cabinet Member for Customer First

REPORT OF: Director (TW) – 16/045

WARDS AFFECTED: “All”

**SUBJECT: FUTURE PROVISION OF TOURIST INFORMATION/
CUSTOMER FIRST SERVICES IN WHITBY AND FILEY AND
TOURIST INFORMATION AT HARBOURSIDE IN SCARBOROUGH.**

RECOMMENDATION (S):

It is recommended that Cabinet

Whitby

1. Approve the marketing of a leasehold interest in the existing TIC/Customer First site in Whitby for a term of less than 25 years, for either a) the exclusive use of the entire current site or b) for uses incorporating multiple occupants ancillary to the principle use of the site .
2. If Cabinet is minded to approve recommendation 1, officers are tasked to explore the potential to convert and incorporate a TIC facility within the existing redundant storage area facing directly onto Dock End and to delegate authority to the Leader in consultation with the Director (TW) to approve the final location of any future TIC facility. Approve that in the event that the current Whitby site is leased for exclusive use that the

current Tourist Information Service be relocated to the Harbour Office, operating a 7 day service in summer and a 4 day service in winter, with services focused on core tourist information advice, with a very small retail function.

3. Upon completion of any disposal of the TIC site, approve the relocation of Whitby Customer Service functions to the JobCentre, to be delivered in conjunction with housing and benefits services that are already delivered from this site and undertake a further review of this combined service within the first year.

Filey

4. Approve the closure of the existing Tourist Information Centre, approve in principle the disposal of the property and the marketing of the existing site.
5. Approve the establishment of an unstaffed TIC point within the entrance to the Evron Centre Concert Hall in Filey. To incorporate 7 day direct phone access to the tourism bureau, access to on-line information and leaflets and information about local attractions and events.
6. To update the existing touch screen tourism information point to provide tourism product and destination information 24hours a day.
7. Explore the scope to utilise the Council's outdoor leisure sites and staff to support the provision of tourism information during the summer months.
8. Approve the relocation of the Filey Customer Services functions to the Filey Library, with Customer Services staff available on two days a week and courtesy phone and public access computers available at all other times, to be reviewed during the first year.

Scarborough

9. Approve the closure of the Tourist Information Centre at Harbourside, approve in principle the disposal of the property and the marketing of the building.
10. Explore options for an unstaffed TIC point within the new Lifeboat facility on Foreshore Road to include courtesy phone, literature racks and digital information kiosk.
11. Explore the scope to train Outdoor Leisure staff to support the provision of tourist information during the summer.
12. Train existing Open Air Theatre Box Office staff to provide some tourist information services either from within the existing site or as part of any proposed redevelopment of the facility.

And

13. Approve that £45,000 of the savings generated through this review are refocused to provide core funding for the Tourism Destination Marketing and Events team to focus on the development of destination marketing using digital technologies and event development in order to support the delivery of the Borough's Visitor Economy Strategy to increase visitor volume and value across the Borough. That £20,000 is refocused as a sustainable income stream for the Council's contribution to the Welcome to Yorkshire Partnership.

REASON FOR RECOMMENDATION (S):

To reduce the costs of delivering the current services and to consider new ways of delivering the TIC service, taking account of current trends in accessing tourism services/ information and the increased significance of on line channels.

To enable investment to ensure the continuation of the destination management service and the benefits obtained from the Council's contribution to the Welcome to Yorkshire partnership.

To enable the provision of some face to face core Council services within Whitby and Filey, taking into account patterns of demand and new methods of accessing services.

To maximise the value generated by the Council's property assets.

HIGHLIGHTED RISKS:

The key highlighted risks are that the TIC/Customer First provision:-

- Fails to take into account the changing demands and expectations of visitors to the Borough & residents accessing Council services
- The TIC's/CF centres continue to require increased subsidy year on year
- The TIC/Customer First Service continues to focus on the development of the retail offer to sustain its existence as opposed to focusing on the provision of core Council and Tourism services, including destination management.
- The Council fails to retain resources to support & sustain the development & delivery of destination marketing. This is a key service designed to support tourism across the Borough, to promote the area as a destination and grow visitor volume and value. Investment includes use of digital media, production of themed campaigns through print, editorial, advertising & PR and support for the development & delivery of key events to the Borough

1. INTRODUCTION

1.1 This report sets out options in relation to the delivery of Tourist Information Services within Scarborough, Whitby and Filey and Customer First Services within Whitby and Filey, where the services are co-located and delivered by staff trained to work across both service areas.

1.2 The review has considered the following key issues:

- The continued increasing costs to the council of maintaining the current operation overall at each site
- The income and footfall trends and changing patterns of usage in the way customers access information and services, in particular the growing demand and trend for accessing information and services on line.
- The need to ensure resources are allocated to sustain and develop the digital channels to support the changing ways in which customers are accessing information and services
- The need to invest and provide a more sustainable funding model for destination marketing to provide “in advance” information to visitors and to grow visitor volumes and value.
- The need to ensure access to key Council services for residents
- Alternative approaches to delivering the services, with a focus on retaining core services, whilst reducing costs overall.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 The proposals in this report support the Councils key aims relating to prosperity and inclusive and vibrant communities

3. BACKGROUND AND CURRENT POSITION

- 3.1 National, regional and local research highlights the growing demand for access to information and services using the internet, especially in relation to booking holidays and sourcing information pre and during visits to destinations. Providing destination information digitally is essential if the Council is to achieve its targets to increase visitor volume and value as it is a key driver in supporting the customers decision making process when choosing a holiday.
- 3.2 The 2008-2011 Regional Visitor Survey highlighted a major shift in the way in which visitors were now booking and sourcing information and accommodation. The research identified that only 2% of visitors now book accommodation through the Tourist Information Centre service. The main source of booking accommodation, as expected, is the internet which equates to 40%, 35% of those book directly by telephone with the accommodation provider, having sourced information via web-sites or because they have visited previously.
- 3.3 Visit England’s Visitor Information Strategy 2020 sets the scene in relation to the Provision of Visitor Information over the next 10 years. It highlights that changes in new technology and consumer behaviour will continue to shape the future of information provision. It highlights that in the UK 76% of the population use the internet and that it is regarded as the main source of information for travel planning and booking. It also estimates that by 2020 half the UK population will be using social media, another key tool for pushing out information to promoting destinations and their products.

- 3.4 The current model of delivering Tourist Information Services is outdated and the national picture highlights that many Councils are assessing the ways in which they deliver Tourist Information & resident services. Some destinations have completely closed their front facing offices and are re-focusing resource towards digital information & service provision and the installation of self-help unmanned Information Points. A typical example of this is Ryedale District Council which has now closed all of their centres and re-focused its resource into providing Tourist Information digitally through its web-site & social media channels & through the provision of unstaffed Tourist Information Points. Many others have also re-located their operations into shared facilities such as leisure centres, theatres and libraries.
- 3.5 The Tourism Service and Marketing team is also significant in supporting the delivery of destination marketing across the Borough, including the provision of events and festivals. This service is critical in promoting the Borough as a destination and encouraging new and repeat visits. This service is currently funded through the provision of a grant from Welcome to Yorkshire, however the current model of funding is not considered to be sustainable and so resources need to focus on this core activity to grow visitor volumes and value.

Current Service Delivery

- 3.6 The Council currently operates two combined Tourist Information/Customer First Centres, one in Whitby and one in Filey and a Tourist Information Centre on Sandside in Scarborough (Harbourside). The sites are all subsidised by income from retail sales and commission, and in the case of Whitby, rental income is raised by letting part of the premises to the North York Moors National Park Authority.
- 3.7 The retail element required to support the operation has grown significantly and now represents at least two thirds of the buildings allocated space in all three sites. Whilst this income is extremely important in reducing the subsidy of the service to the Council it is questionable as to whether the Council should be developing large retail outlets and thus competing with private sector run operations.
- 3.8 The Tourist Information Centres and Customer First operations deal with face to face enquiries. All telephone email and postal enquiries are dealt with by the Customer First Contact Centre & Tourism Bureau service, both based at the Town Hall.
- 3.9 A residents parking scheme is in operation in Whitby, which requires the issue of permits and scratchcards. There is no residential parking scheme in operation in Filey.

- 3.10 In addition to the TIC/CF sites specialist housing and benefits advice is available from the Job Centre in Whitby and in Filey Customer Services staff provide basic benefits advice on one day a week (Tuesday).
- 3.11 A courtesy phone facility is also currently available at both locations, enabling customers to access a wider range of Council and County Council Services.

Footfall Trends

- 3.12 Table 1 below shows the footfall figures for each site over the last six years. Overall there has been a 21% reduction in footfall across all of the sites. It should also be noted that in the case of Filey these figures include attendance to Concert Hall events as access to the venue is shared. It is estimated that at least 50% of the Evron Centre footfall is attributable to the events within the Concert Hall.

The reduction in footfall to Filey in 2012/13 is in the main attributable to the transfer of cash payments to paypoint facilities.

TABLE 1

Location	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	% change over 5 years
Harbourside	155,153	149,423	132,723	112,414	100,128	106,594	-32%
Evron Centre Filey	144,175	148,784	130,726	98,644	93,730	93,396	-36%
Langborne Road Whitby	557,163	486,169	452,306	366,430	424,821	478,051	-15%
TOTALS	856,491	787,376	715,755	577,488	618,679	678,039	-21%

- 3.13 The increase in footfall to the Whitby TIC in 2013/14 reflects additional customer service enquiries as a result of the transfer of the Customer First Service from Skinner Street into the Tourist Information Centre. The additional increase in 2014/15 is also affected by the implementation of the residents parking scheme and the delivery of information, scratch cards and parking permits relating to this.
- 3.14 It is estimated that 50% of those people who enter the centres have interaction with staff whether to make purchases or seek advice or information, however in reality this may be much lower, especially in the case of Whitby where, due to the size, it attracts large groups of people as opposed to individuals.

- 3.15 A large proportion of the TIC enquiries relate to Travel Enquiries, directions to attractions and towns and villages, general map enquiries, public toilets and what's on where to go and where to eat enquiries.

Table 2: TIC Enquiries (1 December 2014 – 30 November 2015)

Type of enquiry	Whitby	Harbourside	Filey
Directions	6082	430	1678
Public toilets	4479	194	1122
Event, attraction, eating out	4165	686	3178
Visitor maps	4142	Incl in directions/travel figures	2045
Travel enquiry	3811	488	1605
Parking	3629	156	517
Chalets	520	2	401
Tide times	463	105	-
Ticket sales	393	442	980
accommodation	407	106	518
Other	222	245	574
Total	28,313	2854	12,618

- 3.16 The Firmstep system is relatively new and took time for staff to become familiar with, so some data was not recorded during the early months. In addition discussions with staff suggest that not all enquiries are logged through the system, particularly during very busy periods and this appears to be more significant in Whitby and Harbourside. The actual number of enquiries dealt with is therefore higher than these figures set out in the tables, however the breakdown by type provides a useful indication of the types of enquiries dealt with across the centres.

- 3.17 The majority of Customer First enquiries across the service are in relation to the collection of various refuse bags and in the case of Whitby the collection of Scratch Cards and Parking Permits.

Table 3: Customer Service Enquiries (1 December 2014 – 30 November 2015)

Enquiry	Whitby	Filey
Benefits	-	792
Blue/green bags	645	568
Permits/scratchcards advice	623	-
Hotel scratchcards	316	-
Garden waste bags	254	435
Bus pass	244	100
Trade waste sacks	241	70
Bin/sack request	138	77

Paypoint enquiry	114	79
Missed bin	45	2
Housing	37	62
Bulky item collection	25	10
Flytipping report	25	3
Clinical waste request	13	1
Domestic bin repairs	10	11
Parks/open spaces	10	3
Cleansing/waste/recycling	10	55
Other	88	102
Courtesy phone/self serve	-	225
Total	2838	2595

3.18 In Filey benefit surgeries are also held once per week, staffed by Customer Services staff. 792 people accessed this service over the last year. In addition to this the centre provides a courtesy phone facility to access the full range of Council services and 225 enquiries were made through this channel.

Budgets and Income Generation

3.19 The net operational cost for TIC/Customer First provision (excluding internal recharges) has increased year on year as shown in Table 1 below

Table 4 - Cost of Service over last four years

Year	Net Subsidy/Deficit*	Local Area Office & WTY Funding
2011/12	£134k	-
2012/13	£166k	£65k
2013/14	£204k	£65k
2014/15	£222k	£65k
2015/16 *	£141k	£65k

It should be noted that 2011/12 – 2014/15 figures include the costs of the Brunswick Tourist Information Centre, which closed in February 2015. 2015/16 figures are based on forecast outturn position.

It should also be noted that following the demise of the Moors and Coast Tourism Partnership Welcome to Yorkshire and the Council established the current structure for the delivery of Local Area Activity. The funding for the re-establishment of an in house tourism team was not built into base at the time as grant funding from Welcome to Yorkshire supported this service.

The costs of the annual Welcome to Yorkshire Contributions of £20k per annum over the last four years has been funded from one-off reserves.

3.20 Table 5 below provides a breakdown of the base budget subsidies and average enquiries for each site in 2015/16 for each of the TIC's.

TIC	Net Subsidy/deficit 15/16	Estimated annual no. of enquiries	Average no. of enquires per day (359 operational days)
Harbourside	£31k	53,000	205 (258 days)
Whitby	£50k	239,000	665
Filey	£29k	23,000	64
Non base budget costs	£31k	n/a	n/a
TOTAL	£141k		

- 3.21 Overall the service is currently budgeted to cost the authority in excess of £110k to operate the TIC/CF service from within the current buildings. The actual cost of running the sites in a standard year is expected to be £31k higher than budget due to declining income levels and Team Leader resources required to run the service, which have not being included in the base budget. Assuming current year income levels are maintained and do not deteriorate further maintaining the status quo would result in budgetary growth of £31k and this would need to be funded from cuts in other Council services. In addition to this an additional £65k would need to be resourced to support the core Tourism Destination Marketing and Event service and contributions to Welcome to Yorkshire.
- 3.22 This declining budget position is despite a number of improvements being made to try and reduce the costs of the service, including co-location of Customer First into Whitby and Filey TIC's, review of staff shift patterns, additional services, working with other organisations to share space and the introduction of book signing and art displays for which additional commission from sales has been taken. However a large proportion of time is now spent on managing the retail offer to support the service.
- 3.23 Significant strides have been made in 2015/16 to try and address the underperformance of income. Since April there has been a re-evaluation and rationalisation of stock lines, re-negotiations with suppliers and a new stock holding system.
- 3.24 However despite these improvements, the changing way in which people are accessing information and services must be recognised. As more and more customers use on-line channels to source information, report and request council services, footfall into the centres will continue to decline and thus the opportunity for increasing spend will decrease, eventually resulting in an increased subsidy being required from the Council to support the continuation of service in the current sites.

4 CONSULTATION

- 4.1 Consultation has been held with Filey Town Council to look at the potential options for future service delivery. Whilst the Town Council would like to see some form of staffed Tourist Information Centre they are fully aware of the pressures that the Council is under to achieve savings. The Town Council support the location of the unstaffed tourist information point in the reception area of the Evron Centre Concert Hall. During consultations the Town Council also enquired about the possibility of receiving a payment from the Borough Council to enable some staffing of the facility during the peak season.
- 4.2 The Town Council have also highlighted that they support the provision of Customer First Services being delivered from Filey Library for two days per week.
- 4.3 Discussions have also been held with Filey Tourism Association and again whilst they would like to see a staffed presence in Filey they are aware of the pressures on Council's budgets. Due to the budget pressures the Association would like to see the Council focus its tourism resources on driving additional visitors to the area.
- 4.4 Discussions have taken place with North Yorkshire County Council who have agreed to the proposal regarding a Customer First presence within the library for two days a week.
- 4.5 Consultation has also taken place in Whitby with the Town Council and Whitby and District Tourism Association. Both organisations are very keen to retain a staffed Tourist Information presence in Whitby but are aware of the financial pressures that the Council are facing. The organisations would like to see the TIC remain in its current location and have asked the Council to look at options for the commercial lease to include a TIC facility (either within the main building or as a separate stand alone facility). The Town Council have a strong preference for the facility to remain in its current location and feel that the location is ideal as it is visible by people arriving by car, bus and train. The Town Council felt that any alternative location would need to be central, visible and accessible from public transport.
- 4.6 In relation to Customer First provision, there were no significant concerns raised about the service relocating in the Job Centre with the existing housing and benefits staff. However, it was noted that this would mean that residents could not access the service on weekend as is currently the case.
- 4.7 Requests have been made to meet with the Job Centre to discuss further the proposal to relocate some functions, with a meeting scheduled in February 2016. However, the current contract would enable additional functions to be undertaken as they could be accommodated within the existing space available.

- 4.8 A number of letters and emails have been received with regard to the review of the TIC service and where possible the comments have been taken on board as part of the review process.
- 4.8 Discussions have also been held with the Yorkshire Coast Tourism Advisory Board, Scarborough Hospitality Association, South Bay Traders and Confotel groups. All of the organisations are aware of the pressures that the Council is facing and whilst they would like to see some sort of staffed facility they agree that the installation of Information Points in key locations (similar to the one set up with the Stephen Joseph Theatre) should be explored further. All of the bodies agree that the Council should look to secure and sustain its core destination marketing and tourism bureau service and focus resources on improving digital information provision and driving additional visitors to the area through the development of events and conferences.
- 4.9 Tourism Services Staff have been consulted with in line with the Council's Change Management process and have been made aware of the options and the recommendations being put before Cabinet.

5 ASSESSMENT

- 5.1 Overall the service currently costs the authority in excess of £140k to operate the TIC/CF service from within the current buildings. Maintaining the status quo is also likely to require further subsidy in future years if footfall and income levels continue to reduce.
- 5.2 Whilst face-to-face demand overall is reducing, the web and new digital service delivery channels are fast becoming the preferred method of contact. The Council's tourism website has seen a 100% increase since 2012 with over 1.2 million people accessing the site each year. This is only expected to grow as residents and visitors have access to improved mobile technology and become increasingly digitally aware. It is imperative that sustainable resources are provided to support the new ways of accessing information.
- 5.3 Investment of £45,000 is required to support the continuation of the destination marketing and events team. The current model of funding the local tourism team through the annual grant received by Welcome to Yorkshire poses huge risk for the sustainability of the local tourism destination marketing service as this grant is not guaranteed for future years. This team currently deliver all local marketing and promotional activity, including the production of the annual Holiday Guide, Events and Festivals Guide, key trails such as arts and heritage trails and who also support the development of conferences, festivals and events and the management of the Councils tourism web-site and social media activity.
- 5.4 This team also provide support to other partners and relevant media through the provision of local knowledge and information. They are the backbone of the tourism information service responsible for driving visitors to the area and producing all advanced and on arrival destination information.

- 5.5 The re-focusing of resources from the traditional yet declining methods of accessing tourist information into ensuring ongoing sustainability of the core tourism destination marketing service and supporting event development and delivery is essential if the destination is to compete with other UK resorts.
- 5.6 In addition the Council also needs to find a sustainable funding source for the £20,000 annual contribution towards the Welcome to Yorkshire Partnership, currently this contribution is funded in an ad-hoc way and there is no sustainable base budget funding for the current or future financial years.

Proposed Options for Service Delivery

- 5.7 A thorough review of each of the sites has now been undertaken and the proposed options for each site are outlined below. In addition across the Borough work will continue to provide a range of convenient options including telephone, on-line & literature distribution points through which customers and visitors can access information and services.
- 5.8 The delivery of the Council's Switch programme over the last couple of years has greatly increased the range of enquiries that can be dealt with efficiently on-line, with updates and feedback provided directly to the customer. Experience with the new Garden Waste system demonstrates that if we publicise options effectively people are willing to use them, in the first two days of the new garden waste on line system going live over half of the 600 applications received were via "self service" on line.
- 5.9 It is, however, recognised that not all customers are willing or able to access services on line and therefore face to face Customer Service delivery will be retained in both Whitby and Filey. In terms of tourist information services, telephone access will continue to be provided by the Tourism Bureau as is currently the case, as well as investment in digital information, upgraded touch screen facilities and information points, as well as some face to face provision within Whitby and through existing leisure services staff.

Filey

- 5.10 The operational cost of providing a TIC/CF facility for the level and type of enquiries being made at the current site is not a cost effective use of Council resources. The increasing costs and reduction in footfall year on year cannot be sustained. The Filey TIC is anticipated to under achieve income again this year resulting in a further 4k growth.
- 5.11 It is therefore proposed that the Tourist Information Centre close and that an unstaffed Tourist Information Point be developed in the reception area of the current Filey Concert Hall immediately to the right of the current TIC area. The information point will have a destination map, literature and a courtesy phone with direct links back to the Tourism Bureau Contact Centre and be accessible 7 days per week.

- 5.12 It is further proposed to upgrade the current 24 hour touch screen information kiosk which is in the window of the concert hall area as well as continue to provide information through the display boards already in situ.
- 5.13 The Evron Centre staff in conjunction with the Tourism team will keep the area tidy, ensure adequate literature is displayed, test the access kiosk and will open and close the facility each day.
- 5.14 In addition it is proposed that outdoor leisure staff be trained to become information ambassadors as part of their work to provide additional support to tourists during the main summer months.

For Customer Services, it is proposed that a face to face service is available from Filey Library on two days per week (Mondays and Wednesdays). In addition a courtesy phone and public access computers will be available six days a week, during library opening hours. Only 8 cash transactions were processed at the current site in a 12 month period and so it is not proposed that cash is taken, however, customers will be able to make payments using cards.

As table 3 above shows the level of customer services enquiries is very low. The most common service requested is benefits, which is currently only provided on one day per week, so this proposal will increase access to this service within Filey. Almost 40% of enquiries relate to the collection of bags. For Garden waste bags this will be superseded by the new arrangements for garden waste and it is proposed to have a self service point within the library for blue bags. Over 100 bus pass enquiries were processed at the TIC site, and this is a facility available from NYCC staff within the library currently. For the remainder of the enquiries the volume would suggest these can be comfortably dealt with during the face to face hours or via the courtesy phone.

- 5.15 This would provide an opportunity for the Council to rent out the existing TIC space. Estimates suggest income of £20-25k per annum may be achievable although it must be noted that the space is shared with that of the Evron Centre Concert Hall and therefore any lease must reflect the need to retain accessible access to both facilities.
- 5.16 The current service costs in excess of £29k to deliver. Whilst there will be some one off capital costs, these proposals have the potential to save around £38,000 as compared with the current budgeted costs of the service, as shown in the tables below.

Capital Costs (One Off)

Item	£
TIC closure costs (capital works to enable leasing of the site)	Tbc
Un manned TIC point (Concert Hall reception)	£3,000
Library infrastructure (IT/Phones)	£360
Library equipment (Pods/chairs/signage)	£1,700
TOTAL	£5060 (plus closure costs)

Income/Revenue Costs

Item	£
Income	
Rental income from existing TIC/CF Centre	£20,000
Expenditure	
Customer First staffing (additional 9 hours per week)	£5,800
Travel costs	£450
Annual IT rental charge	£1,714
Touch screen/information point maintenance	£2,500
Additional caretaking costs (opening/closing)	£250
Total expenditure	£10,714
TOTAL (income – expenditure)	£9,286
Budgeted subsidy	£29,000
Annual saving	£38,286

Harbourside Tourist Information Centre

- 5.17 Once again the types and level of enquiries that are being made and the cost of operating the current facility is not a cost effective use of Council resources. Whilst the service has the potential to reduce the subsidy required further because of its prime location the service would need to focus on increasing its retail offer. However, the seafront already offers a wide selection of gifts and souvenirs through existing private sector retail operations.
- 5.18 It is, therefore, proposed that the Council close the current Tourist Information Centre & replace with an unstaffed Tourist Information points on the South Bay Foreshore. Discussions have been held with the RNLI to house an unstaffed point within the new lifeboat house building, the RNLI see the benefits of this and are very supportive however until the building is

completed this cannot be confirmed. The information point would provide information via a destination map and literature. A courtesy phone would also be made available with a direct link to the Tourism Bureau.

- 5.19 In addition it is proposed that signage be improved to support the existing types of enquiries and that a 24 hour touch screen information kiosk be placed on Sandside or near the information point.

It is also proposed to provide training to the Open Air Theatre Box Office staff so that they can become tourism ambassadors and offer an information service from within the existing or newly proposed box office facility, providing visitors with tickets for attractions and events and stocking key pieces of literature.

- 5.20 This would provide an opportunity to rent out the existing TIC space. Rental values would depend on the range of potential uses agreed, however, the estimated value of the site could be in the region of £15-20k per annum.
- 5.21 The current service costs in excess of £31,000 to deliver. Whilst there would be some one off capital costs, these proposals have the potential to save around £41,500 as compared with the current budgeted costs of the service, as shown in the tables below.

Capital Costs (One Off)

Item	£
Closure costs	Tbc
Touch screen installation (external)	£20,000
Installation of information point incl fit out	£5,000
Additional maps and signage (all sites)	£15,000
TOTAL	£40,000

Income/Revenue Costs

Item	£
Income	
Rental income from existing TIC Centre	£15,000
Expenditure	
External kiosk operating costs	£2,500
Information point operating costs	£2,000
Total expenditure	£4,500
TOTAL (income – expenditure)	£10,500
Budgeted subsidy	£31,000
Annual saving	£41,500

Whitby Tourist Information Centre

- 5.22 The Whitby Tourist Information Centre is the largest of the three TIC's with a significantly higher footfall than any of the other sites, however, the current building is considered too large for the needs of the service. 60% of the building is currently taken up with retail space, whilst Whitby already offers an extensive retail offer through its private sector businesses.
- 5.23 Due to the high level of footfall it is proposed to retain a face to face tourism presence within Whitby, however, it is considered that this could be delivered in a more cost effective way.
- 5.27 The current TIC/CF building is in a prime location and therefore offers a great commercial opportunity, with an estimated rental value of around £70-£80k per annum.
- 5.24 Consultation with Whitby Town Council and the Whitby and District Tourism Association shows a strong preference for the service to continue to be delivered from the current site and it is proposed that the building be marketed with an option of exclusive use of the site and with an option for part of the site to include a small TIC, either as a stand alone operation or as part of the wider use.

The North York Moors National Park Authority currently lease a small area of the current TIC from the Council, to provide an interpretation area. The lease is not due to expire until 31 March 2020. Officers have met with the National Park to advise them of the recommendations from this review. Officers have agreed to work with the National Park to ensure opportunities are explored for the Park to maintain a presence in Whitby either within the existing building or within the Harbour office should either of these options be preferred.

- 5.25 Once the site has been marketed, should the preferred option be for exclusive use of the site, with no TIC site, it is proposed to re-locate the core Tourist Information Centre facility into the Harbour Office, operating 7 days per week from Easter until the end of October and then four days per week during the winter period. This is a Council owned site and is a suitable alternative location being only a short distance from the existing TIC facility, in a high footfall location adjacent to the main town centre car parks and is directly opposite the main bus drop off point on Langborne Road. Clear pedestrian access to the Harbour Office would need to be marked out due to dual usage with car park.
- 5.26 In addition it is further proposed to install additional directional maps and a 24 hour touch screen kiosk to support the TIC service.
- 5.27 It is proposed that the Customer First service be re-located to the Job Centre and be integrated into the existing benefits/housing service which is already delivered from that site. It is intended that this service be further reviewed during the first year to consider all options in relation to the location of and demand for the resident facing services including the potential implications of

the introduction of Universal Credit, the possibility of alternative partnership arrangements and the impact of alternative channels for the delivery of services such as parking permits. Such a review would ensure that the service is developed appropriately for the need of Whitby and the surrounding area and can be delivered in a cost effective way.

- 5.28 In addition work will continue across the Borough to promote self service and more convenient ways of accessing services. In particular the new Parking Gateway system will go live from the end of March enabling residential parking permits to be applied for on-line.
- 5.29 The current service costs in excess of £50,000 to deliver. There will be one off capital costs, however, these proposals have the potential to save around £47,000 as compared with the current budgeted costs of the service, as shown in the tables below.

Capital Costs (One Off)

Item	£
Network cancellation charge (TIC)	£3,126
Harbour office conversion	£20,000
Installation of touch screen (Max cost for external type)	£20,000
Works to existing site	Tbc
TOTAL	£43,126

Income/Revenue Costs

Item	£
Income	
Rental income from existing TIC/CF Centre	£70,000
Sales income/ticket commission	£10,000
Displaced income from National Park (subject to continuation)	£4,000
Total Income	£84,000
Expenditure	
Staffing costs (TIC)	£54,000
Utilities (Heat, light at harbour office)	£4,000
Staffing costs (Customer Services)	£19,252
IT annual rental	£811
External Kiosk operating costs	£2,500
Total expenditure	£80,563
TOTAL (income – expenditure)	£3,437
Budgeted subsidy	£50,000
Annual saving	£53,437

- 5.30 In order to develop the tourism service proactively, there needs to be sustainable investment in destination marketing and promotion, as currently undertaken through the Destination Marketing and Events Team. Rather than relying on declining grant funding, which cannot be guaranteed year on year it is proposed that £45k of the savings generated through this review are invested in provided core funding for this team.
- 5.31 It is further proposed that there be similar provision for the £20k contribution from the Council to the Welcome to Yorkshire Partnership to be identified from the review savings, rather than ad-hoc funding as is currently the case.
- 5.32 Currently the delivery of the TIC/Customer Services service across the three sites costs in excess of £141k to deliver, this includes £31k of costs for which there is no current budget provision. In addition the Council currently contributes £20k towards the Welcome to Yorkshire Partnership, for which again there is no base budget provision and needs to build in a further £45k to sustain the Tourism Destination Marketing Service.
- 5.33 The proposals in this review greatly enhance the financial sustainability of the tourism service, by providing a sustainable income stream for the Welcome to Yorkshire Contribution and the Destination Marketing and Events Team. The proposals also could realise a potential annual revenue saving to the Council of £64k, whilst also preventing the need for potential growth in excess of £96k to maintain the status quo position in relation to the TIC's & incorporate the WTY and Tourism Marketing costs.

6. IMPLICATIONS

(a) Policy

- 6.1 These recommendations are within the Council's Policy framework.

(b) Legal

- 6.2 The North York Moors National Park Authority currently holds a lease of part of the Whitby Tourist Information Centre, which runs until 31 March 2020, solegally can remain on site until such date. However they have the right to serve the Council with 6 months' notice to terminate the lease, should the site no longer be used as a Tourist Information Centre. It is also open to both parties to agree a surrender of the Lease, to end the lease term early. Discussions have been held with the Park and whilst they understand the constraints that the Council are under the Park would still like to work with the Council to look at ways of ensuring that the Park can continue to be promoted from Whitby. Once a decision has been made in relation to the disposal of the Whitby TIC further discussions will be held with the Park.

Whitby TIC is listed as an Asset of Community Value under the Localism Act 2011. This means that the Council as landowner is unable to sell the freehold of the property or grant a lease of 25 years or more with vacant possession, (termed a 'relevant disposal'), without a moratorium period first having

elapsed. This moratorium period is designed to allow certain community bodies the opportunity to bid to purchase the property. An initial moratorium period of six weeks, (from the date of decision to make a relevant disposal), must first be allowed, to give community bodies a window of opportunity to express an interest in buying the property. If any expressions of interest are received from qualifying organisations within this six week period, a further period of four and a half months, (making a total moratorium period of 6 months), must elapse before the Council can sell the freehold or grant a lease of 25 years or more. This further moratorium period gives community organisations the opportunity to put together a fully detailed, costed and funded bid to purchase the property and to submit this to the landowner. The landowner is not able make a relevant disposal during this period, unless it is to one of the community groups. After the moratorium period has ended, the landowner is at liberty to sell the property to whoever it wishes on whatever terms it wishes, (subject to usual public law requirements). A community organisation does not have any right of first refusal in respect of a property which is listed as an Asset of Community Value, merely an ability to pause the sale to enable it to submit a bid. The landowner is not obliged to accept that bid. Where no expressions of interest are received during the initial six week moratorium period, the landowner is free to sell the property in whatsoever manner it chooses. Leases of less than 25 years are not relevant disposals under the legislation and therefore do not trigger this moratorium period.

An application for listing as an Asset of Community Value has been received in respect of the Evron Centre/Concert Hall, including the current TIC site in Filey. The application is currently being processed and a decision as to listing will be made before the statutory deadline of 11th March 2016.

(c) Financial

- 6.3 Currently the delivery of the TIC/Customer Services service across the three sites costs in excess of £141k to deliver; including £31k of costs for which there is no current budget provision. In addition the Council currently contributes £20k towards the Welcome to Yorkshire Partnership, for which again there is no base budget provision. The Council will also need to look to make provision in base budget to ensure the continuation of the Tourism Destination Marketing service.
- 6.4 The proposals in this review greatly enhance the financial sustainability of the tourism service, by providing a sustainable income stream for the Welcome to Yorkshire Contribution and the Destination Marketing and Events Team. The proposals should also realise an annual revenue saving to the Council of £64k, whilst preventing the need for potential growth in excess of £96k just to maintain the status quo operating position and build in base budget funding for the WTY and Tourism Destination Marketing Service.
- 6.5 The financial implications associated with this decision are detailed throughout the body of the report and are summarised below:

Potential ongoing base budget revenue savings arising from the recommendations assuming rental income is generated:

	Annual Savings *
Filey	£38k
Harbourside	£42k
Whitby	£49k
Mainstreaming of Destination Marketing Service and Welcome to Yorkshire contribution	(£65k)
NET BASE BUDGET SAVING	£64k

Anticipated capital outlay and one-off costs:

	£*
Filey	£5k
Harbourside	£40k
Whitby	£43k
CAPITAL/ONEOFF COSTS	£88k

-
- 6.6 Potential redundancy costs are not reflected in the above figures and would be funded from the Council's Pensions Reserve, which is set aside for such purposes.
- 6.7 The Council's 2016 Financial Strategy sets aside monies to create an Investment Fund, which will provide funding for schemes that will deliver future revenue savings for the Council. The capital outlay / one-off costs identified above would be funded from this source.
- (d) Planning**
- 6.8 All three sites currently fall under B1 Office use and therefore any change of use following market testing of the property would be subject to planning applications.
- (e) Equalities and Diversity**
- 6.9 This review has protected core customer facing services. Face to face access for residents to a range of Council services will continue to be available. In addition the ongoing work to promote on-line access to a greater range of services will be more convenient and increase access and choice for some customers. In terms of the tourism services, access to key information will still be available, including access to staff by telephone and provision of some service via Leisure Services staff. Face to face provision will be retained in Whitby which has the largest TIC footfall. All alternative facilities for Customer Services and Tourism Services will be fully accessible.
- (f) Staffing**
- 6.10 In the event that Cabinet approve the recommendation this would have significant implications for the staff employed within the Tourism Service either through a major change to their terms and conditions of employment or

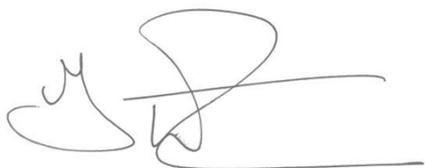
placing them in a redundancy situation. As a consequence therefore should the recommendations be approved then, in accordance with employment legislation, plenty of time will be allowed to carry out formal consultation with the Trade Unions and the staff affected and the process will be managed in accordance with the Council's Change Management Strategy.

- 6.11 There are no significant environmental or crime and disorder implications from this report.

7. ACTION PLAN

- 7.1 A full action plan will be developed. Indicative timescales for key milestones are shown below, although in Whitby these are dependent on a number of factors including the outcome of the marketing of the sites. The Asset of Community Value Listing may also affect timescales for Whitby TIC (if a relevant disposal applies) and if an expression of interest from a community group is received during the initial 6 week moratorium period.

Action	Timescale	comments
Cabinet decision re. recommendations	16 February (cabinet)	Could be later date if decision is called in.
Marketing of sites (initial 8 week period)	March – May 2016	
Staff consultation	Feb – April 2016	
Closure of Harbourside	20 March 2016	Closure would be prior to Easter.
Closure of Filey TIC	May 2016	From this date Customer Services move to the Library and unstaffed information point in situ.
Relocation of TIC service in Whitby/Relocation of Customer First Service to the Job Centre.	July 2016 Nov 2016	Following the outcome of the marketing, works could be carried out to Harbour Office (or existing building if remaining in situ) and relocation could take place in July. However, this could be delayed depending on the outcome of the marketing and whether the full 6 month moratorium period applies in relation to the Asset of Community Value listing.



Trevor Watson
Director

Author: Janet Deacon, Tourism Manager, Town Hall, Scarborough
Jo Ireland: Customers, Communities and Partnerships Manager
Telephone No: 01723 232570
E-mail address: janet.deacon@scarborough.gov.uk

Background Papers:
None

IF YOU HAVE ANY QUERIES ABOUT THIS REORT PLEASE CONTACT: Janet Deacon on 01723 232570 or email janet.deacon@scarborough.gov.uk

Risk Matrix

<u>Risk Ref</u>	<u>Date</u>	<u>Risk</u>	<u>Consequences</u>	<u>Mitigation</u>	<u>Current Risk Score</u>	<u>Target Score</u>	<u>Service Unit Manager Responsible</u>	<u>Action Plan</u>
1	25/1/16	Costs/Subsidy for TIC/CF Provision continues to rise	<p>Increased Pressure/Growth on revenue budgets</p> <p>Savings have to be made in other service areas</p> <p>Adverse impact on tourism economy</p>	<p>Reduce cost of face to face service provision through the development of alternative ways of service delivery including the development of information points and the utilisation of leisure staff to support tourism information provision</p> <p>Lease out current TIC/CF premises to generate additional revenue & reduce subsidy</p> <p>Utilise existing benefits and housing resources to support the</p>	D3	B2	Janet Deacon/ Jo Ireland	<p>Market test the current buildings to maximise income opportunities</p> <p>Downsize the TIC operation within Whitby to focus on core service delivery</p> <p>Develop self-help information points in Scarborough and Filey</p> <p>Provide support through training to Leisure Services staff to support tourist information provision during the summer months</p> <p>Re-locate the Customer First Service into the existing Housing/Benefits service operating from the Job Centre</p>

				ongoing delivery of core face to face Council Services				Continue to provide face to face Customer First provision in Filey on two days per week from Filey Library and establishment of self help information booth.
2	25/1/16	Inability to sustain existing Tourism destination marketing service. Service & inability to meet changing demands and expectations of visitors to the borough	Potential loss of market share and reducing visitors to the Borough Visitor dissatisfaction Loss of reputation Inability to meet Visitor Economy Strategy objectives	Re-focus resources ensure sustainability	D4	B2	Janet Deacon	Ensure that savings as a result of the service revue is allocated to support core destination service & development of digital technologies Implement new DMS system and provide tools to support tourism businesses