

Report of Director of City Development

Report to Executive Board

Date: 16th July 2014

Subject: Review of the Leeds Visitor Centre

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Best Council Plan identifies improving customer satisfaction, making the best use of our assets and creating the right skills in our workforce as priorities which will help the council achieve its objective to become more efficient and enterprising. Members will be aware of the significant savings required as part of the approved budget strategy for 2014/15, and in particular the budget proposal to save £50,000 in the delivery of the Leeds Visitor Centre (LVC). It is against this background that the report outlines how these priorities can be achieved and delivered in the context of providing a tourist information service for visitors to Leeds.
2. This report identifies a range of options for relocating and enhancing the service delivered by the Leeds Visitor Centre with a recommended option which would see the service moving into the Civic Quarter location facing Victoria Gardens, another well-established destination point in Leeds. In each of the past 3 years over 1.1 million people have visited the Art Gallery and Central Library with further events such as the Food Festival and the Leeds Light turn on, attracting crowds in excess of 25,000 people. This move will enable us to respond to current and predicted customer requirements, facilitate training opportunities to integrate and up skill our workforce, and align most closely with the council's priorities by reducing the cost of our property assets.
3. On 24th November the existing lease expires and is unlikely to be renewed without a significant increase in rent. Although the service has been in this 'high footfall' location for 20 years, welcoming some 500,000 customers in recent years, at most only 40% of these people relate to customers seeking information. Visit England

research suggests the national trend is for this face to face contact to reduce in favour of more 'digital' access channels through use of smart phones, iPad and the internet. The success of city ambassadors who operate 'on street' at major events, is further evidence of changes taking place. Other core cities continue to review and reshape the provision of this service particularly in response to technological advances.

4. In response to these factors the review has identified a number of options to support the delivery of the Best Council plan objectives whilst addressing the expectations in the approved budget strategy and each one has differing advantages and disadvantages. However, the option to co-locate in council premises is the most consistent with the council's wider objectives, achieves the greatest potential saving, carries the least risk in terms of capital expenditure and has the best ability to react to any further changes in the future.

Recommendations

4. Executive Board is recommended to:-
 - 4.1 Agree to vacate the existing Leeds Visitor Centre premises at the city station on account of the expiry of the current lease;
 - 4.2 Agree to the proposal to integrate the Leeds Visitor Centre with the Art Gallery Shop and Café located on The Headrow, Leeds;
 - 4.3 As a consequence of the above, for the council to bring the service back in house as part of the move and proposed integration of the service outlined;
 - 4.4 Note that the Director of City Development has delegated authority to finalise contractual terms associated with the expiry of the current lease and to establish appropriate interim arrangements for the transfer of the service to the new premises;
 - 4.5 Note that the Head of Strategic Planning, City Development, will be responsible for implementation of the agreed recommendations.

1 Purpose of this report

- 1.1 This report summarises the research and analysis undertaken to review the future options for the Leeds Visitor Centre service and identifies a proposal which will both increase the effectiveness and efficiency of the service and achieve the approved budget saving given the pending expiry of the current lease at Leeds City Station on 24th November 2014.
- 1.2 The report seeks Executive Board's approval to vacate the current premises and pursue the option to relocate the Leeds Visitor Centre to the Art Gallery Shop and Café located on The Headrow, Leeds.

2 Background information

- 2.1 The Leeds Visitor Centre is the City's recognised Tourist Information Centre (TIC) and historically it has been located in a number of different places in the City. In 1977 it was co-located in the Central Library, in 1987 it moved to premises in Wellington Street and for the last 20 years it has been successfully established in the current unit at the Leeds City Station.
- 2.2 In recent years it has attracted over 500,000 people annually making it the 2nd busiest tourist information centre in the UK and has continually achieved excellent results and acclaim through mystery shopper surveys. The most recent national research¹ available claims that on average information centres influence around 46% of walk in visitors with almost half of them going on to spend more money on local goods; day visitors spending on average an extra £15/person.
- 2.3 The visitor economy in Leeds employs some 32,000 people (8% of all employment), with a total GVA of £0.96bn (approximately 5% of the total GVA for Leeds) and a total visitor spend of £1.36bn.
- 2.4 Notwithstanding this, other core cities continue to review their provision of this service. Birmingham for example, has undergone a similar review process and now consolidated their only physical TIC presence in council run library premises. This has been facilitated through closing both New Street train station and Birmingham Airport facilities which is ultimately a similar solution to the co-location option included here. Leeds & Partners have confirmed that the LVC is not a core activity for them.
- 2.5 In addition to providing an information service the LVC has provided a range of additional services which simply expanded over the years to fill the premises currently occupied. This includes sales on behalf of Metro and First Bus, sales of tickets for events such as the Leeds Festival, and a limited retail offer constrained by the terms of the current lease.
- 2.6 Through the review work undertaken it is evident that the extra value generated by these additional activities does not provide sufficient justification for taking the extra space that they utilise. Consequently, the most efficient way forward for the service would be to concentrate on the core business of providing information to people visiting Leeds.

¹ Tourism South East for Visit England 2009; TIC Economic Impact Survey, Welsh Government 2012

- 2.7 Furthermore, rapid changes in technology have already resulted in a significant shift in how customers access our information and although we are currently the 2nd busiest tourist information centre in the UK, only circa 40% of those visiting the LVC are seeking tourist information with a similar number requiring specific travel information/tickets which financially costs more than it returns. National trends over the last 5 years² have shown significant decreases in visitor numbers (-27%), face to face enquiries (-23%), telephone enquiries (-38%) and accommodation bookings (-84%).
- 2.8 Similarly, there has been a huge increase in Leeds' web activity³ with an 85% increase in new visitors, 135% increase on pages viewed and total visits increasing from circa 200,000 to over 1 million. This is set in the wider context of 40-50% of hits on the LCC website currently emanating from smart phones.
- 2.9 On 24th November 2014 the existing lease expires and it is understood the landlord would pursue both a significant increase in rent and a reduction in our security of tenure if we wished to remain there. Vacating the current premises and occupying less space is implicit in all the options as it is maintained that the core information service can be delivered more efficiently in a smaller space particularly if supported by enhancing the non-face to face provision.

3 Main Issues

- 3.1 In the light of the background identified above, the council needs to decide if and how it should continue to provide this service and in doing so needs to consider how to best achieve:-
- greater service integration and flexibility in the workforce;
 - the best use of current resources in the context of asset rationalisation;
 - appropriate responses to changes in customer demand brought about by the rapid technological developments;
 - the savings identified in the approved budget strategy for 2014/15; and
 - the highest satisfaction in relation to customer's current expectations.
- 3.2 There is undoubtedly scope to deliver tourist information services more efficiently and effectively than at present and it is suggested that this can be achieved primarily through focusing on the core service of welcoming and orientation, and then by investing in good quality ICT infrastructure complemented by specific training to ensure full service integration and that the council delivers a consistent welcome message to people visiting the city.
- 3.3 This could be achieved at any of the locations considered in the following options, all of which provide an opportunity to re-focus on core services, and to make better use of available technology in the light of current trends.
- 3.4 Consequently, the main decision is about location and concerns the balance between the high footfall, prominent but more expensive locations and the less expensive locations which would provide greater opportunities for extending the

² Visit England TIC Performance Audit 2012

³ Visit Leeds web site from Google Analytics 2012 - 2013

reach on non-face to face access channels. Consistency with the council's priority to reduce the cost of its property assets and similarly to make the best use of its existing assets is an essential part of making this decision.

- 3.5 Five alternative locations in council owned premises were initially considered but these have been rejected in the detailed option appraisal mainly due to their specific location within council premises having significant accessibility issues and consequently making them unsuitable for a visitor information location.
- 3.6 The options below each present different advantages and disadvantages and the main ones are set out below. Each of these options needs to be assessed in light of the lease end date and regeneration of Leeds station, and in the context of the needs of all visitors to Leeds, regardless of their mode of arrival and chosen access channel. It is envisaged that all options can increase the utilisation of technology to enable greater self-service, but the ability to do this by reinvesting savings varies considerably. Training across the entire range of those 'welcoming' visitors needs to be rolled out as part of enhancing the service provision.
- 3.7 There are four options considered below, one is to stop the current service and the three remaining options consider different locations. The main advantages and disadvantages are set out below:-

Option 1 – close the LVC and stop providing a face to face provision for tourist information.

Although it is clearly an option to stop providing a physical location for the service and rely completely on non-face to face provision, there are an estimated 200,000 visitors who currently seek information by visiting the LVC and these customers may potentially go on to spend more money in the city. Consequently, it is suggested that it is not the right time to become the only core city without a Tourist Information Centre and so this option has not been developed further.

Option 2 – Remain at the station but in a smaller occupation in unit near the entrance to the northern concourse.

Advantages

- Still a relatively high footfall location;
- Remains at recognised location;
- Most likely position to maintain high regard from event organisers in Leeds;
- Relatively little new signage required.

Disadvantages

- Does not support the council's priority to make the best use of our assets and reduce costs;
- Difficult to free staff away from travel services and focus on core activities;
- Does not provide much surplus for re-investment in service enhancement or wider integration;
- Potentially highest fit out costs.

Option 3 – Move to a unit in Trinity; actually located on Albion Street;

Advantages

- Still a relatively high footfall location and is at a recognised location;
- New signage will be required but fit out costs likely to be at lower end;
- Opportunity to enhance appearance of LVC and give positive message;
- Allows focus to be on core activities and reduces demand for travel information.

Disadvantages

- Does not support the council's priority to make the best use of our assets and reduce costs;
- Rental levels relatively high retail location;
- Does not provide much surplus for re-investment in service enhancement or wider integration;
- May be difficult to incorporate full range of technological changes.

Option 4 – Co-locate in a Council owned building, within the Art Gallery shop/café.

Advantages

- Removes premises costs, actively promotes wider integration of services and significantly exceeds budget strategy requirements;
- Provides largest surplus for re-investment and potential to significantly improve customer experience in technology terms;
- Provides greatest stability and future flexibility with lowest capital investment;
- Provides opportunity for an enhanced information offer with potential increase in retail sales through collaborative approach with café.

Disadvantages

- Potentially significant reduction in footfall;
- Re-location is at a recognised location but not necessarily one associated with planning a visit;
- May reduce retail space and use by business visitors;
- Significant new signage will be required.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 In formulating these options, discussions have been held with both the Executive Member (Transport and Economy) and the Executive Member (Digital & Creative Technologies, Culture & Skills) at various stages during the review process; both members have confirmed their support for implementing the co-location option. The Chief Executive, Leeds and Partners also concur with the proposals and the further need to secure a seamless visitor experience as implementation moves forward.

- 4.1.2 Discussions have also been held with a wide range of stakeholders both related to the property perspective and the customer demands on a tourist information service. This included Network Rail, METRO, Land Securities, other Core Cities, Leeds Hotel and Venues Association, Welcome to Yorkshire and Visit England.
- 4.1.3 Additionally, staff and Trade Union (TU) representatives, together with colleagues at Leeds & Partners have all been regularly engaged on developing the initial stages of the review and there is a general understanding that the service currently provided could be enhanced and delivered in a more efficient way.
- 4.1.4 A full staff and TU meeting has been held to share the outline of the options in this report, together with the details of the recommended option and any potential identified impacts including the proposal to transfer staff back to LCC under the co-location option. The key issue raised by staff was their concern over the potential for a significant reduction in footfall if relocating in the Art Gallery shop/café option was agreed. The recommended option balances this against enhancing the opportunities for the increasing number of customers who choose to use non-face to face contact for tourist information whilst recognising that this is still a prominent city centre location, shared with a high quality retail offer, and one which will best support its future sustainability in the context of significant budget pressures.
- 4.1.5 Further formal consultation will be undertaken with staff and TU representatives on the precise proposals once the preferred option is determined.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversity, cohesion and integration screening has been completed and is attached at Appendix 1. This identified that the service is currently accessible to all protected characteristics, and whichever option is decided by Executive Board, the position will not change.
- 4.2.2 The recommended option will actually seek to strengthen accessibility through enhancing the availability of self-service access channels in response to identified customer demands and predicted future trends. These proposals also identify an opportunity to provide a more consistent approach to welcoming visitors at other council facilities and it is proposed that specific staff training and support will be provided in this context.
- 4.2.3 It is intended to review the position further following the Executive Board decision but it is not anticipated that there will be any significant additional issues in this context. However, should the detail implementation proposals identify that any element of resource reduction is likely, then a full Organisational Development EIA will be carried out for any services involved.

4.3 Council policies and City Priorities

- 4.3.1 The Best Council Plan identifies 'Becoming a more efficient and enterprising council' as one of its six objectives and the changes proposed in this report seek to support both this objective and the underlying priorities by improving and enhancing the Leeds Visitor Centre.

4.3.2 Through delivering changes which will enhance the reach of the service in response to current and future customer demands it is anticipated that customer satisfaction will be increased; the relocation will reduce the cost of our property assets; and supporting this change will facilitate training opportunities to up skill our existing workforce.

4.4 Resources and value for money

4.4.1 The net managed budget for the existing service in 2014/15 is £144,440 after taking into account a £50,000 budget saving target. All options can achieve this target in a full year, but co-locating in council owned premises is the only option which also provides enough additional saving to cover the initial technology enhancements, including iPads and pop-up touchscreens. Due to the commitments already in place, achieving this budget saving target in 2014/15 is unlikely. Commitments include lease expiry 24 November 2014, reducing current stock levels, completing the SLA with metro & delivering committed ticket sales.

4.4.2 Timing any move is critical both in respect of minimising 'double overheads' (particularly rent and utilities), and ensuring we continue to be appear 'open for business' particularly with upcoming major events – for example the Tour de France', and also at key times of the year – for example Christmas.

4.4.3 There are also a number of one-off payments associated with actually moving premises and enhancing the core service (e.g. dilapidations, ELI/MWC, technology improvements and purchases) which need to be agreed and developed with a range of different colleagues and partners.

4.4.4 In relation to future staffing, it is anticipated that if the option to co-locate in the Art Gallery shop/café is pursued, the staff will return from their secondment to Leeds & Partners and be managed from within City Development. The precise details will be progressed following the decision and be worked through in consultation with staff and TU representatives.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The current lease gives the council a protected tenancy under the Landlord and Tenant Act 1954 provisions and legal advice has been considered in relation to this. Essentially, there is no requirement for Notice to be served on the Landlord in respect of our intentions to stay or vacate the premises unless we chose to do so. There are provisions relating to leaving the premises in "good and substantial repair and condition" which could give rise to potential costs in terms of a dilapidation claim from the landlord. An estimate of potential costs has been included in the financial appraisal of the various options.

4.5.2 The proposal constitutes a key decision and is therefore subject to call in.

4.6 Risk Management

4.6.1 There are currently two high risks identified in the review's risk register – one is the potential decrease in footfall at the new location and the second is to ensure there is positive publicity about the relocation and enhanced service in response to customer demands.

- 4.6.2 It is identified that the largest risk of a reduced footfall is at the Art Gallery shop/café, however this is still an extremely popular destination point and provides the best opportunity to reach more visitors by non-face to face means. This is also balanced by proposing a low capital investment and most flexibility in the medium term.
- 4.6.3 There is a positive narrative to explain how the changes are driven by customer demands and emphasising that we are most definitely 'open for business'. This is being developed with both the Council's communications team and that at Leeds & Partners to ensure visitors, locals and businesses are aware of the positive developments the change will bring. It is recognised that there is a need to improve the wayfaring signage and the proposed technological enhancements, especially the deploying of 'pop-up' facilities, will actively support this.
- 4.6.4 In each case, proactive measures have been identified and will continue to be implemented to mitigate these risks.

5 Conclusion

- 5.1 Co-locating within the Art Gallery shop/café will facilitate greater flexibility in the workforce through integration and the up-skilling of staff and is likely to achieve the greatest potential saving enabling the additional savings above the budget strategy target to be reinvested in enhancing the technology. This will modernise and increase the 'reach' of the service and is entirely consistent with the Commission on the Future of Local Government proposition on Establishing a 21st Century Infrastructure. It would further facilitate the provision of temporary 'pop-up' tourist information points to be used at major events linking with the ambassadors and volunteer programme, and there is agreement in principle to locate such a unit at the City Station to further support visitors on arrival by this route.
- 5.2 This location is also the most consistent with the council's wider objectives specifically reducing the cost of leased in premises and extending the use of current assets. Co-locating the two services will help optimise the use of existing facilities and it also carries the least risk in terms of capital expenditure with the best ability to react to any further changes in the future.
- 5.3 All of the options require some degree of compromise as none of them present a perfect solution to all of the issues considered. The use of council premises does identify the best way to support its future sustainability in the context of significant budget pressures, particularly by ensuring it is still in a prominent city centre location with a high quality retail offer immediately adjacent.
- 5.4 It is recognised that there is some degree of uncertainty in terms of future use at any of the three locations and so it is proposed to review the operation of the Visitor Centre once it has become established in its new location, say after about 12 months. Although it is difficult to define what would constitute success without knowing the preferred option, if the co-location option is agreed then an increase in retail sales in the Art Gallery shop would be a reasonable measure.

6 Recommendations

6.1 Executive Board is recommended to:-

- 6.1.1 Agree to vacate the existing Leeds Visitor Centre premises at the city station on account of the expiry of the current lease;
- 6.1.2 Agree to the proposal to integrate the Leeds Visitor Centre with the Art Gallery Shop and Café located on The Headrow, Leeds;
- 6.1.3 As a consequence of the above, for the council to bring the service back in house as part of the move and proposed integration of the service outlined;
- 6.1.4 Note that the Director of City Development has delegated authority to finalise contractual terms associated with the expiry of the current lease and to establish appropriate interim arrangements for the transfer of the service to the new premises;
- 6.1.5 Note that the Head of Strategic Planning, City Development, will be responsible for implementation of the agreed recommendations.

7 Background documents⁴

7.1 None

8 Appendices

8.1 Equality Impact Assessment Screening

⁴ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.