



INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 19 June 2008

Title: REVIEW OF THE TOURISM SERVICE - INTERIM REPORT

Report of: Director of Development Services

Report reference: DS.80/08

Summary:

The review arises from the 2008/09 budget resolution that sought savings from the Tourism Service, together with the need to re-shape the service to take advantage of opportunities to improve and develop Carlisle's tourism performance. The Executive considered an Interim Report on the Review on 29 May 2008 and agreed to use it as a basis for discussion and consultation with Infrastructure Overview and Scrutiny, partner agencies and service users.

The report to the Executive is attached.

Questions for / input required from Scrutiny:

1. Consider the opportunities for short term savings in the Visitor Information Service
2. Consider whether the operating hours at Brampton TIC should be reduced to May – September instead of Easter – October
3. Consider whether opportunities should be pursued to increase income through more aggressive sales and advertising initiatives and a review of pricing

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

4. Express a view on the level of operational control by the Council over the Assembly Room in future
5. Consider whether further work should be done to investigate the potential costs for upgrading the Assembly Rooms for gallery or increased public use Consider the principle of establishing a project team comprising Cumbria Tourism, Hadrian's Wall Heritage Ltd, North West Development Agency and the City Council to pursue proposals for a partnership operation and to bring forward options as part of the 2009/10 budget process in autumn 2008.
6. Make any other observations on the findings of the Interim Review as the Committee sees fit.

Recommendations:

That the Committee considers the Interim Report, addressing in particular the questions set out above and refers its views to the Executive.

Contact Officer: David Beaty

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REPORT TO EXECUTIVE

PORTFOLIO AREA: ECONOMIC DEVELOPMENT AND ENTERPRISE

Date of Meeting: MAY 29TH 2008

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework Yes

Title: REVIEW OF THE TOURISM SERVICE -INTERIM REPORT
Report of: DIRECTOR OF DEVELOPMENT SERVICES
Report reference: DS 67/08

Summary:

This review arises from the 2008-09 budget resolution that sought savings from the tourism service. The terms of reference of the review acknowledge the need to re-shape the current service to take advantage of opportunities to improve and develop Carlisle's tourism performance.

This report sets out preliminary findings and suggests areas where guidance on the next steps is needed.

Recommendations:

The Executive is requested to receive the Interim Report as a basis for discussion and consultation with Infrastructure Overview and Scrutiny, partner agencies and service users.

Contact Officer: DAVID BEATY

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BACKGROUND INFORMATION AND OPTIONS

1. SCOPE OF THE TOURISM REVIEW

1.1. The review will cover;

1. The operation of Carlisle City Council's Tourism Service to ensure that it can respond to changing demands and to provide a high quality service for the minimum cost to the Council.
2. How the service can contribute to the delivery of the Carlisle Economic Strategy in collaboration with key tourism agencies.
3. How the role of the private sector might be strengthened.
4. To focus particularly on the Carlisle Tourist Information Centre (TIC) and the Carlisle Conference Group (CCG) within the context of the wider service
5. Options for the location of the TIC, including the present location at the Old Town Hall
6. How co-location of the TIC with other uses might present opportunities to generate increased income.
7. Consideration on whether there are alternative ways of financing the work of the CCG
8. Whether a savings target of £38,000 in 2008/09 and thereafter a permanent saving of £75,000 in the overall tourism budget can be achieved through a reduction in expenditure or an increase in income.
9. How the opportunity to achieve Strategic Status for the Carlisle TIC might be enabled
10. How to determine opportunities and mechanisms for attracting, promoting and commissioning events as part of the tourism offer at a strategic level in collaboration with key tourism agencies.

1.2 The review will include consideration of:

1. Potential ways of generating additional income at the Assembly Rooms
2. Whether additional income can be secured from the private sector for the operation of the CCG
3. Examples of best practice for other TICs nation-wide and other similar visitor information outlets

4. Examples of best practice for provision of a conference desk service
5. The sale of goods from the TIC shop alongside other outlets for Carlisle including Tullie House
6. Opportunities for IT systems development
7. The outcomes of the various studies being undertaken as part of Carlisle Renaissance, including the Urban Design Framework, Historic Quarter Study, Branding Study and Car Parking Strategy.
8. The outcomes of relevant work by other agencies, including the Visitor Economy Pilot, the Cumbria Hotel Opportunities Study and the plans of Hadrian's Wall Heritage Ltd.
9. The potential in the future for designating a Business Improvement District and/or an alternative form of city centre management.

2 POLICY CONTEXT, OPPORTUNITIES AND PARTNERSHIPS

2.1 Context for the review

- 2.1.1 This Tourism Service Review has been undertaken for two main reasons. Firstly, the Council is facing major financial challenges over the next three-year planning period. Unless savings or increased income are identified the Council faces a rising revenue deficit.
- 2.1.2 The Council has therefore embarked on a series of reviews to examine ways of operating services more efficiently and seeking revenue savings. The Tourism Service is one of the first to be reviewed in this way.
- 2.1.3 In November and December 2007 the Council's Executive received initial reports and subsequently in its budget resolution set a target of £38,000 in 2008/09 and thereafter a permanent saving of £75,000 in the overall tourism budget, through a reduction in expenditure or an increase in income.
- 2.1.4 Secondly, the context for the provision of a tourism service has changed both nationally and locally. Increased use of the internet, the increasing pace of technological change, travel patterns and trends, the growth in budget airlines, and higher customer expectations generally have all contributed to a change in the requirements for the service.

- 2.1.5 Tourism is one of Cumbria's largest industries having grown by 32% since 1992 and in 2006 it contributed £1.1 billion to the Cumbrian economy. Its contribution is predicted to rise to £1.5 billion by 2017. The Cumbria Tourism Strategy, due to be published imminently, highlights this opportunity but also recognises that this growth will only become a reality if concerted efforts by both public and private sectors are brought to bear.
- 2.1.6 Locally, Carlisle's Economic Strategy highlights tourism as one of the key business sectors for growth. Carlisle is also described in various reports as underdeveloped, suggesting that its full potential is not being realised.
- 2.1.7 Tourism has a major contribution to make to the local economy and its impact and influence should be viewed in its broadest sense. The quality of our public realm, local services and attractions, well trained staff, access to advice and information, reasonable wage levels in the sector, good public transport, recycling facilities, and the cultural offer are all part of the package that makes a successful tourist destination.
- 2.1.8 So it is timely to look ahead at the aspirations for the tourism service and to try to design a service that will serve Carlisle well for the future.
- 2.1.9 The review needs to be set in the context of the various opportunities and challenges facing Carlisle. The ambitious Carlisle Renaissance programme will have significant implications for Carlisle's ability to attract and inspire visitors, especially with the city centre public realm improvements and the three transformational sites within the urban core. Major development plans for the University of Cumbria, Carlisle Airport, and the Morton urban extension will change the shape and feel of the City.
- 2.1.10 From the regional perspective Carlisle's potential is recognised within the latest version of the NWDA Corporate Plan to 2011. The priorities for Cumbria are set out in the following extract with the relevant section on Carlisle and tourism in bold.

*Cumbria Indicative Total Investment £155 million
To help the Cumbrian GVA growth to at least a Regional average by
focusing on activity aimed at;*

- *Reducing the gap in performance between the West Coast and the rest of Cumbria through investment in the implementation of elements of the Spatial Masterplan – Energy Coast; tackling and reducing pockets of worklessness; improving skills and supporting the growth of entrepreneurialism; maximising the exploitation of opportunities in Nuclear Decommissioning and energy related businesses.*
- ***Building on the growth of Carlisle as the City of the Sub-region by supporting key development sites in Carlisle City Centre; addressing fundamental business and employment issues of low wage, low skills business sectors; build upon the tourism opportunities associated with the historic city and Hadrians Wall.***
- ***Supporting the development of the Tourism offer of the Lake District National Park and across the wider county through creating conditions for private sector investment and strengthening the quality of the tourism offer.***
- *Support the continued growth of Barrow by exploiting opportunities around the Waterfront; tackling and reducing pockets of worklessness; improving skills and supporting the growth of entrepreneurialism and new business formation.*
- *Support the expanding role of the University of Cumbria by continuing to support and promote the role of UoC to deliver high level skills across the county*

2.2 Opportunities

2.2.1 In particular, there are key opportunities associated with:

- i. The focus on improving and better exploiting Carlisle's Historic Core through Carlisle Renaissance presents a major opportunity for change. This includes consideration of the needs for visitor reception within the Historic Core, the opportunities to promote and interpret the area more effectively and the coming together of key partners into a new Historic Carlisle Partnership (formerly the Carlisle Cultural Heritage Group).
- ii. The Carlisle TIC is being considered for 'strategic' TIC status by Cumbria Tourism ('strategic' TIC's are the highest level of information provision within Cumbria, and are eligible for capital grant assistance for improvements to their premises).
- iii. The North West Development Agency has launched a 'Visitor Economy Pilot' in Carlisle, one of 3 pilots in the North West to examine the potential for tourism to stimulate growth in the visitor economy.
- iv. Hadrian's Wall Heritage Ltd is working with partners including the Council to explore opportunities to promote and interpret links to Hadrian's Wall in Tullie House and the wider City Centre.
- v. The University of Cumbria's plans to consolidate at Caldew Riverside may potentially free up key buildings in Castle Street, next to Tullie House, within the designated Historic Core.
- vi. Momentum to establish new City Centre Management arrangements for Carlisle City Centre and the potential for designating a Business improvement district in the medium term.

2.3 Tourism Partners & Carlisle Renaissance context

2.3.2 The Carlisle Renaissance Economic Strategy Action Plan is being developed with partner agencies and the private sector and early drafts are being discussed with the Carlisle Renaissance Steering Group. When the new Carlisle Renaissance Board begins to meet, anticipated to be in June or July, it will steer the draft Action Plan as it evolves and as the contributions of delivery partners are refined.

- 2.3.3 Key tourism partners Cumbria Tourism, Hadrian's Wall Heritage Ltd and North West Development Agency are working together to maximise the potential for tourism growth and are also discussing what is needed to enable this. The starting point for discussion is a proposal from Cumbria Tourism for the establishment of a North Cumbria office based in Carlisle as a partnership venture between Cumbria Tourism, the City Council and Hadrian's Wall Heritage Ltd. This proposal is at a very early stage and the options for partnership arrangements, structure, management, reporting accountabilities, composition and funding arrangements for the team will require some time to work through.
- 2.3.4 Further work is needed to better define the relationships and delivery responsibilities of the Board and any emerging Tourism joint service arrangement and these issues will be addressed as the Action Plan and the discussions with Cumbria Tourism and Hadrian's Wall Heritage Ltd evolve.
- 2.3.5 A further consideration, particularly in relation to the future role of the Old Town Hall, is the findings of the work currently under way on the historic quarter of Carlisle. The consultant's work is currently being evaluated and an action plan is in preparation. While this work has not yet been considered by the City Council it would seem premature to reach conclusions on the future role of one of the city's major historic buildings without taking this body of work into account.
- 2.3.6 Other studies that could impact of the Tourism Service include; -
- Urban Design and Public Realm Framework SPD
 - Cumbria Hotel Opportunities Study
 - Visitor Economy Pilot
 - Parking Strategy
 - Community Services Review

3 THE CURRENT TOURISM SERVICE

3.1 Background and role

- 3.1.1 The City Council's Tourism Service originated in the 1980's and was the subject of a Best Value Review in 2001. The agreed role of the service, then and now, is to;
- Prepare Tourism Plans for 'Carlisle Tourism' - the representative body for the industry locally.

- In partnership, deliver the priorities from that plan, covering;
- Channelling public and private resources to achieve the common aims of the Tourism industry and the public sector
- Product development to deliver improved visitor spend
- Provision of visitor Information Services
- Promotion of Carlisle's tourism product
- Development of the Conference product and venue service
- Market research, performance monitoring
- Raising the profile of Carlisle through effective branding and marketing

3.1.2 Within most localities, the Tourism industry is characterised by small disparate and often marginal businesses, with very few able to operate strategically. Because of this, there is a need for a local body that can co-ordinate and help realise the potential of the sector and develop the tourism offer in an area.

3.1.3 At a sub-regional level, Destination Management Organisations such as Cumbria Tourism are the instruments of regional and national policy, but at a local level it is frequently the local authorities that take the lead, as place shapers & managers, providers of visitor attractions and 'co-ordinators' of tourism development locally.

3.1.4 Because of the important role that Tourism has in many local economies the link to the economic well-being responsibilities of local government is well established. In Carlisle's case the Tourism sector has shown steady growth in the years since 2001 and is forecast to grow further in the future.

3.1.5 The City Council's role has been to support the leadership and co-ordination of the industry locally and the service has produced annual 'Tourism Priority Plans' in consultation with the local tourism sector. The Plan was not published last year because of the developing Economic Strategy and the new format for identifying priorities and actions. Tourism related actions are being developed for the Strategy Action Plan.

3.1.6 The City Council has also drawn down over £1million worth of external funding to support Tourism initiatives over the past 10 years and has had a key role in supporting the local visitor economy following the foot and mouth and flooding crises.

3.2 Existing Structure and Costs

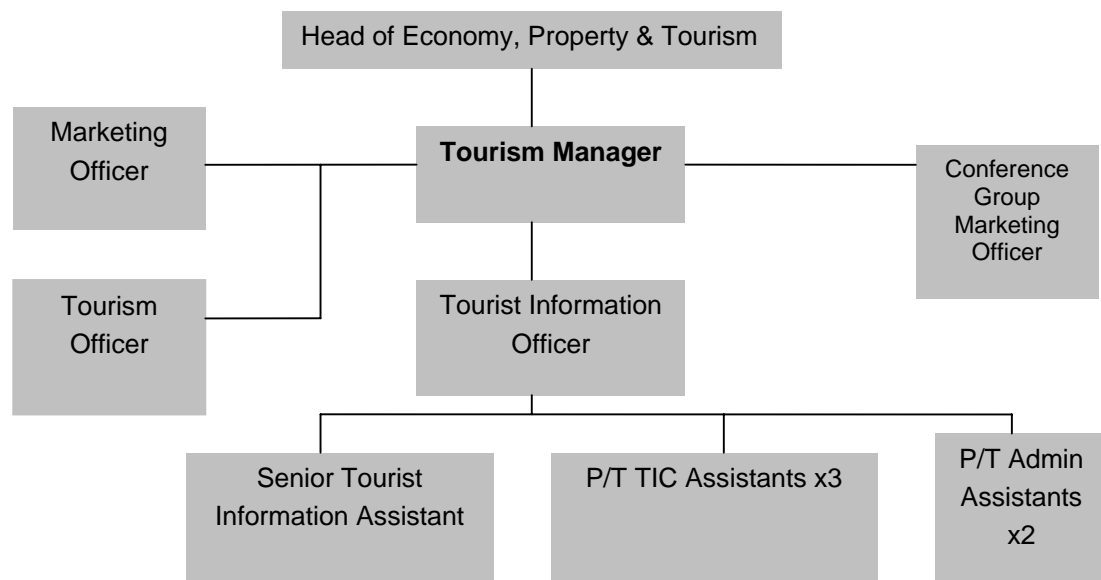
3.2.1 The Tourism Service has three sections. The table below shows what each section does, how many people are involved, income and expenditure costs and net cost to the Council. Budget figures for 07/08 are used.

Tourism Service, Activities, Staffing and Budgets					
Section	Activities	Staffing [FTE = full time equivalents]	Spending	Income	Cost to the Council
Manag'm't , Marketing & City Centre	<ul style="list-style-type: none"> Management of service Policy and Initiatives Data & surveys Industry liaison via 'Carlisle Tourism', CT, HWH Ltd. Tourism Marketing and Holiday Guide Web presence Tourism events facilitation City Centre liaison 	3 FT	£235,700	£0	£235,700
	<ul style="list-style-type: none"> Christmas City 		£20,000	£38,700	£20,000
Conference Desk	<ul style="list-style-type: none"> Facilitation of Conference Group Marketing of Carlisle as Conference destination Management of enquiries Business liaison and networking NW Film office liaison 	1 FT	£56,400	£11,700	£44,700
Tourist Information	<ul style="list-style-type: none"> Old Town Hall TIC 	1 FT 3 PT Perm [3 FTE] 2 PT temp [0.66 FTE]	£264,600	£129,200	£132,700 ¹
	<ul style="list-style-type: none"> Assembly Room 	2 PT Perm [.78 FTE]		[£8,300 included above]	
	<ul style="list-style-type: none"> Brampton TIC 	1 PT temp [.033 FTE]	£18,700	£9,600	£9,100
Totals		8.77 FTE	£595,400	£189,200	£442,200

3.2.2 Within the overall Tourism Services budget the principal areas of expenditure are as follows;

Expenditure Heading	Amount [budget 07/08]	%
Employee related	£266,900	44.9
Supplies and Services - Activities and Initiatives, [including marketing and promotion etc]	£100,000	16.8
Supplies and Services - Visitor information [including items for re-sale]	£97,600	16.4
Premises	£23,300	3.9
Other operational expenditure	£6,200	1.0
Recharges/Support Services	£101,400	17.0
Total	£595,400	

3.2.3 The staffing structure of the current service is shown in the chart below



3.3 Management, Marketing and City Centre

3.3.1 This element of the service comprises three staff and is responsible for the core elements of the service including strategy, project development, industry liaison, intelligence, tourism events and marketing. The Tourism Manager also has responsibility for managing the Council's relationship with city centre

¹ Variation between spending and income due to difference between opening and closing balances on sale goods

businesses and for activities and events that take place in the city centre [alongside officers from Community Services].

3.3.2 The operational budget for activities and initiatives, at around £100,000, can broadly be broken down into the following elements;

- Marketing and publicity 52%
- Subscriptions & grants 9%²
- Christmas City 20%
- Conference Marketing 11%³
- Events & other 8%

3.4 The Conference Desk

3.4.1 The details of the current operation are set out here and although the Conference Desk has been highlighted as a specific issue, it should be seen as an integral part of the overall Tourism service. Information is also included on some similar operations elsewhere, including the Cumbria operation.

3.4.2 Carlisle Conference Group (CCG) is a partnership between Carlisle City Council and individual venues in Carlisle. The prime reason for offering such a service is to market Carlisle as a destination, encouraging conference business and the consequent multiplier effect on the local economy. Carlisle currently performs relatively well in terms of the visitor expenditure generated for every £1 spent by the Council on tourism. In a group of 12 similar local authorities, Carlisle came third for the amount of leverage generated for 2005/06.

3.4.3 The members of CCG are wide ranging and include hotels, the Racecourse and Cathedral, Carlisle United, academic premises, Council run/owned venues such as the Sands, Tullie House, the Assembly Rooms, Enterprise Centre and Brampton Business and Telecentre. Bookings are subject to a commission charge, which contributes to marketing costs.

3.4.4 The service is based in Development Services, within the Tourism Team and the Economy, Property and Tourism Service. There is one post of Conference Officer dedicated to the service and the role includes:

- Dealing with enquiries – information for the event and client is taken, faxed/e mailed out to all Members of CCG that match the request, with a 3 hour response time for a quote. Following the deadline the Conference Officer works to secure the sale.

² Cumbria Tourism and Southwaite Services TIC

³ Covered by income

- For those not familiar with Carlisle a visit is offered and organised. This includes a tour of venues and city centre attractions and practical arrangements such as travel options.
- Hands on co-ordination for the event itself especially where more than one venue is being used.
- Attendance at trade shows and exhibitions to promote Carlisle.
- Preparing and updating marketing information including brochures, conference packs, web information, mail-shots and e mail-outs.
- Monitoring, including customer profiling, evaluating marketing activities and business trends.
- Sign-posting business support, enterprise and development queries that arise during conference and event work to colleagues elsewhere in the Council.

3.4.5 The Conference Group has been operating in its present format since 1997. It has generated £1,012, 500 of income to venues since its inception, of which £87,200 has been commissions revenue. This revenue has been used to market the service. The gross cost of running the service is £56,400 per year (2007/08 figures) of which 51% is the Conference Officer's direct salary costs, 20% is on costs and 29% is recharges. These costs are offset by £11,7000 of income generated through commissions and membership fees.

3.4.6 The service contributes to the wellbeing of the local economy, the image of the City and the investment it constitutes, whilst modest in proportion, still generates a return to the local economy and is valued by the local tourism industry. From the City Council's perspective the familiarisation visits and the networking undertaken by the Conference Officer all offer opportunities to promote Carlisle to business and media and generate goodwill for the Council.

3.4.7 There are also links with the Cumbria Film office, resulting in TV and film coverage that raises Carlisle's profile. This outward-facing role has benefits beyond the immediate function of the Conference Desk.

Conference operations in other locations

3.4.8 Doncaster:

Similar to Carlisle and its relationship with The Lake District, Doncaster operates alongside its bigger and higher profile neighbour, Sheffield. There is a conference officer post at Doncaster similar to Carlisle. With £250 million invested in conference related developments in the City during 2006, Sheffield has secured its reputation as one of Yorkshire's key locations for successful conferences & events. Doncaster however, is to benefit from a new £35million development at the Racecourse (Council owned), when a new Grandstand is built offering Conference & Banqueting facilities.

3.4.9 Gloucester:

The City redirected its activities about 5 years ago into developing the leisure market. Prior to this it operated a fully functional conference desk but in partnership with local hoteliers agreed that funds would be better spend improving the product. The Tourism Department produces a conference brochure, but the service is reactive, not proactive. Conference / meeting facilities available in Gloucester are small or business hotels. The value of business via the desk 5 years ago was about £10,000, compared to Carlisle at £84,000.

3.4.10 Chester

Chester, a well established feature on the conference circuit and an 'attack' brand for tourism in the NW, runs its operation in partnership with Cheshire County Council and also has a good range of facilities, including two recently constructed city centre hotels.

3.5 Business and Conference Tourism in Cumbria.

3.5.1 Cumbria Tourism [CT] envisages growth in the business tourism sector and sees opportunities for Carlisle, Penrith, Kendal, Barrow, Workington and Whitehaven. In particular Cumbria Tourism sees the development of business tourism in Carlisle as a key part of the development of Carlisle's tourism offer generally and the existence of a partnership based conference desk as a positive strength.

3.5.2 Cumbria Tourism currently has a limited budget allocated for business tourism that is currently used to pay for the services of a Harrogate based company to manage conference enquiries generated through the <http://www.lakedistrict->

conferences.info/ web site. This operates in parallel to the Carlisle web-site www.carlisle-conference.org.uk.

- 3.5.3 The Carlisle Conference Group submitted a proposal to Cumbria Tourism to operate a service for the whole of the County based on the Carlisle model as part of a call for tenders earlier this year. Cumbria Tourism deferred making a decision on the future operation of a Cumbria Conference desk and has entered into a further short-term arrangement with the existing provider pending consideration of how conference and business tourism enquiries in Cumbria could be serviced.
- 3.5.4 Although CT recognises the merits of the Carlisle model and its success there were doubts over whether there was sufficient capacity to manage a service for the whole of the county.

3.6 Visitor Information

- 3.6.1 The City Council operates one permanent visitor information centre at the Old Town Hall, one seasonal centre at Brampton Moot Hall and has representation at Southwaite Services TIC at a cost of £4,000 per year. Southwaite is operated by Visit Scotland. Space occupied at the OTH by the service is around 245 sq. m. on the first and second floors [approx. 2,600 sq. ft] - excluding the Assembly Room.
- 3.6.2 The net cost of these services [excluding Southwaite] was budgeted at £133,000 in 07/08. The service dealt with almost 142,000 personal, 18,500 telephone and 9,300 e-mail enquiries in 2007. [Figures include both Carlisle and Brampton TICs.] Both personal and telephone enquiries shown declining annual volumes in line with most other TICs in Cumbria. On the other hand e-mail enquires were up 141% over 2006.

3.7 Events

- 3.7.1 The Cumbria Tourism Strategy acknowledges the need to develop attractive sub-regional events. The City Council runs or facilitates a limited number of events and there is a presumption to rationalise, consolidate and upgrade existing events rather than create new ones.
- 3.7.2 For the Tourism Service, the focus of events relates to Christmas, based on the priority given to this by the City Council and other partners. For other events it plays a facilitating role or takes opportunities as they arise.
- 3.7.3 In the future, a City Centre Management group or Business Improvement District could support or take the lead on the development and promotion of

events that were intended to improve the visitor offer in the commercial centre or historic quarter of Carlisle.

- 3.7.4 In the meantime, the potential for streamlining resources within the Council for supporting events is being considered as part of the Community Support Service Review and this Tourism report will pick up the outcome of that work as it develops to its final draft. The aim would be to present a clearer outward focus on events for engaging with the private and community sectors.
- 3.7.5 The more important issue for the Tourism Service is how it is able to influence and shape a strategic events programme and how that programme of key events can be developed, established and sustained.
- 3.7.6 A more definitive policy is needed to enable private and sector organisations to work together to establish an annual programme of Cumbria 'signature events'. Cumbria Tourism in association with NWDA should act as the 'arbitrators' on which events are deemed to fulfil the necessary criteria to become attractive enough to appeal to a national audience.
- 3.7.7 Cumbria Tourism through the Destination Management Plan should be encouraged to establish a recognised hierarchy of county events. A number of existing events should be selected on their merits as being able to be developed into nationally profiled annual 'Cumbrian events'. These should then receive development funding and marketing back up to become iconic events for Cumbria. This approach will make the best use of resources and spread economic benefits throughout the county. It also has the added advantage of not only marketing Cumbria as a whole, but raising awareness of its constituent destinations as well.

4 TULLIE HOUSE – CURRENT OPERATION AND FUTURE PLANS

- 4.1 This section of the report has been written following consultation with the Head of Community and Culture. Tullie House is the City's main museum and the only designated 'hub' museum for north-west England in Cumbria. It is operated by the Council's Community Services Directorate. The museum is one of Carlisle's principal visitor attractions with about 40,000 paying visitor per year.
- 4.2 Emerging work undertaken as part of Carlisle Renaissance confirms that the Historic Quarter has the potential to become a visitor destination of regional or even national significance. With the Cathedral and the Castle, Tullie House is one of the area's key attractions and it makes sense to consider whether there

are opportunities to align the delivery of Tourism Information services with current and future plans.

- 4.3 There are two matters under consideration that will affect future operation of Tullie House. The first is a decision by the Council whether to seek Trust status, which is expected later in 2008. If a decision is taken to form a Trust it is likely to be 2010 before this is in place. If a Trust comes into being the operation of a TIC within Tullie House would presumably need to be on a partnership basis.
- 4.4 The second matter is the implementation of a Development Plan for Tullie House. Decisions on this are awaiting the outcome of consultant's advice but any physical alterations or extensions to the premises of Tullie House that may offer opportunities to plan for TIC provision are also likely to take some time to reach maturity.
- 4.5 If the emerging ideas for the economic exploitation of the Historic Quarter bear fruit through Carlisle Renaissance and the area's profile and attractiveness is increased, then there will be a case to locate visitor information, interpretation and orientation facilities in the area. How this might be achieved will depend on an evaluation of the options at the time and the inclusion of visitor services facilities within the brief for any physical alterations or extension to Tullie House
- 4.6 However, in the short term there are no opportunities within the existing fabric of Tullie House to locate a TIC. The recent work to re-locate the reception is now complete and there is now no scope to accommodate the TIC's needs. The only other potential space is the community room and this is needed for operational purposes.

5 REVIEW OF OPERATIONS

5.1 Introduction

- 5.1.1 From the previous sections of this report it is clear that although there is a pressing need to achieve savings in the short term, there are also medium and longer term opportunities that should not be closed off by making a partial decision. Meeting the medium and longer-term opportunities and aspirations will require ongoing negotiations and discussions with the key tourism and economic partners and will take time to work through.

5.1.2 The review is therefore presented as a phased approach, grouped under three parts.

- Part 1 Review of the current Tourism operation to achieve budget savings,
- Part 2 What is needed to realise Carlisle's Tourism potential?
- Part 3 How Tourism services might be organised in partnership to deliver both long term budget savings and outcomes that are right for Carlisle?

5.1.3 For the purposes of this report the findings of the review are summarised under each of the headings above. The information upon which these initial conclusions are based is set out in a set of appendices that are included in part B of the agenda.

PART 1: REVIEW OF THE CURRENT TOURISM OPERATION TO ACHIEVE BUDGET SAVINGS IN THE SHORT TERM

5.1.4 This part of the report will focus on an examination of:

- the Visitor Information Service & Old Town Hall [para 5.2 and following]
- the Carlisle Conference Desk [para 5.3 and following]
- other operational arrangements across the service [para 5.4 and following]

5.2 Options for the Visitor Information Service & Old Town Hall

- 5.2.1 These options include making better use of the Old Town Hall, including;
- i. The option to make savings by re-locating the service to other premises
 - ii. The capacity to generate income from an alternative commercial use of whole of the upper floors of the Old Town Hall
 - iii. The potential to generate increased income from the existing TIC operation
 - iv. The potential to achieve greater income from the Assembly Rooms alone with the TIC remaining in the Old Town Hall
 - v. Other opportunities for savings in this phase of the review include potential short-term staff changes, opening hours and the operation at Brampton.
- 5.2.2 Considerations to be taken into account for the operation of a TIC service include:

- The requirements and agreed standards for a networked TIC
- The standards affecting its designation in the hierarchy of TICs
- Basic operational space requirements
- The suitability of premises

- 5.2.3 There are basic requirements to enable a TIC to retain its 'national network' status as an Enjoy England official partner. The requirements that accompany this designation are set out in a Visit Britain document – "Guidelines for Tourist Information providers in England". The practices which are recommended (as opposed to being mandatory) for all tourist information services are also shown in the document.
- 5.2.4 The Carlisle TIC is in the process of being considered for strategic TIC status from Cumbria Tourism. TICs are categorised as either 'strategic', 'local', or 'destination', with 'strategic' being the highest level of information provision, eligible for capital grant assistance (requiring matched funding) for improvements to premises.
- 5.2.5 Officers have assessed the spatial implications of fulfilling the Enjoy England requirements, along with those relating to staff working conditions. The various premises options are assessed against these basic requirements.

i. Relocating the Visitor Information Service

- 5.2.4 The two main reasons for considering a relocation of the TIC are:
- It would create the opportunity to let the current space allocated to the TIC and Assembly Room for a commercial use. This would generate an annual income to offset running costs of the TIC elsewhere.
 - It could enable a reduction in operational costs currently associated with the TIC and Assembly Room in their present location because it would no longer be necessary to run the Assembly Rooms for public use or maintain an income target for the use of the Rooms. Smaller, newer premises may also be cheaper to run.
- 5.2.6 Various alternative premises have been investigated for this review. They were selected for investigation on the understanding that the TIC should be in a prime city centre location where it is accessible to the greatest number of potential customers.

- 5.2.7 The details are set out in the part B report including a brief assessment of their relative suitability in terms of size, location and costs. The impact on budgets of a move to the smallest and least expensive alternative is also set out.
- 5.2.8 The conclusion is that a move to alternative premises is not recommended at this stage. The majority of available alternatives would not achieve savings due to high rental levels. None of the alternatives have the 'visibility' and locational advantages of the Old Town Hall. The least expensive option would provide substantially less than one quarter of the floor-space in use at the Old Town Hall and it is questionable whether the service could attract 'strategic' status in this location with the limited amount of floor-space. Furthermore it is not yet certain that it will come on to the market. The advisability of waiting until the Historic Quarter work has been reported is also a factor.

ii. The capacity to generate income from an alternative commercial use of whole of the upper floors of the Old Town Hall

- 5.2.8 Possible rental levels based on likely alternative uses for the upper floor of the Old Town Hall have been estimated and are included in the part B report.
- 5.2.9 The level of estimated rental is not so great as to be a major driver in the search for savings, especially since the cost of alternative premises is so high.
- 5.2.10 There are also questions about whether it is appropriate for a building with so much civic history to be lost completely to public use. This may be acceptable if it achieved a substantial investment in the premises that enhanced the fabric of the building and its role in the city centre. The work done to date has not established if this is a realistic possibility.
- 5.2.11 Given the reasons for not recommending relocating the service set out above the conclusion is that this option is not pursued

iii. Increased income from the existing TIC operation

- 5.2.12 More aggressive sales and advertising initiatives and a review of pricing could add an estimated £7,000 per year to income. Conclusion; these strategies should be pursued.

iv. Options for the Assembly Room

- 5.2.13 The Assembly Room must become much more commercially viable if income is to be increased. It is under-achieving as an income earner, it is tired in terms of decor and furniture, and is extremely badly lit. The current lettings of the Assembly Room reflect these facts and it generates only around £3,000 per year.

5.2.14 Although it is acknowledged that it still provides a valuable service to the City's community and charitable groups who take advantage of the Council's subsidised letting rates, this is in direct conflict with the need to increase income. It also needs to be noted that the City Council has been using the Old Town Hall for robing purposes since about 1780 in connection with the civic processions. If the Assembly Rooms were no longer available for this purpose then alternative premises such as a local hotel would have to be used, and a charge incurred.

5.2.15 The options for consideration are:

- Let the space for commercial use. Advice suggests that the most likely demand would come from A2 uses such as Estate Agents/Financial Services and although shared access and facilities would reduce the rental value some useful additional income could be generated. Estimated income is set out in the part B report
- Create a 'Gallery Space' to increase the Assembly Room's potential for dedicated exhibition use. The proposal would require specific cosmetic and technical improvements to the room that have not yet been costed. These would result in the provision of a dedicated 'gallery/exhibition' space, for which apart from Tullie House there is limited provision. Whilst priority would be given to the more lucrative 'gallery' use the room would still have the advantage of being available for community groups. The room would continue to be managed by the City Council. The Keswick TIC offers a good example locally where this arrangement operates successfully⁴. It enjoys almost maximum occupancy. Alternatively, the option of a commercial letting for a Gallery use could be explored.

5.2.16 A summary of the estimated costs and savings from alternative uses of the Assembly Room is included in the part B report. The conclusion on the Assembly Room is that it should be used for more financially productive uses and guidance is sought on whether Members wish the Council to retain operational control of the space. However to realise its potential the room will need upgrading and investment and authority is sought to investigate these and to report back. This option would also mean that the discounted use by charitable and community groups would cease. Consultation with users of the Assembly Room should take place before a decision to cease this facility is ratified.

⁴ Further information can be viewed at www.visitcumbria.com/kes/kestic.htm

v. Other options for short –term savings within the Visitor Information Service

- 5.2.17 Staffing; the current staffing and operational arrangements are geared up specifically to service the annual throughput of TIC customers (c.132,000). Whilst these numbers have seen a marginal annual decrease in recent years it has been necessary to use the current staffing structure to provide the appropriate level of service.
- 5.2.18 This has been scrutinised on an annual basis to ensure that there has been no excessive use of staff, or any undue opening hours and some expenditure reductions have already been made
- 5.2.19 There is some scope for additional savings based on expected natural change and a re-structuring of posts. The opportunities for savings in this area have been discussed with staff and should be deliverable later this year. Expected savings are set out in the part B report and are subject to confirmation. Decisions on the operation of the Assembly Room may have further implications for staff and would need to be subject to specific consultation. The conclusion is that the opportunity to re-shape the staff structure within the Visitor Information Service based on natural change should be taken.
- 5.2.20 Opening Hours; Other peripheral savings based around changes to opening times could be made but these would be minimal – Changes to the Brampton office hours could for example save £2,000 if the centre opened between May and September (instead of Easter-October).
- 5.2.21 Brampton; Brampton TIC could be closed and replaced with a visitor information point. In future there may be an opportunity to house the TIC in a Customer Access Centre if the opportunity arises from the Property Rationalisation Pilot for Brampton so this proposal was not included in the previous report to the Executive in December 2007. However being part of the wider tourism service, its role should be considered as part of this review. The saving would be £9,100, with a one off capital cost for an information point. However given the growing importance of the 'Hadrian's Wall' tourism offer it would seem to be a retrograde step to cease a staffed service at Brampton at this time. Savings may be possible under a shared service arrangement in Brampton in the future but at the present the conclusion is that this service should be retained

5.3 Conference Group

- 5.3.1 The service makes the best of the Carlisle offer but it is clear that additional hotel and conference facilities particularly if they are of high quality would help to bring more business through the Conference Group. The opportunities arising from recent planning permissions for new hotels, the enhancement of Carlisle as a destination from investment through Carlisle Renaissance and the Economic Strategy, and the unique opportunities from University growth all hold great potential. But these will take time to come to fruition.
- 5.3.2 In order to reduce the City Council's contribution additional income is needed or an increased contribution from users. Increased business to further offset costs was sought through a bid submitted to Cumbria Tourism to operate a 'Conference Desk' for the whole of Cumbria. Cumbria Tourism has indicated general support for this in principle but would wish to see increased capacity built in before any expansion of the service is considered. Officers are in discussion with CT and the other key agencies to see how this can be moved forward in the medium term. This matter is picked up again in the table in Part B of this report.
- 5.3.3 Discussions have been held with the members of the Carlisle Conference Group to see whether there is any scope for making the service self-funding. This would be achieved through increasing the contribution of the individual members and / or increasing the level of bookings and associated commissions. On the basis of the present operation, the diversity of venue types precludes an even division of increased fees where the larger establishments (capacity of 100+ delegates), of which there are 5, would have to bear the brunt of the increase.
- 5.3.4 Whilst it may be possible to increase the membership fees by a modest degree, it is extremely unlikely that an increase of around £3,000 for the larger establishments and around £1,000 for the smaller ones will be achievable. Similarly increased income from additional bookings would normally require larger scale marketing activity for which there is no budget.
- 5.3.5 It will therefore be difficult to make the service self funding and the conclusion at present is the same as that reached in December, i.e. the requirement to achieve a saving equivalent to the salary costs of the Conference Officer in 2008/09 would close down the service. However there

is strong scope for joint working and sharing of costs in future as part of the opportunities outlined in Parts 2 and 3 of this review section of the report.

5.4 Other areas of the service

- 5.4.1 The scope for saving in the remainder of the service would have to come from core staffing or operational budgets. At this stage in the review [pending discussions with Cumbria Tourism and Hadrian's Wall Heritage] it would be premature to identify savings until such time as the role and objectives of any partnership arrangement are clarified.

5.5 Summary of short-term savings options

- 5.5.1 The opportunity exists to achieve between £25,000 and £46,000 of savings from the measure above. These figures are full year savings and would not be achieved in 2007-08
- 5.5.2 The lower figure relates to savings on staffing, additional income and on reduced hours at Brampton TIC. The higher figure would depend on the decisions taken on the future of the Assembly Room. The details on how these savings could be achieved is set out in the part B report.

PART 2: REALISING CARLISLE'S TOURISM POTENTIAL

5.6 Context

- 5.6.1 Tourism is identified in the Economic Strategy as one of the key business sectors in the Carlisle economy with potential for growth. Carlisle is also variously described in a number of reports as 'underdeveloped' and 'a hidden gem' - all suggesting its potential is not being realised.
- 5.6.2 Proposals to support Tourism stem from;
- The Carlisle Renaissance Economic Strategy
 - Sub – regional and regional policies and strategies that identify Carlisle's potential for growing its visitor economy
 - The role of local authorities as 'place shapers' and in managing the visitor experience.

5.7 Barriers to Growth

5.7.1 The barriers to growing the visitor economy in Carlisle have been identified in the work for the Economic Strategy and in other reports as;

- Lack of resources for marketing, promotion and under-developed web marketing presence
- Lack of a strategic approach to product and asset development
- Under developed brand awareness.
- Under performing tourism businesses with an insufficient emphasis on quality
- Confusion about the strategic leadership of Tourism locally between Cumbria Tourism, Hadrian's Wall Heritage Ltd and the City Council.
- Under-developed and under-resourced business and conference tourism offer
- No strategic approach to event development

5.8 Actions and partnerships

5.8.1 Actions are needed to address all of the above. The activities in the table below will tackle these barriers to growth. They are derived from the Economic Strategy and other policy documents. They have also been discussed with Cumbria Tourism and Hadrian's Wall Heritage Ltd. Together they represent the basic components of a strategy to further develop and support the visitor economy.

5.8.2 The responsibility for leadership [where this has been discussed] is indicated alongside each activity. Those initiatives where further discussion is needed to clarify projects and delivery arrangements are highlighted. Agreement on these will define the resources and the structures needed to deliver tourism support in Carlisle in the immediate future

5.8.3 Not all the initiatives in the table below can be done at once. Some, particularly the physical development projects where it is proposed that the Carlisle Renaissance Board will take the lead, are further advanced in thinking and development.

Activity <i>[outcomes for visitor economy shown in italics]</i>	Possible Lead [s]
Public Realm improvements <i>[enhanced visitor experience, numbers & spend].</i>	Carlisle Renaissance Board [CRB]
Improving the City Centre Retail offer/Transformational sites. <i>['must see' retail offer' improved visitor experience, city centre hotel, increased visitor numbers & spend]</i>	CRB
Historic Core development [Cathedral, Tullie House, Castle and area] <i>['must see' cultural offer of regional importance with increased visitor numbers & spend]</i>	CRB Carlisle Cultural Heritage Group [CCHG]
City Centre Management/Business Improvement District <i>[improved locality and event management, promotion etc., development of evening economy leading to increased visitor numbers & spend]</i>	Eventual City Centre Partnership?
Development of visitor experience and tourism potential of Hadrian's Wall corridor and Carlisle's role as a gateway to the Wall <i>[improved brand awareness, improved product, visitor experience, numbers and spend]</i>	Hadrian's Wall Heritage Ltd [HWH] + partners
Strategic Tourism Marketing, brand development and awareness <i>Improved presence in the marketplace, clarity of tourism offer</i>	To be agreed
Accommodation sector development, quality, marketing and performance <i>High quality competitive businesses</i>	To be agreed
Tourism sector business engagement, representation, sector 'voice' and local delivery <i>Improved sector leadership and engagement, clarity of leadership and roles among public agencies.</i>	To be agreed
Visitor information, orientation and intelligence <i>Strategic TIC with capacity to generate income, wider 'orientation' role, possible partnership with private sector.</i>	City Council
Conference and Business Tourism development <i>Sustainable conference desk service, improved product offer, improved hotel occupancy & visitor spend</i>	To be agreed
Events; strategy and development of events of regional or sub-regional significance. <i>Improved cultural and visitor offer, increased spend and occupancy of accommodation</i>	To be agreed

PART 3 : ARRANGEMENTS FOR LOCAL TOURISM SERVICE DELIVERY

5.9 A north Cumbria/Carlisle tourism office?

5.9.1 The starting point for discussion is a proposal from Cumbria Tourism for the establishment of a north Cumbria office based in Carlisle as a partnership venture between Cumbria Tourism, the City Council and Hadrian's Wall Heritage Ltd. This could achieve savings in the medium and longer term, reducing overheads, sharing costs and increasing the impact of the service.

5.9.2 This proposal is at a very early stage and the partnership arrangements, structure, management, reporting accountabilities, composition and funding arrangements for the team have not been discussed and will require some time to work through. Through sharing services and redefining management arrangements there will clearly be an opportunity to achieve further efficiencies in the service. If the Council considers that this is a direction it would wish to pursue, the three parties will work together and with the NWDA to develop a business case.

5.9.3 The aspiration for the tourism service, shared by all the partners, has several aspects:

Information –

- a high profile, well located and accessible visitor orientation service as a gateway to the opportunities offered in Carlisle.
- a physical presence within the city centre as well as a web-based service. The latter needs investment and development. Both mediums would provide all the information needed by the visitor, inspiring them to visit and stimulating their interest to find out more.

Marketing and Promotion

- capacity and resources to substantially improve awareness of Carlisle's tourism offer

Product –

- A high quality heritage based tourism offer that enhances Carlisle's reputation, status and performance as a visitor destination, regionally and nationally;

- A leading business and conference tourism offer for Cumbria supported by a well resourced and sustainable conference bureau
- A significant improvement in sector productivity, investment and product development
- a high quality public realm,
- high standards of environmental management and
- hospitality & retail sectors offering the best standards of service and quality.

Delivery –

- Private sector leadership aligned with the Carlisle Renaissance Board, championing tourism as a key business sector.
- A multi-agency team with strategic leadership to set the context for service delivery.
- City Centre Management arrangements in place to ensure a high quality public realm, an excellent level of retail and service provision and an attractive and well-managed programme of events and activities.

5.9.4 Early indications are that the NWDA would support the idea of a partnership-based team, but there is no commitment to funding as yet and further discussions will be needed on whether funds can be made available to facilitate change.

5.9.5 The proposed ‘office’ could [subject to further discussions] take responsibility for the delivery of the initiatives in the shaded boxes in the table above. It could also provide a focus for the Tourism sector in the north of Cumbria and could also engage with the Carlisle Renaissance Board and the re-formed Economic Development and Enterprise Priority Group of the Carlisle Partnership in respect of the other initiatives that support the visitor economy.

5.10 Next Steps

5.10.1 It will take time to work through the arrangements for setting up the team and to secure funding. This may be months rather than weeks. There is also no certainty that the Partnership of itself will provide scope to achieve the longer term savings, although Council officers will clearly seek this as an outcome. If NWDA funding is secured then this will be time limited and the issue of the longer-term sustainability of a partnership approach will need to be addressed.

5.10.2 The four parties Cumbria Tourism, the City Council, Hadrian’s Wall Heritage Ltd and NWDA should establish a formal project team, meeting monthly. They will continue their discussions and work up firm proposals to put before their respective

decision-makers. Initially the business case will need to be agreed by the operational partners and then put to NWDA and others to seek a funding contribution. It is intended to produce a proposal that can be taken through the City Council's budget process in the autumn of 2008 and to prepare to implement the change from the new financial year. This will enable the further savings targets set for 2009/10 to be considered.

5.10.3 Some of the aspirations for delivery arrangements may take longer to come to fruition. For example if Business Improvement District status is to be sought, there is a prescribed process to go through, involving a business plan and a voting procedure. Steps can start now to look at refreshing the city centre management arrangements but the additional capacity, either in the proposed joint 'north Cumbria' tourism team, or within the Carlisle Renaissance Delivery Team will be needed before work on a prospective BID can begin in earnest.

5.10.4 To summarise, the key actions identified in the report for consideration as the review goes through its next steps are as follows:

- a) The opportunities for short term savings in the Visitor Information Service
- b) Reduction in operating hours at Brampton TIC to May – September instead of Easter – October
- c) Opportunities to increase income through more aggressive sales and advertising initiatives and a review of pricing
- d) The level of operational control that the Council wishes to retain over the Assembly Room in future
- e) A more detailed investigation of the potential costs for upgrading the Assembly Rooms for gallery for increased public use and full assessment of this option.
- f) The establishment of a project team comprising Cumbria Tourism, Hadrian's Wall Heritage Ltd, North-west Development Agency and the City Council to pursue proposals for a partnership operation, with options brought forward as part of the 2009/10 budget process in autumn 2008.

6. CONSULTATION

6.1 Consultation to Date.

Cumbria Tourism

Hadrian's Wall Heritage Ltd

Head of Community and Culture, Community Services

Carlisle Tourism

Carlisle Conference Group
City Centre Marketing Group

6.2 Consultation proposed.

Carlisle Partnership
Carlisle Renaissance Steering Group/Board
Cumbria Tourism
Hadrian's Wall Heritage Ltd
North West Development Agency
Carlisle Tourism
Carlisle Conference Group
City Centre Marketing Group
Historic Carlisle Partnership (formerly Carlisle Cultural Heritage Group)
Users of the Assembly Rooms

7. RECOMMENDATIONS

The Executive is requested to receive the Interim Report as a basis for discussion and consultation with Infrastructure Overview and Scrutiny, partner agencies and service users

8. REASONS FOR RECOMMENDATIONS

To enable the options proposed in the review to be fully examined and to achieve feedback from partners and customers.

9. IMPLICATIONS

- Staffing/Resources – The implications are set out in the report
- Financial – As set out in the report the Council approved a budget which incorporated savings requirements of £23k and £15k for the TIC and Conference Group respectively in 2008/09 and £46k and £29k from 2009/10 onwards (totaling £75k per annum). The changes proposed in the Part B Report provide the opportunity of making savings through a combination of actions, but not at these levels. None of the proposals at this stage relate to the Conference Group for the reasons set out in the report. As stated, there may be capacity for these to be added at a later stage. The majority of the actions proposed concern savings as opposed to dependency on generating increased income. The estimate for that element (increased income) is around 12% of the full amount put forward at the moment (in a full year). This element has a higher risk of not being achieved. The capital costs of making the improvements to the Assembly

Room are not provided at this stage and will be reported later but are not thought to be significant.

- Legal – none
- Corporate – the review is one of the corporate service reviews to assess opportunities for savings and efficiencies
- Risk Management – There are risks associated with implementing some of the options and these are set out in the report
- Equality and Disability – Any alternative location for the TIV would have to be fully accessible.
- Environmental – none
- Crime and Disorder – none
- Impact on Customers – It is crucial to maintain ease of customer access and a high quality of information provided to ensure that visitors continue to use the service and contribute to the Carlisle economy.