

**REPORT TO ENVIRONMENT AND
ECONOMY OVERVIEW AND
SCRUTINY PANEL**

Agenda
Item:
A.3

Meeting Date: 10th April 2014
 Portfolio: Environment and Economy
 Key Decision: Yes
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: Tourism
 Report of: Director Economic Development
 Report Number: ED 17/14

Purpose / Summary: The purpose of the report is to provide Members with further detailed information on Tourism as requested at the last meeting. This includes

- a) Update on Phase 2 of the Old Town Hall Scheme
- b) Cumbria Tourism Partnership – details of what action is being taken to support Tourism in the Carlisle area
- c) Carlisle Ambassadors – details of the background, membership and projects
- d) Events Programme

Recommendations:

The Overview and Scrutiny Panel is asked to note the Report.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

UPDATE ON PHASE 2 OF THE OLD TOWN HALL SCHEME

1. PURPOSE OF REPORT

- 1.1 To update the Overview and Scrutiny Panel on recommended decisions and ongoing actions to address the current decline in visitor numbers by developing the role of the Old Town Hall as a gateway to Carlisle's Historic and cultural attractions, orientating visitors and showcasing key historic and visitor assets by an upgrade of the existing Tourist Information Centre with improved access from street level to the first floor and increased use of the adjacent Assembly Room.
- 1.2 The report identifies the impact of key decisions agreed at the Member / Officer Workshop on 20th November 2013 with particular reference to access arrangements and use of the Assembly Room.

2. BACKGROUND

- 2.1 The Phase 2 project follows on from the Phase 1 Restoration and Repair works which were successfully completed in June 2013 at a cost of circa £500,000 with the support of English Heritage grant funding through their PSICA Programme for Carlisle.
- 2.2 The completed project did not however include substantial features of the original project as drawn up in 2010, which now form the subject for the Phase 2 proposals. Items still to be progressed include the remodelled access at street level, improved lift and stair access to the TIC and Assembly Room, improvements to and increased use of the Assembly Room and a full modernization of both the fit-out, services and merchandising offered within the Tourist Information Centre.
- 2.3 In September 2013, the Council approved release of £797K capital funding to commence a second phase of improvement works and supported recommended ongoing actions to deliver the project subject to a review of options for access improvements and use of the Assembly Room at a Member / Officer Workshop.
- 2.4 The overall objective is to achieve a more cost neutral delivery position by maximising revenue through providing services and products that are influential in determining what visitors do, where they go and how much they spend in the local economy. In addition, there will be a need to ensure that management and operational arrangements are put in place to promote the use and revenues generated by the TIC and the Assembly Room since it is important that the Old

Town Hall is perceived by visitors to be a 'joined up experience' ranging from information services to venue provision.

- 2.5** The bulk of the work will be implemented in 2014/15 and 2015/16, and to this end under the leadership of the Director of Economic Development the project has been developed by a Project Steering Group comprising officers from Tourism Support, Property Services, Economic Development, ICT and Building Facilities supported by an externally appointed specialist building conservation and fit – out team led by Johnston and Wright Chartered Architects.

3. PROJECT OBJECTIVES

3.1 The purpose of the Phase 2 project is to:

- a. Develop the role of the Old Town Hall as a gateway to Carlisle's Historic and cultural attractions, orientating visitors and showcasing key historic and visitor assets by an upgrade of the existing Tourist Information Centre with improved access from street level to the first floor and increased use of the adjacent Assembly Room'.
- b. The Tourist Information Centre will act as the strategic hub for visitors coming to explore Carlisle and the adjacent regions. It will provide the obvious starting point for their journey, whether it is a short walk around the Historic Centre of Carlisle, or exploring further afield to Hadrian's Wall, Lake District or Scotland. Local attractions include Carlisle Castle, Tullie House Museum and Art Gallery Carlisle Cathedral and Guild Hall. This strategic role will increase in importance due to the recent announced closure of the Trust which currently promotes Hadrian Wall as a major tourism asset for the region.
- c. It will be at the centre of the wider visitor interpretative network and will act as a hub for visitors wishing to explore Carlisle and beyond. The overall aim of the interpretation at the Tourist Information Centre is to inspire and inform visitors. It will provide part of the experience, not just information.
- d. Given the breadth of the audience, consideration will need to be given to employment of a range of media to communicate the information and interpretation to the widest possible audience. The 'Carlisle Story' will be an integral part of this experience. From simple leaflets to AV presentation, the media must be practical, easy to use and able to connect with other local tourist hubs.

- e. Improved lighting and signage to the Old Town Hall will also form part of the story and will need to reflect a quality experience and welcome to Carlisle.
- f. The overall intention is to modernise the service, to be more interactive and be more customer friendly. Any changes must aim to make the service fit for purpose for at least the next 15 years, so must be 'future proof' and stand the test of time.

3. PROJECT SCOPE

3.1 In order to develop the project the Steering Group has reviewed previously considered options for improvements to the building and public realm not covered by the completed Phase 1 project. This has required further analysis of options for access improvements and use of the Assembly Room which culminated in a Member / Officer Workshop on 20th November 2013. Key decisions were made in respect of the following:

- a. **Potential uses for the Assembly Room** to promote its use as a multi purpose and flexible City Centre venue. Options considered ranged from non income generating to more commercial uses which could be used to support the sustainability of the TIC. The objective of the workshop was for Members to advise Officers on the need to manage this space and / or generate income. **Members recommended a 'low range' income generating use based upon development of the Assembly Room for Civic, Meeting and Exhibition Space.**

Option(s)	Requirement(s)	Potential for income generation
1. Civic venue and Meeting Room	<ul style="list-style-type: none"> • City Centre meeting venue. • Audiences up to 50. • Flexible formats and layouts. • Full range of AV equipment. • Fully IT enabled. • DDA compliant 	Low Range:
2. Flexible space	<ul style="list-style-type: none"> • Interpretative wall mounted display / exhibition material. • Brochure racking and display / literature for visitors. • Visitor access to the internet using public access terminals. • Comfortable visitor lounge / reading 	Low Range:

	facilities.	
2. Art Gallery	<ul style="list-style-type: none"> • Gallery Space / lighting display boards. • Staffing. • Artist. • Marketing materials / PR. • Improved access. • Previous Artists love the room and location but say that the lighting and presentation of the room is poor. 	Low to medium Range:
3. Retail / Commercial use	<ul style="list-style-type: none"> • Attractive venue for functions. • Attractive as a catering / retail outlet. • Possible sublet to third party operator. • Adds to overall range of city offering. • Revenue earner. • Employment generator. • Possible need for separate management and access time arrangements to the TIC?. 	Medium to High Range:
4. Licensed Wedding Venue	<ul style="list-style-type: none"> • Revenue earner. • Community use of room. • Historic City Centre location. • Generate Public interest. • No Registry Office in the City Centre. • Fee of £1,000 for a 3 year licence. • Possible need for separate management and access time arrangements to the TIC? 	Medium to High Range:
5. Combination of Option(s) 1 and 4.	<ul style="list-style-type: none"> • When being used for weddings the space could be used as a civic space / meeting venue. 	Medium Range:

b. Access improvements to provide a more visible DDA and Fire Escape Route compliant ground floor entrance to the first floor, TIC and Assembly Room including upgraded lobby, stair, lift and disabled toilet facilities. Three options were considered involving **‘Minimal alteration and retention of existing tenancies’**, **‘Modest internal alteration and retention of existing tenancies’**, and **‘Significant alteration requiring vacation of the shop unit currently occupied by Peter Fletcher Jewellers’**.

c.

Members recommended 'Significant alteration' as the only option which could be designed to be DDA and Fire Escape Route compliant. Revised floor plan details are attached for reference purposes

3.2 Members recommendations have been reviewed by Johnston and Wright and developed with inputs from the Steering Group into an overall 'Schedule of Works' and 'Cost Plan' which also includes the following:

a. Restoration and upgrade of the building;

- Alterations to first floor circulation and service areas to access the Tourist Information Centre and Assembly Room.
- Progression of works identified as 'priority' repairs in the Conservation Management Plan which were not progressed as part of the Phase 1 contract.

b. Retention and upgrading of the Tourist Information Centre in its current location

- Enhanced Tourist Information facilities providing an 'information hub' on the 'Carlisle Story', local history, attractions, festivals, events and accommodation in Carlisle and the surrounding area;
 - As existing - bookings, tickets, enquiries;
 - Information hub;
 - Potential for enhanced retail;
 - Increased advertising opportunities for Carlisle events and businesses;
 - High quality of service standards;
 - AV enabled;
 - IT enabled;
 - DDA compliant.

c. Restoration of the Assembly Room

- Improvements to the Assembly Room to support its use as a City Centre venue for exhibition and meeting space, to compliment the Tourist Information Centre and support the viability of the Old Town Hall;
 - City Centre Meeting venue and Exhibition Space;
 - Audience up to 50;
 - Flexible formats and layout;
 - Full range of AV equipment;
 - Fully IT enabled;
 - DDA compliant.

d. External upgrades:

- Improved exterior signage and feature flood lighting to the building;

3.3 Development of the final proposal has been informed through a number of review meetings held with a working group drawn from the main Steering Group. The Stage 1 Schedule of Works and Cost Plan were agreed following a presentation by Johnston and Wright to the full Steering Group on 1st April 2014. A copy of their presentation is attached for information purposes.

3.4. In summary the project will result in:

- Significantly improved and enhanced access for visitors, including the creation of an enlarged Ground Floor Public Entrance Foyer, with full access to the VIC and Assembly Room for wheelchair users improving the building's DDA compliancy.
- Reinstatement of the historic shop front between Costa Coffee and the external stair.
- Improvement of disabled WC facilities.
- Reinstatement of the original bright open space of the former Committee Room No 1 incorporating a new glass lift and timber stair.
- Refurbishment of the Assembly Room to become a Meeting Venue and Exhibition Space.
- Removal, relocation and replacement of existing tired sales and exhibition stands, hanging exhibits, furniture, fittings and equipment and reception fitment.
- Comprehensive upgrading of facilities and services associated with a Strategic Visitor Information Centre (VIC) as set out in Cumbria Tourism's Strategic and Destination VIC's standards, encouraging increased dwell times, access to electronic interactive Tourist Information Points, improved facilities for booking tickets and accommodation, and an improved merchandising offer comprising a showcase for locally produced goods.
- Increased public awareness of the services and facilities offered by providing an orientation function / shop window for Carlisle and Cumbria.
- More cost effective operation of the service with improved revenue generating potential.
- Improved signage and lighting to the building, enhancing its attractive appearance and helping strengthen the vitality of the city as both a retail and visitor destination.

3.5 The preferred access option as recommended by members will involve the City Council losing the current rental income of £6,500 per annum from a small retail unit currently occupied by Peter Fletcher Jewellers on the ground floor of the Old Town Hall.

3.6 There will also be some disruption during construction of the new access arrangements, physical improvements to the Assembly Room and further fit out of the TIC. This will require temporary relocation of the TIC to alternative accommodation for

the duration of the works which are programmed to be completed between January and July 2015.

4. FORWARD PROGRAMME

4.1 Following the appointment of Johnston and Wright as lead consultant, and progression of key decisions and activities as detailed in Section 3, the project has progressed to approval of Stage 1 Final Project Plan.

4.2 The Project Steering Group will continue to monitor progress against the programme set out below:

- Co-ordinating consultant appointed 8th January 14
- Commencement of Stage 1: 'Development of Detailed Proposals' 9th January 14
- Stage 1 'Final Project Plan' approved 1st April 14
- Commencement of Stage 2: Implementation 7th April 14
- Statutory Applications submitted 7th May 14
- Building work Stage 1 Expressions of Interest issued 18th June 14
- Submission of completed PQQ's 11th July 14
- Statutory approvals 16th July 14
- Evaluation and short listing of PQQ's 28th July 14
- Stage 2 Building work tenders issued 3rd August 14
- Building work tenders returned 19th Sept 14
- Main Contractor appointed + mobilisation period Oct to Dec 14
- Phase 2 works commence on site Jan 15
- Phase 2 works completed July 15
- End of Defects Period / Final Account July 16

5. INVESTMENT / BUSINESS PLAN

5.1 Staying visitors in Carlisle spent £120m in 2008 and tourism supports an estimated 2,350 jobs. However tourism in Carlisle is declining in volume and value with a 38% fall from a peak of 190,000 to less than 130,000 in recent years despite strong heritage assets and possessing many of the key ingredients necessary for a successful visitor destination.

5.2 In 2010 the Business Plan was drawn up which confirmed that creation of a revitalised strategic visitor information centre in the Old Town Hall which will add considerably to the ability of Carlisle to attract and retain visitors and to generate increased revenue and employment from the visitor market. Given that in previous years, visitor numbers were significantly higher, a refurbished TIC focused on offering services which compliment their core business of information provision would expect to welcome increased numbers of visitors (Appendix E).

5.3 Based on a visitor range of 140,000 to 170,000 it is feasible that the net cost per visitor could decrease from the current £2.06 to at best £1.56 in four years with a significant reduction in operating deficit from £135k to £97k at best. Whilst the VIC will still require an operating subsidy, it is estimated that the total incremental economic impact generated could be in the range of £1.2 million to £2 million with the creation or safeguarding of between 22 and 37 Full Time Equivalent jobs in the Carlisle economy.

5.4 This investment by helping reverse the recent downward trend in visitor numbers to Carlisle, will contribute to the economic growth of the local economy, driven by facilitated private sector growth which will contribute to re-balancing of the economy as private sector jobs fill the gap left by the loss of 3% of job in the public sector by 2015.

5.5 Redevelopment of the Old Town Hall therefore offers significant opportunities to reinforce the role of the building in Carlisle’s cultural / life and as a visitor attraction, whilst offering the services and facilities associated with a high quality strategic TIC. As an attraction and as a strategic TIC, the Old Town Hall can contribute significantly towards the strategic aims of achieving growth of 10% in the value of tourism in Carlisle.

6. IMPACT ON COUNCIL OPERATIONS OR OTHER PROJECTS

6.1 The project will enhance the operations of the TIC which is seen as a key part of the support of the visitor economy. The future staffing of the TIC will be reviewed as part of the project.

6.2 The Old Town Hall is a key asset of the City Council and generates a substantial rental income from the retail properties on the ground floor. Proposals will enhance the attractiveness to tenants for these units and support and enhance rental levels.

7. MAJOR RISKS

The major risks are set out below each of which will have a separate Risk Mitigation Strategy put in place as the project is developed further.

Risk	Likelihood 1 (low) – 5 (high)	Impact 1 (low) – 5 (high)	Mitigation	Resp Off
Inability to secure funding.	2	5	Project prioritized for delivery in the City Council's Corporate Plan. Indicative capital budget of £1,500,000	Carlisle City Council

			allocated for the project. Capital budget of £797,000 approved by EX Sept 2013.	
Budget costs exceeded	3	3	Contingencies built into budget recognising that an old building will have unforeseen problems. Detailed investigations at design stage.	Carlisle City Council
Programme delays	3	3	Progress will be monitored against the programme. Actions taken to mitigate delays.	Carlisle City Council
Listed Building + Building Regs not secured	1	5	Advanced discussions with City Council Conservation Officer.	Carlisle City Council
TIC footfall and revenue figures not being achieved.	2	5	Business Plan updated by TIC Manager to reflect expected benefits from the Phase 2 works.	Carlisle City Council

8. DETAIL OF INPUT REQUIRED FROM OTHER TEAMS IN THE COUNCIL TO DELIVER THE PROJECT

	Involvement Required
Property Services	Dealing with all landlord & Tenant issues regarding the Council's ownership and existing tenants in the entirety of the Old Town Hall building
Finance	Assistance with financial monitoring of the Capital Programme
Procurement	Assistance with Procurement of Professional Design Team and subsequent building contractor, fit out contractors and suppliers of any Audio visual and other technical equipment.
HR	
ICT	Assistance with co-ordinating and integrating all proposed ICT related aspects of the project
Legal Services	Any legal work around contracts to be drawn up for the Design Team and Building contractor, and any legal work arising from Landlord & Tenant issues
Resource Planning	
Other	

Details of Input required from External Bodies e.g. contractors, consultants, service providers, partners	Third party servicers will include: Design Team Construction and other building fit out contractors Suppliers of audio visual and other technical equipment
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9. CUMBRIA TOURISM PARTNERSHIP

9.1 Cumbria Tourism Partnership are the Destination Management Organisation. The Council contributes £4,100 to the DMO and has a Service Level Agreement with the Partnership. The key points in the SLA are -

The Recipient's Obligations under the Project:

1. The Recipient will use the Grant towards its support and help of the service provided by the Funder's Tourist Information Centre to provide advice and help to the Tourist Information Centre when required.
2. The Recipient will:
 - (a) offer support, advice and communication to the Tourist Information Centre when required.
 - (b) actively promote the service and contact details of the Tourist Information Centre publications.
 - (c) share any relevant information that it becomes aware of with the Tourist Information Centre
 - (d) support any plans to enhance the Tourist Information Centre so far as it is able
3. The Recipient will make reference to it's receipt of the Grant received from the Funder in it's Annual Accounts in it's Reports and in any material used by the Recipient for publicity purposes and when undertaking any work on behalf of the Funder.
4. In the event that the Funder is considering withdrawing any part of the Grant to the Recipient the Recipient will provide the Funder with a list of relevant organisations and contacts which the Funder will use to service users and allow them to put forward options on how to reshape the Tourist Information Centre Service in accordance with Best Value Statutory Guidance September 2011 or such Guidance with replaces the Best Value Statutory Guidance September 2011.

5. The Recipient will use the funding to support the infrastructure of itself and the Funder in the following areas:
 - (1) **Marketing** – The Recipient will promote Cumbria and the Lake District as a holiday destination through a variety of media primarily to the domestic market and also overseas. It will also deliver marketing activity which is specific to places in Carlisle through programmes such as the Marketing of Carlisle city and district, and through the appropriate channel on the Golakes website and through social media content.
 - (2) **Public Relations** – The Recipient will seek to raise the profile of Cumbria and the Lake District as a holiday destination through a series of Public Relations activities. These will include specific visits to Cumbria and the Lake District by journalists, familiarisation trips, referrals for film and TV companies, National Tourism organisations etc.
 - (3) **Tourism** – The Recipient will focus on and develop tourism and the visitor market throughout Cumbria and the Lake District and will promote the history, heritage and retail offer, alongside, walking, cycling and other relevant activities in Carlisle.
 - (4) **Communications** – The Recipient will coordinate regular stakeholder meetings and keep members informed of policy and structure changes. This will include meetings and events within Carlisle together with coverage in emails, web content and newsletters (including electronic newsletters) of relevant activity taking place within the district (including Hadrian's Wall – World Heritage Site
 - (5) **Policy and Research** – The Recipient will undertake relevant research and policy formulation to influence public and private sector investment in Cumbria's Visitor Economy. Some of this activity will be take place within and shape policy, strategy and support for businesses and other organisations within Carlisle district.
6. The Recipient shall ensure that its actions are reflective of the Funder's commitment and obligation to promoting equality and diversity between groups in the local community.
7. The Recipient will provide feedback covering all the activities relating to the its spending of the Grant to the Funder via six monthly and annual progress reports.

9.2 The Funder's Obligations under the Project

1. The Funder will promote the tourism sector as provided for in the Carlisle Action Plan prepared by the Funder annually detailing the Funder's plans for the City of Carlisle for each coming year.
2. Work jointly with the Recipient on new developments and networking partnerships as and when the opportunities arise such as British Heritage Cities and such new and existing businesses.
3. Keep Cumbria Tourism informed of any organisation/structural developments.
4. Provide a named contact to deal with general issues. This will be the Tourism Marketing & Development post and Tourism Information Manager post.
5. Arrange liaison meetings every three to six months with the Recipient.

9.3 The Cumbria Tourism Partnership consists of the following:-

Cumbria Tourism Executive Board – Currently 16 members with scope for 1 more co-option – maximum 17

Commercial Members Committee – 20

Number of Commercial Members – approx. 2,700 (in the region of 130 from Carlisle district)

Cumbria Tourism Partnership meet regularly with some 40-50 organisations on the database and regular representation from across the county (including LAs, HWT, AONB's, Town Partnership and all the Agencies).

9.4 AN UPDATE FROM CUMBRIA TOURISM:

- **Marketing Campaigns-** both place specific (for example # the place to be) and thematic (Adventure Capital and Cultural Destinations). For obvious reasons the focus is on marketing out of county; for the recent campaign we increased the coverage in the NE and Southern Scotland to draw more visitors to North Cumbria.
- **Digital Media:** vast amount of web and social media activity covering the entire county.
- **Public Relations:** again lots of activity covering the whole county. Journalist trips, overseas visits etc. In the current year the AEV is £8.4m and there have been 109 press visits arranged. Carlisle will have had its fair share of these.
- **Membership Services:** CT has around 120-130 paid up members in the Carlisle City area. Although it has always proved difficult we are continuing to try to increase

this figure. Members benefit from regular communication, training opportunities, marketing channels and networking events.

- **Research:** Ranges from Occupancy, bed stock, attraction figures and STEAM. We provide you with a quarterly Research Newsletter and other data on request.
- **Advocacy, Leadership and Representation:** CT champions the needs of the Visitor Economy and the Tourism Industry on a daily basis through the media, MPs, Visit England and Local Authorities.
- **My Cumbria:** A membership scheme for residents of Cumbria to provide discounted leisure, retail and eating experiences. There are currently around 1600 members
- **Strategy and Planning Issues:** We will regularly comment and support/object to various applications and consultations where the visitor economy is involved. In Carlisle recently this has included comments on the Local Plan documents, Historic Core Restricted Zone, Wind Turbine applications, Carlisle Airport etc
- **Funding applications and Bids:** Direct bids for resources to undertake projects in Cumbria (Cultural Destinations or the Adcap Rural Growth Network) or support for bids by other bodies (eg Warwick Bridge Corn Mill, Eden Rivers Trust). Crucially CT is preparing the case for funding via the Cumbria LEP for International Marketing over the next 5-6 years.

Media Coverage generated by press trips organised by Cumbria Tourism

- The Independent online 15 April 2013, (Beech House Holidays in Carlisle)
- Cumbria Life 25 June 2013 (Beech House Holidays in Carlisle)
- The Scottish Daily Express 8 July 2013 (Beech House Holidays in Carlisle)
- The Times (Weekend) 28 September 2013, (Beech House Holidays in Carlisle)
- Cumbria Life – The Tranquil Otter (September 2013)
- Neue Westfälische, regional daily newspaper of North Germany (Tottergill Farm Cottages, Hadrian Wall March 2013)
- OP Weg Magazine (International Press Visit from Belgium) Settle to Carlisle. Stayed at the Hallmark Hotel and tour and talks of the city by Carol Donnelly

International Familiarisation Trips organised by CT & Visit England

- In March 2013 a group of 21 Indian Travel Agents and journalists visited Cumbria. As part of the trip they visited Carlisle for a full day and experienced Tullie House Museum & Art Gallery and a tour and talks of the city by Carol Donnelly.
- **Media Coverage generated by national #theplacetobe campaign 2014**
Centuries of culture in Carlisle – The Daily Telegraph web 28 February 2014 (Helen Pickles)
- Centuries of Culture The Daily Telegraph Weekend 1st March 2014 (Helen Pickles)
- The Independent Traveller 8 page supplement, 8th March 2014 (Simon Calder)

#theplacetobe campaign 2014

- The **#theplacetobe** campaign is a fully integrated web, PR and print poster campaign to advertise the Lake District, Cumbria as the destination of choice. The adverts use stunning photography to promote the county of Cumbria and Carlisle has been selected for two separate adverts (Appendix B). 'Take the Kids to the museum' uses the citadel in Carlisle and 'Explore the Walled Gardens' features Hadrian Wall. The posters have appeared in dozens of key railway stations in the north of England and in Scotland.
- Inspiring film versions of the posters are being shown every 6 minutes on the large screens at Manchester Piccadilly, Leeds, Edinburgh and Glasgow mainline railway stations. Twelve versions of the poster campaign are being used in various media to show off the variety of Cumbria's offer, all of the posters use stunning photography aiming to inspire potential visitors to explore this wonderful county. A full set of the posters are also on display at the HQ of the European Parliament in Brussels hopefully enticing large numbers of politicians and civil servants to visit Cumbria.

10. CARLISLE AMBASSADORS

BACKGROUND

- 10.1 The Carlisle Ambassadors Group was launched last September on the back of the Carlisle Story. The Ambassadors meetings are designed to bring people together from businesses and organisations across Carlisle and the region who want to see a successful Carlisle. A draft Statement of Purpose has been developed which sets out the groups of objective.

Statement of Purpose: We are an organisation formed to promote the City of Carlisle in the widest sense. We aim to encourage the businesses, public, private, educational, leisure, etc to join together to form a cohesive entity to market/show what is good here and where we wish to get to in developing the City to be better placed to attract inward investment and new residents. It will develop into being the primary networking opportunity which all will want or be part of. Ambassadors will benefit from improved knowledge of their City, enhanced business and a feeling of well being.

- 10.2 The meetings are held on a bi-monthly basis and have two distinct aspects. Firstly the chance to network with people and organisations from different parts of the patch and from different backgrounds. Secondly, to ensure that the ambassadors for Carlisle are up to speed with the big projects and new developments which are shaping the area. The meetings are held in different venues to enable the Ambassadors to see new developments or initiatives eg Kingmoor Park - new marketing suite and offices and the BIC at Paternoster Row. The presentations have covered a range of topics including the new Arts facility at the college, Tullie House and UKTI on Export.

10.3 There are currently over 70 groups and organisations registered as as Ambassadors including Stobarts, Pirelli, RBS, Solway Communications and Harrison Northern as well as the University and College.

Also refer to Appendices C & D.

11. EVENTS PROGRAMME

11.1 Events in Carlisle

As members will be aware Carlisle has hosted a full range of exciting events during the past few years – Radio 1 Big Weekend, Tour of Britain, Pageant Festival, Music City, to name but a few.

In addition to these ‘supported’ events the City Council also delivers the annual, highly regarded Fireshow, Christmas Lights events and other annual community activities such as Upperby Gala.

During the past few years (and budgets) the Council has agreed a specific budget to help promote the City to its residents and visitors from far and wide. The 2014/15 budget for events is £130,000. This budget will assist the Council to deliver the annual staples such as the Fireshow and Christmas Lights and also support a range of other events such as Music City, the Pageant, the Pirelli Rally, Cumberland Show and a host of others.

In addition to these events the Council have also supported a range of smaller events by responding to funding support requests. These requests are managed via the Policy and Performance Team in liaison with the Portfolio Holder.

11.2 Events Programme 2014

We have a busy, rolling programme of events planned for 2014. So far this includes:

- Wednesday 16 - Monday 21 April: Easter International Market, Carlisle city centre
- Friday 2 - Sunday 4 May - Pirelli Richard Burns Foundation Rally, start and finish in Carlisle city centre
- Saturday 24 May - Sunday 1 June: Carlisle Music City. Visit www.carlislemusiccity.co.uk
- Monday 26 May: Upperby Gala, Hammond's Pond
- Monday 26 May: Talkin Tarn Triathlon. Visit www.sportinaction.co.uk
- Saturday 14 June: Cumberland Show, Carlisle Racecourse
- Saturday 14 June: Carlisle Gay Pride, Carlisle city centre

- Saturday 28 June: Armed Forces Day, Carlisle city centre
- Sunday 29 June: Legion in the Community Fun Day, Bitts Park
- Saturday 16 - Monday 25 August: Carlisle Pageant, Carlisle city centre
- Saturday 1 November: Fireshow, Bitts Park
- Sunday 9 November: Remembrance Sunday, Carlisle city centre
- Sunday 16 November: Christmas Lights Switch On, Carlisle city centre
- Wednesday 3 - Sunday 7 December: Christmas International Market, Carlisle city centre

To coincide with the Glasgow Commonwealth Games, we're working with partners to hold a Festival of Sport. Plans are also under development with Carlisle Food Partners to promote Carlisle's culinary skills with a food event later in the year. We are also talking with partners and stakeholders to organise a series of commemorate events for the anniversary of the First World War.

11.3 Community Events Panel

We launched a pilot Community Events Support Panel in January. The panel has offered the following events financial support (subject to the Council's Budget being approved on 20 February):

- Pirelli Rally – 3 and 4 May 2014
- Gay Pride – 14 June 2014
- Cumberland Show – 14 June 2014
- Carlisle Music City - Saturday 24 May - Sunday 1 June
- Legion in the Community Fun Day, Bitts Park - Sunday 29 June

11.4 Cost and sponsorship

We are working on the detail of each of the events that Carlisle City Council deliver, within the budgets set. There is considerable scope to look at new approaches through procurement and investment and once these exercises have been complete a more detailed report will be brought to the panel.

One area of development has been in our approach to sponsorship and partnership around events. We have learnt from our experiences with the Tour of Britain and have sought a specialist partner. This year we will be working closely with Liquid Design, a local business, to promote sponsorship and partnership around the events programme.

12. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- i. The Overview and Scrutiny Panel note progress on the Phase 2 Improvements to the Old Town Hall and support ongoing actions to deliver the project.
- ii. To ensure that the City Council maximises the use of the Old Town Hall following completion of the Phase 1 Repair and Restoration works including developing its role as an information hub for Carlisle's historic, cultural and visitor assets.

Contact Officer: Jane Meek

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Appendices

attached to report: ED 27 / 13
Appendix A
Appendix B
Appendix C
Appendix D
Appendix E

Report to Executive

Agenda
Item:

Meeting Date: 30th September 2013
 Portfolio: Economy and Enterprise
 Key Decision: Yes: Recorded in the Notice Ref:KD022/13
 Within Policy and Budget Framework YES
 Public / Private YES

Title: OLD TOWN HALL
 Report of: Jane Meek
 Report Number: ED 27 13

Purpose / Summary:

To update Members on the Old Town Hall following completion of the Phase 1 Repair Project, to set out the strategy for Phase II and seek approval for the City Council capital funding to facilitate development , management and delivery of a second phase of improvements. The work includes modernisation of services offered through the Tourist Information Centre with improved access from street level to the first floor and increased use of the Assembly Room.

Recommendations:

The Executive is asked to:

1. Note progress on the preparatory work for Phase 2 Improvements to the Old Town Hall and support recommended ongoing actions to deliver the project.
2. Approve for recommendation to Council, the re-profiling and release of funding of £797,000, profiled £62,000 in 2013/14, £698,000 in 2014/15 and £38,000 in 2015/16 to commence work on the Phase 2 in line with the programme outlined in this Report.

Tracking

Executive:	
Overview and Scrutiny:	

Council:

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1. BACKGROUND

- 1.1** The Old Town Hall is an iconic building situated in the centre of Carlisle. The building has a variety of uses over the years including most notably the Courts of Assize in 1861, the City's Magistrate Court until 1941 and Council Chamber and Offices of the City of Carlisle Corporation until 1964.

The building currently has two public spaces, one of which is used as a Tourist Information Centre and the other known as the Assembly Room which is currently used for meetings and functions. A number of retail and food and drink outlets are located on the ground floor. Over the years the fabric of the Old Town Hall has deteriorated and a Conservation Management Plan, Options Appraisal document and Business Plan were prepared in 2009/10. Following the demise of the Regional Development Agencies and the withdrawal of funding a revised scheme was produced.

The 'Repair and Restoration' project was drawn up and agreed by the City Council's Full Council in November 2012. This work is now complete at a cost of circa £500,000 of which English Heritage is contributing circa £56,000 through their PSICA scheme for Carlisle.

As part of this project the Tourist Information Centre temporarily relocated to the nearby Cathedral Lodge. They re-opened at the Old Town Hall on 1st July 2013 following completion of the Phase 1 repairs.

1.2 Project Scope

The following areas have been selected by the Steering Group for further review from the original Feasibility Study and Business Plan Report which recommended retention of the Tourist Information Centre in its current location, creating a new public entrance area on the ground floor and securing improvements to the Assembly Room to support its use as a City Centre venue for exhibition and meeting space.

Restoration and upgrade of the building;

- Reworking the ground floor of the building, to accommodate a DDA and Fire Escape route compliant access from street level to the first floor including upgraded lobby, lift, staircase and disabled toilet facilities;
- Alterations to first floor circulation and service areas to access the Tourist Information Centre and Assembly Room

- Progression of works identified as ‘priority’ repairs in the Conservation Management Plan which were not progressed as part of the Phase 1 contract. Further intrusive survey work will be required, to allow a greater understanding of evident defects which will need to be addressed as part of the Phase 2 project

Retention and upgrading of the Tourist Information Centre in its current location

- Enhanced Tourist Information facilities providing an ‘information hub’ on the ‘Carlisle Story’, local history, attractions, festivals, events and accommodation in Carlisle and the surrounding area;
- Restoration and improvement of the Assembly Room
- Improvements to the Assembly Room to support its use as a City Centre venue for exhibition and meeting space, to compliment the Tourist Information Centre and support the viability of the Old Town Hall;

External upgrades

- Improved exterior signage and feature flood lighting to the building;
- External public realm improvements to the area in front of the building with enhanced links to the Historic Quarter and wider tourism offer

Whilst a previous design team was appointed for the 2009/10 review, due to the time gap, a further procurement exercise will be required to appoint a specialist design team to help develop and deliver the Phase 2 works. This will be done through open competition using the Council’s CHEST System.

There are advantages and disadvantages with each option, in particular the effect on the programme. In addition there may be an opportunity to combine the options. It is therefore proposed that the Council enter into negotiations in order to establish the best team to develop and deliver Phase 2 of the project.

As part of the development of the project it is proposed that options will be drawn up which will form the basis for discussion at a Member/Officer Workshop. Items for discussion include access, IT, signage and use of the Assembly Room.

2. PROPOSALS

2.1 Programme - The Project Steering Group will work to the initial programme set out below. This will be further refined as the project develops.

Activity	Date by
Steering Group Inception Meeting.	11 th July 2013
Report to Executive	30 th Sept 2013
Design Team. Appointment	Sept to Nov 2013

Full design of access, public realm and fit out proposals for the TIC and Assembly Room.	March 2014
Tender for capital works and fit out	April – May 2014
Listed Building + Building Regulation Approval(s)	June 2014
Appoint Main Contractor + mobilisation period.	July – Aug 2014
Capital works commence.	Sept 2014
Capital works completed.	February 2015
Defects period completed (12 months).	March 2016
Final Claim certified.	June 2016

The Capital works are programmed to be undertaken between September 2014 and February 2015 and are timed (in the event that it is required), to allow for temporary alternative accommodation arrangements for the Tourist Information Centre during the quieter winter period.

2.2 Budget - A capital budget was allocated as part of the 2013/14 budget process for works to the Old Town Hall and the surrounding areas of the Greenmarket of £1,500,000 in 2014/15.

It is estimated that costs could be reduced in line with the following breakdown when the works completed as part of Phase 1 are factored in:

£000's	Year 1 2013/14	Year 2 2014/15	Year 3 2015/16	Total
Capital				
Building works		635	33	668
Fees: Professional - external	50	45	5	100
Professional - internal	12	13		25
LA fees: Planning & Bldg		5		5
Sub total: Capital	62	698	38	798
Revenue				
Temporary relocation costs TIC		10		10
Loose furniture and fittings		10		10
Tenant – relocation / compensation costs		15		15
Sub total: Revenue		35		35
Total				833

The budget will be reviewed and adjusted as project content and costs are developed / confirmed.

To enable the forecast main capital expenditure to be fully expended during 2014/15, a budget of £125,000 will need to be approved to cover project management fees and appointment of a project team from October 2013.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- I. The Executive note progress on the preparatory work for Phase 2 Improvements to the Old Town Hall and support ongoing actions to deliver the project.
- II. The Executive approve, for recommendation to Council, the re-profiling and release of dunging of £797,000, profiled £62,000 in 2013/14, £698,000 in 2014/15 and £38,000 in 2015/16 to commence work on the Phase 2 in line with the programme outlined in this report.

3.1 Reasons For Recommendations

- I. To ensure that the City Council maximises the use and commercialism of the Old Town Hall following completion of the Phase 1 Repair and Restoration works including developing its role as an information hub for Carlisle's historic, cultural and visitor assets.

Contact Officer: Jane Meek

Ext: 7190

**Appendices
attached to report:**

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

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

Governance –

- Legal – As the property owner the Council is entitled to carry out repairs and/or alterations to the fabric of its building providing it complies with the requirements of any leases granted to tenants.
- All contractual relationships with providers must be entered into in accordance with the Council's Contract Procedure Rules.

Local Environment –

Resources –

- Staffing/Resources - There are sufficient in house resources to manage the project through to completion.
- Financial – Funding of £1.5 million in the 2014/15 capital budget was approved as part of the 2013/14 budget process for the Old Town Hall and Greenmarket public realm works, to improve facilities, appearance and services to the buildings in this small part of the city. The estimated cost of the Phase 2 works to the Old Town Hall as outlined in this report has reduced to £733,000 split £797,000 capital and £35,000 revenue when the works completed as part of Phase 1 are factored in.

This report requests that the Executive approve, for recommendation to Council, the release and re-profiling of the capital funding of £798,000 from the allocated £1.5 million based upon the estimated budget breakdown provided in Section 2.2. The budget will be reviewed and adjusted as project content and costs are confirmed.

The revenue costs of £35,000 outlined in 2.2 will need to be met from existing revenue budgets as these items do not meet the definition of capital expenditure and therefore cannot be funded from the capital funding.

The forecast reduction in rental income of £6,500 per annum from the required vacation of the unit currently occupied by Peter Fletcher Jewellers will need to be accommodated within existing budgets.

The Procurement route to be used to appoint contractors will need to be determined as part of the project, either utilising an existing framework agreement or undertaking the full tender exercises internally and using the CHEST e-tendering system.

DRAFT BUSINESS PLAN

1.i. Background

This business plan sets out the market context and operating projections for the refurbished Carlisle VIC. The business plan reviews recent performance of the VIC and then provides estimates of potential future role and performance. The plan then addresses the economic impact of the VIC and makes recommendations on management and operational aspects of the VIC.

ii. Recent Performance of Carlisle TIC

Against a backdrop of declining volume and value of tourism in Carlisle, the Carlisle VIC has witnessed a decline in most of its major performance indicators. Total enquiries and walk up visitor numbers have generally declined in recent years as has income from accommodation booking and retail activities. Many of these trends reflect national trends. Until recently, income per visitor was relatively stable but has declined in 2009. The net cost per visitor is increasing every year. The project aims to reverse those trends and establish Carlisle as a strategic VIC serving Cumbria and the Northwest region of England

iii. The Project

As a central element of the refurbishment and restoration of Carlisle Old Town Hall, the VIC will undergo a comprehensive upgrading at an estimated cost of £300k within a wider £833k total project cost. The VIC will include a strengthened orientation function; offer enhanced sales / advertising opportunities as well as providing information and booking services for accommodation, events, destinations, holidays and travel operators.

iv. Impact of the VIC Redevelopment

The impact of the VIC refurbishment could be to increase ongoing and sustainable visitor numbers to a sustainable level of between 140,000 and 170,000 by enhancing the overall quality of experience and, through combining the development with a strong focus on service quality, and developing new sources of income generation. This will enhance revenue and reduce the future operating deficit and cost per visitor.

v. Economic Impact

If the Old Town Hall is restored and the VIC proposals are implemented, it is estimated that the total direct incremental economic impact generated could be in the range of £730k to £1.2 million. Factoring in the multiplier effect indicates that the gross incremental economic impact generated could be in the range £1.2 million to £2 million with the

creation or safeguarding of between 22 and 37 Full Time Equivalent jobs in the Carlisle economy.

2.1. BUSINESS PLAN

The business plan sets out the projected performance of the refurbished Carlisle Visitor Information Centre (VIC) following completion of the Phase 1 refurbishment and upgrading of the Old Town Hall, which incorporates redevelopment of the regional VIC serving the City of Carlisle and Cumbria. To set the scene for the projections an analysis of the past performance of Carlisle VIC has been undertaken.

This business plan is based on the potential for the Old Town Hall to fulfil a key role in the heart of Carlisle both as a visitor attraction in its own right and as an information centre which offers the highest standards of information, orientation and customer service and which can generate significant economic benefits for the city of Carlisle and surrounding area. The remainder of this business plan is structured as follows:

- Section 2 Carlisle Old Town Hall
- Section 3 The Carlisle Visitor Market
- Section 4 Past Performance of Carlisle VIC
- Section 5 Business Plan for the Upgraded VIC
- Section 6 Economic Impact of the Strategic Carlisle VIC
- Section 7 Operational Aspects of Carlisle VIC
- Section 8 Management Options
- Section 9 Risk Assessment and Mitigation
- Section 10 Conclusions

2.2. CARLISLE OLD TOWN HALL

2.2.1. Historic Context

The historic significance of Carlisle Old Town Hall is documented in detail in the Conservation Plan. From the perspective of the Old Town Hall as a tourism asset for Carlisle, there are two aspects to be considered.

These are:

- The Old Town hall as the location of the VIC
- The Old Town Hall as a visitor attraction in its own right.

2.2.2. Strategic Context – Carlisle Visitor Information Centre

Carlisle VIC is one with strategic status in Cumbria. Strategic VICs are located in prime destinations and act as gateways to the region. They tend to handle the highest volume of enquiries through a range of channels: face-to-face, phone, email and web. Their staff

handle a large number of non-local enquiries about the region and England. A strategic VIC must be capable of the highest level of information provision within Cumbria. Carlisle is regarded as a “City 3” VIC by Destination Performance UK (DPUK) i.e. a VIC which serves a city with the following attributes:

“Smaller regional hub locations with populations of 80,000-150,000. Majoring on historic, rural and industrial attractions. Very active in tourism, all with TICs”

As the “anchor” city for the North West, the Border lands, and the western hub of Hadrian’s Wall, Carlisle is an important location for a strategic VIC. Cumbria Tourism defines a strategic VIC as one which is:

- A geographical ‘Gateway’.
- A transport hub e.g. primary or trunk road, railway station or airport location.
- Strategically important to the destination.

Located in the city centre within a Grade 1 listed historic building the Carlisle VIC will be central to achieving the aims for tourism in Carlisle set out by Carlisle Tourism Partnership. CTP seeks to achieve tourism growth of 10 per cent by creating 200 jobs and generating an additional £12 million a year in the city economy.

The VIC will support the vision set out in the Northwest Visitor Information Framework of creating a:

“World-class visitor information services that exceed the expectations of our visitors, provide a competitive advantage to the region, and that make a measurable and valuable contribution to the visitor economy.”

Visitor Information Centres have been shown to play a significant role in influencing visitor behaviour in such a way as to generate incrementally increased visitor spend in their area. The degree to which this occurs depends on the level of visitors, as opposed to residents, using the VIC. It is estimated by Carlisle VIC that over half of all existing visitors to the VIC are visitors to the city. Therefore there is significant scope for the VIC to play a central and enhanced role in generating economic impact and employment impact through generating incremental spend from visitors to the city.

2.2.3. The Old Town Hall as a Visitor Attraction

In addition to housing the VIC, the Old Town Hall is a historic building in its own right. It lies at the centre of the historic quarter of the city and the Council’s plan to develop the Old Town Hall as a centre point of the historic quarter and its connections with the Hadrian’s Wall World Heritage Site which can attract new investment and visitors to the

city. The Historic Quarter Steering Group has identified four key strands which form the basis of its development strategy. These are:

- Marketing & Promotion
- Development of Key Assets
- Movement Strategy
- The Cultural Offer

In support of these aims, there are a number of ongoing related and interlinked projects, including:

- Development of an interpretive framework for the city centre
- Events and Festivals
- Marketing and Promotion of the Historic Quarter
- Enhancements at Tullie House, Carlisle Castle and the Cathedral Precinct
- Public realm improvements
- Roman Gateway linking Hadrian's Wall and the city centre

The redevelopment of the Old Town Hall represents a development of a major city asset. There is scope to incorporate aspects of its story and the artefacts relating to its role as a magistrates court and jail in its refurbishment. The Assembly Room has been identified by Members as a high quality city centre venue for Civic functions, Meeting and Exhibition space which could enhance the overall attractiveness of the building. Overall the aspiration for the project should be to restore the Old Town Hall as a high quality, historic venue which offers the highest standards of visitor information service amidst a high quality and relaxing city centre attraction.

2.3. THE CARLISLE VISITOR MARKET

2.3.1. Carlisle as a Destination

Carlisle is a historic Cathedral City with over 2000 years of heritage and today it is a market town, major shopping centre, transport interchange on the M6 and west coast main railway line, and employment and service centre for Cumbria and southwest Scotland and is now a university city. It is a focal point for tourists visiting the Lake District, Hadrian's Wall and Southwest Scotland

In April 2009 Britton McGrath Associates, in their case for tourism development, commissioned by Hadrian's Wall Heritage Ltd, concluded that Carlisle has strong heritage assets and many of the key ingredients necessary for a successful visitor destination but it is currently under-performing by comparison to its potential. Based on relatively conservative assumptions, the economic returns and value-added from implementing a proposed development programme with an estimated value of £32 million would be significantly positive. In real terms the investment programme could generate an average

incremental visitor spend of £103.2m per annum to the Carlisle urban area, £14.6m per annum to the Carlisle district and £88.6m per annum to the Cumbria region

However under the do nothing scenario, total visitor expenditure in Carlisle and Cumbria could decline from a forecast £780 million in 2015 to just under £709 million by 2034, in real (2009) prices. The growth aspiration forms the backdrop to establishment of the Carlisle Tourism Partnership formed in September 2009.

It is against this background that the restoration of the Old Town Hall and development of an enhanced VIC within it is viewed as a central element both of delivering the tourism action plan and of achieving the aims of the City Council and the Historic Quarter Steering Group. Two of the key strategic thrusts of Carlisle City Council are:

- Maximising the economic and cultural potential of the Historic Quarter and its key assets
- Strengthening the City Centre with a mix of new retail, leisure and business uses.

Restoration of the Old Town Hall and upgrading the VIC will contribute significantly towards achieving these objectives.

3.3.2. Recent Trends in Tourism in the City of Carlisle

It is estimated that direct and indirect tourism expenditure currently supports around 2,100 jobs in Carlisle. Recent years have witnessed a 7% decline in the reported volume and value of tourism to the City of Carlisle over a 4 year period.

Staying visitors only account for 67% of tourist days.

3.3.3. Volume and Value of Day Visitors

The estimated day visitor market volume and value are:

DAY VISITORS TO CARLISLE:	2007	2008
Tourist Numbers	1,836,000	1,765,000
Revenue	£66,400,000	£63,840,000
Spend per head	£36	£36
Source : STEAM		

Updated figures required if available?

Although the day visitor market is significant, it has remained largely unchanged in recent years. It is not feasible to differentiate the Carlisle day visitor market into those who are residents of the city or those who may originate beyond the city. In conventional tourism

economic impact analysis, the spending of local residents is not considered to represent injections of new money into the area, but merely the “recycling” of money already in the area. For the purposes of business planning and assessment of the economic impact of the new VIC, the assessment model developed by VisitEngland excludes local residents from the overall calculations. However it is known that in Carlisle, the resident market represents a minority of VIC users, indicating that there is potential for significant impact to generate incremental expenditure from the staying visitor market.

3.3.4. Reversing Decline in Carlisle Tourism

A number of mitigating actions have now been put in place by public agencies, to generate renewed growth in the visitor market. Regeneration of Carlisle Old Town Hall and the upgrading of the Carlisle Visitor Information Centre located within it represent a key response to help reverse this decline.

3.4. PAST PERFORMANCE OF CARLISLE VIC

3.4.1. Total VIC Enquiries

As the overall tourism volume and value in Carlisle have declined, the usage of Carlisle VIC has shown a 35% decline over a 6 year period. However, over the same period whilst the numbers of enquiries being made by telephone and mail have shown an equivalent decrease, e-mails have increased by 87%.

These trends are reflective of the national picture with email enquiries increasing across the UK at the expense of mail and telephone enquiries. However, it is anticipated that the TIC will still provide a significant service to telephone enquiries due to the continued value of the TIC as a source of local knowledge for many residents and potential visitors.

3.4.4. Monthly Visitor Profile

The usage of Carlisle VIC peaks in the third quarter summer months and mirrors the visitor profile for England and for Cumbria as a whole indicating that the centre serves mainly a leisure tourism market in those months. This is confirmed by the VisitEngland VIC study which indicated that, on average, around 50% of users of Northwest VICs were holidaymakers or day trip visitors. Source: Carlisle VIC

This is reinforced by Carlisle VIC's own figures which estimate that the user profile of the VIC is comprised of 67% visitors to Carlisle compared with 30% for TICs across England as a whole. It is the April – September market which is declining slightly on a year to year basis. Early and late year values indicate that generally out of season numbers which are more likely to be comprised of local residents are holding up reasonably well indicating

that the market segment in which tourism in Carlisle is declining to some degree is in the seasonal leisure market.

3.4.5. Market Share

The VIC market penetration rate amongst the Carlisle staying visitor market has declined at a marginally greater rate than the overall percentage reduction in staying visitors indicating that the VIC is serving a reducing proportion of the existing staying visitor market

Based on available data it is estimated that Carlisle VIC welcomes around 11% of the total staying visitor market to Carlisle. The Carlisle VIC market share has reduced by around 2.2% in only three or four years. However the level of decline has reduced in recent years indicating that efforts to promote the VIC more widely are generating success and major investment in the VIC is intended to turn about resurgence in usage and to assist in growing the visitor market in Carlisle.

This reflects a number of concerns which form part of the backdrop of the wider Old Town Hall project, namely that

- The VIC is low profile and not easy for visitors to find
- The profile of the Old Town Hall as a historic building and place to visit is low
- The awareness of the VIC amongst city visitors is therefore relatively low
- Awareness of the VIC and its promotional role is not high amongst city tourism businesses
- It is no longer of the highest standards or service quality
- It does not meet DDA requirements

The reduction in usage is unsurprising when set against the overall decline in visitor numbers in Carlisle as recorded by the STEAM data and reflects the decline in tourism which this project seeks to redress. However recent efforts to raise the profile of the VIC through promoting its use in connection with events such as Illuminating the Wall and in association with Christmas lights and seasonal events have been successful and a major redevelopment will serve only to increase its profile further.

3.4.6. Income Earning Performance of Carlisle VIC

In common with most other VICs across the country, Carlisle offers an increasing number of core services which generate income to help offset their operational costs. These are:

- Accommodation booking services
- Ticket sales and agency agreements
- Retail sales

A summary of the budgeted Carlisle VIC revenue for 2011/12 is provided below:

CARLISLE VIC INCOME 2011/12

General Sales/Retail sales £40,603

General Sales/Ticket sales £48,731

Meals and refreshment sales £615

Accommodation bookings commission £4,392

Assembly Room bookings £4,732

Total Income £99,073

Source: Carlisle VIC

3.4.7. Income from Accommodation Booking and Retail Sales

In recent years total income from accommodation bookings (and by extension commission revenue) and retail sales has declined substantially. This trend is currently being reversed due to a range of enhanced services offered by the VIC.

3.4.7.1. Income from Accommodation Bookings

Income from bookings and commission on bookings made has declined reflecting the reduction in importance of the accommodation booking function which VICs provide.

This trend is not unique to Carlisle and reflects a UK wide decline in the visitor use of VICs to make accommodation bookings. The 2009 Cumbria Visitor Survey indicated that only 2% of visitors to Carlisle used the VIC to book accommodation prior to arrival, mainly of serviced accommodation. In general, direct telephone or online booking directly with the establishment are the preferred booking channels.

3.4.7.2. Income from Retail

Overall retail income has shown a decline since 2003 with a reduction in spend per visitor to around £0.32 in 2009. This reflects an increasing competitiveness in the city centre and a general downturn in the prosperity of visitors to spend on non essential retail items due to the impact of the economic recession on consumer spending. However, an upgraded VIC will be able to offer a range of enhanced services and products which will help reverse this trend.

3.4.7.3. Average Income per Visitor

The income accruing to the VIC has generally declined in recent years. The national VIC impact study found that average income per visitor was £1.28 including those who did not book accommodation. In the North West the average figure is £1.39 (Source NWDA TIC

statistics) Total income per visitor at Carlisle, like retail, has declined in line with national and regional trends.

3.4.8. Net Cost per Visitor and Operating Deficit

Cost per visitor is an indicator which is routinely used to describe VIC performance. VICs are generally not profit generators and operate at a trading deficit offset by grant support. The cost per visitor varies depending on their footfall, location and visitor profile. From the available data it is possible to estimate their values for Carlisle based on VIC budgets for 2007 to 2009.

Operating deficit and cost per visitor			
Year	2007	2008	2009
Visitor numbers	131,758	125,542	126,369
Revenue			
Retail sales (inc tickets)	£53,332	£49,356	£40,035
Accommodation Bookings	£44,145	£44,154	£35,196
Total	£97,477	£93,510	£75,231
Income per visitor	£0.74	£0.39	£0.32
Retail income per visitor			
Costs			
Staff	£113,512	£112,427	£107,558
Property costs	£21,180	£23,009	£21,718
Transport	£946	£644	£924
Supplies and Services	£106,285	£87,424	£107,634
Support Services	£21,800	£21,600	£23,400
Total	£263,723	£245,104	£261,234
Surplus / Deficit	-£166,246	-£151,594	-£186,003
Cost per visitor	-£1.26	-£1.21	-£1.47

Notes:

1. All figures are gross. The overall effect is to establish the level of **budget surplus / deficit** and Cost per visitor.
2. The figures need to be updated to reflect current and projected values.

3.4.8.1. Benchmark Comparisons

Net Cost per Visitor

On the basis of recent VIC performance and on estimated year end budgets figures, the net cost per visitor of operating Carlisle VIC decreased between 2007 and 2008 but has increased sharply in 2009 based on recent years' actual costs and was £1.47 per visitor in 2009

In terms of benchmarking whilst the cost per visitor of Carlisle VIC is close to the national average, it is the most expensive VIC in the Cumbria comparator group reflecting its status as a strategic VIC for the wider region.

Source: Carlisle VIC – Update required.

Revenue

By comparison Carlisle is the best performer in terms of Cumbria VIC's with an income per visitor at £0.96 which is well above the next best, Kendal, with reported income per visitor of £0.42.

3.4.8.2. Operating Deficit

In recent years the operating deficit of Carlisle VIC has reduced over the period 2007/2008 but has increased sharply to £186,000 in 2009, an increase of 21% on 2008.

Update required.

The VIC upgrading should give it impetus to improve its performance further both in terms of visitor throughput and in achieving its potential to increase gross visitor numbers and revenue, thereby reducing the Operating Deficit in future years.

3.4.9 .Use of the Assembly Room

The number of events and hence revenue generation through hire of the Assembly Room has declined in recent years to an average of 160 events. If the proposed use of the Assembly Room as a Civic, Meeting and Exhibition Space is progressed and a suitable charging structure adopted the income stream generated based upon projected usage could help reduce the operating deficit of the VIC.

3.4.10. Service Quality

“The local Tourist Information Centre in Carlisle has very helpful and friendly staff. They are extremely knowledgeable about everything round about, from local activities, to B&B's, and where to visit. Everything that you would expect from a Tourist Information office.”
Customer Review on Qype, November 2008

Recent NWDA service visits in October 2008 and July 2009 have indicated that generally service and facility standards are acceptable at Carlisle VIC but that there are some gaps in physical and service quality. It is clear that there are some aspects of the experience which require to be addressed if Carlisle is to operate as a Strategic VIC, not all of them

relating to the physical aspects of the VIC. There is evidence that visitor requirements are not being fully met and that if visitors impressions of Carlisle are being enhanced by the VIC it is generally as a result of the information available and not by the interaction with staff in the VIC. The upgraded VIC must offer scope to enhance the service quality in association with the upgraded facilities and to achieve this will require the development and implementation of a range of service quality programmes.

Consideration should be given to changing this para reflecting current / targeted improvements.

3.4.11. Summary of Carlisle VIC Performance

Carlisle VIC has shown a general decline in the number of walk up enquiries handled in recent years, although there is some evidence that levels have begun to increase. The challenge will be to sustain and enhance that increase through providing a major refurbishment for the VIC within the context of the wider Old Town Hall redevelopment.

Similarly, the retail performance has declined in recent years although much of that may be due to external economic factors as there is some evidence that where the VIC has been able to influence retail income it has been reasonably successful in doing so.

Although their service remains invaluable to visitors, the question of the function and value of VICs around the UK has been under analysis in recent years. In recent years, walk up visitor numbers at Carlisle VIC have declined significantly, however it is likely that a refurbished VIC would welcome increased numbers of visitors. Visitor surveys continue to show that across the UK VICs remain primary sources of information for visitors, with an average of 46% of VIC users making changes to their trips and generating increased visitor spend in their area as a result of using a VIC. Thus Carlisle VIC will play a key role in achieving the targets for tourism in Carlisle as it will be the main source of information about the city and surrounding area for visitors and will have major influence over the generation of incremental visitor spend.

It is acknowledged that due to technical advances in online technology and 4G telephone systems that the role of VICs is moving away from providing accommodation bookings to offering more of a face to face customer service and helping visitors to stay longer and spend more in the area. In parallel, the finances available to run VICs is becoming less readily available and local authorities across the UK must ensure that where VICs are supported they are providing a more cost effective service and acting more as generators of incremental tourism business, rather than simply as information centres which are run at significant cost. To this end, VICs must become more commercially oriented and engage with services from enhanced retail to ticketing and Wi-fi provision which complement their core business of information provision. Carlisle VIC has some significant assets to offer to

the visitor market which could be used to increase visitor numbers and revenue generation. The general trends emerging are that:

- As visitor numbers to Carlisle have declined, so the numbers using the Carlisle VIC have declined accordingly but may now be moving towards increasing
- Carlisle VIC staying visitor market penetration has declined but may now be increasing
- Revenue from accommodation bookings and retail has declined
- Retail income per visitor has declined to some degree but not as sharply as total retail income, reflecting local influence over stock control and buying policies
- Revenue per visitor is currently lower than the average for a group of similar VICs across England but is forecast to improve.
- Cost per visitor is higher than the average for a group of similar VICs across England
- Use of the Assembly Room whilst declining in recent years has shown an increase in events since completion of the Phase 1 Repair and Restoration works.
- Service quality and standards should be enhanced as a central aspect of the overall VIC upgrading.

Overall the trends are that where the VIC can influence local conditions on matters such as retail policy, there have been some positive achievements. However where the external market factors are influencing performance, such as trends in the wider visitor market and economic downturn, the VIC performance has been subject to general decline, as have many other VICs in England. The opportunity to redevelop the Old Town Hall offers a chance to move from a “rearguard action” approach to one of positive thinking and moving the Carlisle VIC upwards as a regionally important centre. The next section looks forward to the refurbished VIC offering a range of services which respond to customer demand.

3.5. BUSINESS PLAN FOR THE UPGRADED VIC

Carlisle is delivering a range of initiatives aimed at reversing the decline in tourism. A key aim of the Old Town Hall project is:

“To develop its role as a gateway to Carlisle’s Historic and cultural attractions, orientating visitors and showcasing key historic and visitor assets”

This requires reinvigoration of the VIC, a change in mindset towards achieving growth in all key performance indicators and consolidation of its role as a regional VIC for Carlisle and for the wider area. This will require:

- Physical upgrading of the building exterior and interior

- Using the physical upgrading as a springboard to enhance customer service quality
- Putting the VIC in a central role in the advertising and marketing of local businesses
- Linking the VIC to increased usage of the Assembly Room to benefit from increased footfall
- Developing the VIC as a regional orientation centre
- Putting in place performance management systems relevant to the VIC operation

A key aspect of the redevelopment project for the Old Town Hall is that the VIC can be run on a more cost effective basis. This can be achieved through:

- Increasing footfall
- Increasing revenue from visitors through:
 - o Enhanced retail
 - o Providing other revenue earning visitor services
- Developing other revenue earning functions and services in response to customer demand
- Reducing costs

The objective is to reduce the net cost per visitor to a level which represents enhanced value for money for the Council whilst increasing the effectiveness of the VIC as a generator of tourism growth. On that basis, this section sets out:

- Services to be provided
- Visitor Number Projections
- Financial Projections

3.5.1. Services to be provided

To meet the requirements of a strategic VIC, the business plan should be informed by the Cumbria & NW Visitor Information Centre Service Standards for Strategic & Destination Level VICs. The redevelopment of the VIC permits the following services and functions to be offered, some of which are additional to those currently existing. The refurbished Carlisle VIC will provide the following services:

- Visitor Information and Services.
- Civic, Meeting and Exhibition activities in the Assembly Room.

3.5.2.1 Visitor Information

The importance of the VIC is underlined in the Locum report 2008:

“Cumbria’s Tourist Information Centres have a declining value as places to make bookings, but have a continuing, perhaps increasing, value as places for people to get face to face advice. It is, therefore, important for the county to not just maintain a high level of face to face information provision, but to increase it.”

- Locum Consulting, October 2008

According to VisitEngland the main reason people visit a VIC is to obtain visitor information, particularly on visitor attractions. Sourcing information on local travel and transport services and events are also important reasons for calling in at the VIC whilst finding information on accommodation, places to eat, activities to participate in and leisure facilities in the area, are of secondary importance among walk-in visitors.

The refurbishment of the Old Town Hall will offer an opportunity to refocus the service provision away from accommodation bookings and towards enhancement of the experience of Carlisle to generate increased visitor spend. The types and range of information provided need not be expanded significantly indeed there appears to be too much stock held at the moment. Space for storage and display will be more limited so rationalisation of print stock held must be undertaken and the uptake of brochures and leaflets related more to the levels of demand. Similarly the level of print runs of Carlisle brochures and the stocks held of main brochures from other locations must match demand.

The aim is to influence visitors to extend their stay and to encourage them to visit more places, leading to increased visitor expenditure in the city and area. If this is achieved then the VIC will fulfil an essential element of the customer journey whilst enhancing the economic impact of tourism in Carlisle and Cumbria.

Around 69% of visitors across the Northwest indicated that the VIC is their only source of information prior to their visit indicating that the VIC still plays a central role in promoting and selling the city to potential visitors, indicating that the VIC is still an important advance marketing tool for the region.

a) 24 Hour information provision

Use of the ground floor window space permits provision of a plasma screen and unit based information system. Local experience with touch screen has not been generally good due to levels of inappropriate use and damage to equipment and it is therefore not recommended that 24 hour information provision is provided via a “through the glass” touch screen system but via rotating visual displays on a plasma screen or liquid crystal screen system which can be provided by suppliers such as Motive Technology Systems, Lanner or The Kiosk Company all of whom supply hardware solutions to the leisure and retail sectors. The system will display advertisements for tourism businesses on a rotating basis.

3.5.2.2 Revenue Generating Activities

Only a very small proportion of visitors spend money at the TIC. Overall in the VisitEngland study, only 11% of visitors spent money on buying gifts/souvenirs, and 6% spent money buying maps or guidebooks. Commercial activities must therefore focus on maximising revenue through providing services and products that customers want to buy in order to increase revenue per visitor. It is anticipated that VIC usage and revenue will increase and will accrue from six main sources

- Accommodation booking services
- Agency agreements
- Retail Activity
- Advertising Revenue from local businesses
- Public Access or Wi-Fi Internet Terminal
- Carlisle GPS product sales?

a) Accommodation Booking Services

Although the use of VICs for accommodation booking services is declining across the UK, the service should be continued but not allocated to a separate work station in the VIC. For the business plan, the 7% annual decline in booking income in recent years will be applied to the future year's projected budget. Given the rate of decline the VIC must be prepared to lose this source of revenue altogether in future years.

b) Agency Agreements

It is estimated that around 5% of VIC users purchase tickets for attractions events and transport. The success of Carlisle VIC in acting as a ticket outlet for major events has been demonstrated through its role as ticket outlet for the "Illuminating the Wall" event on 13th March 2010 for which the VIC was a major ticket outlet generating a 400% increase in footfall

The VIC acts as a major ticket outlet for other events and must continue to engage in agency agreements with local tour operators, transport providers and other major events. The VIC has recently developed a range of agency agreements for ticket sales with commercial organisations and these should be continued and developed as long as the agency agreement fee generates a commission rate of no less than 5% given the time required for staff to make an agency booking and the equivalent value of the staff time. It is known that in other areas, there has been friction between the local TIC and the community when the TIC has sought to charge a 10% commission on events developed and promoted by local amateur groups. It is suggested therefore that whilst the commission rate should apply when dealing with commercial organisations and promoters, discretion should be used when being requested to sell tickets for local voluntary or charitable events.

c) Retail

Under the proposed design concept developed by Vertigo Creative Studios, retail space will increase from the current 40% of floor area to 45% offering scope to increase retail income. However the VIC must also focus on increasing the value of visitor spend through offering merchandise which is distinctive and sells, including Carlisle branded merchandise which is unique to the VIC, and on improving retail displays. Spending budget on stock which does not sell does not represent good use of ever scarce resources and the cost of retail should not exceed around 45% of retail turnover which is a rule of thumb in visitor attractions. Product ranges which sell are gifts, souvenirs (especially locally branded souvenirs), maps and guidebooks. To enhance retail income it is essential that VIC staff undertake retail training in order to ascertain what merchandise can generate highest sales volumes. In recent years, prior to 2009, the VIC has done well to retain its retail income per capita but it is recommended that a specialist in retail and merchandising is brought in to provide regular advice and training to relevant staff involved in retail purchasing and merchandising in order to enhance retail spend. These training programmes could be accredited and should be included in staff professional development programmes.

The VIC should aim to increase total retail income and spend per visitor by around 2.5% per annum.

d) Sale of Advertising Opportunities

Scope exists in the refurbished VIC to offer advertising opportunities to local businesses using the proposed plasma screen graphic display units to be incorporated in the VIC, in the lobby area and on a 24 hour access basis through the window in the ground floor area. The intention is that the VIC could sell advertising space on these units as part of its Carlisle "Marketing Opportunities" product range to offer to tourism Carlisle businesses. There are 70 businesses listed in the 2009 Historic Carlisle brochure which probably represents a relatively small percentage of all of the businesses in the area which welcome visitors. Estimated income is modest at first but increases as more businesses take advantage of the available advertising opportunities on the system. Examples are as follows:

- Out of Hours Displays using the ground floor window and standard displays of local accommodation providers etc
- Poster screens and leaflet display racks in the VIC
- Electronic LCD/Plasma displays screens inside the VIC – 2 such units are suggested

It is envisaged there is a standard charge available for different types of displays. Initial advertising rates are assumed to be £120 per annum increasing to £130 per year in year 3 as part of the overall VIC marketing opportunities package. Revenue increases from the sale of 15 packages in year 1 to 30 in year 4.

e) Public Access Terminals

The Assembly Room or the VIC could incorporate a number of public access internet enabled PCs. These have proven to be popular in VICs elsewhere and are used by visitors to check their e-mails or undertake accommodation searches. Income from the public access units is set at £3 per hour with an estimated 4,000 (i.e. 2.5% of all VIC users) making use of the public access terminals. An increase in usage fee to £4 per hour is anticipated in year 3 with user numbers increasing at 3% per year. Public access has been held up as an effective revenue generator in Nottingham VIC where in 2006 customers wanted convenient internet access in the city centre and there were few alternative providers nearby. The service was popular from the outset but demand has grown subsequently. Customers are charged £1.50 per half-hour or £3 for a full hour and the service generated around £10,000 in its first year of operation. Public access was also widely used in other VICs such as Dundee where it was of particular use for overseas visitors and generated significant revenue.

f) Wi-Fi Provision

The wider availability of new media such as 4G and iPhone Apps etc may however act against public access in future and user trends will require careful monitoring. An alternative is to provide Wi-Fi access throughout the Old Town Hall via a BT Openzone hotspot or similar. With BT Openzone users can connect at over a million UK and Ireland locations including those provided by the BT FON Wi-Fi Community which includes many locations including cafés and coffee shops. Major hotel chains such as Hilton, Marriott, Intercontinental and Best Western hotels are BT partners and there are revenue generation benefits for these partners. The Financial Times estimates that the number of hotspots could treble in the next few years as a result of the increasing use of 4g phones. Revenue accrues to the VIC through the sale of Wi-Fi vouchers or through credit card payments when users login to the network. As no physical infrastructure is needed the the network hub could be located within the VIC area of the Old Town Hall, but serving all areas. Potential usage is difficult to quantify but for business planning purposes a level of income no lower than that which would be achieved from public access is assumed.

f) Assembly Room

Given the use of the Assembly Room as a City Centre venue for Civic, Meeting, or Exhibition Space, subject to agreement of a charging structure, revenues from room hire will accrue to the VIC. There is a need to ensure that management and operational arrangements are put in place to ensure that the Old Town Hall is perceived by visitors to be a “joined up” experience ranging from information services to venue provision.

The economic and financial impact of the use of the Assembly Room as Civic, Meeting and Exhibition Space will need to be factored into the Business Plan.

3.5.2.3 Orientation Function

VICs are highly influential in determining what visitors do, where they go and how much they spend in the local economy. Around 46% of visitors change their original trip plans as a direct result of the information received at VICs. The Carlisle VIC has a central role as an orientation point for Cumbria. The 2009 Carlisle Visitor Survey indicated that whilst 4% of day visitors and 5% of staying visitors to Cumbria used a VIC as their source of information, 10% of visitors to Carlisle used the VIC, far higher than the percentage usage of any other VIC in Cumbria. In addition, 11% of visitors to Carlisle indicated that they were visiting Cumbria as part of a wider tour, far higher than in any other district, emphasising the pivotal role that Carlisle plays as a gateway, not only to Cumbria but to other areas on a wider tour route.

This highlights the central role that the Carlisle VIC will have in:

- Informing visitors to the city
- Encouraging them to see more
- Encouraging longer stays
- Facilitating enhanced visitor spend
- Providing information and orientation about the wider aspects of Cumbria
- And providing a role in informing visitors about other locations as part of a wider tour e.g. South west Scotland

The refurbished Carlisle VIC will not only be an information centre for the city. A key function of the centre will be to orientate visitors as they experience the historic city centre and tour across the wider region. A number of themes have been identified which could form the basis of orientation and which will encourage visitors to visit locations across the area. The themes have been developed as part of the innovative project being progressed by CTP and Viewranger.

a) Viewranger GPS Mapping and Trails

CT has been developing a unique range of Carlisle and Hadrian's Wall Mobile Tourguides. This is a web based project which will have a retail implication as visitors will be allowed to purchase SD cards and packs containing all of the routes in the VIC. The product has been developed by Viewranger and is owned by CT and could form the basis of the themes for the orientation provision in the VIC as well as a distinctive sales product. A number of generic themes have been identified by CTP and are as follows:

- Historic Carlisle and Hadrian's Wall Country
- The Lake District
- Scotland

The GPS system could be a very unique product for Carlisle and retail sales have been based upon a recommended retail price of £10 with around 0.005% of all walk up visitors purchasing the product.

UPDATE REQUIRED. All the information on the GPS is update and ready to be marketed but there is still a bit of work still to be done in order of it working on the correct mobile platforms.

b) Impact of Visitor Orientation

The rationale for a high quality orientation function within the VIC is to encourage visitors to explore and discover the area, from the inner city and its historic buildings to Hadrian's Wall and other areas nearby but with visitors feeling that they can follow the orientation theme they are still "on course" as it were and know they will return to Carlisle. The economic impact is achieved through the use of the orientation function to encourage visitors to stay longer in Carlisle, visit further afield and use Carlisle as the centre point of a region wide visitor flow to develop a "hub exploring" market segment. The themes build upon the role of Carlisle as the centre of Hadrian's Wall country and as a gateway to other parts of Cumbria and to Scotland. Sales of the GPS product are envisaged to assist in achieving enhanced retail spend per visitor through offering a unique high quality product aimed at enhancing the visitor experience of Carlisle.

3.5.3. Visitor Number Projections

Visitor numbers to new or upgraded visitor facilities are often high in year one but decline in subsequent years to an ongoing year-to-year norm. In year 1 there is a novelty factor which leads to high levels of interest. Very few facilities demonstrate an increase in numbers on a year to year basis, with most seeing small percentage fluctuations around a stable annual average. Therefore, business planning must be based, from the outset, on what is believed to be a sustainable level of ongoing business to ensure that optimism bias is realistic. Optimism Bias (OB) is defined by the Treasury Green Book as:

'the demonstrated, systematic, tendency for project appraisers to be overly optimistic..... tending to overstate benefits, and understate timings and costs, both capital and operational.'

There are a number of factors which may lead to increased footfall at the VIC. These are:

- Raising of the profile as a result of the general public awareness of the project
- Local, regional and travel trade press coverage
- Increased attractiveness of the VIC
- Improved signage
- Enhanced service provision
- Increases in visitor numbers as a result of partner marketing activities

Following refurbishment and the attendant local and regional press activity surrounding the reinstatement of the building, the visitor numbers are estimated to increase from their current levels of 130,113 to around 160,000 in year 1 and being sustained within a range

of 140,000 to 170,000 in subsequent years. To increase awareness a focussed campaign should be put in place to encourage local businesses to visit the VIC and to refer their own customers to it as an information source.

3.5.4. Financial Projections

This section sets out estimated costs and revenues for the VIC.

3.5.4.1 Cost Estimates

Cost estimates are based upon the actual VIC cost estimates for the year 2009/2010. In estimating future VIC operating costs, the following assumptions have been made:

- There is no change in staffing levels
- Staff costs increase on the basis of a 2% incremental increase over year
- All other costs of supplies and services and premises increase on the basis of 2% per year
- Visitor numbers increase to 160,000 in year 1 and by around 3% thereafter in line with CTP growth targets.

3.5.4.2 Revenue Projections

Projected revenue is shown in the following table. Assumptions are as follows:

- Walk Up visitor numbers are 160,000 in Year 1.
- There is growth in the number of walk up visitors to the VIC at around 3% per year in line with CTP overall growth targets.
- There is growth in the retail income and total income of around 3% per year in accordance with CTP overall goals for tourism in Carlisle.
- Similarly there is growth in gross ticket sales of 3% per year.
- There is decline in accommodation bookings revenue of 7% per annum to reflect recent trends.
- A role for the VIC in managing or promoting the Assembly Room.
- There is an increase on a year to year basis of the number of businesses buying advertising space.
- The advertising rate increase in years 3 and 4.
- There are 4,000 users of the public access or Wi-Fi facility in year 1 increasing by around 3% per year, as reflected in the Nottingham experience.
- There is income from Assembly Room rental.

Visitor Numbers and Revenue Projections					
	2011/12 actual	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019
Visitor numbers	130,113	160,000	164,800	169,744	174,836
Retail income per visitor	£0.36	£0.37	£0.38	£0.39	£0.40
Total Retail Income	£47,443	£59,200	£62,624	£66,200	£69,935

Viewranger GPS sales	£0	£8,000	£8,240	£8,487	£8,742
Advertising rate	0	£120	£120	£130	£130
Number of advertisers	2	15	20	25	30
Advertising revenue	£250	£1,800	£2,400	£3,250	£3,900
Booking commission	£2,956	£2,749	£2,557	£2,378	£2,211
Ticket sales (gross)	£76,740	£78,659	£80,625	£82,641	£84,707
Public access use	0	4,000	4,120	4,244	4,371
Fee for public access use	£0	£3	£3	£0	£0
Income from public access	£0	£12,000	£12,360	£16,974	£17,484
Meals and Refreshment sales	£1,540	?	?	?	?
Assembly Room bookings	£4,595	?	?	?	?
TOTAL INCOME	?	?	?	?	?

UPDATE FIGURES REQUIRED. INCOME HEADINGS TO BE REVIEWED / ADJUSTED

Based on these assumptions, there is net growth in the income per visitor of around 2% over 4 years. The increase could be greater but the overall increase is offset as a result of the declining income from accommodation booking commission.

3.5.5. Year 1 to Year 4 Financial projections

Based on these assumptions, the overall cost and revenue estimates for four years of operation and based on 160,000 walk up visitors in year 1 is shown below:

Financial Projections Year 1 to 4					
Costs	2011/12 Actual	Year 2016	Year 2 2017	Year 3 2018	Year 4 2019
Employee costs	£105,439	£107,548	£109,699	£111,893	£114,131
Premises	£22,959	£23,418	£23,887	£24,364	£24,852
Transport	£852	£869	£886	£904	£922
Supplies and Services	£115,853	£118,170	£120,533	£122,944	£125,403
Support Services	£23,399	£23,867	£24,344	£24,831	£25,328
Total Costs	£268,502	£273,872	£279,349	£284,936	£290,635
Income					
General Sales / Retail Sales	£47,443	£59,200	£62,624	£66,200	£69,935
Viewranger GPS sales	£0	£8,000	£8,240	£8,487	£8,742
General Sales / Ticket sales	£76,740	£78,659	£80,625	£82,461	£84,707
Meals and refreshment sales	£1,540	?	?	?	?
Accommodation bookings /commission	£2,956	£2,749	£2,557	£2,378	£2,211
Public access use	£0	?	?	?	?
Assembly Room bookings	£4,495	?	?	?	?
Advertising Income	£250	£1,800	£2,400	£3,250	£3,800
Total Income	£133,274	?	?	?	?

Surplus / Deficit	-£135,228	?	?	?	?

The projected figures indicate that there is a potential reduction in deficit from X% of operating costs to around Y% of operating costs by 2019 as a result of increased revenue emanating from improved retail performance, provision of enhanced services and increased usage of the Assembly Room.

3.6. Economic Impact Assessment

There are close linkages between the visitor economy and other sectors such as retail and catering. The upgraded VIC will play a central role in helping to reverse the downturn in visitors to Carlisle and consequently generate growth in expenditure across the city economy as a part of a coordinated tourism partnership action plan. It will:

- Enlighten visitors about what there is to experience in the area
- Get them exploring further around the Cumbria area and in Carlisle
- Encourage them to stay longer in Carlisle....and spend more
- Enthuse them about the area and generate positive word of mouth recommendations
- And provide a significant resource in achieving the CTP growth targets

It has been demonstrated by VisitEngland that VICs play a clearly identified role in influencing visitors to stay longer in cities, creating additional expenditure and providing a service which modifies visitor behaviour in ways which benefits local attractions and visitor facilities. Using the incremental visitor expenditure assessment model developed as part of the VisitEngland study, assessments have been made of the impact that a refurbished Carlisle VIC could have on enhancing the visitor economy and increasing the value of the visitor market in accordance with the goals of the CTP.

6.6.1. Additionality and Displacement

The VIC serves a local market as well as the visitor market. However the economic impact associated with the redeveloped VIC accrues through the additionality created in facilitating growth in the visitor market through enhancing length of stay and generating increased visitor spend but not through the displacement caused by recycling of resident disposable income within the city economy. The incremental visitor expenditure assessment model developed by VisitEngland regards spending by residents as displacement and only takes into account the genuinely incremental expenditure generated by visitors to a destination. The model indicates 'Additional total spend from day and staying visitors rising from £663,020 to £1,238,389'.

6.6.2. Creating and Safeguarding Jobs in Carlisle

In association with the incremental expenditure model it has been possible to use a type II multiplier analysis to estimate the impact of the VIC on creation or safeguarding of employment. When the multiplier is applied the model indicates expenditure increasing to £2,018,574 with a rise in FTE created or safeguarded jobs from 20 to 37.

6.6.3. Determining the Economic Impact of Carlisle VIC

There are a number of assumptions as follows:

- VIC walk up visitor numbers are 160,000.
- The number of Assembly Room customers using the VIC is based on a range from 10% to 40%.
- Values for % influence and incremental visitor spend are based on the VisitEngland model.
- The type II multiplier is based on the Scottish Government Type II Tourism Multiplier value for 2004, this being the most recent and relevant UK value available.
- The employment multiplier is derived from the STEAM values for Cumbria in 2008.

6.7. CONCLUSIONS

The restoration of the Old Town Hall offers a significant opportunity for Carlisle. It will:

- Restore an important historic building in the centre of Carlisle reinforcing its role as a visitor attraction and destination.
- Create renewed interest in the building and encourage additional visitors.
- Offer a significant opportunity to extend the number of events held in the Assembly Room
- All of these factors will combine to increase walk up visitor numbers to the strategic VIC created within the Old Town Hall
- The VIC will offer enhanced opportunities for income generation through increased retail, public usage of internet terminals and potential to generate advertising revenue
- Permit CTP to offer a full strategic VIC service based on the service standards set by Cumbria Tourism which will help increase visitor numbers, spend and overnight stays.
- Contribute to the economic growth of the local economy driven by facilitated private sector business growth which will contribute to an increase in FTE jobs.

Most importantly it will build upon the already generally high standards and good reviews of Carlisle VIC and will add significantly to the attractiveness of the city as a visitor destination by building upon the Phase 1 Restoration and Repairs completed in June 2013.

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the lake district
Cumbria



CARLISLE AMBASSADORS'

Agenda

Meeting: Wednesday 26 March 2014

Location: Carlisle Business Interaction Centre, Paternoster Row

Arrival / Registration: 12.00noon

Theme: Opportunities

Presentations: 12.10pm start

Welcome / Introductions

Virgin Trains

UKTI

Round Up of Emerging Developments

Q&A

David Helliwell

Damien Henderson

Ian Whittaker

Jane Meek

David Helliwell

Networking & Lunch: 1.15pm – 2.00pm

CARLISLE PLACE PLAN

PROJECT	LOCATION	LEAD ORGANISATION	DELIVERY / OUTPUTS	SUPPORT REQUIRED
Civic Centre Foyer	Civic Centre, Carlisle	Carlisle City Council	Delivery: Jan 2014 Refurbishment of foyer / public area to reflect Carlisle Story	
Signage & Interpretation	Carlisle City Centre, Gateways and key nodal points	Carlisle City Council / Cumbria County Council	Delivery: June 2014 New gateway signage, interpretive signage at key entry points	
Prospectus for Carlisle		Carlisle City Council	Delivery: March 2014 / Provision of a prospectus to market / promote Carlisle	
Carlisle College Arts & Digital Media Centre	Carlisle College	Carlisle College	Delivery: ??? Provision of a state of the art Digital Media Centre	

PROJECT	LOCATION	LEAD ORGANISATION	DELIVERY / OUTPUTS	SUPPORT REQUIRED
Tourism Information Centre	Old Town Hall, Carlisle City Centre	Carlisle City Council	Delivery: March 2015 Provision of improved access, modernised service provision, realising opportunities to tell the story	
Hoardings Design Suite		Carlisle City Council	Delivery: Dec 2013 Provision of a hoardings design suite for use by all developers / agents	
Discover Carlisle Website		Carlisle City Council	Delivery: ??? Refresh of website to reflect Carlisle Story / content improvements	



Carlisle Tourist Information Retail policy

Contents

1. Pricing methods
2. Payment Procedures
3. Refund and exchange
4. Stock Control
5. Procurement of Stock
6. Customer Service

1. Pricing methods

Markup - To determine the initial markup %

$$\text{Expenses} + \text{Profit} + \text{Reductions}$$

Products should be marked up by at least 50% on the cost of product.

What to consider when pricing

Consumer Factors

- Supply and demand
- Quality of product

Competition

- Who are your local competitors
- What are they selling the product for
- How do they display the product

Markdowns – Reduction in the initial retail cost, usually half of the markup %

2. Payment Procedures

Chip & Pin (*Credit /Debit Cards*)

All transactions undertaken with Credit/Debit card payments have to be put through the till as well as the C&P machine. The end of day 'Z' reading of the C&P machine must take place at the same time as the 'Z' reading of the till. The 'Z' reading from the C&P machine and the C&P payments on the till 'Z' reading must agree. Any discrepancies are investigated and recorded. The C&P value is entered on to the Daily Income Reconciliation sheet.

We accept Visa, MasterCard, Switch, and Maestro

N.B. We do not accept American Express.

Cash

Counterfeit Notes

Counterfeit banknotes are rare but any notes taken and not detected at the point of sale will be charged back to the original source. Information on identifying genuine notes and the process if counterfeit notes are detected can be found at the following links:

<http://www.bankofengland.co.uk/banknotes/educational.htm>

<http://www.bankofengland.co.uk/banknotes/about/counterfeits.htm>

Cheques

Cheques should be made payable to *Carlisle City Council* . Ensure the amount in words & figures match and that the cheque is signed and dated. Cheque transactions must be entered in to the till.

Phone Payments

We accept payments over the phone for all ticket sales and retail.

Payments over the phone must be record in the book and the customer details should be destroyed immediately after payment has been taken.

3. Refund and exchanges

Refund and exchanges should be clearly displayed on the receipt and near the point of sale.

Accepting returns and giving refunds: the law

You must offer a full refund if an item's faulty, not as described or doesn't do what it's supposed to.

When you don't have to offer a refund

You don't have to refund a customer if they:

- knew an item was faulty when they bought it
- damaged an item by trying to repair it themselves or getting someone else to do it (though they may still have the right to a repair, replacement or partial refund)
- no longer want the item (eg because it's the wrong size or colour) unless they bought it without seeing it

You have to offer a refund for certain items only if they're faulty, eg:

- personalised items and custom-made items, eg curtains
- perishable items, eg frozen food or flowers
- newspapers and magazines
- CDs, DVDS and computer software they've unwrapped

Customers have exactly the same rights on refunds when they buy items in a sale as when they buy them at full price.

Online, mail and phone order sales

Online, mail and telephone order customers have the right to cancel for a limited time even if the goods are not faulty. Sales of this kind are known as '[distance selling](#)'.

You must offer a refund to customers who buy through distance selling if they cancel goods within 7 calendar days of receiving them.

You must then refund the customer within 30 days. They don't have to provide a reason for cancelling.

Proof of purchase

You can ask the customer for proof that they bought the item from you. This could be a sales receipt or other evidence such as a bank statement or packaging.

Items returned by someone other than the buyer

You only have to accept returns from the person who bought the item.

Penalties for displaying notices

It's illegal to display any notice that deliberately misleads consumers or deceives them about their rights - for example, a sign that says you don't accept returns or offer refunds.

Returns With Receipts

We are happy to exchange or refund any item returned in a saleable condition, in its original packaging with its receipt within 28 days* or for items purchased in a sale, within 15 days.

A refund will be issued by the original payment method, to the value of the item printed on the receipt.

For debit/credit card refunds, the card and the cardholder must be present.

Returns Without Receipts

If you do **not have a receipt**, we may, at our discretion offer an exchange to the value of the current or most recent selling price. This does not restrict your rights to return faulty items with proof of purchase.

4. Stock control

Stock Checks

- Mini Stock checks to take place every month.
- Full stock check at the end of the financial year

Security and theft

- Bag check for staff

Wastage

- Record waste on the stock system
- Report waste to staff
- Manage markdown costs effectively to stop waste

Stock rotation

- Keep the retail area looking fresh with rotation of stock products
- New products need monitored on a 6 month and 12 month period
- Monthly checks on No Sale Items (reduction in stock if not selling)

5. Procurement of stock

When considering new products refer to the criteria list

- Locally produced within a 30 miles radius
- Quality product
- Customer demand
- Specific to the area
- Fit in the local area display