

Business Case

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Project Manager:	Tourism & Events Manager (Matt Ryan)
Project Sponsor:	Head of Economy, Leisure & Tourism (Nick Thornley)
Author:	Matt Ryan / Judith Chauvet

1. Executive Summary

- 1.1 West Dorset District Council operates four Tourist Information Centres (TICs) in Bridport, Dorchester, Lyme Regis and Sherborne at a total annual operating cost of approximately £353K, excluding central recharges of £221K.
- 1.2 The Council started a review of the Tourist Information Service in 2014 with the aim of achieving £300K savings from the operating costs which are managed by the Economy, Leisure & Tourism division.
- 1.3 Since 1995 Dorchester TIC has operated from large commercial premises in the town centre and currently welcomes approximately 170,000 customers into the centre and deals with over 7000 telephone enquiries per annum, at a total cost to the council of £153K, excluding internal recharges of almost £71K.
- 1.4 During the service review, a variety of options for Dorchester TIC have been considered to meet the savings required by the service review process, including relocating or integrating the service into the new Shire Hall attraction, relocating to South Walks House (SWH) reception or the Dorchester Library & Learning Centre and taking a more commercial approach within the existing premises. Discussions were also held with an operator of a private attraction, the County Museum and Dorchester Town Council.
- 1.5 As part of the Service Review programme, extensive stakeholder engagement was undertaken in June 2015, in the form of a widely-available and extensively-promoted survey and drop-in sessions for the public, with the results informing options for future service delivery.
- 1.6 The service review has identified two potentially viable options, relocation to Dorchester Library and Learning Centre and relocation to SWH reception, to continue to offer a TIC

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service, at a reduced level and cost to the council, whilst meeting the main elements identified as the most important from the survey results.

- 1.7 The current lease on the Antelope Walk premises expires at the end of March 2017 and we are required to vacate the premises by this date, unless we are able to negotiate a lease extension.
- 1.8 Whilst a move to the Library can be achieved in this financial year, an extension to the existing lease is likely to be necessary to progress a move to SWH reception and will therefore incur further premises costs in the next financial year.
- 1.9 In order to achieve savings and conclude the review of Dorchester TIC within this financial year, officers' preferred option is to pursue a move to Dorchester Library.
- 1.10 The recommendation of the service review is that relocation to Dorchester Library is presented for public consultation, with the replacement of the existing service with an unstaffed Tourist Information Point (TIP) as the alternative option for the future.
- 1.11 The results of the consultation would further inform the business case, the deliberations of the Scrutiny working group and the Overview and Scrutiny Committee and a further report to the Executive Committee for consideration in December.

2. Reasons

- 2.1 During the service review, a variety of options have been considered to meet the savings required by the service review process, including integrating the service into the new Shire Hall attraction, taking a more commercial approach within existing premises, relocating to SWH reception and relocation to Dorchester Library. Discussions were also held with an operator of a private attraction, the County Museum and Dorchester Town Council. Details of each option, together with a summary of the Stakeholder Engagement Survey, are outlined below.

Shire Hall

- 2.2 Shire Hall, incorporating the Old Crown Court and cells, is to be transformed into a permanent visitor attraction. The Shire Hall Development Trust (SH(D)T) has received £1.5M of Heritage Lottery Funding (HLF) for the project and WDDC, which owns the freehold of the building, is investing £1.1M towards the project. The Trust will take on full responsibility for running the attraction, which aims to open in 2018.
- 2.3 The Trust's Business Plan and HLF submission has always included the stated aim of relocating Dorchester TIC into the building, in order to benefit from its footfall. The Trust has previously stated that the loss of the TIC to the project would have a significant impact on the attraction's profitability and ability to operate successfully.
- 2.4 In 2015, the Trust commissioned a financial and operational plan for the operation of a TIC within Shire Hall and in summary, it suggests that WDDC relocates the TIC to the 'Pillar Room' in the Shire Hall and continues to operate and fund the service for the

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foreseeable future, independent from the attraction, with potential integration to be discussed at a later date when the attraction is operating successfully and financially viable. The attraction aims to open in April 2018.

2.5 This is not feasible for the following reasons:

- The 'Pillar Room' is not fit for purpose. It has 6 central pillars and no windows at street level, preventing any view into the TIC from passers-by and not providing any usable window display or promotional space.
- The terms of the lease would not permit a retail operation, as operating a gift shop forms part of the attraction's business plan and will be undertaken by the SH(D)T in the adjacent attraction reception area. As a result income generated from retail sales would be lost. This would equate to circa £15,000 per annum.
- There is no certainty that the Council will make a saving in the long term. Premises costs are likely to be in the region of £16-20K, including service charges and rates, for a proposed 3-year lease of the 'Pillar Room'.

2.6 The Trustees of the Shire Hall Development Trust (SHDT) considered the housing of the Dorchester Tourist Information Centre (TIC) at Shire Hall on 14th June 2016 and below is the decision of the Trustees:

In August 2015 a heritage consultant was commissioned to conduct research into the potential for the operation of the Dorchester TIC within Shire Hall. The report analysed the current state of the Dorchester TIC, compared it with other TICs in the region and conducted a cost-benefit analysis of housing the TIC in Shire Hall. It was clear from the report that no analysis had been conducted to show what percentage of TIC visitors would become Shire Hall visitors if the TIC were in Shire Hall as opposed to in another location.

Taking all of the available documentation and cost/benefit analysis into account, and having consulted with a variety of stakeholders, the view of the Shire Hall Dorchester Trust (SHDT) is that, although not a clear-cut issue, on balance the costs of housing the TIC in Shire Hall outweigh the benefits to SHDT. The consultants report showed that in financial terms, there would be a net cost to SHDT of around £50,000 per year. This did not include issues such as, for example, TUPE agreements.

Furthermore, the uncertainty about the current and future WDDC funding of the TIC means that housing it at Shire Hall would represent a significant financial and reputational risk to the Trust.

The SHDT Board of Trustees has therefore decided that the TIC should not be located at Shire Hall.

2.7 In summary, the decision by the SHDT Board of Trustees is partly because of the financial insecurity of funding of a TIC, but there are other factors that informed the decision, including no clear benefit from TIC footfall and financial and reputational risk.

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Increased commercial activity

- 2.8 The 2016-17 budget for Dorchester TIC is approximately £153k excluding internal recharges of almost £71K, the main costs being budgeted employee costs (£141K) and premises costs (£48K).

Costs are offset by trading profit of approximately £40K per annum.

- 2.9 Given the ideal town centre location the TIC currently occupies, adopting a more commercial approach in the existing premises has been considered, including increased commission rates on ticket sales, rental of display space and upstairs offices, greater investment in retail sales and the sale of all printed material (leaflets). Such initiatives could reduce costs to the council of approximately £36k if implemented alongside a staff budget reduction based on the 2015/16 out-turn, however this would still not achieve the envisaged savings offered by relocation to the Library or SWH reception, due to the high premises and employee costs, and will result in less focus on the core element of the service – information provision.
- 2.10 The current lease agreement was negotiated in 2011 for a six year period and included a break clause in 2013. Officers have discussed the likelihood of a rent reduction with the managing agents for the property. The agents feel that the market is good at the moment that prices haven't fallen and they are confident of achieving the same level of rent if we vacate our premises. Even if we were to enter into a new three year term the best we could hope for is 3 months rent free period.
- There is currently an alternative smaller unit available within Antelope Walk at a rent of £22,000 per annum which would represent a small saving but not at the level achievable at the library or SWH reception.
- 2.11 The survey results highlighted that retail sales were the least important element of the service and investing more resources into that in the hope of offsetting costs may not be successful, given the general downward trend in traditional retail sales. Adopting a more commercial approach is therefore not seen as a sustainable business model for the future.

Private attraction operator and County Museum

- 2.12 Discussions were held with operators of a private attraction in Dorchester. Whilst interested in taking on the service at a cost to the Council, staff costs were prohibitive to the potential operator.
- 2.13 A discussion was also held with the County Museum and whilst a possible option the developments planned to the Museum are not scheduled to be completed until 2020.

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Stakeholder Engagement Survey

- 2.14 A stakeholder engagement survey was carried out in June 2015. It was distributed by email to stakeholders, including tourism businesses, event organisers, tourism associations and town and parish councils.
- 2.15 Paper copies were available at the four West Dorset Tourist information Centres, South Walks House and Town Council offices. The survey was available online through the Consultation Tracker on dorsetforyou.com. The survey was widely promoted via press releases, planned social media messages and on the visit-dorset.com website.
- 2.16 A commitment was made to full public consultation, both on the engagement survey and in press releases, once options had been evaluated.
- 2.17 The survey included an opportunity for respondents and businesses to come forward with offers and proposals of support towards the TIC; none were received.
- 2.18 A total of 2114 responses were received. The majority (96%) of individual respondents were TIC customers and 72% were local residents. 81% of respondents were aged 45 and over. The overwhelmingly majority of respondents (97.5%) believed that the TICs should continue to be funded by WDDC.

Key findings were as follows:

- Most respondents (71%) visit a TIC for information on things to do, followed by theatre or event ticket purchasing (56%), transport information (45%) and to browse (40%)
 - The vast majority (94%) of customers seek information from a member of staff during their visit and 98% feel it is 'very or fairly important' to be able to speak to a member of staff. The high percentage of 'browsers' and the high rate of interaction suggest that the TIC staff can have significant influence on what people do and where they go.
 - The two most important elements of a TIC were identified by respondents as:
 - Staff, providing personal attention, local knowledge and customer service
 - A town centre location.
- 2.19 All respondents were asked, via an open ended question, about their views on the possible outcomes of the service review (including the TICs remaining but being run by other partners, reduced district council services, or the closure of TICs and a greater reliance on online information provision).

1615 respondents answered this question. The vast majority do not want the TICs to close (only 3 commented that TICs were outdated).

The main recurring themes throughout the comments were:

- The value of face to face interaction, the knowledge/professionalism of employed staff

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- The importance of tourism to the local economy and the detrimental impact closure would have on the town
- Issues around online materials (related to age, lack of connectivity, outdated information and the need to know what you're looking for)

Relocation to SWH or Dorchester Library & Learning Centre

- 2.20 The two remaining options under consideration, relocation to Dorchester Library & Learning Centre or SWH reception, both offer significant guaranteed financial savings and future annual operating costs at a broadly similar level.
- 2.21 A move to the Library can be realised in the current financial year, subject to meeting County Council's Committee meeting deadlines; a move to SWH is likely to require an extension to the lease on the Antelope Walk premises and will therefore incur further premises costs in the 2017/18 financial year.
- 2.22 Whilst a reduced level of service will be offered in both these locations, a streamlined service, with little retail but a focus on ticket sales, can be a successful and cost efficient service if in a good location, as demonstrated by the Bridport TIC move to the Town Hall in 2012. Reduced visitor numbers have not had a negative impact on the TICs ability to operate a cost effective and comprehensive service.
- 2.23 In both Dorchester Library and SWH, the most important elements of the service as identified by the engagement survey results can be met, though there is a greater scope to meet customer needs in the library setting.
- 2.24 Despite the Library and the Council offices being in neighbouring buildings, there are significant differences that will impact on customers, such as access, opening hours, operating environment and a more compatible customer care ethos.

3. Business Options

Option A – Relocation to Dorchester Library & Learning Centre

- 3.1 Relocating the TIC into the ground floor of Dorchester Library offers an opportunity to generate significant financial savings, to relocate within the current financial year and to operate from a customer-friendly environment as part of the County Council's Community Offer for Living and Learning' initiative.
- 3.2 This initiative aims to bring together services that can only be delivered from buildings, as opposed to online, into 'Living and Learning Centres', located in the most accessible buildings, thereby making services cost effective and remaining accessible to the community.
- 3.3 Dorchester is not one of the assigned pilot areas to develop this project, however Dorchester Library & Learning Centre is seen as a key building for the future and has

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already successfully incorporated a Dorset Police Contact Point and Skills & Learning BDP (Bournemouth, Dorset and Poole) into the building.

- 3.4 A combination of reduced face to face service, leaflet racking and digital information/online access could be offered initially, but there is the potential to develop and adapt services as the Library & Learning Centre evolves.
- 3.5 The emphasis would be on information provision and the promotion of Dorchester, though services for local residents, such as travel and ticketing services, and support for local businesses would continue. There would be no, or very limited, retail sales (souvenirs, locally produced goods, books etc.) initially.
- 3.6 Opening hours would mirror those of the library; the TIC service would therefore be offered as follows: Monday 1000-1730, Tuesday 0930-1900, Wednesday 0930-1300, Thursday 0930-1730, Friday 0930-1900, Saturday 0900-1600. This represents the same total weekly opening hours as the current service, but in a slightly different pattern of opening.
- 3.7 Estimated staffing requirements would be 2 fte (possibly 3/4 part time staff) and there would be a requirement for an additional supervisory role. There may be an opportunity to combine staffing with other services located in the Library building in the long term, which would further reduce costs.
- 3.8 Total staffing costs are likely to be in the region of £62K per annum (as in the SWH option), based on existing pay grades. Posts in a revised, streamlined staffing structure would need to be re-evaluated through a Job Evaluation exercise.
- 3.9 Overall costs to operate the service from Dorchester Library & Learning Centre are likely to be broadly similar to relocating to SWH. Whilst there will be some premises costs, there are greater opportunities to generate income and further reduce costs in the future. Indicative overall costs (to be agreed with Finance) will be significantly lower than existing operating costs and are likely to represent a saving of up to £99k per annum (excluding recharges).

Option B – Relocation to SWH reception

- 3.10 Relocating Dorchester TIC into SWH reception would generate a similar level of annual savings in the long term as relocating to the library, however a move is unlikely to be realised within the current financial year.
- 3.11 Discussions have been held with the Head of Business Improvement and the Communications and Customer Experience Manager to discuss the relocation of the TIC into SWH reception and to consider how the two services, with different working practices, aims and objectives, can offer a positive experience to their customers in a shared reception area.
- 3.12 Discussions identified the following challenges to consider:

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- Through the channel shift programme, the Customer Services team aims to reduce face to face contact and encourage customers to access services online, as is appropriate when providing a straightforward transactional process. This is in direct contrast to the TIC staff, whose role is not solely transactional and for whom interaction with customers is key.
- Comprehensive Tourist information is already offered through visit-dorset.com, Apps and social media, however for some this does not replace the in-depth knowledge of staff who are able to impart appropriate information tailored to the customer's individual needs through face-to-face contact. Customer numbers to Dorchester TIC (174,000 in 2014/15) indicate there is currently still a demand for a face to face service, though this demand is mainly from the older generation (45 years and over).
- The TIC generates income to offset costs by retail and commission based activity (i.e. ticket sales and accommodation bookings) while the Council's Customer Service team discourages over-the-counter cash payments as far as possible; due consideration would have to be given to how best to separate the two services to avoid conflicting messages to customers to the building.
- The customer profile for each service is quite different and, due to the nature of the services that customers are accessing, the Customer Services team deal with a considerably greater number of customers who may be distressed, difficult or whose general behaviour falls short of normal standards.

3.13 With the above in mind, a combination of a reduced face to face service, leaflet racking and digital information/online access would be offered in SWH.

3.14 The emphasis will be on information provision and the promotion of Dorchester, though some services for local residents, such as travel and ticketing services, and support for local businesses would continue. These services generate a small income for the TIC, which helps to offset staffing costs. There would be no retail sales (souvenirs, locally produced goods, books etc.).

3.15 Opening hours would mirror those of the Council and the TIC service would be offered Monday-Thursday 0900-1700, Friday 0900-1600. There would be **no Saturday opening**. Visitor numbers to Dorchester TIC on a Saturday are on a par with many weekdays, however the majority of customers to the TIC on a Saturday visit in the morning, creating significant demand for the service on that day.

3.16 Estimated staffing requirements for a service in SWH would be 2 fte (possibly 3/4 part time employees) and there would be a requirement for an additional supervisory role.

3.17 Some work on the use of reception space and customer flow will be required, which will inform any subsequent re-design of the reception area, together with some investment in new technology. TIC customers rate highly the added value of the face to face service and are unlikely to visit simply to access information online, which they could have done at home or on a mobile device. However, some provision in the form of public access

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terminals and display screens to promote events would offer both the opportunity to provide information in a number of different formats.

- 3.18 There is no indication that the rear entrance of SWH is likely to be opened for public access (other than disabled access) in the foreseeable future, so the main SWH entrance would also serve as the TIC entrance. The distance from the town centre and car park, together with the reduced level of services and operating environment will result in a significant reduction of visitor numbers, potentially up to 50%. This would be manageable in the space available.
- 3.19 Estimated operating costs in SWH would be approximately £56,870 per annum, with one-off set up costs estimated to be in the region of £60K, excluding potential redundancy costs. This option would generate a saving of approximately £96k per annum.
- 3.20 A 6-month extension to the lease is likely to be required to progress a move to SWH in autumn 2017. This will need to be negotiated with the landlord at the earliest possible point, to increase the likelihood of this being achievable.

Summary of Service and Financial implications

	Service implications	Financial implications
Relocating to Dorchester Library & Learning Centre	<p>Opening hours in line with Library, Saturdays included, early closure Weds.</p> <p>Staff reduction/restructure</p> <p>Focus on information provision and ticket sales, but the opportunity to develop and adapt the service according to business need</p> <p>Good public access</p> <p>Premises shared with similar, customer-friendly services</p>	<p>Relocation costs</p> <p>Move can be achieved within the current financial year</p> <p>Savings realised in 2017/18</p>
Relocating to SWH	<p>Opening hours in line with Council offices – Mon-Fri, no Saturday opening</p> <p>Challenge of aligning working practices with Council's Customer Services, which don't reflect TIC customer requirements</p> <p>Staff reduction/restructure</p> <p>No retail sales, focus on information provision & ticket</p>	<p>Relocation costs</p> <p>Cost to adapt and redesign SWH reception</p> <p>Extension to existing lease, likely to be at current rental rate (£29K pa)</p> <p>Savings realised in 2018/19</p>

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	sales Less convenient public access	
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4 Expected Benefits

- 4.1 Presenting the above viable option for public consultation, together with the option of closure, would fulfil the commitment made at the time of the engagement survey and offers the general public an opportunity to comment on proposals and future service delivery.
- 4.2 Both relocation options will achieve significant savings on current operating costs (but both will still incur internal recharges).
- 4.3 Whilst similar financial savings would be achievable in both locations, a move to Dorchester Library offers a more customer-friendly environment and an opportunity to be co-located with similar services. It is likely to be a less controversial move and receive more support from users of the service and local businesses.
- 4.4 It is estimated that approximately 50% of Dorchester TIC's customers are local residents and the response to the engagement survey indicates there is strong support in the town for the TIC service. The option of relocating the TIC to the library retains the service in the town centre in a very accessible location, while at the same time reducing costs by sharing premises with similar public services, and is likely to receive a generally positive response.

5 Expected Dis-benefits

- 5.1 It is envisaged that a move to SWH and the loss of Saturday trading, will result in a significant reduction in visitor numbers, potentially up to 50%. A reduction in visitor numbers is also expected if the TIC is relocated to the library, potentially up to 30%. In both locations the loss of retail sales and the location will result in fewer ad-hoc visits by passers-by.
- 5.2 However, WDDC's investment in the development of visitdorset.com, the tourist website for Dorset, which is operated in partnership with other Dorset councils and receives over 2 million visits per annum, is seen as a more efficient and modern way to ensure that visitor information is provided to the widest possible audience and that visitor spend is generated by securing bookings and through the extensive marketing of the area.
- 5.3 The expectation is that whilst moving to South Walks House and therefore continuing to run the service would be promoted by the Council as a positive PR story, the reduction in service level and the contentious location is likely to generate significant bad press and create a reputational risk for the Council.
- 5.4 The timescale for relocation into SWH (i.e. delayed until autumn 2017) presents a significant challenge in terms of staff retention.

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6 Milestone Plan

- 6.1 Following the decision of the August Executive Committee, an 8-week period of public consultation would be undertaken.
- 6.2 Confirmation of the timescales required by Dorset County Council (DCC) is awaited however officer discussions to date do not envisage an issue with a move being possible before the end of the current leasing period. The final agreement of DCC is subject to Committee approval.

7 Financial

- 7.1 The estimated costs and savings (excluding service recharges) based on the current Dorchester TIC net budget of £153,000 per annum for each option are detailed below:

Location	Estimated Cost £	Estimated Approx. Saving £	Notes
Remaining in current premises with increased commercial activity	116,861	36,145	Increased income via rental of display space and upstairs offices, printed material (leaflets) etc; and reduced employee costs based on 2015/16 budget out-turn
South Walks House	56,870	96,130	Likely to incur extension to current lease and service therefore full savings not realised until 2018/19
Dorchester Library	53,700	99,300	Can be implemented by expiry of current lease and efficiencies realised by 2017/18.

- 7.12 It is also anticipated that there will be one off costs associated with the library and South Walks House options of up to £50-£60k. This relates to such items as information technology, equipment, signage, re-decoration of current premises, stock write off and removal/ relocation costs.

- 7.13 In order to implement the above recommendations, the following internal resources will be required:

- Property/legal advice (for leases)
- Human Resources

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- IT
- Communications

8 Major Risks

8.1 The major risks are associated with the option of relocation to SWH and are identified as follows:

- Staff retention
- Reputational damage

8.2 There is limited support for relocation in general from stakeholders.

9 Document History

Revision History	Date of next revision:
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Version Number	Revision date	Previous revision date	Summary of Changes	Changes marked
			What changes have been made since the previous version	Yes/No
V2	12/07/2016	June 16	General update	No
V2.1	15/07/2016	12/07/16	General update including financials	No
V2.2	18/07/2016	15/07/16	General refinement	No
V2.3	22/07/2016	18/07/16	General refinement	No

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