

## **HIGH PEAK BOROUGH COUNCIL**

### **Report to The Executive**

**9 August 2018**

<b>TITLE:</b>	<b>Buxton Tourist Information Centre – proposal for new management arrangements</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Tony Ashton – Leader</b>
<b>CONTACT OFFICER:</b>	<b>TERRY CRAWFORD – VISITOR SERVICES MANAGER</b>
<b>WARDS INVOLVED:</b>	<b>All Wards</b>

#### **1. Reason for the Report**

To set out a proposal for the future management arrangements for Buxton Tourist Information Centre and retail at Pavilion Gardens.

#### **2. Recommendation**

- 2.1 To approve the recommendation to transfer the management and operation of Buxton Tourist Information Centre (TIC) to the Pump Room and Crescent Experience (Buxton Crescent & Thermal Spa Heritage Trust) on the terms set out in this report.

#### **3. Executive Summary**

- 3.1 Buxton Tourist Information Centre (TIC) has been located at Pavilion Gardens since June 2008 and provides a comprehensive tourism service for visiting customers.
- 3.2 The traditional TIC model is designed to provide tourists with specialist local knowledge, insight, access to relevant information and a booking facility for services such as accommodation, transport and events.
- 3.3 Advancements in technology and mobile access to web based information over the last decade has influenced a significant channel-shift in the way tourists research information and how they make decisions. More and more customers now undertake their own research prior to and whilst present in the location and this has driven a marked reduction in the use of the TIC service.
- 3.4 With the imminent outsourcing exercise to procure a third party supplier to manage the full Pavilion Gardens operation, the opening of the Pump Room and Crescent Experience in January 2019 and budget pressures to reduce the cost of the (Pavilion Gardens') subsidy, there is an opportunity and need to

look at different options for the future TIC service.

- 3.5 Discussions have taken place with the Crescent Trust and they are receptive and supportive of the concept of relocating the TIC to the newly opened Pump Room and Crescent Experience (Buxton Crescent & Thermal Spa Heritage Trust), providing that the Council contributes to the cost of operating the provision.
- 3.6 This report sets out the proposal to relocate the TIC and explains the financial benefits of doing so.
- 3.7 Although there are risks associated with the proposal, our initial calculations estimate that the Council could save in the region of £81,000 over 5-years by transferring the TIC.
- 3.8 Authorisation is requested to implement the proposal on the terms explained in this report.

#### 4. **How this report links to Corporate Priorities**

- 4.1 The Pavilion Gardens and Buxton Tourist Information Centre makes a substantial contribution to the Council's priority of promoting tourism in the High Peak. As the demands on the traditional tourism service have decreased significantly in recent years, new management arrangements are needed to create a more cost effective and sustainable operating model.

#### 5. **Options and Analysis**

- 5.1 Option 1 – To transfer the TIC provision to the Pump Room and Crescent Experience (Buxton Crescent & Thermal Spa Heritage Trust) on the terms set out in this report. In the long term this arrangement will reduce the cost to the Council of providing the service. The TIC service has clear synergies with the objectives of the Pump Room and Crescent Experience and will provide support to enable the success of the venue.  
**(Recommended)**
- 5.2 Option 2 – To close the TIC at Pavilion Gardens. The TIC provision is not included in the tender specification for the outsourcing of the Pavilion Gardens operation. Retaining the TIC would compromise the ability of the new operator to implement their plans if successful.  
**(Not Recommended)**

#### 6. **Implications**

##### 6.1 Community Safety - (Crime and Disorder Act 1998)

There are no specific community safety concerns.

## 6.2 Workforce

The proposals have been discussed informally with affected staff and further discussions will be necessary subject to the authorisation of this report.

There are 5 employees working in the TIC / retail department that meet the TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) criteria. This comprises 4 casual staff, which have worked regular hours in the department for over 2 years, and the full-time Supervisor.

Discussions with the Crescent Trust have recommended that the staff transferring should be seconded in year 1 and, subject to a satisfactory review after 12-months, the same officers would then be formally transferred to the Crescent Trust under the terms of TUPE regulations.

The staff proposals would be as follows;

1. To include the 4 casual staff (with permanent employment status) on the full TUPE establishment list relevant to the wider Pavilion Gardens outsourcing project.
2. To confirm the transfer of the Supervisor only to the Crescent Trust
3. To invite expressions of interest from the 4 casual (permanent) staff included on the full TUPE establishment list to transfer to the Crescent Trust based on a set number of available hours. The opportunity would be based on 750 hours per annum (which includes Bank Holiday cover) for 1 or more staff. This equates to 14.42 hours per week over 52 weeks.

Over last 2 years (from 1<sup>st</sup> April 2016) the average number of hours worked per annum by the casual (permanent) staff concerned has been calculated as follows;

- Employee 1 : 11.95 hours per week
- Employee 2 : 14.09 hours per week
- Employee 3 : 13.42 hours per week (June 16 – May 18)
- Employee 4 : 13.56 hours per week

It is broadly estimated that tourism duties generally amounts to around 30% - 40% of working time (so 70% - 60% on retail) and this can vary heavily throughout the year.

Further discussions will be needed with the Crescent Trust and, at the appropriate time, affected staff to try and establish the right fit for the requirements of the service at the Pump Room.

### 6.3 Equality and Diversity/Equality Impact Assessment

The report has been prepared in accordance with the Council's Diversity and Equality Policy.

### 6.4 Financial Considerations

The Council is proposing a tapered grant funding arrangement paid to the Crescent Trust over 3 years, costing £69,000 as shown below;

- Year-1 : £33,000
- Year-2 : £23,000
- Year-3 : £13,000

Enabled by the dual – retail and TIC - arrangements operated at Pavilion Gardens the cost of running the TIC service has been broadly estimated at £30,000 per annum and over 5-years the service would cost the Council in the region of £150,000 (excluding inflationary and pay increases).

By implementing the grant arrangement with the Crescent Trust to transfer the TIC, the Council would save approximately £81,000 over 5-years.

Calculations for the transferred TIC have been produced without the inclusion of any income projections from the Crescent Trust.

Although there are no plans to retain the retail provision, it should be noted that the retail operation at Pavilion Gardens has been calculated to generate a net surplus of £20,850 per annum.

The financial proposal is shown in section 8.11 of this report.

### 6.5 Legal

Advice has been provided from HR regarding the secondment and TUPE costs and implications.

There are currently 5 team members of the TIC / Retail team that meet the TUPE criteria.

### 6.6 Sustainability

The objective of this proposal is to establish a more sustainable and efficient means of operating the TIC provision in future years by reducing the cost base and putting the TIC in a place where we anticipate good levels of footfall once the Crescent is open.

### 6.7 Internal and External Consultation

Formal consultation is not required with staff earmarked for

secondment to the Crescent Trust in year 1. Informal consultation however would be undertaken with affected staff at the appropriate time.

If the decision is taken to TUPE respective staff to the Crescent Trust after 12-months then formal consultation would be needed in conjunction with HR.

It is recommended that any plans are communicated to the public when confirmed.

DAI LARNER  
**Executive Director – PLACE**

**Web Links and  
Background Papers**  
NA

**Location**

**Contact details**

**7. Background and Detail**

7.1 Since its relocation from the Crescent building in June 2008 Buxton Tourist Information Centre (TIC) has been located at Pavilion Gardens and provides a comprehensive tourism service for visiting customers.

7.2 Tourists visiting Buxton use the service to obtain information and insight about the local area and region to inform decision making and to help improve the customers' experience of Buxton and the High Peak. The service also provides a commission based booking service for a small amount of accommodation, tickets and events.

7.3 With the advancements in technology and mobile access to web based information over the last decade there has been a significant channel-shift in the way tourists research information and make their decisions. More and more customers now undertake their own research prior to and whilst present in the location.

7.4 To help illustrate this point, the TIC made 166 accommodation bookings in 2012 compared with just 16 last year. This clearly shows that consumers are now better equipped to research and instigate their own accommodation bookings, as well as buying services and products online themselves.

7.5 This same channel shift can be seen in the table below, as the number of face to face tourism related transactions with customers has also seen a huge decline.

<b>Description / Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Face to Face transactions	17,281	14,982	12,564	8,282*	6,296	6,362

*\*Octagon Hall closed in October 2015 resulting in a reduction in footfall using the wider business.*

- 7.6 Along with the financial pressures to reduce the cost of the service, inroads have been made to respond to the declining levels of tourism transactions with the introduction of the electronic self-service information points (2) in 2014. Although the self-service provision is now in need of modernisation this (invest to save) concept resulted in reduced labour costs and provides a good example of what can be achieved.
- 7.7 With the imminent outsourcing exercise to procure a third party supplier to manage the full Pavilion Gardens operation, the opening of the Pump Room and Crescent Experience in January 2019 and budget pressures to reduce the cost of the (Pavilion Gardens') subsidy, there is an opportunity and need to look at different options for the future TIC service.
- 7.8 In 2016/17 the net cost of the TIC / Retail department was £11,410.

## **8. Transferring the TIC**

- 8.1 The preferred option, which fits in well with the objectives of the Crescent Trust, is to outsource the TIC to the Pump Room and Crescent Experience (Buxton Crescent & Thermal Spa Heritage Trust).
- 8.2 Discussions with the Trust to date have been positive regarding the proposal and the general terms below have been suggested;
- 8.2.1 The TIC would be transferred to the Pump Room and opened in January 2019;
- 8.2.2 The Council would pay the Trust a grant over 3-years to subsidise the cost of the TIC;
- 8.2.3 Relevant staff would be seconded in year 1 and, subject to a satisfactory review by both parties after 12-months, transferred to the Trust under the TUPE regulations in year 2 onwards;
- 8.2.4 The present operational hours of the TIC would be retained by the Trust;
- 8.2.5 To maintain the present opening hours of the TIC the Trust have requested funding for 2 staff working 6 hours per day. However, this report includes the provision for 1 member of staff working 6 hours per day which is generally consistent with the current level of service; and
- 8.2.6 The (non-tourism) retail operation in the Pavilion Gardens would not be transferred to the Trust.
- 8.6 Within these broad terms the Council would agree a detailed Service Level Agreement (SLA) with the Trust which sets out the Council's expectations for the service.

- 8.7.1 Although not exhaustive, the SLA will include the following provisions;
- 8.7.2 The TIC service would act as a service for the whole of the High Peak and not just Buxton;
- 8.7.3 The Council will set a baseline and a set of key performance indicators to manage performance;
- 8.7.4 The service would be developed to be primarily web-based with limited paper materials (to meet the customers' preferred means of accessing information);
- 8.7.5 The service will explore additional funding for investing in improved web-based content and better aggregation of tourist information; and
- 8.7.6 The Crescent Trust will put in place appropriate staff management arrangements for seconded TIC staff.
- 8.8 The net cost of the TIC / Retail service at Pavilion Gardens in 2016/17 was £11,410.
- 8.8 Our financial modelling analysis shows that the transferred TIC at the Pump Room would cost in the region of £33,000 to operate – excluding Crescent Trust income - as apposed to the current cost of £30,000.
- 8.9 The retail operation (only) at Pavilion Gardens generates an annual profit in the region of £20,850 (based on 16/17 actual result).
- 8.10 There are risks around the retention of the retail operation at Pavilion Gardens, particularly due to the uncertainty around the outcome of the wider procurement exercise to outsource (Pavilion Gardens) to a third party supplier.
- 8.11 The table below shows the proposed tapered grant to be paid to the Trust and the impact against the present estimated cost of operating the TIC (excluding inflationary and pay increases);

Year	Proposed Annual Grant Paid to the Trust	Current cost of TIC based on 16/17 actual
Year 1	£33,000	£30,000
Year 2	£23,000	£30,000
Year 3	£13,000	£30,000
Year 4	£0	£30,000
Year 5	£0	£30,000
<b>Total</b>	<b>£69,000</b>	<b>£150,000</b>

- 8.12 The table above shows an estimated saving to the Council of £81,000 over 5-years.
- 8.13 The Trust would need to provide a full business plan for consideration which

would include financial projections. These projections will need to be factored with the Council's own analysis and proposals.

*Report ends*