

Decision maker:	Cabinet member economy and communication
Meeting date:	Monday, 18 June 2018
Title of report:	Herefordshire Destination Business Improvement District
Report by:	Economic development officer

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To approve funding to Herefordshire Sustainable Food and Tourism Partnership (HSFTP) to undertake feasibility study on the possibility of creating a Herefordshire Destination Business Improvement District (BID).

The reasons for the recommendation are that the Herefordshire Sustainable Destination Management Plan (DMP) 2018-2022 identified developing a Destination BID for Herefordshire as a key priority.

The Herefordshire Destination BID proposal has been identified in the DMP as a route to establish strategic governance and management and achieve financial independence for the sector and support the delivery of the DMP priorities for the county.

Recommendation(s)

That:

- (a) Grant funding of up to £20k is awarded to The Brightspace Foundation on behalf of the Herefordshire Sustainable Food and Tourism Partnership to undertake a feasibility study on the possibility of creating a Herefordshire Destination Business**

Improvement District.

Alternative options

1. That Herefordshire Council does not approve funding towards a feasibility study for a Herefordshire Destination BID.
2. This option could leave the council vulnerable to adverse publicity as it has supported the development of the Herefordshire Sustainable Destination Management Plan (DMP) 2018 – 2022 over recent months.
3. In the absence of HSFTP undertaking this piece of work to progress recommendations from the Herefordshire Sustainable Destination Management Plan 2018 – 2022 the actions and priorities identified in the DMP are unlikely to be achieved.

Key considerations

4. HSFTP was formed in 2014 as a merger between the Herefordshire Sustainable Food Partnership and a new Herefordshire tourism group. HSFTP is a coalition of key individuals, organisations and networks committed to providing strategic oversight in the food and tourism sector. Membership includes consultants, private businesses, the Duchy of Cornwall, National Farmers Union, Visit Herefordshire, Herefordshire and Worcestershire Chamber of Commerce, Herefordshire Rural Hub, the Rural and Farming Network, Herefordshire Council and the Brightspace Foundation (formerly the Bulmer Foundation).
5. In the 2016 tourism call under the Rural Development Programme for England (RDPE) Growth Programme it was identified that a priority in the Marches LEP area was to develop a Destination Management Plan for Herefordshire. HSFTP, with The Brightspace Foundation as accountable body, was successful in their bid to RDPE and Herefordshire's Rural Destination Management Plan 2018 - 2022 was published in October 2017.
6. City elements of the DMP were undertaken by Visit Herefordshire, the official Destination Management Organisation (DMO) for Herefordshire, with the support of Herefordshire Council. The Hereford City Destination Management Plan 2018 -2022 was published in December 2017.
7. The rural and city plans have been integrated to form a single cohesive Herefordshire Sustainable Destination Management Plan 2018 – 2022 and the priorities of the plan are:
 - a. Grow Herefordshire as a visitor destination
 - b. Growth Herefordshire's share of visitor markets
 - c. Develop great experiences and memories
 - d. Develop people.
8. HSFTP have identified that challenges facing Herefordshire to achieve the priorities of the DMP are:
 - a. Lack of appropriate governance and management for the sector

- b. Lack of financial resources to sustain Herefordshire as a competitive destination within the wider market.
9. The Herefordshire Destination BID proposal has been identified in the DMP as a route to establish strategic governance and management and achieve financial independence for the sector and support the delivery of the DMP priorities for the county.
10. A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to deliver projects which will benefit businesses in the BID area. The projects or services provided through a BID should be in addition to services provided by the council. Typically the process for setting up a BID has three phases: foundation, development and campaign and costs for all three phases have been estimated, by the Mosaic Partnership, as up to £100k, with the foundation phase being up to £20k. The feasibility study is the foundation phase of the process.
11. The Brightspace Foundation would be the accountable body for funding for the feasibility study for the Destination BID and HSFTP would act as a steering group overseeing the process. The Brightspace Foundation will be responsible for tendering for a consultant to undertake the feasibility study
12. When it was being set up in 2014 the initial group of businesses developing the Hereford BID successfully secured a £40,000 loan from central government (through British BIDs) to set up a BID in Hereford. If the feasibility study indicates that there is support for a Destination BID HSFTP would look to a similar loan and other sources of funding support to cover the remaining costs (the development and campaign phases) of setting up a Destination BID for Herefordshire.
13. The Hereford BID raises over £250k per annum funded by a levy at 1.2% of the rateable value of each of the eligible properties in the BID area, this is used to deliver the projects outlined in their business plan.
14. The feasibility study will establish if a Destination BID for Herefordshire is appropriate and will identify the most effective route to developing a BID through consultation with eligible businesses, establishing BID boundaries, developing cash flow models and exploring management and governance structures. The Herefordshire Destination BID is likely to cover the whole of Herefordshire excluding the area of the existing Hereford BID which covers part of the city.
15. The BID is responsible for defining the types of businesses to be included in the scheme along with the levy charges. The Herefordshire Destination BID has an aim include food and drink, retail, tourism, cultural and creative businesses.
16. A destination BID offers the potential of a step change away from traditional tourism sector support mechanisms to a sustainable and strategic alternative built on genuine and binding mutual dependences, partnerships and business focus.

Community impact

17. The Destination Plans for Herefordshire; Rural, Hereford City and the combined Herefordshire Sustainable Destination Management Plan 2018 -2022 all outline the value and impact of tourism on the county and the benefits that building a strong sector will bring.

18. Herefordshire Core Strategy 2011 – 2031 (Policy E4) states that “Tourism in Herefordshire will be promoted as a destination for quality leisure visits and sustainable tourism by utilising, conserving and enhancing the county’s unique environmental and heritage assets and by recognising the intrinsic character and beauty of the countryside.”
19. Existing and emerging neighbourhood planning policy frameworks support the promotion of tourism across Herefordshire.
20. The Herefordshire Economic Vision launched in June 2017 identifies tourism, food and drink, heritage and cultural businesses as an integral part of the county economy. The vision also recognises the need to implement the DMP to co-ordinate activity and encapsulate new visitor economy drivers.
21. Current figures for tourism in Herefordshire show that £442m was generated in 2015 with 6,668 jobs in the sector. Key outcomes in DMP, to be achieved by 2022, include:
 - a. 5% rise in visitor numbers to Herefordshire
 - b. 6% rise in the value of visitor spend
 - c. 10% rise in people employed in tourism
 - d. £15m per year increase in visitor spend
22. A successful Destination BID would have the management structure, governance and the income raised by the BID levy which would enable them to deliver the actions and outcomes detailed in the DMP to the economic benefit of the county.

Equality duty

23. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
24. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

Resource implications

25. The request from HSFTP is for a one-off grant of £20,000 to fund a feasibility study which will need to be funded from our existing current revenue base budget.

26. There are resource implications regarding the local authority role and involvement in the development of a Destination BID. When the Hereford BID was being developed the economic development team, legal team, finance team, revenues and benefits team and electoral registration service were all involved in drawing up the levy rules and operating agreement.
27. Herefordshire Council's revenues and benefits department act as the administration and produce the annual levy invoices and collect the levy for Hereford BID, this is a service that is paid for by Hereford BID from its Levy. The impact of undertaking the same type of support for a Destination BID would have to be considered.
28. For the Hereford BID ballot an independent organisation, Electoral Reform Services, ran the ballot. The alternative is that the council electoral registration service could undertake this work for the Destination BID ballot should it get to that stage, which would be a paid for service.
29. The Herefordshire Destination BID has an aim include food and drink, retail, tourism, cultural and creative businesses; there would be financial implications to the authority should any of our own properties be part of the BID and be subject to the levy charges. The authority would also have to vote in the BID ballot for any premises which are identified as being part of the Destination BID.

Legal implications

30. The council has powers including under s1 of the Localism Act 2011 to make this proposed grant funding to the tourism partners identified in this Report and generally to promote tourism and inward investment into Herefordshire. The grant will need to be secured by way of a grant funding agreement in order to secure delivery of the desired outputs. This should be a relatively straightforward document given the value and clear scope of the deliverables proposed.
31. There are no other significant legal implications identified in this report.

Risk management

32. Herefordshire Council is no longer responsible for the delivery of tourism services in the county.
33. HSFTP have already taken steps to galvanise the sector locally with their work on the DMP, the feasibility study is the next step in their aim of delivering sustainable long term solutions for delivery and support of tourism in Herefordshire.
34. If the BID proceeds, following the feasibility study, new/ emerging risks will be identified and recorded on the relevant risk register.

Consultees

35. Consultation for the Herefordshire Sustainable DMP was undertaken by HSFTP over a period of four months with over ninety strategic national, regional and local partners and stakeholders (including farming and food production, tourism associations, specialist groups, food businesses).
36. A list of consultees and their collated responses can be found in appendices 3 and 4 in the Herefordshire Sustainable Destination Management Plan 2018 -2022.

Appendices

Appendix A: Herefordshire Sustainable Destination Management Plan 2018 – 2022 [click here](#)

Appendix B: Herefordshire Economic Vision [click here](#)

Background papers

None