

Herefordshire Destination Business Improvement District

Decision maker: Cabinet Member Environment and Economy

Decision date: 15 November 2021

Report by: Head of Economy

Classification

Open

Decision type

Key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To agree to vote yes in the Herefordshire County Business Improvement District ballot due to be held in November 2021. Should the ballot be successful, the Business Improvement District (excluding Hereford City Centre, which has an existing Business Improvement District) will implement a 5 year business led programme to support the growth of the tourism and retail across Herefordshire.

If the BID is formed, the council will be liable for a levy of 2% on business rate payments on 23 units in our ownership equating to £14,515 per annum.

Recommendation(s)

That:

- a) **the Head of Economy be authorised to vote in favour of the Herefordshire County Business Improvement District on behalf of the council;**

- b) should the outcome of the ballot support the development of the Herefordshire County BID, approve the payment of the levy on liable properties in the council's ownership, calculated to be £14,515 per annum for a period of up to five years.**

Alternative options

1. The council could decide to not vote in the ballot or to vote 'no'. Given the number of votes the council holds (23) this may mean that the proposed development of the Herefordshire County BID is unsuccessful. This would severely limit the growth of a key local industry significantly impacted by Covid 19. Should the Herefordshire County BID not be approved following the ballot the council would save £14,515 per annum in levy payments. However, establishing any alternative arrangements is likely to be significantly more expensive for the council.

Key considerations

2. Eligible businesses and property owners will be invited to vote in a ballot regarding the proposed development of a Herefordshire County Business Improvement District (BID) between 2 and 30 November 2021. As the council owns 23 properties that would be impacted, the purpose of the Cabinet Member decision is to agree to vote yes as part of the ballot.
3. A BID is developed and run by businesses and is an arrangement where they and other contributing partners get together, and decide what improvements they want to make in their destination. This goes into a business plan which is voted on by all those who would have to pay a contribution to the delivery of the business plan (business rate paying business over an identified threshold defined in the plan). The Herefordshire County BID would last for a maximum of five years and must be able to demonstrate how it benefits the businesses that have funded it.
4. The proposed Herefordshire County BID would focus on tourism and independent retail, complementing the existing Hereford city centre BID that is already in place (currently in their second 5 year term).
5. Until mid 2020 there had been no significant promotion of Herefordshire's tourism offer for circa 10 years. Over the past 12 months a wide range of marketing and PR activity has been implemented through short term Covid 19 funding, with a number of leading national media outlets identifying Herefordshire to be a top 10 'staycation' destination and the first TV advert having a reach of over 8.3 million people. The success of the campaign has clearly demonstrated the benefits of collaborative working.
6. As the county continues to recover from Covid 19, and to support the growth of a key local sector (defined as hospitality, visitor attractions, accommodation and retail), there is a timely opportunity for the private and public sector to work better together through a BID. The county has a fantastic offer for both day and overnight visitors, able to compete with more recognised tourism destinations across the country, but there is limited awareness of what is available here at present.
7. The market towns across Herefordshire are critical to the local economy, both in terms of their offer to visitors but also to local residents as places for shopping, leisure, events and hospitality. The role of all towns and city centres is changing, and we need to work together to ensure the towns remain attractive, vibrant places for trade. The size of each of the market towns means that they are unlikely to be able to create a viable BID on their own (in terms of the numbers of potential levy paying businesses in any one town). A county wide BID will provide a route to supporting the visitor economy and the wider retail sectors in all of the market towns and across the rural areas.

8. The development of the Herefordshire County BID has been overseen by a private sector led Task Group (Appendix A).
9. If the ballot is successful eligible businesses (tourism and retail) with a rateable value of more than £12,000 will be required to pay a 2% levy on their business rates. The average Herefordshire business will pay circa £700 per year, smaller businesses (circa 50% of those able to vote) will pay circa £300. The council has 23 units that would be liable for paying a levy to a total value of £14,515. As such the council is eligible to vote 23 times in the ballot.
10. Should the ballot be successful, a BID company board would be formed, who would be responsible for implementing the business plan. The business plan identified that the Herefordshire County BID would generate circa £431K per annum from the fees levied for five years (totalling £2.155m), which would be utilised across three key themes;
 - Communicate – Attracting visitors and spend by promoting Herefordshire through targeted and stand out marketing and building high impact and segmented campaigns with our partners to elevate our profile regionally and beyond.
 - Connect – Providing high quality experiences by ensuring all touch points, from initial welcome to guiding visitors to our unique assets, maintain the highest standards. This extends to our attractions, market towns, outdoors spaces and providers, all of which will represent Herefordshire and offer high standards of customer service.
 - Collaborate – Act as an advocate enabling collaboration and networking, identifying and seeking to address issues, raising standards and affecting change, challenging the status quo and moving the agenda forward.

Community impact

11. The visitor economy and independent retail are key local sectors both in terms of direct employment, as well as creating and promoting a high quality place for people to live, work, study and invest. A STEAM economic impact assessment undertaken by Global Tourism Solutions indicates that in Herefordshire in 2019, visitors to the county spent £571million, which supporting circa 6,000 local jobs. Due to Covid 19, in 2020 visitor spend reduced to £271m, supporting circa 3,000 jobs.
12. The development of the Herefordshire County BID will continue to support the recovery, and growth of a key local industry securing local employment. Improvements to events, public realm, and wayfinding will also be of benefit to local residents.
13. The council's County Plan 2020 to 2024 states that we will *'Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism'*. The County Plan also states *'The council will make a positive commitment to invest in the support and development of tourism and our valuable visitor economy. We are convinced that there continues to be a significant role for the council to play in enabling growth in the number of visitors to the county, especially for those encouraged to stay for more than a day'*.
14. The development of the Herefordshire County BID will contribute to the council's corporate delivery plan 2020 to 2022 action *'EC5.1 Work with private sector partners to support the growth of the tourism industry across Herefordshire building on our strengths of outdoor activities, heritage & culture; and support the development of a destination business improvement district'*.

Equality duty

15. 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.
16. 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.
17. The development of the Herefordshire County BID will equally benefit all businesses in the visitor economy and independent retail sectors through the promotion of opportunities for day and overnight visits to the county, supporting the recovery from Covid 19 and securing employment. Marketing and PR campaigns will promote opportunities for people from all communities and backgrounds to visit the county. Any improvements to public realm, signposting/ wayfinding, cycle and walking infrastructure will ensure improve access for all.

Environmental Impact

18. The county's outstanding natural environment, and opportunities for activities such as walking, cycling and canoeing, are a fundamental element of our visitor offer and attraction. The development of a BID is an opportunity to further enhance cycling, walking and other facilities for both visitors and residents.
19. In addition to the natural environment, a key focus of the marketing and branding of the county has been on our locally distinctive high quality food and drink offer. Local sourcing of food and drink and other areas of the supply chain will be a focus of the Herefordshire County BID.
20. The Business Plan (Appendix B) states that during the consultation with businesses, more than 50% stated that they would like any future BID to focus on the development of 'green tourism'. Under the collaboration theme the Business Plan states the BID will (if formed) '*work collectively to develop eco-friendly tourism and sustainable business practices*'.

Resource implications

21. Should the outcome of the ballot support the development of the Herefordshire County BID, the council would be legally liable for the 2% payment of the levy on the business rates of eligible premises. In total 23 premises have been identified as being liable for the payment, which would require the council to make a levy payment of £14,515 per annum for 5 years (totalling £72,575).
22. Therefore, should the ballot be successful, there will be a negative impact on the Property Services Business Rates budget of £14,515 per annum.

| Revenue or Capital cost of project (indicate R or C) | 2021/22 | 2022/23 | 2023/24 | Future Years | Total |
|--|---------|---------|---------|--------------|-------|
| N/A | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

| Funding streams (indicate whether base budget / external / grant / capital borrowing) | 2020/21 | 2021/22 | 2022/23 | Future Years | Total |
|---|---------|---------|---------|--------------|-------|
| N/A | £000 | £000 | £000 | £000 | £000 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

| Revenue budget implications | 2021/22 | 2022/23 | 2023/24 | Future Years | Total |
|---|---------|---------|---------|--------------|---------|
| Should the ballot be successful there is a negative impact on the Property Services Business Rates budget of £14,515 per annum based on a 2% levy on business rates on eligible premises (23 units) (R) | £14,515 | £14,515 | £14,515 | £29,030 | £72,575 |
| | | | | | |
| | | | | | |
| TOTAL | £14,515 | £14,515 | £14,515 | £29,030 | £72,575 |

Legal implications

23. The Herefordshire County BID would be regulated by The Business Improvement Districts (England) Regulations 2004 which legislates for all aspects of development and operation of business improvement districts.
24. If the outcome of the ballot supports the creation of the Herefordshire County BID, a company will be formed which will be responsible for the operation of the BID and for using the BID levy for the purposes of achieving the BID arrangements.

Risk management

25. The following are the key risks ;

| Risk / opportunity | Mitigation |
|--|--|
| The BID ballot is unsuccessful | Should the BID ballot be unsuccessful, there is no alternative option available which would generate the equivalent level of funding required to support the promotion of the county's tourism and retail offer. Some businesses have indicated that they would still want to work collaboratively. It is likely that the council will receive requests for alternative funding. |
| BID is formed but fails to deliver the Business Plan | If the Herefordshire County BID ballot is successful a company limited by guarantee will be formed to implement the business plan, overseen by a Board of Directors. It is likely the council will be invited to appoint a director to the Board, as per the current Hereford city BID Board. The BID company will appoint appropriate staff who will be responsible for performance reporting to the Board. |

Consultees

26. Political Group consultation undertaken. Responses have been received from the following Cllrs;
- Cllr Louis Stark stated support for the proposed Herefordshire County BID, as Ross on Wye is unlikely to be able to sustain a separate town only BID, but on proviso that there is benefit to Ross. It is anticipated that should the BID be formed, all of the market towns will benefit.
 - Cllr Milln supported the proposed decision to vote in favour of the Herefordshire County BID.
 - Cllr Kenyon stated that he feels that given the financial implications businesses should make the decision through the ballot, and as such the council should abstain from voting on this issue. Cllr Kenyon's comments are noted. Although as the council would be required to make a significant financial contribution, the BID has been developed by the private sector, and it would support a number of the priorities and actions in both the County Plan 2020 to 2024 and the Delivery Plan 2020 to 2022. Therefore, the recommendation remains to vote yes in the ballot.

Appendices

Appendix A – Herefordshire County BID Task Group

Appendix B – Herefordshire County BID Business Plan 2022 to 2027

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

| | | |
|----------------|---------------------|-----------------|
| Governance | Sarah Buffrey | Date 02/11/2021 |
| Finance | Louise Devlin | Date 25/10/2021 |
| Legal | Alice McAlpine | Date 29/10/2021 |
| Communications | Luenne Featherstone | Date 21/10/2021 |
| Equality Duty | Carol Trachonitis | Date 21/10/2021 |
| Risk | Paul Harris | Date 02/11/2021 |

Approved by Neil Taylor Date 04/11/2021

Please include a glossary of terms, abbreviations and acronyms used in this report.