



Meeting: Council

Date: 25th September 2014

Wards Affected: All Wards

Report Title: Proposal to develop a Torbay Retail and Tourism Business Improvement District (TRTBID) for Torbay

Is the decision a key decision? No

When does the decision need to be implemented? September 2014

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1. Purpose and Introduction

- 1.1 It is proposed to reduce Council funding to support tourism activity after March 2016 and therefore alternative funding models are required to ensure that the destination marketing and visitor information service continues to increase tourism across Torbay. The Mayor's budget proposals has increased the transitional funding that is to be provided to the English Riviera Tourism Company to £350,000 for the purpose of continuing destination marketing and visitor information services for the 2015/16 financial year.
- 1.2 There are currently three retail Business Improvement Districts (BID's) operating in Torquay Town Centre, Paignton Town Centre and at Babbacombe. The Torquay Town Centre BID is about to end and after consultation with all the existing retail BID leaders, it was agreed that a TRTBID which combines both retail and tourism businesses was the best option going forward.
- 1.3 By developing a combined arrangement between both retail and tourism it was considered that the marketing of the destination and all it had to offer would have the greatest impact in central support and marketing when Torbay is faced with competition from other competing destinations and shopping centres.
- 1.4 Initial indications suggest that if the TRTBID was successful through the ballot with businesses this would deliver £1m pounds per annum for the five year period, providing town centre specific activities as well as national and international destination marketing. This would make Torbay the largest and most valuable Retail and tourism BID currently operating within the UK.

2. Proposed Decision

- 2.1 To allocate up to £100,000 from Torbay Council budgets, over a two year period (2014/15 and 2015/16) to develop the TRTBID to reach the ballot expected in autumn 2015.
- 2.2 The Council endorses the proposed representation and function of the TRTBID Task Group to take forward the development and consultation stage of the TRTBID project.

3. Reason for Decision

- 3.1 The Mayor in his draft budget proposal allocated transition funding of £300,000 to the English Riviera Tourism Company to maintain the destination marketing and visitor information service, this is proposed to be increased to £350,000 following Priorities and Resources Panel meetings.
- 3.2 The introduction of the TRTBID would maintain the tourism destination marketing and visitor information function following the reduction in funding of the English Riviera Tourism Company from April 2016 who currently deliver this service.
- 3.3 To acknowledge that the retail sector and the tourism sector would be more affective working in a collaborative way to increase staying and day visitors and well as increasing footfall within the town centres and retail areas.
- 3.4 To ensure the structure and representation of the Task Group leading the TRTBID to the vote is fully representative of the whole sector.
- 3.5 To provide a fairer funding solution which business all contribute too for the development of marketing and associated activity, which is attractive to residents and visitors to Torbay and will equally benefit all retail and tourism sectors.
- 3.6 To meet the need to re ballot the Torquay Town Centre BID by including this in a wider TRTBID proposal.

Supporting Information

A1. Position

A1.1 What is a RTBID:

- A1.1.1 An arrangement whereby business (retail and tourism related) get together, decide what additional improvements they want to make, how they are going to manage and deliver those improvements, and what it will cost them. This can include services like additional cleaning, infrastructure improvements; marketing activity and events like the

Christmas Lights. The agreed improvements all go into a business plan to cover the whole period which is voted on by all those who would be within the designated geographical area and would have to pay (the BID Levy). The TRTBID period can last for a maximum of 5 years and must be able to demonstrate how it has benefited businesses that have funded it.

A1.1.2 The BID Levy payment is either based on a percentage of rateable value of the business property (usually 1-1.5%) or through an agreed banding system which is fair to all size of businesses. The model is developed through the consultation stage so all businesses included are aware of the payment they will have to make at the time the vote is taken.

A1.1.3 The ballots success is dependant on over 51% of those who voted, voting 'Yes'. This is must be 51% of individuals who voted and must be 51% of the rateable value of those who voted. This is to ensure that is it fair to both large and small businesses equally. If the vote is won; then all businesses balloted and identified in the geographical area from all the sectors included in the TRTBID proposal will be duty bound to pay the agreed BID Levy (whether or not they voted Yes or No).

A1.1.4 The local authority is responsible for collecting this BID Levy on behalf of the TRTBID organisation as part of the normal business rate charging process. If businesses fail to pay the BID Levy then the same recovery systems for other forms of business rates apply.

A1.1.5 In the case of an existing BID being in place (e.g. Paignton and Babbacombe) this can be addressed through an 'Alteration Ballot' where the organisations agree to join the new TRTBID at the point of the ballot; or they can elect to join the organisation through a contract arrangement with the TRTBID but still maintain their own identity and funding arrangement.

A1.2 What are the benefits for Torbay:

A1.2.1 The TRTBID would enable both sectors to benefit significantly. The retail sector would see increased footfall and income throughout the shopping areas, and the tourism sector increased staying and day visitors.

A1.2.2 In developing a new TRTBID for Torbay it will allow businesses to have more control and be more involved with the marketing and management of Torbay, and be a major player in its strategic development. The ultimate aim is to ensure that Torbay attracts more visitors, more spend and more investment so that existing businesses prosper and new ones choose to locate here.

A1.2.3 The exact projects and activities which the TRTBID undertakes to achieve will be decided by businesses through a major consultation exercise which will result in the development of a structured business plan that all businesses who will ultimately pay the BID Levy can sign up to. This document will be active for the life to the five year period and will ensure that all who are participating can see the outcomes and achievements from their investment.

A1.2.4 This TRTBID will involve tourism and retail working more closely together and the existing three retail BID's and Brixham tourism and retail businesses included as part

of a proposed new organisation. This organisation is made up of all the levy payers. This brings in all shopping areas rather than a specific focus on the town centres.

A1.2.5 This will allow for revenue opportunities to be maximized to support the promotion of Torbay as a leading UK destination.

A1.2.6 TBIDs are an exciting and sustainable way to manage places and are increasingly being used by destinations to ensure that they are competitive both in marketing and managing their offer. Recently Bournemouth, Dartmouth and Greater Yarmouth have introduced TBIDs, where business get together and fund activities such as marketing and promotion. These areas will now raise over £9m in 5 years to do this work.

A1.3 How will the TRTBID be developed:

A1.3.1 The Mosaic Partnership is the UK's leading developer of TBID's and has recently completed the Greater Yarmouth RTBID. They have successfully delivered 65 BID's across the country as well as working in the USA. It is proposed that the Mosaic Partnership are commissioned by Torbay Council to undertake the Torbay TRTBID.

A1.3.2 The Mosaic Partnership has fully agreed and approved the details proposed in this report and is confident that the TRTBID will achieve the aims of the retail and tourism sectors.

A1.3.3 The Torbay TRTBID Project Manager who would be a new independent appointment made by the Mosaic Partnership would lead the development and consultation stage of the TRTBID.

A1.3.4 In the development stage of the TRTBID it is critical that a task group assists with the consultation and development stage and that this fully represents the geographical area and is balanced to reflect the value of all sectors equally. The list of the proposed members of the task group identified in A1.3.4., have been agreed with the Mosaic Partnership. This includes current Town Centre BID organisations, other groups representing all retailers, tourism organisations including, hoteliers, self catering accommodation providers and holiday parks, as well as visitor attractions that are to be included in the sector groups. This will also include local authority representation as the Council will pay a significant levy for public toilets, leisure facilities, transport, visitor attractions, beach huts and all car parks. The Council is likely to have the most votes in the ballot and one of the highest contributions at circa £30,000 p.a., which will have to be budgeted from 2016/17.

A1.3.5 The ballot of the proposed levy payer is expected to be taken in the autumn of 2015.

A1.3.6 The Task Group which will be chaired by the Mo Aswat of the Mosaic Partnership will be assembled to assist the TRTBID Project Manager in engaging all the local retail and tourism businesses, and to develop the priorities identified by the potential BID Levy payers. The proposed representation of this group for Torbay is as follows:

- One Representative from:
 - Torquay Town Centre Company

- Torquay, Paignton and Babbacombe BID's (3 representatives)
- The English Riviera Tourism Company
- The Torbay Tourism Association
- Brixham Chamber of Commerce
- Torbay Self Catering Association
- British Holiday and Home Parks Association (or local equivalent)
- Torbay Attractions Marketing Group
- Federation of Small Businesses
- Institute of Directors
- Torquay Chamber of Commerce
- RICC
- Torbay Development Agency
- A large hotelier
- A large retailer
- A transport representative
- Torbay Council (2 representatives – one from the administration group and one opposition party)
- Local media partner

These representatives should where possible be either the chairman or vice chairman and not paid officials of the organisations represented. All members of the task group are expected to give time in supporting the activities in the project throughout the development and consultation stage.

A1.3.7 The development of the TRTBID has to comply with a government Statutory Instrument - 2004 No 2443 – The Business Improvement Districts (England) Regulations where there are strict processes to be followed to undertake the development and the implementation of the TRTBID.

A1.4 How will the TRTBID be managed if successful:

A1.4.1 If a 'Yes' vote is achieved then a TRTBID organisation will be developed. The representation will reflect the make up of the BID Levy payers. For example if 60% of businesses who were balloted were retail, then this would be reflected in representation on the organisations board.

A1.4.2 Every BID Levy payer would be able to nominate and vote democratically for their representatives, and be fully transparent by holding them to account for the activities and how the money is spent. It is recommended that all BID Levy payers have open access to the general matters part of all board meetings to ensure that all developments throughout the period is transparent and open to challenge. There have been problems with retail BID's in Torbay where members who have paid the Levy considered that they could not hold the organisation to account.

A1.4.3 The key officers of the organisation will be elected from within the Board itself. Any costs for the management and operations of the organisation will be funded from the annual TRTBID Levy contributions.

A2 Possibilities and Options

A2.1 Options:

A2.1.1 For the Council to continue to financially support tourism. This would mean that the additional funding from the Councils revenue budget would have to be allocated if the Mayor Draft Budget for 2015/16. This would also mean that the current Town Centre BID's would have to continue to be managed as single entities.

A2.1.2 To not fund tourism and allow the private sector to fund directly through membership or partnership fees. This could result in an unequal arrangement where some businesses pay and others do not. If Destination Marketing was funded in this way all businesses would benefit with no compulsion for every business to pay into this scheme.

A3 Fair Decision Making

A3.1 Extensive consultation has taken place through the feasibility stage of the project with the retail tourism sectors including the current Town Centre BID organisations. There will be consultation with all other relevant local business organisations throughout the development and consultation stage of the project.

A4. Public Services (Social Value) Act 2012

A4.1 Advice was sought from the Procurement Service in relation to a direct award of the Contract to Mosaic Partnership. The value of the Contract is below the current OJEU limit and therefore falls within the scope of the Council's Financial Regulations and Contract Standing Orders, which require an open and competitive tendering process to be undertaken, although an exemption can be sought under certain circumstances. Research has identified a very limited supplier market and Mosaic Partnership have a track record which shows them to be the market leader in this field. On the basis that it would be in the best interests of the Council and people of Torbay the Procurement Service would support a request to Waive Financial Regulations and Contract Standing Orders in order to make direct award to Mosaic Partnership, subject to the approval of the Mayor, Director of Place and Chief Finance Officer.

A5. Risks

A5.1 To not proceed with the TRTBID development

A5.2 Failure of the RTBID at the point of the ballot due to lack of support from the retail and tourism sector

A5.3 Both risks would result in the loss of potential funding for the tourism sector and would mean the Torquay Town Centre BID would have to be separately balloted leaving a gap in the provision of the service this retail BID provides.

Appendices

None

Additional Information - None