



Meeting: Overview and Scrutiny Board **Date:** 8 July 2015

Wards Affected: All Wards

Report Title: Torbay Retail and Tourism BID – Update

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1. Key points and Summary

- 1.1 In September 2014, the Council agreed to allocate up to £100,000, over a two year period, to develop the Torbay Retail and Tourism Business Improvement District (TRTBID) and to endorse the TRTBID Task Group to take forward the development and consultation stage of the TRTBID project.
- 1.2 The Mosaic Partnership was commissioned to develop the TRTBID and after several months of consultation, a Summary Business Plan was issued at the end of May 2015. Comments have been received from many businesses and this feedback has informed the Final Business Plan, which is almost complete.
- 1.3 Following the feedback and the results of the TRTBID consultation, the Task Group has taken the decision to extend the timetable for ballot for the TRTBID. This will now take place from mid October – mid November 2015.
- 1.4 This report provides the background and an update on the current position in respect of the TRTBID.

2 Introduction

- 2.1 The Council is expecting large budget cuts over the next three years and it is recognised that, after March 2016, it will need to review level of direct funding it provides in support of tourism activity. In September 2014, the Council considered an alternative funding model that would ensure that the destination marketing and visitor information service continues to increase tourism across Torbay. Consequently a TRTBID proposal is being developed that would see the retail and tourism business sectors working in a collaborative way to increase staying and day visitors, which in turn would increase footfall within the town centres and retail areas.
- 2.2 There are currently two retail Business Improvement Districts (BID's) operating; one in Paignton Town Centre and the other at Babbacombe. The Torquay Town Centre BID ended earlier this year. 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.

- 2.3 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 destinations and shopping centres.
- 2.4 A new TRTBID would only proceed following a successful ballot of those businesses that would be liable to pay the annual BID levy. However, if a 'Yes' vote was secured then the levies would deliver £1m per annum for the five-year period of the TRTBID. The operating budget would provide for 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.
- 2.5 A TRTBID is 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.
- 2.6 The BID Levy payment model has been developed through the consultation stage so that it is fair to all size of businesses and so that all businesses included are aware of the payment they will have to make at the time they vote on the proposed TRTBID. It is proposed that the TRTBID levy will be applied to all businesses with a rateable value of £7,500 or more, who have a rates categorisation linked to the retail and tourism sectors, as pre-determined by the TRTBID Task Group.
- 2.7 The ballot's success is dependent on over 51% of those who voted, voting 'Yes'. This must be 51% of individuals who voted and must be 51% of the rateable value of those who voted. This is to ensure that it is 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).
- 2.8 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.
- 2.9 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.
- 2.10 A new TRTBID for Torbay will allow businesses to have more control and be more involved with the marketing and strategic development of Torbay. The

ultimate aim is to ensure that Torbay attracts more visitors, more spend, more investment so that existing businesses prosper, and new ones choose to locate here.

- 2.11 The exact projects and activities, which the TRTBID undertakes to achieve, are being 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.
- 2.12 This TRTBID will involve tourism and retail working more closely together and the existing two retail BIDs and many other tourism and retail businesses are included as part of a proposed new BID Company. Unlike the existing and previous BIDs, the new company will include all shopping areas rather than a specific focus on the town centres. It will also provide for revenue opportunities to be maximized to support the promotion of Torbay as a leading UK destination.
- 2.13 A TRTBID is seen as an exciting and sustainable way to manage an area and this model is increasingly being used by destinations to ensure that they are competitive in both marketing and managing their offer. Recently Bournemouth, Dartmouth and Great Yarmouth have introduced TBIDs, where business get together and fund activities such as marketing and promotion.
- 2.14 A TRTBID Task Group has assisted the TRTBID Project Manager to engage all the local retail and tourism businesses to develop the priorities identified by the potential BID Levy payers. The Task Group fully represents the geographical area and is balanced to reflect the value of all sectors equally. Members of the Task Group have been drawn from the existing 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. The Council is represented on the Task Group, as it will pay a significant levy for a variety of tourism related properties, including toilets, leisure facilities, visitor attractions, beach huts, the harbours and all car parks.
- 2.15 The development of the TRTBID has had to comply with The Business Improvement Districts (England) Regulations 2004, where there are strict processes to be followed to undertake the development and the implementation of a BID.
- 2.16 If a 'Yes' vote is achieved then a TRTBID organisation will be developed. The representation will reflect the makeup of the BID Levy payers. For example if 60% of businesses who are balloted are from the retail sector then this would be reflected in representation on the organisations Board.
- 2.17 Every BID Levy payer would be able to nominate and vote democratically for their representatives and the governance would be fully transparent. Levy payers would hold the Board to account for the activities of the company and how the money is spent. It is expected 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 are transparent and open to challenge.

2.18 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.