

Report subject	<b>Accommodation BID</b>
Meeting date	6 March 2024
Status	Public Report
Executive summary	This report outlines proposals for an Accommodation Business Improvement District (ABID) covering the whole of the Bournemouth, Christchurch and Poole region. Cabinet are asked to confirm that the proposals do not conflict with Council policy. They are also asked to instruct the Chief Executive (as Ballot Holder) to put in place arrangements to hold the ABID ballot.
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <ul style="list-style-type: none"> <li>i. Cabinet note the proposals for the Bournemouth, Christchurch and Poole Accommodation BID from the ABID Shadow Board BID Proposer</li> <li>ii. Confirm that the proposals do not conflict with any policy formally adopted by, and contained in a document published by, the Council.</li> <li>iii. Delegate to the Chief Executive the authority to instruct the Ballot Holder to hold a BID ballot.</li> <li>iv. Delegate to the Chief Operations Officer, in consultation with the Portfolio Holder for Tourism, the Council's vote on the ballot, as a levy member operating the Bournemouth Beach Lodges</li> <li>v. Noting that if the ABID is approved, the Council will be responsible as the Billing Authority for collection of the BID levy in accordance with the BID arrangements.</li> <li>vi. Note that the Council has been offered, and would accept a permanent voting seat on the ABID Board for the 5-year term. The Council's voting representative to be the Leader of the Council or a deputy nominated by them</li> </ul>

Reason for recommendations	<p>A successful ballot would lead to a significant step change in the levels of investment across destination, raising at least £2m a year to invest in marketing, events, placemaking and partnership activities over the course of the 5-year term of the ABID. Its purpose, to support growth in the visitor economy by targeting an increase in higher value staying visitors throughout the year.</p> <p>The proposals support the Council's plans to deliver a balanced medium term financial plan by supporting growth of the local economy with no additional costs to the Council.</p> <p>Enabling the community to take forward this initiative is fully aligned to the Council's Corporate Plan strategic aims and objectives including Place &amp; Environment and People &amp; Communities</p>
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Portfolio Holder(s):	Cllr Millie Earl
Corporate Director	Jess Gibbons – Chief Operations Officer
Report Authors	Andrew Emery – Strategic Development Manager, Planning & Destination
Wards	Council-wide
Classification	For Decision

## Background

1. The visitor economy is important to Bournemouth, Christchurch and Poole and supports over 10,000 local jobs which equates to 7% of the local workforce. Whilst day visitors make up the vast majority of visitors, the highest spending group are overnight staying guests across hotels, guest houses and Airbnb-style rentals. Local hotels attracted an estimated 651,400 visitors staying 1,887,000 nights and spending an estimated £204,346,000 in the local economy in 2022.
2. Leading local tourism industry and business organisations have recognised the need for the destination to maintain its competitiveness and encourage more high value staying visitors to stay throughout the year and beyond the traditional summer season. With public sector finances coming under significant pressure, local industry bodies recognise that BCP Council cannot continue to support destination promotion activities in the long term
3. The local Hoteliers Association (BAHA) have come together with the Destination Management Board which is the local tourism industry liaison group, along with the four Business Improvement Districts and BCP Council to establish an Accommodation BID or ABID as a vehicle to raise investment to fund destination activities and inject new growth into high value areas of the local visitor economy. Investment derives from a levy charged per room night to guests staying in local hotels. The levy rate will be set out in the business plan, to be developed by the BID Proposer through consultation with the hotel operators.
4. The 'visitor charge' model is well established in Europe and across the globe. However, this approach is new to the UK. The first two ABIDs were established in 2023 in Manchester and Liverpool. Following a successful launch, many cities and destinations are currently looking at introducing a similar approach.

5. The Bournemouth, Christchurch and Poole ABID is seen as an investment for the future which could raise at least £2m a year to invest in the destination. It would be applied across all visitor accommodation within the conurbation with a ratable value over £40,000, subject to consultation with the businesses who would be balloted to establish the ABID. This is estimated to include around 73 businesses.
6. A 5-year business investment plan is currently being developed by the ABID Shadow Board in consultation with local accommodation providers which will be balloted on in April. This will set out key areas for tourism levy investment and will likely include:
  - **International & Domestic Destination Marketing, PR & Events for Leisure & Business:** for example: targeted marketing campaigns to drive up year-round visitors and investment in major destination scale events and festivals to attract high spend staying visitors and extend the summer season.
  - **Destination Placemaking & Logistics:** for example, investment in safe and welcoming public spaces, collection of high quality data and intelligence to measure performance and support businesses in their decision making to attract new visitors to the area
  - **Destination Showcasing, Funding & Partnerships:** for example, working with regional and national bodies, including Visit England, and commercial partners to leverage additional investment in infrastructure and visitor services to meet opportunities for growth
7. Under the [Business Improvement District Regulations 2004](#) the Council is required to support any proposals for a new BID coming forward, provided it is satisfied that the proposals align with policies adopted by the Council.
8. The investment principles proposed by the ABID align to the Bournemouth, Christchurch and Poole [Tourism Strategy 2023-27](#)
  - C1: Council to transition to enabling partner, working with the Destination Management Board to identify a new model of Destination Management for Bournemouth, Christchurch and Poole
  - C5: Working in partnership to deliver a more productive and resilient visitor economy and destination management eco-system
9. The Council is invited to vote in the ballot as levy operator for the Bournemouth Beach Lodges visitor accommodation. The Chief Operating Officer will vote, in consultation with the Portfolio Holder for Tourism. Council also has a role to play as Ballot Holder, under the BID regulations to hold the ballot for the new ABID and declare the result. Should the ABID be voted in, the Council will be responsible for the quarterly collection of the visitor charge

from hotels, passing on the collected funds to the ABID minus the costs for collection

### Impacts on Council Services:

10. It is anticipated that, once established, the ABID will take a lead on destination management. Arrangements are under development with the ABID Shadow Board to ensure a smooth transition as the Council steps away from funding destination activities.
11. The Council will remain a key partner within the visitor economy, responsible for the management of the seafront, parks and gardens, museums, car parks, public spaces, facilitating events and directly operating a number of commercial visitor facilities and attractions across the seafront.
12. A set of baseline statements will be developed to support an operating agreement between the Council and the ABID. This will set out the activities each party can commit to deliver, ensuring no overlap.

### Alignment to the Council's Strategic Goals:

#### 13. Corporate Plan (2024)

Corporate Plan	ABID proposals alignment
<p>Our Place and Environment: Vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment</p> <ul style="list-style-type: none"><li>• Our communities have pride in our streets, neighbourhoods and public spaces</li><li>• Our inclusive, vibrant and sustainable economy supports our communities to thrive</li></ul>	<p><b>Destination Placemaking &amp; Logistics:</b> for example, investment in safe and welcoming public spaces, collection of high quality data and intelligence to measure performance and support businesses in their decision making to attract new visitors to the area</p> <p><b>International &amp; Domestic Destination Marketing, PR &amp; Events for Leisure &amp; Business:</b> for example: targeted marketing campaigns to drive up year-round visitors and investment in major destination scale events and festivals to attract high spend staying visitors and extend the summer season.</p> <p><b>Destination Showcasing, Funding &amp; Partnerships:</b> for example, working with regional and national bodies, including Visit England, and commercial partners</p>

	to leverage additional investment in infrastructure and visitor services to meet opportunities for growth
<p>We are an open, transparent and accountable Council, putting our people at the heart of our services</p> <ul style="list-style-type: none"> <li>• Working closely with partners, removing barriers and empowering others</li> </ul>	Enabling the business community to establish a step change in investment to support the destination visitor economy through the set up of the ABID

## Options Appraisal

### Option 1:

14. Council endorses and enables the establishment of the ABID proposal and key areas for investment. Should the ABID not be voted in (a minimum 50% vote in favour is required from the c.73 accommodation providers) there would be a high risk of all destination promotion activity ceasing unless alternative options funded by the industry came forward.

### Option 2:

15. The ABID is not supported in its present form on the basis of BID Regulations 2004, Section 4 (4) Where the relevant billing authority is of the view that the BID proposals, renewal proposals or alteration proposals conflict with a policy formally adopted by and contained in a document published by the authority (whether or not the authority is under a statutory duty to prepare such document) the authority shall, as soon as reasonably practicable after receiving the proposals, notify the BID proposer or BID body, as the case may be, in writing explaining the nature of that conflict.
16. The Council may decide, in this situation to request the ABID Shadow Board develop and consult on new proposals that do align, in the Council's view, with BID Regs 2004: Section 4(4).
17. Delay to the formation of the ABID may result in a significant hiatus of destination marketing / website provision between the Council stopping activity and a revised ABID being established. This would have significant economic and reputational impacts for the visitor economy including commercial activities run in house by the Council that benefit from visitors, which include car parking and seafront commercial trading. This may then introduce significant new pressures to balancing the Council's budget.

### **Summary of financial implications**

- 18.If the ABID is approved, the Council's Revenue and Benefits Service will undertake the administration and collection of the levy. Any costs incurred for the collection will be met by the ABID Company.
- 19.The cost for holding the ballot will be funded by the Bournemouth, Christchurch and Poole Accommodation BID.
- 20.The Council, as levy payer and operator of the Bournemouth Beach Lodges, would be liable to apply the visitor charge to its guests.

### **Summary of legal implications**

- 21.The ABID as a company, would be limited by guarantee.
- 22.ABID would be run by a Board of Directors, all of whom would represent businesses from the private sector or organisations paying the BID levy. Members of the ABID elect their Board of Directors. The Board of Directors will be responsible for overseeing the delivery of projects, ensuring that they are delivered on time, in budget and to the highest standards possible. As set out in the Business Plan, the Directors will represent key sectors of the visitor accommodation industry, Destination Management Board, the four Business Improvement Districts, BH Area Hospitality Association and BCP Council.
- 23.An Operations Agreement is being drafted by the Council that outlines the terms of the relationship between the ABID company and the billing authority.
- 24.Baseline Agreements will be drawn up with relevant Service Unit Heads covering: Regulatory Services; Cleansing; Car Parking; CCTV; Market; Tourism and Events. The Baseline Agreements determine the current commitments of the Council in the existing 4 BID areas and the proposed new ABID to ensure that there is no duplication of activities from the ABID funds.

### **Summary of human resources implications**

25. None

### **Summary of sustainability impact**

- 26.Increased UK visitor market share resulting from a compelling and well promoted Bournemouth, Christchurch and Poole destination offer can support a drive to reduce UK Outbound tourism trips in favour of domestic holidays and trips. The rise of eco-tourism offers a key differentiation and growth market. The ABID may choose to focus on developing this market, in line with the strategic goals and evidence base set out in the BCP Tourism Strategy 2023 - 2027

### **Summary of public health implications**

27. None

## Summary of equality implications

28. The Bournemouth, Christchurch and Poole Accommodation BID is a proposal for hotelier businesses, of whom a majority (both in terms of number and collective rateable value) would need to vote in favour, in order for it to be implemented. Subsequently, it has been considered that the proposal does not impact any protected or disadvantaged groups.

## Summary of risk assessment

29. Key strategic risks:

Risk	Action	Rating
Ballot & implementation delivery delays	Working with ABID Shadow Board to identify options to sustain tourism website, marketing and pr activities until ABID established.	High
Ballot produces a 'no' vote resulting in no destination marketing activities beyond September	Working with tourism partners to identify a plan B	Medium
Loss of political support	Early engagement with Cabinet (Leader & Deputy sit on Shadow Board)	Low
Loss of Officer resource to enable delivery	Resource to be full cost recovery and funded from collection of the levy	Low

## Background papers

1. BCP ABID Newsletter: fact sheet issued to hotel operators