



## Committee report

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| Committee | <b>EXECUTIVE</b>  |
| Date      | <b>10 MARCH 2016</b>  |
| Title     | <b>DESTINATION BUSINESS IMPROVEMENT DISTRICT (D-BID) – STATUTORY PHASE</b>  |
| Report of | <b>LEADER AND EXECUTIVE MEMBER FOR RESOURCES, ORGANISATIONAL CHANGE AND CHILDREN'S SERVICES AND THE EXECUTIVE MEMBER FOR PUBLIC TRANSPORT, TOURISM, RECREATION AND HERITAGE</b> |

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### EXECUTIVE SUMMARY

1. Executive approval was given on 4 August and 24 September 2015 to work in partnership with Visit Isle of Wight (VIOW) to support the development of a detailed Destination Business Improvement District (D-BID) proposition and provide a loan to the organisation of up to £80,000 for the purpose, repayable over the BID term.
2. This report sets the progress made since September and the support required from the council to enable the BID process to move forward to the ballot phase. Before moving forward however the council must consider whether it still supports the attached BID proposal on the basis of the BID regulatory requirements. In addition support for the proposal will trigger payment of the second £20,000 instalment of the loan facility given to VIOW to develop the D BID.
3. To be successful the BID would require the support of the majority of businesses in any participating sectors who would, as a result, pay an additional levy on top of their business rates.

### BACKGROUND

4. A BID is a mechanism for local businesses to work together to determine activities to increase revenues and support local economic growth. The regulations which allow BIDs to be created require that any proposition to raise an addition levy from businesses rates is supported by a majority of the business rate payers concerned.

5. Further background to the BID process is set out in the previous report to the Executive in September 2015, a link to which is listed below as a background paper.
6. VIOW is the Island's Destination Management Organisation (DMO) and in order to sustain its activity in the face of reducing resources, including in 2016/17 a significant reduction in core Isle of Wight Council funding, it has been exploring the opportunity to bring forward a Destination BID (D-BID) proposition.
7. Since September 2015 VIOW has consulted more than 300 businesses on the possibility of creating a local BID. The initial proposal suggested that tourism and retail businesses with a rateable value of £7,500 or more would be invited to become levy payers and beneficiaries of a scheme to raise funds used to increase the number of visitors to the Island.
8. After further consultation with potential levy payers VIOW is now proposing an alternative approach. The new proposal is for a more defined Tourism Business Improvement District (T-BID) with a lower levy scope to only automatically include those businesses in the industry with a rateable value of £3,000 or above. This decision was taken following the consultation given a limited level of support from retailers and the response from many smaller tourism businesses who felt they had a part to play in supporting the visitor economy.
9. To date more than 90 per cent of tourism businesses consulted agreed with the changes, provided that the spending plans and management of the BID company (VIOW) is sufficiently transparent and truly inclusive of all partners, levy payers and other potential investors.
10. The amended proposal is for all those in the tourism industry with a rateable value of £3,000 to contribute. These businesses will:
  - be automatically consulted on the plans from this point forward;
  - receive a draft and final copy of the five year plan;
  - be eligible to vote for or against the creation of a T-BID;
  - subject to a successful vote, contribute financially by a levy equal to 1.75 per cent of their annual rateable value (or £150 a year, whichever is the higher); and
  - receive BID member benefits, contribute to plans and strategies and receive direct benefits from the BID. Such benefits might include discounted or free advertising or lower rates for various services.
11. VIOW has now developed the attached draft BID proposal to the point at which the council needs to consider the proposal in line with certain statutory responsibilities as set out in the BID (England) Regulations 2004 and the regulatory amendments made in 2013, 2014 and 2015. The Executive has the right to veto the proposal, in line with statutory requirements, and as such this is a critical hurdle for the BID to progress to the ballot phase.

12. At present analysis by VIOW suggests that the council is liable for 37 tourism related premises or hereditaments and so has an additional role in the BID process as a levy payer. As such, at the next stage in the process,(currently scheduled for May 16) the council will need to decide how the council will cast all its 37 votes. Further work will be undertaken with VIOW to verify the exact number of liable hereditaments.
13. In May, the council will also need to consider that a financial provision will be needed to cover total levy payments on its 37 hereditaments currently calculated at £13,241 per annum, over the next five years, if the BID ballot is positive.
14. Under the BID regulations the council also has specific responsibilities in the following areas (as in paragraphs 15-24) and can veto the BID proposal if the criteria set-out below are not met.
15. **Veto of BID proposals** (*regulation 12*) - the council should satisfy itself that the BID proposal does not conflict with any existing formal council policies nor propose a disproportionate burden on particular businesses by way of an unfair levy charge on a certain 'class' of levy payers.
16. The current proposal does not conflict with key existing council policies. Analysis by officers also confirms that the proposal does not place a disproportionate burden on any one group of businesses either through a disproportionately higher rate that is not reflected in the scope of the BID proposals or a disproportionately lower rate for certain businesses leading to unfair subsidisation.
17. **Submission of the BID proposals** (*regulation 4*) - the council should be satisfied that the attached submission from VIOW includes:
  - a copy of the summary BID proposals;
  - a consultation report detailing the extent of the consultation;
  - a summary of the business plan, particularly finances and financial management of the BID; and
  - a demonstration that finances are available to cover the cost of the ballot in the event that it fails and if the number of persons voting in favour was less than 20 per cent of the number of persons entitled to vote.
18. VIOW have submitted all of the necessary information including the draft proposal, consultation report and BID business plan. In addition, VIOW is not required to demonstrate that funding is available to cover the cost of the ballot as this cost will be met by the council as part of its agreement to support BID development.
19. **Content of the BID proposals** (*schedule 1*) - the council needs to check that the final BID proposals include all of the details stated within schedule 1 to the BID regulations. Schedule 1 to the regulations is attached at appendix A for reference.

20. As a result of ongoing refinements to the BID proposal it may need further modification. Given the timescales involved, any further changes (provided these are not substantive) may need to be agreed via the Chief Executive in consultation with the relevant Executive member. This approach may also enable the timely sign-off of the BID proposal in accordance with schedule 1 of the BID regulations and an Operating Agreement. The Operating Agreement largely relates to the process of levy collection on behalf of VIOW by the council.
21. If the BID proposal is subject to further substantive change, although VIOW advise this is unlikely, then an opportunity for further approval arises in May when the Executive considers how to vote in the ballot.
22. Once these statutory obligations have been fulfilled and only if all of the elements, described above, have been included in the BID proposal can the ballot process be instigated. In submitting this draft proposal VIOW is partly notifying the council that it wishes to put proposal for a BID to a ballot. Finally the BID proposer (VIOW) needs to formally notify the billing authority (Isle of Wight Council) to instruct the local authority's returning officer to hold the ballot.
23. Executive members should also be aware that the timing of the ballot should not be impacted by the EU referendum to be held on 23 June. The BID ballot will be a postal ballot of just over 1,000 businesses, with the Notice of Ballot likely to be published in May with a ballot date in mid-July.
24. A summary of the summary BID proposal is attached at Appendix B.

## STRATEGIC CONTEXT

25. The council's Corporate Plan 2015-2017 key objectives are as follows:
  - Supporting growth in the economy, making the Island a better place and keeping it safe.
  - Keeping children safe and improving their education.
  - Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care.
  - Ensuring that all resources available are used in the most effective way in achieving the Island's priorities.
26. Tourism is a key part of the island's economy and any proposition seeking to sustain and grow the visitor economy would support the council's objective of making the Island a better place.

## CONSULTATION

27. The consultation exercise undertaken by VIOW has been critical to the development of the BID proposal and in enabling the council to fulfil its duties under the BID regulations. Details of the process are described in full in the relevant section of the proposal at Appendix B. The proposal has

fundamentally changed to reflect feedback from more than 300 tourism businesses during the process to date.

28. The formal consultation process closed in February although an informal process continued until the VIOW annual tourism conference on 2 March. Interested parties will also be able to find out more about the BID proposal by visiting the BID website or by taking part in the online survey.
29. The importance given by VIOW to consultation feedback is reflected in the changes that have been made to the proposal to date. In particular the decision to focus on the tourism sector and not on retail has resulted in a significant reduction in the number of businesses proposed to be included in the BID and the potential revenue.
30. Effective consultation has been critical in shaping the proposal that will require the support of a majority of tourism related businesses at ballot in order for it to succeed.
31. VIOW has also continued to work with members of the BID Task Group throughout the process. The task group worked to develop the original DBID proposal and included industry representatives from both the retail and tourism sectors.

#### FINANCIAL / BUDGET IMPLICATIONS

32. Costs to the council in supporting the BID can be broken down across the three main phases of the BID process.
33. The first relates to BID development, supported via a loan of £80,000 to VIOW and the cost of holding the ballot. The loan of up to £80,000 has been allocated to VIOW from the council's general resources budget. The loan is secured by a funding agreement with VIOW with a repayment schedule over the first four years of the BID term. If the BID is unsuccessful the loan will have to be written-off – thus creating a revenue pressure for the council. The loan is being paid in three instalments with the second instalment of £20,000 due if the Executive agrees the recommendations in this report. The postal ballot will be absorbed by the council from the economic development budget with the cost estimated at no more than £8,000 (printing ballot papers, postage, notification to voters etc.) and is non-recoverable.
34. The second relates to any costs associated with the Operating Agreement, largely in regards to levy collection. The council will be responsible for levy collection on behalf of VIOW and all of the associated costs will be initially paid by the council, but will be reclaimed in full from the BID levies collected before any payment of such to the BID company.
35. The third element relates to the BID being successful and a number of council premises then being liable to pay a levy contribution to the BID. An initial review has indicated that all 37 properties (including leisure centres) could contribute £13,241 per annum. In May the council will need to consider the budgetary implications over the proposed five year term of the BID if it chooses to vote positively for the BID. This will include reference to the

council's current £10,000 annual contribution to VIOW as a board member of the organisation as currently structured although this structure will need to be reviewed if the D BID is successful.

36. As part of the council's deliberations and resolutions in considering the Medium Term Financial Plan, the authority has confirmed and paid its core funding of £330,000 to VIOW for 2015/16, but has resolved to remove this resource for 2016/17 onwards.

### LEGAL IMPLICATIONS

37. The power to undertake the BID process is included in Business Improvements Districts (England) Regulations 2004. A BID company is normally established as an independent entity which could be established as part of VIOW although this would require changes to the company's articles and structure.

### EQUALITY AND DIVERSITY

38. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The development of a wider range of accessible community services on the site may contribute to the council's obligations to observe and promote equality and diversity under the act.

### OPTIONS

39. The options available to the Executive are as follows:

**Option A** Not to veto the BID proposal and agree that it is complete and can proceed to the ballot phase. That approval is given to the Chief Executive in consultation with the Executive member for Public Transport, Tourism, Recreation and Heritage to sign-off the final proposal in accordance with schedule 1 An Operating Agreement with VIOW, and to pay the second instalment (£20,000) of the loan.

**Option B** To veto the BID proposal, prior to the ballot phase, on the basis that proposal conflicts with council policies, is unfair, disproportionate and incomplete.

### RISK MANAGEMENT

40. If the council chooses to veto the BID proposal, given the regulatory power available, then there is a significant risk that the BID proposal would cease to be developed and the council will need to write off the first £30,000 instalment of the loan. In addition the resources available to VIOW in order to promote

and develop a high quality tourism offer on the Island in support of the broader local economy would be greatly diminished. It may also undermine the sustainability of VIOW. Ultimately less resource to promote the Island as a destination will lead to reduced visitor numbers and as a consequence impact on jobs and economic growth.

41. Even if the council agrees to support the BID proposition, the proposal developed by VIOW may fail to win support from the majority of businesses who would be required to vote in support of it. A no vote would result in the loss of the council's loan provided to support the development of the D-BID. In order to mitigate this risk the council has structured the loan fund in phases with milestones to be passed to confirm the next tranche of funding. This will ensure that the council's financial risk is minimised. In addition the council has been able to ensure, as a member of the BID Task Group, that VIOW has developed a robust and inclusive business engagement campaign as part of the bid process and to set out the benefits of a BID and ensure the final proposition receives is best placed to achieve majority support.

## EVALUATION

42. The BID process provides an opportunity to underpin the existing levels of private sector investment currently supporting the growth of the visitor economy. The establishment of VIOW and the engagement of local tourism related businesses in taking ownership of and leading on this agenda needs to be maintained in the longer term and without the funds to facilitate the BID, the impact of reducing resources will inevitably have a wider impact on the island's economy.
43. While there is always a risk that the majority of business will not support a levy to deliver additional services, there is the opportunity to campaign for and deliver around £450,000 per annum to invest in improving the visitor economy through a BID proposition which is supported by the private sector and compliments the existing levels of council services.

## RECOMMENDATION

**Option A** Not to veto the BID proposal and agree that it is complete and can proceed to the ballot phase. That approval is given to the Chief Executive in consultation with the Executive Member for Public Transport, Tourism, Recreation and Heritage to sign-off the final proposal in accordance with schedule 1 an Operating Agreement with VIOW, and to pay the second instalment (£20,000) of the loan.

## APPENDICES

44. Appendix A - Schedule 1 of the BID regulations.
45. Appendix B - BID proposal

## BACKGROUND PAPER

46. Executive report (Paper C) September 2015 – BID background  
[www.iwight.com/Meetings/committees/Executive/15-9-15/PAPER%20C.pdf](http://www.iwight.com/Meetings/committees/Executive/15-9-15/PAPER%20C.pdf)

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# APPENDIX A

## Schedule 1 to the BID Regulations

1. (1) Subject to sub-paragraphs (2) and (3), the matters which shall be included in BID proposals are—

(a) A statement of the works or services to be provided, the name of who will provide them (the name of the BID body or local authority BID body) and the type of body the provider is (whether a local authority, a company under the control of the authority, a limited company or a partnership);

(b) A statement of the existing baseline services (if any) provided by the relevant billing authority or other public authority;

(c) A description of the geographical area (including a map showing that area) in which the proposed BID arrangements are to have effect;

(d) A statement of whether all non-domestic ratepayers in the geographical area or a specified class of them are to be liable to the BID levy, an explanation of how the amount of the BID levy to be levied is to be calculated and an explanation of whether any of the costs incurred in developing the BID proposals, holding of the ballot or implementing the BID are to be recovered through the BID levy;

(e) A statement of the specified class of non-domestic ratepayer (if any) for which and the level at which any relief from the BID levy is to apply;

(f) A statement of whether the BID arrangements may be altered without an alteration ballot and, if so, which aspects of the BID arrangements may be altered in this way;

(g) A statement of the duration of the BID arrangements; and

(h) A statement of the commencement date of the BID arrangements

**BID Proposal**

# ***THE WIGHT BID***

# ***2016-2021***

*A Tourism Business Improvement District for the Isle of Wight*

***PROPOSAL***

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## EXECUTIVE SUMMARY

Visit Isle of Wight is one of the most successful destination management organisations in the UK and has, since its inception in 2012, demonstrated a quite unusual capacity to forge strong partnerships with local businesses and deliver creative and exciting campaigns designed to boost the Island's visitor economy. But like other similar bodies, it faces serious challenges stemming from a loss of public sector funding at a time when the UK's visitor economy is demonstrating real growth potential driven by consumers' desire for authentic and high quality experiences.

Capitalising on the organisation's strong track record, a decision has been made to develop an Island-wide tourism-based 'business improvement district' or BID.

Subject to support in a ballot, the 'Wight BID' will be funded through a levy on businesses that operate in the tourism sector based upon an annual contribution of 1.75% of the rateable value of each business premises. The BID will commence on September 1<sup>st</sup> 2016 and last for five years. The levy will raise £2 million and provide leverage for an additional revenue stream of up to £1.5 million over the duration of the BID programme.

We have undertaken an extensive consultation programme with tourism businesses on the Island and have identified a number of clear priorities that will provide the basis for our BID programme, priorities that we believe will lay the foundations for future growth of our visitor economy. The Wight BID will focus on three themes:

- **Attracting visitors for life** - How we grow our market and increase visitor spend
- **Delivering the Experience (and explore more!)** - The total visitor experience and how we can encourage visitors to explore the whole island
- **Working together** - Our approach to improving our prospects for success through collaboration and partnerships.

This BID proposal also includes plans to reform the governance of Visit Isle of Wight placing the levy payers at the heart of the decision making process and capitalising upon the creative talents of the Island's business community.

The decision on whether the BID progresses or not will be made by tourism businesses through a ballot that will take place on July 12<sup>th</sup> 2016. Support for this exciting initiative in the ballot will enable Visit Isle of Wight to continue its quest to grow our visitor economy and build our capacity to attract more visitors and underpin the Island's economic future.

## OUR VISION: RESTORING A SUSTAINABLE TOURISM ECONOMY

## **FOREWORD BY SIMON DABELL**

### **CHAIR – VISIT ISLE OF WIGHT**

**The Isle of Wight is blessed with characteristics that make it one of the loveliest places in the UK to holiday, and since its launch in 2012, Visit Isle of Wight has played a pivotal role in leading campaigns to raise the profile of the Island and position itself as one of the UK's premier holiday destinations.**

Over the course of the last three years we have secured:

- A 50% increase in the number of first-time visits to the Island
- A £44 million increase in visitor spend
- A 35% increase in the length of high-value overnight stays
- Over £6 million worth of media coverage to underpin our extensive marketing campaigns

The partnership we have forged between our organisation and the Island's tourism industry can be justly proud of these achievements but more recently, the capacity of local authorities and central government to directly invest in the tourism sector has diminished considerably. Consequently, there is a pressing need for us to work ever more collaboratively to deliver the kinds of programmes we need to raise the profile of the Island, to stimulate investment in the visitor economy and ensure businesses are able to flourish.

We have spent a considerable amount of time working with industry leaders over the course of the last year looking at all avenues open to us that would enable us to respond to these challenges, and we have concluded that the preferred option is to develop '*The Wight BID*', a business-centred Isle of Wight Business Improvement District specifically tailored to support the visitor economy.

Over the course of the last nine months, we have worked with representatives of the Island's tourism sector to develop outline proposals for our BID. We have held workshops, conducted an on-line survey to canvas views, had numerous face-to-face meetings, and implemented an extensive media campaign to raise awareness of our plans so that we can develop an in-depth understanding of businesses' views and priorities.

The response to our proposal to develop a BID to support the development of the visitor economy has been overwhelmingly positive and we have refined our initial thoughts to focus on those actions which we believe will best deliver sustained business growth and give us the edge over our competitors. We are now inviting you to look at this proposal which sets out what we aim to do, how we will work with the industry, what we aim to achieve, and to raise any queries with us prior to casting your vote on July 12<sup>th</sup> 2016.

I hope you will keenly support this exciting new venture which we believe, by standing shoulder to shoulder, will open up a new and exciting chapter for the visitor economy of our wonderful Island, and I urge you to vote YES in the ballot.

*Simon Dabell*

## WHAT IS A BID?

**A Business Improvement District is a defined area within which specific classes of business are required to jointly fund a programme of activities, agreed through a ballot of the levy payers, designed to deliver business growth and improve the trading environment in which they operate.**

The key requirements of all BIDs include:

BIDs were first introduced into the UK over a decade ago having operated elsewhere in the world for over 40 years. There are now over 240 programmes operating across the UK supported by thousands of businesses ranging from major retailers to small independent shops, from hotels to visitor attractions, and from major industrial sites to small enterprises. What they all have in common is their focus on supporting programmes that have been developed in collaboration with local businesses that address the specific needs and priorities of each locality.

While every BID is different, and tailored to the needs of the local business community, all BIDs are regulated by the Business Improvement Districts (England) Regulations 2004 which set out the legal framework within which BIDs must operate. The Wight BID will comply with these regulations as well as the '*Industry Criteria and Guidance Notes for BIDs 2015*' produced by British BIDs.

- The organisation developing the BID should offer businesses that are affected the opportunity to express their views through a consultation programme.
- A 'BID Proposal' which contains all the important details of the project must be published and made available to all businesses liable to pay the levy which funds the BID programme.
- The opportunity for all businesses who are prospective levy payers to take part in a secret ballot based upon the 'BID Proposal' which will determine if the BID will operate or not.
- The need for over 50% of those voting in the ballot to be in favour of the BID, and those voting in favour to represent more than 50% of the rateable value of the properties of those who took part in the ballot, for the BID to be implemented.
- A time limit on the duration of the BID and a requirement for any renewal of the BID to be subject to a further ballot.
- An obligation for all those eligible to take part in the ballot and stipulated in the BID Proposal, to pay the levy, which is normally based upon a percentage of the rateable value of their business premises.

## THE WIGHT BID – THE KEY FACTS

**Visit Isle of Wight is proposing to invite tourism businesses across the Island to participate in a Business Improvement District, which aims to stimulate growth in the visitor economy and deliver a programme of activities designed to increase visitor numbers, improve the quality of their experience while on the Island, and enable the organisation to better identify and champion the needs and priorities of local businesses.**

**As a prospective BID levy payer, you should be aware of the following key facts:**

- The BID will comply with the Local Government Act 2003 and The Business Improvement District (England) Regulations 2004 (the 'Regulations')
- The BID will be managed by Visit Isle of Wight which will be responsible for ensuring the BID Proposal is implemented within budget and on-time.
- Visit Isle of Wight (Number 08138988) is a 'not for profit' company limited by guarantee whose registered office is The Guildhall, High Street, Newport, Isle of Wight PO30 1TY .
- The BID arrangements will commence on September 1<sup>st</sup> 2016 and operate for 5 years, ending on August 31<sup>st</sup> 2021.
- All businesses defined in Appendix A will, if the ballot is successful, be liable to pay the levy.
- Any new business that begins to operate during the BID which had it operated at the commencement of the BID would have been eligible to take part in the ballot and subsequently liable to pay the levy, shall be liable to pay the levy from the beginning of the first chargeable period after the business commences trading.
- A ballot of businesses liable for the payment of the levy will be held, and will be deemed to be carried if more than 50% of businesses participating in the ballot approve the BID arrangements and those voting in favour represent more than 50% of the rateable value of those participating in the ballot.
- The person responsible for the payment of business rates will be entitled to one vote in the ballot for each hereditament that is liable for the payment of the levy.
- The levy will be charged annually in advance on a chargeable day basis. No refund will be made if a property is disposed of and liability for the BID levy in future years transfers to a new owner or tenant.
- The levy for the first chargeable period commencing on September 1<sup>st</sup> 2016 will be set at 1.75% of the rateable value of each business premises on April 1<sup>st</sup> 2016, or £150, whichever is the higher.
- The levy for the second and subsequent 'chargeable periods' will be 1.75% of the rateable value of the premises on the first day of April of that year or £150 whichever is the higher.
- The BID levy will be charged to businesses during September annually and will be payable in full within 30 days of the date of the levy demand.
- The person responsible for the payment of the levy will be the person responsible for the payment of the National Non Domestic Rates for the premises.
- If the rateable value of any premises reduces during the course of the BID to a level below £3000, then that business will no longer be liable for the payment of the BID levy from the beginning of the next chargeable period after the reduction in rateable value takes effect. Likewise, if the rateable value of any premises increases from a level below £3000 to a rateable value of £3000 or more, then it will become liable for the payment of the levy from the beginning of the next 'chargeable period'.
- Except where the rateable value of a premises changes, the levy payable in respect of each premises will not increase from one chargeable period to the next.
- Businesses such as registered charities whose business rates are eligible for certain reliefs will pay a levy based upon their full rateable value.
- VAT will not be charged on the BID levy.
- The levy will be collected by the Isle of Wight Council or a body contracted to do so, on its behalf, and passed to Visit Isle of Wight to implement the programme set out in the BID Proposal. The process for collection and enforcement will be the same as the council applies to the collection of NNDR.
- The Council will account for the money in accordance with the Regulations.
- The levy cannot be used to fund services that local authorities are required to provide as a part of their statutory responsibilities.
- All of the revenue raised from the BID levy will be utilised for the purposes of delivering the programme set out in this proposal.
- No part of the BID arrangements will be altered without an alteration ballot.
- The BID will apply to the whole of the area administered by the Isle of Wight Council and shown on the map.
- The council will make a charge for the cost of collection on a basic cost-recovery basis.
- The cost of conducting the ballot will be borne by the council.
- In the event that the ballot is unsuccessful, no similar BID will be developed and submitted to a vote within 12 months of the ballot being rejected.
- The finances of the BID will be independently audited on an annual basis and the summary accounts will be made available to levy payers at the annual general meeting of Visit Isle of Wight.
- Management accounts will be produced on a quarterly basis and submitted to the Visit Isle of Wight board of directors and to the Isle of Wight Council. Visit Isle of Wight will formally report annually to levy payers on progress and achievements.

## ***THE BID AREA***

The BID area will extend to the whole of the Isle of Wight, being the area administered by the Isle of Wight Council.

INCLUDE A MAP TO SHOW THE GEOGRAPHICAL EXTENT OF THE BID.

## **WHY YOU SHOULD VOTE 'YES'**

**The aim of the Wight BID is to forge a new and exciting partnership between Visit Isle of Wight and local businesses to improve the economic prospects of the Island's tourism industry. It will lead to a potential increase of 370,000 trips over the lifetime of the BID and could generate more than £60million for the Island's economy from a total investment of around £3.5million. Importantly, all of the levy paid by businesses will be invested in the delivery of the BID programme.**

**With your support, our programme can be a real 'game changer'.**

Support for the Wight BID will enable us to:

- Deliver real additional growth in first time and repeat visitors.
- Promote the Isle of Wight as a must-see destination in the UK to higher demographic groups capable of travelling to the Island often.
- Deliver an 18:1 return on investment in marketing activity.
- Work with all levy payers to champion local products and experiences.
- Protect ourselves from competitor activity aimed at wooing our loyal repeat visitors away from the Island.
- Build on improvements in the length of stay and first-time visitors secured during the first three operational years of Visit Isle of Wight.
- Take the next step in turning Visit Isle of Wight into a fully democratic, transparent, accountable and effective destination partnership that is fully engaged with local businesses.
- Increase first time and repeat visits by developing and implementing creative and dynamic marketing campaigns that communicate the quality and diversity of the Island's tourism offer.
- Implement measures designed to enhance the quality of the holiday experience and improve circulation of information about what to see and do.
- Encourage visitors to stay longer by working with organisations responsible for the provision of transport to, from, and around the Isle of Wight, to make the Island more accessible and to encourage our visitors to explore the diversity of the place.
- Help ensure that the built and natural environment and especially our beaches are maintained to the highest standards by our partners.
- Encourage investment that enhances the visitor experience.
- Help us to reduce red tape that stands in the way of progress, and be the official voice for tourism.
- Champion the priorities of tourism businesses at a local, regional and national level.
- Identify and be open to opportunities that will support medium to long-term growth in the visitor economy.

# CONSULTATION

**Between November 2015 and March 2016 we carried out a consultation programme and invited over 1,200 businesses to meet us and to tell us about their priorities through an online survey, facilitated workshops and face to face meetings.**

We:

- Met with 267 business leaders representing 195 business organisations.
- Held 20 public consultation workshops.
- Produced an online survey which generated over 100 responses.
- Distributed over 1,500 documents to prospective levy payers explaining our plans.
- Held 29 one-to-one briefings with key business organisation leaders.
- Held briefings and interviews with the Island's print and broadcast media.
- Analysed the results of a survey of over 15,000 mainland residents about their perceptions of the Island as a holiday destination.

**You told us that your priorities were:**

- **The creation of marketing campaigns that would attract more visitors to the Island.**
- **Improving access to the Island and ferry services that better meet the needs of the visitor economy.**
- **Helping people to get around and explore the Island.**
- **Providing award-winning beaches and maintaining an outstanding natural environment for visitors to enjoy.**
- **A stronger and more influential voice for the Island's tourism business community at a local, regional and national level.**

We have undertaken a detailed analysis of your responses to our consultation programme and created programmes based upon three themes which we believe will have the greatest impact over the course of the BID. It's important to stress that the activities that the BID levy will fund will be reviewed with you annually so that we can fine-tune them where necessary, to respond to changing market conditions and emerging opportunities.

Some of your priorities will be delivered by Visit Isle of Wight leading a partnership with local businesses, while others can only be delivered in collaboration with public service providers, local communities, businesses and other strategic bodies. Consequently, Visit Isle of Wight's role will in some cases be the delivery body of the programme, while in others its role will be as a partner, advocate, or the representative voice of the industry.

Our conversations with you also highlighted strong support for Visit Isle of Wight as the body best placed to lead the Wight BID and widespread interest in participating in new corporate governance arrangements that we plan to bring forward. You told us that you sought much better recognition of the importance of tourism to the Island's economy and a more joined-up approach to solving the problems that the visitor economy faces.

**Our BID proposal addresses these key issues.**

# THE WIGHT BID PROGRAMME

## THEME 1 – Attracting Visitors for Life

**Delivering effective destination marketing campaigns is crucial to the success of the Island's visitor economy. We face strong competition from high quality destinations within the UK and overseas and our capacity to compete depends upon us collaborating to invest in creative and effective marketing campaigns.**

### What you told us:

- Over 90% of you said that off-Island marketing is a very high priority with domestic short-breaks and long holidays of almost equal importance.
- You highlighted the need to deliver promotions and campaigns to improve shoulder periods and during events such as the Isle of Wight festival when many visitors stay away from the Island.
- Consultees had differing views about who to target: Many thought London was a clear target, most thought that visitors need to be from higher demographic groups, and some thought that marketing should be carried out across the country.
- Many of you said we should recognise the role played by overseas visitors to the Island, especially given their high level of spending.
- You asked for more research into why people aren't coming here and what products and experiences we need to improve or develop.
- Most people consulted felt that we need to improve the negative perceptions of the Island regarding travel and access.
- Events and festivals are very important drivers for our tourism sector and you would like to see new events and festivals supported.

### What we plan to do:

- Run high-profile above-the-line advertising campaigns in the Spring and Autumn featuring an enriched Island brand and supported by a press office function to deliver quality editorial in target markets.
- Concentrate on attracting new, higher demographic, first-time visitors.
- Introduce campaigns and improvements in information provision both on and off-Island to encourage people to stay longer and spend more.
- Position the Island as the ultimate relaxing break – the '*nearby far away escape*'.
- Devise and run a rolling 'customer relationship marketing programme' based upon our database of over 150,000 previous visitors to encourage repeat visits.
- Develop our working links with overseas markets through Visit Britain, Visit England and Tourism South East partnerships.
- Allocate 10% of the entire marketing budget to new research to tell us not just who is coming, but why some are not, and what we need to do about it.
- We will continue to focus on shoulder season growth above all else and will develop new thematic promotions and other new reasons to visit during these periods.

### Our aims are to:

- Increase first time visitors by 370,000 over the lifetime of the BID.
- Grow the tourism economy by £60 million over the lifetime of the BID from £264million to £324million.
- Increase the average length of stay (currently 3.5 days).
- Encourage more visitor travel across the Island to find our 'hidden gems'.

## THEME 2 – Delivering the Experience (and explore more!)

**When prospective visitors look at the Island as a possible holiday destination and again when they arrive, our customer service, products, and most importantly of all, the Island itself has to look good and meet their expectations if we are to encourage more repeat visits, higher levels of spending and move our customer base ‘up market’ to attract independent, savvy visitors.**

### What you told us:

- More than 75% of you said that the quality of the Island product needs attention.
- Nearly everyone consulted felt that the landscape was the most important Island attraction. (Consumers too, tell us that they love the Island because it is relaxing, operates at a slower pace of life, because of the spectacular coast and countryside and the compact nature of the Island – many different experiences can be found within a short distance).
- Most of you said that the road signs, on-Island transport, car parks, public spaces, parks and gardens needed improvement.
- 92% of you told us that providing award-winning quality beaches on the Island was important to the success of your business.
- Almost everyone said that we need to tell a better story about the hidden gems, towns and villages across the Island.
- You recognised that with the desire to improve visitor numbers in the Spring, comes the need to encourage more attractions and facilities to stay open in the shoulder periods.
- Most tourism businesses felt that if the number of visitors and tourist spend started to increase significantly, then owners would be able to investing more in their own businesses.
- Some of you stressed the importance of first impressions and the need for our ports of arrival to look more welcoming and exciting.
- Many of you were uncomfortable with the number of on-Island guides, pocket guides and magazines that appeared to be duplicating each other and asked for this situation to be rationalised and co-ordinated in future.

### What we plan to do:

- We will establish a number of working parties to facilitate discussion on improvements to public spaces including our beaches and an action plan of improvements will be agreed.
- In our first year we will carry out a ‘Visitor Journey’ audit of on-Island information and communication that includes all on-Island guides, tourism signage, ports of arrival and departure, and key public spaces that visitors use. We will then co-ordinate, implement, facilitate and encourage improvements in the continuity of visitor message, brand and quality of information.
- We will encourage and help parish councils, local residents and tidy-action groups to re-introduce beach awards so we can promote them.
- We will hand over editorial responsibility for the town and village pages on the official consumer website to towns and villages to populate with their stories, reasons for visiting, and showcase the characteristics and attractions of their areas.
- We will create new thematic trails that link towns, villages and attractions together.
- Introduce a new on-Island survey that will report of visitors perception and concerns about the Island, track satisfaction levels and focus on the top priorities that need addressing first.

### Our aims are to:

- Increase repeat and return tourist trips and set new targets for the lifetime of the BID.
- Address key concerns that visitors express about the way the Island looks in some areas.
- Work with our travel partners to do all we can to make our ports and Island arrival points as welcoming and customer friendly as possible.
- Encourage visitors to explore far more of the Island and to spend their money in towns, villages and attractions over a wider area than previously.

## THEME 3 – Working Together

**Tourism is vitally important to the Isle of Wight but the industry is fragmented and we need to work together to ensure that businesses' priorities are agreed and delivered in a way that underpins long-term growth.**

### What you told us:

- Visit Isle of Wight is the organisation best placed to co-ordinate activities that are designed to grow the Island's visitor economy, provided that the BID governance and decision making process is truly inclusive, transparent and accountable to all levy payers.
- You want to see us doing all we can to encourage new investments and to assist in removing any barriers to development and regeneration.
- You would like to see more done to encourage pride in the Island.
- Larger retailers and superstores should be invited to play a fully active and engaged role in supporting the BID, and contributing to costs.
- 88% of you wanted a stronger and more influential voice for the Island's tourism sector.
- You also wanted a better 'joined-up' approach to managing tourism with other sectors such as retailers, and the delivery of programmes to ensure that the industry has access to skilled staff

### What we plan to do:

- Lead a transparent, accountable and inclusive organisation that makes every levy payer feel involved and ensures they have a say in the development of activities, and the implementation of plans and projects.
- Introduce a strategic partnership scheme to attract additional investment from supermarkets and other large stores over the lifetime of the BID.
- Create a membership supporters club from smaller retailers, tourism industry support service companies such as accountants and PR agencies, and very small tourism businesses with a rateable value of less than £3000, to generate additional investment in the BID programme.
- Create a governance and task-force structure that reflects the make-up of the levy payers.
- Create an online forum for all levy payers to access and exchange ideas, vote for actions and share ideas.
- Create toolkits of digital and creative assets that all the levy payers can use to help promote their own businesses.

### Our aims are to:

- Ensure that those who also benefit from the visitor economy, but fall outside the scope of the BID arrangements are encouraged to contribute funds and other benefits in kind to support the delivery of the BID programme.
- Create a unified destination partnership that every member feels engaged with.
- Generate at least an additional £275,000 a year to cover the administration, management and running costs of Visit Isle of Wight enabling us to maximise our investment in the BID programme.
- Unify the Island's visitor economy behind one vision.

## MONITORING PERFORMANCE

The Wight BID will deliver a range of business-focused and achievable measures that will lead, over the course of the BID, to:

- **Business growth based upon increased visitor spend and extended duration of visitors' stay.**
- **Expansion of our market base.**
- **An improved reputation of the Island and an uplift in the quality of our visitors' experience.**
- **Greater collaboration between tourism businesses to ensure what we do meets our levy payers' needs and priorities.**
- **Our voice being heard more clearly at a strategic level.**

To understand the effectiveness of our BID programme in meeting these performance objectives, we will establish measures that are designed to cost-effectively assess how our programme is progressing, which will be overseen by representatives of the levy payers.

To monitor the effectiveness of our programme and account to levy payers, we will:

- Monitor and report on:
  - Solent traffic research and in particular, first-time and repeat visitors.
  - The amount of quality media coverage achieved each year.
  - Consumer web traffic and social media engagement.
- Carry out additional research every 24 months to measure and record perceptions and attitudes towards the Island.
- Carry out consumer surveys to test visibility, impact and conversion following key Spring and Autumn above-the-line campaigns.
- Publish an annual visitor perception survey and track satisfaction levels.
- Monitor and report on traffic improvements and consumer engagement with towns and village pages on the official website.
- Record and report on annual visitor traffic and highlight shoulder-period visits by quarter.
- Document and publish the annual 'visitor journey' on-Island audit for the Isle of Wight with recommendations highlighting urgent fixes requiring attention.
- Produce annual reports, monthly meeting reports, quarterly engagement reports and make them available online and/or in print format to levy payers.
- Ensure total transparency in our accounting practices producing audited accounts that will be available to levy payers.
- Establish large working-group meetings, task meetings, conferences and other events throughout the year.
- Establish a monitoring working party to look at how Visit Isle of Wight is engaging with the levy payers, with the authority to commission surveys and gather in feedback from the industry that will lead to improvements in engagement activities.

# BUDGET AND FINANCIAL MANAGEMENT

## THE WIGHT BID BUDGET

| <b>INCOME(£)</b>                                       | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>TOTAL</b>     |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>BID levy<sup>1</sup></b>                            | <b>371,300</b> | <b>371,300</b> | <b>371,300</b> | <b>371,300</b> | <b>371,300</b> | <b>1,856,500</b> |
| <b>Voluntary and partner contributions<sup>2</sup></b> | <b>75,000</b>  | <b>75,000</b>  | <b>75,000</b>  | <b>75,000</b>  | <b>75,000</b>  | <b>375,000</b>   |
| <b>TOTAL</b>   | <b>446,300</b> | <b>446,300</b> | <b>446,300</b> | <b>446,300</b> | <b>446,300</b> | <b>2,231,500</b> |

| <b>EXPENDITURE(£)</b>                                   | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>TOTAL</b>     |
|---|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Marketing-Visitors for Life</b>                      | <b>280,000</b> | <b>280,000</b> | <b>280,000</b> | <b>280,000</b> | <b>280,000</b> | <b>1,400,000</b> |
| <b>Delivering the experience</b>                        | <b>40,000</b>  | <b>40,000</b>  | <b>39,000</b>  | <b>39,000</b>  | <b>40,000</b>  | <b>198,000</b>   |
| <b>Working together</b>                                 | <b>25,000</b>  | <b>25,000</b>  | <b>23,000</b>  | <b>23,000</b>  | <b>20,000</b>  | <b>116,000</b>   |
| <b>Contingency<sup>3</sup></b>                          | <b>18,500</b>  | <b>18,500</b>  | <b>18,500</b>  | <b>18,500</b>  | <b>18,500</b>  | <b>92,500</b>    |
| <b>Research and evaluation<sup>4</sup></b>              | <b>37,000</b>  | <b>37,000</b>  | <b>37,000</b>  | <b>37,000</b>  | <b>41,000</b>  | <b>189,000</b>   |
| <b>Contribution to VIOW delivery budget<sup>5</sup></b> | <b>45,000</b>  | <b>45,000</b>  | <b>48,000</b>  | <b>48,000</b>  | <b>50,000</b>  | <b>236,000</b>   |
| <b>TOTAL</b>  | <b>445,500</b> | <b>445,500</b> | <b>445,500</b> | <b>445,500</b> | <b>449,500</b> | <b>2,231,500</b> |

1. BID levy revenue based upon a 90% collection rate allowing for costs of recovery of bad debts
2. Voluntary contributions to BID programmes from businesses and partner programme subscriptions
3. 5% of the BID levy will be set aside to cover any contingency costs and if not used in any one year will be credited to the BID account during the following year for reinvesting in the BID programme.
4. Costs of research and evaluation of the BID programmes
5. Contribution to costs of BID delivery

## INDICATIVE ACTIVITY AND INVESTMENT PLAN (£)

| <b>THEME 1 – VISITORS FOR LIFE</b>   | <b>2016/17</b>         | <b>2017/18</b>         | <b>2018/19</b>         | <b>2019/20</b>         | <b>2020/21</b>         |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Above the line campaigns in the Spring and Autumn</b>   | <b>155,000</b>         | <b>155,000</b>         | <b>155,000</b>         | <b>155,000</b>         | <b>155,000</b>         |
| <b>Concentrate on attracting new higher demographics</b>   | <b>Inc. above</b>      |
| <b>Create and run campaigns to encourage people to stay longer and spend more</b>                  | <b>Part of message</b> |
| <b>Press office and agency: Positioning campaigns – press and social media – ‘Nearby faraway’</b>  | <b>40,000</b>          | <b>40,000</b>          | <b>40,000</b>          | <b>40,000</b>          | <b>40,000</b>          |
| <b>Website development, social media and CRM programme</b>   | <b>60,000</b>          | <b>60,000</b>          | <b>60,000</b>          | <b>60,000</b>          | <b>60,000</b>          |
| <b>Overseas marketing and partnerships with VisitEngland, VisitBritain, and Tourism South East</b> | <b>25,000</b>          | <b>25,000</b>          | <b>25,000</b>          | <b>25,000</b>          | <b>25,000</b>          |

## Name of meeting

| <i>THEME 2 – DELIVERING THE EXPERIENCE</i>                        | <i>2016/17</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> | <i>2020/21</i> |
|---|----------------|----------------|----------------|----------------|----------------|
| <i>Establish working parties to create and manage action plan</i> | <i>5,000</i>   | <i>5,000</i>   | <i>3,000</i>   | <i>2,000</i>   | <i>2,000</i>   |
| <i>Visitor journey audit(new then annual)</i>                     | <i>14,000</i>  | <i>8,000</i>   | <i>6,000</i>   | <i>6,000</i>   | <i>6,000</i>   |
| <i>Beach and countryside awards development fund</i>              | <i>10,000</i>  | <i>16,000</i>  | <i>20,000</i>  | <i>20,000</i>  | <i>20,000</i>  |
| <i>Town and village partnerships (web pages)</i>                  | <i>2,000</i>   | <i>2,000</i>   | <i>1,000</i>   | <i>1,000</i>   | <i>1,000</i>   |
| <i>New thematic trails (every year)</i>                           | <i>5,000</i>   | <i>5,000</i>   | <i>4,000</i>   | <i>4,000</i>   | <i>6,000</i>   |
| <i>On-island survey/visitor concerns/track and report</i>         | <i>4,000</i>   | <i>4,000</i>   | <i>5,000</i>   | <i>6,000</i>   | <i>5,000</i>   |

| <i>THEME 3 – WORKING TOGETHER</i>                             | <i>2016/17</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> | <i>2020/21</i> |
|---|----------------|----------------|----------------|----------------|----------------|
| <i>Lead and inclusive organisation</i>                        | <i>6,000</i>   | <i>10,000</i>  | <i>10,000</i>  | <i>10,000</i>  | <i>10,000</i>  |
| <i>Strategic partnership scheme</i>                           | <i>10,000</i>  | <i>8,000</i>   | <i>6,000</i>   | <i>5,000</i>   | <i>4,000</i>   |
| <i>Membership supporters' club (mainly funded by non-BID)</i> | <i>3,000</i>   | <i>4,000</i>   | <i>4,000</i>   | <i>4,500</i>   | <i>4,500</i>   |
| <i>Online forum development and operation</i>                 | <i>6,000</i>   | <i>3,000</i>   | <i>3,000</i>   | <i>3,500</i>   | <i>1,500</i>   |

## REVENUE

The principal source of funding for the BID programme is the BID levy and the business activity of Visit Isle of Wight will be the delivery of the BID programme. Visit Isle of Wight plans to generate additional partnership funds and resources to deliver the three theme programmes of activity in support of the BID levy plan. Commercial funds raised will be spent in support of improving the delivery, scope and potential of the BID themes, projects and resources.

Visit Isle of Wight plans to supplement this with revenue generated from a number of supplementary sources including:

- Commercial activities: digital advertising, social media and PR services, business development support, sponsorship procurement, retail sales and marketing / business products.
- External Partnership activities: voluntary contributions from businesses which are not eligible to pay the BID levy, additional contributions to marketing funds, donations, and fund raising events.

## ACCOUNTING

Visit Isle of Wight will publish its full audited company accounts no later than April 2<sup>nd</sup> annually which will relate to the company's previous financial year which runs from January 1<sup>st</sup> to December 31<sup>st</sup>. A supplementary financial statement will be published which details the income and expenditure of the BID.

The Chief Executive will present a statement of accounts showing monthly receipts and expenditure to the Board on a quarterly basis and a cost-centre-based breakdown analysis of these will be available to levy payers and the Isle of Wight Council on request.

The levy will be collected by Isle of Wight Council and transferred to Visit Isle of Wight as detailed in an Operating Agreement agreed between the Council and Visit Isle of Wight.

# BUSINESS ENGAGEMENT AND LEVY PAYER BENEFITS

The visitor economy comprises many hundreds of businesses and the Wight BID will engage directly with the overwhelming majority of these through the BID arrangements but we know that many businesses that fall outside of the BID arrangements will want to play their part in supporting the BID by making voluntary donations or providing 'in-kind' support.

Visit Isle of Wight will provide a range of complimentary benefits to all levy payers as well as those making voluntary contributions. Any business seeking participation in the BID programme that is not defined within these BID arrangements, will be required to make a voluntary contribution or provide a 'benefit in kind' equivalent to the monetary value of the levy that they would have been liable for had they been included in the BID and will be required to enter into a 'voluntary BID membership agreement'

The key benefits offered to levy payers and those making voluntary contributions are shown below:

| Activity / access / privilege / benefit                                      | Levy payer | supporter / partner | non-contributors |
|--|------------|---------------------|------------------|
| Participation in BID Ballot  | yes        | no                  | no               |
| Eligibility to attend AGM  | yes        | no                  | no               |
| Free web record worth £180 on the official tourist board website each year   | yes        | yes                 | no               |
| Opportunity to advertise on the official website                             | yes        | yes                 | no               |
| Login and access to the BID members forum and feedback service               | yes        | yes                 | no               |
| The right to participate in votes and feedback sessions about BID activities | yes        | yes occasionally    | no               |
| Eligibility for press office support services                                | yes        | yes                 | no               |
| Access to monthly BID KPI, research and intelligence statistics              | yes        | no                  | no               |
| Eligibility to view monthly management accounts and cash flow                | yes        | no                  | no               |
| Monthly members communications   | yes        | no                  | no               |
| Monthly supporters and partners communications                               | no         | yes                 | no               |
| Access to commercial deals offered by third parties to BID members           | yes        | no                  | no               |

Each year, Visit Isle of Wight will hold an Annual General Meeting at which:

- An annual report will be presented detailing the progress made on delivering the BID programmes.
- The statement of accounts for the previous year of the BID will be presented.
- Reports will be presented by the chairs of ad hoc working groups established by the board.
- Plans for the forthcoming year will be presented and opportunities provided for questions and discussion.

We know that effective communication with you is essential if we are to achieve our shared aims so we will send you an email newsletter on a quarterly basis as well as maintaining a first-class website that ensures you have access to all the information you need on the BID at your fingertips. In addition, there will be regular on-line levy-payer surveys to make sure that you have the opportunity to have your say.

## GOVERNANCE

The BID will be led by Visit Isle of Wight Ltd, which is a not-for-profit company limited by guarantee with member's liability limited to £1. The articles of the company are shown in the appendix to this business plan and are available on [www.isleofwightbid.com](http://www.isleofwightbid.com)

Between the BID commencement date and no later than the first anniversary, the BID will be overseen by the existing management board of Visit Isle of Wight Ltd.

The current directors are:-

- |                        |            |  |
|------------------------|------------|--|
| • Simon Dabell (Chair) |            | Independent                              |
| • David Thornton (CEO) |            | Visit Isle of Wight                      |
| • Steve Oates          |            | IW Steam Railway                         |
| • Bryn Jones           |            | English Heritage                         |
| • Matthew Kitchin      |            | Southern Vectis                          |
| • Tim Gray             |            | Holiday Parks consortium                 |
| • John Allen           |            | Chamber of Commerce                      |
| • Cllr Shirley Smart   | IW Council | Portfolio holder for economy and tourism |
| • Jonathan Green       |            | Red Funnel Ferries                       |
| • Clive Tilley         |            | Wightlink Ferries                        |
| • Neil Chapman         |            | Hovertravel                              |
| • Allan Leech          |            | Heritage Gt Britain                      |
| • Alec Dabell          |            | Vectis Ventures                          |

Ensuring that businesses that pay the BID levy are at the heart of the decision making process is crucial to the success of the BID, and the existing board of directors of Visit Isle of Wight will be replaced no later than September 2017 with a new board with 5 directors appointed by the company members, and up to 15 co-opted from businesses. The board will meet four times each year and will formally report to the levy payers and company members at an annual general meeting.

In addition, levy payers may be invited to serve on time-limited working panels formed to consider specific programmes. Within 12 months of the commencement of the BID, the following changes will be implemented.

- The articles of association will be revised to reflect the make-up and objectives of the BID Company.
- Directors will serve for a maximum of 5 years and will retire or stand for re-election in accordance with the revised articles. With the exception of the Chair and CEO, board directors are unpaid positions.
- A democratic process will be developed in order to ensure fair representation from different levy-payer sectors, both on the Strategic Board and on the working panels
- The BID Strategic Board who will be responsible for the governance of the company, to monitor the performance of VIOW and to review and sign off specific work programmes.
- A Finance and Remuneration Committee will be created, consisting of the Company Chair, directors with relevant experience and/or independent experts who are willing to assist pro bono. This committee will examine and monitor the finances of the company, deal with any confidential issues, set pay rates for the executive team, and ensure that the business complies with its fiduciary obligations.

- Specific working panels will be established, responsible for developing and recommending implementation of specific projects. The Executive team will be responsible for selecting volunteers from different levy-payer sectors, depending on the nature of the project involved.



### Business representation

One of the key features of the new governance structure is the establishment of working parties, each with responsibility to oversee each of the themes of the BID programme. The role of these working parties will be to determine the most effective means of delivering the programme and to prioritise accordingly, to monitor performance, and to advise the management board on the long-term strategy.

Membership of the working parties which will each comprise between five and eight representatives of the levy payers and the working parties will be supported, advised and serviced by the Visit Isle of Wight Executive.

## THE BALLOT AND BID TIMETABLE

In order to implement the BID, a secret ballot of levy payers must be carried out, and for this to be carried:

- over 50% of those voting must vote in favour of the BID,
- and those voting in favour must represent more than 50% of the rateable value of those taking part in the ballot.

The timetable for the ballot is as follows:

- |   |                                  |
|---|----------------------------------|
| • Publication of the BID proposal and distribution to potential levy payers | 18 <sup>th</sup> April 2016      |
| • Dispatch of ballot papers to each hereditament                            | 14 <sup>th</sup> June 2016       |
| • Last day to appoint a proxy   | 28 <sup>th</sup> June 2016       |
| • Last day to cancel any proxy  | 5pm on 7 <sup>th</sup> July 2016 |
| • Final date for the return of ballot papers                                | 12 <sup>th</sup> July 2016       |
| • Publication of the result of the ballot                                   | 13 <sup>th</sup> July 2016       |
| • Final date for the receipt of objections to the ballot result             | 10 <sup>th</sup> August 2016     |
| • BID commencement  | 1 <sup>st</sup> September 2016   |
| • Last date for the issuing of BID levy charges for the first year          | 31 <sup>st</sup> October 2016    |
| • First BID levy payment due  | 30 <sup>th</sup> November 2016   |

The ballot holder will be the Isle of Wight Council

Ballot papers will be sent to the manager at the address of each hereditament (business premises) eligible to vote in the ballot. This will be done 28 days prior to the close of the ballot. If the local manager is not authorised to vote on behalf of the organisation liable for the payment of the national non-domestic rates for the property, they should either inform Visit Isle of Wight or forward the ballot paper and the BID Proposal to the person who is.

Ballot papers received after 5pm on 12<sup>th</sup> July 2016 will not be counted.

If a business or organisation owns more than one hereditament, then they are eligible to cast more than one vote in the ballot, one for each premises.

Visit Isle of Wight will publicise the BID and the ballot process and encourage as high a participation level as possible. If a potential levy payer wishes to discuss the BID, ask any questions, find out about the ballot process or how they can become involved in the project, then they should contact Visit Isle of Wight as soon as possible.

## ***THE ROLE OF THE ISLE OF WIGHT COUNCIL***

**The Isle of Wight Council has a number of roles to play in the BID. These include:**

- Ensuring that the BID does not conflict with any of its policies.
- Ensuring that consultation has taken place prior to the ballot.
- Ensuring that the BID process satisfies the regulations.
- Providing a register of those businesses eligible to vote in the ballot.
- Dealing with any objections to the ballot
- Managing the ballot.
- Maintaining oversight of the BID to ensure that it is being delivered in accordance with the BID Proposal.
- Collecting the BID levy, enforcing payment and passing the receipts to Visit Isle of Wight.

The council is also expected to have been closely involved in the development of the BID proposal and this has been achieved through representation on the BID Task Group and BID Steering Group led by Visit Isle of Wight. In addition, the council has been briefed by Visit Isle of Wight officers and its consultants.

Since the BID levy cannot be used to fund services that are provided by the local authority, the council is required to provide for inclusion in the BID arrangements details of the baseline services it provides that may support the delivery of the BID programme. These are shown in appendix B.

The arrangements for ensuring effective communication between Visit Isle of Wight and the Council throughout the duration of the BID, the collection, enforcement, and payment of the BID levy and other matters relating to the council's involvement in the BID are set out in an operating agreement which is available to levy payers on request.