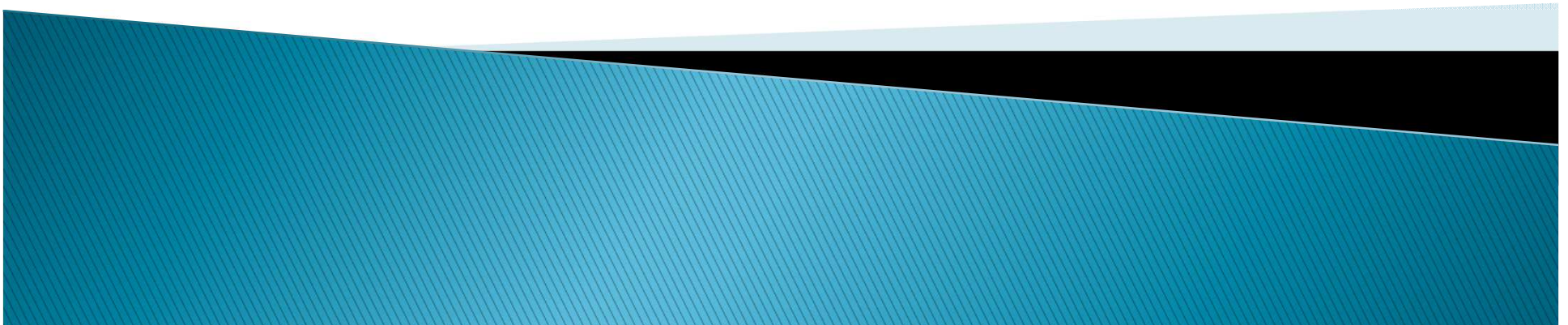


# TOURISM BUSINESS IMPROVEMENT DISTRICTS – TBIDS

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# Context

## GROWTH POTENTIAL

- ▶ Tourism accounts for 8.9% of GDP and England's strategy aims to create 225,000 new jobs and generate £50bn spending over 10 years
- ▶ Tourism is currently underachieving its potential – meaningful and wise investment can deliver benefits to the economy, the industry and local communities

## THE CHALLENGES

- ▶ The context within which the tourism industry is required to operate has changed beyond recognition in the last 20 years and we now face a totally new financial landscape
- ▶ 40 years growth in the visitor economy has been underpinned by public sector investment which is no longer sustainable – we need new solutions and innovative ideas to secure growth

## THE SOLUTIONS

- ▶ Solutions need to be based upon sustainable, business-centric, locally determined partnerships with local authorities playing a pivotal role
- ▶ TBIDS are a real option




# TBIDS and BIDs

## THE ORIGINS

- ▶ BIDs – USA, in the 1970s – in the UK, 2004
- ▶ TBIDS – USA in the 1990s in response to concerns over the allocation of local bed tax receipts

## USA CASE EXAMPLES

- San Francisco where over \$27 million was generated in 2009
  - Baltimore where \$2–3 million will support the work of VisitBaltimore from 2010
  - Orange County where a TBID will generate \$9 million for the DMO allowing existing public sector tourism funds to be redirected to the Anaheim Convention Centre
  - Coronado where a TBID will generate \$1 million to promote the city nationally and regionally
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# TBIDS and BIDs

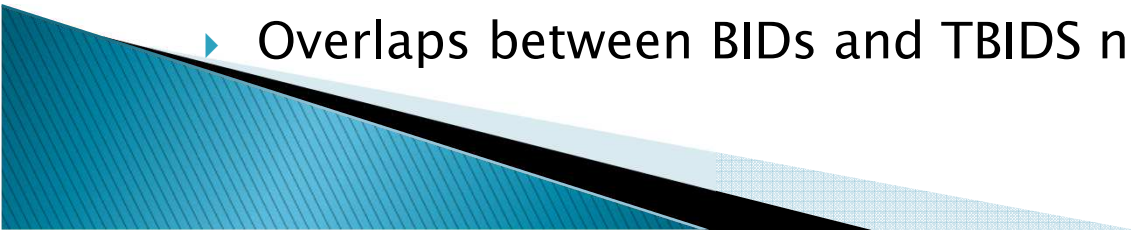
## IN THE UK

- ▶ TBIDS and BIDs will use the same legislation
- ▶ BID legislation offers greater flexibility than has previously been utilised
- ▶ Sector based BIDs are a genuine option
- ▶ Changes are needed to allow TBIDS to be developed based upon many LEP and DMO footprints
- ▶ Vocabulary is critical and highly sensitive
- ▶ Needs both a local and national action plan
- ▶ This is new ground so timescales have to be realistic
- ▶ Every TBID will be unique
- ▶ Could stimulate faster reform of local structures and business engagement models



# TBIDS and BIDs

## THE MAIN DIFFERENCES

- ▶ TBID levy payers will be defined by the type of business within a large area rather than the inclusion of all or most businesses within a small area – who is included is determined locally according to the scope of the tourism industry
  - ▶ The area covered by a TBID is likely to be quite extensive and defined by businesses' association with a destination brand
  - ▶ The levy is likely to be geared to turnover, footfall, sales or some other factor rather than rateable value
  - ▶ A TBID in a typical English city of 500,000 people could raise £1m p.a. based upon a 1% levy on hotel room stays and visits to attractions – a levy based upon rateable value would raise about £150,000
  - ▶ Overlaps between BIDs and TBIDS need to be resolved locally
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# TBIDS

## WHAT HAS HAPPENED TO DATE:

- ▶ Core cities DMO discussions with VisitEngland
- ▶ Seminar in Sheffield in 2010
- ▶ Ministerial briefings
- ▶ Establishment of a DMO/VE working group
- ▶ 'Introduction to TBIDS' is being drafted
- ▶ UKBIDS and BritishBIDS have been briefed

## THE NEXT STEPS:

- ▶ Legislation changes on BID boundaries
  - ▶ Industry briefings at a national level
  - ▶ Seminar on December 1<sup>st</sup> 2011
  - ▶ Issue of background information to DMOs and local authorities
  - ▶ First tranche 2013
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