



THE **MOSAIC** PARTNERSHIP
PEOPLE TRANSFORMING PLACES

Herefordshire Feasibility Study | September 2019 Executive Summary Report from The Mosaic Partnership



Executive Summary

Introduction

The Mosaic Partnership was commissioned by the Herefordshire Sustainable Food & Tourism Partnership (HSFTP) to assess the feasibility of developing a Destination Business Improvement District (BID) for Herefordshire.

The Mosaic Partnership specialises in partnership and BID development. We have worked with over 100 locations in the UK and abroad and to date have provided support in the development of over 100 BIDs including all 7 Destination BIDs the UK. These BIDs will bring in over £120m in income the next five years.

Herefordshire is a large, predominately rural, landlocked county situated in the south western corner of the West Midlands region, on the border with Wales. The county covers 218,000 hectares and has a population of 188,000, it has a close interaction in terms of its economy, infrastructure and character with neighbouring Gloucestershire, Shropshire, Worcestershire, Monmouthshire and Powys. Vital to Herefordshire's identity are several natural and historical features that are key economic asset creating not only an attractive place to live and work but also an important tourist destination.

Herefordshire faces many of the typical challenges that destinations face, such as, regional, national and international competition for market share and visitors, access and infrastructure issues, modernising and attracting investment, engagement with local residential and business communities and of course organisational and funding stability. It is against this backdrop and the desire to continue to evolve and succeed that the concept of a Business Improvement District (BID) is being investigated.

This document provides a summary of the full and detailed report.

What are BIDs?

A BID is a formal mechanism governed by the BID Regulations of 2004 which allows dedicated funds to be collected for the delivery of an agreed business plan. It is an arrangement whereby businesses get together, decide what additional improvements they want to make, how they're going to manage and deliver those improvements and what it will cost them. This all goes into a business plan which is voted on by all those who would have to pay. If the majority vote yes by number and rateable value then all pay. The BID can last for a maximum of 5 years and must be able to demonstrate how it has benefited.

Study Area

The Feasibility Study looked at the whole county of Herefordshire At the outset the Study Area covered all business rated organisations in every sector.

- 8,171 Business Rated Units (BRU's) in total
- A total Rateable Value of £134.6m
- 28 Identifiable Sectors



Market Research and Consultation

A market research & consultation exercise is carried out for the Feasibility Study. At this stage the key objectives for this part of the study are:

- Look at current plans, policies & partnerships and determine the need for a BID
- Assess the type of projects & services that are required and whether there will be enough resources generated to be able to do this.
- Assess the level of business engagement and enthusiasm (30% total consulted at this stage through surveys, area workshops, 1 to 1's, key stakeholder meetings and presentations) to move further onward.

This engagement is summarised below in two categories, the project priorities and in terms of moving forward with the development.

In terms of project priorities, these can be summarised as below:

1. A coherent and co-ordinated marketing and promotions programmes for Herefordshire and its areas/sectors
2. Improved access in relation to parking, public transport, coaches and the state of the roads.
3. Better information and signage
4. Development of crime prevention initiatives particularly in rural areas
5. Better street and litter cleansing
6. Better mobile and broadband connectivity
7. An effective 'Herefordshire Business' voice
8. Centralised Procurement – Trade Waste, Recycling

In terms of moving forward some other issues are clear. These are:

1. Visit Herefordshire as an organization is 'not saleable' and the BID should not be seen as a means to restore that.
2. A 'Federal' approach is needed in working with existing areas and their organisations, many of which are operating well.
3. A Herefordshire 'Umbrella' set up is still required due to practical (strong collective business voice and economic and administrative efficiency) and policy/funding reasons (regional/national funding directed to bigger areas)



4. There are strong relationships with existing private 'Tourism Marketing' organisations in many areas in the County. Whilst the actual membership of these organisations represent only about 2% of the BID area, it is important that the BID works with these going forward in our opinion due to both the quality of their offer and their experience.
5. Some concern that smaller businesses because of any exemption levels may not be able to play a full part in a BID These to a large part are unfounded as exempt organisations, if they pay a voluntary contribution, would have the exact same rights and benefits of non-exempt members.
6. A Destination BID should not be just about 'tourism marketing and management' but address issues of infrastructure, appearance, access, business support and strategic development)

Recommendations

Having made a comprehensive assessment of the current situation in Herefordshire we would highlight some of the key elements and rationale which informs our recommendation. We would need to feel confident that all the following key elements are in place to a large degree.

1. The research and consultation process shows areas of **consensus and concern** that can be addressed by this process.
2. The geographical boundary and sectoral make up allows for a **focused approach**.
3. The revenue generated will allow **real and tangible** improvements to be made.
4. **Level of confidence & credibility** in partnership working already exists which can be developed.
5. **Key individuals and organisations** have shown strong and enthusiastic support for the concept including business representatives (national & independent) and the Local Authority. However it is clear the 'same individuals' drive many of the organisations. It will be very important that this 'base of people' is widened to be more evidently representative.

THEREFORE, AT THIS STAGE, BASED ON THE FINANCIAL ANALYSIS AND CONSULTATIONS, OUR CONCLUSION IS THAT A DESTINATION BID FOR HEREFORDSHIRE WOULD BE VIABLE.



Preliminary Projects Areas

The preliminary market research and consultation indicates that there is good consensus in terms of the types of issues that are important, across the sectors. The following diagram sets out the key project areas.





BID Funding Projections

The Destination Herefordshire BID would formally contain **673 business units** with a total Rateable Value of approximately **£39.4m** with all the exemptions (financial (£12K and below, sectoral and Hereford BID)). It is our opinion based on the consultation and financial analysis that working assumption at this stage should be a **1.5%** levy which would raise approximately **£591,000pa and nearly £3m over 5 years**. This would allow sufficient resources to develop and implement projects as well as the ability to provide a tangible difference.

Potential Annual Income Profile	
BID Levy (1.5%)	£591,000
Additional Income (20%)	£118,200
TOTAL	£709,200
Potential Annual Expenditure Profile	
Project Spend <i>Marketing, Access, Business Support Environment, Safety and Security</i>	£589,200
Overheads	£120,000
TOTAL	£709,200



Indicative Timetable For BID Development

The development of a BID is likely to take at least 12 months from this stage. The timetable below sets out the key milestones if the decision was taken now to pursue the development of a BID.

	Key Milestone	Estimated Date
FOUNDATION PHASE	Complete Feasibility Study	Month 0
	Secure Resources for Development & Campaign Phase	Month 1
	Agree Preliminary Study Area	Month 2
	Agree Preliminary Ballot Date	Month 3
DEVELOPMENT PHASE	Project Support in Place	Month 4
	Set up BID Task Group	Month 5
	Complete Detailed Consultation	Month 6
	Agree Initial Project Lists & Costs	Month 7
	Agree Baseline Statements	Month 7
	Agree Delivery Model	Month 7
	Agree Operating Agreement	Month 8
	Agree Final BID Area	Month 9
Agree Business Plan	Month 9	
CAMPAIGN PHASE	Agree Formal Ballot Process	Month 9
	Agree Champions, Campaign Methods & Material	Month 9
	Campaign Period	Month 10
	Formal Ballot Notification	Month 10
	Formal Ballot	Month 11/12



Next Steps

If Herefordshire were to choose the option of going down the BID route and pursuing the Development and Campaign Phase, then the following key steps will be required in the short term:

- 1. Formal decision taken to proceed to Development and Campaign Phases.**
- 2. Secure necessary resources for next phases through including costs for dedicated staff support and a project fund.**
- 3. The creation of a BIDs Task Group with additional members who are able to commit 1 hour per week in time over the next 12 months. The BID Task Group members should ideally be potential levy payers and be representative of the preliminary BID area in terms of geography and sector. We would propose the following at this stage:**

