

ISLE OF WIGHT BID

CONSULTATION PROSPECTUS

VISIT ISLE OF
Wight

Yes

**TO GROWING THE
VISITOR ECONOMY ON
THE ISLE OF WIGHT**



1 INTRODUCTION



This prospectus offers you an opportunity to contribute to a challenging and exciting proposal for the Island's visitor economy.

Across the country, as the policy of austerity continues, the days of Government or Local Council support for destination marketing have all but gone. Like many other UK holiday destinations, the Isle of Wight is faced with a choice.

We could do nothing. Sit back as public spending cuts continue, watch as investment in marketing reduces, shake our heads as services continue to be withdrawn, and sigh as the Island's hotels, shops & attractions decline and close.

And watch the pace makers in other holiday destinations grab our business.

Or we could make the right choice and invest in the long game. This prospectus outlines the proposal to create a DESTINATION BUSINESS IMPROVEMENT DISTRICT (Destination BID). It allows businesses to collectively agree a five year Business Plan for the Island's visitor economy, and once agreed, fund and manage this plan in a true partnership.

This really is an opportunity for us all to shape the future for our businesses. In a changing world, this Destination BID will provide stability and the ability to plan with confidence.

My commitment to you, as we enter this crucial period of consultation, is that we will engage with all those businesses that rely on the Island maintaining and growing its place as one of the UK's leading destinations.

I urge you to read this document and participate in the consultation. This is the right time. This is the right choice.

Simon Dabell
(Task Group Chair), Visit Isle of Wight

2 WHAT IS A DESTINATION BID

“BIDS THROUGHOUT THE UNITED KINGDOM ARE BECOMING THE ACCEPTED DELIVERERS OF PLACE MANAGEMENT: EVALUATED, MANAGED AND MONITORED BY LOCAL BUSINESSES.”

A Destination BID is an initiative whereby all businesses who derive some or all of their income from the visitor economy agree to pay a levy, based on an agreed formula, for a fixed period of time. This is then used to deliver a business plan that has been developed by those within the industry and agreed through a ballot of businesses liable for the levy. The key actions and services are determined by YOU, the local businesses.

Our programme will be an Island-wide Destination BID, aiming to attract more visitors both by improving the destination— its appearance, the quality of service we offer, the range of events – and by creating the very best marketing campaigns.

Destination BIDs are based on the highly successful Business Improvement District model, with over 240 in place in the UK and more than 300 expected to be up and running by 2016. BIDs exist within a defined area – in this case the Isle of Wight. The UK BID levy average is between 1% and 2% of a business's rateable value which funds projects within the agreed boundaries.

In the UK, for a BID to be implemented a secret ballot of those liable for the payment of business rates, and who will ultimately be liable for the payment of the levy, is carried out and in order for the ballot to be carried, two conditions must be met:

- ✓ Over 50% of those voting need to support the Destination BID proposal.
- ✓ Those voting in favour must represent more than 50% of the rateable value of the businesses which take part in the ballot.

Prior to the ballot, Visit Isle of Wight (VIOW) will produce a detailed Business Plan which will provide details of the proposed Destination BID indicating what work it proposes to carry out, how this work will be funded, and how the Destination BID will operate, including how levy payers will be involved in the programme. This proposal will be

founded upon the outcomes of a detailed consultation programme that will be taking place over the coming weeks of which this prospectus is a key part.

BIDs generally exist for a 3 - 5 year term (for the Isle of Wight 5 years is proposed), after which most are subject to a renewal ballot. Such has been the success of business improvement districts that 95% of existing BIDs have secured a 'yes' vote for a second term. BIDs are accountable to all BID levy payers and our Destination BID will also be subject to a renewal ballot at the end of the initial period.

BIDs are often funded primarily through the levy but can also draw on other public and private funding streams, such as grant funding and commercial sponsorship. Some of the major contributors to Visit Isle of Wight Ltd have already indicated that they will maintain their current levels of financial support – well above what would be their commitment under a levy. This means that every penny raised by the levy will go to fund activity agreed by the levy payers, as Visit Isle of Wight's administration and staff costs will be covered by core funding from its existing partners.

BIDs typically fund services such as: events, marketing, street cleansing, security, capital improvements, pedestrian and streetscape enhancements and business support.

The services provided by BIDs are additional to those already provided by the local authority.

BIDs throughout the United Kingdom are becoming the accepted deliverers of place management: evaluated, managed and monitored by local businesses. Many UK tourism destinations including Bournemouth and Torbay are now developing Destination BIDs to provide sustainable resources for their visitor marketing & development programmes.

**HAVE
YOUR SAY**

Your views are essential to the process of developing a successful Destination BID. Do we have your contact details correct? Have you booked a place at one of the forthcoming consultation workshops?

Visit the Destination BID website for event details and to complete our online survey www.isleofwightbid.com or telephone 01983 521555 EXT 23 / email isleofwightbid@visitwight.org

3 THE ISLE OF WIGHT CONTEXT



“IT IS AN OPPORTUNITY FOR ALL BUSINESSES TO HAVE THEIR VOICES HEARD IN SHAPING THE FUTURE OF TOURISM ON THE ISLAND WITHIN A NEW AND INNOVATIVE STRUCTURE”

Tourism represents approximately 25% of the Isle of Wight's economy and is the largest private sector on the Island. Almost 30% of all jobs are in retail & leisure. It is crucial for the whole Island that the visitor economy thrives and is well resourced and well managed. To put it another way, one third of the customers of every business on the Island are directly employed in tourism and any downturn in visitor numbers is felt by everyone. For the Isle of Wight this could have the same impact as the recent closure of steel works in the North of England.

Visit Isle of Wight (VIOW), a private sector-led partnership, was established in Autumn 2012 with just one goal – to promote and develop the Island as a leading visitor destination. It has two key objectives:

- ✓ Attracting more visitors to IOW, especially those staying overnight.
- ✓ Encouraging visitors to spend more, stay longer and come back more often.

VIOW's work programme is steered by the 2015 - 2019 Destination Management Plan of January 2015 which aims to attract 200,000 additional overnight stays to the Island per annum and 100,000 additional visitors to events and festivals. The Destination Management Plan was itself the subject of a wide consultation exercise and has the full backing of the businesses and public sector partners on the Island.

There is still much to be done, but in its first three years VIOW has made considerable progress, seeing:

- ✓ A 50% increase in first time visits to the Island.
- ✓ A 35% increase in the length of high value overnight stays on the Island (against national trends).
- ✓ An overall stabilising of the visitor markets, holding market share against a backdrop of declining UK holiday business, especially in the South of England.
- ✓ Spending by visitors increase by £44 million, a Return on Investment of 18:1.

This has been achieved by the implementation of innovative and award-winning marketing & media campaigns (securing £6 million worth of positive media coverage from an investment of just £150,000), targeted investment in events and, crucially, by working together to create a single voice for the Isle of Wight. The programme has been funded by significant contributions from key industry partners as well as the Isle of Wight Council with specific marketing campaigns and events funded by a wide variety of businesses.

Although much has been achieved, there is still more to be done and, in order to protect and develop our visitor economy it is now time to develop a new way of funding and delivering these and other activities through a new accountable and business-led structure. Whilst this is to a certain extent driven by changes to local government funding it is an opportunity for all businesses have their voices heard in shaping the future of tourism on the Island within a new and innovative structure.

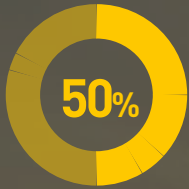
Yes



“It's imperative that the entire Island's business and tourism economy join forces in order for it to encourage growth and cohesion in the short, and ultimately, longer term. For us to be able to build on the foundations set by VIOW and fulfil everyone's long term ambition of being the UK's holiday Isle, in my opinion, there is no other option other than to endorse the Destination BID. This isn't just a nice thing to do.... It's fundamental to the future of the Islands economy, it's inhabitants, and ultimately our children's futures. This is the once in a lifetime opportunity to catapult our future prosperity.”

Steve Smith, Chair Newport Business Association / Area Manager McDonald's

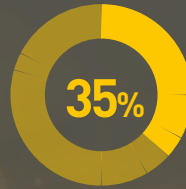
VISIT ISLE OF WIGHT 3 YEARS AT A GLANCE:



**INCREASE IN
FIRST TIME VISITS
TO THE ISLAND
SINCE 2012**



**INCREASE IN
SPENDING BY
VISITORS
SINCE 2012**



**INCREASE IN THE
LENGTH OF HIGH
VALUE OVERNIGHT
STAYS**



**OF POSITIVE
MEDIA COVERAGE
FROM £150K
INVESTMENT**



Yes



“The impact of the Visitor Economy on many Island businesses is broad and wide. The Destination BID process is a proven solution that brings these businesses together across the local economy for the greater good.”

Stuart Dyer, Director Godshill Model Village

4 CONSULTATION TO DATE



4.1 PHASE 1 FEASIBILITY

In December 2014 VIOW commissioned consultants to investigate the feasibility of a Destination BID on the Island, they conducted a series of consultations which has helped to shape the work to date and the suggested activities within this document. The key features & findings of the consultation were:

- ✓ A healthy 30% response rate from local businesses was achieved to the primary consultation phase across all areas.
- ✓ A **Business Survey** generated a 12% response rate (normally 5% - 7%), with a 90% approval of, and agreement with, VIOW's key objectives, identifying Destination Marketing, Events, Cleansing and Maintenance as priorities, with litter on streets and beaches a key issue.
- ✓ A **BID Workshop** attended by 81 businesses showed an 83% approval rating of support for the Destination BID, with Marketing (80%), Cleansing and Events/Festivals (35%+ each) featuring strongly. This support was reflected in the findings of the **face-to-face** meetings.
- ✓ **Large national companies**, in keeping with company policy, are keen to see more detailed proposals before committing at a local level. This is standard practice for large multiples.
- ✓ **Tourism Day** – Over 300 attendees identified the following as areas where a BID should concentrate: Cleansing, Destination Marketing, Transport, Partnerships, Customer Service Training, Events & Attractions, Welcome & Accreditation Scheme.

The Consultation identified the following as key to any future BID:

- ✓ A co-ordinated and focused approach to Place Management.
- ✓ Real, tangible improvements, with a clearer, united front representing IOW.
- ✓ Top 3 themes are 1) Marketing and Promotion, 2) Cleansing & Maintenance, and 3) Business Support Services.

4.2 RECENT PROGRESS

Based on the recommendations of the feasibility study, VIOW has committed to the development of a Destination BID and has established two key groups to help it shape the proposals.

A **Task Group** of representative businesses from the Island were invited to attend a series of workshops to develop activity proposals and consider the key opportunities & features of the Destination BID:

- 👤 **Simon Dabell (Task Group Chair), Visit Isle of Wight**
- 👤 **Paul Cavaciuti, Channel View Hotel, Shanklin**
- 👤 **Steve Smith, McDonald's**
- 👤 **John Ward, Spar Shops**
- 👤 **Julie Jones-Evans, Federation of Small Business**
- 👤 **Mike Haslin, Cheverton Copse Holiday Park**
- 👤 **Paul Gill, Enterprise Inns**
- 👤 **Stuart Dyer, Godshill Model Village**
- 👤 **Gill Kennett, IW Association of Local Councils**
- 👤 **Matt Kitchin, Southern Vectis**
- 👤 **Matthew Hill, IW Council**
- 👤 **Tina Jennings, Liz Earle and Walgreens/Boots Alliance**
- 👤 **Charlotte Clark, Chale Bay Farm**
- 👤 **John Allen, Chamber of Commerce**

A Steering Group of key agencies from the Island has considered these proposals in detail and overseen the process to date. Both groups have been supported by external consultants with experience in the development & delivery of BIDs.

HAVE YOUR SAY

Your views are essential to the process of developing a successful Destination BID. Do we have your contact details correct? Have you booked a place at one of the forthcoming consultation workshops?
 Visit the Destination BID website for event details and to complete our online survey www.isleofwightbid.com or telephone 01983 521555 EXT 23 / email isleofwightbid@visitwight.org

5 WHAT COULD AN ISLE OF WIGHT DESTINATION BID ACHIEVE?



5.1 POTENTIAL WORK PROGRAMME

Building on the early consultation and our wide ranging discussion to date, we are proposing to concentrate the programme of the Destination BID in four key areas:

- ✔ Marketing – taking our award winning and highly successful marketing campaigns to the next level.
- ✔ Events – supporting existing events with growth potential and a limited number of new, high impact events.
- ✔ Environmental Improvements – making sure the Island exceeds visitors’ expectations.
- ✔ Business Support/Quality – ensuring our visitors have the best experience possible by investing in our people and businesses.

The resources would be allocated in two distinct ways with both Island wide programmes and locally funded projects.

The following lists are examples of what could be delivered by an Isle of Wight Destination BID based on the suggestions of the Task Group, other consultation and experience of success elsewhere in the country.

💡 MARKETING

- ✔ Major off Island Marketing Campaigns
- ✔ Targeted PR & Communications Activity
- ✔ Co-ordination & Marketing for Carnivals
- ✔ Beach & Town Centre event promotions
- ✔ Social media and other digital programmes to encourage local shopping
- ✔ Evening out online app & paper guides
- ✔ Product specific campaigns e.g. sport & activities packaged with accommodation
- ✔ Visitor Information Connectivity (avoiding duplication where possible)
- ✔ Adding Value to the Visitor Car Parking Permit and making it easier to purchase in advance

Yes



“In regenerating Bembridge Harbour to become a destination to visiting and resident yachts, we accept that the word ‘change’ is a very strong and emotive word to the local community and stakeholders.

But ‘change’ is a necessity if we are to bring this wonderful amenity into the real world.

During the last four years of ownership, we have felt that we are very much on our own and flying our own flag; we need the stability plus the ability of forward thinking marketing to mould the Harbour into a destination and to achieve this aim we do need to be part of a bigger picture and under a better umbrella.”

Malcolm P Thorpe, Bembridge Harbour Authority



EVENTS & ANIMATION

- ✔ Support for selected events (new & existing) with potential to attract more visitors to the Island
- ✔ Integrated Discounted parking & Town Centre Animation
- ✔ Regular Town Centre Activity & Events including Roadshows
- ✔ Beach & Town Centre event promotions
- ✔ Improved street markets
- ✔ Beach Events

PRODUCT & ENVIRONMENT

- ✔ Wight in Bloom development
- ✔ Applying for Award Status for the Island's Beaches, Toilets & Parks
- ✔ Supporting Volunteer Litter pickers with equipment
- ✔ Improved signage to Car Parks
- ✔ Grant Fund to match the investment of Town & Parish Councils (and others) in the public realm
- ✔ Pursuing free WI-FI in Town Centres
- ✔ Lobbying for free Parking for Regular Late shopping Days (e.g. Free after 3', 'Alive after 5')
- ✔ Campaigning for enhanced Rural & Evening Public Transport
- ✔ Support for Environmental Presentation Teams and improved Town Cleanliness



“The importance of tourism and leisure to the Island visitor economy cannot be underestimated. With approaching 30% of Island residents employed directly by this industry, and a further 20% in related services, tourism is the cornerstone of the Island’s economy. Those employed directly and indirectly by tourism then support other vital economic sectors, including retail which comprises thousands of independent shops and traders. We at the Needles see the Destination BID process as a proven mechanism to support the Island’s economic health.”

Marino Zanti, General Manager, The Needles Landmark Attraction



BUSINESS SUPPORT/QUALITY

- ✔ The Destination BID would deliver integration and coordination of business communications
- ✔ A Mystery Shopper Service (to support presentation & service issues)
- ✔ Customer Service Programmes
- ✔ Joint purchasing to reduce costs

We now want to hear the views of all businesses about these suggestions and use the consultation period to gather more ideas and suggestions for what a Destination BID could achieve for the island. We also want to hear how much priority and resources should be given to each area.

5.2 HOW WILL THIS PROGRAMME BE FUNDED?

Levy rates for BIDs across the country are typically between 1% and 2% of total rateable value. The task group and steering group have considered a number of options for the levy. Following discussion at the Task Group and in order to generate sufficient funds, ensure a fair and transparent distribution of the levy, recognise the makeup of the Island’s business community and to minimise the administration costs VIOW is suggesting:

- ✔ A levy of 1.75% of Rateable Value.
- ✔ An entry threshold for levy contributions set at a Rateable Value of £7,500.
- ✔ A cap on contributions at £20,000 per business (not per premises).

This will generate a fund of £800,000 per annum which will be added to by the Island’s principal industry partners and other sources of funding. Because Visit Isle of Wight’s costs will be covered by those contributions every penny raised by the levy will be spent on marketing campaigns, events and improvement projects.

Yes



“We have ambitious plans to grow and develop our attraction which can only be achieved if we can continue to increase our visitor numbers. No matter how hard we work, we are totally reliant upon the Islands ability to grow tourism. It is essential the Island works together with a proactive and determined approach.

We see the Destination BID as a vital initiative to secure the future of our industry on the Island, it has our full support.”

Peter Vail, General Manager, Isle of Wight Steam Railway



5.3 HOW MUCH WILL BUSINESSES CONTRIBUTE?

Businesses eligible to pay the levy have been selected on the basis that they benefit from increased visitor expenditure using their National Non-Domestic Rates (NNDR) classification, a full list of which is available on the website www.isleofwightbid.com. **If you have received this consultation document in the post or via email you are one of the 1,289 businesses who would be included in the Destination BID.** If successful this will be one of the biggest BIDs in the country.

Businesses under the contribution threshold of a rateable value of £7,500 will have the opportunity to support the work programme with their contributions set at the same level as the smallest levy payer for similar benefits. In this way all businesses can be involved in, and benefit from, the Destination BID. We are committed to engaging with, and listening to, all businesses who are a part of, or that rely on, the visitor economy. For that reason there will be a separate consultation with those under the contribution threshold, to brief them on the Destination BID and how they will be able to participate in, contribute to, and benefit from the Destination BID programme.

These are the suggestions of the business that we have worked with to date. The purpose of the consultation is to hear the views of all affected businesses and you will find the key questions at our online.

HERE ARE SOME EXAMPLES OF LEVY CONTRIBUTIONS FOR INDIVIDUAL BUSINESSES



A LARGE HOTEL
IN SHANKLIN WILL
PAY £794



A SMALL SPECIALIST
RETAILER IN RYDE WILL
PAY £175



A GUEST HOUSE
IN SANDOWN WILL
PAY £152



A NATIONAL RETAILER
IN NEWPORT WILL PAY
£1,278



A CARAVAN PARK
IN YARMOUTH WILL
PAY £1,837



AN INDEPENDENT
RETAILER IN NEWPORT
WILL PAY £411



A SELF CATERING
UNIT IN VENTNOR
WILL PAY £170



A PUB IN SANDOWN
WILL PAY £188



A LARGE NATIONAL
RETAILER IN COWES
WILL PAY £8,313



A RESTAURANT IN RYDE
WILL PAY £205

Yes



“The benefits of a Business Improvement District are well documented across the country, often giving a 4-1 return on investment. Having local businesses steering and prioritising how this investment is used would be a welcome step forward for the Island. Unfortunately, the days when the council would take responsibility for building visitor numbers and enhancing the environment have gone, but there is now an opportunity for businesses to step forward, working together to grow the Island’s economy.”

Julie Jones, Federation of Small Business

6 MANAGEMENT & GOVERNANCE



The Destination BID will be controlled and managed by local businesses that are paying the Destination BID levy under the umbrella of Visit Isle of Wight, which will evolve into the Destination BID Company. This company will be representative of the businesses involved and will have two key governance bodies:

- ✓ A Strategic Board, responsible for the timely and effective delivery of Destination BID projects and services, and directly responsible to all its business membership. It will be composed of representatives of Levy Payers and other key strategic partners in the Island's Visitor Economy.
- ✓ A Finance & Administration committee who would oversee compliance with the regulations, company finance and other administrative matters.

Both bodies will be supported by standing and task-specific working parties that will develop and recommend the work programme of the Destination BID.

7 TIMESCALES



NOVEMBER & DECEMBER 2015

Consultation and feedback.



JANUARY-FEBRUARY 2016

Final 5 year business plan is signed off and published.



JANUARY-MARCH 2016

Launch campaign towards a 'yes' vote based on the consultation findings. This will again feature numerous events at which those within the industry will be encouraged to make their views known. We will also seek to make the case for a Destination BID with a media campaign.



FEBRUARY-MARCH 2016

4 week postal ballot takes place.



MAY 2016

Destination BID company established if there is a 'yes' vote.

Yes



"Tourism is essential to the Island and represents approximately 25% of the economy and 30% of employment. We at Chale Bay Farm are a small luxury Guest House, yet we employ 6 people during the main season and give regular work to 4 contractors.

Although we are growing our repeat business it's important to remember that most of our guests are first time visitors. Since Visit Isle of Wight (VIOW) came into being we've seen many new customers attracted to the Isle of Wight through their initiatives – for example we measured a 9% uplift in London customers during the poster campaign on the tube.

With the internet and social media, the growth of "noise" for potential visitors to cut through and decide on their UK destination gets increasingly difficult. We as an Island need to continue to have one powerful and professional voice delivering compelling reasons to visit throughout the year.

When we moved to the Island four years ago there were many and varied groups promoting individual parts of the Island making it complicated for visitors to get a cohesive view of exactly what we have to offer on the Island. As a business we ended up spending more money to be included in multiple websites and publications that were much less effective than working with VIOW. Now we have the opportunity to work even better together as an Island, to act as a single entity to work for the promotion of visitors to our Island and continued growth of all our businesses."

Charlotte Clark, Owner of Chale Bay Farm

8 YOUR VIEWS 8 MATTER



It is crucial to the success of the Destination BID and to the future of tourism on the Island that as many businesses as possible have an opportunity to input into the consultation. We are organising a series of roadshows across the Isle of Wight; area by area and sector by sector to give everyone an opportunity to come together and discuss the suggested activities and levy models.

In addition to these roadshows, we would encourage everyone to complete the questionnaire at www.isleofwightbid.com as soon as possible during the consultation period which lasts till the end of November.



"At Betapak, we strongly support the Destination BID for the Isle of Wight, and hope it will achieve broad scale support throughout the Island business community.

Like many other Island companies that are not classed as "tourist" businesses, Betapak nevertheless benefits from the Island's position as a tourist destination. In addition to many non-tourism customers, Betapak supplies to a large number of leading hotels, guest houses, caravan parks, cafes, restaurants, tourist attractions and retail outlets, and we understand the need to continue to promote the Island as a unique destination for the good of the whole economy of the Island.

Visit Isle of Wight has already achieved a great deal from a limited budget, but going forward it needs to establish a secure source of income to continue and expand its current work. We can no longer expect that money to be provided externally. The Island's business community must come together to ensure its own prosperity. Betapak will be pleased to contribute to that cause through the Destination BID to secure continued growth in the Islands tourism business and its wider economy."

Peter G Tomlinson, Chief Executive Betapak Ltd