

## Manchester City Council Report for Resolution

**Report to:** Executive – 14 September 2022

**Subject:** Manchester Accommodation Business Improvement District (ABID)

**Report of:** Strategic Director (Growth and Development) and the Deputy Chief Executive and City Treasurer

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### Summary

This report outlines proposals for an Accommodation Business Improvement District (ABID) covering Manchester city centre and an area of Salford in the regional centre. The Executive are asked to confirm that the proposals do not conflict with Council policy. They are also asked to put in place arrangements for the Chief Executive (as Ballot Holder) to hold the ABID ballot.

### Recommendations

The Executive is recommended to:-

1. Note the receipt of the Manchester Accommodation Business Improvement District 2023 – 2028 proposal from the BID Proposer, Manchester Hoteliers' Association.
  2. Confirm that the proposals do not conflict with any policy formally adopted by, and contained in a document published by, the Council.
  3. Delegate to the Deputy Chief Executive and City Treasurer the authority to instruct the Ballot Holder to hold a BID ballot.
  4. Note that if the ABID is approved, the Deputy Chief Executive and City Treasurer will be responsible for collecting the BID levy in accordance with the BID arrangements.
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**Wards Affected:** Ancoats & Beswick, Deansgate, Hulme and Piccadilly

**Environmental Impact Assessment** - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The growth of the visitor economy within the regional centre will provide the opportunity for the sector to further support the prioritisation of active and sustainable modes of transport.

The city centre, its attractions and accommodation offer all benefit from excellent sustainable connectivity. The city centre is served by three major rail stations which

connect and provides connections throughout the UK and also to Manchester Airport, a major international airport which provides direct connections to around 200 international destinations.

The proposal also provides the opportunity to align with the city’s active travel aspirations, continuing to provide attractive and safe walking and cycling infrastructure for visitors to the city.

**Equality, Diversity and Inclusion** - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The Manchester Accommodation BID is a proposal for certain city centre hotelier businesses, of whom a majority (both in terms of number and collective rateable value) would need to vote in favour, in order for it to be implemented.

Subsequently, it has been considered that the proposal does not impact any protected or disadvantaged groups.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>The Manchester Accommodation BID proposal would further develop Manchester’s performance as a leading visitor destination, for both business and leisure tourism.</p> <p>The ABID would seek to support the city centre tourism offer to realise its full potential and enhancing the visitor experience for those travelling to the city.</p>
<p>A highly skilled city: world class and home grown talent sustaining the city’s economic success</p>	<p>Strengthening the city centre tourism and accommodation offer will safeguard the jobs of those employed within the sector in addition to supporting further investment which will create additional new employment opportunities for local residents</p>

<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The aspiration of the ABID is to strengthen the city centre hotelier and tourism offer, which in turn has the potential to stimulate further investment, economic activity and job opportunities for local residents within the regional centre.</p> <p>The city centre is accessible to residents from all areas of the city and wider region. Activity facilitated via the ABID will be support tourism across a range of subsectors including international, business and leisure travel.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>A BID could enhance the hotelier environment and visitor experience within the city centre.</p> <p>It will provide seek to attract a range of high-profile sport, music and cultural events, raising the profile of the city on a domestic and international stage. This will further stimulate activity within the tourism and hospitality sector. New development continues to prioritise active travel and sustainable modes of transport.</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>The city centre is accessible destination that is well connected locally, regionally, and internationally.</p> <p>The aspiration of the ABID is to enhance the tourism sector within the city centre including the city welcome and overall visitor experience.</p>

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

If the ABID is approved, the Council’s Revenue and Benefits Service will undertake the administration and collection of the levy. Any costs incurred for the collection will be met by the BID Company.

The cost for holding the ballot will be funded by the Manchester Accommodation BID.

There will be no direct financial support required from the City Council.

## **Financial Consequences – Capital**

None

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### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the officers above.

- Greater Manchester International Strategy
- Proposal and Business Plan for Manchester Accommodation Business Improvement District 2023-2028

## **1.0 Introduction**

- 1.1 In recent years the city centre as the region's economic hub has undergone transformational regeneration and benefitted from significant inward investment. This has underpinned Manchester's development as a leading international city to live, work, study and visit.
- 1.2 The visitor economy across Greater Manchester is worth £9.5billion and supports over 102,000 jobs, accounting for 8% of the people working in Greater Manchester, with most of this tourism activity clustered within the city centre.
- 1.3 Manchester is the 3rd most visited city in the UK for international visitors after the capital cities of London and Edinburgh and the value of international visits to Greater Manchester grew by 37% from 2014 to 2019, outperforming the UK average growth of 22%.
- 1.4 Tourism will continue to experience significant growth over the next few years with major new openings including The Factory and Coop Live Arena which will enhance an already diverse cultural and leisure offer. This new demand, coupled with current visitors to the city who travel to experience the leading retail / leisure, cultural and international sporting offer within Manchester, in addition to those visiting for business and enterprise will drive the region's visitor numbers.
- 1.5 Over the next 5 years, the tourism sector across Greater Manchester is set for a radical step change, powered by major investment in new attractions, accommodation, and visitor facilities. The proposed BID levy would support the development of the tourism and hospitality sector by providing additional funds for high profile, tactical marketing campaigns, by attracting more national and international business conferences and major sporting events to the city, by developing and attracting new consumer events to the city, and by improving the city's welcome: helping to keep the entry points to the city centre cleaner, providing hosts at the railway stations and supporting hotels in ensuring secure environments for guests. During a period of financial challenges and at a time when the tourism sector is recovering from almost 2 years of restricted trading which wiped almost 70% off the value of the city's visitor economy such additional resource could provide much needed additional support.

## **2.0 BID Proposal**

- 2.1 Following collaborative discussion, Manchester Hoteliers' Association (MHA), supported by Marketing Manchester and CityCo, have stated that their preferred approach is the development of a private sector-led Manchester Accommodation Business Improvement District (ABID). Over the past four years, MHA have developed the proposition through a series of workshops and consultations. A map of the proposed ABID area is appended to this report.

- 2.2 The ABID approach focuses on a proposal developed by and voted on by potential levy-payers. All relevant businesses would contribute, but within a structure where the businesses will control the levy raised. Legislation allows for a BID focused on accommodation to be set up once a vote (a “BID ballot”), with a majority in favour (both in terms of number and collective rateable value), has taken place.
- 2.3 The proposed ABID would be managed by those that pay into the levy over the five-year term. As an independent company, the ABID’s board of directors will provide oversight and governance.
- 2.4 Membership of the ABID will be limited to hereditaments that are identifiable by the relevant billing authority as hotels or short stay serviced apartments (based on billing authority records, including Valuation Office Agency classifications CH, CH1, CH2 and CH3) and have a rateable value of £75,000 or more and are within the ABID area. They will be required by the BID legislation to contribute via the BID levy. The formula for the levy will take into account the numbers of rooms/units available per night, the number of nights per month and the STR Published ‘Manchester Average’ Occupancy rate for each month LESS 5%. All of this information will be collated by the City Council. Any new accommodation opening during the period 2023 – 2028 within the geographical boundary of the ABID, who meet the relevant criteria, will also be required to pay the BID levy.
- 2.5 BID legislation requires the local authority to collect the levy under ratings legislation. BIDs are permitted across authority boundaries, in this instance Manchester City Council and Salford City Council. It has been agreed that Manchester City Council will act as “lead authority” for the purposes of the Business Improvement Districts (England) Regulations 2004 (“the BID Regulations”). It is also anticipated that the two Councils will enter into an arrangement whereby Manchester City Council will collect the BID levy on behalf of both authorities.
- 2.6 The ABID Proposal and Business Plan has been formally submitted to the Council, along with a formal notice requesting that the Council (as lead authority) instruct the Ballot Holder (i.e. Manchester’s Returning Officer) to hold a BID Ballot. If a BID proposer sends the Council BID proposals (and other required information) that appear to meet the relevant legislative requirements (in particular, Regulation 4 and Schedule 1 of the BID Regulations), along with notice in writing requesting that the Council instruct the Ballot Holder to hold a BID ballot, the Council must (under Regulation 5 of the BID Regulations) instruct the Ballot Holder accordingly. It is proposed that authority to instruct the Ballot Holder is delegated by the Executive to the Deputy Chief Executive and City Treasurer.
- 2.7 If the Ballot Holder is instructed to hold a BID ballot, it is anticipated that the ballot will be conducted as follows:

- The day of the ballot will be 7th November 2022, with the ballot period formally starting upon publication of the Notice of Ballot on 26 September 2022.
- Relevant non-domestic ratepayers will be entitled, in respect of each of their hereditaments within the ABID area for which they would be liable for the BID levy, to one vote each in respect of the proposal.
- Civica Election Services, acting on behalf of the Ballot Holder, will dispatch ballot paper packs by post, to in scope accommodation providers by no later than 10th October 2022. The ballot will close at 5pm on 7th November 2022. Ballot papers received after 5pm on 7th November 2022 will not be counted.
- The result will be declared as soon as possible. For the proposal to be successful, the result will need to meet two statutory criteria, which are: (a) of those ballots returned by the close, those voting in favour of the proposal must exceed those voting against it; and (b) of those ballot papers returned by the close, the total rateable value of those properties which vote in favour of the proposal, must exceed the total rateable value of those voting against. If most of the businesses vote 'yes,' both by number and by the collective rateable value, Manchester ABID will begin on 1 April 2023, for a 5-year term.

### **3.0 Recommendations**

- 3.1 The recommendations are set out at the beginning of this report.