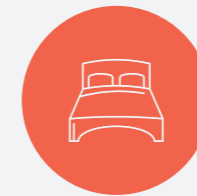


Businesses working together to create a thriving and vibrant destination.

Accommodation BID: A New Model

Liverpool Accommodation BID (ABID) was established in 2023 after an overwhelmingly positive vote by the city's hotel providers.

The ABID was developed after consultation with the sector with clear objectives in place:



Generating the events and conferences that will increase hotel demand.



Shaping and enhancing the accommodation sector helping it to work together to grow.



Driving destination marketing alongside improving the public realm and environment.



Led by the city's hotel and serviced apartment providers, Liverpool's Accommodation BID has been a great success with the first 12 months of conference support bringing an ROI of £47m to the economy but we need it to do more still.



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 Liverpool
BID Company

Accommodation
BID

Introducing a Hotel Visitor Charge

A Hotel Visitor Charge, namely a supplement added to each charge per room/unit per night for guests, would generate greater funds to create a more meaningful impact.

- It would secure larger scale sports and cultural events
- Drive marketing campaigns that will increase overnight stays
- Bring business conferences and festivals at low occupancy periods
- Support long term exhibitions in our museums and galleries
- Improve the environment for guests arriving in the city.

It would also mean that hoteliers were not directly liable for providing the BID levy, it would be a supplementary charge to the guest.

How it works

The ABID, along with Liverpool's other Business Improvement Districts, are protected by UK legislation, which regulates how they are run and operated. This provides a governance model that aids transparency and security for the industry.

The board model - made up of levy payers within the industry - ensures that it is hotel providers and serviced accommodation providers who have a direct say in where ABID funds are directed.

The regulations for BIDs, also stipulate that it is within the BID's own remit to decide how a levy is calculated.

When the ABID business model was developed, the decision was made to generate levy by calculating the levy based on the rateable value of a hotel or accommodation provider. It offered a stability of funding direct from accommodation providers.

In Manchester, the ABID uses a different model. They use a figure based on the "City Average" calculating the levy using monthly occupancy rates. An independent audit would calculate the occupancy rate each month using STR data. This would be used as the basis for a supplementary charge, namely the Hotel Visitor Charge, per room/unit per night for guests, added to the guests' bill.

What Is It and How Does it Work?

The Hotel Visitor Charge would be £2 (plus VAT) and would be added directly to a guest's bill per night, per room/unit. The accommodation provider would pay nothing else.

Based on the Manchester ABID levy model, we would use STR data to provide an accurate, independent assessment of occupancy rates both in hotels and short stay accommodation.

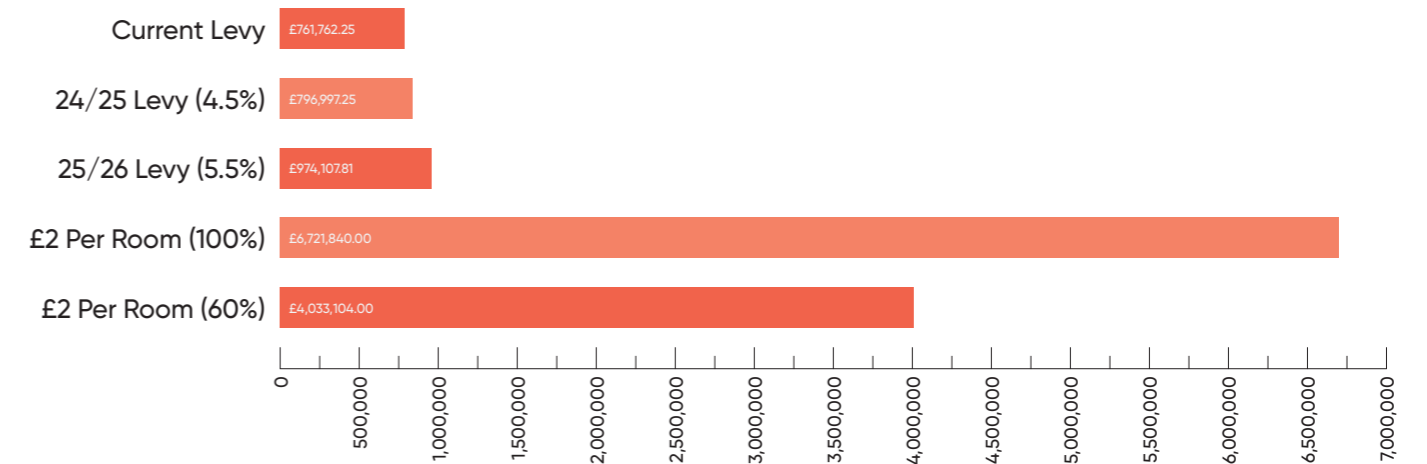
Each property is charged using the following calculation:

$$\text{Numbers of rooms/units available per night} \times \text{number of nights per month} \times \text{STR Published 'Liverpool Average' Occupancy rate for each month LESS 5\%}$$

Why make this change?

A Hotel Visitor Charge will vastly increase the investment ABID will make, to attract, create and support more events that convert into more overnight stays in Liverpool.

The change in rating list in 2023 reduced the ABID's income by £950,000 (over the period 22-27) By changing the levy rules, which would be done through an alteration ballot, the revenue available to the ABID would increase to replace the loss. All without adding an additional burden to the hotel and serviced apartment sector.



What's next

If the majority of sector agrees during this consultation period then we will set out the terms of an alteration ballot. As levy bills for year 3 of ABID have been issued in June 2024 a target date to implement any changed levy calculations would be 1st June 2025 allowing the final years 4 and 5 of the BID term to operate under the new model.

The ballot would ideally take place before Easter 2025, April 20th.

The suggested dates would be:

Letter of Intent to Secretary of State	Thursday 5th December 2024
Notice of Ballot	Thursday 27th February 2025
Ballot Papers issued	Thursday 13th March 2025
Ballot Day	Thursday 10th April 2025

We know the privilege of having a vibrant visitor economy in Liverpool and, over the past two decades, we have developed a successful model of private sector support to help the city thrive. Yet we know that pressures on the public purse continue. The city always needs to do more to provide the incredible cultural, leisure and entertainment offer to stay relevant, attractive and engaging, which means staying ahead of the curve. Liverpool is a cultural capital, this proposal will help us to flourish for the next generation.