

# Accommodation BID

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A new model - Bringing together the  
Accommodation Sector in Liverpool

# Introduction to the Accommodation BID Alteration Ballot

The Alteration Ballot proposes a new way of Levy Collection. Rather than the % based Levy Collection which has been used for years 1-3 in the 2023 - 2027 term, the collection for years 4 and 5 is proposed as a Levy charged per occupied room/unit per night which the Levy Payer may choose to recharge to the guest's bill. This 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.

## 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 (subject to approval in a ballot), that it is within the BIDs 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.

The new Liverpool ABID Charge would be £2 per night per room/unit.

Each property is charged using the following calculation\*:

Numbers of rooms or units available per night x number of nights per month x STR (Smith Travel Research) Published 'Liverpool Average' Occupancy rate for each month x2

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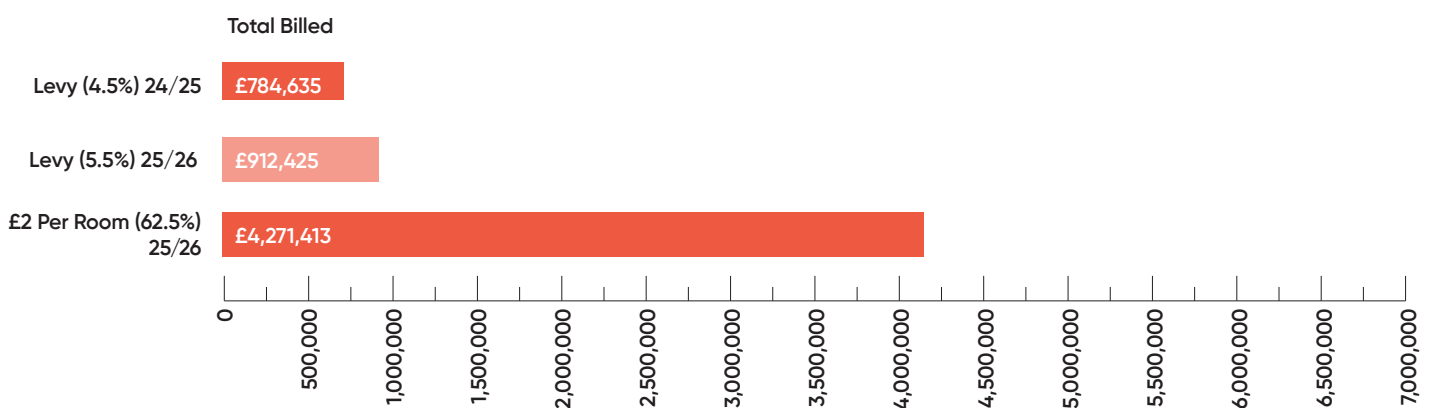
\*An appeals process can be made. More details for the appeals process can be found in notes.



# Why make this change?

The altered Levy collection method will vastly increase the investment ABID will make, to attract, create and support more events that convert into more/overnight stays in Liverpool. The current model is susceptible to external change (the rating listing) which BIDs have no control over. In 2023 such change resulted a reduction in income by £835,000 (over the period 22-27).

By changing the Levy rules, the revenue available to the ABID would increase to replace the loss and negate the impact of external changes. All without adding an additional burden to the hotel and serviced apartment sector.



*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.*

# Finance Forecast Summary

## ABID Years 4 & 5

Forecast Income	Year 4 £'s	Year 5 £'s
BID Levy Income	4,271,413	4,954,839
Grant Income	250,000	250,000
B/F Figure	-	123,270
<b>Total Income</b>	<b>4,521,413</b>	<b>5,328,109</b>

Forecast Expenditure	Year 4 £'s	Year 5 £'s
Business Events Subvention	2,000,000	2,400,000
Sports Subvention	500,000	600,000
Culture Subvention	500,000	600,000
Destination Marketing	500,000	550,000
Visitor Economy Support	300,000	400,000
Transfer to C&C / R&L BID's	220,000	220,000
BID Company Resource Contribution	200,000	200,000
Levy Collection Costs	50,000	50,000

<b>Total Expenditure</b>	<b>4,270,000</b>	<b>5,020,000</b>
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Contingency (3%)	128,142	148,645
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Carried Forward (inc contingency)	123,270	159,463
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# Notes

1. Budget figures are indicative based on the anticipated income based on a forecast from 2024 occupancy levels. The assumed annual occupancy is based on 2024 Liverpool averages provided by STR, less 10% in Year 4 which allows for previously contracted bookings and potential non-payments from guests.
  2. Room stock based on information at time of writing. Potential additional developments of accommodation supply in 2026 and 2027 are not included.
  3. The Levy collection rate has been assumed as 100%.
  4. Income may fluctuate in relation to occupancy levels and collection rates.
  5. The Liverpool ABID charge Levy bill is not subject to VAT however the question of VAT on the ABID charge if applied to guests is currently being reviewed with HMRC. Until such time as a definitive ruling is given it may be prudent for hoteliers to apply VAT at standard UK rate at time of billing.
  6. Annual financial accounts will be independently audited.
  7. A contingency of 3% of ABID income has been included each year to be carried forward as reserves.
  8. Levy demands to all ABID participants will be collected by Liverpool City Council who will charge Liverpool BID Company for this service. STR data will be available two weeks after the quarter end and bills will be sent out soon after this date.
  9. Budget allocations reflect current priorities; these may change causing variances and re-allocations across the five-year term. Any material variations of the budget will be approved by the Board.
  10. Operations and overheads currently reflect using Liverpool BID Company as a delivery body. This includes professional fees and core staff costs.
  11. Transfers relate to reimbursements, at the level that the BID Levy payers would have paid, into the originating BIDs.
  12. The ABID will seek to leverage additional voluntary income, which will enable more resources to be allocated to work programs.
  13. Levy demands will be issued for the first quarter's payment retrospectively in September 2025 and therefore quarterly thereafter. The financial quarters will run from June – August, September – November, December – February, March – May.
  14. The appeals process relates to the calculation of the bill and not the bill itself:  
Upon receipt of a quarterly demand, a property may appeal the amount based on the difference of inventory of available rooms/units, due to out of order rooms/units;  
They can only be taken into consideration should the out of order rooms exceed 30% of full inventory for a full calendar month;  
Any appeals need to be made within 30 days of receipt of the demand;  
Appeals must be made in writing to Liverpool City Council;  
In accordance with the operating procedures agreed by LCC and ABID, ABID will advise the appellant of the process by which the appeal will be considered.
  15. A monitoring group will meet in accordance with the Operating Agreement between Liverpool City Council and Liverpool BID Company no less than twice a year.
  16. The accommodation provider may still have a cost if a) property utilisation is less than the Liverpool average b) they achieve less than a 90/100%take-up/payment of the voluntary Levy.
  17. It is at the hotel providers discretion for how they approach long term stays. There is no appeals process for long term stays.
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# Levy Rules

- **Boundary:** The defined BID Area in this proposal is the City of Liverpool and includes all Liverpool postcodes.
- **Rateable Values:** The eligibility based on rateable value is fixed on the 2023 office ratings valuation which means it will not fluctuate with the national Valuation Office Agency evaluations. Billing is carried out on behalf of Liverpool BID Company by Liverpool City Council who will determine eligibility.
- **Levy Payments:** The Payment from Levy Payers will be derived from a calculation based on a 'Liverpool Average'. Formula is: Numbers of rooms/units available per night x number of nights per month x STR Published 'Liverpool Average' Occupancy rate for each month x2
- **Threshold:** The threshold for BID Levy is £45,000. Any hereditament whose rateable value is £45,000 or above will be liable for BID Levy.
- **Chargeable Day:** The Levy eligibility and liability is determined from 1st June annually. Billing will take place quarterly in arrears with the first bill being issued from 1st September.
- **Exemptions:** There is a 10% buffer in place for year 4 as the alteration Levy model begins. There are no other proposed exemptions and discounts.
- **Vacant Properties:** Where a property is vacant, landlords need to apply to Liverpool BID Company on a case-by-case basis.

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## Expenditure/Budget Explanation

### Business Events Subvention:

Supports business events with additional grant funding from LCRCA. This is scrutinised by the subvention sub-board of the ABID analysing criteria including potential bed nights, inward investment potential and benefit to the city's ecosystem.

### Sports & Culture:

Supports subvention to bring sports and cultural events to the city. These may often be on a larger scale than business events, and can bring with them national and international recognition for the city as a forerunner in hosting events.

### Destination Marketing:

Promotes the city as a destination for visitors, but also a place to work and live. Campaigns will be primarily focused on providing a ROI for hotels and accommodation providers but will also consider the long term strategy of increasing the city's corporate base to provide a pipeline for the future. Destination Marketing could also include city welcome, city dressing, wayfinding, visitor experience and city animation.

### Visitor Economy Support:

Supports skills, industry data, training, lobbying with government, net zero or sustainable initiatives, accessibility, transport and infrastructure support.

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# Business Plan FAQ's

## Who are the BID?

Liverpool BID Company is a private not-for-profit limited company working, since 2005, on behalf of our 850 BID Levy Payers in Liverpool across three current Business Improvement Districts (BID's), Retail & Leisure BID, Culture & Commerce BID and Accommodation BID. Each BID is delivered by us, Liverpool BID Company.

## What does the Accommodation BID do?

The Accommodation BID supports growth and long-term security for the sector. The challenges presented by post-Covid domestic and inbound recovery require a dedicated and bespoke strategy which takes into account the sector's specific needs and understanding of its marketplace and audience. The business-led, industry response through the Accommodation BID, puts the power in the hands of the industry - from promotional activity through Destination Marketing to choices around subvention.

**How is the Accommodation BID be governed?** Liverpool's existing BID's are each overseen by an operating Board who ensure what's delivered is in line with the business plan. They approve their budget and the main projects, which are delivered by the BID team. Both Boards include members representing the sectors and areas present within each BID. This is the same for the Accommodation BID.

There is also an Executive BID Board that oversees strategy for the organisation, finances, company structure, and major long term decisions. BID Executive Board members include the chair and deputy chairs of each BID Board and a representation of the leadership and main stakeholders in Liverpool City Centre. Board members support the BID on a voluntary, unpaid basis.

## What is the Levy fee and how does it work?

Only businesses with a rateable value (RV) of £45,000 and above pay a Levy. This money will then be used to

benefit businesses within the Accommodation BID.

This system is designed to be the fairest and most affordable way to ensure that the interests of all businesses are represented. Billing is currently carried out by Liverpool City Council on behalf of Liverpool BID Company. If your RV is below the minimum threshold you will pay nothing.

## How do I refer to the charge for guests?

A separate pack will be distributed to all Levy Payers on how to refer to the Liverpool BID Charge for guests.

The Liverpool ABID Charge (Accommodation BID), is a fee of £2 per room or unit per night payable by the existing ratepayer. Operators may choose to recoup this from guests by adding to the final bill for guests staying in paid accommodation within the Liverpool Accommodation BID area.

This fee has been introduced as part of an initiative led by the city's hotel and serviced apartment providers to create and attract exciting events and activities that will encourage more people to visit Liverpool and stay for longer.

The money raised through the Liverpool ABID Charge will be used to develop and promote tourism in the area, as well as to help program more things for visitors to do and see, and managed by the Liverpool Accommodation BID.

## What will the Accommodation BID do for my business?

Without an Accommodation BID, businesses will see increase in supply, a decrease in demand and a negative impact on occupancy rates. An Accommodation BID provides Destination Marketing and subvention to support the accommodation sector and give businesses a chance to use their voice for the future of the sector. Without a dedicated and investible strategy, Liverpool risks undoing all the hard work by multiple sectors and organisations to make this a global city, for both businesses and leisure visitors.

# Governance, How it will work?

The Accommodation BID is rooted in legislation, which gives businesses the power to formally designate an area and to leverage additional funding to be invested on priorities that matter to them.

## How the BID works

A BID is a voice and a platform for businesses. To form a BID, over half of the businesses in a designated area must vote 'YES' by total number of votes cast, and also by rateable value of those votes cast. If successful, every business that meets the criteria automatically becomes a BID Levy Payer and pays a levy each year, which is invested to deliver the aims of the BID business plan which is created following consultation with businesses in the area.

The Levy creates extra benefits that work to vastly improve the quality of the area, for businesses, visitors and employees, as well as, making it more attractive to investors. This money can pay for physical projects, like better lighting or street cleaning, the creation of green spaces, crime reduction programmes, special events, transport, accessibility or marketing. All these decisions are set out in the BID business plan.

## Governance

Liverpool's existing BIDs, Retail & Leisure BID, Culture & Commerce BID and Accommodation BID are managed by us, the Liverpool BID Company. We are a private, not-for-profit limited company, working on behalf of our 850 BID Levy Payers.

The alteration BID ballot will remain as the Liverpool Accommodation BID, or Liverpool ABID Charge to visitors, which will be managed by us, Liverpool BID Company. It will bring businesses from across Liverpool city Centre allowing a better connected and supported sector.

Liverpool's other BID's are each overseen by an Operating Board who ensure what's delivered is in line with the business plan. They approve their budget and the main projects, which are delivered by the BID team. Both Boards include members representing the sectors and areas present within each BID. This would be the same for the Accommodation BID. There is also an Executive BID Board that oversees strategy for the organisation, finances, company structure, and major long term decisions. BID Executive Board members include the chair and deputy chairs of each BID Board and a representation of the leadership and main stakeholders in Liverpool City Centre. Board members support the BID on a voluntary, unpaid basis.

If the proposed Alteration Ballot does not receive over half of the businesses voting yes, the current business plan for the Accommodation BID with a % based Levy Collection will continue until June 2027. All operating boards will be able to influence and take part in the strategy helping to make Liverpool as welcoming, accessible and safe as it can be.

## What happens next?

Conducted independently by Civica Election Services, formerly Electoral Reform Services, a postal ballot will be held for all eligible businesses within the defined area of this proposal. The ballot will be successful if more than 50% of businesses vote 'YES' by total number of votes cast (one per eligible hereditament) and also 'YES'

by a majority of the total rateable value of the hereditaments voting. If successful, every business that meets the criteria automatically becomes a BID Levy Payer and pays a BID Levy.

**Notice of ballot** - 13th March

**Ballot commences** - 27th March

**Results announced** - 24th April

**Term begins** - 1st June 2025

The Accommodation BID term will last until **1st June 2027**.