

Shrewsbury Business Improvement District (BID) Renewal

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1. Summary

- 1.1 Business Improvement Districts (BIDs) are business led partnerships which are created through a ballot process to deliver additional services to local businesses. A BID is a defined area in which a levy is charged on all business rate payers in addition to their business rates bill. The levy collected is then used to develop projects to benefit businesses and improve the trading environment.
- 1.2 Shrewsbury BID is an independent, not-for-profit company, dedicated to delivering projects, programmes and services that improve the trading environment for businesses in Shrewsbury Town Centre. The Shrewsbury BID was elected in November 2013. It has approximately 500 members and together with partners has invested circa £1.6m into projects over the last 5 years. The Shrewsbury BID is nearing the end of its first 5 year term and as such is up for renewal. The intention is that a ballot of all businesses within the defined BID area will take place from 27th September to 25th October 2018 where businesses will be asked to vote for or against a second term of the BID.
- 1.3 The purpose of this report is to update Cabinet on the progress of the Shrewsbury BID renewal process, to seek sign-off on the drafted BID Business Plan and to delegate authority for the council's voting rights.
- 1.4 As per the mandatory notice period of 126 days before the ballot date, the Board of Shrewsbury BID has notified Shropshire Council (as the billing authority) and the Secretary of State of their intention to seek a renewal ballot.
- 1.5 There are a number of Council properties within the BID area which will be subject to the levy and Shropshire Council receives one vote for each of these premises. Given the importance and impact of the BID company and its activities within the BID area, as detailed in the proposed Business Plan, it is recommended that Shropshire Council vote yes for the renewal of the BID.

2. Recommendations

- 2.1 That Cabinet notes that Shrewsbury BID has served notice of their intention to seek a renewal ballot to the Secretary of State and Shropshire Council.
- 2.2 That Cabinet endorses the draft Shrewsbury BID 2019 – 2024 business plan and renewal proposal (attached as Appendix 1).
- 2.3 That Cabinet approves a vote in support of Shrewsbury BID's continuation in respect of the Council's voting rights for the Council owned premises in the renewal ballot and delegates authority to exercise this vote to the Head of Business Enterprise and Commercial Services.

REPORT

3. Risks Assessment and Opportunities Appraisal

- 3.1 The most significant risk faced is if Shrewsbury BID is not successful in their renewal as Shrewsbury town centre would lose investment in the region of £2 million over the course of the next five years.
- 3.2 Without Shrewsbury BID there would be a significant loss of momentum and activity in the Town Centre. During its first 5 year term the BID has achieved a great deal against its key project themes, together with a number of major marketing campaigns, significant cost savings for businesses, and strategic development work highlighted most recently with the development of the Shrewsbury Big Town Plan.
- 3.3 Shrewsbury continues to face increasing competition from nearby towns and cities, retail parks and the internet. Shrewsbury BID has made significant achievements in its first term but for the town to remain competitive it needs to continue to deliver projects which attract more people to the town, improves the experience for visitors and supports the business community on key strategic and operational matters.
- 3.4 The following alternative options have been considered but are not recommended;
 - To vote against the BID renewal: not recommended due to the significant positive impact to the business community and the partnership.
 - To abstain for the vote: not recommended due to the significant impact to the business community and the desire for Shropshire Council to be seen as positively leading the way for businesses to vote yes.

4. Financial Implications

- 4.1 Shropshire Council's current annual Shrewsbury BID Levy is £24,484 which would change to £26,565 in the second term due to a number of changes to rateable values and a small expansion to the BID area at Abbey Foregate.

- 4.2 Shropshire Council currently charges Shrewsbury BID £10,000 per annum (before VAT) per annum to collect the BID levy on their behalf. This figure ensures that the Council makes full cost recovery.

5. Background

- 5.1 A Business Improvement District (BID) is a business-led and controlled partnership in a given area such as Shrewsbury Town Centre, which delivers an agreed set of services and projects. These are agreed, and formally voted for, by all businesses in the BID and are additional to what the public agencies provide.
- 5.2 A BID typically lasts for five years with the overall aim being that it improves the trading environment for businesses. BIDs are governed by legislation contained in the Local Government Act 2003 and The Business Improvement Districts (England) Regulations 2004 (“ the 2004 Regulations “).
- 5.3 BIDs can deliver any projects or services that are agreed by businesses in the BID area. Over the past four years, Shrewsbury BID has delivered projects and services across four areas:
- Marketing, Profile & Promotion
 - Access & Car Parking
 - Backing Business
 - Drive & Direction
- 5.4 Shrewsbury BID is set up as a Company Limited by Guarantee. This is a business controlled, not-for-profit company that is responsible for the delivery of the Shrewsbury BID Business Plan and is accountable to the BID Board and its levy payers.
- 5.5 Shrewsbury BID operates in the area of the river loop, part of Frankwell and in its second term will incorporate part of Abbey Foregate (see the draft Business Plan at appendix 1 for full map), reflecting the improved Eastern gateway to the town. Those businesses that are located within the Shrewsbury BID area and whose property has a rateable value of £12,000 (in line with small business rate relief threshold) and above pay 1.5% of their rateable value towards the BID. This is called a BID Levy. The BID Levy is normally paid by the occupiers of a property. The Shrewsbury BID Levy is collected in April on an annual basis and invoices are issued by Shropshire Council. Properties with a rateable value below the threshold that are located within Shrewsbury Town Centre are invited to be a voluntary member of Shrewsbury BID for an annual fee of £200. This means that the property will receive similar benefits of levy paying members including promotion through the Original Shrewsbury platform.
- 5.6 BIDs can only carry out projects or services in addition to those that public agencies have to provide on a statutory basis and/or choose to deliver on a discretionary basis.
- 5.7 Shrewsbury BID is governed by a board of directors consisting of 18 elected members that is representative of the sectors in the town including: Independent Retail (3), National Retail (2), Entertainment Hospitality & Leisure (2), Office &

Commercial (2), Bars & Pubs (2), Property (1), Education, Health & Third Sector (1)
Non-specific (3).

- 5.8 In line with the 2004 Regulations; Regulation 4, Shrewsbury BID must submit to Shropshire Council a copy of their renewal proposal, their proposed financial business plan, a summary of the consultation taken with the BID levy payers and a summary of the financial management arrangements for the BID. These have been provided as part of the draft business plan at appendix 1. Officers have reviewed these documents and have ensured that they satisfactorily meet the regulation requirements.
- 5.9 The content of the BID business plan and renewal proposal are determined by Shrewsbury BID in consultation with their members. Shropshire Council has no right to veto the proposal based on opinions regarding the contents, although may choose to vote against the proposal if it is opposed to the content of the plan.
- 5.10 The Council owns a number of assets located within the proposed BID area and therefore will be invited to vote as part of the ballot, with one vote for each asset that would be subject to the BID levy. It is the recommendation of this report that the Council votes in favour of the BID given the importance of this initiative and the positive impact on the town centre trading environment and delivery of key projects it has demonstrated in the first term. These improvements and impacts will be continued if the BID renewal is successful through the delivery of the activities outlined in the draft business plan at appendix 1.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Annual Reviews and the past four years accounts are available at:

www.shrewsburybid.co.uk

Cabinet Member (Portfolio Holder)

Cllr Nic Laurens – Portfolio Holder for Economic Growth

Local Member

Cllr Nat Green & Cllr Hannah Fraser

Appendices

Shrewsbury BID 2019-24 Draft Business Plan and Renewal Proposal