



<u>Portfolio Holder Decision</u> <u>Making Session and date/time</u>
17 th October 2013
1 pm

<u>Item</u>
1
<u>Public</u>

SHREWSBURY BUSINESS IMPROVEMENT DISTRICT

Responsible Officer:

Tim Smith – Area

Commissioner

(North)

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Tel: 01743 252411

1. Summary

Cabinet approved support for the development of a Business Improvement District (BID) for Shrewsbury Town Centre on 12th September 2012.

This report sets out the Shrewsbury Business Improvement 5 Year Business Plan. The Portfolio Holder is asked to consider and, if satisfied, support the Shrewsbury BID proposal by exercising the Council's vote upon receipt of ballot papers in respect of the BID proposal.

2. Recommendations

To:

- 1) Note the Shrewsbury Business Improvement District Business Plan (Appendix 1) and boundary (Appendix 2);
- 2) Exercise the Council's vote in the proposed ballot to create a BID for Shrewsbury in respect of each of the Council's hereditaments in order to support the Shrewsbury BID proposal.

Reasons for decision:

To support one of the Council's key priorities - to support and sustain business growth in Shropshire and to work with other partners to achieve this aim.

The continued attractiveness, vitality, vibrancy and economic success of Shrewsbury are an essential cornerstone in Shropshire's future as a place where people choose to live, work and do business.

In uncertain and difficult economic conditions the idea of a Business Improvement District is a method to secure investment of an estimated £1.6million via additional levy (along with £200,000 voluntary contributions) in Shrewsbury and create some certainty of investment over the next 5 years.

Business Improvement Districts already operate in 140 UK locations, and this approach would establish a professional, sustainable and accountable organisation to promote and improve Shrewsbury Town Centre.

A BID is an arrangement whereby businesses get together, decide what additional activity they want to see, how they are going to manage and deliver those improvements and what it will cost them. The BID must demonstrate how it has benefitted businesses which have funded it.

The BID will deliver key priorities identified in both the Shrewsbury Vision and the Shrewsbury Visitor Economy Strategy.

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3. Risk Management and Opportunities Approval

The practical risks associated with the BID are the responsibility of the BID Company. If the BID Business Plan and programme were to fail then the confidence in the Town Centre may be affected and the Council's vision for the future of the Town will be harder to achieve.

Baseline Service Statements for town centre services such as car parking, visitor information and waste collection have been prepared with respective Service Managers. These statements outline their commitment to ensuring agreed levels of services and ensuring that if a BID is developed, it provides additional activity, over and above what is included in the Baseline Service Statements. These are not legally binding; more statement of intents, and the Council and other public agencies reserve the right to amend services as and when deemed necessary.

The additional investment in marketing, profile and promotion aims to increase footfall and spend in the town by making people aware of its unique offer. Additional marketing and promotional activity has been highlighted as a key priority within the Shrewsbury Visitor Economy Strategy July 2011.

Developing incentives to enhance the customer's experience of accessing Shrewsbury will again support increased footfall and spend into Shrewsbury businesses and encourage repeat visits and personal recommendations, supporting our business growth and prosperity agenda.

The BID, based on BID's elsewhere is likely to lead to and support new investment and businesses into the area and provide support for business to thrive.

4. Financial Implications

If the BID ballot is successful the Council (as a Business ratepayer) will be required to pay the additional 1.5% levy on its 18 hereditaments within the BID area. This would increase the Council's Non Domestic Rates (NNDR) payments in the BID area by approximately £22,455 per annum for the duration of the BID.

The Council is the collections authority and will take responsibility for collecting the additional levy payments from the eligible hereditaments. One off costs associated with procuring and installing the necessary software and annual costs associated with collections will be recharged to the BID company. These costs are subject to negotiation and will, based on the experience of other BID areas, be reduced to the lowest level possible.

	Costs		Income / Savings	
	Revenue	Capital	Revenue	Capital
First financial year				
Full financial year	22455			
One-off				
On-going annual	22455			
<i>Please provide a summary of how costs and income/savings values are calculated.</i>				
<i>Please provide a summary of how the net costs will be funded.</i>				

Table 1- Shrewsbury BID rating and levy information (as at 10.9.13)

Total hereditaments in the published BID area	1,153	
Total hereditaments with RV at or above £10,000	528	
% hereditaments liable to additional levy (1.5% of RV)	46%	
Total RV for hereditaments liable for additional levy	£21,554,050	
Total funds raised if vote successful - per annum	£323,311	
Total funds raised if vote successful - over five years	£1,616,554	
		% of total
Total number of SC hereditaments in the published BID area	19	1.6%
Total number of SC hereditaments with RV at or above £10,000	18	3.4%
Total SC RV for hereditaments liable for additional levy	£1,497,000	6.9%
Total SC levy if vote successful - per annum	£22,455	6.9%

The Local Government Act 2003, followed by the Statutory Instrument 2004 No. 2443 – Business Improvement District Regulations in September 2004 enables BIDS to be set up in England and Wales and contains the provisions for introducing the BID initiative.

5. Background

The Mosaic Partnership was appointed to undertake the development of the Shrewsbury Business Improvement District with a dedicated BID manager working to a steering group with representatives from local businesses, stakeholder groups and the local authorities. The Steering Group and the BID Manager have undertaken extensive consultation with businesses and developed a business plan from their findings.

The BID Business Plan (Appendix 1) is a document required by legislation to govern the development of BIDs and must be made available as part of the balloting process. A summary of the Shrewsbury BID Business Plan projects and priorities are:

1. Marketing, profile and promotion – Budget £840,000 over five years
2. Access and Parking – Budget £520,000 over five years
3. Backing Business – Budget £150,000 over five years

4. Drive and Direction – Budget £50,000 over five years

The key elements and processes for a business improvement district can be summarised as follows:

A BID is a defined area drawn on a map within which the businesses that operate pay an additional levy based on but separate to the business rates.

A business plan is developed by businesses working together. This describes the activities and added value that the businesses want the BID to deliver.

Once the business plan is prepared, then all of the businesses within the area are invited to vote in a postal ballot. To be successful over 50% of businesses within the area, by number and proportion of rateable value, must vote in favour of the BID.

To manage the funds raised, a BID company limited by guarantee is established. The Board of the company must be representative of business and other stakeholders.

The BID has to be revived every 5 years. In towns where BIDs have been established there is a high re-approval rate of over 99%.

Consultation

Extensive consultation has been carried out with businesses affected by the BID as outlined below:

1. A task group was formed which represented a range of sectors and businesses in the town, including, independent retail, national retail, leisure and hospitality, property, culture, Shrewsbury Town Council and Shropshire Council to steer the development of the BID.
2. A full time Business Development Manager was appointed in February 2013, based in Shrewsbury Town Centre, principally focussed on working with task group to carry out the consultation process, complete the BID business plan formation through to the ballot, and manage the ballot campaign. The task group have met, on the following occasions: 20th February, 19th March, 11th April, 25th April, 10th June, 10th July, 13th August and 20th August.
3. Business Consultation:
 - a. Ongoing: The BID project team has engaged in face to face meetings, telephone, written, email discussions and follow-ups with businesses.
 - b. Ongoing: Website established with document made available for download, survey results, BID team contact details and BID information. The website has been managed and updated throughout the project.
 - c. March-April 2013: Introductory BID newsletter distributed to all businesses. A Town Centre Survey was also posted to eligible BID businesses and was available online. The response rate for this survey was 30% with key themes around promotion, marketing, access and car parking, assisting with saving businesses money on core costs and a dedicated 'business voice' emerging.
 - d. May-July 2013: Survey results published in a newsletter which was distributed to all businesses. 'Business Meetings' were also held over two days, 5th and 6th June, where different sectors in the town met to discuss in more detail the sorts of projects they would like to see the BID focus on delivering. Key stakeholders also attended these meetings. Businesses were asked, informally, if they would vote in favour or against the BID and the majority of businesses were in favour.

- e. July-August 2013: baseline service meetings and completion of statements from public agencies, including Shropshire Council, carried out, along with further discussions on BID projects and themes.
- f. August 2013: BID Summary Business Plan distributed to businesses, consolidating all the consultation carried out to date. This is open to further comment and presents another opportunity for businesses to engage with the BID and to offer views on key themes for the BID to focus on.

6. Additional Information

Ballot information

For a BID to be introduced, the vote must meet two conditions:

- i) Over 50% of businesses that vote must vote in favour of the BID.
- ii) Of the businesses that vote yes, they must represent greater total rateable value than those that vote no.

Timetable:

- Ballot list closes – mid-September 2013
- Notice of ballot – 8 October 2013
- Ballot papers sent – 22 October 2013
- Duplicate ballots sent – 13 November 2013
- Ballot closes - 19 November 2013 at 5 pm
- Declaration – 20 November 2013

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information):</p> <p>Appendix 1 – BID Summary Business Plan</p> <p>Appendix 2 - BID Boundary Map</p>
<p>Key Decision: No</p> <p>Included within Forward Plan: Yes</p> <p>If a Key Decision and not included in the Forward Plan have the General Exception or Special Urgency Procedures been complied with: N/A</p>
<p>Name and Portfolio of Executive Member responsible for this area of responsibility:</p> <p>Councillor Steve Charmley</p>
<p>Local Member:</p> <p>Councillor Andrew Bannerman</p> <p>Councillor Anne Chebsey</p>
<p>Appendices:</p> <p>Appendix 1 – BID Summary Business Plan</p> <p>Appendix 2 - BID Boundary Map</p>

Declaration of Interest

- I have no interest to declare in respect of this report

Signed Date

NAME:

PORTFOLIO HOLDER FOR:

- I have to declare an interest in respect of this report

Signed Date

NAME:

PORTFOLIO HOLDER FOR:

(Note: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter.)

For the reasons set out in the report, I agree the recommendation(s) in the report entitled

Signed

Portfolio Holder for

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and pro-forma is returned to Democratic Services for processing.

Additional comment :

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Note: If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, Head of Legal and Democratic Services, Chief Executive and the Head of Finance, Governance and Assurance (S151 Officer) and, if there are staffing implications the Head of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Portfolio Holder: Your decision will now be published and communicated to all Members of Council. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication.

