



Committee and Date

Item

Public



Shrewsbury Business Improvement District (BID) Term 3 Renewal

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Cabinet Member (Portfolio Holder):	Dean Carroll		

1. Synopsis

1.1 This report outlines the background and outcomes of the last four years of Shrewsbury BID following its successful re-ballot for a second term in 2019 and the benefits and impacts to Shropshire Council of supporting the renewal process for the period from 2024-2029.

2. Executive Summary

2.1 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. To secure a BID, a ballot process is undertaken against a defined Business Plan. Each business that would be liable for the levy charge has an opportunity to vote for or against the BID and their Business Plan, with a majority vote determining whether a BID is successful in securing its term.

2.2 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.

- 2.3 The work of Business Improvement Districts fits within two key strands of the Shropshire Plan, particularly around Healthy Environment and Healthy Economy. This is outlined in further detail in section 8, as well as covering the environmental projects in particular under section 6.4.
- 2.4 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 first elected in 2014 and operates in an area covering 1,154 businesses, with 481 of these mandated to contribute to the BID Levy based on the 2017 ratings list, rising to 502 should the new term proceed based on the 2023 rating list (only businesses with a Rateable Value of over £12,000 are mandated to pay the levy). This number sits alongside 37 volunteer members who contribute £10,233 above the BID levy collection.
- 2.5 Over this second term to date, projects delivered via Shrewsbury BID has seen an investment of more than £1.56m to date via its BID Levy collection into projects across the BID area. This has included projects under their key strands of Promoting, Supporting and Representing. Projects within these priorities have included increasing the social media and web presence, through the Original Shrewsbury brand, town centre activities and PR, supporting safety through the Shrewsbury Rangers and business training and grant programmes, giving businesses a voice, supporting to improve connectivity and being a key partner in the Big Town Plan. In the last five years, for every £1 generated by the levy, Shrewsbury BID has attracted an additional £1.10 investment into the BID, which maximises members' investments and brings the total invested into the second term to £2.5m. Further detail on projects delivered through the term can be found in appendix 1.
- 2.6 The Shrewsbury BID is nearing the end of its second 5 year term and as such is up for renewal. The intention is that a ballot of all businesses mandated to pay the levy within the defined BID area will take place from 8th June to 6th July where businesses will be asked to vote for or against a third term of the BID. Across this potential third term, the BID will focus activity around four new priority areas as determined by the BID and its Board;
- Original Shrewsbury - Projects to attract more people into the town centre and maximise the visitor experience
 - Safer Shrewsbury - Ensuring the safety and attractiveness of our town centre
 - Work in Shrewsbury - A new programme of activity to attract and nurture our workforce and student community
 - Future Shrewsbury - Working with partners to ensure Shrewsbury stays ahead of the curve and is successful in attracting new investment

Further details on these proposed priority areas and deliverable projects can be found within appendix 1.

- 2.7 The purpose of this report is to update Cabinet on the progress of the Shrewsbury BID renewal process, to seek support on the drafted BID Business Plan and to delegate authority for the Council's voting rights.
- 2.8 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, with 24 in total. 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.

3. Recommendations

- 3.1 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.
- 3.2 That Cabinet endorses the draft Shrewsbury BID 2024-2029 business plan and renewal proposal (attached as Appendix 1), noting that the Business Plan is subject to securing a majority vote through its re-ballot.
- 3.3 That Cabinet approves its 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 votes for each Shropshire Council owned property to the Assistant Director Commercial Services.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1 The most significant risk faced is if Shrewsbury BID is not successful in their renewal Shrewsbury would lose investment of more than £1.5m million from 2024 onwards, not including any additional external funding the BID may also be able to leverage over this period.
- 4.2 Without Shrewsbury BID there would be a significant loss of momentum and activity in the Town Centre. During its second 5 year term, the BID has built on the successes of its first term, achieving a great deal against its key project themes; promoting and animating, supporting and enhancing and representing and influencing, together with the strategic development work through their role in the Shrewsbury Big Town Plan, alongside Shropshire Council and Shrewsbury Town Council.
- 4.3 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 two terms 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.
- 4.4 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 the BID has had to the business community and the partnership.
 - To abstain from the vote: not recommended due to the significant impact the BID has had to the business community and the desire for Shropshire Council to be seen as positively leading the way for businesses to vote yes.
- 4.5 The Council sets out to demonstrate equal treatment to people in Protected Characteristic groupings or at risk of social exclusion, and to people who are not, through having 'due regard' to their needs and views when developing projects such as

Levelling Up Fund bids to Government and in working with Shrewsbury BID on this and related endeavours. The anticipated positive equality impacts of intended outcomes minimise the legal, financial and reputational risks that could apply were there deemed to be non-compliance with the Public Sector Equality Duty set out in the Equality Act 2010, either by ourselves or by contractors acting on our behalf. Additionally, the Council also includes consideration of health and wellbeing impacts within overall equality impact screening assessments and within ongoing engagement activity.

- 4.6 There is clear complementarity between this Shrewsbury BID Renewal proposal and the Council's own strategic approaches, within which equality, social inclusion and health impact assessments (ESHAs) are integral to efforts to ensure that the likely impacts of policy decisions upon and within our diverse communities are considered as fully as possible. This is in order that negative impacts may be minimised, and positive impacts maximised, and that these may be monitored and reviewed, recognising the need for ongoing engagement with our communities and our service users. ESHAs are carried out as screening assessment at stocktake moments. The constituent members of Shrewsbury BID will be involved in any such ESHAs undertaken for projects in Shrewsbury, including in relation to the Levelling Up Fund work, as a target audience in stakeholder engagement work.
- 4.7 The likely impact of any work in which Shrewsbury BID are involved, regarding equality, diversity and social inclusion, is assessed as being principally in economic terms and is likely to be positive across groupings in the community with regard to economic growth opportunities, particularly the Protected Characteristic groupings of Age, Disability and Sex.
- 4.8 Additionally, positive impacts may be anticipated with regard to Social Inclusion for low-income households and people living in this part of what is a very large, and sparsely populated rural county, recognising social mobility opportunities. There is potential for further positive impacts, particularly for young people, through the stimulation of economic development and investment which will provide jobs and improved workspace.

5. Financial Implications

- 5.1 The current annual Shrewsbury BID Levy contribution from properties owned by Shropshire Council is in the region of £26,958, covering 24 properties across the BID area. It can fluctuate depending on the number of vacant properties which Shropshire Council has to take responsibility for. The contribution towards the levy may alter for 2024, however this will be influenced by several factors. This will include any disposals of existing assets or acquisitions, the calculation of a new ratings list in 2024 and whether Shrewsbury BID decide to increase or decrease the 1.75% charge against a properties rateable value during its term (further information on charge at point 7.7).
- 5.2 Shropshire Council currently charges Shrewsbury BID £10,698.67 (+ VAT) per annum to collect the BID levy on their behalf. The costs for levy collection for 2024 have not yet been confirmed. This current figure ensures that the Council covers all costs within the Business Rates team. A review of all costs associated with Shropshire Council supporting Shrewsbury BID will be undertaken subject to the completion of the re-ballot process to ensure that there are no costs associated to the administration of Shrewsbury BID paid by Shropshire Council.

6. Climate Change Appraisal

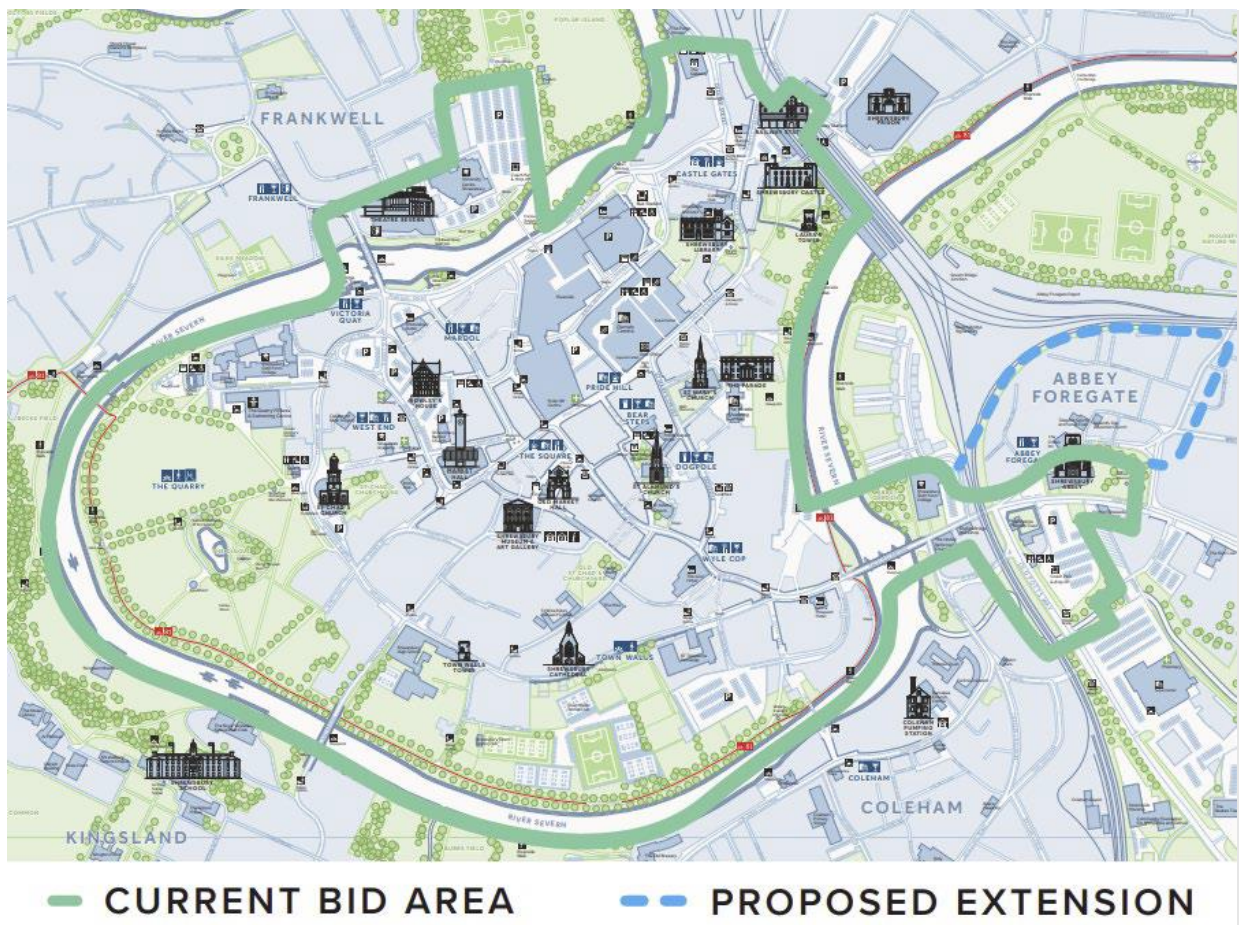
- 6.1 Whilst there may be no direct impacts from this decision, it is important to highlight the significance of climate and carbon considerations for local business. Shropshire Council is working with the Shrewsbury BID and local businesses in the Shrewsbury area to support their efforts to decarbonise and improve access to renewable energy.
- 6.2 Shrewsbury BID have also highlighted the increasing pressure on businesses to reduce their carbon footprint, not only to improve the environment, but also to counter rising energy costs. They have acknowledged that this will be a core focus running through the third BID term, should they be successful, running across all activities to help make Shrewsbury a healthier and more sustainable town.
- 6.3 Shrewsbury BID will be working with sector experts, partners and stakeholders to understand Shrewsbury businesses energy consumption and waste generation. This will allow them to explore opportunities to help Levy Payers reduce their carbon footprint and reduce their energy and waste costs.
- 6.4 Shrewsbury have also introduced programmes such as the Shrewsbury Cup initiative; the UK's first town wide recycled cup deposit return scheme (www.shrewsburycup.co.uk) and the Shrewsbury Rickshaws project; a scheme to encourage active travel within the town (www.shropshirestar.com/news/shrewsbury-rickshaw-service/), both seen as key green initiatives from their current term.

7. Background

- 7.1 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 mandated to pay BID levy businesses in the BID and are additional to what the public agencies provide.
- 7.2 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”).
- 7.3 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 three areas:
- Promoting and Animating – Shrewsbury BID professionally promotes the town and delivers exciting activities to attract new visitors and customers. Examples include Shrewsbury Ambassadors, Original Shrewsbury website and social media, DarWIN Shrewsbury Festival and the Original Shrewsbury Grant.
 - Supporting and Enhancing - The visitor experience is increasingly important to the success of town centres and Shrewsbury BID works with partners to improve the accessibility and attractiveness of the town whilst continuing to deliver its award-winning safety projects. Examples include Shrewsbury Rangers, Shrewsbury Cowork Campus, Purple Flag and Business Workshops.

- Representing and Influencing - Towns operate more efficiently and profitably if businesses and public authorities are working effectively together. Shrewsbury BID provides a strong and representative business voice on issues affecting the town centre. Examples include Flooding Information, Covid-19 Government Response and Big Town Plan.

- 7.4 Examples of wider projects that sit within each of the BIDs three priority areas can be found through Shrewsbury BIDs recent BID3 consultation document, which is available through the following link; www.shrewsburybid.co.uk/Shrewsbury-BID3-Consultation, as well as in the Business Plan attached as appendix 1.
- 7.5 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. The Board of Directors are made up from BID levy payers who have a wide range of skills and experience. The Board takes responsibility for the strategic and financial management of the BID and meets quarterly. Board Director elections take place at the BID Annual Meeting in May each year where Directors can be re-elected.
- 7.6 Shrewsbury BID operates in the main town centre of Shrewsbury bounded by the River Severn loop, with the only current exceptions being Theatre Severn, University Centre Shrewsbury and Frankwell Car Park on the Frankwell side of the town centre, along with Shrewsbury College, the businesses adjacent to Shrewsbury Abbey and Abbey Foregate car park at the Abbey Foregate side of town. A proposed extension to incorporate businesses at Abbey Lawn will form part of the third BID term should the term be voted in. A boundary map of the current BID area including the proposed extension is included below;



- 7.7 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 1.75% 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 Oswestry BID with 37 businesses contributing an additional £10,233 funding. This means that the property will receive similar benefits of levy paying members including promotion through the Original Shrewsbury platform.
- 7.8 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.
- 7.9 Shrewsbury BID is governed by a Board of Directors consisting of 19 members that is representative of the sectors in the town. This includes two public sector Board seats for both Shropshire Council and Shrewsbury Town Council. Shropshire Council's member on the Board is Executive Director of Place, Mark Barrow. The wider Board consists of the following:



- 7.10 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.
- 7.11 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.
- 7.12 Shrewsbury BID have outlined within their Business Plan proposals for focused priorities and activities to support businesses and the town centre across this next five year period;
- Original Shrewsbury - Projects to attract more people into the town centre and maximise the visitor experience.
 - £750,000 investment over the five year period.
 - Projects will include the continuation and expansion of promotional activity via web and social media, town centre events and continued development of visitor economy partnerships.
 - Safer Shrewsbury - Ensuring the safety and attractiveness of our town centre.
 - £750,000 investment over the five year period.
 - Focus on supporting activity such as through the Shrewsbury Rangers, alternative giving, town centre cleaning and Purple Flag status.
 - Work in Shrewsbury - A new programme of activity to attract and nurture our workforce and student community.
 - £450,000 investment over the five year period.
 - Projects include supporting a strong business voice for the town, engagement with educational providers and supporting business through promotional activity.
 - Future Shrewsbury - Working with partners to ensure Shrewsbury stays ahead of the curve and is successful in attracting new investment.
 - £450,000 over the five year period.
 - Focus on supporting a sustainable and connected town centre, collation and distribution of data and continued support as a strategic partner of the Big Town Plan.

This is based on securing £1.7m of levy income, £149,000 of voluntary membership and £1.15m of projected match funding. Further details on these proposed priority areas, deliverable projects and spend can be found within appendix 1

- 7.13 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.

8. Additional Information

- 8.1 The work of Shrewsbury BID aligns well with the Shropshire Plan, specifically across two areas of activity; Healthy Economy and Healthy Environment. To date, Shrewsbury BID have delivered a wide range of programmes that align with Healthy Economy, including a range of business training, grants and wider support and mentoring, along with promotional activity such and continued development of the Original Shrewsbury website and social media profiles.
- 8.2 Two of Shrewsbury BID's priority areas have been delivered under Healthy Environment, including as outlined in 6.4, the Shrewsbury Cup and Shrewsbury Rickshaw programmes. This sits alongside targeting areas for environmental improvements including street cleaning, public realm and wayfinding improvements, along with safety improvements including traffic management and signage improvements and security patrols through the Shrewsbury Rangers.
- 8.3 Support under these Shropshire Plan priorities will continue in the proposed new Shrewsbury BID period, 2024-29 under the revised Shrewsbury BID priorities of Original Shrewsbury, Safer Shrewsbury, Work in Shrewsbury and Future Shrewsbury, all of which are outlined within the draft business plan at Appendix 1.

9. Conclusions

- 9.1 This report has endeavoured to highlight the positive impacts that have been made by Shrewsbury BID within its second four years of operation and has aimed to focus on the continued benefits of Shrewsbury BID remaining in place.
- 9.2 As previously outlined, without Shrewsbury BID there would be a significant loss of momentum and activity in the Town Centre as well as additional investment into the Town through the support of the BID Levy. Whilst there is a cost to Shropshire Council, the outputs delivered over the period of the BID through the investment of £1.56m from the last periods BID Levy, far out way the costs brought to Shropshire Council.

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

Local Member:

Appendices [Please list the titles of Appendices]

1. Shrewsbury BID 2024-2029 Draft Business Plan and Renewal Proposal