

Cherwell District Council

Executive

7 November 2016

A Business Improvement District (BID) for Banbury

Report of Head of Strategic Planning and the Economy

This report is public

Purpose of report

To seek approval to proceed with the preparation of a Business Improvement District (BID) for Banbury.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the Banbury BID feasibility report.
- 1.2 To agree to commit resources to move to phase two, preparing the Banbury BID Business Plan and preparation for the Ballot.

2.0 Introduction

Background

- 2.1 The Council was approached by the Banbury Chamber of Commerce to request that Cherwell District Council support a proposal to assess the potential for establishing a Business Improvement District (BID) in central Banbury.
- 2.2 From visits to the BIDs at Leamington and Rugby, plus discussions with the Stratford upon Avon BID about their approaches to town marketing, event organisation and street scene improvements, it was apparent that a BID might offer an opportunity to help strengthen the economy of the town centre of Banbury.
- 2.3 It could also help build on the Council's work to promote the vitality of the town centre and its funding of the town team co-ordination role, managed by the economic growth service, to assist the Council across many of its services such as licencing, planning, events and car parking.

- 2.4 The Council commissioned a feasibility study at ‘a cost of up to £10,000’. ‘Invitation to tender’ documents were issued and five companies submitted proposals to undertake the work.
- 2.5 Following interview, Heartflood Ltd was appointed having demonstrated suitable skills, experience and capacity to cover the defined scope of the project.
- 2.6 The attached report sets out the conclusions of the feasibility study. The final cost of this phase is expected to be £6,840.

BID background

- 2.7 The consideration of a Business Improvement District must follow a series of steps as set out in statute.
- 2.8 Experience elsewhere of successful BID development suggests that the usual time is approximately 18 months over 3 phases:-
- Phase 1 – foundation: includes feasibility, analysis and partnership review. The attached feasibility study completes this stage.
 - Phase 2 – development stage: includes appointing project manager, creating a task group, engaging and inspiring all businesses, build upon the feasibility study to produce a detailed business plan, prioritising actions, establishing baseline.
 - Phase 3 – running the campaign; undertaking a ballot of all business rate payers, based upon a defined geography and criteria set out in the legal framework.
- 2.9 A BID is a business-led and business-funded body formed to improve a defined commercial area. They are governed by a board made up of BID levy payers who represent the BID area, which means that businesses have a genuine voice - and are able to decide and direct what they want for their town or city.
- 2.10 Business support is required to proceed with a BID. This is why the feasibility study assessed the views of as many town centre businesses as possible. A BID can only be established following a positive vote by a majority of all eligible business rate payers within a clearly defined area. The feasibility study surveyed the views of over 100 businesses to establish whether or not a BID should be proposed for the town.

BIDs support business growth

- 2.11 There are more than 210 BIDs already operating across the UK, with the majority focusing on town or city centres. Businesses report the benefits they have brought include:
- Businesses get to decide the major improvements they want to see enacted.
 - The town or city benefits from increased footfall, which in turn boosts trade.
 - Major improvements, such as promotions, events and street scene enhancements generate a greater sense of local pride in the town, which is good for business.

- Businesses gain better networking opportunities with their fellow businesses and better links to contact the Council, Police and other public bodies.

Activities supported

2.12 The projects that a BID might fund depend entirely on the results of the business survey, although many other BIDs focus upon:

- Marketing & promotion of their town or city centre.
- Major town or city centre events.
- Improvements to the town or city centre street scene.
- Initiatives to improve business security and to reduce business overheads.

Area of coverage

2.13 The area to be covered is considered as part of the survey, as the study also needs to assess the level of local support for businesses to be situated within a possible BID area. Any possible BID area therefore remains open to consultation during the business planning phase.

The cost of a BID

2.14 A BID is funded by businesses paying a small proportion (typically of between 1% and 1.5%) of their business Rateable Value towards the BID. This money is then ring-fenced for use only in the BID area, unlike business rates which go to and are re-distributed by Government. A BID can only be formed following extensive consultation and a ballot in which businesses vote on a business plan.

2.15 It is suggested that a BID for Banbury would generate approximately £250,000 per year at a levy of 1.5%, although it should be emphasised that this is simply a guide figure at this stage.

2.16 In principle all businesses are liable to pay the BID levy if this is supported through a 'yes' vote, although an exemption level of upwards of £5,000 is typically applied, which means that very small businesses which fall under this threshold would not be liable to pay the levy. A lower BID levy is also typically applied to businesses within managed shopping areas, such as the Castle Quay.

2.17 The levy is normally collected by the Council as a separate bill to the normal business rates.

Duration of the BID

2.18 The maximum term for any BID is 5 years, after which a further BID may be proposed.

Form of organisation

2.19 If a BID is established it would need to be separate from the Council, potentially as a company limited by guarantee (i.e. 'not for profit').

Scope of the Feasibility Report

- 2.20 The scope of the objective feasibility study was to establish whether or not a BID would be viable in Banbury, by considering the following issues:
1. Options: In order to enhance the longer-term vitality of Banbury, explore all options including the creation of a BID and other means of enhancing the vitality of central Banbury.
 2. Focus: Identify priority areas for spending any funds raised.
 3. Support: Establish the likely level of support from businesses for a BID and their practical contribution to enable Banbury to be better able to compete as a primary retail centre.
 4. Viability: Calculate the likely amount of BID income required to achieve a vital town centre over a five year period. Advise how any boundaries should be drawn and how the programme could continue beyond the first five years. Establish if such goals are realistic with clarification of potential risks.
 5. Impact: Assess the impact (if any) on existing town centre services – street scene, CCTV, car parking, etc. The BID must demonstrate how it adds to existing Town Centre services and not for their replacement (a requirement of the legislation).
 6. Context: Advise how a BID could strengthen the position of the town centre in particular and Banbury in general in relation to the Gateway Retail Park and other out-of-town and edge-of-centre stores, together with the forthcoming town centre investment at Castle Quay 2 and emerging proposals at Bolton Road and Canalside.
 7. Masterplan: Establish how a BID could support the delivery of the emerging Banbury Masterplan (providing detail to the adopted Local Plan).
 8. Co-ordination: Identify how a BID could build upon the work of the Town Team Co-ordination programme.
 9. Structures: Explain all options for the most appropriate legal structure. Identify key partners, processes and actions.
 10. Phasing: Depending upon the findings of the study, provide advice on the phasing for the development of a successful BID.
 11. Any other considerations: a full and frank feasibility study is encouraged whereby the Council and businesses can clearly understand the potential costs and benefits of creating a BID - or alternative mechanism - to secure the long-term vitality of central Banbury.

The Banbury BID Feasibility Study

- 2.21 Heartflood Ltd consulted extensively with businesses and other interested parties. Press coverage, public meetings and direct discussion meant that the opportunity to find out more about BIDs was proactively given, as was the opportunity to express

support and/or challenge the view of some businesses that had called for a BID to assist the vitality of central Banbury.

- 2.22 The feasibility study found that of the 115 businesses making their views known, approximately 74% were in favour of the BID concept being tested in a ballot, 19% were undecided and 6% were against the idea of a ballot.

Proposed BID priorities for Banbury

- 2.23 The businesses surveyed in the feasibility report prioritised where they felt BID money should be spent. These are listed in priority order:

- 1) Empty shops improvement schemes
- 2) Car parking discounts or incentives
- 3) Marketing and promotion
- 4) Arrangements to provide additional car parking spaces
- 5) Additional or improved town centre markets
- 6) Major events or festivals
- 7) Street entertainment
- 8) Business cost reduction initiatives
- 9) Public transport improvements
- 10) Greater business championing and representation.

Proposed Boundary

- 2.24 A slightly wider boundary than the town centre set out in the adopted Local Plan is proposed to ensure sufficient resources are generated by the initiative to include relevant beneficiaries, to cover costs and to take worthwhile action.

3.0 Next Steps

- 3.1 A number of tasks need to be completed in phase two and three to secure the formal support of Banbury Town Centre and so establish the BID.

- 3.2 It is proposed that the Economic Growth Team leads the development of the BID through the following stages:

November 2016	Decision to proceed with BID and creation of shadow BID Board.
January to April 2017	Business liaison and consultation on proposed Business Plan.
May 2017	Notification to Secretary of State and Billing Authority of intention to hold a ballot.
June 2017	Notification to Billing Authority of Business Plan.
July 2017	Launch of Business Plan.
August 2017	Notice of ballot.
September 2017	Ballot papers issued.
October 2017	Ballot Day.
November 2017 to April 2018	Formation of Board of Directors, appointment of staff and BID begins operation.

Cost of the next stage

- 2.26 The cost of the next stage will be up to £60,000 that can be met from existing economic growth funds.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The proposal for a BID for Banbury is judged to have sufficient business support to proceed.
- 4.2 A BID for Banbury is expected to assist businesses and the Council to work together to strengthen the town centre in particular and Banbury in general by increasing the marketing of the town and undertaking a series of activities to increase footfall into the town centre and so assist improve the vitality of the town centre, as new town centre investment at Castle Quay two comes on stream.
- 4.3 A BID for Banbury will assist Banbury to compete with neighbouring towns.
- 4.4 The Executive is invited to note the Banbury BID feasibility report and to agree to commit resources to move to phase two, preparing the Banbury BID Business Plan and preparation for the Ballot.

5.0 Consultation

- 5.1 The request to assess the case for a Banbury BID was initiated by the Banbury Chamber of Commerce. Over 100 businesses have been consulted in the preparation of the feasibility report by Heartflood. Information sheets have been provided and one-to-one and an 'open invitation' group session held. Critical challenge was actively encouraged with pros and cons being recognised in the survey. Further detailed consultation would take place during the proposed second stage which would be based upon information, involvement and most importantly inspiration. .

6.0 Alternative Options and Reasons for Rejection

- 6.1 Alternative Option: To not proceed into stage two of the assessment.

This is not recommended as not proceeding will forgo the opportunity to support a business led project that has the potential to draw additional resources into action that would promote the town to the benefit of all stakeholders.

- 6.3 The proposed recommendation to proceed to the next stage is considered to be an appropriate response to the findings of the feasibility study.

7.0 Implications

Financial and Resource Implications

The successful introduction of a BID for Banbury stands to generate significant resources for the promotion of the retail heart of Banbury from local businesses, both directly through the Levy and also indirectly through the businesses contributing additional expertise, energy and other added value. This would all be in addition to the services provided by Cherwell and its investment in, for example, the Castle Quay two development. The cost of preparing the Banbury BID will be met from existing budget held by the Economic Growth team, supported by officer time.

Comments checked by:

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Legal Implications

Successful BIDs can only be introduced by following the procedures set out in the BID legislation. The steps taken so far and proposed as next steps conform to that legislation.

Comments checked by:

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8.0 Decision Information

Key Decision -	No
Financial Threshold Met -	No
Community Impact Threshold Met -	Yes

Wards Affected

All

Links to Corporate Plan and Policy Framework

This report directly links to all four of the corporate priorities and objectives set out in the Cherwell District Council Business Plan 2016-17 as follows:

- A district of opportunity
- Safe, green, clean
- A thriving community
- Sound budgets and customer focused council

Lead Councillor

Councillor Lynn Pratt - Lead Member for Estates and the Economy

Document Information

Appendix No	Title
Appendix 1	Feasibility Study for Banbury BID
Background Papers	
None	
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