



DETAILED
CONSIDERATION OF A
BUSINESS
IMPROVEMENT
DISTRICT (BID)
IN BANBURY

COMPREHENSIVE FEASIBILITY STUDY

Submitted by Heartflood, October 2016

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EXECUTIVE SUMMARY

Heartflood were commissioned to undertake a feasibility study on the introduction of a Business Improvement District (BID) in Banbury. The study began in June 2016, with a view to this report being produced in October 2016.

There are over 215 BIDs currently operating across Britain, ranging in maturity from newly established schemes to those which have operated for over 10 years and BIDs are considered by most within the industry to be the pre-eminent model of management and operational investment within town and city centres.

BIDs need to gain the support of businesses within any given area and so the bedrock of this study has been an extensive and detailed survey of a sample of business representatives within central Banbury in order to identify their collective stance on a possible BID proposal for Banbury.

Responses were received from a broad sample of 115 businesses, representing approximately 19% of those within the Banbury town centre area and covering the retail, leisure, office and service sectors. The response rate is considered to be very strong and indicates a strong level of support for the concept of a BID in Banbury, with 74% of the respondents supportive, 19% undecided, and only 7% not in favour of the concept of a BID.

The fact that over 70% of the sample are supportive of the proposals suggests that there is ample viability for Banbury to move on to the next phase of BID development – namely the detailed consultation and development of a draft Business Plan around the following recommendations:

- A timetable to be adopted for businesses to vote on a BID for Banbury in Autumn 2017, to allow the necessary further consultation and development of a detailed Business Plan, with a view to a 5-year BID term starting in Spring 2018
- The proposed boundary of the BID to cover the core town centre area, which consists of a slight expansion of the adopted town centre boundary as defined by the District Council Local Plan
- A 1.5% BID levy to be proposed, with a reduced levy of 1.25% to apply to tenants of managed Shopping & Entertainment Centres – namely Castle Quay Shopping Centre
- An exemption level to be set at £7,500, meaning that those properties with a Rateable Value of £7,500 or less would not be liable to pay the BID levy
- Priority projects to focus upon the following, listed in order of priority
 - i) Empty shops improvement schemes
 - ii) Car parking discounts or incentives
 - iii) Marketing and promotion
 - iv) Arrangements to provide additional car parking spaces
 - v) Additional or improved town centre markets
 - vi) Major events or festivals
 - vii) Street entertainment
 - viii) Business cost reduction initiatives
 - ix) Public transport improvements
 - x) Greater business championing and representation

1.0 PROJECT BACKGROUND AND OUTLINE

Heartflood were commissioned by Cherwell District Council, at the request of Banbury Chamber of Commerce, to undertake a feasibility study on the introduction of a Business Improvement District (BID) in central Banbury, to include the initial response from a significant and representative sample of town centre businesses.

The study began in June 2016, with this report presented in October 2016 and the main requirements of the project were based on the following considerations:

- **A review of potential BID areas in Banbury and the most appropriate Rateable Value scenarios**
- **A survey of a sample of at least 100 businesses to help ascertain the level of interest of implementing a BID**
- **An assessment of the viability and sustainability of implementing a BID in Banbury**
- **Consideration of the options which might be adopted, should there be insufficient interest in implementing a BID**

This report has been produced by Heartflood Ltd and the project team of Chris Gregory and Adrian Field can point to over 30 years of combined experience within Town Centre Management. This includes considerable expertise in the field of BIDs since their introduction in the UK over ten years ago, including the recent establishment and management of BIDs in Cheltenham, Hereford, Stratford-upon-Avon and Worcester.



2.0 BUSINESS IMPROVEMENT DISTRICTS

Since the introduction of Business Improvement District legislation in 2003, over 215 Business Improvement Districts have been created across the UK and the Republic of Ireland. Within Oxfordshire, Abingdon is the only location currently with a BID.

The majority of BIDs focus upon town and city centres, although they are not confined to these areas, with many being formed in out of town industrial or commercial areas.

BIDs operate through the levy of a small percentage on National Non-Domestic Rates (commonly referred to as Business Rates), with the actual levy percentage varying depending on the area in question. In most towns and cities, the BID levy tends to lie between 1% and 1.5%, meaning that a business would pay an annual levy of between 1% and 1.5% of the rateable value of their business premises. There are locations where this figure is higher, although a higher levy risks receiving less support from businesses and so we would not generally recommend setting the level above 1.5%.

All BIDs have a clear and focused role, contained within a Business Plan which all eligible businesses are asked to vote upon in a ballot. The development of the plan will almost always have been led by the business community within the area in question and will have involved extensive consultation to ensure that it includes the priority improvement actions identified by local businesses, which tend to include:

- **Marketing and promotional activities**
- **Car parking improvements**
- **Public event management and development**
- **Streetscene improvements**
- **Public safety and security initiatives**
- **Business cost reduction projects**
- **Local priority improvement actions**

Under current law, any BID needs to be established via a ballot of those eligible business listed on the Rating database held by the Local Billing Authority and the vote is conducted entirely by post.

The votes are sent to either the tenant of the business or the landlord (in the case of vacant units), within a defined boundary and this report highlights two potential boundary options for Banbury town centre.

For any BID to be successful, there needs to be a majority of positive votes within the total number of votes cast and these positive votes also need to form a majority of the total aggregate Rateable Value of all the votes cast.

It is important to note that the intention of a BID is to add projects and activities to a town or city over and above those which are already taking place. A BID is not, therefore, a mechanism for any public or private sector body to cease to provide established activities.

The maximum term covered by a BID Business Plan is 5 years and the continuation of any BID beyond their initial term is reliant on the production of a renewed Business Plan and a rebalot of the businesses within the BID area. Over 80 BIDs have achieved a successful rebalot and several are within their third BID term, having achieved two subsequent rebalots.

The growth in the number of BIDs continues to rise and they are increasingly considered as the model of best-practice for high quality town and city centre management. Those currently in operation in comparable centres within approximately 50 miles of Banbury include Abingdon, Bedford, Cheltenham, Leamington Spa, Northampton, Rugby, Solihull, Stratford-upon-Avon and Worcester.

BIDs generally involve the creation of a Company Limited by Guarantee, which limits the financial liability of any Company Director to £1. A Board of between 12-16 Company Directors is usually formed from BID levy paying organisations to create a representative and business-led group of Directors to oversee the financial, managerial and operational arrangements for the BID.

In Banbury, we have identified an appropriate group of business representatives who have expressed an interest in forming a shadow BID Board and we are confident that this group could consider and oversee any proposals for a Business Improvement District in the town.



3.0 BANBURY TOWN CENTRE OVERVIEW

Banbury is a very well preserved, large market town, which has an abundance of strengths within its core town centre area, including:

- **A high-quality streetscene in terms of architecture, landscaping and public art**
- **Appropriate, modern developments, including a major shopping centre and a leisure centre**
- **A varied and extensive shopping offer, with a balance of chain and independent retailers**
- **An abundance of quality restaurants, coffee shops and eateries**
- **A strategic location at the heart of the country with excellent road links and with good town centre bus and rail links**

Despite its many strengths, along with many other town centres, Banbury has not been immune to the national and global economic conditions and national planning policies of recent years and key indicators, such as pedestrian footfall, customer spending and vacant business units are currently presenting a number of challenges to the town centre vitality. This is considered to have been particularly exacerbated by the relatively recent opening of the Gateway Retail Park, with Banbury's retail parks being considered as the major competitor for town centre trade by the survey respondents.

The town serves the needs of a surrounding sub-region, with the wider economy of the town being focused on health, local government, manufacturing and a range of service industries. Banbury has an emerging vision to develop the strengths of the area and this is embodied within the town centre by ambitious development plans, the key elements of which are:

- **A leisure & cultural quarter focusing on the northern boundary of the town centre, to include a major expansion of the Castle Quay centre**
- **A mixed-use development of the north-western boundary of the town centre at Bolton Road**
- **A mixed-used development of the eastern Canalside boundary of the town centre**
- **Major swathes of residential development along the southern boundaries of the town**

It is therefore considered prudent that Banbury considers options to ensure the ongoing vitality of the town centre area and to assess the feasibility of a Business Improvement District model, which we consider would complement any or all of the above activities.



4.0 BUSINESS SURVEY

The central area of Banbury as defined by the OX16 0, OX16 2 and OX16 5 postcode areas contains approximately 600 business premises with a rateable value of up to £550,000, which range from small specialist independent premises to significant national multiple operators, and feedback was sought from a strong and representative sample of these businesses across the town centre area on their attitude towards a Business Improvement District.

The feedback was sought in the form of a structured questionnaire, which gathered a number of key pieces of information and which was available to businesses both as an online form and via face to face questionnaires.

The survey was carefully designed to include the following:

- **Background information on BIDs and the benefits they can bring about**
- **The ability for key business information to be gathered**
- **The inclusion of suggested BID projects, with respondees able to rank their priority importance**
- **Extensive opportunities for businesses to provide further information and feedback – including their views of the town, their attitude towards a BID and their willingness to engage further in the BID process**
- **Bespoke questions relating to Banbury town centre, with respondees able to include their views on competitor towns and possible BID boundaries**

The survey took place over a 6-week period to allow the required level of business engagement and ran between 7th July and 16th September 2016. The survey was supplemented by a Business Forum meeting, attended by over 30 businesses and the entire process yielded a total of 115 responses. The detailed summary is shown as Appendix 1, with the headline conclusions of the responses being as follows:

- **Approximately 63% of respondents were from independent businesses, with 37% being from multiple or franchise operators**
- **Business satisfaction about how well Banbury is currently performing was generally very poor, with the following approximate levels of dissatisfaction being expressed:**



Area of perceived performance of the town centre – by asking “Do you think that Banbury town centre achieves its potential as a...”

Percentage of respondees who indicated that town centre performance was only either ‘very little’ or ‘somewhat’ – as opposed to ‘quite a lot’ or ‘fully’

Location for a weekend break

92%

Retail Centre

88%

Location for a day trip

86%

Place to spend leisure time

85%

Place to dine out

81%

Professional services hub

67%

- The reasons given for why businesses feel that Banbury underperforms were centred around i) Car parking costs ii) Insufficient range of shops iii) Too little to distinguish Banbury from its competitor locations iv) The appearance of retail units v) Street begging vi) Insufficient promotion & marketing of the town vii) Too few customers viii) The image of the town ix) Not enough parking spaces x) The quality of the leisure offer

- The main competitor locations were considered to be Banbury's out of town retail parks, Royal Leamington Spa, Milton Keynes and Oxford

- Approximately 80% of respondents felt that Banbury would benefit quite a lot or hugely from the additional spend a BID would bring, with only approximately 4% considering that there would be no benefit

- Businesses prioritised where they felt BID money should be spent as follows – listed in priority order:

- Empty shops improvement schemes
- Car parking discounts or incentives
- Marketing and promotion
- Arrangements to provide additional car parking spaces
- Additional or improved town centre markets
- Major events or festivals
- Street entertainment
- Business cost reduction initiatives
- Public transport improvements

- Greater business championing and representation

- The following areas were considered to be less of a priority to businesses who responded to the survey – listed in continued descending priority order:

- Streetscene improvements
- Technology, such as wifi
- Expansion of the Town Team Co-ordinators
- Street Cleansing
- Daytime Wardens/Hosts/Ambassadors
- Customer loyalty or discount schemes
- Evening economy projects, possibly to reach Purple Flag status
- Business to business communications
- Pedestrian signage
- Policing
- CCTV or Radio Link improvements
- Business training
- Evening Wardens/Marshals/Pastors
- Vehicle signage
- Cycle access

- Approximately 74% were in favour of the BID concept being tested in a ballot, 19% were undecided and 7% were against the idea of a ballot

- When asked how much they would be prepared to pay as a levy, approximately 46% indicated 1% of rateable value, approximately 32% indicated 1.25% and approximately 22% indicated that they would be prepared to pay as

much as 1.5% of rateable value

- Approximately 79% of businesses surveyed felt that they should be included within the potential BID area, approximately 12% were undecided and approximately 9% indicated that they should not

- There was a very strong mandate for all types of business to be included, with approximately 70% of the survey respondents supporting this. Only 26% indicated that they wanted retail & leisure only and just 4% felt that retail only was the best option

- Businesses are reasonably confident about the future, with approximately 36% reporting that they predicted their turnover to rise over the next 12 months, approximately 42% considering that it would remain static and only 22% who are forecasting a reduction in turnover

The response rate of 115 in relation to the initial postcode listing of approximately 600 businesses provided to Heartflood is approximately 19% and the number of responses gained exceeded that specified within the original commission by 15.

The initial commission included the requirement to look at other options of Town Centre Management for Banbury, which could take the form of either an expanded version of the current Town Team approach or the formation of a Banbury Town Centre Partnership.

Whilst both of these approaches would

have their merits, both would be likely to require significant funding in order to a similar impact to a BID and so we would only have recommended one of these options if the survey showed an absence of support for a possible BID, which is not the case. We would however emphasise that the current work carried out by the Town Team Co-ordinators is supported by a significant number of businesses and so would recommend that this activity is retained within the town.

It is therefore considered that the survey responses are a representative initial sample of the Banbury town centre business community and, with 74% in favour, the results show very strong support for pursuing the BID concept.



5.0 MAIN BOUNDARY OPTIONS FOR THE BANBURY BID

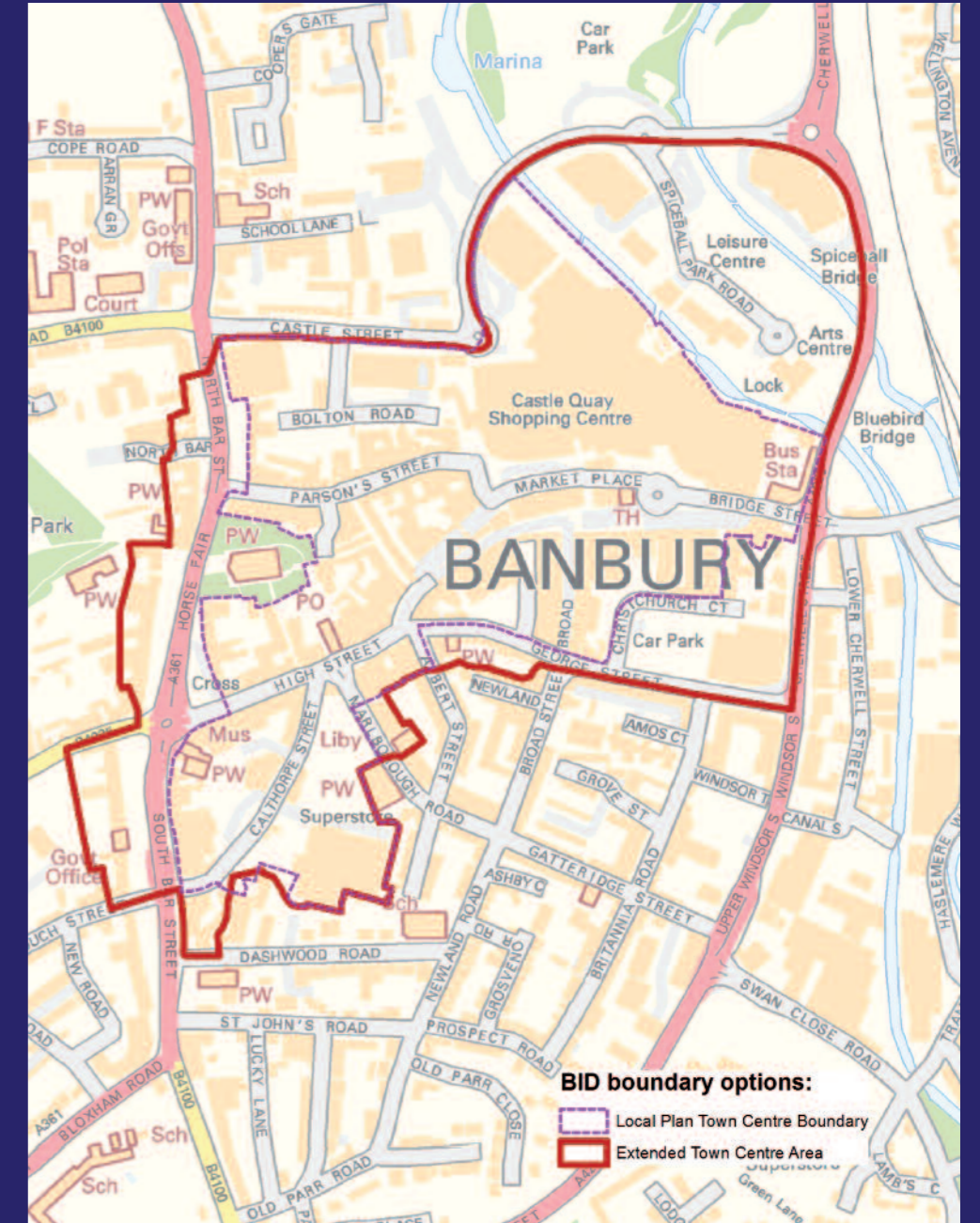
The following are considered to be the two main options which should comprise any proposed BID area:

- The core town centre area – as defined by the Cherwell District Council Local Plan boundary for the town.
- A slightly expanded town centre core – to include the above, as well as several key business areas – notably Calthorpe Street, George Street (Eastern section), Horse Fair, Marlborough Place, Marlborough Street, North Bar Street and South Bar Street.

We have modelled the estimated BID income for both of the above options, although would always recommend that the consideration of any final BID boundary should be assessed further during any subsequent business consultation and be combined with an assessment of likely voting patterns during any subsequent stages of development work.

Approximately 80% of respondents indicated that they considered a BID should occupy their area, which includes the following main streets:

- Albert Street
- Bolton Road
- Bridge Street
- Britannia Road
- Broad Street
- Butchers Row
- Calthorpe Street
- Castle Quay Shopping Centre
- Castle Street
- Cherwell Street
- Christchurch Court
- Church Lane
- Church Passage
- Dashwood Road
- Gatteridge Street
- George Street
- Horse Fair
- High Street
- Jubilee Court
- London Yard
- Malthouse Walk
- Market Place
- Marlborough Place
- Marlborough Road
- North Bar Street
- Parsons Street
- Pepper Alley
- South Bar Street
- Spiceball Park Road
- West Bar Street
- White Lion Shopping Walk
- Windsor Street



6.0 LEVY OPTIONS FOR THE BID AREA

When BIDs were initially established, the benchmark level for the BID levy was informally established at 1%, with the majority of BIDs applying this level. At this early stage, some retailers and the British Retail Consortium applied policies that they would only support levies above 1% in extraordinary circumstances.

In recent years, however, average levies have increased and there are a great number of BIDs which now apply a levy of up to 1.5% or in some cases, up to 2%, with a few instances of a BID levy being set at more than 2%.

Banbury is in the somewhat challenging position that the combined rateable value of the Town Centre is relatively low and therefore a 1% BID levy would only generate a relatively modest BID income. When modelling the levy options for Banbury, we have therefore chosen to model scenarios in the range of 1.25% to 1.75 % as these are considered to form the most appropriate levy income range.

There are also a number of other considerations when establishing a BID levy, which include:

1. Exempted listings – with BIDs being aimed at Town Centre business premises, it is usual for any Rateable Value listings below a certain level to be exempted from the BID levy, which has the purpose of removing anomalies such as Telecommunications masts, Advertising hoardings and other inappropriate listings from the BID levy.

The scenarios produced for this report is based on our recommendation that a £7,500 exemption level is adopted, meaning that any business listings with a Rateable Value below £7,500 would not be liable for the BID levy.

The rationale for adopting a threshold of £7500 is that it would remove the anomalies as outlined above and would also remove many of the smaller businesses, often situated on first or second floor levels and who are likely to benefit less from a BID. In Banbury’s case, our recommendation suggests that approximately 170 businesses in the proposed area would be under the threshold and their annual income would have only generated an additional £10,573 per year. We would emphasise that we would expect a number of these businesses to voluntarily contribute towards any BID and so setting such a lower threshold does not exclude any business from being part of a BID.

2. Managed Shopping & Entertainment Centre levies – given that Managed Shopping & Entertainment Centres levy an annual Service Charge on their tenants to cover services such as cleansing, security, events and marketing, it is usual for BIDs choose to reduce the levy imposed on tenants of managed Shopping & Entertainment Centres.

Whilst offering a Shopping Centre discount lowers overall income, the

benefit of employing this technique is that it is generally considered to be a fair condition by all BID businesses and is also likely to garner more support from both the Shopping Centre businesses and landlords – the latter of whom would generally be eligible to cast the BID vote for any unoccupied premises within their centre. If a reduced rate is applied to shopping centre occupiers, the landlords in many cases make an additional voluntary contribution.

The recommendation of this report is therefore that a discount of 0.25% is applied to tenants of the managed shopping and entertainment centres – namely Castle Quay.

The range of possible levies and corresponding incomes per year, as well as a total income total over a 5 year period are therefore as follows:



1. Total number of heraditaments for Core boundary option	393		6. Total number of heraditaments for Extended boundary option	459	
2. Total RV for all heraditaments for Core boundary option	15996400	8351650	7. Total RV for all heraditaments for Extended boundary option	18856500	11042000
3. Total number of heraditaments of 1 above made up of Castle Quay tenants	84		8. Total number of heraditaments of 6 above made up of Castle Quay tenants	88	
4. Total RV of heraditaments of 1 above made up of Castle Quay tenants	7644750		9. Total RV of heraditaments of 6 above made up of Castle Quay tenants	7814500	
5. Total RV for Core boundary area without Castle Quay tenants	8351650		10. Total RV for Extended boundary area without Castle Quay tenants	11042000	

Core boundary option – 393 heraditaments

Standard levy	1.25	1.3	1.35	1.4	1.45	1.5	1.55	1.6	1.65	1.7	1.75
Reduced levy applied to Managed Shopping Centre tenants	1	1.05	1.1	1.15	1.2	1.25	1.3	1.35	1.4	1.45	1.5
Total levy income from standard levy payers	£104,396	£108,571	£112,747	£116,923	£121,099	£125,275	£129,451	£133,626	£137,802	£141,978	£146,154
Total levy income from Managed Shopping Centre levy payers	£76,448	£80,270	£84,092	£87,915	£91,737	£95,559	£99,382	£103,204	£107,027	£110,849	£114,671
Overall levy income	£180,843	£188,841	£196,840	£204,838	£212,836	£220,834	£228,832	£236,831	£244,829	£252,827	£260,825
5-year levy income	£904,216	£944,207	£984,198	£1,024,189	£1,064,180	£1,104,171	£1,144,162	£1,184,153	£1,224,144	£1,264,135	£1,304,126

Extended boundary option – 459 heraditaments

Standard Levy	1.25	1.3	1.35	1.4	1.45	1.5	1.55	1.6	1.65	1.7	1.75
Reduced levy applied to Managed Shopping Centre tenants	1	1.05	1.1	1.15	1.2	1.25	1.3	1.35	1.4	1.45	1.5
Total levy income from standard levy payers	£138,025	£143,546	£149,067	£154,588	£160,109	£165,630	£171,151	£176,672	£182,193	£187,714	£193,235
Total levy income from Managed Shopping Centre levy payers	£78,145	£82,052	£85,960	£89,867	£93,774	£97,681	£101,589	£105,496	£109,403	£113,310	£117,218
Overall levy income	£216,170	£225,598	£235,027	£244,455	£253,883	£263,311	£272,740	£282,168	£291,596	£301,024	£310,453
5-year levy income	£1,080,850	£1,127,991	£1,175,133	£1,222,274	£1,269,415	£1,316,556	£1,363,698	£1,410,839	£1,457,980	£1,505,121	£1,552,263

Important note The Government periodically carries out a revaluation of business rates to reflect changes in the property market, which usually happens every 5 years. The next revaluations are expected to come into force in England in April 2017, so the figures within this table will be subject to such change.

At this preliminary stage, the fields highlighted in pale yellow are felt to offer the best balance of levy income and manageable size of BID. They show the full area at a levy rate of 1.5%, together with our recommendation that a levy rate of 1.25% for managed shopping centres and

an exemption level to be set at £7,500. However, all of these recommendations should be subject to further testing and refinement through subsequent detailed business consultation.

To succeed in a BID ballot, a majority of total votes and total rateable value needs

to be achieved and the recommendations made would ensure a good mix of small and large businesses in the BID area.

Whilst only approximately 22% of businesses who responded indicated at this stage that they would be prepared to pay a levy of 1.5%, it has been the

experience of Heartflood that if the Business Plan is compelling and there is felt to be a strong need for a BID, a levy rate of 1.5% would be very achievable.

7.0 FINANCIAL INCOME MODELLING

A BID generally takes the form of a 5-year proposal, although a very small number cover a 3 or 4 year period, and this report recommends that a BID for Banbury be considered for a 5 year period to allow the maximum amount of time for the BID projects to become embedded and to generate positive results.

BIDs are run as non-profit making organisations and so the budget within any BID Business Plan will propose income being equal to expenditure over the life of the BID period.

The bulk of BID income is derived from the Business Levy and it is prudent to set an anticipated collection rate of between 95%-98% depending on the view of the Local Billing Authority, although BIDs have been proven to generate significant additional income in the form of grants, sponsorships, voluntary business contributions and trading activities as they develop, with the likelihood that a BID would generate an additional 10-20% of income by the end of its first 5 year term.

8.0 COMPARISON WITH ESTABLISHED BIDS



The following BIDs are considered to represent a good comparable sample range to Banbury in terms of size, geographical spread, BID levy percentage and overall income.

Town	% RV Levy	Levy Number	Levy Income*
Banbury (proposed)	1.5	459	£263,000
Hereford	1.2	481	£271,000
Leamington Spa	1.5	376	£300,000
Stratford-upon-Avon	1.45	485	£345,000
Lincoln	1	810	£385,000
Worcester	1.5	645	£396,000
Bedford	2	550	£480,000
Winchester	1.5	827	£498,000
Solihull	1	473	£520,000
Average of the above	1.4	567	£384,000

The National average number of levy payers is between 300-400, with an income of between £200,000 to £600,000 per year.

* Approximated

9.0 LIKELY BID PROJECTS FOR BANBURY

The responses from the survey indicate that the following projects, in order of priority, should be the focus of any subsequent BID proposal for Banbury:

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**

10.0 LIKELY VOTING PATTERNS IN BANBURY AND FEASIBILITY OF A POSITIVE BID VOTE

Whilst it is difficult to anticipate the voting patterns of all the businesses in the likely BID area, the survey suggests that there is considerable support for a BID in Banbury, with 74% of businesses responding positively to the survey.

In addition, Heartflood have extensive recent experience of leading successful BID projects and so are aware of the likely voting patterns and contacts for a significant number of the national multiple businesses and a number of these known supportive organisations exist in Banbury.

The results of the survey combined with the presence of a number of known positive BID voters therefore indicates the strong likelihood that a positive BID project could be developed in the immediate future.



11.0 REGULATORY MILESTONES

Any Business Improvement District is enshrined in legislation and there are a number of regulatory steps which need to be followed, which include:

- **Notification to the Secretary of State and the Local Billing Authority of the intention to request the Local Billing Authority to hold a BID ballot – at least 84 days before the Notice of Ballot is issued**
- **Notification to the Local Billing Authority of the proposed BID Business Plan, including details of consultation undertaken, financial proposals and proposed financial management arrangements – 60 days before the Notice of Ballot is issued**
- **Publish a Notice of Ballot stating the day of the ballot, outlining that it will be an entirely postal ballot and stating the time and date by which all votes must be returned – at least 42 days before the end of the ballot**
- **Issue Ballot papers to all eligible voters – at least 28 days prior to the day of ballot**
- **Announce the results of the Ballot**

12.0 NEXT STEPS AND RISKS



The standard timescales for a BID proposal indicate a workload of 100 days over a period of approximately 12 months and that an additional working budget of approximately £10,000 would need to be established – to cover the cost of designing and printing the BID proposal and administering the BID ballot.

We would suggest that the average BID therefore costs a total of approximately £40,000 to develop – comprised of £30,000 in Project Management time (based on the average charge of £300 per day for Project Management of this type) and £10,000 as the BID budget. There is however the opportunity, although not guaranteed, for part of this sum to be covered by a loan of up to £50,000 from the Department for Communities and Local Government, which is then paid back from BID income only once a successful BID is established. Liability for this loan sum remains with the Department for Communities and Local Government – consequently, in the unlikely event of the BID proposal being unsuccessful, the funding would not be required to be repaid by the District Council.

In the experience of Heartflood, it is also considered prudent to allocate an additional budget of up to £20,000 to bridge the period between the announcement of a positive vote and the receipt of the first tranche of BID Levy income. This bridge-funding then becomes available to be used to set up offices, systems, staff and initial activities for the BID to cover the period between gaining the mandate to operate the BID and banking any income, which can be a period of weeks or even months, depending on

factors such as the Local Billing Authority processes and the speed of business payment of BID Levy bills.

It is considered that the following timetable could be adopted in Banbury, assuming that a decision is taken to pursue a BID for the town:

Month	Key milestone
November 2016	Decision to proceed with BID and creation of shadow BID Board
January 2017 – 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 to April 2018	Formation of Board of Directors, appointment of staff and BID begins operation

The inherent risk in any BID process is that the ballot is rejected – by failing to gain the required majority of votes cast or failing to gain the majority of the aggregate Rateable Value of votes cast.

The vast majority of BID ballots have been successful – and all that Heartflood have recently led on (in Cheltenham, Hereford, Stratford-upon-Avon and Worcester) have been successful, although the Client should be aware that the risk always exists of a BID ballot being unsuccessful, which can result in:

- **No return on the investment of time, effort, energy and money in developing the BID proposal**
- **In the event of the budget for the BID proposal exceeding the maximum available grant of £50,000 from the Department for Communities and Local Government via British BIDs, liability for any additional budget sum would lie with the BID proposers**
- **Loss of reputation and credibility of the organisation(s) proposing and championing the BID process**
- **An informal requirement for a cooling-off period of at least 2-3 years before any attempt is made to repeat the attempt to develop a BID within the town**



13.0 RECOMMENDATIONS

Having considered the survey responses and having applied our knowledge of many comparable towns, our key recommendations are as follows:

- **Banbury moves towards a detailed consultation and the production of a draft BID Business Plan**
- **A timescale is adopted with a view to a BID ballot taking place in Banbury in Autumn 2017 and a BID operating by Spring 2018, subject to a positive vote**
- **Further extensive consultation is carried out with the town centre Business community around the following outline proposals:**
 - a) The BID boundary to cover the slightly expanded core area of the town centre

- b) A 1.5% BID levy is proposed
- c) A reduction of 0.25% of the BID levy is applied to tenants of managed Shopping & Entertainment Centres – namely Castle Quay
- d) An exemption level to be set at £7,500, meaning that those properties with a Rateable Value of £7,500 or less would not be liable for the BID levy
- e) A BID term to be proposed to cover the maximum period of 5 years
- f) Priority projects be drawn up into a draft Business Plan to focus on
 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

The above recommendations would result in the following:

Approximately 459 eligible business premises being part of a BID.

Annual BID Levy income of approximately £263,000.

Total BID income over a 5-year BID term of £1,316,500.

14.0 FUTURE INVOLVEMENT OF HEARTFLOOD

Heartflood have extensive experience of the sequence of development of BIDs and can point to the following recent track record:

- **Led on the successful rebalot for the Stratford-upon-Avon town centre BID – 2013**
- **Advised on the successful rebalot for the Worcester City Centre BID – 2014**
- **Led on the successful first ballot for the Hereford City Centre BID – 2015**
- **Led on the successful first ballot for the Cheltenham Town Centre BID – 2016**

We have gained a good knowledge and understanding of Banbury and are very keen to be considered for any projects which may arise following the feasibility study, including the development of a subsequent BID proposal.

We can point to extensive experience of the specific requirements of developing BIDs, which include:

- **Detailed business consultation on likely BID projects**
- **BID projects option surveys**
- **Business visits**
- **BID database creation and management**
- **Printed communications**
- **Statutory notifications to Government and the local Billing Authority**

- **Digital communications including the development of a website and social media platforms**
- **Detailed project planning and reporting**
- **Vote tracking and analysis**
- **Shadow Board development**
- **Production of a BID Business Plan**

We therefore have the range of skills, knowledge and experience to deliver a successful BID for Banbury and given our passion to continue to be involved in the project, we would be happy to propose to carry out any subsequent work at a very competitive daily rate.



APPENDIX 1: DETAILED SURVEY RESPONSE INFORMATION

Q1 Your name? Answered: 115 Skipped: 0

Q2 Your business name? Answered: 115 Skipped: 0

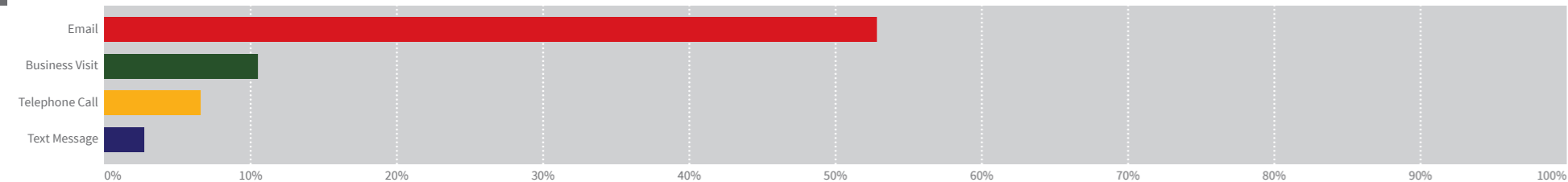
Q3 Your business address? Answered: 36 Skipped: 79

Q4 Your email address? Answered: 37 Skipped: 78

Q5 Your telephone number? Answered: 33 Skipped: 82

Q6 Your website? Answered: 28 Skipped: 87

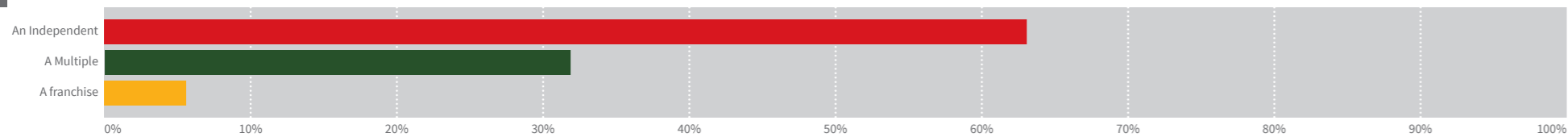
Q7 How would you prefer us to communicate with you? Answered: 115 Skipped: 0



Answer Choices	Responses	Count
Email	84.35%	97
Business Visit	17.39%	20
Telephone Call	10.43%	12
Text Message	3.48%	4
Total Respondents		115

Q8 Is your business?

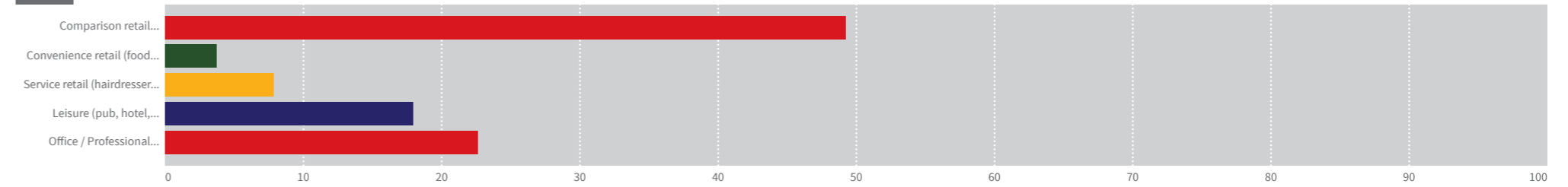
Answered: 110 Skipped: 5



Answer Choices	Responses	Count
An Independent	62.73%	69
A Multiple	31.82%	35
A franchise	5.45%	6
Total		110

Q9 What type of business do you operate?

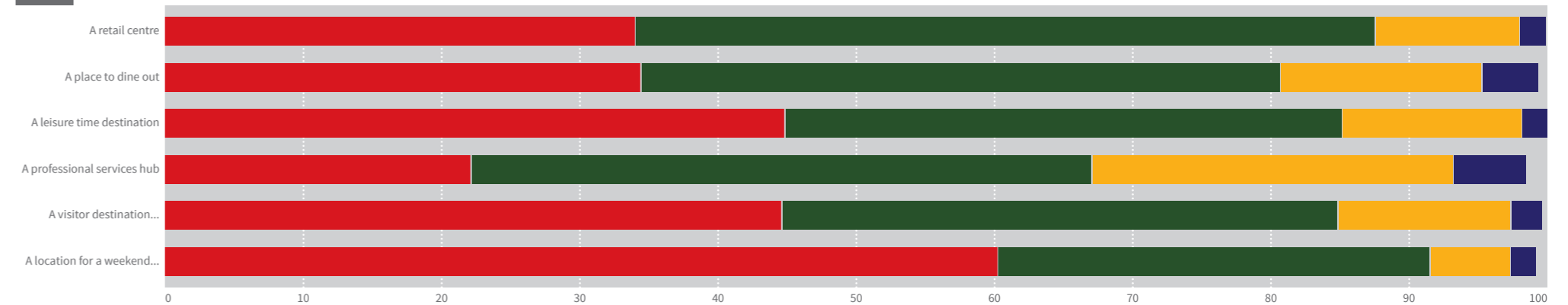
Answered: 100 Skipped: 15



Answer Choices	Responses	Count
Comparison retail (fashion, gifts, homeware, books etc.)	49.00%	49
Convenience retail (food, newsagent, household goods etc.)	3.00%	3
Service retail (hairdresser, key cutting, mobile phones etc.)	8.00%	8
Leisure (pub, hotel, restaurant, coffee shop, gym etc.)	18.00%	18
Office / Professional (solicitor, accountant, dentist etc.)	22.00%	22
Total		100

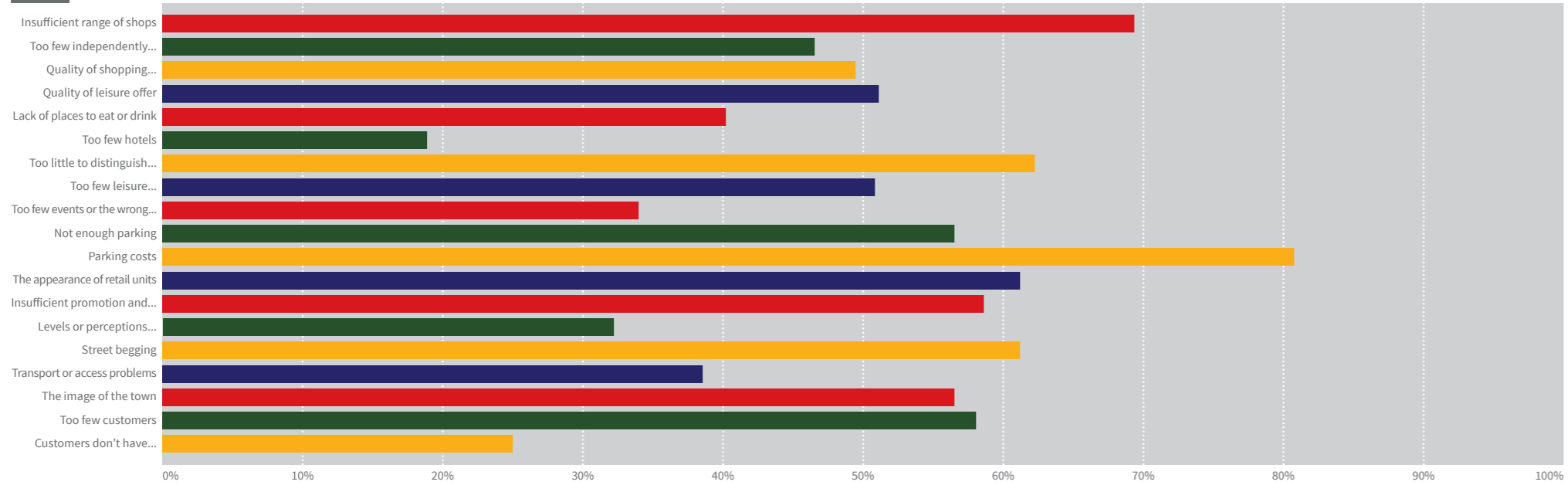
Q10 Do you think Banbury town centre achieves its full potential as?

Answered: 112 Skipped: 3



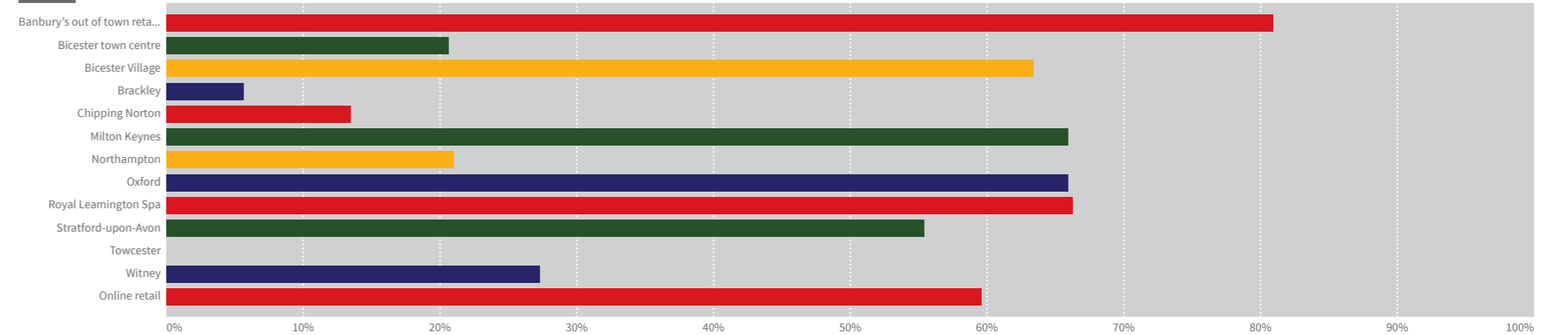
	Very little	Somewhat	Quite a lot	Fully	Total
A retail centre	33.93% 38	53.57% 60	10.71% 12	1.79% 2	112
A place to dine out	34.55% 38	46.36% 51	15.45% 17	3.64% 4	110
A leisure time destination	44.95% 49	40.37% 44	12.84% 14	1.83% 2	109
A professional services hub	21.82% 24	45.45% 50	27.27% 30	5.45% 6	110
A visitor destination for day trips	45.05% 50	40.54% 45	12.61% 14	2.70% 3	111
A location for a weekend break	60.36% 67	31.53% 35	6.31% 7	1.80% 2	111

Q11 If you think Banbury town centre fails to achieve its full potential, why do you think this is? Answered: 112 Skipped: 3



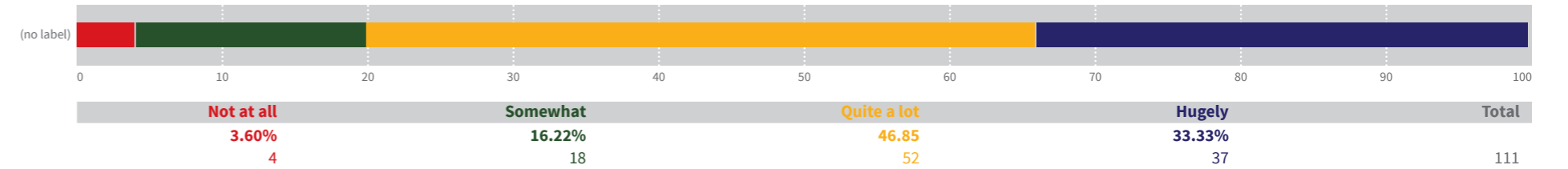
Answer Choices	Responses	Count
Insufficient range of shops	69.64%	78
Too few independently owned shops	46.43%	52
Quality of shopping environment	49.11%	55
Quality of leisure offer	51.79%	58
Lack of places to eat or drink	40.18%	45
Too few hotels	18.75%	21
Too little to distinguish Banbury from its competitors	62.50%	70
Too few leisure activities (e.g. museums, attractions)	50.89%	57
Too few events or the wrong type of events	33.93%	38
Not enough parking	57.14%	64
Parking costs	80.36%	90
The appearance of retail units	61.61%	69
Insufficient promotion and marketing	58.93%	66
Levels or perceptions of crime	32.14%	36
Street begging	61.61%	69
Transport or access problems	38.39%	43
The image of the town	57.14%	64
Too few customers	58.04%	65
Customers don't have enough money to spend	25.00%	28
Total Respondents		112

Q12 Which do you think are Banbury town centre's main competitors? Answered: 112 Skipped: 3

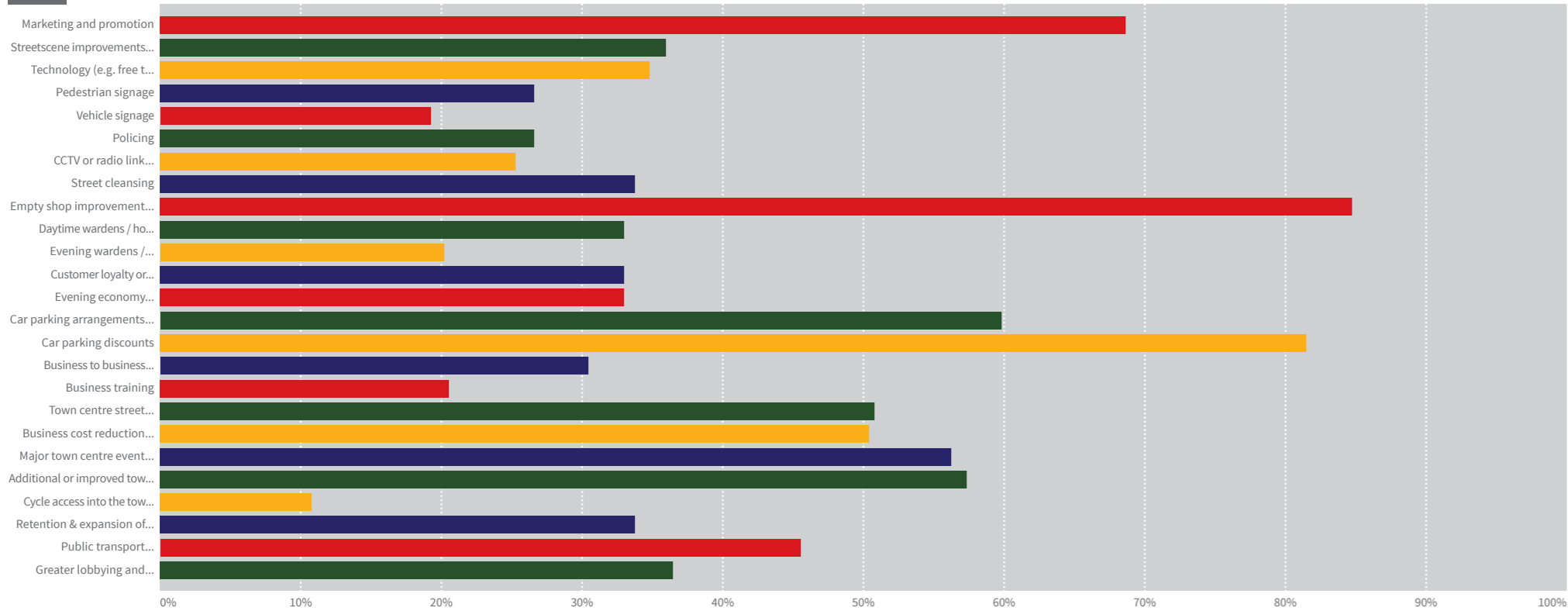


Answer Choices	Responses	Count
Banbury's out of town retail parks	81.25%	91
Bicester town centre	20.54%	23
Bicester Village	63.39%	71
Brackley	6.25%	7
Chipping Norton	13.39%	15
Milton Keynes	66.07%	74
Northampton	21.43%	24
Oxford	66.07%	74
Royal Leamington Spa	66.96%	75
Stratford-upon-Avon	55.36%	62
Towcester	0.00%	0
Witney	27.68%	31
Online retail	59.82%	67
Total Respondents		112

Q13 How far do you think Banbury town centre would benefit from an additional spend, which could be raised by a BID, of between £250,000 and £500,000 per year? Answered: 111 Skipped: 4



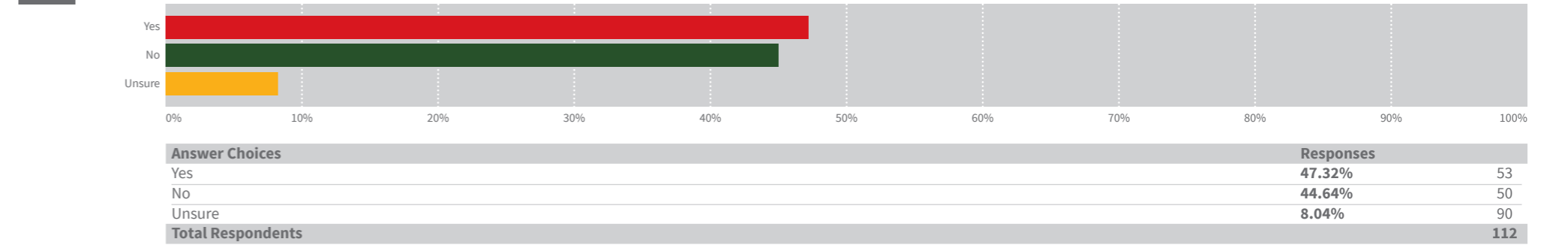
Q14 If you think the additional money from a BID could help Banbury town centre, what would you spend this on? Answered: 108 Skipped: 7



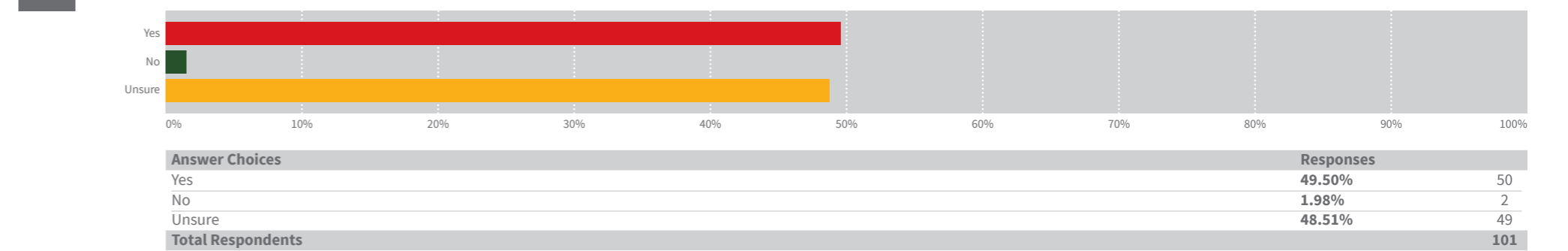
Answer Choices	Responses
Marketing and promotion	68.52%
Streetscene improvements (paving, landscaping, street furniture)	36.11%
Technology (e.g. free town centre wifi)	34.26%
Pedestrian signage	27.78%
Vehicle signage	19.44%
Policing	27.78%
CCTV or radio link improvements	25.00%
Street cleansing	33.33%
Empty shop improvement schemes	84.26%
Daytime wardens / hosts / ambassadors	32.41%
Evening wardens / marshals / pastors	20.37%
Customer loyalty or discount schemes	32.41%
Evening economy projects, possibly to reach Purple Flag status	32.41%

Answer Choices	Responses
Car parking arrangements to provide additional spaces	59.26%
Car parking discounts	81.48%
Business to business communication	30.56%
Business training	20.37%
Town centre street entertainment	51.85%
Business cost reduction initiatives	50.93%
Major town centre events or festivals	57.41%
Additional or improved town centre markets	58.33%
Cycle access into the town centre	11.11%
Retention & expansion of the current Town Team Co-ordinators	33.33%
Public transport improvements into the town centre	45.37%
Greater lobbying and representation	37.04%
Total Respondents	108

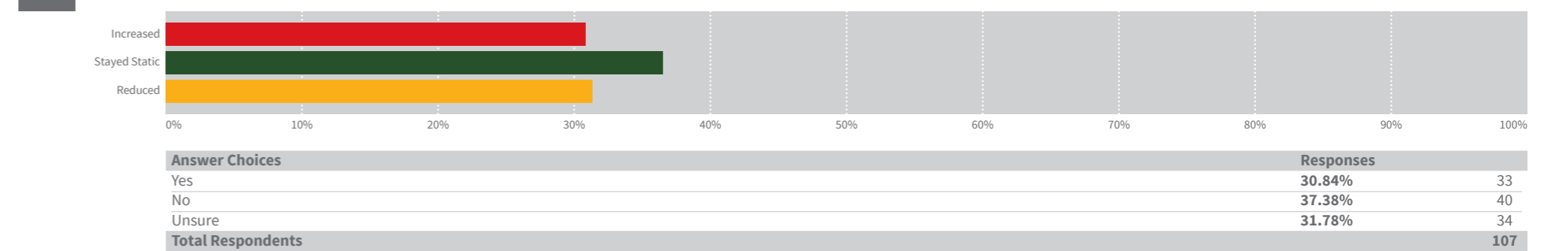
Q15 Are you aware of Cherwell District Council's current town team co-ordination work, led by Neil Wild and Iain Nicholson? Answered: 112 Skipped: 3



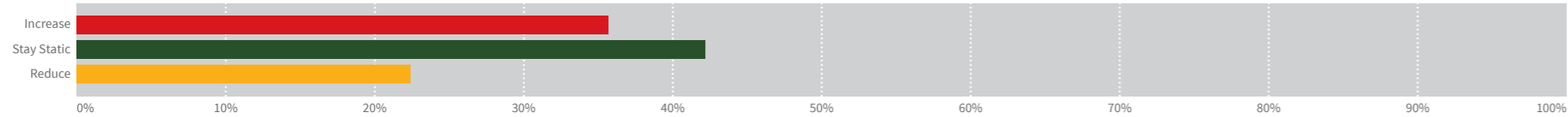
Q16 If so, would you like that work to continue? Answered: 101 Skipped: 14



Q17 In the past 6-12 months, how would you say that the turnover of your business has performed? Answered: 107 Skipped: 8

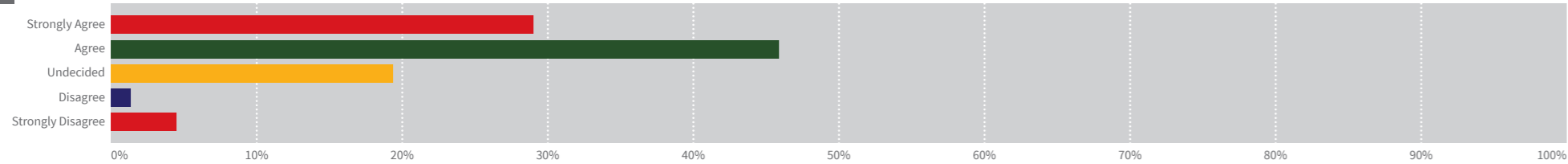


Q18 During the next 6-12 months, would you currently anticipate that the turnover of your business will...? Answered: 107 Skipped: 8



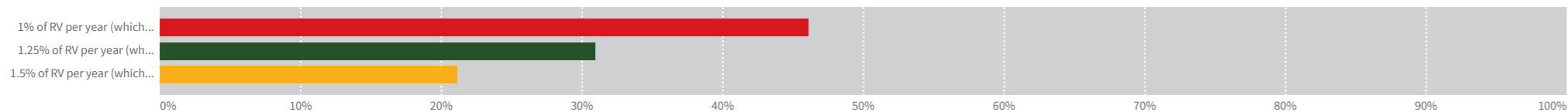
Answer Choices	Responses
Increase	35.51% 38
Stay Static	42.06% 45
Reduce	22.43% 24
Total Respondents	107

Q19 In principle, do you think that a BID might be a good idea for Banbury town centre and one which should be tested in a business vote (ballot)? Answered: 108 Skipped: 7



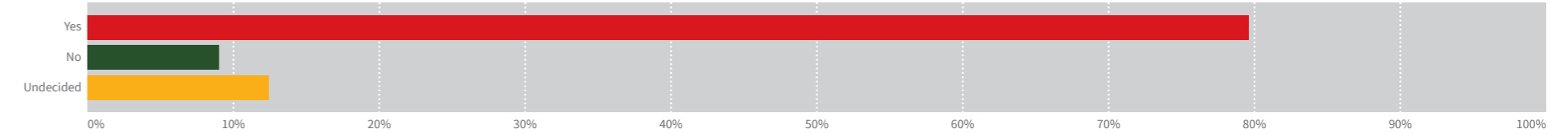
Answer Choices	Responses
Strongly Agree	28.70% 31
Agree	45.37% 49
Undecided	19.44% 21
Disagree	1.85% 2
Strongly Disagree	4.63% 5
Total Respondents	108

Q20 If a BID were to be set up, how much might you consider it reasonable that you or your company contribute per year towards the BID as a percentage of your rateable value? Rateable value (RV) is the amount on which your rates bill is based, not the amount of business rates you actually pay. Answered: 83 Skipped: 32
To illustrate: for a small unit, the RV may be around £10,000; an average sized unit: RV may be around £70,000; a large unit: RV may be around £250,000



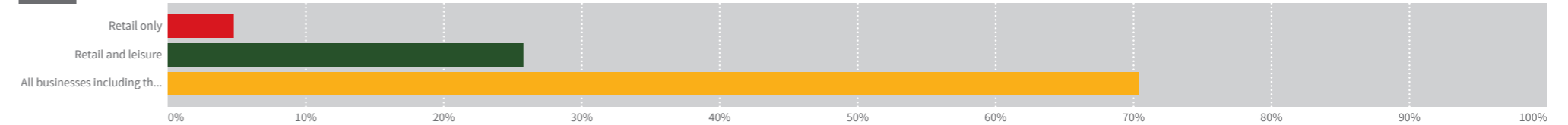
Answer Choices	Responses
1% of RV per year (which would mean £100 per year for a small unit and £700 per year for an average-sized unit)	46.99% 39
1.25% of RV per year (which would mean £125 per year for a small unit and £875 per year for an average-sized unit)	31.33% 26
1.5% of RV per year (which would mean £150 per year for a small unit and £1,050 per year for an average-sized unit)	21.69% 18
Total Respondents	83

Q21 Do you think that your area of Banbury town centre should be included within the possible area for a BID if one is supported? Answered: 106 Skipped: 9



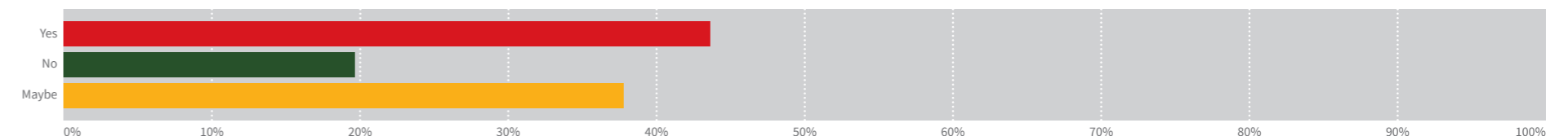
Answer Choices	Responses
Yes	79.25% 84
No	8.49% 9
Undecided	12.26% 13
Total Respondents	106

Q22 In your opinion, should the businesses included within any BID be? Answered: 101 Skipped: 14



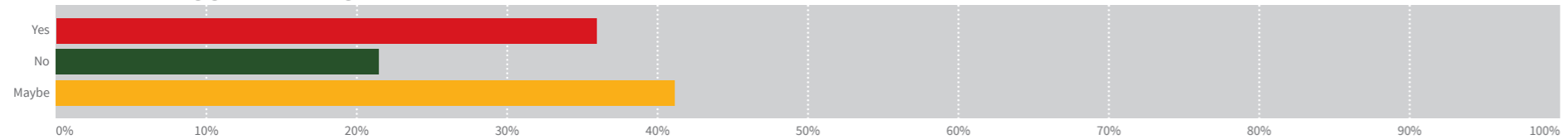
Answer Choices	Responses
Retail only	3.96% 4
Retail and leisure	25.74% 26
All businesses including the above as well as offices	70.30% 71
Total Respondents	101

Q23 Would you be interested in attending a consultation event to explore the idea of a BID further? Answered: 107 Skipped: 8



Answer Choices	Responses
Yes	42.99% 46
No	19.63% 21
Maybe	37.38% 40
Total Respondents	107

Q24 If the Feasibility Study shows that there is sufficient interest in creating a BID, would you be interested in attending an exploratory steering group meeting? Answered: 106 Skipped: 9



Answer Choices	Responses
Yes	36.79% 39
No	21.70% 23
Maybe	41.51% 44
Total Respondents	106

Q24 Please list below any further information that you would like us to consider as part of our study into the possible feasibility of a Business Improvement District in Banbury Answered: 24 Skipped: 91

APPENDIX 2: ADDITIONAL INFORMATION PROVIDED BY SURVEY RESPONDENTS LISTED IN ALPHABETICAL ORDER

- Against the bid just an extra costs to local business and in other towns we operate seen no benefit from a bid just an extra cost the bid makes money and the local business lose – I would need convincing it is anything other than a con – the questionnaire you have produced here does not give option like I don't think local business should pay a penny over the business rates we already pay strongly against this and don't feel information is being clearly explained to me or other businesses in your literature – I think local trading standard offices should be allowed to see your paperwork to see if it is fair or leading businesses down a path.
- As a business I would like to see action before putting our hands in our pockets to pay any more money as our rates paid I feel are not being used to benefit the perception of the town. I would like to know what was being achieved by this BID and what actions were being looked into and over what timescales. If I can see a definite plan of action that was going to boost the town and therefore boost our business I would be interested in taking part. The BID system for us should be something that the council should be finding, not the local businesses. Please keep me updated with this whole process. Thanks
- Banbury needs to improve to attract more visitors. The high Street needs to be made more attractive too many empty shops, there is not enough traditional places to eat, parking remains a nightmare we should offer 30 mins free, you cannot just pop to town and go to the bank for example!
- Banbury town centre needs a lot of investment. A BID should have measures to make this happen. Any BID funding should not be a reason for the Council to reduce funding.
- Cherwell Council must be part of this and give some free parking.
- Consider the areas which would gain the most benefit. Negotiate more favourable initial start-up business costs. Look for niche businesses, not just more of the same – bakeries, patisseries, delis, designer shops, artisan crafts.
- Consider the performance of other BIDs, their spending trends and the staffing costs as a % of total budget.
- Council should provide a 6-month trial on 2-hour free parking. Spend the money employing Traffic Wardens on Street Cleansing.
- Festival of Motoring & other events.
- Footfall has recently declined.
- Having worked with BIDs in Stratford, Leamington and Daventry, I consider them to be ineffective, non-productive and a total waste of money. Costs need to be controlled, not increased – don't do it.
- I also run Visit Banbury, a volunteer led community organisation promoting Banbury and all that is positive about it. www.visit-banbury.co.uk
- I definitely don't think a BID is relevant to businesses such as mine that are solely B2B. In all honesty I am unsure that approx. £0.5million a year would be enough to make a significant difference... I think Banbury has lots of shops but is lacking in the cultural draws (theatres, museums etc.) of some of the competing towns such as Stratford / Oxford and even MK. Leamington Spa benefits massively from the large amount of Private Day Schools meaning a much higher amount of affluent parents doing "drop offs" there (many of whom are also "ladies that lunch" and shop ha ha)! – I don't believe Banbury will make them change their mind and come due to logistics regardless of the amount spent in the area. In my opinion Banbury is actually a really nice market town and perhaps the focus needs to me on educating the locals who find it easy to knock it! I was talking to someone at a networking event near Leamington recently – he was from MK and said he regularly drives through Banbury to visit customers in Worcester and always thinks what a beautiful place it is... it only seems to be grumpy locals who aren't happy! :)
- I think that ultimately, the key businesses that will benefit from a bid will be leisure and retail businesses which seem to be the main focus for this bid. Therefore, they should be the ones to pay the contribution towards the bid rather than a blanket tariff of all businesses. I cannot see how our business will benefit at all from a bid and therefore are unsure about the justifications of paying extra in business rates.
- Make it easier for businesses to trade on-street. Recruit local students to assist with any BID projects.
- No further information but I believe it is 100 % essential that Banbury has its own BID to compete with the strong offering from other competitor town economies in travelling distance from Banbury.
- People in the community should also decide how any money is spent – shops could have suggestion boxes for improvements identified by customers.
- Permission would need to be sought from Head Office.
- Road infrastructure
- The effect of Banbury Gateway.
- The Market needs to increase in size. Free or reduced-cost parking would help footfall. At times, the Shopping Centre is dead and weekends tend to be slow when it should be busy.
- There should be more food outlets and another cinema, so the Castle Quay proposals should be welcomed
- USP of Banbury
- We are really against the possible introduction of a BID levy. This would require a good foundation of shops, traders, markets and business owners, which I don't see in Banbury. There are too many empty shops, too much crime, a lack of care and attention in the town centre, not enough food & drink places to promote and not a strong enough relationship between the Council & traders.



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