

NEWTOWN BUSINESS IMPROVEMENT DISTRICT (BID) FEASIBILITY STUDY

Information Sheet

Background

Having seen the success of existing Business Improvement Districts (BIDs) across Wales, the Welsh Government recently allocated funds for feasibility studies and BID developments in further areas around the country. Powys County Council has secured funding to explore the viability of the creation of a new BID in Newtown. Revive & Thrive, in partnership with Powys Council are carrying out a Feasibility Study to establish if a BID would be viable. This information sheet is the first of a series of ways in which we will be asking businesses in Newtown for their views on this and we hope that it answers a few initial questions about what a BID might do for the area.

What is a BID?

A Business Improvement District or BID is a defined area within which the local business community works together and invests collectively in new projects and services that businesses have prioritised to address opportunities and problems that affect them, their staff and customers.

They are generally governed by a board made up of BID levy payers who represent the BID area, which means that businesses have a genuine voice - and can decide and direct what they want for their town, city or high street.

Does there need to be business support for a BID?

BIDs are business-led and business-funded partnerships, so it is fundamentally important that, at this stage, we assess the views of as many businesses as possible. Any BID is subject to a vote of all eligible businesses within the area and so we will be surveying the views of Newtown businesses over the coming weeks to establish if a BID should be proposed for the area.

How could a BID help my business?

There are more than 300 BIDs already operating across the UK, with the majority focusing on town or city centres. There are some BIDs dedicated to industrial areas and others which cover mixed business areas. Benefits they bring include:

- BID levy money is ring-fenced for use only in the BID area
- Businesses decide and direct what they want for the area
- A town centre manager to engage and promote business needs
- Event management and co-ordination to attract visitors to the area
- Business cost reduction, for example reduced crime and joint procurement
- Help in dealing with Local Council, the police and other public bodies
- Increased footfall and staff retention
- Promotion and branding of the area to attract new customers
- Facilitated networking opportunities with neighbouring businesses

The BID would be an investment by the business community to preserve and enhance Newtown. Every penny raised would be accounted for and spent on helping the BID to deliver those projects that the businesses will have voted to support. Clear commitments would be made, and targets set to deliver businesses priorities for the district. Importantly, a BID is a partnership and a resource that would be led and delivered by the business community of Newtown.

What type of projects might be considered?

This will depend entirely on the results of the consultation with businesses, although many other BIDs focus upon:

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

As part of a business survey, businesses will be encouraged to put forward ideas for projects. BIDs also play a key role in representing their business communities – particularly with the Police, the Local Authority and other public-sector bodies.

How are BIDs funded and set up?

A BID is funded by businesses paying a small proportion 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 detailed Business Plan.

How much would it cost my business and how much money would be raised?

If the business community votes for a BID company to be implemented in Newtown, all eligible businesses in that area will pay the set levy amount. The amount will be decided as part of the feasibility study and will depend on the projects that

business want to see delivered in Newtown. The typical BID levy is approximately 1.25% of the rateable value of the business premises. So if the rateable value of a business is £20,000, the levy amount would be £250.00 year. On average, BIDs generate between £200,000 and £300,000 per year, although it should be emphasised that these are simply guide figures, which will remain open to consultation throughout the feasibility study and any subsequent development of a BID.

Shouldn't the Council be delivering all of these activities and projects?

The BID cannot be used to replace existing council services. Everything that the BID Company delivers will be new or additional work. This is carefully controlled through a legally-binding Baseline Services Agreement that sets out what the council will deliver.

How can charging businesses more money help them in a climate where they are already struggling?

Most businesses recognise that they have limited control over how they can improve their business and the trading environment of the area. This includes the customer experience of the town centre, parking issues, management of the street, vacant shops, perception of crime and a lack of promotional opportunities in the area. A BID company would provide that control and provide a financial mechanism to enable the business community to act effectively in improving the trading environment of the area.

Where would the BID operate?

This question would also need to be considered as part of the feasibility study, because we need to assess the level of local support from businesses to be situated within a possible BID area. The potential BID boundary therefore remains open to consultation and could extend to rural areas around the town, if those businesses wanted to be included.

Would all businesses be liable to pay the BID levy?

This varies from BID area to BID area, although in principle, any business with a rateable value that is situated inside of the BID area could be liable to pay the BID levy.

In many BID areas, there are minimum exemption levels, which means that very small businesses would not be liable to pay the levy (although businesses who want to be part of the BID can make a voluntary contribution). Equally, some larger businesses may have their levy liabilities capped.

Most BIDs also include charity retail businesses, although some will discount the levy rates for them, as is also frequently seen for businesses that already have management arrangements, for example shopping centres or industrial estates.

What are the timescales?

The current proposals are for the Feasibility Study to be completed by the end of March 2019, which should provide a clear indication of whether or not a BID proposal could be pursued.

Should the Feasibility Study be positive further extensive consultation with all businesses would take place which would result in a business plan that we would ask you to vote on. The ballot would most likely take place in October 2019 and the BID would only then commence if the majority of businesses voted to support the BID.

How long would the BID last?

The maximum term for any BID is five years, at the end of which the BID Company would most likely seek a further five-year term via a renewal ballot. An overwhelming majority of BIDs are renewed nationwide when the end of the current term has been reached. The nearby BID in Shrewsbury has recently been renewed with 88% of businesses voting in favour of doing so.

How can I give you my views?

Establishing if a BID for Newtown is feasible and starting to shape any projects it might deliver can only happen with the feedback we receive from you and many other businesses in the area.

You will soon be able to do this by completing a survey and can contact the project manager, Matthew Powell of Revive & Thrive, by email at: matthew@reviveandthrive.co.uk or by phone on: 07967 395621.

Where can I get further information on BIDs?

For further information on BIDs, please feel to get in touch using the details above. You can also check the websites for other BIDs nearby and across Wales to see what they are doing to improve their areas:

<https://shrewsburybid.co.uk/>

<http://advancingaberystwyth.co.uk/>

<https://www.bridgenbid.com/>

<http://www.neathinspired.co.uk/>

<http://www.ymlaenllanelli.com>