

## **APPENDIX 1: Bury Business Improvement District( BID) Feasibility Report Summary**

### **SECTION A: Bury Town Centre BID Project**

#### **1. Background**

A BID is a defined area, e.g. a town centre, where businesses collectively invest in their trading environment. There are currently over 300 BIDs operating across the UK including Preston, Blackburn, Stockport, Altrincham and Rochdale. BIDS can support an area in becoming an excellent place to visit, work and do business. (Please see Section B for further information)

In 2018 Bury Town Centre Management Board (BTCMB), with support from Bury Council secured funds (£36,000) from the Ministry of Housing community & Local Government (MHCLG) BID Loan Fund to undertake a BID Feasibility Study for Bury Town Centre. Along with the BID loan, funding has also been provided by BTCMB (£3,000) and Bury Council (£10,000) to undertake the full BID development process - should that be the requirement.

The BID Task Group (representatives from the BTCMB) appointed The Mosaic Partnership Ltd (BID consultancy) in September 2018. The Bury BID Feasibility Study was undertaken from October 2018 to February 2019.

#### **2. The BID Feasibility Study**

The Feasibility Study is Phase one of a wider BID Development Process. The purpose of the study was to determine if a BID would be an option for Bury Town Centre and to identify:

- likely support for a BID
- priority areas for BID funded activity
- the level of funds that could be generated through a Bury BID
- possible BID boundaries

The study included the analysis of business rate data, business sectors and locations and business views- via one to one interviews, a workshop and online survey.

Please note that the various elements that make up the BID e.g. BID boundary, levy rate and potential BID projects are subject to review and refinement in the next phase. (Full BID Development)

##### **2.1. BID Report Recommendations: Overview** (The Mosaic Partnership)

In terms of guiding principles in determining recommendations the key test is the ability of the BID proposal to make a tangible impact in a given area with the amount of money available.

Too big or disjointed an area or too many sectors to contend with may mean that it is difficult to show impact particularly of physical/ground based works. In general terms it is better to start small, under promise and over deliver.

From the research and analysis carried out as part of the Feasibility Study then the following opportunities and issues have been identified -

- Bury town centre would benefit greatly from the investment and Town Centre Management that a BID would provide.
- With austerity, destination marketing, events and promotion, previously provided by Bury Council, is now inadequate and requires investment. Along with the creation of a brand and image for the town, this will sit under the over arching term of Image, Promotion and Events.
- There is an urgent need to make the town look more attractive and this requires investment in public realm alongside more immediate projects like the provision of flowers and planting.
- Signage and way-finding needs addressing to ensure that visitors are encouraged to move around the town centre taking advantage of the cultural and retail offer.
- Issues relating to anti-social behaviour, including chuggers and unauthorised buskers needs addressing through partnership working. The BID could fund Town Rangers to help reduce this type of behaviour alongside their other duties welcoming visitors to the town and providing general advice and support.
- The BID can identify and lobby for town centre car park initiatives to support workers and encourage visitors to stay longer. This can be achieved via partnership working and promoting the use of new technology.
- The evening economy is currently divided between The Rock and Silver Street. The Rock offering is more orientated towards younger people but there is fledgling development of a more contemporary and diverse evening economy in the Cultural Quarter which could incorporate the museums and gallery in that area.
- Enhancing the town centre experience will benefit workers in the non retail sector who use the town at lunch time and after work. Additionally, central procurement particularly focused on trade waste and recycling can benefit all.
- Bury does not currently have an organisation representing all businesses in the town centre and this has hampered progress during the feasibility study. A BID will provide the necessary representation which will greatly enhance

the opportunity to bid for additional town centre investment through regional agencies and national Government.

## 2.2. Key Elements

Having made a comprehensive assessment of the current situation in Bury the following key elements which have informed The Mosaic Partnerships recommendations-

- The research and consultation process shows **clear areas of consensus and concern** that can be addressed by this process.
- The recommended geographical boundary and sectoral make up will allow for **a co-ordinated and focused approach**. However this require more consideration once a task group is formed.
- The revenue generated will allow **real and tangible improvements** to be made.
- We recommend that an independent, not for profit company will manage the BID and this will require a revised Board.
- **Level of confidence and credibility** in existing partnership organisations can be developed.
- **Key individuals and organisations** enthusiastically support the concept including business representatives and the Local Authority. It will be very important that this 'base of people' is widened to be more evidently representative of the location and its areas.

**Therefore, at this stage, based on the financial analysis and consultations, our conclusion is that a BID for Bury would be viable.**

## 2.3. Preliminary Project Areas

The preliminary market research and consultation indicates that there is good consensus in terms of the types of issues that are important across the sectors.



## 2.4. Recommendation

The Feasibility Report

- recommends that BID team proceeds to the Development and Campaign phases.
- identifies that a Bury Town Centre BID has the potential to generate funds from approximately £348,000 to £425,000 in BID levy per annum.
- That the levy should be 1.5% but this may be adjusted as BID projects projects are defined during the Development Phase.
- Notes that most BIDs also bring in around 20% of extra funds. e.g. through sponsorship, funding applications.
- Recommends that should a BID proceed, that it is delivered by a Private Company Limited by Guarantee (Not for Profit)

## 2.5. Indicative Timetable for BID Development

The development of a BID is likely to take at least 12 months from this stage. The timetable below sets out the key milestones if the decision was taken now to pursue the development of a BID.

**Key BID Development Milestones Table**

	Key Milestone	Estimated Date
<b>FOUNDATION PHASE</b>	Complete Feasibility Study	Month 0
	Secure Resources for Development & Campaign Phase	Month 1
	Agree Preliminary Study Area	Month 2
	Agree Preliminary Ballot Date	Month 3
<b>DEVELOPMENT PHASE</b>	Project Support in Place	Month 4
	Set up BID Task Group	Month 5
	Complete Detailed Consultation	Month 6
	Agree Initial Project Lists & Costs	Month 7
	Agree Baseline Statements	Month 7
	Agree Delivery Model	Month 7
	Agree Operating Agreement	Month 8
	Agree Final BID Area	Month 9
	Agree Business Plan	Month 9
<b>CAMPAIGN PHASE</b>	Agree Formal Ballot Process	Month 9
	Agree Champions, Campaign Methods & Material	Month 9
	Campaign Period	Month 10
	Formal Ballot Notification	Month 10
	Formal Ballot	Month 11/12

**2.6. Next Steps**

If Bury Council and the BID Task Group wish to proceed to the Development and Campaign phase of a BID, the following steps will be required:

1. Formal decision taken to proceed to Development and Campaign Phases.
2. Secure necessary resources for next phases through public and private sectors including costs for dedicated staff support and a

project fund. The BTCMB have already put in this in place with BID Loan and further match funding.

**3.** Widening of the initial BIDs Task Group with additional members who are able to commit 1 hour per week in time over the next 12 months. The BID Task Group members should ideally be potential levy payers and be representative of the preliminary BID area in terms of sector and numbers.

The full **BID Development and Campaign Stages** would include extensive market research, detailed project and services development, board structure, resource and financial planning together with the development of a number of documents including baselining and operating agreements and the business plan.

## **SECTION B**

### **1. Bury Feasibility Report - BID Fundamentals**

A BID is a formal mechanism which allows dedicated funds to be collected for the delivery of an agreed business plan.

Usually, a group of local businesses and public sector representatives form a partnership to develop a BID. Detailed discussions with local businesses are undertaken to identify issues and concerns and from this the partnership develops a business plan detailing projects and services which will address the issues. Businesses are then asked to vote on the plan and if they vote in favour all businesses pay a levy which is ring fenced for the delivery of the BID Business Plan. The vote is a postal ballot which is sent to all business rate payers in the BID area who will pay the levy if the vote is successful. To secure a "yes" vote the proposal needs to achieve sufficient votes through two criteria. Firstly, of those voting over 50% must vote in favour and secondly those who have voted in favour must represent at least 50% of the total rateable value of those voting.

### **2. Key Questions Answered**

#### **What are BIDs?**

An arrangement whereby businesses get together, decide what additional improvements they want to make, how they're going to manage and deliver those improvements and understand what it will cost them. This all goes into a business plan which is voted on by all those who would have to pay. The BID can last for a maximum of 5 years and must be able to demonstrate how it has benefited businesses that have funded it.

### **Have BIDs been supported elsewhere in the UK?**

The first UK legislation came in 2004 and there have already been over 300 successful ballots including 70+ renewals. These BIDs involve over 100,000 businesses and will bring in over £300 million (including additional income) of new finance to develop their locations over the next 5 years.

### **What might a BID deliver?**

BIDs can deliver any projects or services that are agreed by the relevant businesses and are an addition to statutory services delivered by the Public Sector. In most cases they focus on marketing and promotion activities, increasing safety and security for business and customers and better transport and access arrangements as well as business support. The important thing is that BIDs are in the main addressing operational matters and that actual projects and services will be determined as a result of detailed consultation with all the business in the BID area.

### **Why is a BID needed?**

A BID is a mechanism which allows businesses to control a sum of money to manage and deliver projects which they believe will improve the trading environment for them. It should ultimately increase trade and drive down costs for those businesses that are paying for the improvements.

### **Who can develop a BID?**

A BID can be proposed by any business ratepayer, property owner, local authority or partnership with an interest in the BID area.

### **How will the BID be managed?**

BIDs should be controlled and managed by local businesses that are paying the levy. The majority of BIDs are delivered through Companies Limited by Guarantee with Directors elected from the BID levy payers. The organisation delivering the BID will be responsible for the delivery of the BID projects and services and directly responsible to all its business membership through an elected board.

### **Who pays for a BID?**

Once projects and services have been agreed by businesses, these are costed up. The cost to each business is worked out on a pro-rata basis. This is called the 'BID Levy'. A formal vote then takes place on the agreed projects and services and if the majority vote YES then ALL within the BID area HAVE to pay. The BID Levy is normally paid by the occupiers of a property. In addition BIDs can draw in other voluntary funding, e.g., from property owners, public sector

### **How does an area become a BID?**

Normally a 'BID Task Group' is set up which is responsible for putting together a detailed business plan setting out the projects it aims to deliver on behalf of the business in the area. This is based upon a detailed consultation process with businesses. The business plan will include the projects, cost, delivery guarantees, performance indicators and the management structure. A confidential postal vote is then held of all the businesses that would pay the BID Levy. To become a BID a majority of those that vote must be in favour by number and rateable value. A successful BID then has a mandate for a maximum of 5 years after which it needs to ballot businesses again with a new business plan.

### **Does this mean the local authority will stop delivering services?**

BID money can only carry out projects and services which are ADDITIONAL to those that public agencies have to provide. Prior to the BID Business Plan being produced the current services being delivered by all public agencies including the Local Authority are benchmarked. The Local Authority has to continue to deliver that level of service for the period of the BID. The BID company can agree to provide additional resources to deliver a higher level of service over the benchmarked level if businesses want this.

### **How is the BID monitored?**

Like any good business plan specific key performance indicators (KPIs) are set and performance is monitored against the KPIs by the BID board. As businesses contribute the funding to achieve those specific KPIs set out in the prospectus the BID Company will be required to monitor and inform its members of progress on a regular basis.

**End**