

**ECONOMIC AND COMMUNITY REGENERATION
CABINET BOARD**

**REPORT OF THE HEAD OF PROPERTY & REGENERATION SIMON
BRENNAN**

31st July 2015

SECTION B– MATTER FOR INFORMATION

WARD(S) AFFECTED: NEATH NORTH

BUSINESS IMPROVEMENT DISTRICT IN NEATH

Purpose of Report

To update members on progress of the development of a Business Improvement District (BID) in Neath Town Centre.

Background

A BID is a mechanism that has been recognised as being successful in bringing local businesses and other stakeholders together with the aim of improving their trading environment and enhancing their profitability. The Welsh Government is supporting the development of additional BIDs in Wales, as a key component of its commitment to encourage economic development and to deliver its new regeneration framework, Vibrant and Viable Places.

A BID delivers a sustainable financial model to a defined geographical area of a town, city, commercial district or tourism and visitor area, where businesses have voted to invest collectively in local improvements, in addition to those delivered by statutory authorities. BIDs are developed, managed and paid for by the commercial sector by means of a BID levy. They are often a partnership arrangement through which the local business community and the statutory authorities can take forward projects and activities which will benefit the local economy.

Businesses that are subject to the levy, as set out in the proposals, vote in a ballot. This determines whether the scheme goes ahead. A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast. Each business entitled to vote in a Business Improvement District ballot is

allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the Business Improvement District.

Once the Business Improvement District is in operation the levy is charged on all businesses within the Business Improvement District area (regardless of whether or how that business voted in the ballot).

The maximum period that a Business Improvement District levy can be charged is for 5 years. Once the term is completed the Business Improvement District will automatically cease. If the Business Improvement District Company wants to continue its activities it must hold a new ballot

Neath Port Talbot County Borough Council successfully bid for funding of £25,000 from Welsh Government which is being used to appoint a consultant to work with the Local Authority and local business community to develop the BID concept, aims, vision and outline implementation strategy.

The Means Ltd were appointed in April 2014 to guide and advise the local partnership and provide the necessary support to give the prospective BID the best possible chance for success.

A BID in Neath town centre could help build on work already being undertaken to enhance the trading environment and further develop partnership working between the public, private and thirds sectors. Neath has a vibrant centre with a growing independent retail scene. It would help sustain recent progress and provide significant enhancements in terms of the visitor experience, promotional activities and the active involvement of the business community.

The outline aims and objectives would be to develop and promote Neath as a distinctive visitor destination that is safe during the day and night. Improving gateways, such as parking options, would also provide a focus as would a concerted effort to work in partnership with other local bodies to develop a co-ordinated approach to tackling issues facing the trading environment.

A steering group made up of a cross-section of business representatives has been established to lead the process and are meeting at six weekly intervals.

Business Consultation

A feasibility study and visioning event have engaged with over 100 traders and focused on gathering opinions on issues that were important to businesses in the Neath town centre area and views on measures to improve trading conditions. The study also aimed to raise awareness and gauge levels of support among businesses for a Business Improvement District.

Overall, the results demonstrated that business health in the town centre was relatively good. For example, a significant number of businesses reported that their turnover had grown over the past 12 months and a very small number acknowledged that they would contract or leave the centre.

The results also highlighted the following key points:

- A significant number of businesses identified vacant premises, perception of crime, parking (cost and availability) and marketing of the centre as being the most important issues.
- In terms of measures for improving the area, the majority of businesses identified providing easier and cheaper parking, increasing public toilets, reducing anti-social behaviour and increasing promotional activity as key areas for action.
- When asked directly about their views about the BID concept in principle, 77% of respondents were positive and 20% were unsure. Only 3% were against the concept.

The report recommends that the BID programme be based around four key themes:

- Access & welcome
- Safety & town centre environment
- New prospects and business support
- Marketing & events

In order to demonstrate the type of services that a BID could deliver and the benefits to town centre businesses, the Steering Group carried out a 'Welcome to Neath' pilot project over Easter. The Steering Group borrowed an 'Infobike' from BID's on the Southbank in London in order to test the opportunity of introducing town hosts and an information service at key locations. The bike was moved around the town and was manned by volunteers from the business and local community for a week long period. The results were as follows:

- Great feedback from businesses and visitors
- 170 Visitor surveys conducted
- 283 visitors engaged with the 'Infobike'

- Leaflets from 50+ businesses
- Coverage in the South Wales Evening Post

Levy Rate

The British Retail Consortium has stated that ‘any levy in excess of 1% of rateable value will be extremely unlikely to deliver comparable benefits and is therefore unjustified’. However, the national average BID levy is 1.4%, and the experience of *The Means* in other centres shows that retailers will pay a slightly higher levy if they feel that it is justified by the proposed programme, and can either improve their sales or mitigate a decline in sales. In Merthyr Tydfil, for example, the levy rate was set at 1.35%.

Considering trading condition in Neath and the potential services that a BID might deliver, the BID Steering Group have decided that a levy rate of 1.25% would be sensible.

In most BID areas some form of threshold is applied, partly to ensure that the costs of collecting the levy from smaller businesses does not exceed the levy they pay, but also to keep the number of BID businesses down to a level with which the BID board and team can reasonably communicate. The ratings threshold in Merthyr Tydfil, for example, was set at £5,000.

We are not at this stage proposing that the levy should be ‘capped’ for any of the larger payers. This position may change if, for example any large occupiers make capping a condition of their support for the BID.

The table below sets out the potential annual levy income for Neath town centre:

Zone	Total levy at 1.25%
Zone 1 – Central Core	£58,891
Zone 2 – Alfred Street	£5,483
Zone 3 – Victoria Gardens	£2,554
Zone 4 – Windsor Road	£39,873
Zone 5 – Riverside Drive	£4,625
Total	£111,425

It is recommended that Zones 1, 2 and 3 are included within the BID boundary. Further discussions are needed with businesses on Windsor Road and Riverside Drive to ascertain whether businesses in this area with benefit from the services that the BID could deliver.

Timetable

Following discussions with the BID Steering Group, Electoral Services and Financial Services, it is proposed that the ballot will take place this Autumn. If successful, the BID start date would be 1st April 2016.

Business Plan published	July 2015
Intensive BID Campaign	July - October 2015
Ballot Period	22nd October - 19th November 2015
Ballot Result Announcement	20th November 2015
Billing Period & Company Set up	December 2015 - March 2016
BID Start Date	1st April 2016

Financial Implications

Funding of up £25,000 has been awarded for the development phase.

Match-funding of a minimum of 25% is required meaning that an additional £5-10k will be required from NPTCBC's own sources.

Sustainability Appraisal

A BID in Neath would support the Authority's sustainability agenda in the following ways:

- Economic Prosperity – promoting the attractiveness of Neath as a retail centre.

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