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

COMPREHENSIVE FEASIBILITY STUDY
Submitted by Heartflood, May 2017

www.heartflood.co.uk
EXECUTIVE SUMMARY

Heartflood were recently commissioned to undertake a feasibility study on the introduction of a Business Improvement District (BID) in Shirley. The study began in February 2017, with a view to this report being produced in May 2017.

There are over 250 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 Shirley in order to identify their collective stance on a possible BID proposal for the town centre.

Responses were received from a broad sample of 103 businesses, representing approximately 40% of those within the Shirley town centre area and covering the retail, leisure, office and service sectors. The response rate is strong and indicates a considerable level of support for the concept of a BID in Shirley, with 69% of the respondents supportive, 24% undecided, and only 7% not in favour of the concept of a BID.

The fact that almost 70% of the sample are supportive of the proposals suggests that there is ample viability for Shirley 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 Shirley in April 2018, to allow the necessary further consultation and development of a detailed Business Plan, with a view to a 5-year BID term starting in June 2018.
- The proposed boundary of the BID to cover the immediate Stratford Road corridor between approximately the junctions of Shakespeare Drive and Green Hill Way.
- A 1.5% BID levy to be proposed.
- 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.
- A £25,000 cap to be set, meaning that the maximum annual BID levy payable by any single listed premises would be £25,000. This proposal would only affect two business listings within the proposed area, which are both major superstores.

- Priority projects, which directly correlate with the results of the survey, to focus upon the following, listed in order of priority:
  - Improvements to the appearance of empty shops.
  - Marketing & promotion.
  - Arrangements to provide additional car park spaces.
  - Major town centre events or festivals.
  - Street markets.
  - Business to business communication.
  - Car parking discounts.
  - New seasonal events.
  - Greater representation and championing of the town.
  - Schemes to save businesses money.
  - Improvements to paving, landscaping or street furniture.
  - Customer loyalty or discount schemes.
  - Technological improvements, such as free town centre wifi.
  - Town centre street entertainment.
  - Additional street cleansing.
Since the introduction of Business Improvement District legislation in 2003, over 250 Business Improvement Districts have been created across the UK and the Republic of Ireland. Within the Solihull Council boundary, Solihull town centre is the only other 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:

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

Any BID Business Plan should clearly explain why the proposed improvement projects have been selected, as well as clearly outlining all of the rules proposed to manage & govern the BID. It should also include clear and detailed financial information presented in a manner which is transparent to the proposed BID levy-payers.

Under current legislation, 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 to the landlord (in the case of vacant units), within a defined boundary and this report highlights what is considered to be the most appropriate potential boundary option for Shirley 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 renewal ballot of the businesses within the BID area. Over 80 BIDs have achieved a successful renewal ballot and several are within their third BID term, having achieved two subsequent renewal ballots.

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 within approximately 30 miles of Shirley include Coventry, Leamington Spa, Lichfield, Rugby, Solihull, Stratford upon Avon & Worcester. Furthermore, Birmingham has a number of established BIDs and these include those in centres which are comparable to Shirley, such as Acocks Green, Erdington, Kings Heath & Northfield.

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 Shirley, 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.
Shirley is a suburban town centre, which takes a linear form along the A34 Stratford Road. One of the major roles of the A34 is to serve Birmingham as a main arterial route into and out of the city. Shirley has a number of strengths within its core town centre area, including:

- Areas of quality streetscene in terms of architecture, landscaping and public art, including a large, high-quality park, which links directly to the main town centre frontage.
- Modern developments, including a recent mixed-use development anchored by shopping and leisure facilities.
- A varied retail offer, with a balance of chain and independent retailers, as well as an established and relatively loyal customer base.
- A number of quality restaurants, coffee shops and eateries.
- A strategic location, being situated on a major road, which provides excellent car & bus linkages and a high volume of passing traffic.

The town also sits on the eastern edge of the Birmingham conurbation and so is easily accessible to a large resident population within a 10-15 minute drive-time.

However, despite its many strengths, along with many other similar centres, Shirley has not been immune to recent economic conditions, which have included:

- The national and global economic recession of recent years.
- National planning policies having limited impact on preventing out-of-town retail development.
- Changing consumer retail & recreational patterns, including the growth of online retail sales.
- The relative economic buoyancy of larger centres, often at the expense of surrounding smaller centres.

These factors have led to concerns with regard to key indicators, such as pedestrian footfall, customer spending and vacant business units and these factors present a number of current challenges to the overall vitality of Shirley town centre.

The survey responses indicate that this has been particularly exacerbated by Solihull town centre, Shirley’s out of town retail parks and Birmingham City Centre, with Solihull town centre being considered as the major competitor for town centre trade by the survey respondents.
The town acts as a District Centre, predominantly serving the day to day convenience needs of a relatively local catchment, although the recent Parkgate development has added a range of retail & leisure operators, whilst also adding to the residential number within the immediate town centre area. The town centre contains a range of ancillary services, including a number of banks, building societies, property agents, motor dealerships and professional services. There are also several churches and places of worship, as well as a Post Office, Health Centre, Library, and a number of well-established community facilities.

The Borough of Solihull has a strong and varied economy and Shirley plays an important role in this, with both employment growth and business growth increasing at a rate above both the local and national averages in recent years. Shirley also has a recently published Economic Plan, which sets out a vision for Shirley as a vibrant, distinctive, accessible destination of choice for shoppers, visitors and specialist independent retailers. This plan aims to develop the strengths of the town centre and embodies ambitious development projects, the key priorities of which are:

- Defining the town centre and establishing a framework for future development, including generating additional funding to support a range of activities.

- Implementing regeneration projects to identify significant developments which would make a major contribution through new facilities, new housing and the potential for funding. One such project is the work to the former Powergen site to create a mixture of new homes and a retirement village.

- Enhancing the public realm through improvements to historic features, shop frontages, pedestrian areas & green spaces, whilst also improving less visible areas and mitigating the streetscene impact of the A34.

- Business support in assisting business growth via improvements to the local trading environment.

- Transport & access improvements through the Solihull Connected transport strategy, which aims to balance investment in transport infrastructure so that it still caters for cars, whilst also promoting the use of alternative modes of transport.

It is therefore considered prudent that the Shirley business community 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.
The central area of Shirley as defined by the A34 corridor between approximately Shakespeare Drive and Green Hill Way contains approximately 330 rateable business listings with individual rateable values of up to £2.37 million. These premises range from small specialist uses to significant national multiple operators, and feedback was sought from a strong and representative sample of the businesses across the town centre area on their attitude towards a Business Improvement District.

The feedback was captured in the form of a structured questionnaire, which gathered a number of key pieces of information and which was available to businesses both via an online portal 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 respondents able to rank their perceived priority importance.

• Extensive opportunities for businesses to provide further information and feedback – including their views about the town, their attitude towards a BID and their level of willingness to engage further in the BID process.

• Bespoke questions relating to Shirley town centre, with respondents able to include their views on competitor towns and possible BID boundaries.

The survey took place over an 8-week period to allow the required level of business engagement and ran between 6th March and 28th April 2017. The survey was supplemented by three open business meetings, attended by a number of businesses and the entire process yielded a total of 103 responses. The detailed summary is shown as Appendix 1 of this report, with the headline conclusions of the responses being as follows:

• 51% of respondents were from independent businesses, with 49% being from multiple or franchise operators.

• Business satisfaction about how well Shirley is currently performing was generally relatively low, with the following approximate levels of dissatisfaction being expressed:

<table>
<thead>
<tr>
<th>Area of perceived performance of the town centre – by asking “Do you think that Shirley town centre achieves its potential as a…”</th>
<th>Percentage of respondents who indicated that town centre performance was only either ‘very little’ or ‘somewhat’ as opposed to ‘quite a lot’ or ‘fully’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location for a day trip</td>
<td>93%</td>
</tr>
<tr>
<td>Place to spend leisure time</td>
<td>75%</td>
</tr>
<tr>
<td>Place to dine out</td>
<td>39%</td>
</tr>
<tr>
<td>Professional services hub</td>
<td>71%</td>
</tr>
<tr>
<td>Retail Centre</td>
<td>72%</td>
</tr>
</tbody>
</table>

• The reasons given for why businesses feel that Shirley underperforms were centred around, in order of frequency of identification:
  i. Insufficient range of shops.
  ii. Too few cultural facilities.
  iii. Not enough parking.
  iv. Too few events, or the wrong type of events.
  v. Too little to distinguish Shirley from its competitors.
  vi. Insufficient promotion and marketing.
  vii. Quality of the leisure offer.
  viii. Quality of the shopping environment.

• The main competitor locations were considered to be, in order of frequency of identification:
  i. Solihull town centre.
  ii. Shirley’s out of town retail parks.
  iii. Birmingham City Centre.
  iv. Online retail.
  v. Acocks Green.

• Approximately 66% of respondents felt that Shirley would benefit quite a lot or hugely from the additional spend a BID would bring, with only approximately 7% considering that there would be no benefit.

• Businesses prioritised where they felt BID money should be spent as follows – listed in priority order:
  i. Improvements to the appearance of empty shops.
  ii. Marketing & promotion.
  iii. Arrangements to provide additional car park spaces.
  iv. Major town centre events or festivals.
  v. Street markets.
  vi. Business to business communication.
  vii. Car parking discounts.
  viii. New seasonal events.
  ix. Greater representation and championing of the town.
  x. Schemes to save businesses money.
  xi. Improvements to paving, landscaping or street furniture.
  xii. Customer loyalty or discount schemes.
  xiii. Technological improvements, such as free town centre wifi.
  xiv. Town centre street entertainment.
  xv. Additional street cleansing.
We have carried out an initial and outline assessment of how the above projects could form the basis of a draft project list, which results in the following:

<table>
<thead>
<tr>
<th>Project</th>
<th>Potential % spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements to the appearance of empty shops.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Marketing &amp; promotion.</td>
<td>22.5%</td>
</tr>
<tr>
<td>Arrangements to provide additional car park spaces.</td>
<td>0%</td>
</tr>
<tr>
<td>Major town centre events or festivals.</td>
<td>12.5%</td>
</tr>
<tr>
<td>Street markets.</td>
<td>7.5%</td>
</tr>
<tr>
<td>Business to business communication.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Car parking discounts.</td>
<td>0%</td>
</tr>
<tr>
<td>New seasonal events.</td>
<td>5%</td>
</tr>
<tr>
<td>Greater representation and championing of the town.</td>
<td>0%</td>
</tr>
<tr>
<td>Schemes to save businesses money.</td>
<td>0%</td>
</tr>
<tr>
<td>Paving, landscaping or street furniture improvements.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Customer loyalty or discount schemes.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Technological improvements, such as town centre wifi.</td>
<td>5%</td>
</tr>
<tr>
<td>Town centre street entertainment.</td>
<td>5%</td>
</tr>
<tr>
<td>Additional street cleansing.</td>
<td>7.5%</td>
</tr>
<tr>
<td>Other costs including staffing, core costs, levy collection, loan repayments.</td>
<td>25%</td>
</tr>
</tbody>
</table>

Key
- Cleaner, Greener, Safer
- Marketing & Promotion
- Vibrancy & vitality
- Business support & company overheads

We would however emphasise that this is an indicative exercise, which would need to be followed up by extensive further business consultation and accurate costing.

- The following areas were considered to be less of a priority to businesses who responded to the survey – listed in continued descending priority order:
  - xvi. CCTV improvements.
  - xvii. Improved vehicle signage.
  - xix. Town centre gift card.
  - xxi. Evening economy projects, possibly to gain national accreditation.

- Approximately 69% were in favour of the BID concept being tested in a ballot, 24% 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 62% indicated 1% of rateable value, approximately 19% indicated 1.25% and approximately 19% indicated that they would be prepared to pay as much as 1.5% of rateable value.

- Approximately 77% of businesses surveyed felt that they should be included within the potential BID area, approximately 7% were undecided and approximately 16% indicated that they should not.

- There was a clear mandate for all types of business to be included, with approximately 81% of the survey respondents supporting this. Only 16% indicated that they wanted retail & leisure only and just 3% felt that retail only was the best option.

- Businesses are relatively confident about the future, with approximately 55% reporting that they predict their turnover to rise over the next 6-12 months, approximately 41% considering that it would remain static and only 4% who are forecasting a reduction in turnover.

The response rate of 103 in relation to the initial area listing of approximately 330 listings provided to Heartflood is approximately 31% and the number of responses gained exceeded that specified within the original commission.

When analysing the original business listing provided to us, we arranged the listings into order of rateable value, which confirmed that the lower value listings included those for advertising hoardings, car park spaces, electrical infrastructure and telecommunications masts – as well as very small business premises.

We would therefore propose that any subsequent BID considerations should apply a minimum threshold of £7,500, meaning that any listing of £7,500 or lower would be proposed as being exempted from paying the BID levy. When applying this proposed exemption, the number of listings would be reduced from approximately 330 to approximately 253. It is therefore considered reasonable to apply the response rate for the survey to this more realistic listing, which results in a response rate of approximately 41%.

Throughout the survey period, we monitored responses to ensure that they formed a representative sample of the business community within the area identified in terms of the size, type, sector and geographical spread of respondents. We are therefore very satisfied that the survey responses are a representative initial sample of the Shirley town centre business community and, with 69% in favour, the results show ample support for pursuing the BID concept.
Given that approximately 77% of respondents indicated that they considered a BID should occupy their area of the Stratford Road corridor, the following is considered to be the main option which should comprise any proposed BID area:

- The immediate Stratford Road corridor between approximately Shakespeare Drive and Green Hill Way.

- The first premises on the northern side proposed as being Sainsbury’s and the final premises on the northern side proposed as being E.J. Gilbert & Sons.

- The first premises on the southern side proposed as being Et Capillus and the final premises on the southern side proposed as being Arbury SEAT.

We have modelled the estimated BID income for the above and are confident that this comprises sufficient common interests, meaning that the proposed projects would impact positively on all eligible voters.

Our recommended boundary would cover approximately 253 business listings, although we would always recommend that the consideration of any final BID boundary should be assessed further during any subsequent BID development process and be combined with a more refined assessment of likely voting patterns during any further stages of development work.

Specifically, we suggest that further consideration will need to be given to the proposed boundaries beyond Shakespeare Drive and particularly whether or not this should be slightly extended to include one or both petrol filling stations and the recently developed site which includes the Sports Direct unit.
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%.

Shirley is in the challenging position that the combined rateable value of the Town is relatively low and therefore a 1% BID levy would only generate a relatively modest BID income. When modelling the levy options for Shirley, we have therefore chosen to model scenarios in the range of 1% to 2% 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 the previously stated anomalies such as advertising hoardings, car park spaces, electrical infrastructure, telecommunications masts and very small business premises 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 £7,500 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 Shirley’s case, our recommendation suggests that approximately 80 businesses in the proposed area would be under the threshold and their annual income would have only generated an additional £4,300 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.

We would always suggest that any final threshold level should be considered further during any subsequent stages of BID development work although, if the proposal for a £7,500 exemption is adopted, this would reduce the total number of businesses liable to pay the levy to approximately 253.

The latest ratings information has been applied in order to determine a range of possible levies and corresponding incomes per year and these,
as well as a total income figure for a 5 year period, are shown as follows:

2. Proposed levy cap – having carried out an analysis of the business listings within the proposed area, there are considered to be two marked anomalies in that there are two superstores within the proposed BID area which have extraordinarily high rateable values compared to the other approximately 250 entries.

The two entries are for rateable values of £1.67m and £2.37m and the recommended BID levy of 1.5% would result in an annual levy of approximately £25,000 and £35,000 respectively.

We therefore consider that a cap should be applied to ensure that no listing results in an annual levy of greater than either £25,000, £27,500 or £30,000 and we have modelled the effect of all three of these assumptions in the following table, with our recommendation being that a cap of £25,000 is adopted.

The latest ratings information has been applied in order to determine a range of possible levies and corresponding incomes per year and these, as well as a total income figure for a 5 year period, are shown as below:

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 an exemption level to be set at £7,500 and that a levy cap is set at £25,000. However, we would emphasise that 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 we consider that our recommendations would ensure a good mix of small and large businesses in the BID area.

Whilst only approximately 19% 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, especially in an area like Shirley, where a levy of below 1.5% would be likely to significantly compromise the type, range and impact of any improvements.

<table>
<thead>
<tr>
<th>Shirley BID Feasibility Study levy calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Heraditaments</strong></td>
</tr>
<tr>
<td><strong>Total Rateable Value</strong></td>
</tr>
<tr>
<td><strong>BID levy</strong></td>
</tr>
<tr>
<td><strong>Total BID levy income</strong></td>
</tr>
<tr>
<td><strong>BID levy income assuming a £25,000 cap</strong></td>
</tr>
<tr>
<td><strong>BID levy income assuming a £27,500 cap</strong></td>
</tr>
<tr>
<td><strong>BID levy income assuming a £30,000 cap</strong></td>
</tr>
<tr>
<td><strong>5-year levy income with no cap</strong></td>
</tr>
<tr>
<td><strong>5-year levy income assuming a £25,000 cap</strong></td>
</tr>
<tr>
<td><strong>5-year levy income assuming a £27,500 cap</strong></td>
</tr>
<tr>
<td><strong>5-year levy income assuming a £30,000 cap</strong></td>
</tr>
</tbody>
</table>
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 Shirley 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 Shirley in terms of size, geographical spread, BID levy percentage and overall income.

<table>
<thead>
<tr>
<th>Town</th>
<th>% RV Levy</th>
<th>Levy Number</th>
<th>Indicative Levy Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acocks Green</td>
<td>2.5</td>
<td>175</td>
<td>£107,000</td>
</tr>
<tr>
<td>Hereford</td>
<td>1.2</td>
<td>481</td>
<td>£271,000</td>
</tr>
<tr>
<td>Kings Heath</td>
<td>1.5</td>
<td>315</td>
<td>£120,000</td>
</tr>
<tr>
<td>Leamington Spa</td>
<td>1.5</td>
<td>376</td>
<td>£300,000</td>
</tr>
<tr>
<td>Newcastle-under-Lyme</td>
<td>1.5</td>
<td>650</td>
<td>£320,000</td>
</tr>
<tr>
<td>Northfield</td>
<td>1.6</td>
<td>220</td>
<td>£112,000</td>
</tr>
<tr>
<td>Shirley (proposed)</td>
<td>1.5</td>
<td>253</td>
<td>£164,000</td>
</tr>
<tr>
<td>Solihull</td>
<td>1</td>
<td>473</td>
<td>£520,000</td>
</tr>
<tr>
<td>Stratford upon Avon</td>
<td>1.45</td>
<td>485</td>
<td>£345,000</td>
</tr>
<tr>
<td>West Bromwich</td>
<td>1.75</td>
<td>500</td>
<td>£250,000</td>
</tr>
<tr>
<td>Worcester</td>
<td>1.5</td>
<td>645</td>
<td>£396,000</td>
</tr>
<tr>
<td>Average of the above</td>
<td>1.55</td>
<td>416</td>
<td>£262,000</td>
</tr>
</tbody>
</table>

The national average number of levy payers in 2016 was a mean average of 479 and a median average of 433, providing a mean average income of £427,000 and a median average income of £290,000 per year.
9.0 LIKELY BID PROJECTS FOR SHIRLEY

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

1. Improvements to the appearance of empty shops.
2. Marketing & promotion.
3. Arrangements to provide additional car park spaces.
4. Major town centre events or festivals.
5. Street markets.
7. Car parking discounts.
8. New seasonal events.
10. Schemes to save businesses money.
11. Improvements to paving, landscaping or street furniture.
12. Customer loyalty or discount schemes.
13. Technological improvements, such as free town centre wifi.
14. Town centre street entertainment.
15. Additional street cleansing.

10.0 LIKELY VOTING PATTERNS IN SHIRLEY 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 Shirley, with 69% of businesses responding positively to this survey question.

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

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 Authority of the intention to request the Local Authority to hold a BID ballot – at least 84 days before the Notice of Ballot is issued.
- Notification to the Local Authority of the proposed BID Business Plan, including details of consultation undertaken, financial proposals and proposed financial management arrangements – suggested 60 days before the Notice of Ballot is issued.
- Publication of 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.
- Issuing of Ballot papers to all eligible voters – at least 28 days prior to the day of ballot.
- Announcing the results of the Ballot.

12.0 NEXT STEPS AND RISKS

Our experience is that the timescales for a BID proposal create a workload of approximately 100 days over a period of approximately 12 months and an additional working budget of approximately £7,500 usually needs to be established to cover such costs as designing and printing the BID proposal and administering the BID ballot.

We would suggest that the average BID therefore costs a total of approximately £37,500 to develop – comprised of £30,000 in Project Management time (based on an anticipated charge of £300 per day for Project Management of this type) and £7,500 as an operational 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 and, consequently, in the unlikely event of the BID proposal being unsuccessful, the funding would not be required to be repaid by the Borough Council.

We also understand that Solihull Council is considering granting a loan to cover the costs of any subsequent BID development which would then be paid back from BID income once a successful BID is established. In this case, liability for this loan sum would remain with Solihull Council and, consequently, in the unlikely event of the BID proposal being unsuccessful, the sum would need to be written off by the Borough Council.
In the experience of Heartflood, it is also considered prudent to allocate an additional budget of up to £15,000 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 would usually then become 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 Authority processes and the speed of business payment of BID Levy bills.

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 been involved with (in Cheltenham, Hastings, 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 significant 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, 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.

<table>
<thead>
<tr>
<th>Dates</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2017</td>
<td>Decision taken to develop a BID proposal.</td>
</tr>
<tr>
<td>August 2017</td>
<td>Agreement of funding and appointment of development support organisation.</td>
</tr>
<tr>
<td>August to November 2017</td>
<td>Business liaison and consultation on proposed Business Plan.</td>
</tr>
<tr>
<td>November 2017</td>
<td>Notification to Secretary of State and Local Authority of intention to hold a ballot.</td>
</tr>
<tr>
<td>December 2017</td>
<td>Notification to Local Authority of Business Plan.</td>
</tr>
<tr>
<td>January 2018</td>
<td>Launch of Business Plan.</td>
</tr>
<tr>
<td>March 2018</td>
<td>Notice of ballot issued.</td>
</tr>
<tr>
<td>April 2018</td>
<td>Ballot papers issued.</td>
</tr>
<tr>
<td>May 2018</td>
<td>Ballot Day.</td>
</tr>
<tr>
<td>June to September 2018</td>
<td>Formation of Board of Directors, appointment of staff and BID begins operation.</td>
</tr>
</tbody>
</table>

It is considered that the above timetable could therefore be adopted in Shirley, assuming that a decision is taken to pursue a BID for 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:

- Shirley 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 Shirley in April 2018 and a BID operating from June 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 immediate Stratford Road corridor between approximately Shakespeare Drive and Green Hill Way.
  b) A 1.5% BID levy being proposed.
  c) 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.
  d) A levy cap to be set at £25,000, meaning that the maximum annual BID levy payable by any single listed premises would be £25,000.
  e) Priority projects be drawn up into a draft Business Plan to focus on:

    1. Improvements to the appearance of empty shops.
    2. Marketing & promotion.
    3. Arrangements to provide additional car park spaces.
    4. Major town centre events or festivals.
    5. Street markets.
    7. Car parking discounts.
    8. New seasonal events.
    10. Schemes to save businesses money.
    11. Improvements to paving, landscaping or street furniture.
    12. Customer loyalty or discount schemes.
    13. Technological improvements, such as free town centre wifi.
    14. Town centre street entertainment.
    15. Additional street cleansing.

The above recommendations would result in the following:

Approximately 253 eligible business premises being part of a BID.

Annual BID Levy income of approximately £164,000.

Total BID income over a 5-year BID term of approximately £820,000.
Appendix 1: Detailed Survey Response Information

Q1 Your name? Answered: 103 Skipped: 0

Q2 Your business name? Answered: 103 Skipped: 0

Q3 Your email address? Answered: 91 Skipped: 12

Q4 Is your business? Answered: 100 Skipped: 3

Q5 What type of business do you operate? Answered: 92 Skipped: 11

Answer Choices

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Multiple</td>
<td>43.00%</td>
</tr>
<tr>
<td>An Independent</td>
<td>97.00%</td>
</tr>
<tr>
<td>A franchise</td>
<td>8.00%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Q6 Do you think Shirley town centre achieves its full potential as? Answered: 99 Skipped: 4

Answer Choices

| A retail centre                        | Very little 26.37% | Somewhat 45.65% | Quite a lot 23.41% | Fully 4.56% |
| A place to dine out                    | Very little 8.18% | Somewhat 39.04% | Quite a lot 59.84% | Fully 1.98% |
| A leisure time destination            | Very little 36.92% | Somewhat 35.80% | Quite a lot 22.20% | Fully 4.08% |
| A professional services hub           | Very little 27.98% | Somewhat 45.08% | Quite a lot 22.48% | Fully 4.04% |
| A visitor destination for day trips    | Very little 73.79% | Somewhat 19.19% | Quite a lot 4.05% | Fully 3.03% |
| A location for a weekend break        | Very little 39.28% | Somewhat 9.98% | Quite a lot 8.00% | Fully 5.98% |
Q7 If you think Shirley town centre fails to achieve its full potential, why do you think this is?  
Answered: 91  
Skipped: 12

Q8 Which do you think are Shirley town centre’s main competitors?  
Answered: 98  
Skipped: 5
Q9  If you think the money from a BID could help Shirley town centre, what additional projects would you spend this on?
Answered: 96  Skipped: 7

Q10  How far do you think Shirley town centre would benefit from an additional spend, which could be raised by a BID, of approximately £125,000 per year?
Answered: 101  Skipped: 2

Q11  In the past 6-12 months, how would you say that the turnover of your business has performed?
Answered: 92  Skipped: 11
**Q12**
During the next 6-12 months, would you currently anticipate that the turnover of your business will...
**Answered: 93   Skipped: 10**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>54.84%</td>
</tr>
<tr>
<td>Stay Static</td>
<td>40.86%</td>
</tr>
<tr>
<td>Reduce</td>
<td>3.86%</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
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</table>

**Q13**
In principle, do you think that a BID might be a good idea for Shirley town centre and one which should be tested in a business vote (ballot)?
**Answered: 97   Skipped: 6**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>23.71%</td>
</tr>
<tr>
<td>Agree</td>
<td>45.36%</td>
</tr>
<tr>
<td>Undecided</td>
<td>23.71%</td>
</tr>
<tr>
<td>Disagree</td>
<td>6.19%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6.19%</td>
</tr>
<tr>
<td>Total</td>
<td>97</td>
</tr>
</tbody>
</table>

**Q14**
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. To Illustrate: for a small unit, the RV may be around £10,000; an average-sized unit: RV may be around £30,000; a large unit: RV may be around £150,000). To find your rateable value, you can visit www.gov.uk/correct-your-business-rates
**Answered: 43   Skipped: 60**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
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</thead>
<tbody>
<tr>
<td>1% of RV per year</td>
<td>0%</td>
</tr>
<tr>
<td>1.25% of RV per year</td>
<td>0%</td>
</tr>
<tr>
<td>1.5% of RV per year</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
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</table>

**Q15**
Do you think that your area of Shirley town centre should be included within the possible area for a BID if one is supported?
**Answered: 95   Skipped: 8**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>76.84%</td>
</tr>
<tr>
<td>No</td>
<td>7.37%</td>
</tr>
<tr>
<td>Undecided</td>
<td>15.79%</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
</tr>
</tbody>
</table>
Q16 In your opinion, should the businesses included within any BID be? Answered: 94 Skipped: 9

Q17 Would you be interested in attending a consultation event to explore the idea of a BID further? Answered: 98 Skipped: 5

Q18 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: 98 Skipped: 5

Q19 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 Shirley Answered: 14 Skipped: 89

See Appendix 2.
• 3 hour free parking is confusing - people don’t realise they need to get a ticket then get fined and don’t come back.

• A very long disjointed high street. There are big sections with no shops. You have from Powergen building to Iceland a big retail gap then until Bristol Street Motors then The Pet Shop down to Sainsbury.

• Additional pedestrian crossings are needed. The Union Rd island is too big and disrupts traffic flow. Railings outside Strawberry Fields should be reinstated at the point of the alleyway to prevent accidents.

• Better lighting more going on in the park.

• Better shops.

• Better shops supporting independent businesses.

• Car parking management.

• Charity shops.

• Charity shops, eyesore buildings and poor entrances to the town (especially coming from Birmingham end).

• Christmas lights.

• Competition from the Marshall Lake Retail Park & Solihull town centre.

• Dedicated parking for staff/employees.

• Do something about the empty M&S.

• Environmental projects - eg energy saving measures for businesses. Raise the profile of Shirley. Manage the noticeboards around the town.

• Far too many charity shops taking up retail units.

• Focus is not the high street but what’s behind it (ie the park).

• The area that is covered by the BID needs to be considered carefully. It is a ribbon development, that is not a problem, it is how it was formed.

• Health aspects - “walk the high street and get fit!”. More crossing points.

• Improve the gateways into the town to create a good first impression Hanging baskets, etc.

• Improve the look and feel of parts outside the core centre using paving & street furniture to bring them to the same standard.

• Incorrect shops to draw people in and Shirley is divided into two.

• Independent, high-quality shops.

• Influence planning policy for Shirley to support more footfall through diversified shopping (low cost units) and car parking.

• Intelligent bus stops - when is the next bus going to arrive. This was promised with red route. It’s a struggle to find volunteers with so many charity shops on the high street.

• It’s just a long High Street.

• Lack of Policing.

• Local staff discounts in car parks. More secure car parks.


• More bins make shops responsible for their own litter clarity about parking rules better lighting from Iceland part of high street to car park behind it.

• More entertainment, such as fetes, concerts, children’s entertainment.

• Need more real shops - better range & quality.

• Need to make sure that the Police are involved and on board.

• Needs a cinema.

• Not a shopping/leisure destination.

• Our location is on the periphery of the town centre and caters for a customer base which is not necessarily common to other businesses on the High Street.

• Renting out empty units to co-ops to increase the variation of shops/goods available and allow small businesses a shop frontage for reduced costs.

• Rents are too high too many empty units too many charity shops.

• Restrict the number of charity shops on the High Street.

• Retail radio personal security for staff/workers.

• Sells everything people need, day to day, but little that they want (for fun, leisure).

• Shirley lacks an identity.

• Shirley used to be a lovely place to shop. Need to improve Christmas Lights.

• Signage for churches and community buildings.

• The benefits should apply to all areas who pay into the BID.

• The development of Parkgate was promoted as an upscale retail environment which would transform Shirley. In reality, Parkgate has attracted low-quality, low-priced retailers and with these, a new and some times undesirable element of downmarket shoppers from other areas. ‘Destination’ shopping centre it is not.

• The town needs to attract a younger market.

• To include all of Shirley and not stop at Morrisons.

• Too downmarket - we need some big ticket names.

• Too many charity shops.

• Too many charity shops & barbers.

• Too many food outlets, more vegetarian varieties/halal shops needed.

• M&S unit has been empty for far too long. The Council is useless and is hindering the town centre.

• Too many empty shops and charity shops. Too much “dead space”.

• Traffic.

• We are not registered as a business as we are a church and registered charity - how do you see our status in respect of future involvement?