

THE HITCHIN TOWN CENTRE BID

RENEWAL BUSINESS PLAN

2014 - 2019

DRAFT

**PREPARED BY
THE HITCHIN BID COMPANY LIMITED**

December 2013

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WELCOME TO OUR BID RENEWAL CAMPAIGN

For the last five years Hitchin has enjoyed the benefits of a Business Improvement District through which almost one million pounds of additional investment has been spent in our town. This has paid for substantial improvements that have largely offset the impact of years of global recession, a recession that has lasted virtually the same length of time as the BID. Consequently we are in great shape to emerge from the economic downturn and we can feel that the next few years will pay a handsome dividend for the time and effort we have put into our town.

The same cannot be said for very many other high streets around the country where the impact of the big squeeze coupled with the growing trend to shop out of town in hypermarkets or buy online via the Internet. Currently the national retail vacancy rate is 13.4%; Hitchin's stands at virtually half that, just 6.8%. We are seen as a beacon town for our innovative and business-focused approach to regeneration, carefully mixing the old and the new to appeal to as wide an audience as possible (ref: English Heritage 2013 publication – A review of Retail and Town Centre issues in Historic Areas)

However, nothing is forever and the BID is a fixed-term arrangement, working its way through its fifth and final year right now. If we do nothing, the BID will stop on the 31st March 2014 and everything, and I mean everything, will grind to a halt and then disappear. No Rangers, no cardboard and waste recycling collections, a reduced police presence, no evening marshals, no Independents' Day or similar events, no Christmas lights.....the list is substantial.

Of course it doesn't have to be like this. You can, if you want to, renew the BID's term for a further five years, continue the great activities we have all come so used to, and do more on top too.

We have spent the last few weeks talking to businesses face to face, sampling thoughts and feelings through a comprehensive survey, listening to visitors and customers and reviewing the impact of the various projects that have been running during the past five years. The outcome of all this research indicates very firmly that you want the BID to continue, you want the same great output sustaining for the next five, and you want us to tackle half a dozen or so new issues that have emerged since the last business plan "mid-course correction" we undertook two years ago.

Our aims for the next five years remain very simple and straightforward:

- ☑☑ More customers, staying longer and spending more
- ☑☑ More, profitable businesses
- ☑☑ More job security and satisfaction for owners and their employees
- ☑☑ More control over how our town is managed and developed

We already know two-thirds of you want to see the Hitchin BID renewed for a further five years. The following pages detail why and how. Hopefully the few businesses that are undecided or unsure will be reassured by the facts and figures in this document to be sufficiently convinced to add their company names to the substantial list of BID supporters we have already.

We will shortly be issuing ballot papers asking for your formal approval for the renewal of the Hitchin BID through a 28 day postal vote. I rather hope that the BID's past record and potential future plans make an immediate "Yes" the only sensible option.

I know we can rely on your support.

Keith Hoskins
BID Manager
The **Hitchin BID Company** Limited

IN CASE YOU'VE FORGOTTEN.....

A BID is an arrangement under which local businesses plan and deliver additional improvements to benefit their own trading environment. These additional services are funded through a small levy based on the Rateable Value (RV) of their properties, and delivered by a private sector-run company representing all the local stakeholders.

The BID can cover a huge range of activities but, in Hitchin, considerable time, effort and money has gone into the delivery of five core strands that addressed business and consumer needs in crucial areas six years ago when the first BID business plan was written:

- Safety and security
- Clean and gleam
- Marketing and promotion
- Access and parking
- Looking good and feeling good

All organisations paying business rates had the chance to approve the projects in each strand and how they were to be funded when they voted on the 2009 - 2014 business plan. Voting was in favour - 70% by number and 70% by aggregate of Rateable Value, with a turn-out of 48%.

Existing services provided by North Hertfordshire District Council (NHDC), Hertfordshire County Council and the Police have largely remained as they had done over previous years.

Our BID also attracted additional funds from other organisations, statutory authorities, landowners and sponsorship, therefore adding further value to the business and local authority contributions.

QUANTIFY THIS STATEMENT FROM CURENT FINANCIAL STATS

SO, WHAT HAS THE BID DONE FOR YOU OVER THE LAST FIVE YEARS?

The **Hitchin** BID has delivered only additional services, those not available because of insufficient resources under the previous partnership arrangement, yet clearly seen as imperative by local businesses, customers and staff. Here is a brief list of the key elements of the BID that businesses have enjoyed the benefits of (and the savings!) since 2009:

- The Ranger team
- Cardboard, paper and glass collection and recycling
- Increased Police presence and heighten sense of security
- Enhanced CCTV provision
- Evening marshals
- Discounted security radio link
- Deep cleaning and chewing gum removal
- Intensive cleansing especially of "the morning after" grot spots
- Free after three car parking promotions and a temporary car park
- Events and promotions throughout the period such as Creative Kitchen and the Fashion Show

- Independents' Day
- Christmas Lights installed with regular enhancements
- Seasonal floral baskets and displays
- Website presence
- New mobile phone app to provide offers and information to browsers
- Business networking
- Counter skills training

We believe that without the BID, the town would be immeasurably worse off and if it stops at the end of next March then everything listed above would probably disappear, virtually overnight.

CURRENT RESEARCH AND CONSULTATION

In support of the renewal process, the **Hitchin BID Company** again commissioned a substantial research and consultation programme to enquire into business opinions of the town and the BID and to capture the thoughts of visitors and shoppers in the town centre. Independent consultants, **pfbb UK LLP**, a company well versed in undertaking this kind of specialist work, were invited to undertake the task and a team of researchers spent several days in town during the summer, conducting 250 face to face interviews with the general public. A comprehensive survey was devised and circulated to almost **600 businesses** and eventually some 247 completed forms were collated then analysed. A few one to one interviews with a small selection of business owners and operators added more information to the process and it was concluded with a review of the services and project delivery of the current BID operation.

The principal highlights from the research are given below with the full output from their research available on our website (www.hitchinbid.com).

The full scope of the results from the research has been extensively shared with local and national businesses and then a series of prospective actions generated to resolve the issues and opportunities identified in the survey work. Finally these activities were shared with a sample of current levypayers at the "How will you spend it?" roadshow when personal priorities for future activities were sought.

The focus of the research and consultation has been to identify:

- What further additional services would assist existing businesses to become more profitable on top of those already provided?
- What would encourage existing customers to visit more often and/or to stay longer?
- What aspects that might currently prevent more people from using the town centre could be addressed to improve Hitchin's market share in the local economy?
- What activities should be undertaken to further improve the town centre and so make people want to work here, lift overall staff satisfaction with the town and help retain existing staff or recruit more to a higher calibre?

Overall, the results showed that, whilst the BID has made significant inroads in its first five years of additional activities, more energy and resources have to be focused on:

- Improving the range and variety of shops throughout the town. Supporting the redevelopment of Churchgate would help with this
- Greater investment into the commercial offer is required with new opportunities created to bring start-up businesses into the town centre core
- A more extensive marketing and promotions programme is called for to encourage more visitors from further afield, especially families
- Making it easier and more appealing for car owners to come and park quickly and relatively inexpensively rather than visit out of town sites where the parking is plentiful and free
- Greater use must be made of social media communications channels, a wider “Web” presence and a unified brand for the whole of Hitchin rather than promote different facets of it, often in competition with each other
- Toilet facilities remain worse than mediocre with a strong call from the public for improvements

The proposed solutions detailed later in the pages that follow have been debated with key businesses in town and they fit closely with the suggestions made during the consumer research phase. When implemented, we believe many more people will be easily persuaded to use Hitchin town centre as their favoured choice for work, rest and play.

The research and consultation process has demonstrated that, whilst the town centre has improved in the period since the Hitchin BID was first launched, there is much more that needs to be done in a climate where competition is getting tougher and money for investment is still tight. The Hitchin BID should continue but must change its focus to better match the requirements of a customer base that has evolved very substantially in the past five years and is now well-versed in the use of mobile phones, tablet computers and Apps. The widespread use of social media and greater community involvement in the town centre has to be reflected in the future work of the BID team, supported by the businesses that understand the importance of these aspects of commercial life. To win more custom, Hitchin has to raise the game by attracting in new businesses and new investment and then use the tools that we all have become used to: the Web, social media sites like Facebook and deploy some sort of incentive card that shows our visitors very quickly where they can spend well and save in the long term here.

HOW WILL THE BID CONTINUE TO WORK?

This Business Plan highlights the additional services that are proposed within the redefined BID area (see Page 19). Ultimately the principal goals are to see Hitchin continue to grow as a more prosperous, vigorous and appealing town that greater numbers of visitors are prepared to travel to for their shopping, cultural, leisure or social activities. Retaining local spend and increasing external investment in the business community remain equally important too.

The BID has worked with businesses within the area to help manage the town centre in a more creative and efficient way, applying their internal skills and resources to the external environment around them.

Those extra services deemed necessary over the past five years through scrutinising previous provision then setting new, higher standards for them, need to be sustained. However, a number of additional projects have now been identified that previously had been considered but discounted because of their cost. The BID hopes to generate sufficient cash over the next five years to allow them to become reality.

The cost of all these services, managing them and promoting them has been estimated for the period 2014 to 2019 (see Appendix 3). The **Hitchin BID Company** has then accurately calculated the cost to each business in the BID area if these services were to be paid in proportion to their size (using the same rateable value (RV) formula as the previous BID term). **This gives the revised levy rate, reducing the charge from 2.0% to 1.85% pa. This is a saving of +7.5%** on the previous term's levy charge and demonstrates a sincere wish by the renewal steering group to help towards reducing business costs.

All town centre businesses are to be invited to a public launch in December when the full details of the revised services proposed, together with the cost to business will be explained. A prospectus for the BID will be produced that will be distributed to all businesses in the area, giving an overview of the scheme prior to the renewal vote. More comprehensive material will be aired via our website www.hitchinbid.com Then in January 2014 businesses within the amended BID area that pay Uniform Business Rates (UBR), will be asked to vote on whether or not they wish the BID to be renewed.

Provided that a simple majority of eligible businesses voting, register a 'Yes' to BID proposals (by number and by aggregate of RV), the new levy will apply from April 2014 to all except those declared exempt. **It is mandatory to pay the levy** (enforced by a legal process that is very similar to the legislation that drives the business rates mechanism) regardless of whether or not a vote was returned or how the vote was cast if it was returned. To minimise administrative costs and demonstrate fiscal propriety, it will again be collected via the business rates system operated by NHDC but passed in its entirety to The **Hitchin BID Company** who's Board will be responsible for its expenditure in accordance with the projects set out in this document.

Once agreed, the BID area and levy are fixed for a further 5-year term, to 31st March 2019. The Board of the BID Company can, within reason, modify the projects outlined but it should be remembered that the elected directors can only make changes to reflect changing priorities and economic conditions over time. Should there be any major changes made that involve charging more businesses or increasing the levy rate paid by existing stakeholders then all BID levy payers must be consulted and, if there are felt to be substantial variations, a further "alteration ballot" must follow.

All levy payers will be kept up to speed with BID activities and achievements through e-mail updates, newsletters and meetings. In addition, it will be a requirement of the BID that the progress of the organisation is independently scrutinised annually against this Business Plan. Those paying the levy may propose a new ballot to amend any revised business proposal or Board restructuring should 25% or more of them write collectively to the Board Chairman, indicating that the projects being delivered are no longer in accordance with the principal aims of the BID as originally defined.

KEY FACTS ABOUT THE RENEWED BID OPERATION

- All businesses within a redefined BID zone will pay a contribution to the costs of the BID at the rate of 1.85% of their stated Rateable Value as declared on North Hertfordshire District Council's non-domestic ratings list as of the 1st January 2014 and this figure will be used to calculate the levy value for the first year of the BID's renewed term of five years. Subsequently in the following years, the levy will be based on the RV values on the 1st January of each year

- Thus a small business with a rateable value of £15,000 will still pay less than a £1 per day; a medium sized business with a rateable value of £25,000 will pay less than £1.50 per day and a larger business with a rateable value of £50,000 will pay less than £3 per day
- The BID levy rate will also reflect nationally published inflation figures, a small increase for inflation being added, derived from the government website:
www.statistics.gov.uk/CCI/nugget.asp?ID=19
- Charitable organisations who presently receive relief on any rates liability will pay the full amount of the levy due unless they form the head office function of any recognised charity or act purely in a non-commercial, advisory capacity
- As we understand it, NHDC will continue to make contributions to the BID via the levy that all its properties within the BID boundary attracts
- In addition, NHDC has agreed to waive any right to charge for collection of the levy and the renewal ballot, ensuring that all collected levies can be totally dedicated to the delivery of the BID's objectives
- Hitchin Initiative will remain in existence, continuing to support the management of Hitchin Markets, organise Hitchin Festival and operate the information shop and Shopmobility. It will also raise additional finance by applying for grant funding towards particular projects, seeking sponsorship for events or equipment and selling services for commercial advantage

Appendix 5 gives more details of the levy arrangements

With close to 500 businesses in the BID area, a relatively small amount collected from each will cumulatively generate a substantial and sustainable investment in the town centre that will be of enormous benefit to **all** stakeholders throughout the town centre and ultimately the community that uses it. Over the next five-year period of the BID, we expect to raise close to **one and a quarter million pounds** for the direct benefit of businesses in and around Hitchin.

THE RENEWAL VOTING AND LEVY ARRANGEMENTS

Government legislation requires that a set process is followed to ensure total compliance with their regulations. NHDC is required to carry out the renewal ballot through a strictly regulated postal vote over a 28 day period. Confirmation of the intention to ballot will be circulated by them prior to the vote to all nominated and affirmed leypayers who will also be given the opportunity to set up a proxy voting arrangement if they so wish.

Subsequently, ballot papers will be sent out to the appropriate nominated person/organisation with its associated documentation for the start of the ballot on or before the 6th January 2014. Voting continues until 5.00pm on the Day of the Ballot (3rd February 2014). The result will be announced the day after the poll closes.

Each business ratepayer will have a vote provided they were listed on the National Non Domestic Rates List for the defined area by NHDC on the 1st December 2013 and are not subject to any exemption or owe any sum from a previous levy bill. Where a hereditament (rateable property) is vacant, undergoing refurbishment or being demolished, the vote will pass to the property owner instead. There will be one vote per hereditament inside the BID boundary regardless of any collective ownership or tenancy.

The vote will have to meet two distinct tests for the Hitchin BID Company to be sustained into a second term:

1. A simple majority in favour of those that vote is required
2. The aggregate rateable value of those that vote in favour must be greater than that of those that register a 'no' vote

New businesses and developments that fall inside the BID area during the next five-year duration of the BID will become eligible to pay the additional levy in the future. If a property is taken out of rating (e.g. due to demolition or splitting of a merged assessment), the BID levy will be due up to the day before the effective date or removal from the rating list with the annual BID levy re-apportioned appropriately in the case of a business division. The BID levy will be payable for the whole year as at 1st April each year as a single payment and there will be no variations or refunds given during the succeeding year to reflect changes in the liable party or ownership/ occupation.

The precise amount payable will be set at the start of each BID financial year based on the prevailing non domestic rating list, or any subsequent revaluation, as stated on the 1st April of that year. A small inflationary factor will be applied every year, based on the CPI level at the time the bill is issued.

There are no exemptions from the BID Renewal Ballot and the BID levy. Those occupiers recognised as charitable organisations will still pay the levy although dispensation will be given to any organisation that is operating a head office or advisory function rather than selling goods. Vacant properties will also be levied, with the rate due being paid by the property owners (as per the usual UBR proposition).

Any other exemptions, relief and discounts prescribed in the Non-Domestic Rating (Collection and Enforcement) (Local Lists) 1989 prescribed under the Local Government Finance Act 1988 and associated regulations, will not apply.

The levy remains the principal source of funding for the BID but as we already know, additional funding will be generated through additional voluntary contributions, sale of services, grants and sponsorship, as it did during the first term of the BID. Hitchin has had a long track record of successful town centre management and BID operations, funded in a variety of ways. Some of town's supporters are based outside the proposed BID area yet continue to support the town financially as well as personally and we expect this to continue. As outlined earlier, we intend to retain Hitchin Initiative as the parent body that founded the **Hitchin BID Company, Hitchin Market etc** and it will continue to act as a fund-raising vehicle for other wider, towncentric projects.

A reconstituted BID Board intends to review performance against this business plan and the benefits of the services delivered regularly using an independent assessment mechanism. The Board has the authority to steer services and funds to reflect the changing needs of the town's businesses over the lifetime of the BID following the guidance and advice offered by the external BID consultants, subject to appropriate, written communication with those paying the levy.

Under the present legislation, NHDC is permitted to charge The **Hitchin BID Company** for collection of the levy. However it has confirmed that it will waive this fee again to ensure that all funds are available for use by the BID Company. It also intends to pay the full BID levy on all its publicly owned properties in the BID area. The BID Renewal Team wish to record formally, their sincere appreciation for this valuable support and the ongoing efforts of councillors and officers to see Hitchin prosper and grow.

We also have a "Memorandum of Understanding" with NHDC, Hertfordshire County Council and The Hertfordshire Constabulary that underpins the close working relationship with these public agencies

through their elected representatives and senior officers. This confirms that sustaining the BID in Hitchin will not directly result in any reduction of services in the town centre and that it is their ongoing intention to maintain current services to the town as far as is possible in the current economic climate.

The BID Company will again be tied to a legally binding “Operating Agreement”, issued by the District Council prior to recommencement of any of its planned BID services in April 2014.

This agreement is a detailed set of protocols that covers the monitoring and management of the BID as well as billing, collection and transfer of the BID levy collected.

THE BID TEAM IN THE FUTURE

The BID team will comprise the existing BID Manager and his secretarial assistant and they will be responsible for running and monitoring the various contracts necessary to deliver the additional services. As per the first term of the BID, they will be supported by the Rangers, dedicated accountancy and IT services. The BID Manager reports to the Board which meets on a quarterly basis, the latter chaired by a nominated private sector businessperson, elected by those levy paying businesses that are members of the BID Company. The Board will oversee the delivery of services and each member will have expertise or particular interest in at least one of the BID project areas. In addition to those nominated/elected there will be additional representation from NHDC and Hertfordshire Police (ideally at senior officer level for both positions). Additional staff have been built into the budget to tackle specific projects – see the action themes on page 12 and 13 for details.

The Memorandum and Articles of Association for The **Hitchin BID Company** Limited are available on the website. Collectively these documents define the legal and financial liabilities of the BID Company and ensure that it will operate in a transparent way that is answerable to the businesses in the BID area. The BID Board will be responsible for the strategic management of the BID and be responsible for all decisions relating to the BID. The Board structure is made of Board members plus three nominated Company Directors who represent the different types of business and stakeholders in the BID area, with a place reserved for representation from the local authority. Others can be co-opted onto the Board at its discretion. The roles of Board member, directors and chairman are all voluntary and unpaid.

The BID company will formally report results of the annual audit at its AGM with elections held then too for the Board directors and Chairman, with the wider membership of the Board open to all who attend as registered Company members. As well as this formal presentation, the performance of the company will be continue to be announced through ebulletins, frequent newsletters and regular stakeholder meetings. Minor budget and project variations will be managed by staff and reported to the BID Board. Major variations will always be referred to the BID Board for approval except for substantive deviations, which will have to be put to a vote of all levypayers. Funding may be transferred between projects (due to projects being amended or postponed) as the needs of the business dictate on the authority and instruction of the BID Board, without recourse to an alteration ballot.

The Board will consist of up to 13 members (as a maximum) including 12 nominated Board members representing the different sectors of the levy payers across the BID area:

Major, national retailers	2
Independent retail businesses	2
Pub and club operators	1
Hoteliers and Restaurants	1
Cafés, bistros and takeaways	1
Financial and legal services	1
Community representatives	1
Property	1
Council	1
Police	1
TOTAL	12

*The BID Manager will be an ex-officio member of the Board also

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THE BID PROJECTS

From the weight of comment from customers, staff, visitors, employers and owners, it is very clear that while the town is appreciated as an attractive and historic destination in its own right, there are clearly aspects of it that require significant new investment to bring the town up to the standard expected by everyone. As a sophisticated society we are used to travelling and visiting other places and inevitably comparisons are drawn between what is viewed elsewhere and what is seen on a daily basis here. Consequently our activity themes for the coming five years reflect this understanding and the need to progress and modernise here, but tastefully and sympathetically.

Theme one: Business as Usual

The BID has achieved a great deal in its first five years. Without a BID most of what we take for granted now simply wouldn't happen, or if it did, to substantially lesser effect. Patently we must sustain a large element of what is currently "on the books" and this takes a large slice of the revised budget (**£199.5K over the next five years**). If we don't allocate some cash to the following then these activities will simply "disappear" as the focus of operations moves elsewhere:

- Town centre rangers
- Evening taxi marshals
- A sustained focus on commercial security
- The waste collection and recycling service
- Radio link
- Temporary car park with discounted charges
- "Spot" street cleansing
- Collective business "voice" on key issues

Theme two: Our Town

We have a long "shopping list" of great ideas from our businesses and the items here proved to be the most popular. We plan to tackle most if not all of them, spending up to **£204K** between 2014 and 2019 on them:

- Support for the Churchgate redevelopment plans
- Revision of local car parking policy to make it easier to park and shop or park and eat
- Making more of the riverside waterfront
- Free wifi throughout the town centre
- Further traffic-calming in and around Market Place
- "Pop-up" shops trialled in empty units
- Real time electronic car parking signage
- More and better facilities for cyclists

Theme three: Marketing, Promotion and Events

A consistent message from businesses and visitors alike is that they like it when we "do things" and tell everybody about it. We have earmarked **£262K** over the 2nd term of the BID to do exactly this:

- Collective branding for the town
- More events
- More frequent Independents' Days
- More for families and children
- A stronger Internet presence for Hitchin

Theme four: Business Support and Development

The greatest challenge the town faces is not from its immediate competition but from the Internet. We acknowledge this as well as the clearly stated need to contain business costs however we can. By far the largest slice of our budget (£281K over 5 years) will be directed towards this, the biggest element going towards the costs of two additional members of our BID to help deliver social media management and local economic regeneration:

- Economic regeneration agent working across all the NHD BIDs
- A social media manager to cover the BID area
- A collective, bulk purchasing scheme for the town
- Greater spread and frequency for the Business2business hub
- Enhanced retail skills academy with greater emphasis on IT

We agree with local discussions that the presence and contribution of a local economic regeneration manager would be extremely beneficial to the key towns in North Hertfordshire, a role that has been absent in the District for the last six years. This deficiency puts this economic sub-region at a significant disadvantage compared with neighbouring Local Enterprise Partnerships and Zones, thus weakening our opportunities for additional inward investment and growth. Our intention is to recruit a senior, experienced regeneration expert for the district, sharing the cost between the other two neighbouring BIDs (Royston and Letchworth) and NHDC. However we would propose that the individual brought into the role would be “attached” to the private sector, working from the BID offices and so directly with local business people. Our share of this cost has been allocated in the Business Support and Development strand noted above.

Cumulatively we expect to spend £1.25M additionally on making Hitchin even better than it is today. There is no other way that we can generate this scale of investment given today’s economic climate. Without the BID we have no opportunity for investment and then we simply don’t just stand still, we will decline.

SERVICE LEVEL AGREEMENTS

As in the period 2009 to 2014, there is no intention in the future to ask for businesses to pay for services that are already covered by existing Business Rates contributions. The sole purpose of the **Hitchin BID** is to generate projects and services that meet the needs of all our businesses that are not possible through existing service provision.

It is important that any existing baseline services upon which we will build our incremental activities remain constant and consistent throughout the next term of the BID. To ensure this, we have engaged with the local authorities and the Police who are the service providers of “clean and safe” in Hitchin town centre to clearly define the scale, extent and frequency of their activities in the town centre for the next five years. The BID Company will monitor service effectiveness on your behalf to ensure consistency, compliance and value for money. The major “crossovers” are with parking and cleansing where the BID expects a certain core standard to be sustained so that it can then provide the incremental improvements that the BID legislation demands.

We enjoy political endorsement of the District and County Councils at the highest levels for our work as the BID and they are prepared to guarantee, as far as is possible in difficult economic times, that they will try to hold their existing service levels for the next term of the BID. They have also re-endorsed permission for the BID Company to continue to act in the public domain for which they are statutorily responsible.

KEY PERFORMANCE INDICATORS

As experienced and responsible local traders, we understand the ongoing need to monitor the progress of the “corporate business” that is the Hitchin BID. Continue close scrutiny of BID activities allows us to control and direct it appropriately, refocusing resources to where they will be most effective and ensuring that we consistently offer good value for money. Hard, factual evidence gives you, the stakeholders here, tangible proof that we deliver what we promise and that you enjoy a return on the investment paid into the BID area via your levy contribution. Setting performance targets motivates everyone; provides strong news headlines for the media and inspires more people in the community to support their local businesses and keep our town ahead of its competitors.

Here are **six** KPIs we monitor constantly to confirm that the BID business focuses on activities that matter and is spending your money on the priority actions you value most:

1. Recorded footfall patterns
2. User opinions of the town centre via on-street market research
3. Car parking statistics
4. Sales performance via a cross-section of key independent and national retailers trading in Hitchin
5. Reported crime figures including shop theft, car-related crime and violence
6. The level of vacant units in town

An impartial auditor assesses these independently each year, with direct reporting to stakeholders at the AGM so that the reality of the BID’s performance is known, shared and controlled by you through your representation on the elected board.

Naturally we also monitor national customer trends and vacancy rates, including demographic changes, dwell time, local shopping habits and movement in the retail and commercial markets.

Our Ranger team monitors physical changes around the town too, both within the public realm and also internally with business refits and modernisations.

We will ensure that we keep one step ahead of our competitors. . We meet and benchmark with other towns of a similar size and profile in the economic sub-region, with and without BIDs, to confirm that our BID operation is generating the additional footfall and revenue we anticipate.

RISK ANALYSIS

The BID in Hitchin has been a significant business undertaken with all the attendant risks that go with an organisation sat at the interface between the public and private sectors. Its sphere of operations directly influences the core trading area that many businesses and their staff rely upon for their living. It is appropriate, therefore, to give due consideration to the ongoing challenges and the risks associated with this type of partnership organisation.

Despite the upsurge in BIDs across the UK, current national business trends indicate a gradual, sustained decline of commercial profitability in town centres like Hitchin because of changing customer habits, reduction in disposable income and the strong move to buying online. Competition in the catchment area is already strong and recent investment decisions in Milton Keynes, Luton, Stevenage and Cambridge have increased the appeal of these locations at Hitchin's expense.

This drift to out of town and edge of town shopping will continue with ease of access and attendant free parking for car borne shoppers a key incentive. The appeal of Internet shopping will accelerate too, with more and more traditional high street stores generating sales without their customer having to leave the comfort of their own home. Any decisions to raise car-parking charges above the existing level may make many traditional Hitchin visitors think again about using our town. Increased numbers of non-retail businesses are employing homeworkers now, meaning that the customer base amongst major employers is under threat too. Relatively low-cost air travel make overseas trips directly competitive with local, traditional urban breaks and so visitor numbers are harder to maintain although current pressure on the pound has contributed to a down-turn in foreign holidays.

Hitchin has enjoyed 18 years of success in town centre management via Hitchin Initiative and then the BID mechanism. The BID combines solid business support and a compulsory payment scheme that guarantees constant cash flow. With these, it is easier for the BID Company to control costs, plan in the longer term and so meet the expectations of all of its investors, now and in the future.

A modest financial contingency is contained within each of the project areas meaning that, should the income from the levy fall short of the budgeted amount for any period, costs can be adjusted accordingly.....however, the BID will NOT be spending money it hasn't got and will strive to its utmost to ensure that maximum returns are generated from the funds entrusted to it, as it has done over the last five years.

In the unlikely event circumstances beyond the control of the **Hitchin BID Company** mean that it fails to bring about the sustained benefits generated in previous years and promised to be sustained into the next five, then the business electorate will, naturally, have the final say. At the end of the next 5 years, if no discernable difference is detected then a vote against a further renewal will simply switch off the BID and with it all business contributions. Should the BID fail totally then its liabilities and commitments would be taken up by Hitchin Initiative or, where appropriate, the District Council.

Given the fiscal probity of the current BID operation, there is no plan to call upon bank or other financial support other than via the levy and the other income streams hinted at and so there is no prospect of financial insecurity. In any event, the Company will produce regular management accounts and financial forecasts for the Board. Appointed auditors will produce end-of-year accounts, made available to all contributors and the local authority, and these will be filed at Companies House in the normal way. The Company is VAT registered to ensure that the tax can be reclaimed on expenditure. It is envisaged that, as with Hitchin Initiative it will continue to benefit from mutual trading status, meaning that it is exempt from any Corporation Tax liability. As in the past, there is no intention for the BID Board to spend money it has not got in the bank already.

THE HITCHIN BID - WHY IT WILL KEEP ON WORKING FOR YOU

The whole focus of the BID has been and remains to deliver improved performance and profitability for each commercial business within the BID area.

In addition we recognise that BID locations have become a 'premier league' of town and city centres with substantial additional income and investment being attracted into them as opposed to towns that have not come to appreciate the significance of the mechanism when cash and good will is at an all-time low. Hitchin BID has a strong reputation nationally and attracts a lot of attention and praise for its approach to partnership, bringing distinct credit to the district and county.

Businesses here already benefit substantially from the additional services that the BID delivers. Here's a list of what you can expect over the next five years too:

- A cleaner and safer town centre for those who use it
- Targeting of a larger and more affluent catchment area meaning more visitors and a higher average spend
- Those currently visiting wanting to do so more often, staying longer and spending more
- Staff recruitment made easier and existing staff encouraged to remain in employment here
- A constantly improving 'look and feel' to the town centre environment
- A more accessible town centre for all forms of transportation, even the car borne visitor who are presently being "encouraged" to drive elsewhere
- A more effective voice for businesses over the management and future development of their trading environment
- An opportunity to use the BID income to 'pump prime' additional income from external agencies so growing the overall "pot" and so improving "return on investment" for businesses

All of these will increase business profitability:

- Improved security will reduce business crime and the fear of crime
- Extensive marketing, PR and promotional activities to give the town an even higher profile and a greater footfall and spend subsequently
- Businesses are managing our projects and so have greater control over their trading environment
- Property owners will see the value of their premises increase as the environment around them improves and demand for space increases, widening customer choice
- New businesses will be attracted to a town where the existing occupiers are seen as having confidence in the place and the process, being prepared to pay a little more for extra services that elevate the standard of the trading environment and business performance along with it

However, it is not just the businesses that will see tangible benefits:

- Visitors will enjoy greater safety and security with a warm sense of well-being
- The wider community will share these feelings as well as that of pride of place and engagement

- Property owners will have their assets protected and enhanced giving stronger tenant demand, increased income and added value

All that stands between what exists now and the prospect of a dramatically better town centre is for all the “thinking” businesses in the BID area to restate their support for the Hitchin BID by voting in favour again for its retention and renewal.

DRAFT

APPENDIX 1 – THE HITCHIN BID RESEARCH AND CONSULTATION SUMMARY

The complete research and consultation findings are available at www.hitchinbid.com together with a summary of the recent “How will you spend it?” roadshow, which has led to the projects for the renewal BID’s forward work plan.

The research and consultations have been extensively and rigorously conducted by an external agency, **pfbb UK LLP**, to ensure independence and allow critical, detailed scrutiny of the output.

Their conclusions are as follows:

“Working in Hitchin is refreshing when compared with the challenge we face in many other towns around the country. The willingness and enthusiasm with which local small businesses join together to work on projects and challenges constantly impresses and it makes a fundamental, very positive difference to how the town feels and flows.....and this is detected as much by visitors and shoppers as it is us.

The depth and scale of our sampling suggests that we should continue to focus the BID’s operations on additional services that individually, businesses simply could not afford. They value the immediacy and physical presence of the Ranger team, and appreciate the higher quality events and attractions that help build footfall. The waste recycling process very obviously universally reduces business costs but can probably be extended relatively easily to encompass more businesses and more of their unwanted materials. Moving with the times, there is recognition that the services of a dedicated media manager with specific help for businesses to tune their web offer would be hugely beneficial, as would free wifi throughout the town.

Our extensive research points conclusively towards the following core themes for the renewed BID:

- ✓ *More of the same in terms of the physical contribution to the welfare of the town*
- ✓ *Specific projects that will improve the infrastructure and universal appeal of Hitchin*
- ✓ *Substantially more quality marketing, promotions and events*
- ✓ *Activities that bind local businesses together and to the local community as well as helping them to help themselves*

The research for this project has been thorough and exhaustive but of course it hasn’t stopped with the conclusions reported here. Constant communication and face to face dialogue with all stakeholders has been sustained in the build up to the relaunch of the BID to ensure the process continues to give businesses exactly what they want now to help them survive and grow. Constantly listening and responding positively to the needs of your customer has always made good business sense, a fact clearly known and well-understood here in Hitchin!”

Chris Hollins, Director -pfbb UK LLP

APPENDIX 2 – THE MODIFIED HITCHIN BID AREA

This indication of the revised BID area is for illustrative and indicative purposes only. A new map will be inserted to redefine the boundary changes for 2014-19:



These are now the streets that are covered by the **Hitchin BID Company's renewal** proposals:

- | | |
|---------------------|-----------------------|
| Arcade | Ickleford Road (part) |
| Arcade Walk | Market Place |
| Bancroft | Old Park Road (part) |
| Bedford Road (part) | Park Street (part) |
| Brand Street | Paynes Park |
| Bridge Street | The Lairage |
| Bucklersbury | Portmill Lane |
| Churchgate | Queen Street (part) |
| Churchyard | Sun Street |
| Churchyard Walk | Tilehouse Street |
| Hermitage Road | West Alley |
| High Street | Whinbush Road (part) |

APPENDIX 3 – THE HITCHIN BID BUDGET (2014/19)

Income (£)	Year one	Year two	Year three	Year four	Year five	Total
BID Levy	211,000	217,000	224,000	230,000	237,000	1,119,000
Sales & sponsorship	10,000	10,000	12,000	12,000	15,000	59,000
Voluntary contributions	12,000	14,000	16,000	18,000	20,000	80,000
Total income	233,000	241,000	252,000	260,000	272,000	1,258,000
Expenditure (£)						
Business as Usual	37,000	39,500	40,000	41,000	42,000	199,500
Our town	30,000	32,000	44,000	46,000	53,000	204,000
Marketing, promotion and events	50,000	50,000	52,000	52,000	58,000	262,000
Business support and development	55,000	55,000	56,000	57,000	58,000	281,000
Total activity costs	172,000	176,500	192,000	196,000	210,000	946,500
Head office costs (£)						
BID team	35,000	36,000	36,500	37,000	37,500	182,000
Premises/ admin/ overheads	18,000	18,500	18,500	19,000	19,000	93,000
Total overhead cost	53,000	54,500	55,000	56,000	56,500	275,000
Contingency	5000	5000	5000	5000	5000	25000
Grand total expenditure	230,000	236,000	252,000	257,000	271,500	1,246,500

KEY POINTS:

- 1) Where appropriate, administration and supervision costs will be directly allocated back to the individual projects
- 2) The projected total additional expenditure over the full BID period includes a small margin (or contingency) of £25,000, a sum over five years that reflects the company's continuing status as a not-for-profit organisation. Typically any surpluses will be re-invested back into BID operations by way of additional projects or enhanced delivery on existing ones. It may also be directed towards the costs of a further BID renewal campaign if this is felt appropriate in 2018
- 3) Inflation at +3% has been worked into the levy income stream
- 4) Total additional investment into the town over the five-year period of the BID will be in excess of a million and a quarter pounds (**£1,258,000**)

APPENDIX 4 – THE HITCHIN BID RENEWAL BALLOT PROCEDURE

From the 6th January until the 3rd February 2014 businesses will be asked to cast their vote for the BID in a formal and confidential postal ballot. The Electoral Services Department of NHDC will be responsible for managing the ballot, to ensure it is carried out fairly and is not subject to any external influence that might defeat the wishes and intentions of the majority of those voting.

The notice of intention to hold a ballot was circulated on all those on the Council's Uniform Business Ratepayers database as of the 1st December this year. This document was accompanied by papers that allowed confirmation of the address to which the ballot package should be sent or to alter the designated recipient of the pack. There was also a form to nominate a proxy vote included too.

Arrangements for the BID ballot:

The subsequent ballot papers will be posted to all eligible voters on or by the 6th January 2014 and all ballot papers must be returned to The Ballot Holder by not later than 5pm on Tuesday 3rd February 2014 (known as the 'day of the ballot').

Entitlement to vote:

All business ratepayers (non domestic) in the defined BID area and who are listed on the Council's database as at the 23rd December 2013 are eligible to vote in the ballot (the date of the Notice of Ballot). People entitled to vote in this ballot will have one vote in respect of each hereditament occupied or (if unoccupied) owned by them in the area of the proposed BID.

Issue of ballot papers:

Ballot papers will be posted out to eligible voters by no later than Monday 6th January 2014.

Lost ballot papers:

If you (or your proxy -if one has been appointed) do not receive your ballot paper by Wednesday 29th January 2014 you may apply to The Ballot Holder at the Council's address for a replacement, including physical evidence as to your identity.

Spoilt ballot papers:

If you spoil your ballot paper you can return it to The Ballot Holder by not later than 5pm on Wednesday 29th January 2014 either by post or in person and you will be issued with a replacement.

Completion of the ballot paper:

To complete the ballot paper you must:

- Check that the address of the property printed on the ballot paper is the one in respect of which you are entitled to vote
- Place a cross (X) in either the 'YES' box or the 'NO' box on the ballot paper
- Sign the ballot paper in the space provided and write your name and the position that you hold in block capitals

The ballot paper must be returned to The Ballot Holder in the envelope supplied to arrive not later than 5pm on the 3rd February 2014. Any ballot paper, which is not signed or is unmarked or is otherwise considered void due to uncertainty, will not be counted.

The count of ballot papers and declaration of result:

Ballot papers will be counted and the result declared on Tuesday 4th February 2014. The result will be published on the District Council's web site shortly afterwards - www.north-herts.gov.uk and on the **Hitchin BID Company** Limited web site - www.hitchinbid.com. For a ballot to be successful there must be a simple majority of those voting in favour of the proposal, both in terms of the numbers voting and also by the aggregate of the rateable values of those voting in favour compared to that of those that vote against.

If a "No" vote results, then the retiring BID Board will seek to implement a contingency plan in which the existing Hitchin Initiative will work up and delivering an alternative business plan but obviously with less resources and poorer prospects. Given the unique nature of our BID proposition and the tangible successes the BID mechanism here to date, it is crucial that we seize this opportunity to work together to ensure that the BID is retained and is empowered with a strong mandate to continue its good works.

APPENDIX 5 – THE HITCHIN BID LEVY RULES

To clarify the levy collection process, the following definitions have been prepared:

- **"BID Area"** means the area described in the Business Improvement District (BID) Proposals as the area across which the BID Company will offer additional services
- **"BID Period,"** means the period 1st April 2014 to 31 March 2019
- **"BID Renewal Proposals"** means the BID proposals initially submitted to NHDC by the BID Company in October 2013
- **"BID Company"** means **Hitchin BID Company** Limited
- **"Billing Authority"** means NHDC
- **"BID Levy"** has the same meaning as in the Local Government Act 2003
- **"The Chargeable Day"** means 1 April in any year in the BID period
- **"NNDR Payer"** for a particular hereditament means the person liable to pay national non-domestic rates (otherwise known as Business Rates) under the Local Government Finance Act 1988 and associated regulations (or, if there is no such person, then the person who is in rateable occupation)
- **"Rating List"** means the valuation list set for the purpose of calculating liability to pay national non-domestic rates. In the case of Hitchin, the valuation to be used to calculate the BID levy will be based on the RV listing established on the 1st April each year and will be re-assessed for each year of the five-year term of the BID
- **"Hereditament"** has the same meaning as in the Business Improvement Districts (England) Regulations 2004

- **“Rateable Value”** for a particular hereditament means the rateable value in the Rating List for that hereditament

The BID Levy

After due consideration and careful budgeting, we believe it will be necessary for each UBR-paying business to contribute 1.85% per annum to pay for the BID’s activities, based on the recorded Rateable Value (RV) of each hereditament inside the BID area, as set on the 1st April each year. The levy will increase by inflation each year, in line with the Consumer Price Index, which can be viewed by accessing: www.statistics.gov.uk/CCI/nugget.asp?ID=19

However, if after 1st April 2014 the 2010-based rateable values decline because of significant government legislation on the business rates system (other than the inflationary adjustments that are periodically made) then the BID Board will apply the Rateable Values as set on the 1st January 2014 as the base figure for all future annual calculations across the full five years of the BID. This is being done to preserve BID income in the light of a prospective major revision to the business rates system that could well see substantial reductions to the sums collected. Patently a large decline income could well threaten the viability of the BID Company if this were to happen.

Who has to pay the BID Levy?

Any NNDR Payer for a hereditament will be liable to pay the BID Levy in respect of that hereditament if at any time on the Chargeable Day the hereditament is in the BID area and is on the Rating List. If a hereditament becomes empty, the liability for the BID Levy will fall on the organisation or person entitled to possession on the relevant day, or the administrator for any business that has ceased trading. For this purpose ‘entitled to possession’ shall have the same meaning as under section 65 of the Local Government Finance Act 1988.

The BID Levy is calculated for each hereditament for each Chargeable Day as follows:

Amount payable by the hereditament = $0.0185 \times \text{Listed Rateable Value as at 1}^{\text{st}} \text{ April each year}$

Collecting the BID Levy

NHDC have generously agreed to collect levy without charging. They will issue the BID levy bills and collect the levy on behalf of **the BID Company**. The accumulated levy will be held in a separate account solely for BID receipts. Funds will then be transferred in their entirety to the BID’s bank account under arrangements set out in the formal Operating Agreement. This agreement will be available on www.hitchinbid.com once the mandate for the Company is confirmed.

The BID Levy for each Chargeable Day is due in full on the Chargeable Day. The Demand Notice will be served as soon as practicable after the Billing Authority becomes aware of a BID Levy liability. The Council may serve a Demand Notice before the beginning of a Chargeable Day in accordance with paragraph 5(2) of the Business Improvement Districts (England) Regulations 2004. In practice, The BID bill will be issued once each BID year. Payment terms will be 28 days from the date of invoice, paid as a single payment and due on the 1st April each year, although we are prepared to make alternative arrangements for any

organisations that might find this a problem. We expect to be able to issue the first levy demand during March 2014, after the Local Authority issues its annual UBR statement.

The BID Body may authorise write-offs, as appropriate but these rules do not entitle the BID Body to require the Billing Authority to take any particular enforcement action with respect to the collection of any amount of BID levy.

Charitable status or mandatory charitable relief will not apply to the BID levy. The levy will also apply to offices, government buildings, doctors' surgeries and other community related buildings. Businesses in receivership and administration will remain liable for any outstanding debt from their previous tenancy.

Businesses that begin to occupy existing rateable properties during the five year term of the BID will be liable to pay the levy annually provided the rateable property remains eligible for BID membership. New builds within the BID area will be subject to the levy also. **On change of ownership/ occupancy, the previous occupier can invoice the incoming tenant for the balance of the payment as there will be no refunds of any levy paid to date. Similar arrangements are proposed for proprietors who sell property or terminate leases. Please note there is no obligation on either the BID Company or the Council to either return any BID levies paid over in the case of a split tenancy or to assist previous owners/ occupiers recovering such a payment.**

The non-payment of the BID charge will be strongly pursued via all available enforcement options to ensure fairness to those businesses that have paid, and a **fee of £100*** will be charged to meet the additional administration costs incurred during any enforcement action.

NHDC will provide regular updates during the BID's existence, detailing revenues collected for and on behalf of the BID. The BID Company's accountant/ auditor will provide quarterly budgets and credit statements and the company's accounts will be formally audited annually prior to the AGM.

Landlords, property owners and institutions/ organisations will be invited to make voluntary contributions. Additional income will also be generated by BID project activities, advertising, and applications for grants, business sponsorship and the sale of goods and / or services.

A key dimension to the new BID proposal is the reassurance to all non-domestic ratepayers that they will see value for the money they contribute. Naturally this will be measured against each individual project but also against the overall impact of the BID over second five-year term (See Key Performance Indicators pg 14).

***To be checked with NHDC**

APPENDIX 6 – THE HITCHIN BID RENEWAL TIMETABLE 2013

Consultation	August and September 2013	Consultation documentation and meetings
Outline Business Plan and prospectus	November 2013	Circulated to key stakeholders
Draft business plan ratified by NHDC	December 2013	Cabinet approval of the contents
Final Business Plan	December 2013	Published on the website
Prospectus issued	9 th December 2013	All hereditaments to receive a copy
Notice of Ballot	23 rd December 2013	North Hertfordshire District Council Public Notice
Ballot papers issued	6 th January 2014	NHDC action
Day of the Ballot	3 rd February 2014	Ballot closes at 5pm
Announcement of ballot result	4 th February 2014	Declared via the media
BID Company formally commences second term	2 nd April 2014	Contracts ready for additional services provision
Levy calculation	23 rd December 2013	Applies to all hereditaments within the revised BID boundary on this date
Levy bills issued	March 2014	Payable on receipt of the Demand Notice
BID term	2 nd April 2014 to 31 st March 2019	The start date and end date of the BID

The contents of this Business Plan is entirely the work of the **Hitchin BID Company Limited**, supported by Chris Hollins, director of Pfbp UK LLP

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