

NAME OF PROJECT	York Business Improvement District
TOTAL EIF FUNDING SOUGHT	£25,000
PROPOSAL SUMMARY	
<p>The reducing financial resources available to CYC has brought about a need to find alternative means of investing in those areas which are non-statutory in nature yet essential for driving the city forward and achieving the council’s goals. Work with the businesses in the city, working within the City Team (of which CYC has both Member and Officer representation at Director level), has seen the proposed development of a Business Improvement District or BID which is a well-established initiative across some 190 other UK towns and cities. The BID is an initiative based on a discrete geographical area in which a prospectus, developed by a BID Company made up of local businesses, is voted upon by all the businesses in the area (in this proposal all those within the scope of the Inner Ring Road). A successful BID then delivers services in its area paid for by a levy on the businesses therein – typically additional janitorial services, promotion of the city, additional security, new events and festivals etc.</p> <p>This would be the largest BID in the UK.</p> <p>The £25,000 is sought to employ a BID Manager on a temporary contract to :</p> <ul style="list-style-type: none"> - Compile the BID proposal document/prospectus in preparation for a ballot - Consult with the businesses in the designated area - Prioritise improvements for the area and area services - Lead a ‘hearts and minds’ campaigns to win widespread support for the BID - Consult a number of partners on how the BID will be managed and operated - Ensure the ballot is conducted in accordance with all legal requirements. <p>Once successful, the BID company can leverage in funds from other areas and the typical benefits to businesses include :</p> <ul style="list-style-type: none"> - Spend and sales - Improvements to physical surroundings - Improved competitiveness as a city - More effective joint activity ie marketing and procurement - Safety and security - City wide promotional activities ie festivals etc - Or any service or project the BID company deems beneficial to traders and the city. <p>Typical BID areas in other cities have reported :</p> <p>Increased footfall Improved staff retention Business cost reduction Better area promotion Facilitated networking opportunities with neighbouring businesses Assistance in dealing with the Council, Police and other public bodies</p>	

STRATEGIC FIT: Outline how the project meets identified economic priorities for the city and the Council	
<p>Fits within Council Plan Obj 1 : Create Jobs and Grow the economy</p> <p>A strong and resilient city centre is essential to attracting investment, providing jobs and developing the city’s reputation to a quality equal to other cities in the top rank of European destinations.</p> <p>Fits with the City Action Plan – Enabling Growth and creating the environment to foster partnership working and collaboration. It will also contribute significantly to the Councils efforts around creating a safe vibrant evening economy.</p>	
RATIONALE FOR NEED: Outline why there is the need for funding from EIF, specifically...	
How it addresses market failure	<p>The BID has largely been welcomed by the city and this appointment is the next step in creating a city centre partnership for growth and enhanced services. There is a clear need to pump-prime a management function to unlock the investment that businesses are willing to make in their city. Such investment will not happen without a partnership and collaborative approach</p>
How it offers additionality	<p>A successful BID in the city would raise over £800k of new private sector investment which can be used to lever further funds requiring ‘clean’ resources. This can effect change in the city centre without further CYC input. A typical BID once going is likely to leverage in an additional one and a half times its primary levy income.</p>
Evidence of demand for what the project provides in terms of product / service	<p>An Initial survey has revealed support for the BID levy from city centre businesses who welcome the construct which legally requires initiatives to be delivered according to Prospectus. . The York BID is likely to be the largest in the country and it is imperative that we seize the initiative and capitalize on the current level of confidence the city businesses have for the BID. If we were to lose the current momentum it is unlikely that we get another opportunity in the near future.</p>
Other options of funding / delivery explored	<p>£10k of DCLG Town Team funding will also be used for this post and development of the BID. Other options have been explored such as funding through British BIDs, but this has been rejected due to concerns over uncertainty of funding and significant delays in the development of the BID.</p>

<p>OUTCOMES: Detail the anticipated economic and wider (social / environmental) outcomes the investment will deliver. Where possible these outcomes should be SMART</p>		
<p>The immediate outcome is the employment of a BID Project Manager to develop the BID proposal leading to the BID ballot. If adopted it is the first step for a sustainable funding, investment and development model. The model will allow the private sector to attract further investment to the city centre providing a minimum £4m over a five-year period and potentially more. The benefits would be increased investment in the city centre by those who operate businesses and an improved city centre environment in terms of public realm, security, increased footfall, events and cleanliness. It will also foster better promotion of York as a visitor destination and location for new investment. Greatly improved communication links between public and private sector, resulting in enhanced relations with issues affecting local companies being resolved more quickly and opportunities for improvements being realized at greater speed. We should also see lower levels of crime, antisocial behavior and more competitive property values through offering a higher quality environment and improve image for the city.</p>		
<p>Projected contribution to headline economic targets</p>		<p>Year(s) delivered (e.g. 2016/17 onwards)</p>
Direct jobs created	1 job created directly	
Indirect jobs created	Potential for other job creation in the retail sector when the BID is adopted	
Direct Economic (GVA) Growth (£)	No direct GVA impact	
Indirect Economic (GVA) Growth (£)	The growth potential for the retail sector of approx 1% above normal growth rate.	
<p>Outline how the figures and targets in this section have been calculated or projected, and any key assumptions made</p>		
<p>It is assumed that the BID will generate additional value to the business base in the local area and will be monitored by overall retail figures. Anecdotally, other BIDs in the country have experienced an increase in footfall, sales and wages alongside a reduction in crime and antisocial behaviour. NE1 , the Newcastle BID, run a number of initiatives including: -Coordinated extended retail opening hours across the week to 8pm -Free car parking in the Council’s multi-storey car parks, subsidized by NE1</p>		

- A series of highly commercially successful events including Newcastle
 - Fashion Week, Restaurant Week, Monument Movies and Monument Live
 - Bar, café and restaurant offers aimed at extending dwell times
 - Additional early evening bus services
- These types of activity are not dissimilar to activities the York BID may develop as they contribute significantly to the evening economy. The impact from these have been;
- a 8.8% increase in after 5pm evening footfall
 - in the first year of the added activities they estimate the additional values to the city was £106M
 - The Monument Movie festival leveraged an additional £70K from commercial advertisers and associated partners.

All of the BID companies I contacted have had a positive impact on the local area but can only provide anecdotal evidence other than NE1.

Outline how the deliverables and targets will be measured, monitored and evaluated

Annual surveys of business levy payers within the BID area can monitor new job creation, job safeguarding and new investment undertaken by local businesses as a direct result of the programs run by the BID company.

The BID manager will also monitored government data produced by the ONS and REM projections.

DELIVERABILITY + PROGRESS TO DATE

Progress and project planning that has taken place to date

- The City Team, through its Executive, has undertaken work to research a BID for the city –
- Selecting a potential BID area
- Developing a list of businesses as potential levy payers
- Undertaken initial research into the needs of businesses
- Scoped out a program of work towards a ballot in Autumn 2015
- Opened a dialogue within CYC with those departments who will be involved in the development and delivery of a BID as the local authority: electoral services, income services and legal
- Developed an indicative budget
- In the process of recruiting a BID Manager to further develop and progress the proposal

Major project stages (e.g. planning, implementation, evaluation)			
Stage	Period	Products delivered in this stage	Associated EIF investment sought
Recruitment	Immediately	BID Manger	£25,000
BID proposal developed	Mar to Aug	BID Prospectus	Nil
Ballot to City	October	Ballot vote and BID adoption if successful	Nil
Project structure (e.g. governance and project team)			
<p>Development of a delivery team carrying out the ‘hands-on’ work to produce documents, plans and materials required by law before a BID can proceed to ballot stage</p> <p>A management team overseeing the delivery team which can report to: The City Team and its Executive on progress towards key milestones</p> <p>Likely Reporting structure</p> <pre> graph TD A["BID Board 11 members (Voluntary unpaid)"] --> B["BID Chair"] B --> C["BID Operations Director"] C --> D["BID Staff & Contracts"] </pre>			
Key risks and how these will be managed			
<p>The immediate risk is not obtaining the funding for the initiative to progress. If this happens it may take a further year to rebuild the momentum, raise the finance and proceed with the proposal. A further risk is that a ballot of 1,800 local businesses will prove unsuccessful in achieving an overall ‘yes’ vote.</p> <p>This risk will be mitigated by careful planning, good preparation and high-quality surveying and engagement of the business community with regular reviews and milestones.</p>			
The plan for sustainable delivery / planned exit beyond the EIF funding			
<p>Provided the BID is successful, provision will be made within income from the levy to pay an ongoing admin cost over the 5-year lifetime of the BID. The BID company will also be eligible for funding from other sources and likely to leverage additional funds in the lifetime of the BID</p>			

After 5 years a new prospectus must be written for the next 5 years but by this stage the BID company will be fully self-sufficient.

FINANCIAL PROJECTION Please attach as annex a budget spreadsheet detailing projected income and expenditure per annum for the life of the proposal

Funding summary (assume all capital)

Source	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
EIF		25k	0	0	0	0	25k
Private		15k	800k	800k	800k	800k	3.200m
Public		10k	0	0	0	0	010k
Total		45k	800k	800k	800k	800k	3.245m

Projected recycled return on investment to the fund (£)	£25k over 5 years through admin collection fees to the Councils NDBR team
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Projected return on invest to the Council through other income (e.g. business rates) / delivery of savings (£)	£0k
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Where not self-evident, outline how financial projections have been made, and any key assumptions made

The estimated return to the BID Company by the annual levy is circa £800k pa.

Detail of leverage of additional funding / in kind (confirmed / projected):

BIDs are able to lever additional income from ERDF etc. typically up to three times their levy income. At present these have not been fully identified but this is a process the new BID manager will undertake. **A good example is the NE1 BID attracting a further £3M from the Regional Growth Fund to refurbish the marina.**

Named contact person for communication with regards to the proposal	
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CONFIDENTIALITY: Administration of the Fund will be carried out in an open and transparent fashion. Please indicate any aspects of your proposal that you believe to be commercially confidential.