LOCUS

Brentwood, Shenfield and Ingatestone Business Improvement District (BID) Feasibility Report

August 2022

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1) Executive Summary

The Locus team has been asked by Brentwood Council to undertake an initial feasibility study into the potential for Business Improvement District (BID) development in three centres – Brentwood, Shenfield and Ingatestone. A summary of findings is as follows:

- BIDs are well established in the region, the county and across the country; there is a high degree of success of BIDs at ballot and, generally, businesses support Proposals.

- The Council's policies are consistent with improvement of the town centres and do not conflict with the development of BID Proposals.

- Subject to further consultation with businesses, each centre develops around relatively representative and logical BID areas.

- A threshold of RV £9,999 results in 668 hereditaments which might be included in any final BID (higher than average across other BIDs and so might need to be raised).

- Any next stages of research should include more detailed discussions with the larger hereditaments (by RV) and with any multiple voters (i.e., occupying more than one premises). These occupiers will carry most weight in any future BID ballot.

- The research revealed a high level of engagement amongst businesses and a willingness to participate in discussions around further improvements.

- Using regional comparisons, any headline levy rate is likely to range between 1.5% and 2% of rateable value. Likely final levy income is between £400,000 and £600,000 a year, subject to final modelling.

- Future development to test the feasibility of a single BID Proposal across the three centres, leaving options to develop individual Proposals, if required. In our view, this should also allow levy rules to be varied per site, perhaps resulting in a more manageable number of businesses in any final Proposal (between 400 and 500, if the national average is applied).

- Brentwood is the centre that is most 'BID-ready'. There is a risk that the other centres may be more reluctant or slower to develop and the Business Partnership will need to help promote the benefits of a BID to businesses based in Shenfield and Ingatestone.

- From the evidence obtained to date, it is likely that any BID Proposal could be taken to ballot in the summer of 2023, with a start date for delivery no later than 1st October 2023.

- From the evidence so far obtained, it is likely that, subject to detailed modelling, any BID Proposal would be appealing to businesses in the area.

2) Business Improvement Districts (BIDs)

A BID is a defined geographical area in which business occupiers (or property owners) fund a range of improvements through an additional tax or levy.

They emerged first in Canada in the early 1970s as a reaction against combined suburbanisation (people moving out from the centre of places) and decentralisation (business investment following). The model quickly moved to the United States where, today, it is dominant form of privatised urban governance arrangement. For example, New York has over 75 BIDs and Washington has 11. The US model is funded by property owners.

Following transfer of the policy to other nationalities, the UK government introduced legislation in 2003 to 2004 to permit the creation of BIDs in England (since which the other devolved administrations have followed). Today, the UK has over 300 BIDs, the majority of which are in town or city centres. In the proximity of the study area are BIDs such as Chelmsford, Ilford, Romford, and Southend. Whilst each BID is different, both in terms of identity and output, they share the following aspects:

1. They provide significant additional funding to improve the places in which they operate (the total UK additional revenue exceeds £130 million).

2. Outside Central London, each BID is funded by business ratepayers as occupiers (as opposed to property owners). Most BIDs engage property owners informally as part of their operations.

3. Created first through a ballot, the maximum term for any BID is 5 years, after which they may seek the agreement of businesses to renew for a further term via a new ballot.

4. When successful, BIDs can create an enduring partnership between private occupiers and public sector partners.

3) Policy and Strategic Overview

A BID should develop its aims and objectives alongside the work of change agents, including local authorities and any other local groups that are playing a key role in the growth of an area. The most effective BIDs are ones which work together with organisations that are implementing the priorities of local businesses.

Brentwood Borough Council Local Plan (2016-2033)

Following the Final Inspectors' Report (received February 2022), the Brentwood Borough Council voted to adopt the Brentwood Local Plan (2016-2033) in March 2022. The Plan highlights certain areas that are in need of investment and how it will direct its resources; there are several policies and pieces of evidence within the Plan that are relevant to the feasibility of a BID.

Firstly, 'Policy BE08: Strategic Transport Infrastructure' would facilitate and complement the operation of a BID as it aims to support and address the cumulative impact of planned and other incremental growth by contributing to:

i. Circulation arrangements, public realm and multimodal integration around Brentwood, Shenfield and Ingatestone stations

ii. Additional and/or improved pedestrian cycling infrastructure and bus services connecting development to key destinations such as railway stations, education facilities, employment, retail, and leisure

By maximising the value of the new Elizabeth Line and improving the capacity of the stations and road network, this will help facilitate the BID by:

- Better connecting the town centre and main employment centres
- Allowing for greater footfall when hosting promotional events and festivals

Additionally, 'Strategic Policy PC04: Retail Hierarchy of Designated Centres' is another example of a policy that could complement the delivery of the BID. The retail hierarchy of Designated Centres in Brentwood Borough is as follows:

i. Brentwood Town Centre should be the first choice for retail, leisure and main town centre uses

    a) It is the social, cultural, and economic focus of the borough and attracts many visitors. It has good access to major roads and rail links and benefits from a refurbished, high quality shopping environment. The sequential approach suggests that it should be the first choice for retail, leisure, community, employment, and main town centre uses

ii. District Shopping Centres will be a focus of more localised retail, commercial and community facilities and services that reduce the need to travel and contribute towards more sustainable and neighbourhood-scale living.

   a) Shenfield is home to a major railway station with fast train services into central London. It will be the terminus for Elizabeth Line, and it is vital that the most is made of this opportunity to invest in improving Shenfield's retail offer
   b) Ingatestone has the largest village centre in the borough, an attractive local service and convenience centre with a train station

The 'Retail Hierarchy of Designated Centres' will help facilitate the BID for several reasons:

- Each area has different needs and will require different types of investment
- In areas such as Shenfield and Ingatestone, the BID might be used to support and stimulate potential retail opportunities, which will be key to the development and future progress of these smaller economic areas
- In Brentwood, the BID can help develop the town become even more economically prosperous by holding events and other promotional festivals that will draw in tourists and further stimulate the local economy.

Finally, the 'Policy PC05: Brentwood Town Centre' outlines the areas that the Borough Council are investing in and where there might be an opportunity for the BID to direct investment:

"The Council will require development to conserve the positive qualities of Brentwood Town Centre while enhancing and improving negative aspects of function and appearance where relevant."

i. Development in the Town Centre should contribute to the Council's aim of improving the capacity and quality of the public realm throughout Brentwood Town Centre, contribute to a vibrant High Street and the surrounding Conservation Area in line with the Town Centre Design Guide.

ii. Shopfronts and signage have significant impacts on its surroundings therefore proposals are required to incorporate high quality, attractive shopfronts that enhance the street scene, in line with the Council's adopted Town Centre Shopfront Guidance.

iii. *Chapel Ruins, Baytree Centre and South Street areas*: This area provides a link to strategic sites on the High Street therefore improving its permeability and integration into the wider public realm network will create a more welcoming and flexible space at the heart of the Town Centre, enable its historical settings to be celebrated

iv. *William Hunter Way and Chatham Way Car Park*: The Council will work with developers and partners to improve the public realm links in these areas, and should resident-led mixed use schemes come forward for the town centre's surface car parks, ensure they provide retail, commercial and leisure floorspace sufficient to meet the needs of the new community.

The Brentwood Local Plan (2016-2033) contains several policies aimed at improving infrastructure links, stimulating economic activity, and preserving the positive qualities of all three areas. A potential BID could help to support in delivering these aspects.

Economic Development Strategy (2021-2025)

Developed by Brentwood Borough Council, this document outlines the strategy which focuses on growing the economic area by:

- Promoting Brentwood as a place to set up and do business from
- Enabling the growth of existing business
- Encouraging the creation of new enterprises and inward investment

The methods outlined in the strategy would be aided by the existence of a BID, for example:

i. Market the borough as a place to visit and work

- Create social media campaigns to build awareness of what the borough has to offer
- Adopt digital platforms and mobile applications to encourage footfall and spend in the borough

ii. Deliver regeneration

- Work with partners to deliver quality development that contributes to economic growth
- Support healthier lifestyles by connecting places of work

iii. Create thriving town and village centres

- Promote the unique characteristics of each centre
- Ensure our centres have inviting and inclusive places that people can enjoy
- Work with arts, culture, and leisure groups to create vibrant cultural hubs

iv. Deliver business support initiatives

- Work with partners to identify advice, funding, networking, and learning opportunities
- Recognise and celebrate business success in the borough

Each target proposed in the strategy would be easier to achieve if they were also the targets of a BID. The nature of a BID means that it brings together business interests in an area and celebrates the success and uniqueness of the businesses that trade within it. The Council lists several methods that a BID can also undertake; it is therefore possible for the BID to either support the Council in delivering these methods or it could direct its resources in other projects where investment may be limited. Alongside a BID, the Council would be able to work towards achieving these targets and create thriving town and village centres in the process.

Savills Place – place audit report (2020)

In September 2020, Savills Place published a place shaping audit report for the Brentwood Business Partnership, Brentwood Chamber of Commerce and Brentwood Borough Council which focused on the areas of Brentwood, Shenfield, and Ingatestone. The report provided qualitative and quantitative research on the areas and recommended projects that could improve their appearance, levels of footfall and community engagement. The report outlined several projects aimed at improving the areas which could either be supported or delivered by a BID.

1. Projects that all three areas need which could be delivered together

The report recommended certain projects that should be delivered together in the three areas, such as:

- Introduce greenery to make the areas more appealing, with the potential to absorb carbon and soften the street scene
- Improve the levels of signage to high street and available parking upon arrival to the areas
- Improve internet speeds and roll out comprehensive schemes to ensure all have access to adequate internet
- Provide more water fill up/recycling points and promote this

- Provide a basis for sustainable funding for events and marketing
- Create a clear place brand and messaging plan – combine all three areas on one main marketing platform but with a unique sense of place for all locations
- Provide retailer support through creating engaging displays and providing clear connections to business support workshops including how to create your own marketing plans

Almost every one of the joint projects that the report recommended could be delivered by a potential BID. Successful BIDs across the country have worked to provide events, marketing, business education workshops and schemes that have delivered area wide Wi-Fi and clearer signage, supporting wayfinding. A potential BID could support in delivering such coordinated improvement projects across all three areas.

2. *Projects specific to Brentwood*

Although the report listed projects that should be delivered across all three areas, there are also some recommendations unique to each location. For example, in Brentwood the area could:

- Highlight the history of the town with more physical (and virtual) reference points throughout the space
- Explore development of cycle paths fit for purpose
- Introduce an anchor leisure offer
- Create clarity between Business Brentwood Partnership, Chamber of Commerce, Brentwood Borough Council, and Essex County Council on roles and responsibility of delivery
- Create an improved destination website, with dedicated webpage for places to stay

3. *Projects specific to Shenfield*

The report also suggested projects that are unique to Shenfield, such as:

- Work with the station owners to improve the aesthetics of the station
- Maintain the balance which provides the key services to support the local community with quality independent retail and food offering
- Maximise the community message – a high street which understands, serves, and knows the needs of its mainly local customers and residents
- Make Shenfield known for its weekend family fun trails beyond those carried out at Halloween, Easter, and Christmas

- Create a strategy to target early evening economy – retailers to support with summer late opening evenings and festive feel with bunting and additional planting/banners

4. *Projects specific to Ingatestone*

Finally, the report makes specific recommendations that Ingatestone could implement to improve the area, such as:

- Bring the market square back into life as the centre of the community and make it feel like the heart of the place
- Introduce flexible work space that could also have creative and community use.
- Create a local pop-up strategy showcasing local talent
- Provide family trails and retail interaction and utilise community space for summer festivals for all the family
- Create open air screenings and other community events in the summer utilising surface car parks.
- Create a clear strategy to target local families to support their high street

The report lists several potential schemes and projects that if delivered, would improve the appearance, footfall, and community engagement in all three areas. Although some projects could be delivered across all three areas, it is important to note that Brentwood, Shenfield, and Ingatestone all have different identities and require different types of projects to improve the respective areas.

Regarding a BID, almost every recommendation could be either supported or delivered by a BID. There are countless examples across the country where BIDs have been delivering the projects listed above; they are being delivered to a high standard whilst helping to increase footfall and community engagement. In the proposed BID area of Brentwood, Shenfield, and Ingatestone, there are several projects that the BID could target with the support of the Brentwood Borough Council and other local groups that are already working to improve the area.

Policy Implications

The Council has a commitment to improving all of its town centres and has developed a close and productive working relationship with businesses. There is no local policy known to us that might create a reason for the Council to veto any ballot outcome on policy terms.

In 'Policy PC05: Brentwood Town Centre' the Council outlined its plan to rejuvenate Brentwood high street and has shown commitment to this by the acquisition of the Baytree Shopping Centre. A BID might assist with further improving the area, whilst helping to conserve and promote the positive qualities of the town centre.

4) Feasibility Objectives

Following previous place-shaping advice, Locus has been instructed to conduct a Business Improvement District (BID) Feasibility Study of the Brentwood, Shenfield and Ingatestone central areas. As part of this Feasibility Study, Locus has undertaken to provide:

1. Identification of viable likely areas for BID development.

2. Analysis of ratings information for the development areas to establish the likely levy rules that may be applied.

3. Using desktop research, cross-checking likely BID delivery streams against existing priorities contained within local plans, reports, and documentation.

4. Identification of the number and type of business premises that may be included.

5. A survey of circa 30% of businesses to gauge their willingness to engage in improvement.

6. Financial modelling.

7. A mapping exercise to compare likely BID structure, levy rules etc with comparable locations and other BIDs in the area.

8. The corporate structure and governance arrangements that might apply, including an assessment of the local capacity for partnership and joint working. Developing a mechanism by which the local authority can manage the quality of the development process, protect each location from any competing BID developer emerging and, potentially, recoup future development costs.

9. The likely sequence and timing for ballot(s), including such notifications and notices, as required by the Regulations.

10. Detailed costing for future stages of development, identifying potential for economies of scale.

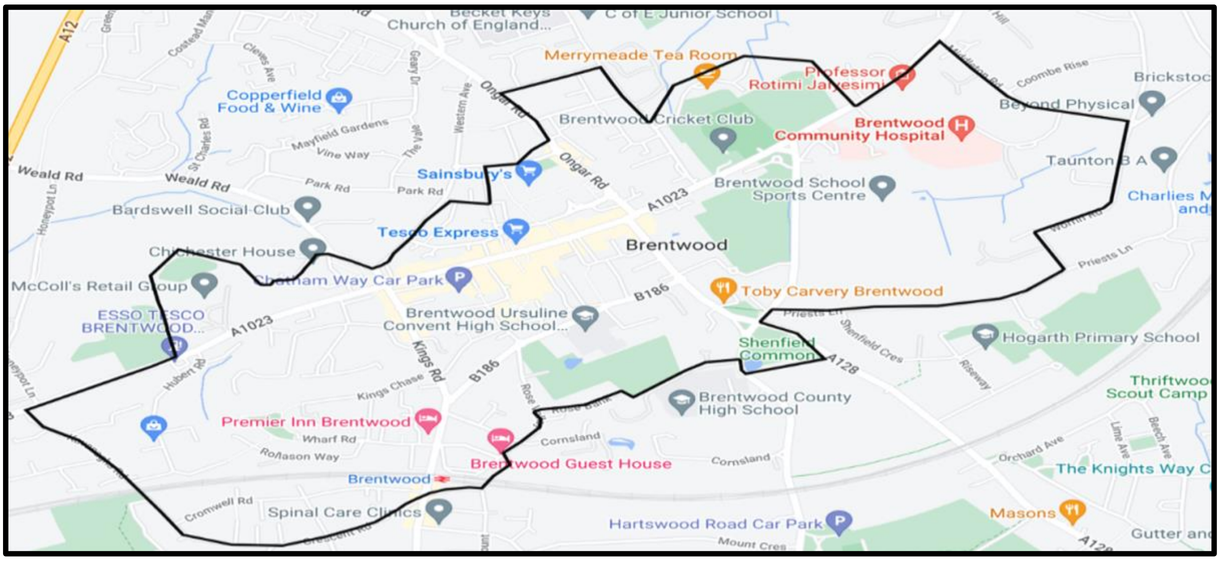
11. An indicative risk register.

5) Sectors and Areas

5.1 Study areas

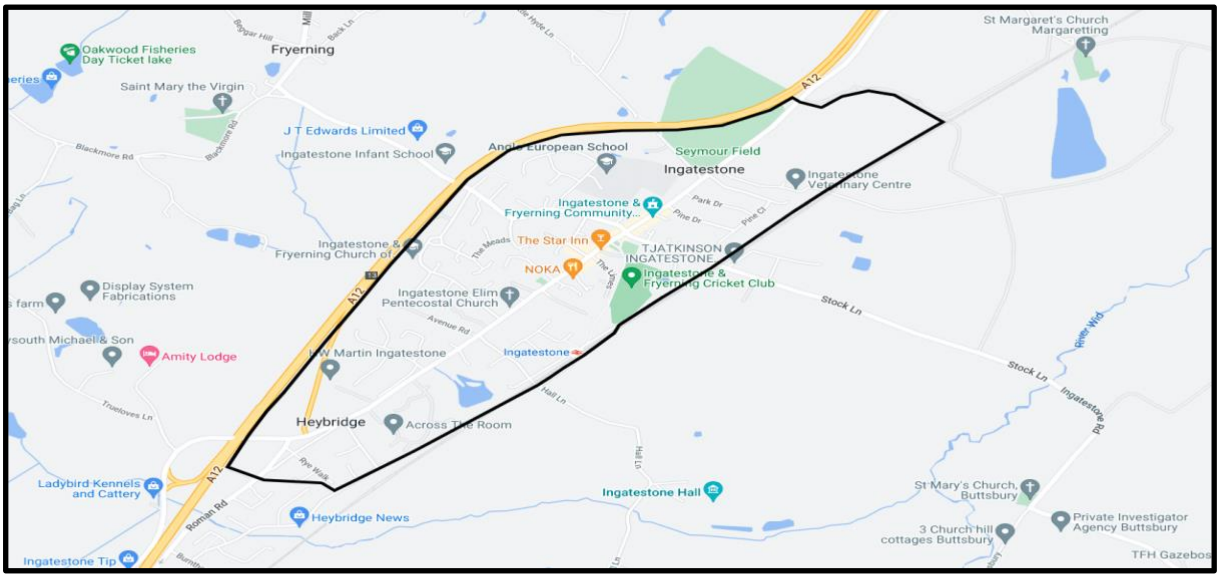
The proposed study areas were agreed with the Brentwood Business Partnership (BBP) and separately with Brentwood Borough Council. The images below reflect indicative BID boundaries; these may alter as further data is collected. Each proposed area contains hereditaments (rateable assets) that are important both to the future viability and identity of the area as a whole and, in particular, to its high streets.

5.1.1 - Brentwood



5.1.2 - Shenfield

5.1.3 – Ingatestone



5.2 Overall sector breakdown

The figures within this section are based on a rateable value (RV) threshold of £9,999. There are a total of 668 hereditaments in the combined study areas of Brentwood, Shenfield and Ingatestone (see breakdown below) with an additional 575 properties with rateable values below the threshold. The sector breakdown identifies the types of businesses that currently trade within the overall study area and might therefore contribute to the levy income.

The rationale for a threshold of RV £9,999 is:

- Most BIDs adopt a RV threshold beneath which businesses are not eligible for a levy charge (note: they would also not vote in any BID ballot).
- Thresholds achieve two outcomes (1) consecutive reductions in threshold (say, by £1,000 increments) will add numbers of businesses to a BID without achieving additional proportionate income; and (2) achieving a successful ballot result is made more challenging if the numbers of businesses become unwieldly and, in the future, unmanageable.
- The average number of hereditaments across all UK BIDs is 394; therefore, depending on the final BID Proposal, an increase in the threshold may be required.

Sector	Businesses	Percentage
Retail	224	33%
Services	148	22%
Office	129	19%
Hospitality	74	11%
Leisure	27	4%
Education	24	4%
Industrial	13	2%
Other	4	1%
Vacant	25	4%
Total	**668**	**100%**

5.3 Individual sector breakdown

5.3.1 Brentwood

488 of the total number of businesses operate in the Brentwood study area. The sector split is as follows:

- 180 retail (37%), 97 office (20%), 97 services (20%), 46 hospitality (9%), 25 leisure (5%), 17 education (3%), 13 industrial (3%), 3 other (1%) and 10 vacant (2%)

5.3.2 Shenfield

114 of the total number of businesses operate in the Shenfield study area. The sector split is as follows:

- 37 services (32%), 34 retail (30%), 21 hospitality (18%), 13 office (11%), 4 education (4%), 2 leisure (2%) and 3 vacant (3%)

5.3.3 Ingatestone

66 of the total number of businesses operate in the Ingatestone study area. The sector split is as follows:

- 19 office (29%), 14 services (21%), 10 retail (15%), 7 hospitality (11%), 3 education (5%), 1 other (2%) and 12 vacant (18%)

5.4 Top 25 levy payers in Brentwood, Shenfield and Ingatestone by Rateable Value (RV)

To win a BID ballot, a potential BID must use the support from local businesses and propose a plan that others can endorse and vote in favour of. All BIDs are required to satisfy two conditions to win a ballot process:

- 50%+ total number of votes cast in the ballot
- 50%+ of aggregate rateable value of each hereditament in respect of which a person voted in the ballot

Assuming that there is a turnout at ballot of 50% (this reflects the UK average of 48%), the minimum requirement for success at ballot for a Proposal that encompasses Brentwood, Shenfield and Ingatestone would be:

- By number of votes cast in the ballot:

  668 votes issued = 334 returned (50%)
  Majority required = 168 (50% + 1)

- By RV:

  £31,129,200 RV total = £15,226,100 returned (50%)
  Majority required = £7,613,051 (50% + £1)

It is important to note that RV is not spread equally amongst all hereditaments. Therefore, to maximise the chances of satisfying the second condition (majority by RV), any BID will need to gain more support amongst those businesses with the highest RVs. The following sections outlines the top 25 businesses in the Brentwood, Shenfield, and Ingatestone area, by RV.

5.4.1 Brentwood

Based on the current RV list supplied and assuming a threshold of £9,999, the total RV in the proposed Brentwood BID area is £25,994,350. Therefore, the top 25 rate payers in that area by RV make up circa 5% of total businesses by number, but circa 44% of the total RV available. The table below outlines the top 25 levy payers:

Number	Liable Party	RV
1	Sainsburys Supermarkets Ltd	£2,310,000
2	British Telecommunications Plc (London Road)	£1,390,000
3	Brentwood School	£970,000
4	SS&C Financial Services International Limited	£925,000
5	Sky Uk Ltd	£710,000
6	Nhs Property Services Ltd	£372,500
7	British Telecommunications Plc (London Road)	£362,500
8	Liverpool Victoria General Insurance Group Limited	£360,000
9	Lidl Great Britain Limited	£340,000
10	Martin Retail Group Plc	£317,500
11	Brentwood Community Academies Trust	£307,500
12	R.e.t. Becket Keys C.e. Free School Trust	£297,500
13	Marks & Spencer Plc	£292,500
14	McCarthy Laboratories Ltd	£285,000
15	Premier Inn (Uk) Ltd	£275,000
16	Brentwood Ursuline Convet High School	£244,000
17	TFS Stores Limited	£224,000
18	Brentwood Borough Council (Coptfold Car Park)	£213,000
19	Nuffield Health	£201,000
20	Brentwood Borough Council (William Hunter Way Car Park)	£190,000
21	Mitchells & Butlers Retail Ltd	£188,750
22	Athona Ltd	£173,000
23	RSM UK Management Limited	£172,000
24	Careco (Uk) Limited	£170,000
25	Stanley Tee LLP	£163,000
	Total	**£11,453,750**

5.4.2 Shenfield

Based on the current RV list supplied and assuming a threshold of £9,999, the total RV in the proposed Shenfield BID area is £2,800,500. Therefore, the top 25 rate payers in that area by RV make up circa 22% of total businesses by number, but circa 42% of the total RV available. The table below outlines the top 25 levy payers:

Number	Liable Party	RV
1	Brentwood Social Limited	£97,000
2	Co-Operative Group Limited	£96,000
3	Tesco Stores Limited	£79,500
4	Barclays Bank Plc	£72,000
5	Shenfield St Mary's C Of E Primary School	£67,000
6	Choice Shenfield Ltd	£56,000
7	Goldex Investments (Essex) Limited (Costa)	£53,000
8	Tari Vets	£46,750
9	T M Group Ltd	£46,000
10	William Hill (Essex) Plc	£44,000
11	Hilbery Chaplin Residential Ltd	£41,750
12	L Rowland & Co (Retail) Ltd	£40,500
13	The Dry Cleaners	£37,000
14	Fish to Go	£37,000
15	Bairstow Eves East Ltd	£34,000
16	Liquorice	£33,750
17	Hepburns	£33,500
18	Barnardo's	£32,750
19	Empire	£32,500
20	Visit the Strand	£32,000
21	MCM Partners Limited	£31,750
22	Hidden Hearing Ltd	£31,000
23	Sincerely Yours	£31,000
24	Roger Brooker & Co	£30,250
25	Mr S Panesar	£30,000
	Total	**£1,166,000**

5.4.3 Ingatestone

Based on the current RV list supplied and assuming a threshold of £9,999, the total available RV in the proposed Ingatestone BID area is £1,657,350. Therefore, the top 25 rate payers in that area by RV make up circa 38% of total businesses by number, but circa 66% of the total RV available. The table below outlines the top 25 levy payers:

Number	Liable Party	RV
1	Anglo-European School Ingatestone	£337,500
2	Budgens	£61,000
3	Coop	£46,000
4	Fowler Martin Limited	£42,000
5	Kennadys Ltd	£40,250
6	Patrick Green Ltd	£39,500
7	Taylor Viney & Marlow Charted Accountants	£35,750
8	Eco Green Roofs Limited	£33,500
9	Ingatestone & Fryerning C of E VA School	£32,000
10	The Bell	£31,600
11	Mansfield Monk Ltd	£31,500
12	Ingatestone Veterinary Centre	£31,500
13	Brooks Braithwaite & Co Ltd	£29,250
14	Wedvale Properties Limited	£29,250
15	Amicos Bar	£29,000
16	Wright Start Day Nurseries Ltd	£27,000
17	M.w. Beer & Co. Limited	£23,500
18	Quay Furnishings Shop	£23,000
19	Victim Support	£23,000
20	Barn Oaks Management Ltd	£22,750
21	Nirvana Indian Cuisine	£22,500
22	Stonegate Fashion Limited (in liquidation)	£21,500
23	Ingatestone & Fryerning Community Association	£21,250
24	Barnoaks Management Ltd	£20,500
25	Pastasciutta Ingatestone	£20,250
	Total	**£1,074,850**

6) 'On the Ground' Research

6.1 Background

In 2022 businesses, residents and councillors from Brentwood, Shenfield and Ingatestone were invited to attend a two-part High Streets Conference. During the conference all were asked to come up with their priorities for improvement within the three locations.

The priorities have been categorised into six project areas: Public Realm, Safe and Welcoming, Events, Marketing, Business Support, and Connectivity and Community.

These themes were then taken forward to the consultation detailed below.

6.2 Methodology

The consultation period extended between 6th June and 1st July 2022, therefore spanning 4 weeks. It was carried out through 3 different modes, these were, telephone, email and walk in's/face to face.

Businesses in Brentwood, Shenfield, and Ingatestone were asked 10 questions. The survey was split into two sections, the first 7 questions being a contact collection undertaking and the second consisting of 3 questions (questions 8, 9 and 10) in which respondents were asked to:

- describe the location in 3 separate words
- rate the project areas by importance to them as a business
- to elaborate on their opinions or thoughts regarding projects or priorities for the areas in question.

Question 8 was designed to better understand how businesses viewed their town or village and whether they were negative or positive about its current situation. Question 9's aim was to determine exactly what businesses wanted moving forward at a strategic project level and the final question's purpose was to gather any additional feedback or thoughts businesses might have at that time.

A question that explicitly asks about a business improvement district was avoided. The purpose of the consultation was to determine the needs and wants of the businesses in each location from a projects perspective. The mention of a BID and the monetary underpinnings of such an organisation would result in a conversation entirely about how much these projects could cost, therefore dulling and skewing opinions and the overall findings.

At this stage, a representative sample of businesses to have engaged in the research would be 30%. In this research, we gained responses from 204 out of a total of 668. In addition, it was ensured that the sample was representative of the whole, both by geography and business sector.

6.3 Who was surveyed?

6.3.1 Brentwood

Overall Sector split:

- 180 retail (37%), 97 office (20%), 97 services (20%), 46 hospitality (9%), 25 leisure (5%), 17 education (3%), 13 industrial (3%), 3 other (1%) and 10 vacant (2%)

The total response rate amongst Brentwood hereditaments was 148/488 (30%). Examples include M&S, Lloyds, Sainsburys, Boots, Premier Inn, WH Smith, Nationwide, Halifax, Sports Direct, Santander and Argos. The respondent sector split was:

- 55 retail (37%), 30 office (20%), 29 services (20%), 20 hospitality (14%), 8 leisure (5%), 3 education (2%), 3 industrial (2%)

6.3.2 Shenfield

Overall sector split:

- 37 services (32%), 34 retail (30%), 21 hospitality (18%), 13 office (11%), 4 education (4%), 2 leisure (2%) and 3 vacant (3%)

The total response rate amongst Shenfield hereditaments was 36/114 (32%). Examples include Tesco, Barclays, Co-op, McColls, Costa and William Hill. The respondent sector split was:

- 11 services (31%), 13 retail (36%), 7 hospitality (19%), 2 office (6%), 2 education (6%), 1 leisure (3%)

6.3.3 Ingatestone

Overall sector split:

- 19 office (29%), 14 services (21%), 10 retail (15%), 7 hospitality (11%), 3 education (5%), 1 other (2%) and 12 vacant (18%)

The total response rate amongst Ingatestone hereditaments was 20/66 (30%). Examples include Patrick Green, Ingatestone Wines, Hansen Shipping and Mansfield Monk. The respondent sector split was:

- 7 office (35%), 5 services (25%), 5 retail (25%), 3 hospitality (15%)

6.4 Findings

As mentioned in the methodology section there were 3 questions in the second part of the survey with the overall findings from each listed out below.

Q8: *In three separate words describe your high street?*

The most common words that businesses used to describe the locations were as follows:

- Brentwood - Busy, Clean, Pleasant
- Shenfield - Friendly, Safe, Clean
- Ingatestone – Quiet, Quaint, Independent

Q9: *Listed below are potential projects. Please rate them by importance to your business*

In question 9 the three locations selected 4 priority projects:

Brentwood

- Public Realm (e.g., street cleansing, planters, green space, street furniture)
- Safe and Welcoming (e.g., Street Ambassadors/Street Rangers, exclusion scheme)
- Marketing (e.g., promoting the location, changing perceptions)
- Business Support (e.g., independent business mentoring, networking, night-time economy)

Shenfield

- Public Realm (e.g., street cleansing, planters, green space, street furniture)
- Events (e.g., markets, seasonal events, support existing events)
- Marketing (e.g., promoting the location, changing perceptions)
- Connectivity and Community (e.g., forum for businesses, trails, stronger wayfinding)

Ingatestone

- Public Realm (e.g., street cleansing, planters, green space, street furniture)
- Events (e.g., markets, seasonal events, support existing events)
- Marketing (e.g., promoting the location, changing perceptions)
- Connectivity and Community (e.g., forum for businesses, trails, stronger wayfinding)

The results of Q9 are also displayed in graph form (See Appendix A)

Q10: Is there anything that has not been mentioned above that can further improve your village or town and/or support your business?

In question 10 the three locations commented most on the below issues:

Brentwood

- Better or more events and marketing,
- Lessen the impact of shoplifting and increase safety in the area
- Maintain the cleanliness of the town and high street.
- Parking was mentioned, but to a lesser extent.

Shenfield

- Paving and public realm improvements
- More, and better events needed to drive up footfall.

Ingatestone

- Speed control down the high street
- More events are needed
- Worry around the loss of footfall after the pandemic
- Parking was mentioned as a concern.
- The number of school children at certain times of the day was flagged.

6.5 Consultation conclusions

There are several positives that can be taken from the 4-week consultation in which 30% of the total businesses took part (with an RV of £9,999). For example:

- Achieving a response rate of 30% in all three areas shows that businesses in Brentwood, Shenfield and Ingatestone are willing to engage in discussions relating to their high street, especially discussions that focus on improvements to the area.

The specific survey responses were also encouraging:

- The research indicates that overall, the businesses in each of the three areas have positive opinions about their high street (Q8). Words such as ‘clean’ and ‘pleasant’ appeared most frequently over the consultation period, and the three most chosen words in each area were all positive.

- It is also worth noting that two of the most frequent words used from businesses in the Ingatestone area were ‘Independent’ and ‘quaint’ (Q8); these words suggest that businesses are conscious of the areas smaller size and that they are content with Ingatestone being separate to both Brentwood and Shenfield.

- There are clear similarities between businesses in Shenfield and Ingatestone and the types of projects they would prioritise (Q9); businesses in both areas selected the same four priority projects.

- However, there is also a notable difference in the priorities of businesses in Brentwood, who selected ‘safe and welcoming’ projects as well as ‘business support’ instead of ‘events’ and ‘connectivity and community’ projects which were selected by businesses in Shenfield and Ingatestone (Q9).

- This should not be interpreted to mean that Brentwood businesses do not want these projects. When asked to suggest other possible schemes that could improve the high streets, businesses across all three areas suggested projects that a BID would be well equipped to deliver: events, improvements to the public realm and safety, as well as marketing initiatives to drive up footfall (Q10).

The consultation findings suggest that businesses in each of the three areas have positive interpretations of their high street, but they are receptive to the idea of new projects that would improve the high streets. It is encouraging that the businesses which were surveyed listed several initiatives, such as events and safety, that BIDs across the UK are successfully delivering with the support of local businesses.

7) Potential BID Income

It is possible to estimate the potential BID income from the Brentwood, Shenfield and Ingatestone study areas. The variables most usually applied would be:

1. Levy rate (as a % of RV)
2. RV threshold above which business would be liable for a levy charge

<u>7.1. Geographical comparisons (ordered by levy income)</u>

In considering the range of levy rate and threshold, some consideration has been given to existing BIDs currently operating around the study areas. Each of these is compared by number of hereditaments, levy rate and levy income. All of these BIDs have been able to maintain the support of local businesses throughout their first term (i.e., no BID has had its Arrangements terminated) and every BID that has sought a renewed term has been successful:

BID	No. of hereditaments	Levy on RV	Levy income	Term
Bishop's Stortford	325	1.5%	£200,000	First (Ends 2023)
Chelmsford	461	1.5%	£612,600	First (Ends 2023)
Colchester	491	1.5%	£479,940	First (Ends 2023)
Ilford	360	1.65%	£383,485	Third (Ends 2024)
Romford	447	1.5%	£664,310	First (Ends 2023)
Southend	336	1.68%	£384,493	Second (Ends 2023)
St Albans	450	1.8%	£525,476	Second (Ends 2027)
Welwyn Garden City	712	1.5%	£261,316	Second (Ends 2027)

Using the basket of comparable BIDs, three indicative levy rates have been used for comparison:

7.2 – Brentwood

	Levy Rate (%)			
Threshold	**1.5%**	**1.65%**	**1.8%**	**Levy Payers**
£9,999	£335,295	£363,824	£392,354	488
£12,500	£318,796	£345,676	£372,556	390
£15,000	£307,740	£333,514	£359,288	336
£17,500	£296,503	£321,154	£345,804	290

7.2.1 – Shenfield

	Levy Rate (%)			
Threshold	**1.5%**	**1.65%**	**1.8%**	**Levy Payers**
£9,999	£41,708	£45,879	£50,050	114
£12,500	£38,056	£41,861	£45,667	93
£15,000	£36,391	£40,030	£43,669	85
£17,500	£33,717	£37,089	£40,460	74

7.2.3 – Ingatestone

	Levy Rate (%)			
Threshold	**1.5%**	**1.65%**	**1.8%**	**Levy Payers**
£9,999	£23,619	£25,981	£28,343	66
£12,500	£21,174	£23,291	£25,409	51
£15,000	£18,834	£20,717	£22,601	40
£17,500	£16,813	£18,494	£20,175	32

7.3 – Total combined

	Levy Rate (%)			
Threshold	**1.5%**	**1.65%**	**1.8%**	**Levy Payers**
£9,999	£400,622	£435,684	£470,746	668
£12,500	£378,026	£410,829	£443,631	534
£15,000	£362,965	£394,261	£425,557	461
£17,500	£347,033	£376,736	£406,440	399

8) Governance

Before proceeding with further development, a strategic decision needs to be taken on the final form of any BID. The Business Improvement Districts Regulations (England) 2004 apply.

Regulation 3 requires there to be a BID Proposer who develops BID Proposals and requests the ballot holder to hold a ballot(s). The Proposer can be:

(i) a non-domestic ratepayer(s)

(ii) a person or organisation with an interest in land

(iii) a local authority

(iv) a body (corporate or non-corporate) one of whose purposes is developing BID Proposals

In our experience, a BID is best proposed through the business community. With that in mind, and in this instance, the Brentwood Business Partnership (which includes other organisations such as the Chamber of Commerce) is recommended as the proposer. It would need to (a) develop, approve, and then submit a BID Proposal (which it is likely that a consultant would do on its behalf), (b) notify the Secretary of State of its intentions, (c) formally request the Chief Executive (as Ballot Holder) to hold a ballot, and (d) prepare a business plan (potentially at its own cost) for distribution to those who would be subject for any levy.

The local authority's legal advisors should ensure that they are satisfied that the Partnership is a non-corporate body, one of whose purposes is developing BID Proposals, before it could accept a request to hold a ballot from it.

Schedule 1 (1) (a) of the Regulations states that the BID Proposal must include:

"a statement of the works or services to be provided, the name of who will provide them (the name of the BID body or local authority BID body) and the type of body the provider is (whether a local authority, a company under the control of the authority, a limited company, or a partnership)"

To clarify, the BID Body need not be the same person or entity as the BID Proposer.

The Brentwood Business Partnership, as currently constituted, is unlikely to satisfy the needs of the Regulations – it does not appear to be a company and operates only as an informal partnership.

The Partnership enjoys a close and productive working relationship with the local authority and so, in this instance, we recommend that the local authority considers becoming the BID Body. The Regulations require the local billing authority to invoice, collect and make available the BID levy in any event. The additional work involved with operating as the BID Body would be that it would commission projects and services in accordance with the business plan and may employ staff etc.

If this is the chosen option, an agreement could be reached with the Brentwood Business Partnership that it modifies its governance and set-up to operate as a BID 'Advisory/Management group' in developing the projects and services and recommending to the local authority as to the most appropriate use of levy monies. This arrangement could be contained within an Operating Agreement setting out the relationship between the local authority (as BID Body) and the Partnership (as its Advisory/Management Body).

Finally, for the purposes of reporting, the three study areas have been treated separately. Convention suggests that each location would, therefore, be developed through its own set of Proposals necessitating three ballots and levy monies, via three distinct BID Arrangements, being spent exclusively within each location.

However, in this instance, the three locations have been used to working in collaboration through the Partnership. In addition, they are unbalanced, both in terms of numbers of businesses and, consequently, likely levy availability. The additional risk is that, if three separate ballots are held, they may not all succeed, leaving one or more locations disadvantaged compared to the other(s).

Because of this, we have explored whether the Regulations legally require the conventional route. Our view is that:

1) there is nothing in the Regulations which says that the BID Area must be one continuous geographical block, so, by implication, it could be split over two or more separate parcels of land; and

2) there is nothing in the Regulations which says that the BID levy must be calculated in the same way for all hereditaments in the BID Area, so, by implication, the levy could be calculated differently for different areas or zones within the BID Area.

It is important to note that our view is only "by implication" rather than being able to say that the Regulations expressly permit separate areas and different charging methods. We do think, however, that there are elements within the Regulations which support both arguments. In particular, in setting out the information which must be provided as part of the BID Proposals, Schedule 1 (1) (d) of the Regulations requires that the Proposals state "*whether all non-domestic ratepayers in the geographical area or a specified class of them are to be liable for the BID Levy*." Normally, this results in the levy being imposed only on hereditaments of a given size via a threshold, but there is no reason in our view why the “specified class” could not be described in a different way, such as hereditaments falling within a particular geographical zone.

Schedule 1 (1) (e) goes on to require a statement as to “*the specified classes of non-domestic ratepayer (if any) for which and the level at which any relief from the BID Levy is to apply*.” This is normally used to give relief to businesses occupying premises within, say, a shopping centre, which is classed as a separate geographical area and so permits differential rates of charge. Therefore, in our view, it could be used to set one set of levy rules in one area (e.g., levy rate, threshold etc in Brentwood), as distinct to a different set of rules for another (e.g., levy rate, threshold etc in Shenfield and/or Ingatestone).

Therefore, in this instance, it is our view that either:

(a) the BID area could comprise three separate geographical areas, with the BID Levy calculated differently for each, or

(b) the same result might be achieved by defining one BID Area covering all three locations, with exemptions for anyone lying outside of the final study (and so chargeable) areas.

To the best of our knowledge, this model is untested, and the local authority is advised to take its own, separate, legal advice to verify the view before proceeding. If a ballot were held on the above basis, the declaration (and therefore the local authority) could be challenged. To be successful, any challenger (most likely 5% of the levy payers or more) must prove that there has been a “material irregularity”. In accordance with Regulation 9 (2), the Secretary of State would determine based upon whether any of the following have been proven:

(a) a contravention of any requirement of these Regulations which, in the Secretary of State’s opinion, means it is likely that voting in the BID ballot has been affected to a significant extent by the contravention; or

(b) persons other than persons entitled to vote have purported to vote in the BID ballot and, in the Secretary of State’s opinion, it is likely that the result of the BID ballot has been affected to a significant extent; or

(c) persons entitled to vote have been prevented from voting or hindered from doing so freely in accordance with their own opinion and, in the Secretary of State’s opinion, it is likely that the result of the BID ballot has been affected to a significant extent.

If the challenge relates to the definition of 'BID Area' and the charging regimes within, it would, most likely, need to prove that there has been a "material irregularity" in respect of (a) and/or (c) above. In our view, the unconventional form of a single BID across different areas and including varying rules may be irregular (in the sense that it is unusual) but it is not 'irregular' (and certainly not materially so) as defined by the Regulations.

If development proceeds on this basis, it will allow further work to be carried out on levy rules. By way of example only, to create more income or levy payers in Ingatestone, the threshold could be lowered, and the rate increased; to reduce numbers of levy payers in Brentwood, the threshold could be raised.

The Council's legal advisor has suggested that in agreeing to develop BID Proposals particular attention is paid to the following:

1. That decisions are taken by committee or delegated approval to a lead member or officer which is documented.
2. That there is no conflict with any of our existing policies
3. That no disproportionate burden is placed on particular businesses by inappropriate manipulation of the BID boundaries.

The final point is relevant to the form of the BID and the advisor comments that "*it may be wise to include the option to alter the BID during its progress*" by including within the rules the "*right to make alterations e.g., to remove one or more of the 3 areas included in the BID then we have to advise that this may happen from the outset*". This will require further consideration as Regulation 16 states that:

> *(1) BID arrangements may be altered without an alteration ballot where the arrangements include a provision to that effect.*
>
> *(2) No provision mentioned in paragraph (1) may alter (a) the geographical area of the BID; or (b) the BID levy in such a way that would - (i) cause any person to be liable to pay the BID levy who was not previously liable to pay; or (ii) increase the BID levy for any person.*

We suggest that this aspect is investigated further as part of the next stages of development.

9) Future Stages

9.1 Risks

Further development work contains some manageable risks, primarily:

- An unsuccessful ballot entails some reputational risk, and the suggested three-stage process below helps to minimise this by providing a mid-point decision to proceed before initiating any ballot.

- There are costs involved in progressing but, again, the mid-point decision stage splits this and final costs would only be recommended if there is a high chance of success at ballot.

- Ingatestone is highly independent and sees itself as somewhat different to Brentwood and Shenfield. It also has the least number of businesses so there are two contrasting risks (1) that an overall ballot is successful and Ingatestone businesses are made to contribute even though a majority voted against, and (2) that, in de-risking the process, Ingatestone businesses are denied the ability to participate and, as a result, feel excluded. Both will need to be carefully monitored during any further stages. The same applies to a lesser extent in Shenfield, though here there is a different profile of businesses and more established principles of engagement.

9.2 Timeline to ballot

The following timetable is indicative and uses statutory dates within the BID Arrangements (2004) as a framework:

<u>Stage 1:</u>

Commencement of further BID development	22nd August 2022
End of business consultations	31st January 2023
Report on findings and recommendations	(by) 28th February 2023

<u>Stage 2:</u>

Notification to the Secretary of State (say)	1st March 2023
Final BID Proposal and request for ballot (say)	1st June 2023

Formal notice of ballot (42 days prior to ballot)	7^{th} June 2023
First day of ballot	21^{st} June 2023
Date of ballot (28 days, minimum)	20^{th} July 2023
<u>Stage 3:</u>	
End of veto period	4^{th} August 2023
End of challenge period	18^{th} August 2023
Likely earliest start date for BID	1^{st} October 2023

It may be possible through the next stages of development to shorten this timetable, but that will depend upon feedback from businesses.

9.3 Costs

If developed as three separate sites, likely costs would be circa £25,000 to £45,000 per site, including a business plan for each (circa £7,500).

Subject to the recommendation that a single Proposal covering all three sites being adopted and assuming this becomes the outcome, there are economies of scale available. We further recommend that the instruction to proceed with development is, initially, only to proceed with Stage 1 above. It is envisaged that this stage will:

a) increase engagement amongst businesses to circa 50% (the higher range of likely turnout),
b) help to define the exact deliverables of any BID
c) provide working levy rules including thresholds and levy rates
d) estimate likely turnout and support for any BID Proposal

Stage 1 costs: £20,000 plus vat

If Stage 1 results in favourable findings, the decision to begin the process to ballot can be taken, including notifying the Secretary of State of the intention.

Stage 2 would then involve development of the BID Proposals, the business plan, production of the statutory notices and canvassing to encourage participation in the ballot

Stage 2 costs: £15,000 plus vat

These costs include a provision of £10,000 plus vat for the development of the business plan. We recommend that a request of the Brentwood Business Partnership is made to both fund and lead on this part of the process.

Finally, if the ballot is successful and the BID commences operations, the final stage payment could be paid as at the commencement date (say, 1st October 2023).

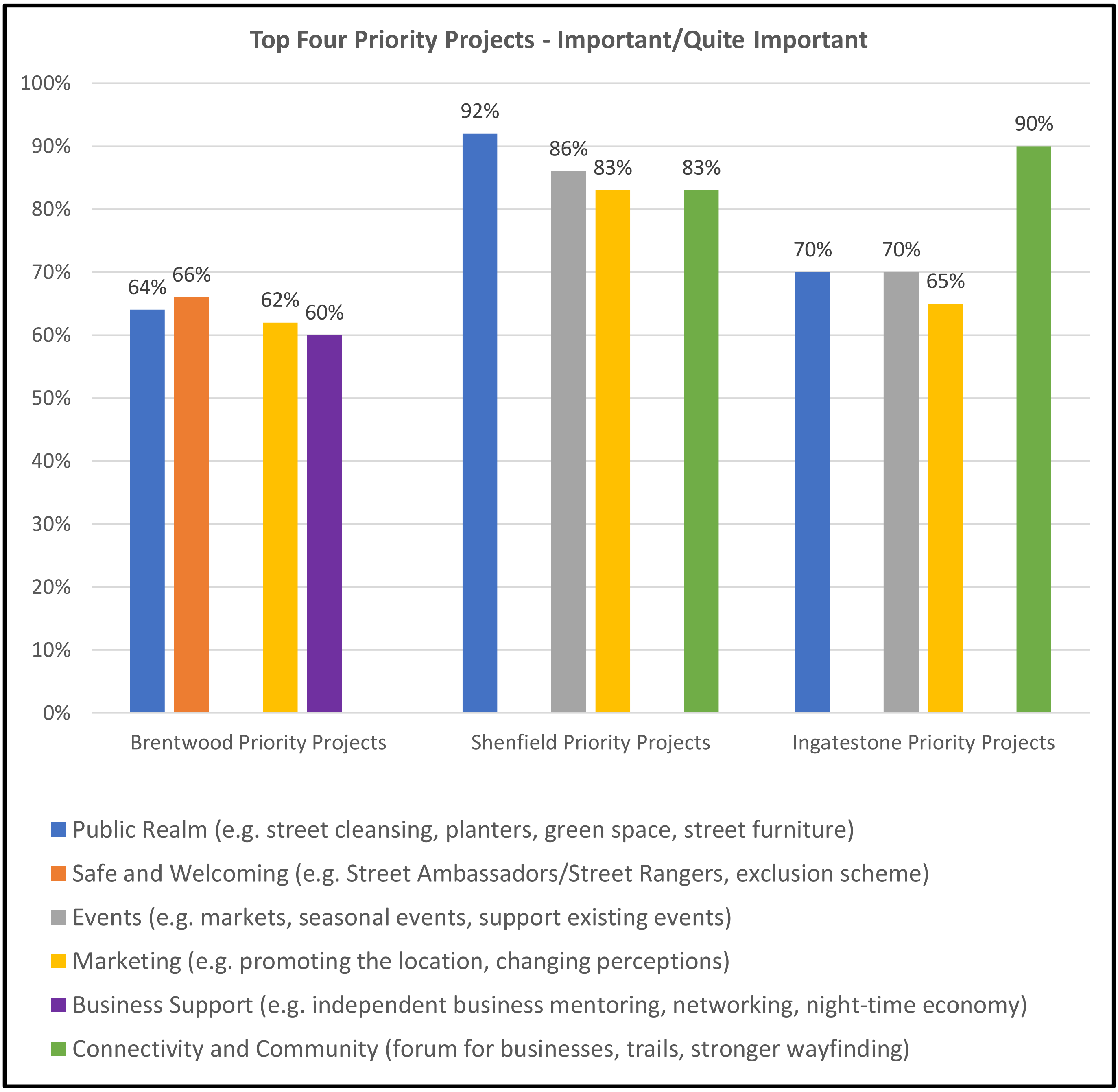
Stage 3 costs: £10,000 plus vat

For the avoidance of doubt, we are suggesting that this final Stage 3 payment only becomes due once there is a successful ballot outcome and as the BID commences.

The BID Regulations permit all set-up costs (in this case, Stages 1, 2 and 3 = £45,000) to be repaid from future levies if they are provided within the budget elements of the BID Proposal.

Section 10 - Appendices

Appendix A: Consultation Q9 results



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