

Watford Business Improvement District Business Proposal (BID) 2021 to 2026

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1. What is a Business Improvement District (BID)

A BID is a defined geographical area of a town, city, or commercial district where National Non Domestic rates (NNDR) business ratepayers are invited to vote to invest collectively in local improvements that are additional to those currently provided by the Council and other statutory bodies.

Business ratepayers are asked to vote on agreeing and paying an additional levy to their rates bill that, if supported, will be collected by the Council, and retained in a ring-fenced account and then used to finance the delivery of projects, services and activities detailed in the Business Plan.

2. The benefits of a BID for Watford Town centre

The proposal is for a second term of Watford BID. A BID provides businesses with the opportunity to decide what happens in the BID area and to influence key stakeholders such as the Council as to what they want to see happen in the BID area. By acting together business in the town will have a stronger voice. There will be

a small levy to pay, it is the businesses who will decide where the money is invested and how it is invested over five year term of the BID. It will also mean that by buying in certain activities collectively businesses may get more for their money.

A BID will not replace existing statutory services (those services the Council and other agencies such as the Police are legally obliged to provide), although these agencies will be under increasing pressure to reduce spend on activities they are not legally obliged to provide. The town and its businesses need to be well placed to face the challenges presented by COVID 19, Brexit and other economic circumstances as they emerge. A BID will provide the town and businesses with stability and a chance to shape the future development of Watford town centre.

3. The BID Proposer

The 'BID Proposer' for the Watford town Business Improvement District is Watford BID Ltd. Watford BID Ltd is a not for profit, company limited by guarantee. It is funded via an annual BID levy placed on each hereditament within the BID area, collected by the Council on behalf of the BID. The BID delivers projects and activities as identified in the 5 year business plan, which was voted for by businesses in November 2015.

The BID seeks to facilitate and encourage investment in the town while also building on the opportunities provided by the ongoing developments within the town.

The BID vision and objectives are set out in the 5 year business plan. The company's Articles of Association set out governance arrangements. The Board meets every two months.

4. BID management

Subject to a successful vote, the Watford BID will be managed by the existing Watford BID Company, which has its own legal identity, corporate structure and accounts.

If a BID ballot is successful the second term of the Watford BID will commence operation from 1 April 2021, and be in operation for a 5 year period. There will be a smooth transition from the current BID to the new 5 year term.

Watford BID has a Board. If the ballot successful we will retain the existing Board, but will include new members if deemed appropriate by the Board i.e. if a sector representative is required.

- During COVID 19 the BID lost its large retailers representation following the closure of Debenhams and John Lewis, and restructuring at M&S. Steps are being taken to rectify this.

The BID Board has a nomination and election process to ensure transparency and accountability. These are set out in the Company's Articles of Association. The role of the Board will be:

- The strategic management and direction of the Company
- Ensure officers deliver against the 5 year business plan
- Ensure good management and financial management of the company.

The Articles of Association and BID Business Plan, outline the decisions reserved for the Board, and the reporting and governance of the company. The BID utilises the services of a professional company secretary to ensure compliance with company law.

5. Statement of works proposed

Vision

A town where everyone feels safe, confident and comfortable, and where businesses thrive and prosper. Watford town centre should continue to be competitive and dynamic, a place that is attractive to businesses and investors.

The Watford town centre BID do this by delivering projects and activities against three key theme areas:

- **Working together to secure the future of the town** – building on opportunities and developments ensuring the town is future proofed; working in partnership with the public sector and other organisations and agencies to develop the aspirations of the town; developing and assisting social and community enterprise and entrepreneurship; supporting business and skills development in the town; managing vacant units and information; supporting the town with the development of new technologies; benchmarking and maintaining the quality of the town centre.
- **Enhancing the look and feel of the town centre** – managing the Retail Business Against Crime Scheme, improving the environment of the town centre, through items such as floral displays, and Christmas lights; enhancing pedestrian routes and access to and from car parks; improving facilities in the town to meet the aspirations of the town its businesses and customers. Supporting the early evening and night time economy and maintaining reputation of town as a welcoming and safe place to spend time and do business.
- **Promotion, marketing & events** - improving perceptions & raising awareness of the town; developing a comprehensive communications and marketing strategy supported by relevant branding, campaigns and activities, including the creation of an employee app. Supporting and enhancing existing events and projects (such as the Gift Card and Visit Watford), and developing new, relevant events and promotional activities..

Further details are outlined in the draft Business Plan (Attachment 3)

6. A statement of baseline services

Much is already being achieved through the activities and resources of Watford Borough Council, Herts County Council and Hertfordshire Constabulary. For the purpose of this BID, the services provided by Herts County Council are excluded from the resourcing baseline. These will be monitored and managed through the on-going relationship with Watford Borough Council. It should be noted that not all resources are listed, there are some activities that may be delivered as part of on-going partnership agreements with other agencies, these will be monitored as part of the on-going partnership arrangements.

To ensure BID resources are directed towards delivering real added value Services Agreements have been prepared to secure the ongoing commitment of Watford Borough Council and define a baseline service specification and performance monitoring arrangements. Watford BID will not only be committed to monitoring these baseline standards, but also to pursuing higher standards where possible.

The agreements will, in practice, provide an essential input into the annual BID business planning process. The baseline services cover the following categories:

- CCTV
- Footfall counters
- Street cleansing & maintenance of street furniture
- Christmas lights
- Hanging baskets
- Town Centre Events

Watford Borough Council provides other services, which, while not possible to baseline for their specific impact on the BID area, will have significant implications for existing and future investment in the area. The agreement seeks to promote effective engagement and dialogue between Watford BID and Watford Borough Council on matters of mutual interest.

Copies of the Service Level agreements can be found at Attachment 1

7. The proposed BID area

The streets included are:

List of Streets in BID Area:

- Albert Road South
- Cambridge Road
- Carey Place
- Charter Place
- Church Street
- Crown Passage
- Clarendon Road (Numbers: 1-35 & 2-24)
- Escort Road (only Sutton Car park)
- Exchange Road (East side of road, including: the British Telecom Exchange buildings, Church Car Park, and Wren House (numbers 15-23)
- Gaumont Approach
- George Street
- Granville Road
- Halsey Road
- Hempstead Road (up to and including the Leisure Centre & Avenue Car Park)
- High Street (down to numbers:165 & 174)
- King Street
- Market Street (from the High Street to numbers: 24 and 25)
- New Street
- Peace Prospect
- Peace Drive (The Peace Hospice and Prospect House)
- Queens Road (Numbers: 1-19A)
- Rickmansworth Road (Numbers 1-5 and up to Peace Drive)
- Rosslyn Road (Numbers: 13-27, plus Gade Car Park and Halsey House)
- Smith Street
- St Mary's View
- St Mary's Close
- St Mary's Churchyard
- The Cloisters
- The Crescent
- The Parade including Rigby House

- Upton Road (Numbers: 14-20)
- Watford House Lane
- Water Lane (the section west of Beechen Grove)
- Wellstones
- Wilmington Close
- Meeting Alley

Map of the BID area: Attachment 2

8. Statement of who is within the BID area and how the BID levy is calculated

Any NNDR business rate payer for a hereditament will be liable to pay the levy in respect of that hereditament if at 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. It is compulsory to pay the BID levy if a yes vote is secured, regardless of whether or not you voted in the ballot, or how you cast your vote.

The levy rate is set against the rateable value of a property or hereditament.

- The BID levy rate is set locally at 1.25% of the rateable value for each property as at 31 March 2021. The levy will be a fixed charge per annum for 2 years of the BID term, increasing in yr 3,4,5 to 1.5%, based on the rateable value (RV) as at the 31 March for each subsequent year, for all businesses within the BID area excluding those businesses within the intu shopping centre who already pay a service charge. Those businesses in the intu shopping centre who are paying an annual service charge will receive a discount of 0.25% on the headline levy rate, meaning the levy payable by those businesses is 1% in yrs 1 & 2 rising to 1.25% in years 3,4,5.
- Local charities (Peace Hospice, YMCA, Homestart and Shopmobility), where the business is not in a retail premise will be charged at a reduced levy of 0.5% over the course of the BID term. Retail premises associated with the charities will be charged at the standard levy rate of 1.25% increasing to 1.5%.
- The Watford BID area includes 456 hereditaments with a rateable value of £10,000 and over.

Their combined rateable value (RV) is a calculation based on the existing RV survey information. The combined rateable value is £38,920,900 This should raise £428,841 per annum in years 1 and 2 and £514,143 in years 3, 4 and 5 or £2,400,111 over the 5 years of the Watford BID.

Re-ballot BID development work or ballot costs will be met through the BID core costs, and Watford Borough Council will make charges for setting up the collection of the BID levy on behalf of the Watford BID, this involves setting up the template and other works related to the pre-collection works. It is estimated these works will cost £30,000 with an annual charge for updates of £5,000

The Watford BID will not be limited to income derived from the BID levy and can expect to raise further funds from:

- Voluntary contributions
- Grants
- Sponsorship and advertising revenue
- Other extra income

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

Amount payable by the hereditament = $0.0125 \times$ Listed Rateable Value as at 31 March each year (excluding those businesses listed within the intu centre), for yrs 1 & 2, rising to $0.0150 \times$ Listed Rateable Value as at 31 March for years 3,4,5.

For those businesses listed within the intu centre the Amount payable by the hereditament = $0.01 \times$ Listed Rateable Value as at 31 March yrs 1 & 2, increasing to $0.0125 \times$ Listed Rateable Value as at 31 March in years 3,4,5.

Costs associated with going to ballot: All costs will be met from existing BID core budgets.

There are costs associated with purchasing software, licence costs, setting up templates and bills and accounts within the BID areas on the system – these are estimated to be in the region of £30,000 but will be confirmed if the ballot is successful.

These costs will be met by Watford BID.

9. A statement of any relief (threshold, discounts etc)

The BID levy will be applied annually from 1 April 2021 to all NNDR business ratepayers within the defined area of the Watford BID before any discounts or exemptions have been applied to the individual account and above with no exceptions.

In other words charitable organisations who receive 80% mandatory discounts and in some cases an additional 20% discretionary rate relief, meaning they no NNDR liability, will still be required to pay a levy on the original RV as outlined above.

In the case of an empty, partly refurbished or demolished hereditament the property owner will be liable for the BID levy, and they will be entitled to vote. There will be no void period and every property will pay for all 365 days of the year.

The levy will be charged annually in advance for each chargeable period to be April to March each year starting in 2021. The levy will then be calculated on the RV as at 31 March each subsequent year. No refunds will be made.

Those hereditaments that are within the intu shopping centre and are subject to a service charge for services such as security and cleaning will receive a reduction of 0.25% of the levy rate payable.

The following hereditaments will be eligible for a discounted levy rate of 0.5%

- Peace Hospice (non retail)
- YMCA
- Home Start
- Shopmobility

The Ratings List (including the 2021 list) will be examined for new entries each year prior to the issue of levy invoices.

There will be no other reduction to the BID levy other than specified above.

Other associated costs with collecting the BID levy

The Council will issue an annual bill to each business, which is separate from the normal NNDR bill. The Council will endeavour to collect all outstanding amounts of the levy, using the same processes and mechanisms for collecting the usual NNDR liability. This includes charging businesses where a summons is issued and passing debts to bailiffs, for which the bailiffs will make a charge.

The recovery processes for the NNDR liability and the BID levy are separate processes. Businesses will be liable to pay two sets of costs where they are summoned for each debt. The costs that are collected by the Council are retained by the Council to meet its additional administrative costs and are not passed to the BID levy company.

10. A statement of any alteration/variation provision

The BID Board will develop projects that meet the 3 project areas, these must be appropriate to the prevailing state of the economy.

All budget headings and project costs can be altered within the constraints of the revenue received through the levy, and the BID Board will be empowered to move the funds between budgets providing the BID's aims are adhered to.

Any proposed variance to budgets and significant projects must be agreed by the Board and reported in the annual financial report and action plan.

11. A statement of the duration of the BID

If the BID is approved then it will commence operation on 1 April 2021 for a period of 5 years. At this date all occupiers of eligible properties will be required to pay the BID levy on receipt of an invoice from Watford Borough Council.

A postal ballot of business ratepayers in the BID area based on the list of non-domestic ratepayers will take place between 8 January and 4 February 2021. The result of the ballot will be published on the Watford Borough Council website and Watford BID website on 5 February 2021.

If successful in 2021, the Watford BID will seek a renewal ballot in 2026. From August 2025 the BID Board will allocate funds to manage the required consultation for the re-ballot in 2026.

12. Start date of the BID

If successful at ballot, the new BID company will continue delivery of services on 1 April 2021 and will continue for a period of 5 calendar years to 31 March 2026.

13. Details of research and consultation

Background

Watford BID was established in 2016, and since then has maintained a constant dialogue with businesses and levy payers across the BID area during its term.

In the Watford BID Business Plan: 2016 – 2021 Business Plan, we committed to carrying out an independent survey mid term survey to help us understand how we were doing, what we could do better, and what levy payers would like us to do more.

Methodology

In April 2018, we commissioned Storecheckers to carry out this research for us.

An online survey, which took no more than 10 minutes to complete, was emailed to every business for which we had an email address. Jeff Bowden from Storecheckers was also in town on 25 April, 26 April, 1 May, 2 May and 3 May, to talk in person with BID levy payers.

117 completed surveys were received in total.

Findings

1. Awareness of being in a BID

Reassuringly, a large majority of businesses surveyed - 87% - were aware that they were a part of Watford BID. Storecheckers confirmed this was high compared with other BID areas they have surveyed and suggested that Watford BID was successfully communicating and engaging with businesses.

2. Our newsletter & email updates

The BID sends out a monthly e-update to every contact on our e-database (currently 356), which summarises the work that has been undertaken that month. The format is kept simple, with short paragraphs under clear headings, in order to be quick and easy for busy levy payers to read. The BID also produces the 12-page newsletter that is professionally printed and hand delivered by the team to every BID business. A digital version is also emailed to those on our e-database and put on the BID website. An average of 3 per year are produced.

Nearly two thirds of respondents (63%) indicated that they receive either the Watford BID email e-news updates or newsletters. Reassuring of those that receive them, 87% said that they believed them to be either "Very informative" or "Reasonably informative". Only 5% - or 7 responses - felt that the updates were uninformative.

Considerations

While it is very reassuring that most businesses find our communications informative, we need to plug the gap and reach more levy payers than at present. Despite us hand delivering the BID newsletters to every business, 29% said they do not receive, indicating it cannot be reaching the right person.

37% of businesses surveyed said they did not receive our BID emails. This presents more of a challenge, firstly because there are businesses that either don't have work email addresses or who do not wish to give them out – for example when asked as part of this survey if they would be happy to be contacted, 50% said 'no' and 48% said 'no' to being added to our mailing lists. The second challenge to overcome is how we ensure our emails are seen – often we are told by businesses that they don't receive our emails, however when we go to add their email address onto our database we find they are already on there and so should in theory be receiving our emails.

The appointment of the ambassadors was, in part, intended to help us bridge these kinds of communication gaps, by ensuring all businesses were also regularly visited and updated in person about BID activities.

3. BID Key projects & services

a) Delivery & success projects & services

In the BID business plan: 2016-2021, Watford BID committed to delivering these 4 key projects:

- i. Marketing Watford
- ii. Watford Weekenders / Food & Drink Week
- iii. Service Excellence Awards
- iv. Improving the Look & Feel of the Town (Wow Watford)

Over three quarters of businesses surveyed (77%) agreed that we had delivered these projects and importantly, seven out of ten (70%) considered them to have been delivered successfully – with 'improving the look and feel' considered to be successful by the greatest number of businesses (82% of businesses). Only 7% said these projects were unsuccessful.

b) Usefulness of key projects & services

The survey also looked at how useful various BID projects were to levy payers – the list was expanded to include the individual campaigns and activities within the key project areas. As expected, the one rated as most useful – by 90% of businesses – is the one that is most accessible to all; our outdoor displays: Floral displays, hanging baskets, Christmas lights and banners. This was followed by 'Winter in Watford' (75.2%), Marketing (68.4%), Service Excellence Awards (67.5%), Food & Drink Week (65.8%) and Watford Weekender (65%).

At the end of the scale were those activities that will have had limited opportunities for participation. For example, our 'business support grant' – which we know is extremely valued by those businesses that have received it, but it is not going to be considered as 'useful' to businesses that have no reason to apply for it. Similarly, the NTE activities such as Designated Driver, Purple Flag, which are arguably important for the town centre, may only be perceived as actually 'useful' to a section of our levy payers.

Considerations

While it is clearly important to run projects and offer services that benefit as many levy payers as possible, there will also be ones that only certain sectors may directly benefit from. The challenge for the BID is to ensure that spend on projects and services that benefit one sector only, proportionally reflects the income generated

from BID levies from that same sector; or that the benefit to the BID area as a whole is equitable and that this benefit is well communicated.

As an example, Food & Drink Week may only be perceived as useful to those businesses that directly participate in it and have their business advertised. However, it could also be perceived as useful to those businesses whose staff take-up the offers. Furthermore, if it attracts more people into Watford town centre, then arguably the whole BID area benefits. In order to measure these levels of 'usefulness', we carry out post-event surveys, however it is difficult to get enough responses to glean any useful information: only 10 participants completed the short survey following our recent Food & Drink Week (provided online and in hard copy), and only 14 BID businesses completed a version created to find out what they and their staff thought of the activity.

4. Other BID activities

a) Green business

In the BID business plan: 2016-2021, Watford BID also committed to delivering a fifth key project: 'Green business', which included the energy tariff monitoring scheme via our provider Utilitrack and plans to find cost savings for businesses through bulk purchasing of outsourced services, eg rubbish collection, recycling, pest control etc.

53% of businesses surveyed felt the BID had not delivered in this area. Only 46% felt this had been a successful project, with 12% classing it as unsuccessful.

Considerations

The Utilitrack service is something that was heavily promoted in year one, with Jenny from Utilitrack visiting businesses in the town, however only 3 businesses signed up for services. The service has continued to be promoted through newsletters and e-updates, plus Utilitrack has attended our networking events. Jenny's replacement Hester is keen to come back to town and revisit businesses.

Also in year one of the BID, a survey was undertaken to see what interest there was in the BID procuring contracts for waste, recycling etc to help save money through bulk purchase. Only 2 businesses responded to the survey – which was hand delivered and sent by email – and neither was interested in taking up this service. No further work on this has been undertaken by the BID

The BID has however recently met with Meercat, an organisation that offers these kinds of schemes at BIDs around the county. They are a paid-for service and the BID board will need to determine whether more businesses will be interested if approached directly by Meercat professionals.

b) Crime & Policing

Watford BID committed to supporting crime reduction initiatives in the town centre.

The survey found that most businesses (87.2%) were happy with the BID's approach to policing. 15 businesses were not happy, and when asked why the answers given indicated that perceived low levels of policing visible on the streets was the main cause for concern, followed by a perceived lack of support from the BID with regard to policing and crime issues.

18% of businesses did however flag up crime and policing as an area they would like the BID to focus on in the future.

5. New projects / services needed

BID businesses were asked what additional services they would like the BID to offer, and what they would like the BID to focus on in future.

The largest response was 'none - no further services were required' from 47.0% of all respondents. This suggests that they are happy with that range of services already provided by the BID and want more of the same. The next three most mentioned were for more events, wider marketing/promotional activities and further visual/infrastructural improvement to the BID area.

6. Benefits of having a BID

When asked what the greatest benefits respondents and their businesses derive from having a BID in their town "Improving the look and feel of the town" was the most frequently-cited benefit, mentioned by 73% of respondents, followed by "Creating a safer town" with 58% and "Improving marketing and promotion" with 55%.

7. Support for retaining a BID for 2021-2026

Watford BID's term will end on 31 March 2021. Prior to that, in November 2020, a ballot of all businesses in the BID area will be held to find out whether businesses want to reinstall Watford BID for a further five-year term. The ballot would be held by the local authority and the BID would create a new five-year business plan detailing projects and budgets for the new BID term. The BID would continue only if a majority of businesses voted 'yes' and if the yes vote represented a collective rateable value higher than the 'no' vote.

Just under half of businesses surveyed (46%) said they are likely to support the BID for a new term, while just over a quarter (27%) said they are unlikely to support it.

When asked why, respondents said that they were most likely to support the BID because of the overall benefit it is perceived to have given to both the town centre - 20.4% of all reasons - and the respondent's own business - 19.0%. Of the reasons given to not support the BID, 6.8% of reasons suggested that respondents did not feel that there had been a great enough impact to warrant it.

March 2020 – COVID 19

Prior to March 2019 we were in discussion and conversation with a high percentage of business in the BID area, 6 March over 350 business representatives attended the annual Service Excellence Awards, which also received the highest number of best employee nominations.

Two weeks later the country went into a national lockdown, and a pandemic swept the world. The majority of businesses in the town closed, with the exception of essential services, and a significant amount of staff were furloughed, and at the point of writing this report, large numbers of staff remain on furlough, uncertain about their future or if they have a job left to go to. Of significant concern for Watford BID, and for the social, cultural and economic development of the town, is the closure of the cultural sector (theatres and music venues) and of the night time economy, including

the nightclubs and bars – these remain shut, and it looks like they will be unable to open until 2021.

The BID continued to run throughout the lockdown period (we furloughed some staff but retained a small core), we provided:

- weekly updates and support to businesses, this is something we are currently maintaining;
- worked with the Council to maintain the quality of the environment; information and support to businesses and the local community.
- a social media presence, which was updated on a daily basis
- We worked with the Chamber of Commerce, Chaplaincy, and other support businesses and agencies (including accountants and HR specialists) promoting and encouraging businesses to take up the range of webinars and courses available.
- We set up a dedicated COVID 19 website page.
- We worked with the Public Health team to support businesses during the re-opening (this continues), we have provided 5 hand sanitiser units throughout the town centre, which we maintain and fill, we provided directional signage in the town, and supported the implementation of road closures. Watford was the first and priority town to have road closures put in place in Hertfordshire – these happened in mid May. The BID installed 30 large floral displays to support these road closures – they are in addition to the other floral displays installed in the town centre. We also brought the Business Crime co-ordinator off furlough to support the public health team, and police with re-opening.
- The BID has maintained its commitment to the quality of environment, as we consider this to be important to presenting a place where people want to spend time, and feel comfortable and safe.
- The BID has supported 30 businesses with small grants to assist with safe re-opening of businesses.

Since June we have sent out 356 emails and surveys per week, over a 4 week period consulting on the direction and structure of the BID.

In addition to the surveys we offered out 6 Zoom sessions to BID business, 19 business attended these.

Attachments to report

Appendix 1: Service Level Agreements

Appendix 2: Map of the proposed Watford Town Centre Area

Appendix 3: Draft Business Plan & budget