

Penzance BID Question and Answers

1 How much will it cost me... I'm not good with figures?

The annual levy is 2% of the premises' rateable value (not business rates). The figure for each business is on our master database or can be found on <http://www.2010.voa.gov.uk/rli/> It helps if you can break it down to a per week cost. Then, if appropriate for the business you are visiting, equate it to how many sales they would need to generate in order to recoup the cost. For example, if they are paying £10 per week and they are a shoe shop, one additional pair of shoes sold per week might cover it.

2 We're in a recession, do you really think I have spare money?

No, no-one has spare money at the moment. However, in a recession it's even more important that we ensure Penzance is promoted and that people still come and spend their money in the town. It is particularly beneficial at this time to save costs by pooling resources and expenses. The town has to be 'aggressive' to market itself at times like these.

3 I only took £30 today, I can't possibly take the risk...

The alternative is to 'do nothing'. That means that new business will not come to Penzance and existing business may go elsewhere seduced by other towns who are making this kind of investment and by on line shopping which is accessible to all. The 'speculate to accumulate' argument...

4 This really is another government tax isn't it?

It's not so much a charge as an investment. It's money generated locally to be spent locally. Your overheads will be the same with or without paying the levy. The levy is **not** like non domestic rates – all of it will remain in Penzance to be spent on things that are important to you. The BID's money doesn't go to central Government. It will be collected by Cornwall Council and transferred to the BID company at regular intervals to spend in accordance with the business plan. A formal operating agreement will be signed by both parties to confirm this arrangement and will detail the services provided by the Council in the town (see 6 below re. public sector baseline services).

5 This is really being led by the Council isn't it?

No, it is being led by the private sector Penzance BID steering group supported by two council officers who have helped the group develop the BID. Marcus Wilkinson, a local businessman, chairs the group. Penzance BID will set up a not for profit private company and it is that organisation that will be responsible for the delivery of the BID if it is approved. The Council is providing staff to support the development of the BID and funding has been provided through Sainsbury's planning gain funding. None of the expenditure needs to be paid back.

6 Shouldn't the Councils be doing more?

The public sector (and the voluntary sector) will pay the levy with Cornwall Council paying more than £12,000 a year on its car parks and buildings. Baseline information on what the statutory agencies already do in return for your rates has been prepared and is available on the BID website www.penzancebid.co.uk. The BID levy will provide **additional** services and won't fund these activities.

7 Surely, some of what's in the business plan should come out of my rates?

Yes, in an ideal world your rates should cover some of the projects in the proposal and you shouldn't have to pay more. Unfortunately whilst rates are collected locally, they are distributed nationally which means that Penzance doesn't necessarily get back what it pays in. As we all know, there is also a large squeeze on public sector expenditure meaning that only essential services will be delivered. A BID scheme allows you to create your own pot of money that you can control and spend on what you have identified as priorities.

The BID company will be working hard to ensure that local government services provide value for money for Penzance businesses.

8 Why should I support Physical Improvements/Street Environment projects through BIDs – isn't this a local authority responsibility?

Physical Improvements/Street Environment projects are mainly around working with partners and landlords to improving the appearance of vacant premises, creating dwell spaces and making the street scene more attractive through planting schemes. The BID will only pick up those projects that the Council cannot fund and will always explore match funding or in kind contributions where possible.

9 What will I get back for my money?

A much 'higher profile' town, more communication between businesses and results! Penzance will be better promoted, better presented and more vibrant. You will be an integral part of the town's success and an important voice in the process. You may even save money through the cost saving projects.

10 How do you know the projects are what we want?

We have carried out extensive consultation over a 12 month period to ensure the final proposal reflects what businesses in Penzance have told us they want.

11 Isn't BIDs just about retail?

No. Non-retail businesses are part of Penzance BID and the proposal will reflect priorities of those businesses as well. See **What benefits would a BID offer?** towards the beginning of the Business Plan.

12 Penzance needs more than just marketing/events – what else will a BID do?

The main project themes and their projects have come from business surveys. You will also have a voice in the BID programme through the Board. The projects are:

Events & Marketing

Marketing to the whole of Cornwall and the UK, target locals, young people, visitors, and people wishing to relocate. Events will be large and small, sports, culture etc.

Physical Improvements

Improving appearance of vacant premises, creating dwell spaces, planting.

Parking & Access Improvements

Signage, parking initiatives, guides and trails.

Security and Business Support

Support businesses to decrease shop lifting. Joint procurement/cost savings, information and networking.

13 I am on the edge of town. This BID won't help me.

All businesses in the BID area are included and every effort will be made to make sure your specific business benefits from the overall project activities, eg. specific projects such as marketing, events, signage, guides, cost saving ideas.

14 Will everything happen around the centre of the town?

No, the marketing plan states the BID will promote the whole of the Penzance BID area; the periphery as well as the centre.

15 Who is running this and can I trust them?

Penzance BID Steering group has developed the BID; there are 13 business representatives of which I am one. If the BID proceeds Penzance BID, as a not for profit company, will elect a similar number of directors. If you were interested, you could put yourself forward. You will have every opportunity to participate in progress meetings and review the results versus project objectives.

16 Too much money will be spent on administration.

Minimising delivery and running costs and maximising spend on projects that give results is the aim. The programme will not succeed unless there is a staff resource; just like any business, staff are at the heart of it and this is no different to the BID. It will be the responsibility of any staff to also generate additional income over the lifetime of the BID so the cost of their salary will be offset. A maximum of 20% of the budget can be allocated to BID overheads as per industry guidelines.

17 What a load of flashy literature, who's paid for this?

The Penzance BID has been developed with financial support from Sainsbury's planning gain funds. Staff resource has been provided by Cornwall Council. None of the costs associated with the development of the BID prior to the ballot will be recouped.

18 Why are small businesses (under £6,000 RV) exempt from paying the levy?

Premises with smaller rateable values are exempt from the BID to keep the BID manageable and efficient. To collect less than £120 per hereditament or to take action against businesses for very small amounts of money would not be a cost effective. Exempt businesses and those outside the boundary can opt into the BID by paying a voluntary contribution of a minimum of £120.

19 Can I opt out?

No. A positive result in the ballot will mean that all eligible businesses with a rateable value of £6,000 or more and within the BID boundary are required by law to pay for a 5 year period. Thereafter, the BID process will be subject to a further ballot if the business community wishes it to be renewed. You have the right to vote – 'yes' or 'no' at the forthcoming ballot.

20 Do I still have to pay if I'm on Small Business Rate Relief?

Yes, the BID levy is based on Rateable Value (as opposed to Rates Paid).

21 If individual businesses vote no, will they still have to pay?

Yes, if there is a majority vote in favour by number and rateable value, the levy will become mandatory for all businesses in the BID area. Payment of the levy carries the same enforcement as non-domestic rates.

22 Will my landlord have to pay?

There is no compulsion on landlords to pay anything into the BID pot; however, many do so voluntarily. We are approaching landlords to try and secure voluntary contributions from them.

23 I'm a small business, surely only the 'big boys' will benefit from this?

On the contrary, the majority of businesses are sole traders or equivalent. The levy is a percentage of rateable value so generally, you will be paying a lot less than the multiples. However, the benefits will be equitable – for example, small businesses will have the same status on the website as larger ones. The overall town marketing should benefit your business in particular.

24 What evidence is there to suggest BIDs work?

There are over 180 BIDs operating throughout the UK and making positive differences to businesses trading in other towns. There is clear evidence, for example, from Truro, Falmouth and Newquay of increased footfall and sales. Several of the early BIDs have secured renewal ballots and started a second term indicating continued support for the BID scheme, including Truro and Falmouth.

25 How do I know if my money is being well spent?

The BID Board will spend the income in accordance with the business plan and will send you regular information on what projects are being developed and delivered. You should be able to see evidence of some of the projects. Information on the financial aspects of the BID will be available from Board members and AGMs will be held.

26 How do I measure the success of the BID?

Apart from more formal performance measurement and evidencing processes, you should see greater vibrancy in the town. This is clearly evident in Truro and Falmouth where BIDs have been operating since 2007 and 2009. It would also be useful if you can keep your own records of customers, sales etc to measure success.

27 And what if I think it's not working, what do I do?

You can voice your concerns through a Board member or via the annual AGM. This will be your BID and the BID company want to ensure it works so feedback is not only welcome, it's essential. Your voice counts!