

 <b>Executive Committee</b> <b>4<sup>th</sup> January 2018</b>		<b>Agenda Item No.</b>  <b>7</b>
<b>Title</b>	Business Improvement District (BID) Leamington – Update on Renewal Process	
<b>For further information about this report please contact</b>	Suzee Laxton – Strategic Economic Development Officer 01926 456015 Suzee.laxton@warwickdc.gov.uk	
<b>Wards of the District directly affected</b>	Clarendon and Milverton	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive meeting 27 <sup>th</sup> September 2017 Item 04	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes – Ref 906
<b>Equality Impact Assessment Undertaken</b>	No
Not applicable	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	24.11.17	Bill Hunt
Head of Service	24.11.17	Tracy Darke
CMT	24.11.17	
Section 151 Officer	24.11.17	Mike Snow
Monitoring Officer	24.11.17	Andrew Jones
Finance	24.11.17	Jenny Clayton
Portfolio Holder(s)	24.11.17	Cllr Noel Butler
<b>Consultation &amp; Community Engagement</b>		
This will be carried out by the BID for the renewal		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 To update Executive on the progress of the BID Leamington Ltd (BID) renewal process and to seek sign-off on the draft BID Business Plan.

## 2. **Recommendations**

- 2.1 That Executive notes that BID has served notice of their intention to seek a renewal ballot to the Secretary of State and Warwick District Council (WDC).
- 2.2 That Executive agrees to notify BID that the draft BID business plan and renewal 2018 – 2023 (attached as Confidential Appendix 1) meets the relevant regulatory requirements as detailed in the Business Improvement Districts (England) Regulations 2004.
- 2.3 That Executive notes a further paper will be brought forward in February with the final business plan and a recommendation regarding the District Council's voting rights.

## 3. **Reasons for the Recommendations**

- 3.1 As per the mandatory notice period of 126 days before the ballot date, the Board of BID has notified WDC (as the billing authority) and the Secretary of State of their intention to seek a renewal ballot.
- 3.2 In line with The Business Improvement Districts (England) Regulations 2004; Regulation 4, BID must submit to WDC a copy of their renewal proposal, their proposed financial business plan, a summary of the consultation taken with the BID levy payers and a summary of the financial management arrangements for the BID. This is attached as Confidential Appendix 1.
- 3.3 The document has been subject to due diligence and it can be confirmed that:
- there is no conflict with any of our published formal policy documents (as detailed in Regulation 4 of the 2004 Regulations);
  - BID has sufficient funds to meet the costs of the renewal ballot in the event that WDC are in a position to recoup the ballot costs (as detailed in Regulation 10 of the 2004 Regulations); and
  - the BID arrangements are not likely to be a significantly disproportionate or inequitable financial burden to levy payers within the BID area (as detailed in Regulation 12 of the 2004 Regulations).
- 3.4 The content of the BID business plan and renewal proposal are determined by BID in consultation with their members. WDC has no right to veto the proposal based on opinions regarding the contents, although may choose to vote against the proposal if it is opposed to the content of the plan.
- 3.5 The Business Plan and renewal proposal is still in draft format and therefore may be subject to change. It is not anticipated that there will be material changes that will affect the outcome of our due diligence.
- 3.6 There are a number of Council properties within the BID area which will be subject to the levy and WDC receives one vote for each of these premises. A separate report will be brought to the February Executive considering the implications and benefits of the renewal Business Plan and making a recommendation as to how the Council should exercise its voting rights.

#### 4. Policy Framework

##### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
BID Leamington has a commitment to ensuring the town centre is a community centre and business and community health and wellbeing forms a strand of the Business Plan. Events such as the Food Festival and Lantern Parade are free to attend and contribute to a more healthy, integrated community. BID Leamington also supports many other cultural and creative events and charities such as Art in the Park, the Myton Santa Dash, the Carnival, Peace Festival, TEDx Leamington and others.	BID Leamington delivers a number of activity strands that contribute to a safer, greener Town Centre. This has included significant investment in additional floral baskets as well as contributions to the Safer Neighbourhood Forum, Helping Hands Charity and Retail Crime Partnership. Future activities will also focus on strategies to tackle antisocial behaviours.	BID Leamington's existence has a marked impact on the vibrancy of Leamington Town Centre given the level of investment (£1.5 million) and the amount of work (promotion, campaigning, events) it provides for the town centre. It also works to make members more efficient and productive thereby improving the performance of the local retail economy.
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>

<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
None	None	As per 6.1 below, failure for the BID to be renewed may result in increased cost to the Council.

#### 4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here. The continuation of a BID for Leamington town centre is consistent with the Council's Sustainable Community Strategy position of support for the town centres of the District. All town centres are experiencing a change in shopping habits and we need to be providing as much support to organisations such as BID Leamington Ltd to ensure that Leamington town centre continues to thrive at the heart of our district.

#### 5. **Budgetary Framework**

- 5.1 Existing budget provision of £5,600p.a. is available and has been sufficient to accommodate WDC's current BID Levy of £4,005. It is anticipated that, in the event of a yes vote to renew the BID future Levy charges could be accommodated within the existing budget.
- 5.2 Warwick District Council currently charges BID Leamington £8,500 per annum (before VAT) to collect the BID levy on their behalf. This figure ensures that the Council makes full cost recovery.

#### 6. **Risks**

- 6.1 The most significant risk faced is if BID Leamington is not successful in their renewal as Leamington town centre may lose investment in the region of £1.5million over the course of the five years.
- 6.2 Warwick District Council would lose £8,500 of income should the renewal not be successful. However, given that the income relates to specific work undertaken on behalf of the BID, the loss of income will be offset by no longer requiring the expenditure. Further, in the event of a 'no' vote the Council would not be required to pay its BID Levy charges.

## **7. Alternative Option(s) considered**

- 7.1 To veto the BID proposal: not considered as the proposal documents do not conflict with any WDC published policy documents and the levy will not create a significantly disproportionate financial burden.
- 7.2 To vote against the BID renewal: not considered due to the significant impact to the business community
- 7.3 To abstain for the vote: not considered due to the significant impact to the business community.

## **8. Background**

- 8.1 A Business Improvement District (BID) is a business-led and controlled partnership in a given area such as Leamington Town Centre, which delivers an agreed set of services and projects. These are agreed, and formally voted for, by all businesses in the BID and are in addition to what the public agencies provide.
- 8.2 A BID typically lasts for five years with the bottom-line being that it improves the trading environment. BIDs are governed by legislation contained in the Local Government Act 2003 and the BID Regulations (2004).
- 8.3 BIDs can deliver any projects or services that are agreed by the relevant businesses. In Royal Leamington Spa, these are marketing & promotional activities, improved way-finding and higher profile events. The actual projects and services are determined as a result of detailed consultation with all the business in the BID area and are set out in the Business Plan.
- 8.5 BID Leamington Ltd is set up as a Company Limited by Guarantee. This is a business controlled, not-for-profit company that is responsible for the delivery of the BID Business Plan and is accountable to the BID Board and ultimately its levy payers.
- 8.6 Those businesses that are located within the Leamington BID area and whose property has a rateable value over the set threshold will pay an additional percentage of their rateable value towards the BID. This is called a BID Levy. The BID Levy is normally paid by the occupiers of a property. The BID Levy is collected in July on an annual basis and invoices are issued by the collection agent. Properties with a rateable value below the threshold that are located within Leamington Town Centre can be included as a voluntary member of BID Leamington for a set fee. This means that the property will receive the similar benefits e.g. inclusion on the Royal Leamington Spa website, Mini-Maps & Guides, Little Book of Offers advertising and more. The threshold and levy are set through the Business Plan process.
- 8.7 BIDs can only carry out projects or services in addition to those that public agencies have to provide on a statutory basis and/or choose to deliver on a discretionary basis. However, a BID can agree to provide additional resources to deliver a higher level of local authority service over the current benchmarked level. An example of this might be a Christmas Lights contribution whereby BID funding has been used to enhance the lighting in the BID area, but the Local Authority continue to fund the installation, take-down and power.

- 8.8 BID Leamington is governed by a board of directors consisting of 15 elected members that represent a cross section of skills, experience and sectors including: Independent Retail (4), Property Owners (2), Major Retail (2), Leisure (2), Local Authority (2), Tourism (1), Marketing (1) and Finance (1). Within this, two positions can be filled by a voluntary member (i.e. whose business is below the rateable value threshold).
- 8.9 Royal Leamington Spa continues to face increasing competition from resurgent local towns and cities, out of town retail parks and the internet. BID Leamington has made significant achievements but for the town to remain competitive it needs to continue to generate additional levels of funding in order to attract more shoppers and visitors.