

Title: Business Improvement District (BID) Leamington – Update on BID Renewal Process and Progress

Lead Officer: Joanne Randall – Strategic Economic Development Officer
01926 456015/ 07887 684059

Joanne.randall@warwickdc.gov.uk

Portfolio Holder: Councillor Liam Bartlett

Wards of the District directly affected: Clarendon and Milverton

Summary

To update Cabinet on the progress of the Business Improvement District Leamington Ltd (BID) renewal process within Leamington Spa town centre and to seek delegated authority to deal with elements of the process.

Recommendation(s)

1. That Cabinet notes that, as required by regulation 3(2) of The Business Improvement District (England) Regulations 2004, BID Leamington (as the BID proposer) has served notice of their intention to seek a BID renewal ballot to the Secretary of State and Warwick District Council (WDC) as the Billing Authority as per the timeline in Appendix One. A letter was sent to The Secretary of State and WDC on Tuesday 11 October 2022 and confirmation of receipt was received on the same day
 2. That Cabinet approves the proposed Baseline Agreement, set out in Appendix Two, and delegates authority to the Head of Place, Arts and Economy, in consultation with other relevant officers and portfolio holders to agree any minor changes to the Agreement.
 3. That Cabinet notes that the Chief Executive will be the Returning Officer for the ballot, the cost of which will be borne by the Council and approves the engagement of 'UK Engage' to carry out the renewal ballot on behalf of the Council in accordance with the BID Regulations (2004).
 4. That Cabinet delegates authority to the Head of Place , Arts and Economy (PC) in consultation with the Place, Arts & Economy Portfolio Holder to agree an appropriate Operating Agreement with the BID.
 5. That Cabinet notes a further report will be presented to the 9th February 2023 Cabinet providing details of BID Leamington's proposal document and Business Plan.
-

1 Background/Information

- 1.1 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.
- 1.2 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).
 - 1.3 BIDs can deliver any projects or services that are agreed by the relevant businesses. In Royal Leamington Spa, these are delivered by BID Leamington under the four pillars: Marketing, promotions and events; Enhancing the environment; Supporting businesses; and Influencing the agenda. The actual projects and services are determined because of detailed consultation with all the business in the BID area and are set out in the Business Plan.
 - 1.4 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.
 - 1.5 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 Warwick District Council, as 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 calculated in a similar way to levy paying businesses. This means that the property will receive 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.
 - 1.6 BIDs can only carry out projects or services in addition to those that public agencies must 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.
 - 1.7 BID Leamington is governed by a board of directors consisting of 16 elected members that represent a cross section of skills, experience and sectors including: Independent Retail, Property Owners, Major Retail, Leisure, Office / Creative / Tech, Local Authority (2), Tourism, Marketing and Finance. Within this, two positions can be filled by a voluntary member (i.e., whose business is below the rateable value threshold).
 - 1.8 Royal Leamington Spa continues to face increasing competition from other towns and cities, out of town retail parks and the internet. BID Leamington has made significant achievements in supporting local businesses and the local economy through its continued marketing activities and events such as the annual Food Festival that attracts over 20,000 visitors to the town to that one event alone but for the

Leamington Spa to remain competitive it needs to continue to generate additional levels of funding to attract shoppers and visitors and ensure the town centre is vibrant and well managed for those living and working there. The BID Leamington Business Case will be brought to Cabinet at the 9th February meeting and will demonstrate the added value brought to the town and the local economy through its initiatives, business support, events and promotional activity.

- 1.9 Local businesses currently face unprecedented economic pressures through a combination of factors which include the impact of post Brexit trading/ environment; recovery from the Covid-19 pandemic; global economic downturn and cost of living crisis exacerbated by the war in Ukraine. The effects of which are being felt acutely in the retail and hospitality industries with increased energy and supply costs and staff recruitment difficulties. Considering these issues and with the changing face of the 'High Street' the support of BID Leamington is even more relevant and important than ever. The composition of the town centre is also changing with more offices and residential space being developed so in future the idea of including a wider range of businesses in the BID will be explored which will broaden the existing retail and leisure focus.

2 Alternative Options available to Cabinet

- 2.1 To not support the renewal of BID Leamington: not considered as there are no grounds to do this and because of the significant impact on the business community and the Council's reputation.

3 Consultation and Member's comments

- 3.1 Consultation is being undertaken by BID Leamington during the course of the BID Ballot renewal process.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 BIDs are governed by legislation contained in the Local Government Act 2003 and the BID Regulations (2004).

4.2 Financial

- 4.2.1 Warwick District's Council current BID Levy contribution across its 8 properties in the BID area is £11,056. It is anticipated that, in the event of a yes vote to renew the BID future Levy charges could be accommodated. The future BID Levy may alter if WDC decide to redevelop or dispose of any of its assets liable to the BID Levy.
- 4.2.2 Warwick District Council currently charges BID Leamington £8,500 per annum (before VAT) to collect the BID levy on their behalf. This figure is currently being reviewed to ensure that the Council makes full cost recovery.

4.3 Council Plan

- 4.3.1 In respect of Warwick District Council Business Plan, it must respond to the headings of People - Health, Homes, Communities, Services - Green, Clean, Safe, Money- Infrastructure, Enterprise, Employment, People - Effective Staff, Services - Maintain or Improve Services -and Money - Firm Financial Footing over the Longer Term.
- 4.3.2 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.

4.3.3 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.

| People | Services | Money |
|---|---|---|
| External | | |
| Health, Homes, Communities | Green, Clean, Safe | Infrastructure, Enterprise, Employment |
| <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 |
| Impacts of Proposal | | |
| 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, Cars at the Spa 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, developing Meaningful Change, supporting Helping Hands Charity and Warwickshire 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. |
| Internal | | |
| Effective Staff | Maintain or Improve Services | Firm Financial Footing over the Longer Term |

| | | |
|--|---|---|
| <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 |
| Impacts of Proposal | | |
| None | None | As per 5.2 below, failure for the BID to be renewed may result in increased cost to the Council. |

4.4 **Environmental/Climate Change Implications**

4.5 **Analysis of the effects on Equality**

4.6 **Data Protection**

4.7 **Health and Wellbeing**

5 **Risk Assessment**

5.1 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 £1.5 million collected as the levy from businesses over the course of the five years.

5.2. 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.

6 **Conclusion/Reasons for the Recommendation**

- 6.1 BID Leamington Ltd was initially established in 2008 with Warwick District Council acting as Billing Authority and has been renewed in 2013 and 2018. The current term concludes in June 2023. The BID Leamington Board of Directors has decided it wishes to proceed with a renewal ballot.
- 6.2 In accordance with 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 in October 2022 of their intention to seek a renewal ballot.
- 6.3 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 currently being worked on by the BID and will be presented to Cabinet at the 9th February 2023 meeting.
- 6.4 The BID Regulations (2004) require every BID to have a Baseline Agreement with the Local Authority for the areas that sets out the services that the Council will deliver. This Agreement ensures that the BID Levy is only used to provide 'additional value' services for the business community and is not used to pay for core services provided by the Council. The Baseline Agreement put in place for the 2018 renewal covered a broader Baseline Agreement than the previous agreements and it is proposed the same agreement be used for the 2023 Renewal. This is set out in Appendix Two, but delegated authority is requested if there is a need to make any minor changes prior to the commencement of the ballot process.
 - 6.5 UK Engage are an independent supplier of ballot and election services and were selected from a competitive tender interview process to provide the service for the BID Ballot. The Chief Executive would remain the Returning Officer. The costs for the Ballot will be borne out of WDC's Economic Development budget.
 - 6.6 The BID Legislation (2004) requires that the proposal document and Business Plan must be submitted to the local authority (as the Accountable Authority) for sign-off, ensuring that the Plan is legally compliant.
 - 6.7 The Operating Agreement will be reviewed by SDC Legal Services and amended to reflect the actual steps of the BID levy collection process. The Operating Agreement forms part of the BID Business Plan and, although good progress is being made, it is not yet agreed and there is insufficient time to bring the Operating Agreement to the Cabinet for separate approval prior to being incorporated into the Business Plan and as such delegated authority is sought to approve the Operating Agreement.
 - 6.8 A final report will be brought to Cabinet on 9th February 2023 with the completed Business Plan, a review of the completed milestones and a recommendation regarding the Council's voting position.

Background papers:

Please provide a list of any papers which you have referred to in compiling this report and are not published documents. This is a legal requirement.

You must also supply these when submitting the report.

Supporting documents:

This is not a legal requirement but may assist others in identifying documents you have referred to in producing the report.

Report Information Sheet

Please complete and submit to Democratic Services with draft report

| | | |
|---|---|---|
| Committee/Date | 7 th December 2022 | |
| Title of report | Business Improvement District (BID) Leamington - Update on Renewal Process | |
| Consultations undertaken | | |
| Consultee *required | Date | Details of consultation /comments received |
| Ward Member(s) | | Clarendon and Milverton |
| Portfolio Holder WDC & SDC * | | Cllr Liam Bartlett |
| Financial Services * | | Andrew Rollins |
| Legal Services * | | |
| Other Services | | |
| Chief Executive(s) | | Chris Elliott |
| Head of Service(s) | | Philip Clarke |
| Section 151 Officer | | Andrew Rollins |
| Monitoring Officer | | Andrew Jones |
| CMT (WDC) | | Chris Elliott/ Andrew Jones |
| Leadership Co-ordination Group (WDC) | | |
| Other organisations | | BID Leamington |
| Final decision by this Committee or rec to another Ctte/Council? | | Recommendation to: Cabinet / Council |
| Contrary to Policy/Budget framework | | No |
| Does this report contain exempt info/Confidential? If so, which paragraph(s)? | | No |
| Does this report relate to a key decision (referred to in the Cabinet Forward Plan)? | | Yes |
| Accessibility Checked? | | No N/A |