

 Executive Committee 7th February 2018		Agenda Item No. 9
Title	Business Improvement District (BID) Leamington – Recommendation on voting position	
For further information about this report please contact	Suzee Laxton – Strategic Economic Development Officer 01926 456015 Suzee.laxton@warwickdc.gov.uk	
Wards of the District directly affected	Clarendon and Milverton	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive meeting 4 th January 2018 Minute number	
Background Papers	Executive meeting 4 th January 2018 Item 07 Executive meeting 27th September 2017 Item 04	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes – Ref 911
Equality Impact Assessment Undertaken	No
Not applicable	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	12.01.18	Chris Elliott/Bill Hunt
Head of Service	12.01.18	Tracy Darke
CMT	12.01.18	Bill Hunt
Section 151 Officer	12.01.18	Mike Snow
Monitoring Officer	12.01.18	Andrew Jones
Finance	12.01.18	Jenny Clayton
Portfolio Holder(s)	12.01.18	Cllr Noel Butler
Consultation & Community Engagement		
This will be carried out by the BID for the renewal		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 To share the final BID business plan and proposal and provide a recommendation on Warwick District Council's voting position.

2. **Recommendations**

- 2.1 That the Executive notes the contents of the BID renewal document and their proposals for the next 5 years (attached as Confidential Appendix 1).
- 2.2 That Executive agrees to return a yes vote to the BID renewal for each of WDC's nine eligible premises within the BID area and delegates the completion of the ballot papers to the Deputy Chief Executive (BH) with a yes vote for each.

3. **Reasons for the Recommendations**

- 3.1 Members may recall that in the January Executive paper we supplied the draft version of the renewal proposal documents, which may have been subject to change. The final version has now been received and reviewed: there have been no material changes 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).
- 3.2 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. These premises include 4 WDC car parks, the Town Hall, the Town Hall premises, parking land at Newbold Common and 2 votes for the Royal Pump Rooms. Here WDC has the same rights as any other levy payer to review the renewal documents and decide if we wish to vote for BID renewal, vote against BID renewal or abstain from voting altogether.
- 3.3 The BID business plan offers numerous benefits to the Royal Leamington Spa town centre. These include:
- An estimated level of investment into the town centre of £1,560,710 over the course of the five years.
 - National and regional promotion of Royal Leamington Spa through websites, social media, print and events. An example of the scale of this promotion is the Royal Leamington Spa website, which receives in excess of 30,000 hits per month.
 - Enhancement of the streetscape through beautification projects and ongoing work to tackle begging, rough sleeping and vacant properties.
 - Supporting businesses to develop and grow, which is all the more necessary with the challenges facing the changing High Street in the next five years.
 - Acting as the collective voice for the town centre businesses in fighting for the business' and the town centre's interests.

There is no other organisation, including WDC, who would be able to supply the same level of financial support or staff time as is currently offered by BID. The

resultant effect would be a complete absence of the services that the town centre currently benefits from.

- 3.4 Considering the return on investment gained from our levy (£1,560,710 of town centre investment versus a levy of £4,272) and that WDC overall has a net gain in income from the BID (£8,500 of income versus expenditure of £4,272) it is clear that the BID significantly greater value to the town centre than the levy cost and, as such, a yes vote for BID renewal is recommended.
- 3.5 To reflect the importance of the vote, it is recommended that the Deputy Chief Executive (BH) be responsible for completing the ballot return with a yes vote for each Council building in the BID area.

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
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 antisocial behaviour	<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	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	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

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.	tackle antisocial behaviours.	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 6.3 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. The proposed levy percentage of 1.6% can still be accommodated within this existing budget along with the proposed annual inflationary rise of 0.02 (which will be at the discretion of BID Board to apply or not each year). Therefore the total cost that the Council will be liable for in 2018/19 will be £4,272.
- 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. The economic impact of this loss on our town centre economy would be substantial.
- 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.
- 6.3 Given the additionality of services provided by BID on top of the services WDC provides as the Local Authority, we are not obligated to step in and provide replace the level of investment within the town centre. External parties may however have the expectation that we should do so resulting in additional political pressure.

7. Alternative Option(s) considered

- 7.1 To vote against the BID renewal: not considered due to the significant impact to the business community and the negative impact on the vitality of Leamington town centre.
- 7.2 To abstain from the vote: not considered due to the significant impact to the business community and the negative impact on the vitality of Leamington town centre.

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, removal 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.