

 <b>Executive Committee</b> <b>27<sup>th</sup> September 2017</b>		<b>Agenda Item No.</b> <b>4</b>
<b>Title</b>	Business Improvement District (BID) Leamington – 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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 12 <sup>th</sup> December 2012 Item 13	
<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 899
<b>Equality and Sustainability Impact Assessment Undertaken</b>	No (If No state why below)
Not applicable	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	24.08.17	Chris Elliott/Bill Hunt
Head of Service	24.08.17	Tracy Darke
CMT	24.08.17	Bill Hunt
Section 151 Officer	24.08.17	Mike Snow
Monitoring Officer	24.08.17	Andrew Jones
Finance	24.08.17	Jenny Clayton
Portfolio Holder(s)	24.08.17	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 process for the renewal ballot for the Business Improvement District (BID) within Leamington town centre and to seek delegated authority to deal with elements of the process.

## 2. **RECOMMENDATIONS**

- 2.1 That Executive notes that BID Leamington Ltd will serve notice of their intention to seek a renewal ballot to the Secretary of State and Warwick District Council (WDC) in November 2017, triggering the proposed process and timelines set out at Appendix One.
- 2.2 That Executive approves the proposed Baseline Agreement, set out at Appendix Two, and delegates authority to the Heads of Development Services and Neighbourhood Services, in consultation with the Business and Neighbourhood Portfolio Holders, to agree any minor changes to the Agreement.
- 2.3 That Executive 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 the Electoral Reform Services (ERS) to carry out the renewal ballot on behalf of the Council in accordance with the BID Regulations (2004).
- 2.4 That Executive approves in principle that the Council will continue to act as the collection authority for the BID levy in the event of a yes vote, subject to the future agreement of an Operating Agreement with the BID.
- 2.5 That Executive delegates authority to the Deputy Chief Executive (BH), in consultation with the Business Portfolio Holder, to agree an appropriate Operating Agreement with the BID.
- 2.6 That Executive notes that a further report will be presented to the January 2018 Executive providing details of BID Leamington's proposal document and Business Plan.

## 3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 BID Leamington Ltd was initially established in 2008 with Warwick District Council acting as the billing authority. The current term concludes in June 2018. The Board of BID Leamington has decided it wishes to proceed with a renewal ballot and will notify WDC and the Secretary of State accordingly in November. This is in line with the mandatory notice period of 126 days before the ballot date.
- 3.2 The board of BID Leamington Ltd, having made a decision to proceed to renewal, are currently developing a new business plan that will be presented to the business community and other occupiers in 2018. This will be for another five year term (running 2018 – 2023). Appendix One shows the timeline for the renewal process for the BID.
- 3.3 The BID Regulations (2004) require every BID to have a Baseline Agreement with the local authority for the area 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 2013 renewal covered the provision of street cleansing, Christmas Lights

and grounds maintenance. It is proposed that a broader Baseline Agreement, covering the full range of council services, is put in place at this time. The proposed Baseline Agreement is set out at Appendix Two but delegated authority is requested in the event that there is a need to make any minor changes prior to the commencement of the ballot process.

- 3.4 Electoral Reform Services (ERS) are an independent supplier of ballot and election services. They are the contractor for printing of Electoral Registration and elections materials (e.g. ballot papers and postal votes) for this Council and were the supplier that was used in 2008 for the original vote that created BID Leamington Ltd, albeit on behalf of the Council as the electoral authority for which it remains. The Chief Executive would remain the Returning Officer.
- 3.5 Previously, BID Leamington Ltd reimbursed the District Council for all costs incurred by ERS being retained to deliver the voting process. This isn't in line with BID Legislation (2004) Regulation 20, which stipulates that the Local Authority must pay for the voting costs.
- 3.6 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 the Plan is legal compliant.
- 3.7 The Operating Agreement has been reviewed by WCC Legal Services and amended to reflect the actual steps of the BID levy 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 Executive for separate approval prior to needing to be incorporated into the Business Plan. As such, delegated authority is sought to approve the Operating Agreement.
- 3.8 A final report will be brought to Executive in January 2018 with the completed Business Plan, a review of the completed milestones and a recommendation regarding the Council's voting position.

**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.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<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	<u>Intended outcomes:</u> Area has well looked after public spaces	<u>Intended outcomes:</u> Dynamic and diverse local economy

met Impressive cultural and sports activities Cohesive and active communities	All communities have access to decent open space Improved air quality Low levels of crime and Anti-Social Behaviour (ASB)	Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
None	None	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 and 6.2 below, failure for the BID to be renewed may result in decreased income or 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 WDC's BID Levy for the last 2 years has been £4,005 although the Budget Provision is £5,600. It is anticipated that future Levy charges, in the event of a yes vote, could be accommodated within the existing budget.
- 5.2 The Council is obliged through the BID Regulations (2004) to cover the expenditure properly incurred by the ballot holder in relation to the holding of the ballot. ERS carried out the renewal ballot in 2013, and are the selected supplier for the 2018 renewal. Their work will cost £2,090 (excluding VAT), which can be accommodated within existing Economic Development budget provision.
- 5.3 Warwick District Council currently charges BID Leamington £8,500 per annum (before VAT) per annum to collect the BID Levy on their behalf. A revised figure would be negotiated with BID Leamington for the next BID period as part of the Operating Agreement, ensuring the Council makes full cost recovery.
- 5.4 The current collection rate for the BID Levy is over 98%.

## **6. RISKS**

- 6.1 The most significant risk faced is if BID Leamington is not successful in their renewal as Leamington town centre would 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 or should BID Leamington decide against Warwick District Council being the Collection Authority for the Levy. However, in the event of a no vote the Council would not be required to pay its BID Levy charges so the overall negative impact on the Council would reduce to c£4,500 per annum.

## **7. ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 To not approve the renewal: not considered because of the significant impact on the business community and the Council's reputation.

## **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 and public domain. 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 of £15,000 and over pay 1.5% 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 fee of 1.5% of their rateable value with a minimum voluntary contribution of £100.00 per year. This means that the property will receive the same benefits e.g. inclusion on the Royal Leamington Spa website, Mini-Maps & Guides, Little Book of Offers advertising and more.
- 8.7 BIDs can only carry out projects or services in addition to those that public agencies have to provide. 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.