

 <b>Executive – December 2012</b>		<b>Agenda Item No.</b> <h1 style="text-align: center;">13</h1>
<b>Title</b>	BID Leamington – Renewal process	
<b>For further information about this report please contact</b>	Joseph Baconnet, Economic Development & Regeneration Manager	
<b>Wards of the District directly affected</b>	All Leamington	
<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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 11 <sup>th</sup> February 2008	
<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	
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	26-11-12	Bill Hunt
Head of Service	26-11-12	Tracy Darke
CMT	26-11-12	CMT
Section 151 Officer	26-11-12	Mike Snow
Monitoring Officer	26-11-12	Andrew Jones
Finance	26-11-12	Jenny Clayton
Portfolio Holder(s)	26-11-12	Cllr John Hammon Cllr Shilton
<b>Consultation &amp; Community Engagement</b>		
<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 of BID Leamington's term and to seek delegated authority to deal with elements of the process.

## **2 Recommendation**

That Executive:-

- 2.1 Notes that BID Leamington Ltd has served notice of their intention to proceed to a revote to both the Secretary of State and WDC (as billing authority).
- 2.2 Notes the proposed process and timelines for the renewal ballot.
- 2.3 Delegates to the Chief Executive in consultation with Group Leaders to approve the proposal document and business plan in accordance with the requirements of the legislation.
- 2.4 Delegates to the Head of Development Services and Head of Neighbourhood Services in consultation with portfolio holders (of Development & Neighbourhood Services) the authority to negotiate and complete baseline agreements with BID Leamington.
- 2.5 Delegates to the Deputy Chief Executive in consultation with Group Leaders the District Council's voting rights for the District premises in the renewal ballot.
- 2.6 To note that the Chief Executive will, as returning officer, engage the services of the Electoral Reform Services (ERS) to carry out the renewal ballot on behalf of the Council in accordance with the BID Regulations (2004).
- 2.7 To note that WDC currently acts as the collection authority for the BID levy and that, in the event of a yes vote, BID Leamington wishes this arrangement to continue.

## **3 Reason for Recommendation**

- 3.1 BID Leamington Ltd was established for a 5 year term in 2008 with Warwick District Council acting as the billing authority. This term will conclude in June 2013. The Board of BID Leamington has decided it wishes to proceed with a renewal ballot and has notified the Secretary of State and WDC accordingly.
- 3.2 The board of BID Leamington Ltd, having made a decision to proceed to a re-vote (i.e: to continue their existence), are currently developing a new business plan that will be presented to the business community and other occupiers in 2013. The proposal is that this will be for another five year term (running 2013 - 2018). Appendix One shows the timeline for the re-vote for the BID.
- 3.3 The BID Legislation (2004) requires that the proposal document and business plan must be submitted to the local authority (as the Accountable authority) for approval. However, the timescales for the BID revote means that neither the final renewal proposal nor the business plan can be presented to Executive for approval (within our report writing

deadlines). Therefore, in order to expedite the process it is suggested that the Chief Executive in consultation with Group Leaders is delegated to deal with these elements. Copies of the BID Proposal and business plan will be circulated to Councillors for information when they are finalised by the BID.

- 3.4 A number of baseline agreements were put in place before the original 2008 vote that created BID Leamington Ltd. These covered town centre management, street cleansing, Christmas Lights and CCTV. It is suggested that similar baseline agreements will be needed. The baseline agreements are deemed necessary in order to protect the business community from picking up the bill for services that the local authority has already agreed to deliver. It is proposed that the Head of Neighbourhood Services be delegated authority in consultation with his portfolio holder.
- 3.5 There are a number of Council properties within the BID area which will be subject to the levy. Each of the Council's premises within the defined BID area will receive a vote and in order to co-ordinate WDC's response it is considered prudent that voting rights be delegated to one officer in conjunction with a portfolio holder.
- 3.6 In 2008, these were delegated to the Head of Neighbourhood Services. In this first ballot, WDC voted in support of the creation of the BID. However, in this case it is suggested that the Deputy Chief Executive is given the delegation in consultation with Group Leaders on this aspect to reflect the corporate nature of the vote and its potential impact.
- 3.7 Electoral Reform Services (ERS) are an independent supplier of ballot and election services. They 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.
- 3.8 Their appointment will ensure that the BID vote can take place without undue impact on the District Council's elections team which will be engaged with the run in to the County Council elections.
- 3.9 BID Leamington Ltd will be reimbursing the District Council for all costs incurred by ERS being retained to deliver the voting process and any other costs incurred as a result of the renewal ballot.
- 3.10 Warwick District Council currently collects the BID levy on behalf of BID Leamington for a fee (see 5.3 below). The successful collection rate in 2010 was over 99%. The current rate is currently over 98%.

#### **4 Policy Framework**

- 4.1 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. Considering the degree of economic competition the town centre is experiencing as well as the general economic difficulties, the town centre needs all the support it can attain.

## **5 Budgetary Framework**

- 5.1 The annual payment of WDC towards the BID Levy is £2940 (plus car parks) per annum.
- 5.2 In 2011/12, BID Leamington raised £324,443 from levy payers within the BID area Leamington Spa. A further £39,000 was generated through payments for the Christmas Lights (principally from WDC and LTC) and £20,408 was raised through events income and sponsorship (principally for the Food and Drink Festival).
- 5.3 Warwick District Council currently charges BID Leamington £10,100 per annum to collect the BID Levy.

## **6 Alternatives Considered**

- 6.1 To not approve the business plan or approve the revote: not considered because of the significant impact on the business community.

## **7 Background**

### *Business Improvement Districts*

- 7.1 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 Business Improvement District and are in addition to what the public agencies provide.
- 7.2 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).
- 7.3 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.
- 7.4 A BID can be proposed by any business ratepayer, property owner, local authority or other key stakeholder with an interest in the BID Area. In Leamington Town Centre it was led by a BID Working Party which was made up of 12 private sector and 3 public sector representatives. It was responsible for proposing and preparing the BID on behalf of local businesses following a detailed consultation process.
- 7.5 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.
- 7.6 Those businesses that are located within the Leamington BID area, and whose property has a rateable value of over £7,500, 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 Warwick District Council, as the collection agent. For properties with a rateable value below

the threshold that is located within the BID area can be included as a voluntary member of BID Leamington for a fee 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.

- 7.7 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 is the 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.
- 7.8 BIDs can be established any commercial or industrial areas which may not necessarily have a town centre management function in place. Where there is one in place, a BID will work in partnership to enhance services. However BID's will not replace the functions of town centre management as they must deliver on specific issues as laid out in the business plan and prospectus. In Royal Leamington Spa, the Town Centre Development Officer has responsibility for both businesses in the BID area and those in the south of the town outside the BID area. BID Leamington works with the Town Centre Development Officer where necessary to deliver complementary services to give a town a competitive edge over rivals.
- 7.9 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).
- 7.10 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 a realistic level of funding in order to attract more shoppers and visitors.