

Report To: Cabinet

Date of Meeting: 25th September 2018

Lead Member / Officer: Hugh Evans / Emlyn Jones

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Title: Rhyl Business Improvement District (BID)

1. What is the report about?

The report is about the Rhyl Business Improvement District, the development of which has been facilitated by the Council as part of its work on supporting a more resilient business community in the town.

2. What is the reason for making this report?

- To update Cabinet on the development of Rhyl Business Improvement District (BID).
- To confirm that the proposed BID does not conflict with any existing policies relating to the BID area.
- To agree a position on the vote with regard to Denbighshire County Council's properties in the town centre.

3. What are the Recommendations?

- a) That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.
- b) Cabinet note the contents of the BID Business Plan (Appendix 2) and the Officer recommendation that there are no grounds on which to Veto under the BID Wales (2005) Legislation (Appendix 3) as it does not conflict with any existing local policy nor propose a disproportionate burden on particular businesses in the area.
- c) That Cabinet agree to support the establishment of the BID by voting 'Yes' in the BID ballot in respect of each of the Council's eligible rateable properties in the BID area.
- d) If in agreement with (c) above, Cabinet agree to delegate authority to the Corporate Director: Economy and Public Realm to cast the votes in respect of each of the Council's eligible rateable properties in the BID area.

4. Report details

- 4.1 BIDs are a well-established model and over 200 have been established across the UK with the majority in town centres. A Business Improvement District gives local business the power to get together, decide what improvements they want to make within a geographically defined area and to raise funds to deliver these. BIDs are typically run as not for profit companies and are controlled by the businesses that fund them.
- 4.2 There is no limit on what projects or services can be provided through a BID. The only constraint is that it should be something that is in addition to services provided by local authorities. As part of the BID process the Council are required to complete baseline service statements which set out current levels of service provision within the BID area for both statutory and non-statutory provision (example at Appendix 4).
- 4.3 The BID development process involves in depth consultation with businesses from which a BID Proposal is produced and a 28 day postal ballot held where businesses vote 'for' or 'against' the proposal. The BID Proposal is the key document on which businesses vote at the ballot. It sets out how the BID will function (proposed income, expenditure, BID area and performance measures) and how the BID Levy will be spent in the town.

- 4.4 For the BID to be established, two conditions must be met; firstly, a majority of those voting have to vote ‘yes’ and secondly those who vote ‘yes’ have to represent more than 50% of the total rateable value of all votes cast. If both majorities are met then the BID can be established and all businesses within the defined boundary are liable to pay the levy irrespective of whether they voted “yes” or “no” at ballot. If established, a BID runs for a maximum of five years, beyond that if the BID wishes to continue then a new proposal must be developed and another ballot held.
- 4.5 The local authority has a statutory role in the development and operation of BIDs which includes conducting the ballot and collecting and enforcing the levy. The authority must also confirm that the proposed BID does not conflict with area plans and schemes. If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, or the burden on rate payers from the levy is unjust, it can decide to veto the proposals¹.
- 4.6 In May 2016 the Councils Economic & Business Development (EBD) Team invited businesses and town councils from across the county to [visit an existing BID](#) in order to learn about the opportunities presented. Three towns initially came forward with Rhyl and Prestatyn deciding to explore the potential benefits further whilst businesses in Denbigh felt it would not work for them. Mosaic Partnership were appointed in March 2017 following a competitive procurement process to work with business in Rhyl and Prestatyn to undertake a study into the feasibility of establishing a BID and subsequently to develop a proposal to take to ballot. Following promotion of a Welsh Government scheme to encourage development of BIDs the councils EBD Team have recently supported the business community in Llangollen to make a successful funding application to Welsh Government.
- 4.7 Following a recommendation at feasibility stage that a BID would be viable in Rhyl, Mosaic have drawn together a Task Group with membership drawn from the local business community. Emlyn Jones, HoS PPP is the DCC representative. The Task Group, supported by Mosaic, have been undertaking consultation with businesses, market research and project planning to develop the BID Business Plan, this has involved face to face discussions, an online survey and consultation events / workshops in the Town Centre.
- 4.8 A summary business plan has been developed (Appendix 5) which includes a proposed BID boundary and details of the proposed projects. Engagement with businesses on the content of the BID Business Plan is continuing, but on the basis of the responses so far it is proposed that the BID will deliver the following in Rhyl:

Project Area	Proposed Activity
Cleansing & Maintenance	To audit, monitor and scrutinize existing cleansing programs and strategically add value and enhance these where appropriate.
Business Support	Initiatives related to attracting new public and business investment, addressing the vacancy issue and reducing business costs
Safe & Welcoming	To work with existing agencies to assess the hotspots for safety and security issues, as well as anti-social behaviour and proactively plan to work together using the latest technology to minimize issues.
Marketing & Promotion	To work with all stakeholders to present a positive brand for Rhyl to change the negative image the town seems to have acquired.
Strategic Influence & Advocacy	Effectively lobbying local, devolved and central government on policy and funding such as business rates, transport and planning & development as well as having real influence on what Rhyl will look like in the future

- 4.9 In Rhyl, it is proposed that all eligible businesses will pay a levy of circa 2% of the rateable value of the premises. Smaller businesses with a rateable value of less than £5,000, non-retail charities with no trading income, non-profits with an entirely subscription and volunteer-based set up and businesses that fall in to the industrial, manufacturing, storage, and workshop sectors will be exempt from paying the levy. Businesses that are exempt can opt to make a voluntary contribution which

¹ <https://www.legislation.gov.uk/wsi/2005/1312/regulation/12/made>

entitles them to all the projects and services outlined in the Business Plan. Based on the proposed 2% levy the estimated revenue for the Rhyl BID is £252,000 annually.

- 4.10 It is proposed that the BID ballot date (the final day of the ballot) will be 22nd November 2018. In advance of the ballot a final Business Plan will be sent to all eligible voters within the BID area as well as the Local Authority.
- 4.11 Having reviewed the BID Proposals, it is the officer recommendation that there are no grounds on which to veto the BID Proposal in accordance with the BID (Wales) 2005 Legislation.
- 4.12 It is the intention that, subject to a 'yes' vote at ballot; the BID will commence in April 2019 and that its first term will run for 5 years. An incorporated Company Limited by Guarantee will be established to deliver the Business Plan/Proposals. It will be responsible for the delivery of the BID services and it will employ staff as appropriate to implement the BID Board's programme on a day to day basis.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 Under Theme 5 of the Council's 2013-2023 ECA Strategy (Vibrant Towns & Communities) the BID development work being carried out by the Economic & Business Development Team seeks to support improved business pride and leadership in our towns. It is part of a long term business community engagement strategy aimed at increasing local ownership and understanding of challenges / problems and – crucially – securing the resources required to tackle them.
- 5.2 The BID work supports the Council's Corporate Plan aim to “work with people and communities to build independence and resilience”, bringing together stakeholders and developing a partnership to support improvements in the town centre that will benefit those who live, work in and visit the area.
- 5.3 The proposed BID provides a financially sustainable model to support the on-going improvement of Rhyl Town Centre. It offers significant opportunity for collaborative improvement work with particular focus on those issues set out in the Business Plan, many of which are aligned with DCC priorities.
- 5.4 The BID is highly complementary to the current Rhyl Master Planning work being led by the council.

6. What will it cost and how will it affect other services?

- 6.1 Costs of developing the BID are being met from the Economic & Business Development Team budget within the Planning & Public Protection Service.
- 6.2 Legal, HR and Democratic Services
 - 6.2.1 The establishment of a Business Improvement District is to be conducted in accordance with the Business Improvement Districts (Wales) Regulations 2005². The local authority will be required to manage the formal ballot process, the ballot will be a postal ballot of all businesses in the BID area liable to pay the BID Levy. It will be conducted by Electoral Reform Services Ltd on behalf of the Returning Officer. The costs of this (£1,810) will be met by the BID Company if successful or from the EBD Team budget if the BID does not go forward.
 - 6.2.2 Under BID legislation the Council is required to collect the levy (Civica will undertake this in Denbighshire) on behalf of the BID Company. The costs of this are provided for by the BID. An Operating Agreement will be entered into between the BID and the local authority governing how the BID levy monies are collected, administered and passed over to the BID Company.
- 6.3 The Council as a levy payer
 - 6.3.1 Subject to a majority “yes” vote at ballot and the establishment of a BID in Rhyl, the Council will be liable for the payment of the BID Levy contribution on each of its properties. Based on a 2% levy, the maximum possible levy cost to DCC would be £28,900 per annum though we expect this to be lower.

² <https://www.legislation.gov.uk/wsi/2005/1312/contents/made>

6.3.2 DCCs contribution would help to create a total fund of approximately £252,000 per annum to be spent in the BID area on projects prioritised by the Business Community. Each £1 contributed by DCC would sit alongside £7.72 private sector investment. This equates to an annual return on investment of 779%. Funds raised by the BID can be used to lever additional grant aid from a wide range of sources.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 The proposal contributes positively to the wellbeing of future generations, working with partner organisations and the business community to maximise positive effects and minimising negative effects where possible.

8. What consultations have been carried out with Scrutiny and others?

8.1 The following has been undertaken:

- A full BID Feasibility Study carried out in 2017 which supported the development of a BID in Rhyl, consultations during the feasibility stage included:
 - A Survey of businesses (80 responded)
 - 30 Face to Face meetings with Key Stakeholders & Businesses
 - Survey of all National Businesses/Head Offices
 - 2 Business Workshops
- The creation of a 10 strong BID Task Group which oversees BID development and is composed of businesses from all Town Centre business sectors as well as public agencies – this meets monthly.
- BID Fact Sheet and newsletter distributed to all potential levy payers (548 businesses) and the development of a Rhyl BID website³
- Personal visits and contact with business ongoing
- Presentation to SLT in July 2017
- Briefing with Lead Member, Cllr Hugh Evans in October 2017
- Presentations to Rhyl MAG and Rhyl Reference Group
- Presentations and Workshops at Rhyl Business Group Breakfast meetings – March 2018, July 2018 and October 2018.
- Meeting with Democratic Services Manager in July 2018
- Baseline statements have been completed for all required services within the Rhyl BID area in conjunction with Heads of Service.

9. Chief Finance Officer Statement

The costs of developing the BID is funded. If it is successful there will be an additional cost to the council which will have to be included as a budget pressure.

10. What risks are there and is there anything we can do to reduce them?

10.1 Businesses could vote against the BID proposals when they go to ballot, if there were to be a majority "no" vote then the BID would not be established resulting in the loss of revenue of approximately £252K per annum to the area. To minimise this risk the Task Group are developing a robust and well consulted on Business Plan which demonstrates value for money to all potential levy payers.

11. Power to make the Decision

11.1 Section 2, Local Government Act 2000. The power to undertake activity for the promotion of the social, economic or environmental well-being of the area.

³ www.rhylbid.co.uk