

Report to	Cabinet
Date of meeting	21 January 2020
Lead Member / Officer	Hugh Evans / Emlyn Jones
Report author	Carolyn Brindle
Title	Llangollen Business Improvement District (BID)

1. What is the report about?

- 1.1. The report is about the Llangollen 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?

- 2.1. To request a decision on the recommendations set out below in section 3.

3. What are the Recommendations?

- 3.1. Consider the Well-being Impact Assessment undertaken (Appendix 1)
- 3.2. Note the contents of the BID Business Plan (attached as 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.
- 3.3. 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.
- 3.4. If in agreement with (3.3) above, 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 300 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.
- 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 proposals.

- 4.6. In June 2018 the Council's Economic & Business Development (EBD) Team were invited by a group of businesses in Llangollen to discuss the idea of a BID and the potential for a Welsh Government grant for BID exploration. Subsequently a grant application was lodged and was successful in securing grant aid. Contributors to the project being the private sector, the Economic & Business Development team of the Council and Welsh Government. Following a full procurement exercise, Mosaic Partnership were appointed in October 2018 to work with business in Llangollen to undertake a study into the feasibility of establishing a BID and subsequently to develop a proposal to take to ballot.
- 4.7. Following a recommendation at feasibility stage that a BID would be viable in Llangollen, Mosaic have drawn together a Task Group with membership drawn from the local business community. Gary Williams Head of Service for Legal, HR and Democratic Services 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, presentations and consultation in the Town Centre.
- 4.8. In Llangollen, it is proposed that all eligible businesses will pay a banded levy. Smaller businesses with a rateable value of less than £2,500, and businesses that fall in to the industrial, manufacturing, storage, and workshop sectors will be exempt from paying the levy as will the 2 Schools. Businesses that are exempt can opt to make a voluntary contribution which entitles them to access the benefits of all the projects and services outlined in the Business Plan. Based on the proposed banded levy the estimated revenue for the Llangollen BID is £88,000 annually which is £440,000 over 5 years.
- 4.9 It is proposed that the BID ballot date (the final day of the ballot) will be 19th March 2020. 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.
- 4.10 It is the intention that, subject to a 'yes' vote at ballot, that the BID will commence in Summer 2020 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. 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 financially sustainable partnership to support improvements in the town centre that will benefit those who live, work in and visit the area.

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

- 6.1. Costs of developing the BID are being met from a combination of private sector contributions, a Welsh Government grant and the Economic & Business Development Team budget within the Planning & Public Protection Service
- 6.2. The local authority Legal, HR and Democratic Service 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 is contained in the Feasibility and Development budget
- 6.3. 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.
- 6.4. Subject to a majority "yes" vote at ballot and the establishment of a BID in Llangollen, the Council will be liable for the payment of the BID Levy contribution on each of its properties. Based on the banded levy, the maximum possible levy cost to DCC would be £9,980 per annum and as schools are excluded then the cost would be £6,230 p.a.
- 6.5. DCCs contribution would help to create a total fund of approximately £88,000 per annum to be spent in the BID area on projects prioritised by the Business Community. Each £1 contributed by DCC would sit alongside £7.80 sector investment. This equates to an annual return on investment of 780%. 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. A wide range of engagement and consultation work has been carried out and is listed in Appendix 5.

9. Chief Finance Officer Statement

9.1. 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. To minimise this risk the Task Group are developing a robust business plan that has had engagement from businesses and 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.