



# Cabinet Meeting

1 October 2014

Dear Councillor

**Cabinet - Wednesday, 1 October, 2014**

I am now able to enclose, for consideration at next Wednesday, 1 October, 2014 meeting of the Cabinet, the following report that was unavailable when the agenda was printed.

**Agenda No    Item**

- |    |  |
|----|--|
| 7a | <b>Wolverhampton City Centre Business Improvement District (Pages 1 - 6)</b><br>[To seek approval from Cabinet for the Council's support for the progression of a Business Improvement District for Wolverhampton City Centre] |
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If you have any queries about this meeting, please contact the democratic support team:

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# Cabinet Meeting

1 October 2014

<b>Report title</b>	Wolverhampton City Centre Business Improvement District (BID)	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson, Economic Regeneration and Prosperity Councillor Andrew Johnson, Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Partnerships Economy and Culture	
<b>Accountable employee(s)</b>	Jim Cunningham	Interim Head of Enterprise and Skills
	Tel	01902 550166
	Email	James.cunningham@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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## Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Exercise the Council's vote in support of the proposed BID Ballot in respect of the hereditaments in the Council's ownership within the BID area and to delegate authority to the Strategic Director for Education and Enterprise to complete and return the voting papers on behalf of the Council.
2. Should the BID Ballot be successful authorise the Cabinet Member for Economic Regeneration and Prosperity to sit as the Council Board member on the BID Board.
3. Delegate authority to the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise and the Assistant Director of Finance to:-

- take such steps to assist in the delivery of the development and implementation of the city centre BID project.
  - formally approve the BID Business Plan and associated documents,
  - negotiate, agree and complete the BID Operating Agreement between the Council and the BID company if a YES vote is secured.
- 4 Approve funding of £13,250 to procure the BID Billing Software required by the Business Rates team to administer collection of the levy.
  - 5 If a YES vote is secured, confirm up front funding in April 2015 of an amount of £150,000 for the first quarter of the BID levy in order that delivery of BID projects and services are not delayed. The Council will be reimbursed after the levy is collected
  - 6 To confirm officer recommendations to charge the BID company £11,200 per annum for the duration of the BID (5 years) to cover WCC's costs associated with collection of the BID levy.

**Recommendations for noting:**

The Cabinet is asked to note:

1. The Wolverhampton Business Improvement District Business Plan and boundary.
2. That formal notice for the Ballot has been received therefore the Returning Officer has been instructed to organise the BID ballot in accordance with the Business Improvement District Regulations (2004).

## **1.0 Purpose**

- 1.1 The purpose of the report is to seek approval from Cabinet for the Council's support for the progression of a Business Improvement District for Wolverhampton City Centre.

## **2.0 Background**

- 2.1 A Business Improvement District (BID) is a business led initiative in a defined area in this instance Wolverhampton city centre, where businesses decide what additional improvements they want to deliver in their trading area. Businesses in the area agree on the level of funding required to deliver the projects and services that are additional to those being provided by the Local Authority and to fund them through a levy.
- 2.2 BIDs were first established in UK legislation in 2004. To date there have been over 180 successful BID ballots which include a significant number of second term ballots. BIDs are a successful model in delivering city and town centre management. Currently six BIDs operate within Birmingham and also in cities and towns including Manchester, Rugby, Coventry, Stratford upon Avon, Worcester, Leamington Spa and Nottingham. The Mosaic Partnership, the consultancy that provides expert advice to the Wolverhampton BID have delivered over 65 BIDs in other UK locations.
- 2.3 BIDs deliver a range of services and projects that are always additional to those already being provided by the public agencies. Most common BID projects and services include, marketing, promotions and events, cleansing, safety, accessibility, parking and business support. Businesses determine through consultation the projects and services they feel are a priority in their location to be delivered by a BID.
- 2.4 The Council understands the significant importance of having a BID in the Corporate Plan as an objective and within the City Strategy and recognises that a BID helps to achieve the objectives of re-invigorating the city centre and creating an attractive, accessible and lively city of choice for our residents and future generations who wish to make Wolverhampton their home.
- 2.5 Within the proposed BID area of the city centre there are 700 hereditaments (properties) that would be liable for the BID levy (those paying £10,000 Rateable Value and above) through charging a levy based on circa 1.5% of business rates – within a banded levy structure. It is estimated that the BID will raise in the region of £600,000 per annum for the 5 years term of the proposed BID, generating £3million investment for the city centre BID area.
- 2.6 The BID can only come into force if businesses vote in favour for the BID on two counts; being an overall majority in terms of number and that majority must also represent higher rateable value than those businesses that vote No. If the vote is successful all

businesses eligible to pay the levy (paying £10,000 or more RV) will have to pay their respective levy.

- 2.7 Wolverhampton Council's Returning officer has instructed Electoral Reform Services to undertake the independent month long postal vote. The BID covers the cost of appointing Electoral Reform Services. The ballot runs from the 15 October to the 12 November with the result being announced by 5pm on Thursday 13 November 2014.
- 2.8 The Council owns 37 (NDR) properties within the proposed BID area which afford a rates value of £10,000 or over which therefore attracts an applied levy. Based on the banding approach set out in the BID proposals this would result in the Council's BID levy liability being £53,700. Each hereditament that is liable to pay the levy will have a vote. In respect of the 37 council properties within the BID area it is requested that delegated authority be given to the Strategic Director of Education and Enterprise to be the officer responsible for supporting the BID and being responsible for completing and returning the voting papers.

### **3.0 Wolverhampton BID**

- 3.1 Since January 2014 business consultations have been undertaken within the city centre to determine what their priorities are for enhancing the city centre. A BID Task Group formed of businesses within the BID area who are responsible for making key decision for the BID. Members of the Task group include Mander Centre, Wulfrun Centre House of Fraser, Primark, Boots, Marks and Spencer's, TA Hennis, Equinox, FBC Manby Bowdler and First City, Stonegate, The Grand Theatre and the Lighthouse.
- 3.2 Businesses have identified that the specific priorities for Wolverhampton are:
- A Clean, Safe and Welcoming city centre
  - City Centre Marketing Promotions and events
  - Accessibility and Parking
  - Supporting City Centre businesses

These headings set the structure for the services and projects which will be delivered through the BID. All projects and services that the BID will deliver are set out in the full BID Business Plan under each of the headings and include, additional cleansing , professional marketing, promotions and events, CCTV monitoring, city ambassadors, parking incentives and business support to reduce business overheads through collective procurement of services like trade waste, recycling and utilities.

- 3.3 As part of the BID process the Council have produced baseline service statements that set out the current level of service provision within the BID area for both statutory and non-statutory provision. Statements covering services includes, street cleansing, highway maintenance, car parking, events, neighbourhood wardens, street lighting, CCTV, markets and Christmas decorations (a full copy of the Baseline report is available on request). These allow the BID Company to understand the level of services currently in

place so that it can provide services and projects that are additional. These statements are not legally binding but do provide an outline of the commitment to provision of services.

- 3.4 The creation of a new BID Company will be required that specifically delivers the services set out in the BID Business Plan. The Company will be set up following a successful YES vote. The BID Company Board will be recruited via an elected process and will be made up of representatives from city centre stakeholders covering all areas and all business sectors. The City Council will hold at least one seat on the Board.
- 3.5 WCC will be the organisation responsible for collecting the BID levy and will incur costs due to staffing required to administer the collection. The Council will seek an annual fee of £11,200 from the BID Company to cover these additional staffing costs. This fee is representative of average comparative BIDs collection costs in the UK.
- 3.6 In order to arrange for the collection of the levy there is an additional piece of BID software that will be required to be purchased. The cost of purchasing this software is £13,250. (£5000 licence fee, £7000 implementation service and £1250 annual support fee). In support of the value that the BID brings to the city centre and the achievement of some of the core objectives the council will cover this cost. Should the ballot not be successful the council will not be required to meet this cost.
- 3.7 In order that the BID company can deliver projects as set out in the BID Business Plan (September 2015) the BID director has requested that the Council agree to providing the BID company with up front funding of £150,000 in April 2015 to ensure that the BID projects can start being delivered effectively from the earliest stage. The Council as levy collector will retain the £150,000 funding as it receives BID levy payments. The timing of the BID collection will be set out in a schedule attached to the Operating Agreement and in discussion with officers it will be distinct from the Business Rates bill collection and will be sent out in June as a separate bill.

#### **4.0 Financial implications**

- 4.1 A positive vote for the creation of a BID would result in an additional levy being raised on 700 properties in the city centre with a rateable value of more than £10,000. This is expected to raise £600,000 per annum over a 5 year period which will be managed by a newly established BID company and be invested in additional services in the city centre.
- 4.2 There are 37 Council owned properties that would be subject to a levy should the bid be established, Funding for the additional costs estimated at £53,700 have been included within the current Medium Term Financial Strategy.
- 4.3 The Council will provide an initial cash advance to the BID Company of £150,000 to fund activities in advance of the levy funds being received. This will be a short term advance which will have minimal financial implications for the Council.

4.4 Additional software will be required to administer the levy with at a total cost of £13,250 which will be funded from the revenues and benefits budget. This will be recovered as part of the annual charge of £11,200 to be made by the Council to the BID Company for collection of the levy. [MF/18092014/A]

## **5.0 Legal implications**

5.1 Part 4 of the Local Government Act 2003 gave local authorities the power to enable BID arrangements for the benefit of a district or those who live, work or carry on an activity in the district. The Council also has the power to make financial contributions or take action for the purpose of enabling the BID to be carried out.

5.2 The Business Improvement Districts (England) Regulations 2004 outlines the legal responsibilities of the Council as billing authority. The Council must approve the BID business plan, financial management, and consultation as well as providing an accurate non-domestic rates list.

5.3 The Council will negotiate, agree and enter into a BID Operating Agreement with the BID Company providing a Yes vote is secured in the forthcoming ballot. RB/24092014/D

## **6.0 Equalities implications**

6.1 The introduction of a BID within the city centre and the council's support for it will not have any negative equality implications. The BID's aims to ensure that the city centre remain and thrives as an attractive, vibrant, safe and secure city centre will ensure that the city remains accessible and inclusive for all. The BID company will need to demonstrate to all city centre businesses and levy payers that in delivering its services and projects that the city benefits.

## **10.0 Environmental implications**

10.1 Through the delivery of the projects and services by the BID the only intention is to positively enhance the city centre environment.

## **11.0 Human resources implications**

11.1 There will be the requirement to provide staffing to cover additional activities by the business rates team for the collection of the BID levy.

## **12. Corporate landlord implications**

12.1 The current position with respect to Council properties is set out in para 2.8 above. Properties within the BID area will be assessed on annual basis

## **12.0 Schedule of background papers**

12.1 BID Business Plan Summary August 2014.  
BID Business Plan (September 2014)