

Portfolio Holder for Economy and Planning



County Hall
Llandrindod Wells
Powys
LD1 5LG
3 October 2018

For further information please contact

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NOTICE OF INTENDED PORTFOLIO HOLDER DELEGATED DECISION

The Portfolio Holder has received the following report for a decision to be taken under delegated authority. The decision will be taken on **9 October 2018** (i.e. 3 clear days after the date of this note). The decision will be published on the Council's website but will not be implemented until 5 clear days after the date of publication of the decision) to comply with the call-in process set out in Rule 7.36 of the Constitution.

1.	BUSINESS IMPROVEMENT DISTRICTS - FEASIBILITY FUNDING FOR BRECON AND NEWTOWN
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CYNGOR SIR POWYS COUNTY COUNCIL
PORTFOLIO HOLDER DELEGATED DECISION
by
COUNTY COUNCILLOR MARTIN WEALE
PORTFOLIO HOLDER FOR ECONOMY AND PLANNING

October 2018

REPORT AUTHOR: Professional Lead – Regeneration

SUBJECT: Business Improvement Districts - Feasibility Funding for Brecon and Newtown

REPORT FOR: Decision

1. Summary

- 1.1 A Business Improvement District (BID) is a business-led and business funded initiative formed to improve a defined commercial area. Businesses decide how the money raised is spent to help support the vitality of their trading environment and to increase footfall and spend.
- 1.2 Legislation enabling the formation of BIDs was passed in 2003 in England and Wales. The Welsh Government is currently encouraging the formation of new BIDs across Wales with grant funding to support feasibility work. Funding has been secured to undertake feasibility work on potential BIDs in the Brecon and Newtown areas. If these proposals prove to be viable, other area or types of BID could be considered for the County in the future.

2. Proposal

2.1 Background

- 2.2 BIDs bring together businesses and other stakeholders in a defined geographical area, so they can develop projects and activities which support economic regeneration and benefit the trading environment within the boundary of a commercial area.
- 2.3 Typically, BIDs focus on town centres, although they are not confined to these areas, and may cover for example industrial areas or tourism destinations. The key feature of the BID model is the way that it generates a reliable revenue stream. Businesses and organisations pay an annual levy usually between 1.25-1.5% of the rateable value of their premises. As far as possible this cost would be off-set by the development of financial savings to businesses by for example joint

purchasing of energy deals. The funding raised is used in the specified area to make the trading area more profitable for businesses.

2.4 The process of developing a BID involves initial feasibility work followed by widespread consultation with businesses to ascertain what improvements they would want and may be prepared to pay for. All BIDs have a clear and focused role contained within a Business Plan which is developed by the business community. Funding raised by a BID cannot be used to substitute the statutory activity of the Council. Activities tend to include measures to increase footfall, spend and economic vitality such as:

- Business cost reduction/collective purchasing projects
- Car parking improvements
- Local priority improvement actions
- Marketing and promotional activities
- Public realm and environmental enhancements
- Public event management and development
- Public safety and security initiatives
- Cleansing and waste
- Developing a stronger business community

2.5 If the outcome of feasibility and consultation demonstrates a potentially viable proposition, a BID proposal is produced based on the business plan and a 28 day postal ballot held where businesses in the area vote 'for' or 'against' the proposed establishment of a BID. For the BID to proceed, two conditions must be met; firstly, a majority of those voting have to vote 'yes' and secondly those 'yes' votes have to correspond to more than 50% of the total rateable value of all votes cast.

2.6 If they vote 'yes', a new BID is created to deliver those agreed projects. A BID term runs for up to five years, after which a 'Renewal Ballot' is held. The BID management structure is private sector led and usually involves the employment of a BID officer to oversee its administration.

2.7 Welsh Government Support

2.8 Since the introduction of BID legislation in 2003, over 290 Business Improvement Districts have been created across the UK. There are currently 12 BIDs in Wales and the Welsh Government are encouraging applications for themed BIDs such as Tourism and Industrial BIDs, in addition to the tradition Town Centre BIDs.

2.9 In April 2018, Welsh Government launched a new fund to provide grant support to local authorities working in partnership with the business community to:

- explore the feasibility of a BID
- take the BID Proposal to ballot (if feasible)
- support post ballot implementation (if yes vote)

2.10 Under the programme, funding of up to £30,000 per application is available, with an expectation that match-funding of a minimum of 25% is put forward from other sources. The funding will support the commissioning of consultants by Local Authorities to assist business partnerships in developing BID proposals. The role of the consultant is to guide and advise the local partnership and provide the necessary support while the role of the local partnership is to lead the process and promote the BID locally.

2.11 Local Authority Role

2.12 Councils have a statutory responsibility to support the development of BIDs and facilitate their establishment. This includes conducting a potential ballot and collecting and enforcing the levy. Councils must also confirm that the proposed BID does not conflict with area plans and schemes. Each Council owned property which is liable to pay a levy would also have a vote in a potential ballot and would be required to contribute to the BID should it be set up.

2.13 The Council would support the feasibility stage and oversee the process. Should a BID be set up, the Council would be the organisation responsible for collecting the BID levy and would incur costs due to staffing required to administer the collection. The Council would be able to receive an annual fee from the BID delivery mechanism to cover these additional staffing and administrative costs.

2.14 Proposed Funding Applications for Brecon and Newtown

2.15 The Chambers of Trade and representatives from the business community in Brecon and Newtown have led proposals to undertake feasibility work on potential BIDs for their respective areas. Welsh Government has recently confirmed an offer of funding for each town to support this stage. This would involve no cost to the Council other than officer time to oversee the process. It should be noted however that should the proposal for a BID proceed, there would be a potential cost to the Council through the levy imposed on Council owned premises. This would be explored as part of the feasibility stage and would be reported back to inform any future recommendations and decisions regarding implementation.

2.16 The funding would be used to commission consultants to undertake a staged approach including an initial feasibility assessment, consultation with businesses, preparation of a business plan and ballot if a viable proposal can be developed.

2.17 In Brecon, the proposal is supported by the Chamber of Trade, Town Council, Brecon Beacons Tourist Association and Brecon Beacons National Park. Match funding would be sourced from the Brecon Beacons National Park Sustainable Development Fund (application pending).

- 2.18 In Newtown, the proposal had been instigated by the Chamber of Trade and Going Green for a Living Community Land Trust with wider support from local businesses and Town Council. The Land Trust have agreed to underwrite the match funding requirement.

3. Options Considered/Available

Option 1: That the proposal to undertake feasibility work on BID proposals for Brecon and Newtown is supported.

Option 2: That the proposal to undertake feasibility work on BID proposals for Brecon and Newtown is not supported.

Options 3: That the proposal to undertake feasibility work on a BID proposal for Brecon is supported and for Newtown is not supported.

Option 4: That the proposal to undertake feasibility work on a BID proposal for Newtown is supported and for Brecon is not supported.

4. Preferred Choice and Reasons

- 4.1 **Option 1:** is the preferred choice as it will provide an opportunity to explore whether a BID proposal is viable for Brecon and Newtown and test whether it would have the support of the business community. The implementation of BIDs have the potential to provide a financially sustainable model of supporting the economic vitality of the towns and would support the delivery of the Council's Vision 2025 objectives.

5. Impact Assessment

- 5.1 A single impact assessment will be undertaken as part of the feasibility study stage.

6. Corporate Improvement Plan

- 6.1 The proposal will directly support the economy priority of the Council's Corporate Improvement Plan. It will also link closely with the preparation of the emerging Powys Well-being Plan which aims include the development of a thriving economy, sustainable environment and equality for all.

7. Local Member(s)

- 7.1 Local members will be consulted on the proposals as part of the feasibility work.

8. Other Front Line Services

8.1 The proposals have been developed in consultation with the Council's Business Rates Team.

9. Support Services

9.1 Legal: The recommendations can be supported from a legal point of view.

9.2 The Finance Manager for Environment and Resources notes the contents of the report, as noted the Council can seek an annual fee from the BID delivery mechanism to cover additional staffing and administrative costs. The potential costs to the Council of having to pay the levy on non-domestic rates will be costed with the service during the feasibility stage and reported back to inform future decision making required to move to implementation.

9.3 Communications: The issue is of public interest and the decision to proceed with a feasibility study should be promoted through press release and social media.

10. Statutory Officers

10.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

10.2 The Strategic Director Resources (S151 Officer) notes the comments made by the Finance Business Partner for Place.

11. Members' Interests

11.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he should declare it, complete the relevant notification form and refer the matter to the cabinet for decision.

Recommendation:	Reason for Recommendation:
<p>To approve the proposal to undertake feasibility work on Business Improvement Districts for the Brecon and Newtown areas.</p>	<p>The implementation of Business Improvement Districts have the potential to provide a financially sustainable model of supporting the economic vitality of the towns and would support the delivery of the Council's Vision 2025 economy programme objectives.</p>

Relevant Policy (ies):	Vision 2025 Economy Programme		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Iain Macintosh, Cllr Matthew Dorrance, Cllr David Meredith, Cllr Sarah Lewis, Cllr David Selby, Cllr Daniel Rowlands, Cllr Mark Barnes, Cllr Joy Jones, Cllr Neil Morrison
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Person(s) To Implement Decision:	Professional Lead for Regeneration
Date By When Decision To Be Implemented:	31st October 2018

Contact Officer Name:	Tel:	Fax:	Email:
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Background Papers used to prepare Report:

Welsh Government Guidance - Business Improvement Districts (2018-20)

Wales <https://gov.wales/topics/housing-and-regeneration/grants-and-funding/business-improvement-districts/?lang=en>

Business Improvement Districts (Wales) Regulations 2005

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