

Councillor John Williams, Cabinet Member
Portfolio Holder - Town Centres, Business and Assets
Update to Finance, Resources and Partnerships Scrutiny Committee
Thursday 3rd September 2015

Land and Property Disposals

Land

Lyme Valley Road, Newcastle – waiting for final contracts to be signed off.

Gloucester Road, Kidsgrove – put on the market for sale.

Stafford Avenue, Clayton and St Edmunds Avenue, Porthill – waiting for planning permission.

Sandy Lane, May Bank, Market Drayton Road, Eccleshall Road, Loggerheads – Consultants instructed to submit planning applications.

Deans Lane, Red Street – just finished consultation period; report to next Cabinet.

Sheldon Grove, Chesterton and Knype Way, Bradwell – out to consultation; report to October Cabinet.

Former Sainsburys site and Civic Offices, Newcastle – Officers finalising reports based upon advice from expert advisors. To be reported to Council shortly.

Property Sold

The Square, High Street, Newcastle
2-10 Hassall Street, Newcastle
Former Jubilee Baths
Property in Brunswich Street

Commercial Investment Account

8.7% vacant

Shops town centre

11% vacant

Interestingly, niche business has opened up in Fogg Street, including Rawr Café and next door to it; a shop is opening selling a wide variety of breads.

Shops and offices in Lancaster Building have higher vacancy because business rates are more than other properties.

Newcastle Business Improvement District (BID)

The Newcastle Business Improvement District (BID) will provide Newcastle town centre with a longer term funding model to sustain activities and improvements in the town centre that local businesses want (to enhance the fortunes of the town centre economy).

The Town Centre Partnership sought to balance the ambitions of businesses in the BID plan against the affordability of the levy and the requirement to ensure that the BID is able to deliver best value. The levy has been set to take into account the size of the businesses and to take account of whether they are inside or outside of the ring road.

Rateable value of Business	Levy Charge for Businesses inside the ring road	Levy Charge for Businesses within the BID area but outside of the ring road
£10,000 or more	1.5%,	1.0%
Between £2,999 and £10,000	£150	£100
Less than £3,000	Will not be charged but will be encouraged by the TCP to enter into a voluntary arrangement direct with the BID company so that they can benefit from the full range of services provided by the BID	

The liable person is the ratepayer liable for the occupied or empty properties.

The BID financial year will start on 1st April and the levy is to be paid in full in advance, the payment date being the 1st October in year one then 1st April in subsequent years. There will be an annual inflationary increase on all levy charges; this will be a minimum of 2% increase year on year or the inflation percentage as determined by the Consumer Price Index, whichever is greater. The Business Plan has been developed to take into account the levy collection rate and procedures have been agreed to confirm the approach to non-payment including reminders and enforcement procedures. The BID Company will be responsible for confirming to the Council debt write off.

The key buildings in the town centre which the Council pay business rates on are: Jubilee 2, the Civic Offices, Guildhall, the Depot, Lancaster Buildings, properties on Merrial Street and Fogg Street, the bus station, town centre car parks and market stalls. Some of these properties are part of the Council's commercial portfolio and are let to private businesses;, where this occurs the

private business will be liable for the BID levy, (if the property is empty then the Council is liable). The following financial assessment has been taken as a snapshot for the purpose of this report and there will be minor differences in the overall costs dependent on vacancy rates.

The cost to the Council as ratepayer based on current occupancy of the premises will be approx. £25,000 per annum.

The BID Business Plan which sets out the key objectives, activities and results to be delivered with the levy funding. The 3 strategic objectives, funding and projects are:

1) Promote Newcastle-under-Lyme

To develop and promote the strengths and characteristics of Newcastle-under-Lyme as a vibrant, university, market town and build awareness of its retail, leisure and professional service sectors and its College, locally and regionally.

The Business Plan allocates £396,000 over 5 years which will deliver projects on brand development, marketing, media campaigns, campaigns to co-ordinate key retail periods and trading opportunities, a loyalty scheme, professional services support, cultural and leisure opportunities, and greater association with colleges and University.

2) Develop the distinctive Newcastle Experience

To develop the distinctive, safe, attractive and appealing experience for visitors, students, residents and workers in Newcastle-under-Lyme to enjoy.

£676,700 is allocated over 5 years in the business Plan to deliver uniformed rangers to improve visitor support and business communication, develop a safe evening economy with the Police, work with car park operators to deliver services to meet business needs, improve pedestrian flow, develop specialist markets and events, support initiatives which improve the public realm.

3) Growth, Development and Investment

To build on the strengths of the businesses and organisations of Newcastle-under-Lyme, to support growth, development investment and a sense of business community.

The Business Plan allocates £128,500 over 5 years which will support businesses to work together to reduce costs, develop skills to improve performance, encourage investment and co-operate to build on the town's strengths and brand.

When Cabinet assessed the business case for the Council as a rate payer it considered both the benefits to the Council as a commercial business operator and the wider regeneration benefits to our residents and local businesses. These considerations were:

- Property Management

The Council manages a number of properties in the town centre (including the Street Market) and, like all landlords, needs to attract tenants which, in turn, will attract customers in sufficient volume and type to operate financially viable businesses. The Council has very limited resources to invest in marketing and media campaigns to promote the town to potential tenants and customers. It is also recognised that when companies come together they can often procure marketing more favourably. The BID marketing proposals to promote Newcastle town ensures that all businesses, including the Council, are able to benefit.

- Leisure and Culture

The Council delivers key leisure and cultural services in the town including J2 and the Museum / Art Gallery. Promotion of these facilities and increasing customer usage will support the delivery of these services. Similarly the Council has the newly refurbished market which operates 6 days a week, which has the potential to be enhanced through the development of specialist markets assisted by the BID.

- Skills Development

The BID identifies activities to develop a range of skills to improve business performance which in turn will improve customer service within town centre businesses and enhance their viability / sustainability. This should be welcomed by the Council and other businesses.

- Increasing the Customer Base

Viable and thriving town centres need a varied offer that can attract and keep a range of loyal customers. It is recognised through the market's customer research that we have an ageing loyal customer base and, whilst it is important to retain these, the Council needs to be actively seeking to attract new customers, particularly to support other economic development objectives such as attracting international students to live within the town centre. The BID seeks to engage with the colleges and Universities and to develop a broader offer to attract young customers to the town centre.

- Events

From a wider regeneration assessment it is worth comparing what has been achieved through the Town Centre Partnership and how the BID company could make events and marketing sustainable for the next 5 years. A significant part of the TCP funding has been allocated to delivering

events; a wide range of activities have been provided from the Lymelight Festival through to the Christmas Spectacular. The scale and nature of these events could not be provided by the Council and importantly are valued by our residents as they enhance the town centre offer.

- Marketing

Development of a brand and the range of promotional activities which the BID company could deliver will increase footfall from a more diverse customer base. The Council would not be able to deliver anything approaching this level of activity given its limited marketing resources.

- Professional Services

In the past, ST5 had one of the highest concentrations of professional service companies in the West Midlands outside of Birmingham and many small, but successful companies still operate on the edge of the town centre. These are important to the economic well-being of the Borough and the support offered through the BID levy will encourage future inward investment and job creation.

- Safety

The Council has proactively worked with partners to develop a safe environment, including the achievement of Purple Flag status but it needs to continue to build on this work. The BID company plans to work with partner agencies including the Police to support a safe evening economy and to support investment that builds on the strengths of the town. The Council seeks to maintain the public realm to ensure the town centre feels welcoming however it is acknowledged that the limited resources available make it difficult to invest in new facilities and environmental improvements. Voting for and payment of the levy will therefore deliver improvements that would otherwise not occur, including the potential of the BID company to bid for funding not available to the Council.