

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO CABINET**

13 January 2021

Report Title: Business Improvement District, Newcastle Town Centre – Re-Ballot

Submitted by: Executive Director - Commercial Development & Economic Growth

Portfolios: Corporate & Service Improvements, People and Partnerships

Ward(s) affected: Newcastle Town

Purpose of the Report

To update Members on the Newcastle-under-Lyme Business Improvement District (BID) plans to hold a re-ballot for a further five year term until 2026 to continue the good work of the BID in its first term with the aim of assisting in the provision of a sustainable future for the Town Centre.

Recommendations:-

1. That Cabinet notes the requirements of the Council to operate the ballot (and collection of levy if vote is successful) in line with the regulations covering BID ballots.
2. To note the Prospectus and the Aims and Objectives of the BID and its Business Plan for the new BID duration 2021 to 2026.
3. To support the BID in its efforts for a successful ballot outcome.
4. That the Portfolio Holder for Corporate & Service Improvements, People and Partnerships is authorised to vote Yes for each of the Council hereditaments to the BID proposal for a new term.

Reasons

The current BID term / duration was due to expire on the 30th December 2020 but due to the COVID Pandemic experienced in 2020 the Coronavirus Act 2020 allowed the BID to extend its term / duration until 31st March 2021 and reschedule its re-ballot.

The BID has delivered against its original aims and objectives (see attached Prospectus) and is widely seen to have been a success for the Town Centre and extending its term / duration is seen a further positive contribution to the sustainable renewal of the Town Centre activities.

1. **Background**

- 1.1 A BID is a defined area within which rate-paying businesses decide on new improvements to help transform their area and fund them via a levy.
- 1.2 Improvements are made using the funding from the levy if the majority of ratepayers in a designated area approve them through a vote. This enables businesses to have a direct role in deciding what improvements should be made in their local area. The vote is open to business rate payers within the defined area - if a majority of those who vote, both by number and by

rateable value, approve the proposal, the levy becomes mandatory on all defined ratepayers and is treated as a statutory debt. The Prospectus indicates that the levy will be 1.5% of the rateable value in Town Centre and 1% for the surrounding area. See section 16 of the Prospectus for further details.

- 1.3 The BID area will cover the Town Centre from the College and the Sainsburys superstore in the west, to the edge of the business areas on King Street and George Street up to the Borough boundary. The boundary in the north includes the large professional services firms in the Brampton and in the South includes the Morrison and Aldi superstores.
- 1.4 The BID will continue to deliver the changes and improvements that businesses in the area identify, continuing the good work that the BID has delivered over the last 5 years. Section 5 of the Prospectus highlights the achievements of the BID first term in terms of
 - National recognition through awards and accreditation
 - Securing over £300,000 for events and activities
 - Invested £40,000 in CCTV for the Town Centre
 - Provided business support to businesses in the BID area, and
 - Moved in a new home in the Guildhall in the Town Centre.
- 1.5 The BID will contribute to the post COVID recovery of the Town Centre and the businesses therein and will help shaping the future of the Town Centre offer.

2. Issues

- 2.1 The Council has a part to play in supporting the BID and these key responsibilities for the local authority to facilitate the processes within the regulations are listed below:

- The provision of the business rates data to calculate the BID levy

In line with the regulations the Council is obliged to give the BID information on the business rates within the proposed town centre area.

- The organisation of the formal BID ballot

There is a requirement to finalise which businesses are eligible to vote and to establish a ballot in line with the regulations. The BID propose to complete the ballot for billing in March 2021.

- The preparation and commitment to the baseline service agreements

The Council is required to state the level of services provided within the proposed BID area in order that businesses can see what additional services may be provided for the additional levy.

- The collection and enforcement of the BID levy (which is then passed straight to the BID Company).

Subject to the ballot being successful a new operating agreement will be established with the BID for the new term / duration to set out how the BID levy will be collected, enforcement procedures and payment processes. This will need to specify the Council charges for this service.

3. BID Strategic Objectives and Activities for 2021- 2026

3.1 The BID Prospectus contains three Strategic Objectives and Activities:-

- Support business growth and investment with a great business offer

To support the growth, development and investment of businesses by working in partnership with key stakeholders to enhance Newcastle-under-Lyme as an attractive and forward-thinking town.

- Create a welcoming and attractive Town, ensuring a safe experience

To create a safe and appealing town that can be enjoyed by the local community, visitors and people who work in Newcastle-under-Lyme.

- Create and promote Newcastle-under-Lyme as a Town for all, preserving the heritage and cultural aspect of the area.

To develop, build awareness and promote, locally and regionally the identity of Newcastle-under-Lyme through collaboration, with a community focus.

4. Outcomes linked to Corporate Priorities

- 4.1 The Council Plan identifies the Economic Development Strategy as one of the three main local strategies to delivery of the Council priorities. Supporting the economic development of the town centres is a corporate priority and as such it is appropriate that the Council supports the re-ballot.

5. Legal and Statutory Implications

- 5.1 The BID will continue to operate within the regulations; Part 4 of the Local Government Act 2003 and Statutory Instrument 2004 No. 2443 - Business Improvement Districts Regulations.

6. Equality Impact Assessment

- 6.1 There are no direct implications for equality.

7. Financial and Resource Implications

- 7.1 In order for the BID to achieve the strategic objectives and activities stated above, the Council will continue to support in the form of payments based on the rateable value of the Council's premises in the town centre, in line with other public and private companies operating in the BID area. Officer and member support to the Board and where appropriate theme groups will continue in line with the Council's adopted Economic Development Strategy.

- 7.2 Officers have calculated that the cost to the Council based on current business rates and property occupancy will be circa £20,000. The key buildings in the town centre which the Council pay rates on are J2, 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. Whilst the outcome of the BID re-ballot won't be known until March it would be appropriate for the Council to consider this as part of the annual budget setting process.

- 7.3 In line with the BID regulations the Council can charge for the additional administration caused by the collation of funds on behalf of the BID. The current administration fee paid to the Council from the BID is £9,500. It is therefore recommended that this issue is addressed through the service agreement.
- 7.4 It is anticipated that officer support will be required to complete the business rates information and this will take approximately 5 days. The re-ballot will require approximately 5 days of officer time and £500 for stationary / postage. In addition economic development officer time will be used to support the overall process. These officer resources will be prioritised within existing resources.
- 7.5 A levy of 1.5% of rateable value (RV) is proposed for businesses inside the ring road with an RV of £12,001 or more and a levy of 1% of rateable value (RV) is proposed for businesses outside the ring road with an RV of £12,001 or more which fall within the levy criteria laid down in Section 16. Properties which fall under the management of a shopping mall operator and/or who pay a service charge to the shopping mall operator and organisations which are registered charities or have charitable status will receive discounted levy tariffs or be exempt, dependent upon the criteria.
- 7.6 This levy arrangement will generate around £1.25 million of ring-fenced funding over the five-year life of the BID and will also be used to lever in additional funds where possible adding a further £100,000 over the life of the BID. This will be used to fund the projects identified in the Business Plan.
- 7.7 In the event of the BID re-ballot being unsuccessful, there will be an expectation for the Council to deliver similar activities directly without the additional BID Levy for which there is no budget for these.

8. Major Risks

- 8.1 The major risk is the resource implications on the Council should the BID re-ballot not be successful as the activities undertaken by the BID will cease but there will be a requirement for similar activities to continue delivered directly by the Council but without the additional BID Levy.

9. Key Decision Information

- 9.1 This is not a key decision.

10. Background Papers

- 10.1 Attached BID Proposal and Business Plan 2021-2026