

Taunton Deane Borough Council

Executive – 16 November 2011

Review of Town Centre Management activities in Taunton and request for a financial contribution towards Taunton Town Centre Company BID Administration costs during 2011/2012

Report of the Economic Development Specialist

(This matter is the responsibility of Executive Councillor Norman Cavill)

1. Executive Summary

- 1.1 This Report seeks a contribution of £20,000 from the Borough Council towards the administration of the Business Improvement District (BID) programme, delivered by the Taunton Town Centre Company (TTCC).
- 1.2 Over the past year TTCC has been active in delivering an extensive programme of events, improvements and initiatives aimed at attracting people into the town centre, enhancing the quality of their stay in the town, and as a result, increasing the income of town centre businesses. The Taunton Town Centre Company will be represented at the meeting to present a verbal summary of activities delivered during the past year.

2. Background

- 2.1 TTCC activities fall into two separate categories; namely, BID related services, which are funded through the BID levy, and non-BID, town centre management activities.
- 2.2 Taunton Business Improvement District (BID) is a five year programme of investment by local business rate payers to bring enhanced service improvements in support of retail, commerce and public areas across the town centre.
- 2.3 The BID was developed by TTCC (the BID body) in close partnership with Taunton Deane Borough Council (the billing authority) and SWERDA (the former regional development agency).
- 2.4 The five year programme of investment commenced on the 1 October 2007 and will conclude on the 30 September 2012, prior to which it is anticipated that a second term ballot will be held amongst town centre businesses to obtain their

approval to continue the BID for a second term. A separate report on this agenda refers.

- 2.5 During the current term the BID will invest over £1 million in service enhancements funded by the levy paying business community. In the first four years of the programme, this investment has been enhanced through additional funding contributions from the private sector, Avon and Somerset Constabulary and the Council.
- 2.6 The Council has supported the BID programme through funding and officer time during the first four BID operational years. In 2009, the Council reaffirmed this commitment for the remaining BID term, to be reviewed annually against the BID business plan. The council contributed £30,000 for each of the first two years from the Local Authority Business Growth Incentive (LABGI) fund in support of the BID. A further £20,000 per annum in years three and four. The annual contribution from the Council was envisaged at the inception of the BID as detailed within the BID Business Plan.
- 2.7 That annual contribution made by TDBC is intended to support TTCC in meeting the administrative costs of the BID, ensuring the levy collected is directed towards actual service delivery.
- 2.8 In addition to its BID related activities TTCC carries out town centre management services, partly funded by the Council. In 2010/11 the Council contributed £42,600 to TTCC; this sum has reduced in recent years in line with budget pressures. That contribution attracts a further £100,000 from external sources (including private sector sponsorship of events), and enables a broad programme of activity to take place (appendix 1.). A similar level of contribution is included in the Council's budget to contribute during the current financial year.
- 2.9 The Corporate Scrutiny Committee considered this item at its meeting on 27 October and resolved to recommend the Executive to agree the requested contribution to the Taunton Town Centre Company from LABGI reserves.

3. Current Situation

- 3.1 To date aggregate receipts for the BID levy total approximately £900,000; a reduction of £80,000 on business plan projections. A further £40,000 remains available for collection. However, there has been a significant reduction in the total number of businesses trading, largely attributable to recession. Due to this reduction in the total number of businesses trading within the BID area there has been a small but significant reduction in levy income when compared to the BID Business Plan agreed in 2007.
- 3.2 The Council is responsible for collecting the BID Levy, and for debt recovery under the Business Improvement District Regulations (2004). Where necessary

court action is taken to recover the outstanding debt. In planning for year five of the BID it is estimated by the Council's collection team that the value of total recoverable receipts will drop by £50,000 in 2011/12.

4. Taunton Town Centre Company Proposal

- 4.1 The reduction in business numbers and subsequent reduction in levy resulted in adjustments to service delivery in year four. TTCC embarked on an internal restructure during 2009/10 and made further cost savings in 2010/11 to limit the impact on service delivery. Further adjustments will be required in year five to keep expenditure in line with income derived from the levy.
- 4.2 In order to protect service delivery under the BID, the Council is asked to review the BID business plan for decision each year prior to commencement of the BID operating year on 1st October.
- 4.3 During the current year the company has an ambitious programme of events and activities planned, including provision of the town's Christmas Festival and seasonal lighting display. TTCC will also be supporting celebrations for the Olympic Torch Relay and the Queens Diamond Jubilee. The BID provides for an award winning BID Police Team and programme of street cleaning and graffiti removal in support of the county town. Support is given to the specialist and independent retail offering within the town including management support, signage project and marketing initiative, SHOP TAUNTON. A further edition of the new retail shopping guide publication is to be produced and an online shopping & services directory will be maintained.
- 4.4 The Company has asked the Council to contribute £20,000 towards the administration of the BID during the current financial year. That contribution will cover TTCC's financial year, October 2011 to September 2012.

5. Conclusions

- 5.1 Establishing a vibrant town centre within Taunton is critical to supporting the work of the Council's Economic Development services and is a key component of the local Economic Strategy; supporting the work of Project Taunton in regenerating Taunton and encouraging inward investment
- 5.2 TTCC has delivered an extensive range of services and activities in the town centre over the past year, supported by the Council through its Town Centre Management contribution, and through its contribution towards the administration of the BID programme.
- 5.3 The BID programme continues to prove successful in harnessing the collective contribution of businesses operating within the designated BID area. Over £1 million of funding will be collected from businesses over the five-year term.

5.4 The difficult economic climate and reduction in the number of businesses trading in the town has reduced the total annual sum collected under the BID levy.

6. Finance Comments

6.1 The Council is being requested to make a contribution of £20,000 to the Town Centre Company during the current financial year. Should the Executive be supportive of the request it is Officers view that that contribution should be made from the Council's LABGI reserves. That budget currently amounts to £423,000.

6.2 Members should note that this payment would reduce the available LABGI Reserves currently earmarked to seed-fund future economic development initiatives identified within the Economic Development Delivery programme.

7. Legal Comments

7.1 There are no direct legal implications arising from this report.

8. Links to Corporate Aims

8.1 This proposal links to the Regeneration Aim of the Corporate Strategy.

9. Environmental and Community Safety Implications

9.1 The services of the Town Centre Company impact directly upon the quality of the environment and the safety of the town centre. Providing increased policing in support of the daytime and evening economies and street cleaning services over and above the local authority provision.

10. Equalities Impact

10.1 No equalities implications at this stage.

11. Risk Management

11.1 A reduction in funding by the Council will have a direct impact on the capacity of the TTCC to deliver the full extent of BID services and other town centre management activities.

12. Partnership Implications

12.1 The Council works in close partnership with TTCC, being represented by Members on the Company Management Board and at meetings of Company Members. Officer representation is additionally made on the BID Steering Group and other operational groups.

13 Recommendation

- 13.1 That the Executive supports a contribution of £20,000 from LABGI reserves to the Taunton Town Centre Company to maintain the administration of the Taunton Business Improvement District.

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Appendix 1

1. BID Budget 1 Oct 2011 to 30 Sep 2012

BID Budget Year 5 Projection - October 2011 to 30 September 2012		
Income	Year 4 Estimate	Year 5 Projection
BID Levy	196,000	195,000
Police		
DLO		
Owner/Occupier		
TDBC	20,000	20,000
Advertising & Sponsorship	29,300	20,000
Other	2,738	
Total Income	248,038	235,000
Expenditure		
Safe and Sound		
Police Team	55,000	55,000
Looks Good Feels Good		
Street Cleaning	30,500	30,500
Taunton in Bloom	500	500
Trade Waste Recycling		
Graffiti Removal	600	600
Shop-front grants	2,400	2,400
Shout About It		
Christmas lights	25,300	23,000
Lamp-post banners	100	500
Events	36,500	50,000
Website		
PR and advertising	14,500	23,000
Signing	6,000	5,000
Admin	76,500	76,500
Contingency		32,000
Total Expenditure	247,900	299,000
Surplus/deficit	138	
Surplus brought forward	64,000	64,138
Surplus carried forward	64,138	138

Appendix 2

Business Improvement District Trading Summary October 2007 to September 2011

	Business Plan	Estimated Outturn
Income		
Levy at 1% of RV	980000	860000
SWERDA	30000	30000
TDBC Project Support	40000	20000
TDBC Administration Support	80000	80000
Sponsorship & Events	80000	90000
Total income	1210000	1080000
Expenditure		
Admin	190000	192500
Levy Collection	40000	40000
Safe & Sound	320000	256000
Shout about it	440000	401000
Looks Good - feels good	200000	152000
Contingency	20000	20000
Total Expenditure	1210000	1061500
Surplus/deficit	0	18500

Notes

SWERDA funding contribution in year 1 only

In kind contribution from Avon & Somerset Constabulary up to £80K p.a. joint funds BID police team

Levy income reduced due to business attrition rate

BID requires to achieve small operating surplus to meet development and/or wind up costs at end of current BID term