

# **Taunton Deane Borough Council**

**Executive – 13 October 2010**

## **Review of Town Centre Management activities in Taunton and request for a financial contribution towards Taunton Town Centre Company BID Administration costs**

### **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.
- 1.2 Over the past year the Taunton Town Centre Company 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.
- 1.3 The difficult economic climate and reduction in the number of businesses trading in the town continues to put pressure on services delivered by the Company with reduced annual sums collected under the Business Improvement District (BID) levy for the remaining years of the BID.
- 1.4 The Council has supported the BID programme through funding and officer time during the first three BID operational years. In 2009, the Council reaffirmed this commitment for the remaining BID term, to be reviewed annually against the BID business plan

#### **2. Background**

- 2.1 The Town Centre Company's 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 Taunton Town Centre Company (the BID body) in close partnership with Taunton Deane Borough Council (the billing authority) and SWERDA (the regional development agency).
- 2.4 The five year programme of investment commenced on the 1<sup>st</sup> 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.
- 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 three years of the programme, this investment has been enhanced through additional funding contributions from the private sector, Avon and Somerset Constabulary and Taunton Deane Borough Council.

### **3. Current Situation**

- 3.1 To date aggregate receipts for the BID levy total £653,000; a reduction of £82,000 on business plan projections. Collection rates remain at 90%. 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 4 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 2010/11 and, dependant on the business attrition rate, could be significantly more.
- 3.3 The council contributed £30,000 for each of the first two years from the LABGI fund in support of the BID. A further £20,000 contribution was made from LABGI toward annual BID administration costs in 2009/10. The annual contribution from the Council was envisaged at the inception of the BID as detailed within the BID Business Plan.
- 3.4 This annual contribution made by TDBC is intended to support the Town Centre Company in meeting the administrative costs of the BID, ensuring the levy collected is directed towards actual service delivery.
- 3.5 In addition to its BID related activities the Town Centre Company carries out town centre management services, partly funded by the Council. In 2009/10 the Council contributed £47,600 to the Town Centre company net of a loan repayment of £4750 owed to the council. That contribution attracted

£124,000 from external sources (including private sector sponsorship of events), and enabled a broad programme of activity to take place (appendix). A similar level of contribution is included in the Council's budget to contribute during the current financial year.

- 3.6 The Chief Executive of the Town Centre Company will be in attendance at the Committee meeting and will give a summary of the benefit of the Council's support over the past year as well as activities and services planned for the next year.

#### **4. Taunton Town Centre Company Proposal to TDBC**

- 4.1 The reduction in business numbers and subsequent reduction in levy resulted in adjustments to service delivery in year three. The Town Centre Company embarked on an internal restructure during 2009 together with further cost savings measures to limit the impact on service delivery. Further adjustments will be required in year 4 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 Lights and supporting community events. Continued provision of the award winning BID Police Team, programme of street cleaning and graffiti removal and support to partnership initiatives including Taunton Retailers Against Crime (TRAC), Taunton in Bloom and the Energize youth diversion project. Support is given to the specialist and independent retail offering within the town including management support, signage project and a new retail shopping guide publication and online shopping & services directory.
- 4.4 The Company has asked the Council to contribute £20,000 towards the administration of the BID during the current financial year.

#### **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 The Town Centre Company 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.
- 5.5 The Council has supported the BID programme through funding and officer time during the first three BID operational years. The Council is being asked by Taunton Town Centre Company to review the annual business plan (including BID and non-BID expenditure) and to confirm the funding contribution for 2010/11.

## **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.
- 6.3 Members should also note the likely request for funding of £20,000 for the final year within the current BID term, 2011/12, and also note that projected future income values of the LABGI fund will not be able to support ongoing payments.

## **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. Public convenience 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 Town Centre Company to deliver BID and other town centre management activities.

## **12. Partnership Implications**

12.1 The Council works in close partnership with the Town Centre Company, 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. Corporate Scrutiny**

13.1 The Corporate Scrutiny Committee considered this report at its meeting on 26 September and approved the recommendation.

## **14 Recommendation**

14.1 That the Executive Committee notes the activities carried out by the Taunton Town Centre Company during 2009/2010 and the activity planned for the current year, and makes a contribution of £20,000 from LABGI reserves to the company to support the administration of the Taunton Business Improvement District.

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### **APPENDICES:**

1. BID Budget 1 Oct 2010 to 30 Sep 2011
2. BID Trading Summary 1 Oct 2009 to 30 Sep 2010

## Appendix 1

BID Budget 1 Oct 2010 to 30 Sep 2011		
<b>Income</b>	<b>Business Plan Projection</b>	<b>Operating Budget</b>
BID Levy	245,000	195,000
Police	0	0
DLO	0	0
EcDevt	10,000	0
Owner/Occupier	0	0
TDBC (Administration)	20,000	20,000
Advertising & Sponsorship	20,000	20,000
<b><u>Total Income</u></b>	<b><u>295,000</u></b>	<b><u>235,000</u></b>
<b>Expenditure</b>		
<b><u>Safe and Sound</u></b>		
Police Team	80,000	60,000
<b><u>Looks Good Feels Good</u></b>		
Street Cleaning		
Bins		
Trade Waste Recycling		
Graffiti Removal		
Shop-front grants		
	50,000	33,000
<b><u>Shout About It</u></b>		
Christmas lights		
Lamp-post banners		
Events		
Website		
PR and advertising		
Signing	110,000	75,000
<b><u>Admin</u></b>		
Establishment	40,000	52,000
Levy Collection	10,000	10,000
Contingency	5,000	5,000
Total Income/Expenditure	295,000	<b>235,000</b>
Surplus/deficit	0	0

## Appendix 2

### Business Improvement District Trading Summary October 2007 to September 2010

	Business Plan	Estimated Outturn
<b>Income</b>		
Levy at 1% of RV	735000	653000
SWERDA	30000	30000
TDBC Project Support	30000	20000
TDBC Administration Support	60000	60000
Sponsorship & Events	60000	60000
Total income	915000	823000
<b>Expenditure</b>		
Admin	150000	138000
Levy Collection	30000	30000
Safe & Sound	240000	200000
Shout about it	330000	314000
Looks Good - feels good	150000	119000
Contingency	15000	10000
<b>Total Expenditure</b>	915000	811000
Surplus/deficit	0	12000

#### 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