

# Taunton Deane Borough Council

**Executive - 16 November 2011**

## **Request from the Taunton Town Centre Company Ltd. (TTCC) for support to plans to develop a second term Business Improvement District (BID) proposal leading to a renewal ballot**

### **Report of the Economic Development Specialist**

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

#### **1. Executive Summary**

- 1.1 This Report seeks the involvement of the Council, providing information, guidance and support to Taunton Town Centre Company (TTCC) in its intention to develop new Business Plan proposals to continue with the Business Improvement District (BID) for a second term.
- 1.2 On receiving the BID Submission the Council will be asked to hold a ballot of all payers of non-domestic rate within the proposed BID area on behalf of TTCC.
- 1.3 The Council (the billing authority) is being asked to support the development of a new BID Submission, including a request for information to allow TTCC to complete the task. The Council is also being asked to meet the cost of holding a ballot under the Business Improvement District Regulations (England) 2004.
- 1.4 The report also sets out the financial implications on the Council should the second BID proceed, and requests a financial contribution towards the administration of the programme.

#### **2. Background**

- 2.1 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.
- 2.2 Taunton Town Centre Company (TTCC) first proposed a BID for Taunton town centre in 2007. The five year programme was accepted by the business community through a local referendum in the form of a postal ballot held by the Council on behalf of TTCC in July of that year.
- 2.3 Prior to the referendum, TTCC requested information of the Council in order that

a formal BID Submission could be made. The BID Submission is a formal suite of documents required, triggering the ballot process.

- 2.4 The Council (the billing authority) supported TTCC (the BID body), providing such information as was required in support of the BID Submission and in making formal arrangements to hold a ballot.
- 2.5 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 the affected businesses to obtain a mandate to continue the BID for a second term.
- 2.6 During the current term the BID will invest over £1 million in service enhancements in the town centre funded by the levy paying business community.

### **3. Current Situation**

- 3.1 TTCC (the BID body) intends to propose a renewal ballot to be held in the Spring of 2012. TTCC is giving notice that it intends to develop a new BID proposal (the BID Submission) to be lodged with the Council early in 2012. The BID Submission will accompany a formal request to instruct a local referendum in the form of a secret ballot.
- 3.2 TTCC has embarked on a consultation with the business community to determine the appetite for a second term BID and to establish the priority services to be delivered under the BID during a second five year term. That consultation will form the basis of a new business plan proposal for a second term BID.
- 3.4 TTCC provided a briefing in August 2011, inviting all Elected Members of the Council to attend. The briefing was held to give Members the opportunity to hear of TTCC's plans and to discuss the proposals with the Chair of TTCC, other private sector board members, and the Town Centre Manager.
- 3.5 Once developed, the BID proposal will form the basis of the formal BID Submission to be made to the Council early in 2012. Through this report TTCC is asking the Council for supporting information under the Business Improvement District Regulations (England) 2004. See Appendix 1.
- 3.6 The Company proposes to write to the Council later this year with a formal notice and request for the Council to hold a referendum among the business community in the form of a secret ballot. An outline timetable for the BID Submission and Ballot is attached at Appendix 2. On receiving the BID Submission it will be incumbent on the Council to make onward arrangements and to instruct the ballot.

3.7 This item was considered by the Corporate Scrutiny Committee at its meeting on 27 October 2011. The Committee recommended the Executive to support the Taunton Town Centre Company in the development of a new BID submission.

#### **4. Finance Comments**

4.1 The request by TTCC will involve the deployment of officer time to provide the specific information requested in support of the BID Submission (Appendix 1.).

4.2 As the ballot holder, the Council must meet the costs of the ballot in full including officer time, stationery, postages and so on. Under the BID regulations, the cost of a successful ballot cannot be recharged by the billing authority to the BID body. It is estimated that this will cost the Council in the order of £5000. It is proposed that that sum be taken from the LABGI Reserves. At the beginning of the current financial year that budget was £423,000, of which £97,500 has been earmarked for other Economic Development projects with the remainder earmarked for other corporate regeneration priorities.

4.3 As the collecting authority, the Council will be responsible for collecting the BID levy in each year of the BID term. The Council may charge the BID body reasonable collection costs. The current charge made by the Council for collection is £9600 p.a, which was agreed at the start of the programme. Negotiations will need to be held between the Council's Revenue's Team, South West One, and the Town Centre Company, but it is anticipated that that charge will be increased to average around £15,000 per annum for officer time plus an up front charge of £20,000 for the purchase of an enhanced BID software system from CIVICA to help with the Billing and Recovery of BID levies.

4.4 The Council would be liable for payment of the BID levy for any Council properties attracting non-domestic rates (hereditament) within the proposed BID area and where the Council is the responsible party for the payment of non-domestic rate. That payment is currently £4,500 per annum.

4.5 In previous years the Council has also contributed £20,000 per year towards administration costs, so that businesses' contributions can be better focussed on project delivery. A separate item on this agenda refers. That contribution has been discretionary. It is anticipated that a financial contribution will be sought from the Council to benefit the next BID programme. The BID Company is aware of the financial difficulties facing the Council, and that any future requests for discretionary funding towards BID administration will be considered as growth items, for consideration by the Council as part of its annual budget setting process.

#### **5. Legal Comments**

- 5.1 It is incumbent on the Council to meet its responsibilities under the Business Improvement District Regulations (England) 2004. The Localism Bill and the proposals to localize Business Rates, both of which are currently under consideration by the Government both make reference to BIDs as a mechanism to support the localism agenda and encourage business growth.

## **6. Links to Corporate Aims**

- 6.1 This proposal links to the Regeneration Aim of the Corporate Strategy.

## **7. Environmental and Community Safety Implications**

- 7.1 The current BID services managed by TTCC impact directly upon the quality of the environment and the safety of the town centre. The current BID provides increased policing in support of the daytime and evening economies. Public convenience and street cleaning services over and above the local authority provision.

## **8. Equalities Impact**

- 8.1 No direct equalities implications at this stage.

## **9. Risk Management**

- 9.1 Should the TTCC proposals for a second term BID fail at referendum there is presently no other funding mechanism to take up the range of services currently offered by the BID.

## **10. Partnership Implications**

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

## **11. Recommendations**

- 11.1 That Executive resolves to supports the Taunton Town Centre Company in the development of a new BID Submission, and that:
1. the Council anticipates the future request to instruct the ballot holder to hold a ballot on behalf of TTCC and allocates £5,000 from the LABGI budget to pay for the costs associated with the ballot.

2. the Council makes future provision for the collection of the annual levy and any liability for payment of the levy for its own hereditaments within the BID area under a second BID term.
3. that the Council considers, as part of its annual budget setting process, making a contribution to the Taunton Town Centre Company for the administration of the BID programme.

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## **APPENDICES:**

### Appendix 1 – Information and Support

Taunton Town Centre Company is seeking the following information and support of Taunton Deane Borough Council under the Business Improvement District Regulations (England) 2004.

- A list of hereditaments within the proposed BID area
- A statement of existing baseline services provided by the Council within the proposed BID area
- Support in developing the BID operating agreement to exist between TTCC and the Council for the duration of the BID term
- Administration of the BID Referendum in the form of a secret ballot among all levy payers within the proposed BID area
- Provision for the billing, collection and administration of the BID levy funds including establishment of the BID Revenue Account

Appendix 2.

Time Table for Renewal Ballot

Item	Date	Notes
Notice of BID Submission	21 October 2012	12 weeks notice to Secy. of State of intention to make formal BID Submission
BID Submission	13 January 2012	From TTCC
Notice of Ballot	10 February 2012	At least 42 days clear of ballot day
Ballot papers issued	24 February 2012	At least 28 days clear of ballot day
Ballot Day	30 March 2012	Day of ballot