

EXETER CITY COUNCIL

REPORT TO: PLACE SCRUTINY
Date of Meeting: 25 June 2019

REPORT TO: EXECUTIVE
Date of Meeting: 9 July 2019

REPORT TO: COUNCIL
Date of Meeting: 23 July 2019

Report of: Growth & Commercialisation Manager
Title: INExeter Business Improvement District Business Plan 2020 - 2025

Is this a Key Decision

Yes

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The report sets out the process and proposals for a second term of the InExeter Business Improvement District (BID), as well as the 5 year Business Plan which businesses within the BID area vote upon, October 2019.

2. Recommendations

2.1 That Place Scrutiny comments on the proposals of the BID Board and supports the recommendation that the City Council votes in favour of continuing the InExeter Improvement District (BID) for a second term, covering the period 2020-2025.

2.2 That Place Scrutiny recommends to Executive that members approve the City Council casting its votes in favour of continuing the BID in the forthcoming ballot in October 2019.

2.3 That Council approve a budget of £5,000 to undertake the ballot to be funded from General Fund reserves.

2.3 That the Portfolio Holder for Environment & City Management is appointed to sit on the InExeter Board, with the support of the Growth & Commercialisation Manager, to oversee the interests of the City Council and wider city centre through activity undertaken by InExeter.

2.4 The BID boundary is extended to include businesses located on Magdalen Road, at the request of the businesses association and businesses located on Magdalen Road.

2.5 That Exeter City Council charge a true cost of supporting InExeter in collecting the BID levy, calculated at £12,000 + VAT per annum, from £1,500 + VAT per year.

2.6 The Growth & Commercialisation Manager draws up contingency plans, to be implemented as a result of a no vote in October 2019.

3. Reasons for the recommendation

3.1 It is important to maintain the competitive position and economic strength of the city centre in the face of changing consumer behaviour in the retail sector, investments being made in

other locations and the realities of a continuing reduction to public sector finance and services. The continuation of the BID is important to provide the focus for a concerted effort to face up to these challenges and to secure sufficient resource to be able to take appropriate action.

- 3.2 There is a focus going forward on supporting businesses within the city centre to ensure a strong and vibrant economy.

4. What are the resource implications including non financial resources?

- 4.1 The City Council has previously contributed up to £25,000 towards the £50,000 costs of the preparation of the first term Business Plan 2015-2020 and holding of the ballot for the first term of the BID. The costs of work towards developing the second term BID 2020-2025 are being met by the current BID funds and voluntary contributions from property owners in the BID area.

- 4.2 The cost of holding the ballot is a local authority cost and will be met from General Fund reserves.

- 4.3 At the time of writing this report and if the vote is successful, the City Council's annual liability for the levy payment for the City Council hereditaments would be £21,734.38, this has increased from £15,593.62.

- 4.4 Due to the extension of the BID boundary, two new properties being added to the BID area:

Car Park at Fair Park Gardens, Magdalen Road	Yearly BID payable £1,031.25
Car Park at Magdalen Street	Yearly BID Payable £893.75

This would increase the City Council BID Levy to £23,659.38 per annum for 5 years, starting 1 April 2020. This could fluctuate through the years, if we have vacancies within property we own.

- 4.5 The reason for an increase in City Council costs is due to the levy increasing from 1% to 1.25% and the BID boundary changing. The BID is being extended to include Sidwell Street (part), Magdalen Road (part), Longbrook Street (part), New North Road (part), West Street (part) and Barthlomew Street (part), Queen Street (Part), Fairpark Road.

The BID levy rules have been amended from the next BID term and are included in Appendix A InExeter Business Plan.

- 4.6 The final ballot list will be closed early September 2019.

5. Section 151 Officer comments:

- 5.1 The costs associated with the ballot can be funded from General Fund reserves and are a requirement of the scheme. If successful, the budgets for 2020-21 will be adjusted to add in the additional costs to the Council arising from the scheme.
- 5.2 If the ballot is unsuccessful, any Council support will either have to be managed within existing budgets or will require a further report to Council seeking additional funds. Given the Council's current financial position, any such report will have to identify ongoing savings to offset the additional expenditure.

6. What are the legal aspects?

- 6.1 None identified

7. Monitoring officer Comments

7.1 This report raises no issues for the Monitoring Officer.

8. Background

8.1 Members previously supported the development of a BID for Exeter City Centre in 2015. There are currently around 300 formal BIDs across the UK and Republic of Ireland, supporting their local business community.

8.2 The number of BIDs are growing, with successful BID's located in Plymouth (Waterfront and City Centre), the English Riviera, Falmouth, Southampton and Bristol.

8.3 BIDs have been delivering a wide range of improvements to local areas from town/city centres and business parks to complete market towns. InExeter have delivered a range of projects, services and initiatives to support business and enhance the city centre. Projects completed over the previous 5 years include:

- An enhanced, reactive cleansing service, helping to jet wash pavements and hot spots, remove waste and drug related items, pick up waste, remove graffiti (Exeter City Council were contracted to provide this work);
- Free training and development courses in accredited subjects such as First Aid, H&S, COSHH, Customer Service and Digital Marketing;
- Better connected business community with regular meetings, communication and networking;
- Christmas lights across the city with a switch on event and city dressing (bunting, umbrellas, Chinese lanterns);
- City centre management;
- Free collections of waste electrical and electronic equipment;
- Free business photography session;
- Free Meercat service which will benchmark your utility costs, merchant fees and waste and help reduce your business costs;
- Publications and campaigns such as the Eat & Drink Guide to the city (10,000 print), Christmas campaigns and StyleinExeter programme;
- Social media campaigns such #FinditinExeter which profiles a business each week across all digital platforms;
- £30,000 allocated to a new Independents Group which meets on a 3-monthly basis to deliver projects that advertise, promote and support the independent sector, including a new gift card, publication, trail map, FB page and market research;
- £8,000 annual spend supporting community groups, arts and culture including RAMM 150th Festival, Arts Week Exeter and Streets Arts Festival;
- Support area events such as Fore Street Flea – with road closures and marketing and Gandy Street Summer Fete and Countdown to Christmas;
- Creation of www.inexeter.com which includes a free business listing and management of all social and media channels.

A full description of projects completed by the current Business Plan is located within Appendix B, InExeter Key Highlights 2015 – 2020.

8.4 The proposed BID Business Plan (not in design format) is included in Appendix A which sets out the intended approach and range of projects to be delivered. The projects have been determined through consultation with business within the BID boundary – surveys and networking events.

8.5 Funds collected will be held by the InExeter Company run by a Board made up of elected business representatives, as well as representatives from the City Council and County Council. These funds are only for the projects agreed and voted for by the participating businesses in line with their agreed business plans. Each year all businesses /

organisations paying the levy will receive a 'Billing Leaflet' and set of accounts that will set out clearly how the BID fund has been spent in the previous year and plans for the next financial year.

- 8.6 Following a successful vote, all business premises within the BID area will be sent an annual invoice equivalent to 1.25% of the rateable value on 5 April 2019 for the duration of the BID (five years). Exeter City Council will be responsible for invoicing and collecting the BID levy, as a collection agent, from every BID levy payer in the InExeter BID area. That money will be ring-fenced and passed to the InExeter Company for the exclusive use of delivering the business plan.
- 8.7 The InExeter BID area is illustrated in Appendix A, it will contain over 700 business addresses. The BID levy at 1.25% will generate in excess of £560,000 per annum totalling £2.8 million over five years. The second term of the BID proposes a rise in the BID multiplier from 1% in term 1 to 1.25% in term 2, but levies from the current rateable value list rather than the 2010 list.
- 8.8 The proposal for the second term of the BID is to extend the area of the BID to include a wider area and also the key traders area of Magdalen Road. InExeter has been approached by businesses located on Magdalen Road to extend the BID area. The full levy rules are detailed in the business plan.
- 8.9 On a successful BID vote, InExeter and the City Council will sign an Operations Agreement which will set out in detail the obligations on each party for the collection and management of this fund. Exeter City Council is obliged to use the same powers of enforcement to recover the BID levy as for payment of Business Rates. Non-payment could result in court action being taken. The BID levy will be payable by the liable party.
- 8.10 The BID Company (InExeter) will continue to be a company limited by guarantee. The InExeter Board of Directors will be responsible for the delivery of projects ensuring that they are delivered on time and on budget to the highest standards possible. The Board will be responsible for recruiting and managing a management team. This role will be crucial to the coordination of the BID and the delivery of the BID Business Plan. The Portfolio Holder for Environment & City Management has been nominated to represent the City Council on the BID Board, with support from the Growth & Commercialisation Manager as a non-voting attendee.
- 8.11 If successful with the BID vote this October, a better working relationship should be established with InExeter to achieve a great outcome for all concerned. At times, communication has been limited.
- 8.12 InExeter will be the first point of contact for day-to-day queries relating to the management of the city. It will act as the conduit to all the organisations operating in the city and ensure that there is a 'joined-up' and business focused approach to all operational and strategic issues affecting the city centre. The projects and services a BID delivers will be new or in addition to Council services but are not allowed to be a replacement for them offering additionality to Local Authority services.
- 8.13 Development of the Business Plan has included the preparation of baseline statements covering services provided by the City Council, Devon County Council and other organisations responsible for services and activities in the city centre. The BID Business Plan includes proposals to enhance these services funded by the BID levy and will not fund existing services provided by the public sector. Considering austerity and future budget savings, baseline statements will be reviewed on an annual basis.
- 8.14 The performance of the BID and its impact on the city centre will be monitored through measures listed in the business plan.

8.15 The management of the BID will be held to account through:

- business surveys
- ongoing business engagement and dialogue
- the BID Annual Review, Report and accounts (available to all BID levy payers)
- an AGM - open to all BID levy payers

9. Contingency

9.1 Over the previous 12 months, there has been significant changes in how the City Council supports businesses. The Growth team has significantly reduced in numbers and with a change in emphasis of focus. The role of the Growth & Commercialisation Manager has changed to be more focused on supporting a city centre economy, in light of changes in the retail economy.

9.2 During this summer, the City Council will be working on contingencies, just in case of a no vote in October 2019. This will take into account what InExeter has previously delivered and what the City Council will be able to deliver, in light of a reduced team and significantly smaller budget to InExeter and reducing budgets going forward.

10. How does the decision contribute to the Council's Corporate Plan?

10.1 The BID will be a vital and key partner with the City Council in aiming to improve the economic health of the city centre and Exeter's attraction of investment and visitors supporting employment and the quality of the city centre for the benefit of residents.

11. What risks are there and how can they be reduced?

11.1 The key risk at this point is a negative vote at ballot. A successful renewal is imperative to the health of the city centre. A new position of Business Engagement Project Officer, temporarily employed by InExeter, is being recruited to. This post will be working with the BID Manager to engage with businesses to support a yes vote October 2019.

12. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults; economy; safety and the environment?

12.1 A successful BID will involve a stronger city centre maintaining, if not improving business success, and consequent employment opportunities for young people and others. Improvement to the safety of those using the city centre and to the public realm are important priorities for a successful city centre and feature highly in proposed projects within the Business Plan.

12.2 An EQIA has been completed on InExeter activity, see attached Appendix D. There is more work to complete in terms of impact on residents and visitors on the work they plan to undertake within the proposed Business Plan.

13. Are there any other options?

13.1 At this point and in terms of the nature of the opportunity presented by the BID, there are no comparable options.

13.2 If the BID vote is unsuccessful, the Growth & Commercialisation Manger will work the relevant Director and Portfolio Holder to address the decision and draw up plans to support the city centre and businesses located within in.

Victoria Hatfield
Growth & Commercialisation Manager

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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Appendix A

InExeter Business Plan 2020 – 2025

Appendix B

InExeter Key Highlights 2015 – 2020

Appendix C

Baseline statements

Appendix D

Equality Impact Assessment