

## **REPORT TO EXECUTIVE**

Date of Meeting: 9 July 2024

## **REPORT TO COUNCIL**

Date of Meeting: 16 July 2024

Report of: Director for Net Zero Exeter & City Management

Title: InExeter Business Improvement District Business Plan 2025 - 2030

### **Is this a Key Decision?**

No

### **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 third term of the InExeter Business Improvement District (BID), as well as the 5-year Business Plan which businesses within the BID area vote upon in November 2024.

### **2. Recommendations:**

2.1 Executive comments on the BID Business Plan covering the period 2025 – 2030, and approve the City Council casting its votes in favour of continuing the BID in the forthcoming ballot in November 2024.

2.2 That the City Council approve a budget of £7,000 to undertake the ballot to be funded from General Fund reserves.

2.3 The Portfolio Holder for Corporate Services and City Centre continues to sit on the InExeter Board, with support from the Service Lead for Net Zero & Business, to oversee the interests of the City Council and wider city centre through activity undertaken by InExeter.

2.4 To support an amendment of the BID boundary to exclude West Street, Bartholomew Street West and New North Road.

2.5 That Exeter City Council charge InExeter in collecting the BID levy, calculated at £12,000 + VAT per annum per year.

2.6 The Service Lead for Net Zero & Business draws up contingency plans, to be implemented if there is a no vote in November 2024.

### **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 and in addressing Anti-Social Behaviour within the city centre to ensure a strong and vibrant economy.

#### **4. What are the resource implications including non financial resources**

4.1 The cost of holding the ballot (£7,000) is a local authority cost and will be met from General Fund reserves.

4.2 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 will be £33,000, this has increased from £27,500. The development costs to reach ballot in November are being met through existing BID funds. This amount could fluctuate through the years, if we have vacancies within property we own. The reason for an increase in City Council costs is due to the levy increasing from 1.25% to 1.5%.

4.3 The Portfolio Holder for Corporate Services and City Centre, as well as the Service Lead for Net Zero & Business attend board meetings every two months, to support the delivery of the Business Plan.

4.4 The BID levy rules have been amended for the next BID term and are included in Appendix A InExeter Business Plan. The final list of all businesses to be included in the ballot will be closed September 2024.

#### **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 2024-25 will be adjusted to add in the additional costs to the Council arising from the scheme.

5.2 If the ballot is unsuccessful, any City Council support will either have to be managed within existing budgets or will require a further report to City 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 Part 4 of the Local Government Act 2003 provides the legal framework for establishing Business Improvement Districts. The Act is supplemented by secondary legislation including the Business Improvement Districts (England) Regulations 2004 and the Business Improvement Districts (England) (Amendment) Regulations 2014 which provides further detail on the establishment and regulation of BIDs.

6.2 Business Improvement Districts (BIDs) business-led and managed partnerships which are created voluntarily by the business community. The BID is led by Inexeter Limited.

6.3 A BID is a defined area in which a levy is charged on all eligible business rate taxpayers in addition to the business rates bill. The levy is used to fund and develop

projects which are intended to benefit businesses in the local area. There is no limit on the types of projects or services which can be provided through the BID.

6.4 A BID can only be established where those that are entitled to vote (business rate payers) approve the BID proposals in a ballot. The local authority manages the bidding process.

6.5 The billing authority collects the levy which is then used by the BID organisation to deliver projects.

6.6 BIDs can operate for a maximum of five years. Once the term is completed and the BID company wants to continue its activities then a new ballot must be held.

## **7. Monitoring Officer's comments:**

7.1 Members will note the legal comments set out in paragraph 6 above. 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 and in 2020. There are currently around 330 formal BIDs across the UK and the Republic of Ireland, supporting their local business community investing in excess of £1billion since their inception, in England in 2004.

8.2 The 20th anniversary of BIDs is being celebrated in 2024 and despite the economic challenges, the sector has gone from strength to strength with BIDs now at the front line of place management.

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:

- Annual Christmas lights display - 1km of LED cluster lights and curtains, iconic ground installations and wall hung Christmas trees;
- 9,000 cleaning visits a year removing graffiti, needles, body spills and rubbish
- £100,000 in Giftcard sales to our independents;
- 'Colour in Exeter' and Jubilee celebration city dressing;
- Distinctive branding and visual identity for areas of the city;
- city maps;
- Well-established and locally loved quarterly Fore Street Flea market;
- 10 street art projects;
- 2 new parklets;
- 50+ business receive free business photography;
- 636 from members of staff from 74 businesses received accredited training;
- 110 tonnes food waste collected and recycled;
- tonnes WEEE collected and recycled;
- 160 business using radio communication and crime reporting system (EBAC) 36 subsidised by InExeter;
- 60 businesses with free Membership to Visit Exeter funded through InExeter;

- 100 days of city activation through markets and events;
- Monthly digital newsletters to over 800 recipients with a 38% open rate;
- Christmas Guides each with a circulation to 30,000 residents;
- Strong social media presence - Instagram 13000 followers - Facebook 10000 followers;
- £36k invested in supporting local community groups events and activities;
- £700k external funding secured to support BID projects and services;
- Awards: Britain in Bloom, Gold 2022, Silver GILT 2021 & 2023, Winner of the BID category 2023.

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 during the next BID period, 2025-2030. These projects have been developed in consultation with businesses located within the BID boundary through surveys and networking events.

8.5 Levy funds collected, will be held by the InExeter BID Company run by a Board made up of elected business representatives, as well as representatives from the City Council and Devon County Council. Levy funds are only for the projects agreed and voted for by the participating businesses in line with the agreed Business Plan 2025-2030. 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 invoice annually equivalent to 1.5% of the rateable value. Exeter City Council are responsible for invoicing and collecting the BID levy, as a collection agent, from every BID levy payer within 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 2025-2030.

8.7 The InExeter BID area will contain over 700 business addresses. The BID levy at 1.5% will generate in excess of £570,000 per annum totalling £2.8 million over five years. The third term of the BID proposes a rise in the BID multiplier from 1.25% in term 2 to 1.5% in term 3, and levies from the 2023 rateable value list.

8.8 The full levy rules are detailed in the business plan.

8.9 On a successful BID vote in November 2024, 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 BID levy funds. 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 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 are responsible for managing the BID CEO. This role will be crucial to the coordination of the BID and the delivery of the BID Business Plan. The Portfolio Holder for Corporate Services & City Centre is the nominated City Council representative on the BID Board, with support from the Service Lead for Net Zero & Business as a non-voting attendee.

8.11 If a successful BID vote in November, the City Council and InExeter will continue to maintain a good working relationship and regular communication through quarterly meetings between the BID CEO and with relevant Service Leads, Directors and Councillors at the City Council.

8.12 InExeter will be the first point of contact for day-to-day queries relating to the management of the city centre. It will act as the conduit to all the organisations operating in the city centre and ensure that there is a 'joined-up' and business focused approach to all operational and strategic issues affecting the city centre.

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 Net Zero & Business team has significantly reduced in numbers and with a change in emphasis of focus. The role of the Service Lead Net Zero & Business has changed to be focused in managing car parks and in delivering net zero.

During this summer, the City Council will be working on contingencies, just in case of a no vote in November 2024. 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. BID activity and projects supports the following strategic priorities:

- Prosperous local economy
- Net zero carbon city
- Thriving culture & heritage

## **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. The BID CEO is effectively managing this risk and updating the BID Board at regular Director meetings. A new Assistant has recently been appointed who will deliver 'business as usual' services. The BID team's priority is engaging with businesses to support a yes vote in November 2024. Both a Communications and Engagement Plan are in place for 2024-2025 and a new Customer Relationship Management System has been implemented to effectively manage data, allow improved reporting and to manage a ballot forecast.

## **12. Equality Act 2010 (The Act)**

12.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12.2 A successful BID will support the economic vibrancy of the city centre helping to secure inward investment and consequently employment opportunities for young people and others. Partnerships have been established with Exeter College, The University of Exeter and local schools to provide work placements for students in the city centre.

12.3 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.

12.4 InExeter's actively uses it's social media channels as a platform from which to celebrate the city, it's cultural heritage and diversity in terms of events, businesses and people.

12.5 An EQIA has been completed on InExeter activity.

## **13. Carbon Footprint (Environmental) Implications:**

13.1 Within the Business Plan 2025-2030 there is a strategic Objective of 'Enhanced Environment'. There is a commitment to supporting a reduction in carbon emissions across the city centre and in supporting businesses to reduce their carbon emissions:

- Greening our city through continued investment in sustainable planting and its maintenance. We will build on the success of our award-winning seasonal planting scheme ensuring the city centre is welcoming and attractive all year round;
- Work with the City Council and County Council to address the impacts of climate change through investing in urban greening, tree coverage and sustainable drainage to help with flood mitigation, increase biodiversity and create an enjoyable environment for people;
- Invest in initiatives that support sustainable business and collective efforts to reach net-zero including waste and recycling projects, sustainable travel initiatives, free bicycle checks and repairs.

## **14. Are there any other options?**

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

14.2 If the BID vote is unsuccessful, the Service Lead for Net Zero & Business will work with relevant Directors and Portfolio Holders to address the decision and draw up plans to support the city centre and businesses located within in.

**Director Net Zero Exeter & City Management, David Bartram**

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

Background papers used in compiling this report:-

None

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