

RECORD OF DELEGATED OFFICER DECISION

Key Decision

✓

SUBJECT:

The Establishment Of Further Business Improvement Districts (BIDs) Across Rhondda Cynon Taf Town Centres

PURPOSE OF REPORT:

The purpose of this report is to:

- (a) Provide details of the Welsh Government Business Improvement District (BID) Development Fund to support the development of BIDs in Wales.
- (b) Outline an approach for identifying additional BID towns across Rhondda Cynon Taf and seeks endorsement for commencing this process by applying to the Welsh Government Development Fund for funding to support the commissioning of consultants to undertake feasibility works in preparation for BID development.

DELEGATED DECISION:

It is agreed to:

- (a) Note the findings of the key determining factors used to identify BID development potential, as outlined in Appendix A.
- (b) Support the nomination of Aberdare and Treorchy town centres for BID development.
- (c) Support an application to the Welsh Government BID Development Fund to support the undertaking of feasibility works for the above nominated towns.


Chief Officer Signature

C. BRADSHAW
Print Name

4/7/18
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

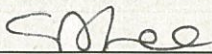
CONSULTATION



4/7/18

CONSULTEE CABINET MEMBER SIGNATURE

DATE



4/7/18

CONSULTEE OFFICER SIGNATURE

DATE

CALL IN PROCEDURE RULES.

IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

NO ✓

Reason for urgency:.....

If deemed urgent - signature of Mayor or Deputy Mayor or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....
(Mayor)

.....
(Dated)

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

PUBLICATION & IMPLEMENTATION DATES

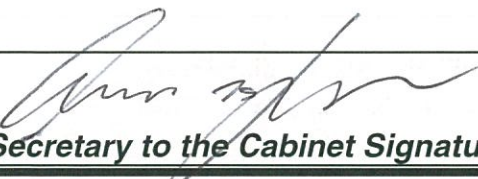
PUBLICATION

Publication on the Councils Website:- 4th July 2018
DATE

IMPLEMENTATION OF THE DECISION

Note: This decision will not come into force and may not be implemented until the expiry of 3 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Subject to Call In the implementation date will be 10th July 2018
DATE

 Secretary to the Cabinet Signature	CHRISTIAN SS HANAGAN Print Name	<u>4/7/18.</u> Date
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Further Information

Directorate:	Regeneration, Planning and Housing
Contact Name:	Darren Notley
Designation:	Project Team Leader (Town Centres)
Tel.No.	01443 281120

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

KEY DELEGATED DECISION

**REPORT TO ACCOMPANY A DECISION OF THE DIRECTOR OF
REGENERATION, PLANNING AND HOUSING**

29 JUNE 2018

**THE ESTABLISHMENT OF FURTHER BUSINESS IMPROVEMENT
DISTRICTS (BIDS) ACROSS RHONDDA CYNON TAF TOWN CENTRES**

**Author: Darren Notley, Project Team Leader (Town Centres) Tel:
(01443) 281120**

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides details of the Welsh Government Business Improvement District (BID) Development Fund to support the development of BIDs in Wales.
- 1.2 It outlines an approach for identifying additional BID towns across Rhondda Cynon Taf and seeks endorsement for commencing this process by applying to the Welsh Government Development Fund for funding to support the commissioning of consultants to undertake feasibility works in preparation for BID development.

2.0 RECOMMENDATIONS

It is recommended to:

- 2.1 Note the findings of the key determining factors used to identify BID development potential, as outlined in Appendix A.
- 2.2 Support the nomination of Aberdare and Treorchy town centres for BID development.
- 2.3 Support an application to the Welsh Government BID Development Fund to support the undertaking of feasibility works for the above nominated towns.

3.0 BACKGROUND

- 3.1 A **Business Improvement District (BID)** is a defined area within which businesses pay a levy in order to fund projects within the BID boundary. The BID is primarily funded through the levy although it may also draw on other public and private funding streams.
- 3.2 BID development across the UK has grown significantly in recent years, with 208 established BID's currently in operation. Wales currently has 12 established BIDs; Aberystwyth, Bangor, Bridgend, Caernarfon, Cardiff, Colwyn Bay, Merthyr Tydfil, Neath, Newport, Merthyr Tydfil, Pontypridd and Swansea.

The Pontypridd BID was established in May 2016 and is the first in Rhondda Cynon Taf.

- 3.3 Once established, BIDs are funded by the commercial sector by way of a BID levy. The businesses vote on whether to accept or reject BID development. If the ballot is successful, all businesses within the BID footprint contribute to the levy, which is calculated as a percentage (usually between 1 and 3%) of the Rateable Value.

Note: This levy is in addition to the normal national non-domestic rates (NNDR).

All hereditaments (premises liable to rates) within the BID area would be liable for the BID levy including Council premises.

- 3.4 The levy delivers a sustainable financial model to a defined area of a town and can therefore provide services over and above those provided by statutory authorities. Early stage BIDS focus on 'Safer/Cleaner/Greener' projects, Mid Term Bids develop 'Business Support' initiatives while 'Economic Development' is the key agenda for mature longer term BIDS.
- 3.5 The BID mechanism has been recognised as being successful in bringing local businesses and other stakeholders together with the common aim of improving their trading environment and enhancing their profitability. The Welsh Government is supporting the development of additional BIDs in Wales through its dedicated Welsh BID Development Fund. It has allocated £270k (2018-20) to support BID development throughout Wales, £30k per BID, with a minimum match-funding contribution of 25%.

- 3.6 The funding would support the commissioning of consultants to assist in developing a BID through the stages of feasibility, consultation, ballot and post ballot support.

4.0 SETTING UP A BID

- 4.1 The ballot is managed by the local authority. The ballot will be considered successful if more than 50% of those voting support the BID and if more than 50% of the Rateable Value is achieved for those that voted. This process ensures the system does not favour the smaller independent units over the larger National operators and vice versa.
- 4.2 The financial costs of managing the ballot can be recharged to the new BID Company, once established.
- 4.3 If successful at ballot, the newly formed BID can operate for a maximum of 5 years, to continue beyond this time would require a new ballot. Over 90% of 2nd term ballots are successful.
- 4.4 Following the ballot a BID Board is formed and the BID in most cases becomes a company limited by guarantee, run by the private sector.
- 4.5 BIDs take approximately 2 years to get to ballot stage with the average cost of establishing a BID from feasibility to ballot being £30K, with a further £10k required for post ballot support. The £40k total would be made up of £30K WG Bid Development Fund (if successful in the application process) plus a maximum £10k match funding from the Council's Town Centre Budget.
- 4.6 If the ballot is successful and the BID is established, any Council involvement such as levy collection and ballot management can be recharged to the BID Company. The Council's involvement post ballot would be determined by the BID Board in consultation with the Council.

This may include the Council being offered Board membership in a voting or non-voting capacity. Officers can work with the BID Manager to develop a Service Level Agreement (SLA) to ensure there is no overlap of tasks, joint working on initiatives etc. However, the BID would be a separate body to the Council. The BID Company would be responsible for delivering the Business Plan agreed by the BID Board.

5.0 POTENTIAL FURTHER BIDs IN RHONDDA CYNON TAF

5.1 Following the establishment of the Pontypridd BID in May 2015, a number of initiatives aimed at supporting business development and improving the towns offer have been successfully delivered. This has stimulated interest in BID development from other towns across the county borough.

As such, other town centres across Rhondda Cynon Taf have been carefully considered against criteria to establish which offer the greatest opportunity for BID development at this time.

The following have the most significance in any potential BID as they detail the number of contributing businesses and the potential levy income. Any levy would need to cover costs incurred as well as fund initiatives outlined by the BID Company.

- Number of rateable business units eligible for the levy
- Potential level of income from rateable properties.
- Level of business engagement and support for BID development

Other criteria are also important determining factors as they relate to wider regeneration initiatives and both local and national priorities, although the ability to deliver a sustainably funded BID is paramount.

- 5.2 Consideration against the criteria detailed above demonstrates that Aberdare currently offers the greatest potential for BID development. However, whilst the same criteria suggests Treorchy would generate a much lower income, thus reducing its BID potential, preliminary engagement with the business community suggest a real appetite for BID development. This together with the opportunity to apply for additional funding through the Pen Y Cymoedd Windfarm Fund, along with Aberdare places Treorchy in stronger position for BID development.
- 5.3 Although Talbot Green Retail Parks would potentially raise a significantly higher levy, the parks are privately managed operations with the interests of the main operators as their priorities, therefore they would not look to develop a business plan that would benefit the local economies of Talbot Green, Pontyclun or Llantrisant; this therefore does not meet the aforementioned criteria.
- 5.4 Collection of the BID levy would be administered by the Council in the same way as Non-Domestic rates. This service would be covered by an SLA between the BID company and the council. This SLA would detail the

levy collection responsibilities and the costs the council would expect to recoup for this administration work.

- 5.5 The Council's Operational Finance Section have indicated a software upgrade would be required to administer the additional levy collection and this is estimated to cost circa £10K. This cost would be recharged to the two new BIDs over a 5 year period at a cost £1K p.a. per BID, or £2k p.a. if only one BID is established.
- 5.6 The Council would have rate liable premises within a potential BID area therefore a mapping exercise would be required to determine which premises would be excluded from the levy charge. For example, car parks are liable to business rates and therefore the BID levy, but most BID areas exclude these from levy liability.
- 5.7 Staff support for BID development can be covered by existing resources.
- 5.8 Welsh Government has recognised the positive contribution BIDs can make. The proposed application for further BID development funding will demonstrate a strong commitment to delivering a cohesive package of proposed regeneration activity within Aberdare and Treorchy.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equalities Impact Assessment scoping exercise has been undertaken that indicates there would be no such implications.

7.0 CONSULTATION

- 7.1 It is not considered that any further consultation is required prior to submitting an application to Welsh Government.

8.0 FINANCIAL IMPLICATION(S)

- 8.1 There is a requirement for the Council to provide match funding to the value of 25% as part of the conditions of any application made to the Welsh Government BID Development Fund.

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 A legal obligation exists for the Council to support the development of a BID/s by leading on the undertaking of a ballot process where Stage 1 feasibility recommends such action.

10.0 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 The development of further BIDs across RCT will foster a culture that enables business communities to position themselves to make quick and effective decisions to improve the town centre experience for those who reside, work, visit and shop, whilst boosting the local economy. This approach will contribute to the achieving of the corporate priorities of 'Economy – *Building a strong economy*' and 'Place – *Creating neighbourhoods where people are proud to live and work*'
- 10.2 The development of further BIDs across RCT will improve the social, economic, environmental and cultural well-being of Wales and support the delivery of a prosperous Wales, a more resilient Wales and a Wales of cohesive communities.

11.0 CONCLUSION

- 11.1 Considering the cost implications for establishing a BID and the potential levy raised by hereditament, the appetite and support from the business community for BID development and the potential for attracting future external funding, Aberdare and Treorchy are the most suitable town centres to progress BID development.

Other Information:-

Relevant Scrutiny Committee

Public Services Delivery, Communities & Prosperity

Contact Officer: Darren Notley, Project Team Leader (Town Centres) Tel: (01443) 281120

BUSINESS IMPROVEMENT DISTRICTS - DEVELOPMENT SUPPORT 2018
 RHONDDA CYNON TAF - CONSIDERATION OF FURTHER TOWN CENTRES 2018

CRITERIA	ABERDARE	LLANTRISANT	TREORCHY	MOUNTAIN ASH	TONYPANDY	FERNDALE	PORTH
Number of rateable business units eligible for the levy	329	56	149	128	213	53	149
Potential level of income from rateable properties at 1%	£37,253.40	£2,116.15	£12,943.50	£8,017.40	£32,414.80	£3,054.60	£17,306.26
Potential level of income from rateable properties at 2%	£74,580.00	£4,232.30	£25,887.00	£16,034.80	£64,829.60	£6,109.20	£34,612.52