

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 5 OCTOBER 2021
REPORT OF THE CORPORATE DIRECTOR (PUBLIC PROTECTION, PLANNING
AND GOVERNANCE)

PROPOSAL FOR A SECOND TERM OF THE WELWYN GARDEN CITY BUSINESS
IMPROVEMENT DISTRICT IN WELWYN GARDEN CITY

1 Executive Summary

- 1.1 This report sets out a proposal by Welwyn Garden City Business Improvement District (WGC BID) to continue for a second five-year term. WGC BID have drafted a Business Plan based on consultation with the current levy payers and will ask the levy payers to vote in support of a second term to run for five years from 2022.
- 1.2 This report seeks authority from Cabinet to support a second term and cast a YES vote in the ballot for the second term of the WGC BID.
- 1.3 WGC BID was set up in April 2017, following a successful campaign, where they achieved a YES vote from the majority of businesses within the town centre.
- 1.4 The BID has delivered a number of positive outcomes for Welwyn Garden City town centre since its inception; a summary of key achievements is found at Appendix A.
- 1.5 Following extensive consultation, a new BID Business Plan, BID boundary and levy criteria are proposed. The draft Business Plan and BID boundary are set out in Appendix B and Appendix C respectively
- 1.6 The boundary area remains largely unchanged, other than a slight variation to the boundary point at the southern end of Parkway
- 1.7 The report outlines the financial implications for the council should the BID vote return a positive majority.

2 Recommendation(s)

- 2.1 Cabinet supports the BID renewal proposal, having considered the draft Business Plan, baseline agreements and BID boundary and agrees that there is no conflict with any adopted policy, as set out in Paragraph 4.4 of this report.
- 2.2 Cabinet agrees to delegate authority to the Corporate Director for Public Protection, Planning and Governance to cast a YES vote in the BID ballot.
- 2.3 Cabinet notes that the council will run the ballot, as set out in paragraph 4.5 and that Mr John Merron will be the Returning Officer.
- 2.4 Cabinet notes that the council will be the billing authority.

- 2.5 Cabinet agrees to delegate authority to the Head of Resources, in consultation with the Deputy Leader and Executive Member, Resources, to agree the charge for managing the levy billing, collection and enforcement process.
- 2.6 Cabinet agrees, subject to a majority YES vote, to delegate authority to the Head of Community and Housing Strategy, in consultation with the Leader of the council, to enter into the operating agreement with the BID Company and to finalise the Baseline agreements, in consultation with relevant Heads of Service.
- 2.7 Cabinet notes that the Leader of the council is currently the Cabinet member representative on the BID Board in place of Cllr Sarson, who was the previous representative.

3 Explanation

- 3.1 BIDs were introduced to England in 2003/04. BIDs now exist in over 320 locations throughout the United Kingdom. Locally, Letchworth, Luton, Watford, St Albans, Bedford, and Hitchin have successful BIDs in place, some on their second or third term.
- 3.2 A BID provides sustainable funding for an agreed period (proposed five years), allowing every business within the defined BID area to influence how that investment is spent; focus on improving issues that are important to businesses and in turn reducing business costs. A BID provides a collective voice to influence key strategic development within the centre and it can leverage in additional funding.
- 3.3 For the WGC BID to have a second term, a successful ballot must be achieved of those occupiers within the proposed BID area. This must meet two tests: a simple majority of those who vote must register a 'YES' and the aggregate rateable value of those that vote 'YES' must be greater than that of those that vote 'NO'. This is intended to ensure that there is a degree of parity in a town centre populated by larger multi nationals and smaller, specialist shops.
- 3.4 WGC BID has sent the appropriate Notice to the Secretary of State to hold a ballot for the proposed renewal of a Welwyn Garden City town centre BID. The proposed ballot date is 18 November 2021. The proposed ballot period 21 October to 18 November 2021. No votes will be accepted after 5pm on 18 November.
- 3.5 The ballot will be conducted by post and will be run by the council's Electoral Services team. The regulations require that the cost of the ballot is met by the council.
- 3.6 A small levy (usually set between 1% and 2.5%) in addition to the business rates is charged to occupiers within the agreed BID area. This increases each year by 2% or 1 December CPI; whichever is greater. This provides a budget which pays for a range of services and improvements that are specific to the BID area and are in addition to services already being provided by the local authority.
- 3.7 The proposed levy rate for Welwyn Garden City town centre BID would be 1.95% of rateable value (RV) for non-domestic hereditaments outside a managed shopping centre, and 1.69% for non-domestic hereditaments inside a managed shopping centre with an RV of £5,000 or more. However, in consideration of the challenges facing businesses over the last 18 months the levy in year 1 will be

reduced to 1.5% of rateable value (RV) for non-domestic hereditaments outside a managed shopping centre, and 1.25% for non-domestic hereditaments inside a managed shopping centre with an RV of £5,000

- 3.8 If successful at ballot the WGC BID will commence its second term on 1 April 2022 and be in place for five years. This is the maximum period of a BID before a fresh ballot is required.
- 3.9 The council can note a conflict with the BID in the following circumstances so the council should satisfy itself that:
- The BID proposal does not conflict to a material extent with any policy formally adopted and published by the authority;
 - The BID proposal does not place a significantly disproportionate financial burden on any person or class of person, as compared to other non-domestic rate payers in the area of the BID, and that burden is caused by a manipulation of the geographical area of the BID or the way the BID levy is structured, and that burden is inequitable.
- 3.10 The council has a close partnership with the BID and the Chief Executive Officer is a council appointed Director on the BID Board. In addition, the council nominates a Cabinet member to attend the Board, by invitation from the BID. Up until May 2021 this was Cllr Bernard Sarson, who held the relevant portfolio, however Councillor Tony Kingsbury, Leader of the council, is currently attending, following the change to portfolios in May 2021.
- 3.11 Officers are satisfied that sufficient engagement and consultation has been carried out and that the BID proposal does not trigger either of the circumstances which would warrant a veto, as set out in paragraph 3.9
- 3.12 The BID proposal includes the draft BID Business Plan, the baseline agreements (which are the outline of services to be provided by the local authority within the BID area) and the BID boundary and hereditaments. This documentation is attached. This report seeks support for the BID proposal.
- 3.13 In accordance with the legislation and subject to a positive ballot, the billing procedure will be carried out by the council, through its partners.

Other supporting documents include:

- Draft Operating Agreement (outline of the terms of the relationship between the BID company and the billing authority with specific regard to collection of the bid levy) – This is attached at Appendix D
- Draft letter to the council requesting the council to hold the ballot, attached at Appendix E.

Implications

4 Legal Implication(s)

- 4.1 A BID must operate in accordance with the provisions of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004

(the Regulations), which outline the statutory process for the establishment of BIDs. In addition to this, Section 1 of the Localism Act 2011 confers a 'general power of competence' on local authorities to do anything that individuals generally may do.

- 4.2 The legislation allows for businesses within a defined BID area to vote to set up a BID Organisation or BID Company, which has the power to levy an additional charge on Business Rate Payers within that BID area for the purpose of funding projects within the BID area.
- 4.3 The purpose of the funding must be set out in the BID Proposal or 'business plan', which must be proposed to the billing authority (local authority) and then supported by businesses through the ballot process.
- 4.4 Where the relevant billing authority is of the view that the BID proposals, renewal proposals or alteration proposals conflict with a policy formally adopted by and contained in a document published by the authority (whether or not the authority is under a statutory duty to prepare such document) the authority shall, as soon as reasonably practicable after receiving the proposals, notify the BID proposer or BID body, as the case may be, in writing explaining the nature of that conflict.
- 4.5 The Council is required by law to conduct the ballot, with one vote assigned to each hereditament, subject to any exemptions that the BID Company agree (only exemption is hereditaments with a rateable value of less than £5k are exempt), within the defined area of the BID. To ensure that there is no conflict of interest, Mr John Merron, the council's Electoral Services Manager, will be the Returning Officer for the ballot.
- 4.6 The Council is required by law to administer the BID billing, collection, enforcement, and accounting of the levy if the ballot is successful. Under the Regulations, the council may charge for this service but is not obliged to do so. The cost of the billing, collection and enforcement is being assessed and the final charge will be agreed, subject to agreement of the recommendations in this report, by delegated authority.

5 Financial Implication(s)

- 5.1 The council has nine premises within the BID area, two of which will be exempt from the BID levy as they fall below the threshold of 5k.
 - Campus East offices
 - Campus West
 - Campus East Car Park
 - Campus West Car Park
 - Hunters Bridge Car Park
 - WGC Shop Mobility
 - WGC Toilets
 - Store/Garages in Campus East Car Park (exempt)

- AdSpace 2000 (outside Waitrose) (exempt)

5.2 The total liable rateable value is £1.065m. If the ballot is successful a 1.5% levy for Year One would be £15,979, then from Year Two a 1.95% levy will be £20,772.

5.3 The current levy for the Council is 1.655%. This means the council would see a £1,651 reduction in year one and increases of £3,142 per annum from the 2021/22 budget position.

5.4 Charges may be levied for the services provided within the operating agreement, such as levy billing, collection, data provision and enforcement process. The recommendation of this report seeks delegation to the Head of Resources to negotiate these charges.

6 Risk Management Implications

6.1 The BID Board have a comprehensive risk register linked to the BID renewal project. The specific risks related to the content of this report is:

- Voter data base is incorrect or incomplete. Likelihood Low; Impact Medium
- Lack of engagement from businesses, so low turnout at ballot. Likelihood Low; Impact Major
- Reputational risk if the council is not supportive of the BID, given the current economic climate and need to help revive town centres. Likelihood Very Low; Impact Major

7 Security & Terrorism Implication(s)

7.1 There are no known security and terrorism implications associated with this recommendation

8 Procurement Implication(s)

8.1 There are no known procurement implications associated with this recommendation

9 Climate Change Implication(s)

9.1 There are no climate change implications associated with this recommendation.

10 Human Resources Implications

10.1 The ballot and the billing will be organised by the council. The relevant teams are aware and have the resources in place to implement.

11 Health and Wellbeing Implications

11.1 Achieving a vibrant and appealing town centre creates a pleasant space for the local community to use and enjoy and has a positive impact on wellbeing.

12 Communication and Engagement Implications

12.1 The BID team have been engaging with businesses within the BID area for many months, to ensure that they have formed their BID proposal and Business Plan based on the priorities of local businesses and levy payers.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the Council's Corporate Priority 'Evolving, vibrant town centres and a growing economy'

14 Equality and Diversity

14.1 An Equality and Diversity Impact Assessment has not been carried out in relation to this report, because it is not proposing a new policy or procedure.

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Background papers to be listed (if applicable)

Business Improvement Districts (England) regulations 2004

BIDs technical guidance for local authorities

Appendices to be listed

Appendix A Summary of achievements in first BID term

Appendix B Draft BID Business Plan and levy criteria

Appendix C BID Boundary

Appendix D Draft Operating Agreement (outline of the terms of the relationship between the BID company and the billing authority with specific regard to collection of the bid levy)

Appendix E Draft letter to the council requesting the council to hold the ballot.