

WAVERLEY BOROUGH COUNCIL

OVERVIEW & SCRUTINY COMMITTEE – RESOURCES 19 SEPTEMBER 2023

Business Improvement Districts – Farnham and Godalming

Portfolio Holder: Cllr Liz Townsend, Planning and Economic Development

Head of Service: Abi Lewis, Executive Head of Regeneration and Planning Policy

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 The business communities in Farnham and Godalming are progressing with developing Business Improvement Districts (BIDs) in their High Street areas. They have each produced business plans and intend to go to ballot in October 2023. This follows a success BID ballot in Cranleigh in June 2023 (information available here: <https://cranleighbid.co.uk/>).
- 1.2 Waverley Borough Council (WBC) is a business rate payer, and as such will have a number of votes (relating to the number of rateable properties) to cast in the ballot. If the outcome of the ballot is positive, the Council will be required to pay the levy contribution, regardless of how the Council voted in the ballot. The estimated cost to the Council in the event of positive ballots in each town is set out in section 4.18 of the report.
- 1.3 Whilst the BIDs are being developed independently the Council has supported this work as part of its Economic Development Strategy and corporate priorities to help sustain and develop the vitality and vibrancy of the Borough's High Streets.
- 1.4 The Farnham and Godalming BID Project Manager will be attending the Resources O&S meeting to present to Members an outline of what is proposed for their town BIDs and will be able to respond to questions on the advantages of a BID for the settlement.
- 1.5 The final Business Case for each BID will be published in September prior to the ballot opening in October so that affected business rate payers are able to make a judgement on whether they wish to cast their ballot in support of the BID (Appendices 1 and 2).

2. Recommendation

- 2.1 The Overview & Scrutiny Committee – Resources is invited to:
- (a) Consider and comment on WBC’s support for the BID business plans submitted for Farnham and Godalming; and
 - (b) Note the cost to WBC, as a Business Rate Payer, in the event of the two BID ballots being successful.
- 2.2 The Committee is invited to make observations and/or recommendations to the Executive on the above matters, including an indication on how Waverley should cast its ballot in each of the forthcoming ballots.

3. Reason for the recommendation

- 3.1 This proposal will support the Council’s strategic priority to support a strong, resilient local economy.

4. Background

- 4.1 The British high street is facing significant pressures from the change in customer buying behaviour due to online shopping, falling footfall numbers, high rents and high business rates. The pandemic compounded issues for the physical high street when consumers moved to online shopping. This trend has continued post pandemic. In Waverley, retail offers 6,000 jobs, second to the education sector with 8,000 jobs.
- 4.2 Across the country, BIDs have been developed to try and address this trend, seeking to generate additional investment for focused activities to support retail and other businesses in high streets. Legislation enabling the formation of BIDs was passed under the Local Government Act 2003, specifically the BIDs (England) Regulations 2004.
- 4.3 A BID is a not for profit company formed within a defined geographical area and delivers a programme of agreed actions set out in an approved business plan. There are currently over 330 BIDs in the UK. The BID is formed following a vote of all eligible businesses liable for business rates within the BID area and will generate sufficient funding to implement the business plan.
- 4.4 A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast. Each business entitled to vote in a BID ballot is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID. There is not a minimum turn out required, but validity could be questioned with a low turnout (15%), for example if the ballot is during the summer holiday period or without sufficient consultation.
- 4.5 Activities that might be funded by a BID include town centre management, marketing, community safety initiatives and improvements to the physical environment (e.g. Christmas lights and wayfinding). Activities proposed can be found in the business plans.

- 4.6 In formulating the scope of the business plan and the thresholds for inclusion in the BID, once approved through a ballot, all business rate payers will contribute within the defined area. The BID will run for five years after which another ballot must be held if the BID is to continue.
- 4.7 Once BIDs have been voted in by a ballot, they generally continue past their first term. For example, the 'Experience Guildford' BID was initially set up with a 5-year lifespan, but due to its strong performance it has now successfully been extended into a third 5-year term. This BID raises £500,000 per annum.
- 4.8 "Experience Guildford" successes to be continued during 2023-28 include:
- Employ five town rangers – who make over 450 business visits per year.
 - Annual Customer Service Awards.
 - 2,000 employees provided training.
 - Guildford Business Crime Reduction Partnership (BCRP) – 236 members including Guildford Borough Council, Surrey Police and homeless outreach/support agencies.
 - In the Business Crime Reduction Partnership (BCRP) exclusion scheme, 230 warning letters have been handed out since Oct 2020 with 90% of recipients not re-offending.
 - Provide taxi marshals three nights a week and late-night bus security twice a week. Reduced alcohol-related incidents by 85% in their first year.
 - Welfare Champions trained and in place in the late-night venues.
- 4.9 The main benefits of a BID to the business community of an area are:
- An open and accountable partnership between the private and public stakeholders.
 - An ability to plan long-term as the funding lasts for five years.
 - An equitable share of the BID costs amongst all eligible businesses.
 - A distinction between the Borough Council, County Council and Police base line services and enhanced services to encourage economic prosperity for the three settlements concerned.
 - Increased scope for sustainable economic development through inward investment.
 - Enhanced infrastructure investment.
 - Support local employment by enabling the settlements to compete favourably with competitor destinations and online services.
 - The ability to bring in additional funding, in kind funding, grant funding, event sponsorship.
- 4.10 The responsibilities for a local authority in enabling the establishment and successful operation of a BID are:
- Being familiar with the BID Regulations.
 - Rating List Holder.
 - Service Provider - for provision of statement of existing baseline services.
 - Collection of the BID Levy.
 - Ballot Holder - for provision of Ballot Services (this can be outsourced).
 - Notification of Ballot Outcome.
 - Declaring a Ballot Void.

- Termination Procedure.

Development of the three BIDS in Waverley

- 4.11 The four Chambers of Commerce requested WBC's support in 2017 to fund a feasibility study into a BID for the borough. In 2019 following a procurement process, Mosaic Partnership, who have supported over 100 BIDs, undertook a feasibility study funded by WBC. The study indicated that the implementing BIDs in the four main settlements could achieve additional investment of approximately £4,121,095 over the five-year BID term.
- 4.12 Post pandemic, three Chambers of Commerce (Cranleigh, Farnham and Godalming) have been progressing with business engagement, forming working groups and raising awareness of the process and benefits of BIDs for their High Streets.
- 4.13 In 2021 WBC allocated £40,000 of the Additional Restrictions Grant to support this process, which enabled the employment of Mosaic Partnership to develop the BIDs ready to go to ballot with a BID business plan for each settlement in June or September 2023. The Secretary of State has been informed of these dates.
- 4.14 Haslemere Chamber of Trade and Commerce decided not to progress with the BID process in the town following the pandemic. The reasons for this being the projects they had first identified, such as sourcing employee parking and plans for public toilets in Weyhill, have been resolved during the pandemic.
- 4.15 Cranleigh businesses voted in favour of the BID in June 2023. This will commence on the 1st November 2023.

Financial implications of the BIDs

- 4.16 A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill (1 to 2%). The boundary of a BID and the levy payable is decided by the BID proposer (business steering group).
- 4.17 The following outlines the number of businesses within each proposed BID area, the likely levy to be charged and the potential income generated. The levy rate, boundary and therefore full liabilities will be confirmed in each BID's business plan. Usually this is completed and distributed to all voting businesses one month prior to the month long ballot:

Cranleigh	181 businesses 2% levy £94,000 income p.a.
Farnham	427 businesses 2% levy £307,000 income p.a.
Godalming	282 businesses 2% levy £173,000 income p.a.

4.18 The Council owns a number of properties within each of the proposed BID areas. The likely associated financial liability for the Council should the BIDs ballot processes be successful is as follows:

BID area	Number of commercial units owned by WBC	Annual levy payable
Cranleigh	2	£2,920
Farnham	9	£17,200
Godalming	7	£23,880
TOTAL	18	£44,000

For full details of the units included see Appendix 3.

4.19 The above liabilities assume a 2% levy across the BID areas. These anticipated costs have been included in the Council's budget setting for 2023/24 financial year.

5. Relationship to the Corporate Strategy and Service Plan

5.1 The Council's support of the BIDs development relate to the following Corporate objectives and priorities:

- Local, open, participative government.
- Supporting a strong, resilient local economy.
- Taking action on Climate Emergency and protecting the environment.
- Improving the health and wellbeing of our residents and communities.

5.2 In addition, the recommendations link to the delivery of the Regeneration and Planning Policy Service Plan, notably "support[ing] healthy town centres by developing Business Improvement Districts and other initiatives".

6. Implications of decision

A. Resource (Finance, procurement, staffing, IT)

Drafted by: Rosie Plaistowe-Melham, Financial Services Manager

6.1 The forecast levy costs for the Council have been provided for in the Council's Medium Term Financial Plan and Budget for 2023/24.

6.2 The Council will have a statutory responsibility to collect the BID levy should the proposed BIDs be successful. This additional work will be resourced by the Revenues team. The additional estimated cost of this is £20,200 per annum. However, the Council is permitted to charge a reasonable fee for this service to recover these costs.

6.3 The Council will also need to purchase additional software to enable the collection of the BID levy should the BIDs be successful. The capital expenditure outlay costs of the Civica software required will be funded by the Council £43,000, to keep the administrative costs of the BID below 5%. This commitment was approved by Executive in June 2023. The ongoing cost of this software can be recovered from the BIDs.

B. Risk management

- 6.4 If the Council was not to vote in favour of the proposed BIDs it would be counter to the Council's corporate priorities. It is likely that the Council would be viewed as not supportive of local business and economic development. There may also be an expectation that WBC picks up a number of the initiatives outlined in the business plans, above and beyond existing service provision, for which the Council does not have the resources to do so.

C. Legal

Drafted by: Jayne La Grua, Interim Deputy Borough Solicitor

- 6.5 The development and management of BID areas is not directly a matter for the Council, although we have powers to assist and support. The Council has formal duties to administer and manage the ballot process in accordance with legislation (it may use contractors to support this process).
- 6.6 The Council is also responsible for the administration of the National Non Domestic Rates process, accordingly it will collect and administer the payment of the BID levy.
- 6.7 Whilst the Council is a key stakeholder in town centres (and may have a vote dependant on land holdings), it does not control the BID company, although it may have a representative on the company Board.

D. Equality, diversity and inclusion

- 6.8 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.9 This duty has been considered in the context of this report and it has been concluded that there are no specific equality, diversity or inclusion implications arising from this report.

E. Climate emergency declaration

- 6.10 There are no direct climate change implications associated with this report.

7. Consultation and engagement

- 7.1 The Council has undertaken regular consultation with the local Chambers of Commerce, town and parish councils, and the newly formed BID working groups throughout this process. Officers have attended the monthly BID working party meetings in each settlement.

- 7.2 The BID working groups are undertaking extensive consultation with the businesses within the BID areas.
- 7.3 Executive have received verbal updates bi-monthly for the last six months at briefing sessions.

8. Other options considered

- 8.1 The Council could decide not to support the BIDs. However, this would be indicating a lack of support for greater investment in the three high street business communities and would be contrary to the Council’s strategic priority of “Supporting a strong, resilient local economy”.

9. Governance journey

- 9.1 The proposed governance route for WBC scrutiny of BIDs in the borough as follows:

Farnham and Godalming BIDs

Meeting	Date
Executive briefing	12 September
Resources Overview and Scrutiny	19 September
Executive	3 October

- 9.2 Vote casting has been delegated to the Leader of the Council (an Executive decision, June 2023).
- 9.3 The decision to vote in favour of the BIDs can only be done once WBC have received their business plans, with details of the proposed levy amount and the projects proposed.
- 9.4 It should be noted that the Council could be provided with a Board position for each successful BID. The Council will need to decide the representatives to be appointed to the Boards in due course.

Background Papers

There are background papers, as defined by Section 100D(5) of the Local Government Act 1972.

Additional Restrictions Grant – Covid business support proposals 2021-22

[EXECUTIVE REPORT ARG March 2021 \(waverley.gov.uk\)](http://waverley.gov.uk)

[Overview and Scrutiny Resources BID report 20 March 2023.pdf \(waverley.gov.uk\)](http://waverley.gov.uk)

[Cranleigh BID vote report Executive June 2023](http://waverley.gov.uk)

[Decision - Cranleigh Business Improvement District \(BID\) Ballot - Waverley Borough Council](http://waverley.gov.uk)

Appendices:

Appendix 1 – Farnham BID business plan

Appendix 2 – Godalming BID business plan

Appendix 3 - WBC units liable for a BID levy

Farnham

Prop Desc	Rateable Val	Levy (2%)	PropAddress 1	PropAddress 2
CAR PARK AND PREMISES	£201,000	£4,020	Car Park	Victoria Road
CAR PARK AND PREMISES	£125,000	£2,500	Car Park	The Hart
CAR PARK AND PREMISES	£99,500	£1,990	02221176 Car Park Wagon Yard	Lower Church Lane
CAR PARK AND PREMISES	£76,500	£1,530	02216176 Car Park Adj Sainsburys	South Street
CAR PARK AND PREMISES	£66,500	£1,330	Riverside 2 Car Park	Dogflud Way
CAR PARK AND PREMISES	£20,250	£405	02215176 Riverside Car Park	Dogflud Way
CAR PARK AND PREMISES	£12,000	£240	02217176 St James Car Park	Dogflud Way
OFFICES AND PREMISES	£19,250	£385	1st & 2nd Floors	Montrose House
OFFICES AND PREMISES	£240,000	£4,800	Wey Court East	Union Road
	£860,000	£17,200		

Godalming

CAR PARK AND PREMISES	£181,000	£3,620	Crown Court Car Park	The Burys
CAR PARK AND PREMISES	£49,500	£990	Car Park	South Street
CAR PARK AND PREMISES	£31,000	£620	02235176 Car Park	Mint Street
CAR PARK AND PREMISES	£20,250	£405	Car Park (Lower Queen Street)	High Street
CAR PARK AND PREMISES	£37,750	£755	1176R1101	Car Park
OFFICES AND PREMISES	£775,000	£15,500	Council Offices	The Burys
SHOP AND PREMISES	£99,500	£1,990	69 High Street	Godalming
	£1,194,000	£23,880		

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Agreed and signed off by:

Head of Service: Abi Lewis, Executive Head of Service 17/08/2023

Legal Services: Jayne La Grua, Legal Services, 06/09/2023

Head of Finance: Rosie Plaistowe, Financial Services Manager 31/8/23

Strategic Director: Dawn Hudd, 24/08/2023

Portfolio Holder: Cllr Liz Townsend 31/8/23