

Waverley Borough Council

Report to: Executive

Date: Executive 3 October

Ward affected: Farnham and Godalming

Report of: Strategic Director - Place

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Report Status: Open

Farnham Business Improvement District (BID) Ballot and Godalming Business Improvement District (BID) Ballot

Executive Summary

- 1.1 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.

1.2 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.

1.3 Following on the heels of a successful Cranleigh ballot in June, the Farnham BID task group and Godalming BID task group have produced their own final five-year Business Plans (Appendices 1 and 2). These are circulated prior to the ballot opening in October to allow business rate payers affected by the proposed BIDs to make a judgement on whether they wish to cast their vote in support of the BID in their town.

1.4 Key projects in the Farnham business plan are:

- Destination Marketing
- Clean and secure
- Business Support
- Employee Parking

Key projects in the Godalming business plan are:

- Destination Marketing
- Digital High Street
- Dealing with Empty Units
- Security and Wayfinding
- Business Support

1.6 This Executive report provides a background on the responsibilities and financial implications of the BIDs for the Council, and it recommends that the Council support the BID ballots taking place in Farnham and Godalming in October.

2. Recommendation to Executive

The Executive resolves:

- 2.1. To delegate to the Leader of the Council to vote in support of the Farnham BID with the Council's nine votes as a levy payer.
- 2.2. To delegate to the Leader of the Council to vote in support of the Godalming BID with the Council's six votes as a levy payer.
- 2.3. To note the annual cost to the Council of its levy contributions set out at 11.1, the cost of which have been included in the Medium Term Financial Plan (MTFP).

3. Reasons for Recommendation:

- 3.1. Supporting BIDs forms part of the Council's existing and emerging Economic Development Strategy to support the high streets and a vibrant business economy in the borough.
- 3.2. The Council has invested in the BID development process since 2018, having commissioned a feasibility study and provided grant funding to each BID area.
- 3.3. The Council has a statutory responsibility to work with BIDs, which provides a good opportunity to build a partnership with these stakeholders.
- 3.4. The Council voted for the Cranleigh BID in June 2023 and therefore precedent has been set for the Council's support of further proposed BIDs.

Exemption from publication

4.1 This report has no exempt content.

Purpose of Report

5.1. This paper provides background to the development of BIDs in the borough and outlines the implications and responsibilities of the Council in the BID process. In addition, the information for the Executive in order for them to recommend that the Council vote in favour of the Farnham BID and the Godalming BID.

Strategic Priorities

6.1. The Council's support of the BIDs' development relates 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.

6.2. 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".

Background

7.1. 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 only in employment numbers to the education sector with 8,000 jobs.

- 7.2. 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. 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. A 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 which the BID promoter will have consulted on.
- 7.3. 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 turnout 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.
- 7.4. 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).
- 7.5. 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.
- 7.6. 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 around £500,000 per annum.

7.7. 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.

7.8. 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 (outsourced to Civica).
- Notification of Ballot Outcome.
- Declaring a Ballot Void.
- Termination Procedure.

8. Progress of the three BIDS in Waverley

8.1 The four Chambers of Commerce requested the Council'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 implementing BIDs in the four main settlements could achieve additional investment of approximately £4,121,095 over the five-year BID term.

- 8.2 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.
- 8.3 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.
- 8.4 The Council 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 11.1 of the report.
- 8.5 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.

- 8.6 The Cranleigh BID was voted for by the local business community in June 2023. It will start 1st November 2023, immediately following the Farnham and Godalming ballot results, to enable economies of scale for the required BID levy software capital purchase of £43,000 by WBC.

9. Consultations

- 9.1 The Council has undertaken regular consultation with the local Chambers of Commerce, town / parish councils and the newly formed BID working groups throughout this process. Officers have attended the monthly BID working party meetings in each settlement.
- 9.2 The BID working groups in both towns have undertaken extensive consultation with the businesses within the BID areas. These include one to one meetings, workshops, drop in sessions and surveys.
- 9.3 The Executive has received verbal updates bi-monthly for the last year at briefing sessions.
- 9.4 Overview and Scrutiny received a presentation from the Economic Development service and Cranleigh BID in March 2023, recommending support for the BID. Executive voted for the Cranleigh BID in June 2023.

10. Key Risks

- 10.1 If the Council was not to vote in favour of the final two proposed BIDs, it would be counter to the Council's corporate priorities. There may also be an expectation that the Council would pick up several of the initiatives outlined in the business plans, above and beyond existing

service provision, which the Council does not have the resources to do.

10.2 The Council has invested £15,000 into the Feasibility Study for all four areas and allocated £40,000 ARG grants monies to support BID development in three areas. The Council will be looking to make a one-off purchase of the BID levy collection software, Civica, for £43,000 and this will only be viable with three BIDs in place, not only for 180 businesses in Cranleigh.

11. Financial Implications

11.1 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	£2,160
Farnham	9	£17,200
Godalming	6	£23,880
TOTAL	18	<u>£44,000</u>

As of August 2023. Any additional units that the Council purchases within the BID areas will be liable to pay the BID levy and will incur additional liabilities.

Budget provision for these levy costs has been provided for in the 2023/24 Budget and Medium-Term Financial Plan approved in February 2023.

11.2 The Council is responsible by law for the ballot and levy collection. These costs can be recharged to the BID and every effort has been made to keep the cost to a minimum. However, the Council will require additional staff resource in Finance 0.4 FTE to administer the collection of the levy. This will incur an estimated additional cost of £20,200 per annum which is rechargeable to the BIDs. In addition to this there will be recovery of system support and maintenance costs and print and postage costs.

12. Legal Implications

12.1 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 line with legislation (it may use contractors to support this process).

12.2 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.

12.3 The Council, in considering its intention to vote in relation to a BID proposal, must have regard to its financial and wider interests in considering its position. Whilst the Council has supported the development of the BIDs and given funding to support their development, it is not obliged to vote in favour; although of course it may if it considers that this is in the best interests of the Council and the Borough.

13. Human Resource Implications

13.1 Financial services will need to recruit an officer (0.4 FTE) to manage the new software and the levy collection for all three ballots. Recruitment will depend on the ballot results and begin after these when the resource requirements are clearer.

14. Equality and Diversity Implications

14.1 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.

14.2 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.

15. Climate Change/Sustainability Implications

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

16. Overview & Scrutiny 19 September

16.1 The Farnham and Godalming BID Project Managers presented a summary of their BID business plans, and took questions from the committee.

16.2 The Committee resolved to recommend the Executive vote to support the Farnham and Godalming BIDs.

17. Summary of Options

17.1 **OPTION 1 (Recommended):** That the Council casts its votes in favour of the Farnham BID at the ballot and the Godalming BID at ballot. As the BIDs benefit the towns with:

In Farnham, an annual BID levy pot of £300,00 per annum would be spent on marketing the town, reducing business crime, business support and travel and access schemes for local employees. [20.1]

In Godalming, a total BID income of £865,540 over five years which is to be spent on destination marketing to increase footfall and spend in the town; digital high street investment, activities to make the town cleaner and more attractive plus business support.

- 17.2 OPTION 2: (not recommended) That the Council vote no in the ballots, however the Council would still have to pay the Farnham and Godalming levy if the two ballots are successful and would still have to collect the levy. This is also not recommended as it would not facilitate the business communities investing in Waverley's High Streets to the benefit of local employment and residents and the town councils who are backing the local BIDs.

18. Conclusion

18.1 The Council has been working to support the development of Business Improvement Districts in Farnham and Godalming. The BIDs are due to go to ballot in October 2023

18.2 It is therefore proposed that the Executive approves the recommendation in the report to support the Farnham and Godalming BIDs.

19. 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 \(waverley.gov.uk\)](#)

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

[Cranleigh BID vote report Executive June 2023](#)

[Decision - Cranleigh Business Improvement District \(BID\) Ballot - Waverley Borough Council](#)

20. Appendices

- 20.1. Farnham BID business plan.
- 20.2. Godalming BID business plan.

Service	Sign off date
Finance Officer	31.8.23
Legal	06.09.2023
HR	N/A
Equalities	N/A
Lead Councillor	31.8.23
Director	24.8.23
Executive Briefing	19/9/23
O&S Resources Committee Services	19/9/23