Committee: Cabinet

Date of Meeting: 13 November 2019

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Walton Business Improvement District</th>
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<tbody>
<tr>
<td>Lead Officer:</td>
<td>Natalie Anderson, Head of Organisational Development</td>
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<tr>
<td>Portfolio Holder:</td>
<td>Portfolio Holder for Community &amp; Corporate Development Portfolio Holder for Resources</td>
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<tr>
<td>Link to Council Priorities:</td>
<td>Economic Development</td>
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<tr>
<td>Exempt information:</td>
<td>None</td>
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<tr>
<td>Delegated Status:</td>
<td>For recommendation to Council on 4 December 2019</td>
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<tr>
<td>Key Decision:</td>
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Executive Summary:

Following a Cabinet report in February 2019 seeking support from the Elmbridge Civic Improvement Fund to help the development of a Business Improvement District (BID) in Walton this report updates on progress and sets out the next steps to a potential BID ballot in February 2020.

Recommended: that

(a) Cabinet note the contents of the Walton Business Improvement District summary business plan;

(b) Cabinet agree to support the establishment of the BID by voting ‘YES’ in the BID ballot in respect of each of the Council’s eligible rateable properties in the BID area;

(c) if in agreement with (b) above, Cabinet agree to delegate authority to the Head of Organisational Development in consultation with the Portfolio Holder for Community and Corporate Development to cast the votes in respect of each of the Council’s eligible rateable properties in the BID area;

(d) the initial maximum cost of £20,000 for the software and implementation be funded from the Strategic Reserve (LABGI); and

(e) Cabinet agree to a charge of £35 per hereditament in respect to the collection and administration of the BID levy.

Report:

1.0 Background

1.1 As part of the Council’s on-going commitment to support our High Streets and businesses through our Enterprise Elmbridge programme we have been looking at best practice and new ideas to support our centres across the Borough.
1.2 Business Improvement Districts (BIDs) are business-led, business-funded bodies that deliver on a business plan agreed through a formal ballot of all ‘hereditaments’ (properties) in a defined area to support the vitality and viability of town centres.

1.3 In February 2019 the Walton-on-Thames Trading Alliance (Wotta) applied for £40,500 in funding from the Elmbridge Civic Improvement Fund to support the development and campaign phases of a potential Walton Business Improvement District in the town that could raise approx. £890,000 across five years.

1.4 Cabinet awarded Wotta the funding based on a 50% grant (£20,250) and a 50% loan (£20,250). The loan element is to be repaid to the Council out of any BID levy should the ballot be successful, and a BID be established in the town.

1.5 Should the BID development not be successful the £20,250 loan funding would be converted to a grant to ensure Wotta would not be left with any liability for the project. To help mitigate the financial risks to the Council the project and payment has been staged across the development and campaign phases to reduce the risk associated with the BID failing to achieve a YES vote.

2.0 Development phase

2.1 The BID feasibility study undertaken by the Mosaic Partnership with Wotta set out some key recommendations to support the development phase of a potential BID. These included further detailed 1-2-1 consultation with businesses and the establishment of a BID task group that could help ‘steer and cheer’ the BID as it developed its draft summary business plan.

2.2 The BID Task Group has now been established with a mix of national and independent high street businesses and representatives from both sectors and streets across the town. The Council is represented on the Task Group by the Portfolio Holder for Community and Corporate Development.

2.3 Following further consultation with the businesses in the proposed BID area a draft summary business plan was produced which was sent to all potential levy payers in the proposed BID geography for feedback.

2.4 The summary business plan sets out the proposed BID boundary, potential levy (1.5%) and the areas of activity above and beyond what is already being delivered in the town across the following themes:

- Marketing, promotion and events
- Safe, welcoming and accessible
- Clean and green
- Backing businesses
2.5 The information set out in the summary business plan will form the basis of the campaign to establish the BID via the ballot in the new year.

3.0 Campaign and ballot

3.1 Business Improvement Districts deliver on a Business Plan that reflects local issues and opportunities outlined by the businesses. For a BID to be established a formal ballot is held for all businesses in the defined area. To be approved BIDs need to receive a majority in both:

- The total number of votes cast
- The rateable values of the businesses voting

3.2 In Walton, it is proposed that all eligible businesses will pay a levy of 1.5% of the rateable value of the premises. Smaller businesses with a rateable value of less than £5,000 will be exempt as will all non-retail charities with no trading income. Based on the proposed levy the BID could potentially raise up to £890,000 to invest in Walton town centre over the next 5 years.

3.3 The potential amount raised by the levy is an approximate total which could be subject to change. There could be for example further exemptions to the levy or amendments to the BID geography in the final BID business plan. The levy total collected could be affected by a fall in collection rates or change of use planning applications that could give permission for a property to switch from commercial to residential use meaning it would no longer be liable for the levy.

3.4 It is proposed that the BID ballot date (the final day of the ballot) will be 12 March 2020. In advance of the ballot the BID business plan will be sent to all eligible voters within the BID area for consideration with 4 weeks to return their postal vote.

3.5 The BID ballot would be conducted on behalf of The Returning Officer by the Electoral Reform Services. The costs of doing so have been included within the original Elmbridge Civic Improvement Fund award for the project.

3.6 Subject to a YES vote at the ballot the BID will then commence in the summer of 2020 and run for a period of 5 years.

4.0 Financial implications

4.1 Under the BID legislation the Council is required to collect the levy on behalf of the BID Company. Should a BID be established an Operating Agreement will be entered into between the BID and the local authority governing how the BID levy monies are collected, administered and passed over to the BID company.
4.2 To set up and implement the BID levy module within the existing Academy business rates software used by the Council will cost:

- £13,500 (Software License)
- £1,300 (Implementation Services)
- £5,200 (Additional staff for ICT and Finance for implementation if required)

Total Initial Costs - £20,000 to be funded by Strategic Reserve (LABGI)

- £2,025 (Ongoing annual charge for software)

4.3 **Over 5 years of a potential Walton BID this would be a total cost of approximately £30,000, excluding any additional staffing requirement for the collection**

4.4 In addition, there would be further Council staff time required for the billing of the BID levy which needs to be done separately from the standard business rate bills. Should there be any enforcement of non-payment required there would also be a requirement for Legal Services staff to support the BID levy collection through the standard non-payment processes.

4.5 The costs of this can be provided for by the BID or offered as an inkind contribution by the Council. However due to the significant additional software costs and staff resource implications it is proposed to include in the Operating Agreement a charge of £35 per hereditament that would be funded through the BID levies. The proposed charge is based on a recommendation from national BID levy guidance.

4.6 If a BID is successfully established and Cabinet accepted the recommendation to set a BID levy collection charge of £35 per hereditament this would mean that the BID would be liable for the following costs:

- Business rate collection costs: £9,590 per annum (based on 274 rate payers @ £35 per hereditament)
- Elmbridge Civic Improvement Fund loan repayment: £4,050 per annum
- Total costs to BID per annum: £13,640

**The Council as a levy payer**

4.7 Subject to a majority YES vote at ballot and the establishment of a BID in Walton the Council will have potential liability for the payment of the BID Levy contribution on each of its properties as a freeholder or leaseholder within the proposed geography.

4.8 Based on a 1.5% levy, the possible levy cost to the Council would be approx. £1,750.
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<th>EBC owned hereditament</th>
<th>Cost pa at BID levy of 1.5%</th>
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<tr>
<td>72 High Street (£38,500 – Currently occupied by CAB who would be exempt from the levy as a non-retail charity)</td>
<td>£577.50</td>
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<td>Drewitts Court (£69,000)</td>
<td>£1,035</td>
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<td>The Playhouse, Bridge Street, (£8,600)</td>
<td>£129</td>
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**Financial Implications:**
The report sets out a potential levy cost to the Council of approx. £1,750 per annum should a BID be established.

In addition, the business rates collection costs, excluding any additional staff resources which may be required, over 5 years of a potential Walton BID would cost approximately £30,000. The initial implementation cost of £20,000 would be funded from the Strategic Reserve (Local Authority Business Rates Incentive (LABRI))

The implementation of the collection of the levy may also require staffing resource within the existing Business Rates and Legal Services teams, at this stage these are unknown, however feedback from other Surrey councils have indicated that the collection of the levy can be employee intensive.

**Environmental/Sustainability Implications:**
Economic development contributes to sustainable communities. Actions to support our town and village centres can contribute to customers buying produce locally, reducing vehicle trips.

**Legal Implications:**
None

**Equality Implications:**
None

**Risk Implications:**
Failure to promote economic growth could result in a reduction in business rate revenues, which under new legislative proposals could affect Council income.

**Community Safety Implications:**
None
**Principal Consultees:**

**Background Papers:**
None

**Enclosures/Appendices:**
Appendix A: Walton-on-Thames Business Improvement District summary business plan

**Contact Details:**
Doug Perkins
Economic Development Officer
E: dperkins@elmbridge.gov.uk
T: 01372 474176