



Report of the Cabinet Member for Delivery & Operations

Cabinet - 17 December 2020

Continuation of Swansea City Centre Business Improvement District (BID)

Purpose:	To confirm if the Council wishes to continue to support Swansea City Centre's Business Improvement District (BID) scheme and to set out the implications for the Council.
Policy Framework:	Swansea Central Area Regeneration Framework (SCARF).
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that Cabinet: 1) support the BID Renewal Ballot process and the work of the BID going forward if a fourth term is secured; 2) agree the Director of Place oversees the BID Ballot returns on behalf of the Authority; 3) authorises the Chief Legal Officer to enter into Service Level Agreements between BID and the Council; 4) authorises the Director of Place to renegotiate the BID projects to maximize benefits to the Council and positive impact on the City Centre.
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1.0 Introduction

- 1.1 Since its inception in 2006 the City Centre Business Improvement District (BID) has facilitated, through funds generated directly by the scheme, multiple projects which have supported the corporate objective of the

Council in regenerating the City Centre.

- 1.2 The current BID will conclude shortly and a fourth Renewal Ballot is scheduled in the New Year which if successful will extend the BID for a further five years until 2026.
- 1.3 This report aims to raise awareness of the BID and the BID Ballot process and to address the implications of these measures for the Council.

2.0 Background

- 2.1 *Definition* - A BID is a private sector, not for profit company limited by guarantee, which is elected by businesses / organisations to lead and fund improvements to a defined commercial area such as a town or city centre.
- 2.2 Traders/ proprietors identify the issues that impact upon their performance and via the BID initiate projects to tackle them which are paid for by a levy which is calculated according to the Ratable Value (RV) of each premise within the BID area.
- 2.3 BIDs were first established in Canada and the US in the 1960s and now exist across the globe, including South Africa, Germany, Japan, New Zealand and Australia.
- 2.4 BIDs have been operating across the UK for over a decade and there are currently 250 BIDs around the country which collectively engage 87,000 businesses/ organisations invest over £365 million and employ over 10,000 people.
- 2.5 Proposed BIDs are voted on by the business ratepayers as part of a formal ballot which is governed by strict legislation. A BID is only established if a majority of those voting are in favor of the scheme in both number and RV. A BID can only operate up to a maximum period of 5 years after which an official re-vote must be conducted.
- 2.6 BIDs do not seek to replace services already provided by the public sector but to supplement them. The money raised by BIDs must be additional money and not a substitute for the funding and services already provided by the Local Authority, Police or other public sector organisations.
- 2.7 *Swansea BID* – which was the first in Wales, is currently one of only 12 areas in Wales to operate a BID. The Swansea BID was established in the City Centre in August 2006 for an initial term of five years until 2011. A successful renewal ballot took place in March 2011 and 2016, the BID Company are now seeking a fourth term of office for a further five year period until 2026.
- 2.8 *Swansea BID Finances* – If successful, the new BID will generate approx. £400,000 per annum through the levy which is set at 1% of the RV of all

non-domestic premises within the City Centre BID area. Currently, this equates to approx. £2 million over five years which is invested directly back into the City Centre through the BID agreed projects.

2.8.1 With the redevelopment of the City Centre and a proposed small extension of the BID area to include additional hereditaments to the north of the Marina, it is forecasted the company's investment in the City Centre will increase during the new BID term of 2021 – 2026 by 10-20% which equates to £40,000 - £80,000. A map of the new BID area is provided in **Appendix 1**.

2.9 *Swansea BID Governance* - The Swansea BID is a Company Limited by Guarantee which is managed by a Board of Directors consisting of representatives from the various different sectors that make up the City Centre. The Leader and Cabinet Member for Investment, Regeneration and Tourism are both Board Directors who have been appointed to represent the Authority. The Director of Place also attends board meetings in an executive non-voting capacity.

2.9.1 The BID has established several working groups to facilitate the delivery of the BID projects. Officers from across the Authority are involved in these groups.

2.9.2 At present the BID employs three staff (*2 full-time and 1 part-time officer*) who manage the day to day operations of the BID projects and over-see the working groups and the delivery of the BID Renewal Strategy.

2.10 *Partnership* - Since its inception the BID has worked closely with various Council services including City Centre Management, External Funding, Public Protection, Commercial Services, Cleansing, Car Parks, Special Events and Regeneration Projects. BID also has representation on the Council's Regeneration Swansea Steering Group.

2.10.1 The BID is the conduit to the businesses in the City Centre, large and small, that it represents and it is a recognised and respected body. Its overarching objective is *'To help make the City Centre a better place to shop, visit, stay and do business'* by facilitating and developing partnership working locally, regionally and nationally.

3.0 BID Achievements

3.1 Since the last ballot in 2016, the following key project themes have been delivered by or in conjunction with the BID:

- Parking and transportation offers and promotions;
- Funding towards the City Centre Ranger Service;
- Taxi Marshals, Night Marshals and a cleansing operative during the night time economy;
- Evening and Night Time Economy Coordinator leading the Best Bar None scheme and supporting the Purple Flag accreditation process;
- Additional Police Officer hours;

- Big Heart of Swansea branding, marketing, communications and events;
- Chewing gum and private realm graffiti removal;
- Additional street washing/ cleansing and rapid response cleans;
- Bottom line benefits for businesses;
- Advice, guidance and support for businesses. This has been critical during the current Covid-19 crisis.

3.2. These projects have contributed to the following key findings which have been achieved within the last term:

- a. *Car Parking & Transportation - Increasing visitor and shopper numbers*
 - Increased usage by 20% with hundreds of thousands of vehicles using the offers.
 - Savings to workers of £1,500 per day.
- b. *Safety & Security – Creating a safer and more secure visitor, shopper and trading environment*
 - The City Centre Rangers have dealt with 100,000 separate incidents, conducted more than 30,000 visits to businesses and covered on foot more than 10,000 miles.
 - An additional 500 police officer hours have been provided which have enabled over 1,000 visits to businesses.
 - Taxi Marshals have supported over 1 million people to get home safely at night.
 - BID has provided more than 3,000 hours of Night Time Marshals.
 - 50,000 litres of waste has been removed by the BID night time cleansing team.
 - The dedicated Evening and Night Time Economy Coordinator has implemented the Best Bar None and set up the Hospitality Forum in conjunction with Police and Council Licensing teams.
 - The combined impact of the above has helped reduce anti-social behavior by 32%.
- c. *Marketing & Events – Promoting the City Centre and its businesses through events, marketing campaigns, communications, strategies and promotions*
 - The Big Heart of Swansea brand has been seen and heard by over 6 million people. Its social media reach has grown by 16% in the last year. The brand gives businesses free promotion and publicity, has delivered more than 100 City Centre events and offers the popular discount loyalty card and app - with over 155,000 in circulation.
- d. *Cleansing & Enhancement – Improving the City Centre to make it a better place to visit, shop and do business*
 - 4.8 million pieces of chewing gum have been removed.

- 30,000 square metres and over 100 streets have been washed.
 - More than 200 rapid response spot-cleans have been conducted.
 - BID has provided 33,000 flowers in planters, 800 free floral hanging baskets and over 400 mini Christmas trees for businesses.
 - The BID's graffiti removal service has been used more than 500 times.
- e. *Commercial Business & Facilitation – Developing the City Centre as an attractive place to invest and giving businesses the tools to flourish*
- BID has provided commercial business support, advice and guidance which has been vital in helping to pilot businesses through the current pandemic
 - Savings to businesses of over £565,000 have been achieved via deals on business insurance, legal support and advertising.
 - Over 1,000 items of PPE have been distributed for free in response to Covid-19.
 - BID has facilitated grant support and investment of over £847,000 to date.

4.0 Moving Forward – The Revote Process

- 4.1 BID has developed a cohesive communications and renewal strategy with the aim of securing a fourth BID term.
- 4.2 The strategy includes a robust timeline to ensure key milestones and legislative requirements are met in the run up and during the revote ballot which will take place between 12 May and 23 June 2021.
- 4.3 The primary aim of the strategy is one to one contact (in a Covid-19 safe way) and digital communications with BID area businesses to further raise the profile of the BID and to consult on the priority projects going forward.
- 4.4 The consultation undertaken to date reveals that the majority of respondents are indicating their support for renewing the BID. Further, there is also broad support for the continuation of the BID's current core operations with some additional actions identified within each theme.
- 4.5 The consultation data is in the process of being analysed and will be used to create a new business plan. This will set out the BID projects over the subsequent term and BID area businesses and organisations, including the Council, will be asked to submit their ballot papers on the basis of this document.
- 4.6 The business plan will also set the new proposed BID area which captures the northern aspect of the Marina as far as the Civic Centre. The extension of BID from the Train Station on High Street to Dyfatty lights was also

considered. This was however discounted on economic grounds given it contains only limited commercial properties from which a levy could be derived.

5.0 Equality & Engagement Implications

5.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

5.2 An EIA screening form (**Appendix 3**) has been completed and reviewed. The agreed outcome was that a full EIA report was not required in respect of supporting the BID ballot renewal process.

6.0 Financial Implications

6.1 BID Levy

6.1.1 At present the Council is responsible for 31 hereditaments located within the BID area and collectively pays a BID levy of £15,500 per annum which is calculated at 1% of the ratable value of the eligible premises.

6.1.2 This currently includes 12 hereditaments that are part of the City Centre regeneration programme focused mainly around the redevelopment of St David's, which will eventually be taken out of the ratings list and at such no BID levy will apply. Also, following engagement with businesses and organisations operating to the north of the Marina, the BID plans to extend into this area which will include the Councils Civic Centre and future developments on this site. A map of the proposed new BID area is provided in **Appendix 1**.

6.1.3 It is proposed that the levy rate at 1% will remain the same as when the BID was originally incepted. Going forward, given the changes outlined above, this means the new BID levy collectively paid by the Council will be circa £26,855 per annum based on 33 hereditaments and £21,773 once the ratings list is adjusted (21 hereditaments).

6.1.4 At present the levy is paid for by the individual cost centres responsible for each building. The table in **Appendix 2** sets out the 2017 Ratable Value

and subsequent BID levy which will apply to each of the Council's premises on a property by property basis. Those on the list that will be removed due to future redevelopment works are highlighted by an asterix.

6.2 Running the Ballot

6.2.1 BID legislation requires that BID ballots are managed by local authorities to ensure they are compliant with the required practices. To this end the professional services of the Council's Electoral Services Team has been commissioned by BID to over-see the ballot and BID personnel have already meet with officers to agree the ballot timeline and process.

6.2.2 The costs involved in this undertaking are estimated at £5,000 and as per the BID legislation are required to be covered by the Council. There is currently no budget to cover these over-heads; however, in the event that the BID is rejected at the ballot then the Swansea BID Company is committed to funding it as part of the company termination process.

6.3 Return on Investment (ROI)

6.3.1 The BID is keen to emphasise to the Council what it considers to be a significant return value on its current annual investment.

6.3.2 Below is a basic overview of the key BID investments per annum impacting most on several of the Council's core services operating in the City Centre. These figures also reflect that officers within the Authority's Non Domestic Rates Section manage the BID levy on a day to day basis on behalf of BID. The value of this work is £18,000 per annum.

Cleansing operations	£30,000
City Centre Rangers	£36,000
Taxi Marshalls	£30,000
Evening & Night Time Coordinator	£15,000
Floral planters & hanging baskets	£12,000
Marketing & Events	£100,000
Levy collection	£18,000
TOTAL	£241,000

6.3.3 In exchange for the new levy payment of £26,855 together with the £5,000 cost of running the ballot in year 1, the Authority will achieve an initial 'indirect' return of £209,145 (i.e. £241,00 - £26,855 - £5,000 = £209,145) and £214,145 per annum in years 2-5 (i.e. (£241,000 - £26,855 = £214,145). This represents a 656% return on investment in year 1 and 797% return on investment in years 2-5.

6.3.4 With the removal of the 12 Council hereditaments in the regeneration areas from the rating list (marked with asterix in Appendix 2) forecasted to be in years 2/3 onwards of the new BID term this will result in a new yearly levy payment of £21,773 with a return on investment of £219,227 (£241,000 - £21,773 = £219,227) per annum. This represents a 1006%

ROI.

7.0 Legal Implications

7.1 Statutory Framework

7.1.1 BIDs are provided for in Part 4 of the Local Government Act 2003 as areas within which projects specified in the BID arrangements are to be carried out for the benefit of that district or those who live, work or carry on any activity in the district. Those projects are to be financed (in whole or in part) by a BID levy imposed on the non-domestic ratepayers, or a class of such ratepayers in the district. A BID may only be established where those entitled to vote approve the BID proposal.

7.1.2 Regulation 7 of the Business Improvement District (Wales) Regulations 2005 provide that the returning officer for local elections in the billing authority area is to be the ballot holder for any ballot in respect of BIDs required under the Act.

7.2 Return of Ballot Papers

7.2.1 As a business rate-payer the Council will receive ballot papers for each of the 33 Council run properties within the designated BID area (as per the list provided in **Appendix 2**).

7.2.2 These will need to be returned in a timely and coordinated fashion. As the majority of Council premises sit within the Place portfolio, it is proposed that the Director of Place will over-see this process and that a positive voting intention is endorsed by Members.

7.3 Service Level Agreements (SLA's)

7.3.1 The BID requires that Service Level Agreements (SLA's) be completed with key City Centre public service providers such as the Council and Police.

7.3.2 The aim of the SLA process is to review the current level of service provision and detail that which will be provided in addition by the BID as well as any improvements that are identified as part of the review. This aims to provide clarity of roles and responsibilities as well as give an indication of the future direction of that particular service area over the subsequent BID term.

7.3.3 The requirement for SLA's will be dictated by the projects that come out of the ongoing BID consultation programme. Early indications suggest that the current suite of BID projects will continue and existing SLA's will need therefore only to be amended.

- 7.3.4 As previous, the SLA process will acknowledge the Council's support of the BID and of the projects it proposes and an undertaking to collaborative/partnership working where possible.
- 7.3.5 Similarly, the SLA process shall acknowledge the difficulties that the Authority will have in committing financial and other resources over the longer term and the wording of each SLA will need to be carefully selected to reflect this. The unfolding situation in regards to Covid-19 will also be a factor that both the BID and Council will need to be able to respond to.
- 7.3.6 To ensure that the SLA process is consistent and effectively coordinated across the Council, where necessary the City Centre Manager will provide support to managers. In addition the advice of the Chief Legal Officer will be sought before any SLA is entered into on behalf of the Council.

7.4 Governance

- 7.4.1 The BID constitution requires two places on the BID Board are filled by Members to reflect the Authority's stake in the project. These positions are currently occupied by the Leader and Cabinet Member for Investment, Regeneration and Tourism who have been appointed by the Council to the Board until the end of the current term. Subject to BID renewal it is anticipated that their re-appointment as Council nominate BID Board members would be supported by the Board. Equally, it is anticipated that the Director of Place will continue to advise the BID Board in an executive non-voting capacity.
- 7.4.2 The advice of the Chief Legal Officer should be sought regarding any governance issues which may arise.

8.0 Benefits & Potential Issues

- 8.1 In addition to the ROI which is highlighted in paragraph 6.3 above, continuance of the BID will mean that the BID organisation will continue to provide the Council and its partners such as Welsh Government and South Wales Police with a direct communication channel to over 870 hereditaments in the City Centre.
- 8.2 Given the significant programme of regeneration ongoing and coming forward in the City Centre over the medium to long term, the Council should not under-estimate the value of the BID as a designated consultation body and the opportunity that this provides in gaining feedback at the 'coal face' as well as working in partnership to develop and facilitate progress. This role has proved particularly critical in recent times in regards to the application of Covid-19 measures among the City Centre business community.
- 8.3 Despite this joint commitment to partnership, there is the potential for conflict between the Council and the BID regarding the delivery of each organisations specific objectives. For example, in the past BID have

provided financial support to NCP for discounted car parking. This arrangement is no longer in place given discussion with colleagues in Highways who have negotiated several car park offers to promote patronage of Council facilities.

- 8.4 The Council's regeneration ambitions may influence how BID members perceive the City Centre which could affect the outcome of the impending and future ballots. Further, the BID projects by their nature, can only provide short term measures which have the potential to jar, directly or indirectly, with the Council's long term aspirations and sustainable development programme.
- 8.5 Under the BID regulations, the Council has the power to veto the BID. Whilst there is no legitimate case to support this action now or in the past; with the largest number of hereditaments in the BID area, the Council is in a strong position to re-negotiate its stance going forward building on an already robust partnership approach.

9.0 Conclusion

- 9.1 The Council is a key partner and benefactor in the development of the current BID which is clearly having a positive impact on improving the City Centre.
- 9.2 The Council's support in moving towards the BID renewal will be critical to the BID's renewal strategy and the Council will remain a key stake-holder in the BID in its fourth term if a yes vote is secured.
- 9.3 Fundamentally the Council and the BID share the same over-riding objective of improving the City Centre. The renewal of the BID will result in the continued delivery of further significant improvements at a time of great change and disruption given the ongoing physical regeneration works on site and pending and on the back of the Covid-19 crisis.
- 9.4 Whilst the current BID levy rate of 1% will remain, the total due will increase from £15,500 per annum to between £21,773 and £26,855 due to the proposed expansion of the BID area. Despite this increase the BID still demonstrates a significant return on the Council's investment in terms of both the levy and costs associated with running the ballot of 656%-1006%.
- 9.5 The BID will be able to use the mature partnerships it has developed over its last 3 terms to maximise the positive impact of the investment being made by BID including the Council between 2021 and 2026.
- 9.6 It is vital that the relevant service manages in the Council engage with the BID to re-negotiate a favorable outcome in terms of future BID projects to maximise the influence the Council has as a key stake-holder in the run up to the BID ballot and subsequent BID term if successful.

Background Papers - None

Appendices:

Appendix 1 – Map of proposed new BID area

Appendix 2 – Bid Levy Values

Appendix 3 - EIA Screening Template

APPENDIX 1
MAP OF PROPOSED BID AREA 2020-2026



**APPENDIX 2
TABLE OUTLINING THE 2021 - 2026 BID LEVY VALUES FOR COUNCIL
PROPERTIES IN THE PROPOSED NEW BID AREA**

***NB. This is based on the 2017 Ratable Values which is what the BID levy
2021 - 2026 will be based on.***

CCS Property	Ratable Value	BID Levy Payable per year (£)
Suite, 1, 3rd Floor, Alexandra House, Alexandra Road, Swansea, SA1 5ED	19750	198
Pay & Display Surface Car Park, R/O Dylan Thomas Centre, East Burrows Road, Swansea, SA1 1RE	26250	263
Housing Options 17, High Street, Swansea, SA1 1LF	15250	153
Info Nation 47, The Kingsway, Swansea, SA1 5HG	21250	213
*Barclays Bank 69-70, The Kingsway, Swansea, SA1 5JB	28500	285
Oxford Street Car Park, Oxford Street, Swansea, SA1 3BJ	96000	960
*St David's Multi-Story Car Park, Oystermouth Road, Swansea, SA1 3UL	102000	1020
*Car Park, Adj Leisure Centre, Oystermouth Road, Swansea, SA1 3UL	141000	1410
Civic Centre, Oystermouth Road, Swansea, SA1 3UL	965000	9650
Paxton Street Car Park, Paxton Street, Swansea, SA1 3SB	26500	265
Park Street East Car Park, Park Street, Swansea, SA1 3DJ	26000	260
Park Street West Car Park, Park Street, Swansea, SA1 3DJ	18000	180
Pell Street Car Park, Pell Street, Swansea, SA1 3ES	25750	258
Swansea Bus Station, Plymouth Street, Swansea, SA1 9GJ	210000	2100
*Unit 7, St David's Square, Swansea, SA1 3LG	12750	128
*Unit 2, St David's Square, Swansea, SA1 3LG	17500	175
*3a, St David's Square, Swansea, SA1 3LG	35750	358
*Unit 5, St David's Square, Swansea, SA1 3LG	15500	155
*Unit 6, St David's Square, Swansea, SA1 3LG	15000	150
*Unit 4, St David's Square, Swansea, SA1 3LG	15000	150
*Units 9 10 & 11, St David's Square, Swansea, SA1 3LG	24750	248

CCS Property	Ratable Value	BID Levy Payable per year (£)
*Unit 1, St David's Square, Swansea, SA1 3LG	16750	168
*Car Park, St David's Square, Swansea, SA1 3LG	83500	835
Salubrious Place Car Park, Salubrious Place, Swansea, SA1 3LZ	12000	120
Grand Theatre, Singleton Street, Swansea, SA1 3QN	85000	850
Dylan Thomas Exhibition Centre, Somerset Place, Swansea, SA1 1RR	47250	473
Swansea Marina, South Dock, The Marina, Swansea, SA1 1UN	87000	870
Surface Car Park, R/O Former Post Office Workshop, The Strand, Swansea, SA1 2AE	61500	615
High Street Multi Story, Car Park, The Strand, Swansea, SA1 2EF	75500	755
Stall, 46c, Swansea Market, Oxford Street, Swansea, SA1 3PQ	15750	158
Pau Square Multi Story Car Park, Trawler Road, Swansea, SA1 1XA	11000	110
Swansea Museum, Victoria Road, Swansea, SA1 1SN	79500	795
Quadrant Multi-Story Car Park, Wellington Street, Swansea, SA1 3QR	272500	2725
Total (33 hereditaments)	2,685,500	26,855