

## REPORT TO CABINET

9 September 2020

<b>Report Title:</b>	<b>Business Improvement District Levy Prepayment</b>
<b>Decision to be taken by</b>	<b>Councillor Millard Cabinet Member for Inclusive Economic Growth</b>
<b>Lead Director:</b>	<b>Interim Director – Regeneration and Growth Tammy Stokes</b>
<b>Contribution towards Vision 2030:</b>	 
<b>Key Decision:</b>	Yes
<b>Reason for Urgency/Special Urgency:</b>	To enable the West Bromwich Town BID CIC and the Albion BID Co Limited to continue to support local businesses in the COVID-19 recovery period.
<b>Exempt Information Ref:</b>	Exemption provisions do not apply
<b>Scrutiny Consultation</b>	Scrutiny has not been consulted
<b>Lead Officer:</b>	David Harris Service Manager Strategic Assets and Land <a href="mailto:david_harris@sandwell.gov.uk">david_harris@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

1. That the Interim Director – Regeneration and Growth and the Acting 151 Officer be authorised to BID levy pre-payment scheme where the Council transfers funds to the West Bromwich Town Business Improvement District (BID) CIC on a quarterly basis for the 2020/2021 financial year for the last three quarters in advance of receiving levy payments from businesses in the BID area;
2. That subject to 1 above, a financial reconciliation is undertaken at the end of the financial year to identify and transfer any residual payments collected;

3. That approval is given to the Business Rates section to implement a BID levy pre-payment scheme where the Council transfers funds to the Albion BID Co Limited for the third and fourth quarter of the 2020/2021 financial year in the event that they request this assistance due to cashflow difficulties.

## **1 REASONS FOR THE RECOMMENDATIONS**

- 1.1 To assist the West Bromwich Business Town BID CIC and the Albion BID Co Limited with their cashflow and so help them to continue to deliver their business plans which support local businesses in West Bromwich to develop and thrive.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The Council could continue to operate the current policy where levy payments are transferred to the BIDs once they have been collected from business payers.
- 2.2 This would create a high risk that the BIDs may not be able to continue to support local businesses in the short term due to lack of available funds and, particularly, in the COVID recovery period.

## **3 PURPOSE OF THE REPORT**

- 3.1 To help maintain business support mechanisms for businesses in West Bromwich by enabling the BIDs to continue to operate effectively.

## **4 IMPLICATION FOR VISION 2030**

- 4.1 The proposal supports Ambition 9; Sandwell has become a location of choice for industries of the future where the local economy and high performing companies continue to grow. Supporting the BIDs will assist in helping local businesses to recover from the economic impact of COVID-19 and continue to grow.
- 4.2 The proposal supports Ambition 8; Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families. Supporting the BIDs will help maintain an attractive, welcoming and family friendly town centre.

## **5 BACKGROUND AND MAIN CONSIDERATIONS**

- 5.1 The West Bromwich BID CIC supports local businesses in West Bromwich town centre with a comprehensive business plan designed to attract visitors and customers and to improve the trading environment.
- 5.2 The Albion BID Co Limited supports commercial and industrial businesses in West Bromwich with a comprehensive business plan designed to help businesses protect their premises and assets, and also aims to bring prosperity, growth and investment to the area by promoting West Bromwich as a prime business location.
- 5.3 The business plans are funded by a levy payment calculated at small percentage of the rateable value of all business premises in the BID areas.
- 5.4 The Business Rates service sends out annual levy bills on behalf of the BIDs and collects payments. These payments are then transferred to the BIDs periodically.
- 5.5 It is anticipated that the economic impact of the COVID-19 pandemic is likely to cause businesses to delay paying their levy and this will put the viability of the BIDs at risk due to cashflow difficulties.
- 5.6 If the Council were to pre-pay the BIDs on a quarterly basis in advance of receiving levy payments from businesses, rather than waiting until the levy bills were actually paid, then this would help regulate the cashflow for the BIDs and so enable them to continue with their crucial business support work in the COVID recovery period.

## **6 THE CURRENT POSITION**

- 6.1 The West Bromwich Town BID CIC has sufficient funding to continue operating until 30<sup>th</sup> September 2020 but will need additional funding from 1<sup>st</sup> October 2020 to continue to deliver its business plan. This represents the last three quarters of their financial year which starts on 1<sup>st</sup> July each year.
- 6.2 The Albion BID Co Limited has sufficient funding to continue operating until 30<sup>th</sup> September 2020 but will need additional funding from 1<sup>st</sup> October 2020 to continue to deliver its business plan. This represents the last two quarters of their financial year which starts on 1<sup>st</sup> April each year.

## **7 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 7.1 The BID Managers and the Head of ICT & Revenues and Benefits have discussed the practical implications of developing a pre-payment scheme and have all agreed on a potential format that could be delivered.
- 7.2 The Service Manager, Strategic Assets and Land, has reviewed the financial projections from the BIDs, who have proposed a minimal operating budget to provide a prudent and minimum service standard so as to minimise the amount of funding that would be required from the Council.

## **8 STRATEGIC RESOURCE IMPLICATIONS**

- 8.1 The BIDs have proposed an emergency twelve-month budget based on 65% of previous operating costs which would enable them to continue to provide essential services to local businesses and would also minimise the amount of funding that the Council would need to provide.
- 8.2 The West Bromwich Town BID CIC has projected an annual cost requirement of £206,204 and the details of the cost projections are appended to this report.
- 8.3 The Albion BID Co Limited has projected an annual cost requirement of £257,000 and the details of the cost projections are appended to this report.
- 8.4 There has been some direct Government assistance for BIDs with a small grant that has been paid to each BID to assist with operating costs. The West Bromwich Town BID CIC has received £ £13,623 and the Albion BID Co Limited has received £20,476.
- 8.5 The grant received from Government will be offset against the annual cost requirement for each BID which will reduce the prepayment total annual amount correspondingly.
- 8.6 The West Bromwich Town BID has requested three quarterly pre-payments of: 2<sup>nd</sup> quarter - £51,551, 3<sup>rd</sup> quarter - £51,551, 4<sup>th</sup> quarter - £51,551 giving an annual total of £154,653.
- 8.7 The Albion BID Co Limited is not requesting any prepayments for the first two quarters but is requesting that it may need to ask for pre-payments for the second two quarters of £64,250 for each, giving a total of £128,500.

- 8.8 At the end of the financial year a reconciliation will be completed for both BIDS between payments made during the financial year and levy and grant income received. The outstanding balance will be paid to the BIDS.
- 8.9 If the prepayments exceed the amount collected through the levy, an invoice will be raised to the BIDS for the amount to due back to the Council.

## **9 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 9.1 The Council has a legal obligation to collect levy payments on behalf of BIDs and transfer them. However, there is no legal obligation to develop a pre-payment scheme. This would be at the discretion of the Council.

## **10 EQUALITY IMPACT ASSESSMENT**

- 10.1 There are no equality impact issues.

## **11 DATA PROTECTION IMPACT ASSESSMENT**

- 11.1 There are no data protection impact issues.

## **12 CRIME AND DISORDER AND RISK ASSESSMENT**

- 12.1 The West Bromwich Town BID CIC provides town centre Ambassadors that engage in joint patrols with police officers so as to share intelligence on local antisocial behaviour and street crime.
- 12.2 The West Bromwich Town BID CIC runs a monthly crime reduction partnership meeting where town centre stakeholders from local authorities, business and third sector organisations share information and agree actions to help reduce town centre crime.
- 12.3 The Albion BID Co Limited provides extensive CCTV coverage, improved lighting and security patrols to deter theft and vandalism in the BID area.

## **13 SUSTAINABILITY OF PROPOSALS**

- 13.1 Both BIDs contribute to the economic sustainability of West Bromwich by supporting local businesses with their business plans.
- 13.2 The West Bromwich Town BID CIC provide enhanced High Street cleaning and planting and the Albion BID Co Limited carries out clean-up campaigns, reporting of fly tipping and highways maintenance to improve the environmental sustainability of West Bromwich.

**14 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

14.1 The West Bromwich Town BID CIC carries out enhanced cleaning and planting which improves the perception of the town centre as a safe, clean and attractive location and so enhances its social value.

**15 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

15.1 The West Bromwich Town BID CIC's enhanced cleaning work helps to maintain the Council's public realm paving and the Albion BID Co Limited's highways maintenance helps to maintain the local road networks.

**16 APPENDICES:**

Appendix 1 West Bromwich Town BID CIC Emergency Budget for 2020/2021.

Appendix 2 Albion BID Co Limited Emergency Budget for 2020/2021.