Leeds BID Feasibility Study

Detailed Report

February 2014

ASHMORE
CONSULTING

Leeds Business Improvement District Feasibility Study

2.0 Business Improvement Districts

“The growth rate of BIDs continues to rise and the ballot success rate remains high at 84% overall, and 91% for renewal ballots demonstrating that this is a tool that the business community is seeing real value from. The scale and reach of BIDs is now significant with close to 70,000 businesses paying levies across the country and a total investment in BID areas of almost £100 million annually”. – British BIDs 2013 Nationwide Survey

History of BIDs

***BIDs around the world**

- BIDs were first established in North America in the mid-1960s
- Since then more than 1,500 BIDs have been adopted in many countries around the world including:

450	United States
350	Canada
185	Australia
140	New Zealand
260	Japan
40	South Africa
225	European countries

*source
www.britishbids.info

BIDs in the UK and Ireland

- In 2004 legislation for the creation of BIDs was introduced in England, and later in Scotland, Wales and Ireland
- Since then more than 170 BIDs have been created including those in London, Birmingham, Manchester and Edinburgh
- Each BID proposal is different depending on local needs and priorities, but usually focus on:
  - Safety and security
  - Cleaning and maintenance
  - Events and marketing
  - Retail and evening economy
  - Access and signage

How BIDs work

A BID is defined by a geographical area where partners pull together to create a better place to live and work. Typically a BID would be elected for a 5 year term with a re-ballot at the end of that

The levy

- Funds are collected through a levy on the business rate which pays for additional services, over and above those provided by the public sector
- The funds collected through the levy, give local organisations the power to raise funds locally to be spent locally, with the aim of improving their own business environment

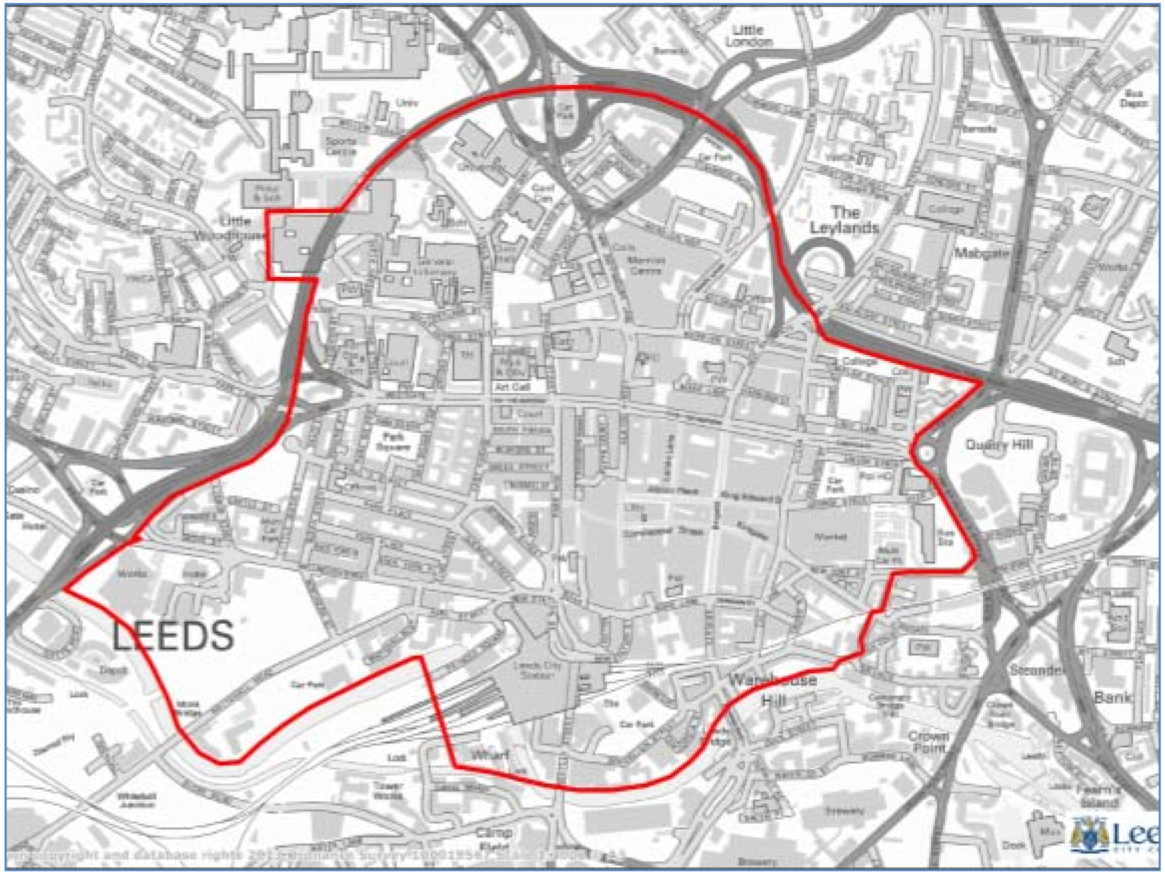
The ballot

- A ballot of businesses - within the boundary and eligible to pay the levy - will be held following a prescribed and time bound process
- For a BID to be approved the vote needs to deliver a majority in favour both in terms of the number of businesses and the rateable value of the business premises

What a BID is not

- The funding raised by a BID cannot be used to substitute the activity of the Council. The legislation calls for a baseline services agreement to be reached between the Council and the BID. Everything that the BID Company spends its levy fund upon must create additionality over and above that which the Council provides. A BID is a vehicle for creating economic prosperity and in its own right will not develop infrastructure programmes. However it can, as has been seen in other cities such as Newcastle, play a leading role in public / private sector partnerships to leverage funding to pump prime partnership developments and this is something we would recommend this BID engages in.

The boundary



- A typical BID is likely to include between 300 – 600 businesses. However, there are examples where exceptions to this rule have proved successful eg Newcastle's NE1
- The BID area should be defined during extensive consultation
- The area should be compact enough to have a significant impact on the businesses within it but large enough to make it worthwhile for those involved

Highlights of 2013 Nationwide BID Survey

Nationwide
BID
Business Improvement Districts
SURVEY 2013

*source
www.britishbids.info

- The highest concentration of BIDs remains on the 1% levy rate (41%), but 1.5% is gaining in popularity due to the higher incidence of BIDs in smaller locations (21%). Only 9% of BIDs are on a 2% levy rate. Some BIDs charge ‘variable rates’ and a number charge a flat fee below a certain threshold
- Typical number of BID hereditaments is between 300 and 600, with four BIDs above 1,000
- Of the total BID industry only one BID has a term of less than three years
- 78% of BIDs apply a threshold to the levy
- 51% of BIDs provide a charity discount
- 44% of the relevant sample who have a shopping centre in their area provide a shopping centre discount
- The average annual levy income is £401,918 ranging between £22,400 and £2,814,000
- The total combined investment in BIDs amounts to £96,390,279 of direct and indirect additional income
- 38% of the relevant sample have no collection charge
- Of the total 272 ballots, 84% have been YES

BIDs in other UK cities

BID	No of hereditaments	Levy on RV	Thresholds	Levy income	Additional income	Cost of levy collection
Birmingham Broad Street BID 1 2005 – 2010 BID 2 2010 - 2015	300	0.5% - 2%	▪ Applies to businesses with a rateable value of £10,000 or over ▪ Bars, clubs and casinos in the area pay 2% ▪ All other businesses within the main core area pay 1% ▪ Business located in the outer core area pay 0.5%	375,000	32,000	0
Retail Birmingham BID 1 2007 – 2012 BID 2 2012 - 2017	420	1.0%	▪ Applies to businesses with a rateable value of £10,000 or over	429,168	128,560	0
Erdington (Birmingham) BID 1 2007 – 2012 BID 2 2012 – 2017	308	unpublished		95,000	30,000	0
Kings Heath (Birmingham) BID 1 2008 – 2013 BID 2 2013 – 2018	312	1.5%	▪ Applies to all businesses	109,278	33,260	0
Colmore Business District (Birmingham) BID 1 2009 – 2014	600	1.0%	▪ Applies to businesses with a rateable value of £10,000 or over ▪ Capped at £25,000	795,000	544,600	0

Sources: British BIDs 2012 Nationwide Survey, BID websites, Business Plans and Annual Reports

BIDs in other UK cities

BID	No of hereditaments	Levy on RV	Thresholds	Levy income	Additional income	Cost of levy collection
Birmingham Southside BID 1 2011 - 2016	280	2.2%	▪ Applies to businesses with a rateable value of £10,000 and over	330,000	120,000	0
Acocks Green (Birmingham) BID 1 2012 – 2017	Unpublished	2.5%	▪ Minimum levy set at £240 and capped at £6,000	105,000		0
Birmingham Northfield BID 1 2012 - 2017	Unpublished	1.5%	▪ Applies to businesses with a rateable value of £3,500 or over. Minimum levy set at £100 and capped at £10,000	110,000	Received lottery funding for community project	0
Sutton Coldfield Town Centre BID 1 2012 - 2017	Unpublished	1.5%	▪ Applies to businesses with a rateable value of £7,500 or over	250,000	7,500	0
Jewellery Quarter (Birmingham) BID 1 2012 – 2017	Unpublished	2.0%	▪ Applies to businesses with a rateable value of £10,000 or over and capped at £10,000	390,000	Feb 2014 - successful in first round of a potential £2m Townscape Heritage grant	0

At the end of 2013, businesses in Soho, and Sparkbrook and Springfield voted in favour of becoming BIDs creating a further two BIDs in Birmingham.

Sources: British BIDs 2012 Nationwide Survey, BID websites, Business Plans and Annual Reports

BIDs in other UK cities

BID	No of hereditaments	Levy on RV	Thresholds	Levy income	Additional income	Cost of levy collection
Liverpool City BID 1 2008 - 2013 BID 2 2013 - 2018	1,431 combined with Liverpool Commercial	1.2%	▪ Applies to businesses with a rateable value of £10,000 and over	1,600,000	250,000	25,000 combined charge with Liverpool Commercial
Liverpool Commercial BID 1 2011 - 2016	1,431 combined with Liverpool City	1.0%	▪ Applies to businesses with a rateable value of £10,000 and over	600,000		25,000 combined charge with Liverpool City
Manchester BID 1 2012 - 2017	380	1.0% - 1.25%	▪ Businesses within Manchester Arndale subject to service charge 1% ▪ Banks, Building Societies and Financial Services 1% ▪ Other businesses 1.25% ▪ Only applies to businesses with a rateable value of £50,000 or over and capped at £25,000 for combined businesses	965,000		Unpublished

Sources: British BIDs 2012 Nationwide Survey, BID websites, Business Plans and Annual Reports

BIDs in other UK cities

BID	No of hereditaments	Levy on RV	Thresholds	Levy income	Additional income	Cost of levy collection
Newcastle BID 1 2009 – 2014 BID 2 2014 - 2019	1,400	1%	▪ Applies to businesses with a rateable value of £20,000 or over	1,950,000	9,200,000	0
In 2013 Nottingham merged Nottingham Retail and Leisure Business Improvement District BIDs into one BID called It's in Nottingham Merged BID 2013 - 2015	770	1.25% - 1.33%	▪ Retail business 1.25% ▪ Leisure businesses 1.33% ▪ Only applies to businesses with a rateable value of £15,000 or over and capped at £15,000	850,000	Over 110,000 other income forecast over three-year term	Unpublished

Sources: British BIDs 2012 Nationwide Survey, BID websites, Business Plans and Annual Reports

BIDs in other UK cities

BID	No of hereditaments	Levy on RV	Thresholds	Levy income	Additional income	Cost of levy collection
Better Bankside (London) BID 1 2005 – 2010 BID 2 2010 – 2015	560	1.4%	▪ Applies to businesses with a rateable value of £15,000 and above. Excludes British Telecom and gas and electricity supply networks; advertising rights; communication stations; and car parks. Levy capped at £90,000	1,275,895	206,325	35,020
New West End Company (London) BID 1 2005 – 2008 BID 2 2008 – 2013 BID 3 2013 – 2018	330	1%	▪ Applies to businesses with a rateable of £250,000 and above. Only applies to retail, food and beverage and leisure (including hotels). Hotels pay 0.6% levy	2,841,042	1,398,061	25,915
Heart of London Business Alliance Leicester Square & Piccadilly BID 1 2004 – 2007 BID 2 2007 – 2012 BID 3 2012 - 2017	202	1%	▪ Applies to businesses with a rateable value of £100,000 and above	895,568	108,432	19,091
Heart of London Business Alliance Piccadilly & St James BID 1 2012 - 2017	206	1%	▪ Applies to businesses with a rateable value of £150,000 and above	761,105	143,895	16,913

Sources: British BIDs 2012 Nationwide Survey, BID websites, Business Plans and Annual Reports

Success stories

Retail Birmingham:
Style Birmingham

The consumer facing brand ‘Style Birmingham’ headlines a wealth of marketing initiatives to continually promote the city’s retail and leisure offer. In 2010, a three-day event showcased 13 major catwalk fashion shows increasing footfall by 31,000 and attracting an average spend per visitor of £102

NE1: Central Station

In partnership with the City Council, Network Rail and Eastcoast, around £20 million funding has been secured to transform Newcastle’s Central Station into a modern transport hub providing enhanced links to key city centre locations through public realm improvements.

Heart of Manchester BID: Vogue’s fashionable night out

In partnership with Vogue, Manchester City Council and Visit Manchester, Heart of Manchester brought Vogue’s annual fashionable night out to Manchester for the first time in October 2013. The after-work shopping events resulted in a 100% increase in footfall, up by 118% on King Street, by 107% in Exchange Square and by 87% on New Cathedral Street, compared to the same time in the previous week.

Success stories

New West End Company: Traffic-free events

In its second term, New West End Company's traffic-free events delivered over £300m incremental spending.

NE1: Alive after Five

Since its launch in October 2010, the value of Newcastle's Alive after Five hours has been estimated at £247 million, attracting nearly six million extra visitors to Eldon Square alone after 5pm.

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Heart of London: Leicester Square Management Plan

The Heart of London BID is a key partner in the Leicester Square Management Plan. The Square has been revamped and transformed to secure its place as an inspirational gateway to London's West End. The Leicester Square Management Plan will complete a £15.3 million investment by outlining essential maintenance work, such as street cleaning and traffic management, to ensure that people can enjoy the park, gardens and pavements, as well as the alfresco dining, premieres and events.

3.0 Leeds City Centre

> ***“In 2011 Leeds maintained its position of seventh largest retail centre in Britain with approximately £1.5bn spent annually in the area. With the development of Trinity Leeds Shopping Centre Leeds is currently in sixth position and is projected to jump to fourth place”. - Leeds Monthly Economic Briefing and information from Trinity Leeds Shopping Centre***

Leeds positioned as sixth largest UK retail centre

Leeds has several large retail offerings covering a variety of retail markets including:

- Briggate – main pedestrianised shopping street containing Debenhams and House of Fraser
- Trinity Leeds – 120 shops, stores, restaurants and cafes. Attracts international brands and boutiques
- Victoria Quarter – 75 of the world's leading fashion and lifestyle brands
- Queens Arcade – stores include Accent, Berketex Brides as well as independents
- Leeds Kirkgate Market – Europe's largest indoor market open six days a week. 400 stalls inside and 200 outside. Specialist traders on Monday and Thursday
- Leeds Corn Exchange – independent stores. Holds vintage, craft, record and food fairs
- St John's Shopping Centre – with over 30 shops including leading high street fashion brands

Attractive destination for students

- University of Leeds
- Leeds Metropolitan University
- Leeds Trinity University

Other educational institutions include:

- Institute for Transport Studies
- Leeds City College
- Leeds College of Art
- Leeds College of Building
- Leeds College of Music
- The Grammar School at Leeds
- Northern School of Contemporary Dance

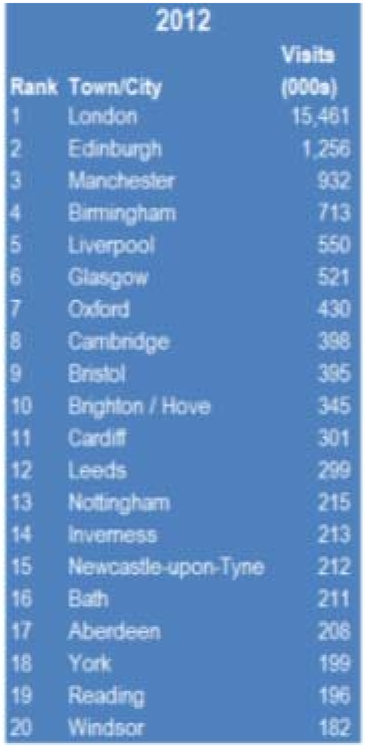
Tourist attractions

Theatres include:
- City Varieties Music Hall
- The Carriageworks
- Leeds Grand Theatre and Opera House
- West Yorkshire Playhouse
- Northern Ballet Theatre

Museums include:
- Leeds City Museum
- Royal Armouries Museum
- Thackray Museum
- Leeds Art Gallery

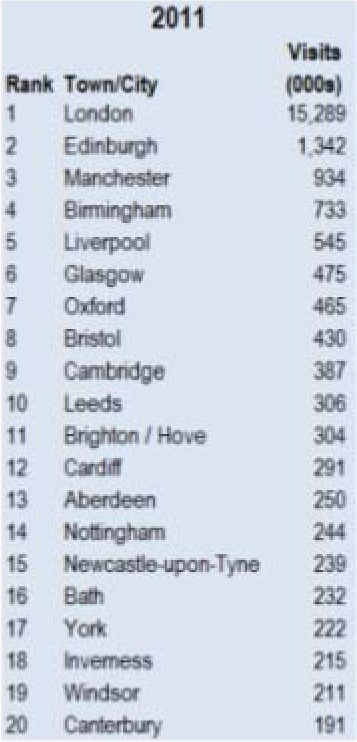
Venues include:
- First Direct Arena
- O2 Academy

Top cities and towns attracting visitors from overseas



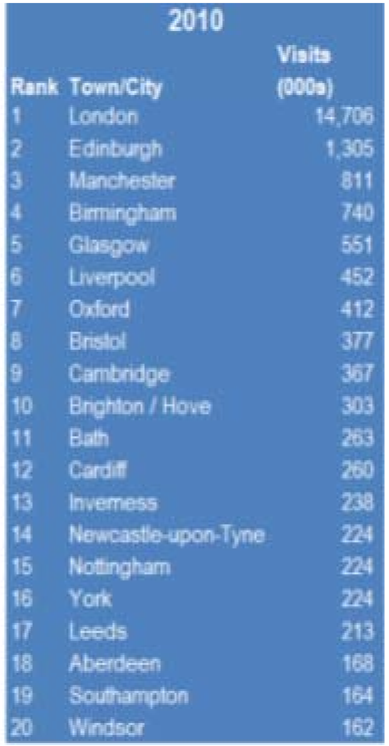
2012

Rank	Town/City	Visits (000s)
1	London	15,461
2	Edinburgh	1,256
3	Manchester	932
4	Birmingham	713
5	Liverpool	550
6	Glasgow	521
7	Oxford	430
8	Cambridge	398
9	Bristol	395
10	Brighton / Hove	345
11	Cardiff	301
12	Leeds	299
13	Nottingham	215
14	Inverness	213
15	Newcastle-upon-Tyne	212
16	Bath	211
17	Aberdeen	208
18	York	199
19	Reading	196
20	Windsor	182



2011

Rank	Town/City	Visits (000s)
1	London	15,289
2	Edinburgh	1,342
3	Manchester	934
4	Birmingham	733
5	Liverpool	545
6	Glasgow	475
7	Oxford	465
8	Bristol	430
9	Cambridge	387
10	Leeds	306
11	Brighton / Hove	304
12	Cardiff	291
13	Aberdeen	250
14	Nottingham	244
15	Newcastle-upon-Tyne	239
16	Bath	232
17	York	222
18	Inverness	215
19	Windsor	211
20	Canterbury	191



2010

Rank	Town/City	Visits (000s)
1	London	14,706
2	Edinburgh	1,305
3	Manchester	811
4	Birmingham	740
5	Glasgow	551
6	Liverpool	452
7	Oxford	412
8	Bristol	377
9	Cambridge	367
10	Brighton / Hove	303
11	Bath	263
12	Cardiff	260
13	Inverness	238
14	Newcastle-upon-Tyne	224
15	Nottingham	224
16	York	224
17	Leeds	213
18	Aberdeen	168
19	Southampton	164
20	Windsor	162

Leeds currently ranks as the twelfth most popular UK city for overseas visitors, down from tenth in 2011 and up from seventeenth compared to 2010

Source: International Passenger Survey, Office for National Statistics

Note that figures are based on small sample sizes for all cities with the exception of London and should therefore be treated with caution

Visits to towns are based on the towns visitors report spending at least one night in during their trip.

Please note that London covers Greater London

Transport links

- Road – north / south road links include M1 and A1. East / west road links include M62 and M621
- Rail – north / south served by East Coast Main Line. Trans-Pennine rail services (Leeds-Manchester-Leeds-York-Newcastle) and Virgin Cross Country connecting Scotland and the North East of England with the Midlands and South West
- Leeds Bradford International Airport with daily flights to international hubs of London Heathrow and Amsterdam
- National Express Coach Terminal
- Extensive network of local bus services
- Metro and Leeds City Council are working in partnership to implement a trolleybus-based rapid transit system for Leeds known as New Generation Transport (NGT)

Economic indicators

Leeds covers 552 sq km, and is the second largest Metropolitan District in England

In 2011 Gross Value Added (GVA) was £18bn

- 3rd largest after Gtr Manchester South and Birmingham
- GVA per employee estimated at £43,000
- 37% of GVA in Leeds is accounted for by finance and business services (2010)

In 2011 there were 24,700 active businesses

- 1,165 registered businesses had 50 – 249 employees
- 250 businesses had 250 or more employees

In 2012 there were 395,100 employees in Leeds

- 79% in the private sector
- 21% in the public sector

Around 2m people live within 30 minutes driving time of the city centre

Leeds population in 2011 was 750,700 of which 502,700 are of working age (16 – 64)

Source
Leeds Monthly Economic Briefing
Nov – Dec 2013

Economic indicators

In 2013, Finance and Business Services employed 129,900 in Leeds. This figure has grown by 29% in the last decade and is projected to grow a further 17% by 2023. The largest concentration of any city in the UK outside London.

City centre hotel developments reveal that in 1990 there were just seven hotels with 850 bedrooms. As of April 2012, there were 26 hotels with 3,995 bedrooms. There are currently proposals for 16 hotels with 2,091 bedrooms; nine with full or outline planning permission.

In Leeds 16 – 24 year olds trend above the national average for skill levels.

The consultancy firm CACI measure and rank retail spend in 50 UK city centres. In 2011 Leeds maintained its position of seventh largest retail centre in Britain with approximately £1.5bn spent annually in the area. Once the development of Trinity Leeds Shopping Centre is taken into account, Leeds is projected to jump to fourth place in the rankings.

Manufacturing is estimated to employ 32,300 people in 2013, this has fallen 29% in the last decade, and is expected to fall a further 13% by 2023.

Source
Leeds Monthly Economic Briefing
Nov – Dec 2013

Employment

- According to the latest BRES survey there are 395,100 employees in Leeds
- In 2012 the private sector as a whole accounted for 78.7% of all Leeds employment
- Top ten broad sector of employers

	Sector	No employed 2012		Sector	No employed 2012
1	Health	48,800	6	Manufacturing	28,900
2	Business administration and support services	42,700	7	Financial & insurance	24,000
3	Professional, scientific & technical	41,400	8	Accommodation & food services	21,800
4	Education	37,500	9	Public administration & defence	19,500
5	Retail	30,500	10	Arts, entertainment, recreation and other services	18,400

- According to the APS standard unemployment figures for Leeds is 9.9% (England is 8%)

Source
Leeds Monthly Economic Briefing
Nov – Dec 2013

Private sector employment

- According to Centre for Cities research, Leeds experienced a 1.83% fall in private sector employment from 2011 to 2012 against the trend in other comparable cities

City	Private sector employment 2012	Private sector employment growth 2011 - 2012
Liverpool	234,200	1.76%
Newcastle	255,100	0.73%
Leeds	297,500	-1.83%
Manchester	664,200	0.83%
Birmingham	727,100	1.22%

Youth employment

- High level professional advisory firms in Leeds are targeting lower average age recruits. This job market is trending to bright student age potential employees unwilling to pay further education fees, being trained by the firms as their own interns. Social media communication channels are also opening different job market dynamics. Leeds needs to be ready to react to and exploit such trends and developments

- The retail and leisure sectors offer good entry-level and career progression opportunities for young people

The average age in KPMG's office in Leeds is 24. PWC's target average age is 22

Youth unemployment in Leeds is 22.8% (England 20.8%)

4.0 Consultation

"A BID could bring partners together to market the city centre more effectively and create a strong identify and offer for Leeds".

Extent of consultation

- Members of the Steering Board met a total of eight times during the course of the Feasibility Study to ensure good governance and decision making, and worked collaboratively between meetings to maintain momentum and share feedback

- From September 2013 to mid-February 2014, members of the Feasibility Study team undertook a consultation process which involved nearly 200 key stakeholders through over 30 meetings, five presentations and three workshops. Support for a BID for Leeds city centre was overwhelming and feedback has informed this report

- The three workshops facilitated discussions around the themes outlined below. The following pages provide a flavour of the key issues:

    - busier city centre with increased footfall
    - More vibrant evening economy, events, festivals and markets
    - Marketing and promotion
    - Cleaner, greener, safer, access and signage

Consultation feedback: overall headlines

You told us

- There is broad support for a BID with great enthusiasm from some key stakeholders
- There is recognition that a BID presents an opportunity to attract people from Manchester, London, other UK cities and internationally
- A BID should encompass all business sectors
- There are varied views on the BID boundary and whether it should be broadened to include the Waterfront
- A BID could attract new visitors to Leeds through a range of events and initiatives
- A BID could play a key role in improving the city centre welcome – improved safety and security; cleaner and greener; more accessible
- A BID could create a strong identity and offer for Leeds by bringing partners together to market the city more effectively
- A BID could create a strong voice and influence key decisions on behalf of city centre businesses
- A BID could help the business and private sector take more ownership
- Leeds needs a stronger business voice for the city centre

Consultation feedback:
busier city centre with increased footfall

"Leeds must be able to compete with other offers such as the Trafford Centre"

"The numbers of conference visitors could be increased"

"Potential benefits could be perceived as being more retail driven than for the professional services sector"

"The city centre has received a lot of investment ...what about other areas of the city"

"There has been increased footfall since Trinity opened – we need to build on that"

"Limited city centre living, currently young or single demographic, students live on the outskirts of the city due to the high cost of city centre property"

"Future investment trends suggest a greater emphasis on the leisure than retail offer"

"Arts and culture should be used to attract more visitors"

Consultation feedback: More vibrant evening economy, events, festivals and markets

"We have lots of restaurant chains – more independents please"

"There is a perception that the city centre has a strong offer for young people, less for older visitors"

"The Christmas Lights are done really well"

"Benefits could be gained from bringing disparate groups together"

"There is a perception that the city is not a safe place in the evening"

"We should create different offers for different days and evenings"

"We need to compete to attract major cultural performances"

"We need more events at different venues across the city"

"We could make better use of public spaces to create family events – St John's or Park Square for example "

More vibrant evening economy, events, festivals and markets

You suggested

- More high impact, high profile events
- A Literary Festival to celebrate Leeds' successful and upcoming authors
- Film events – Leeds is the birthplace of moving image
- Big screens and games in Millennium Square
- Music events
- An extension of the area covered by the German Market
- Holding the successful 'light night' for longer than two evenings
- Funfairs
- A circus

Consultation feedback: Marketing and promotion

"We need to define what the 'Leeds experience' actually is
- is it evening, lunchtime or a totally new experience"

"The BID could help us win back the destination marketing for the city"

"Leeds currently lacks an identity – a BID could help with that"

"We need to do more to attract
students and ethnic minorities"

"More promotion of independent businesses
and vibrant markets"

"At the moment, marketing is disjointed.
The visitor offer could be more effectively linked and promoted"

"Current perceptions are poor"

"What we have to offer culturally could be given more profile"

"The independent retailers, restaurants and arcades
could be used as a differentiator for Leeds"

Consultation feedback: Cleaner, greener

“There is limited green space in the city centre
- we need to create, and make better use of existing public spaces”

“Leeds needs to be more family friendly”

“We have poor arrival points in the city centre – the railway station,
bus station, Kirkgate and the coach drop-off point”

“Litter should be better managed as it gives
the sense our city is uncared for”

“Leeds could build on the new Ambassador scheme
which is being developed for the Tour de France event ”

Consultation feedback: Safer

"I have safety concerns walking
from the station to the Playhouse or Corn Exchange"

"Better lighting is needed, particularly around the Arches area"

"Staff in professional services feel unsafe walking into the city centre"

"It generally feels safe
but it could be better"

"Some of the car parks don't feel safe. Darkness is a concern"

"Our staff who park in the city need better safety and security"

"To attract visitors and support recruitment of talented people we need to create a safer better environment
so we can compete with other cities such Manchester and London"

Consultation feedback: Access and signage

“Connectivity could be improved, if feels disjointed right now”

“Visitors to the peripheral areas struggle to get to the city centre”

“More shuttle buses – they should be free”

“The accessibility of the train station concerns me”

“Wifi across the city centre”

“Key arrival points should promote quality information and advertising to promote what’s happening in the city

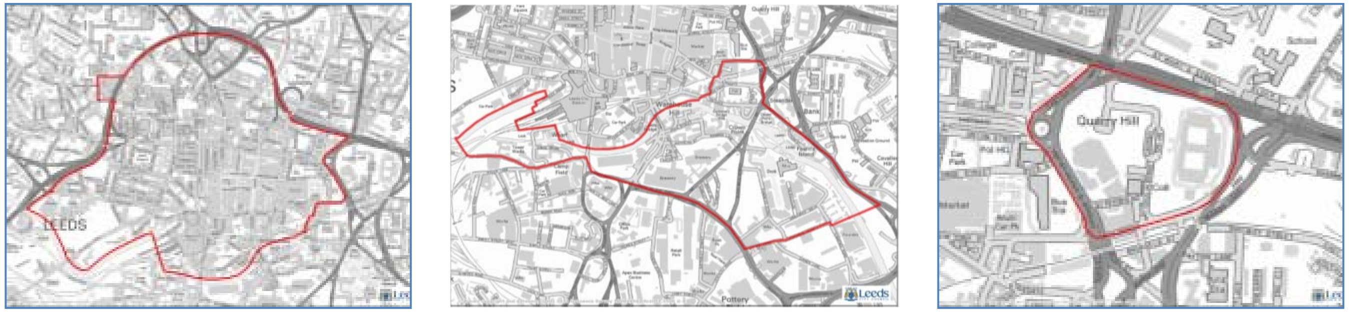
“There are limited spaces in the city centre for bicycles to be left securely”

“Better public transport and commuter links to other cities”

“We need better signage to promote attractions and parking”

Consultation feedback: Boundary

- Leeds University should be included
- The railway station is the key arrival point and accessibility needs improving – it should definitely be included
- Quarry Hill is a missed opportunity
- The Waterfront should be considered as a phase two BID linked to HS2 developments
- The boundary could limit the growth of the city centre core



5.0 BID Boundary and Levy options

"The boundary concept which will go to consultation in the next phase is outlined on page 45. Essentially it covers the area bounded by the main ring road to the north and west, incorporates the railway station to the south and takes a line along the waterfront and up past the bus station to rejoin the main city ring road to the north. It currently includes the city zones of the education and civic area, professional services, inner retail core and the markets. It currently excludes the Quarry Hill area and the south side of the waterfront."

BID boundary and levy options

- The following pages show the series of options which have been considered as part of the feasibility study
- Our recommendation is to take to consultation the map on page 45 which shows the city centre incorporating the railway station and River Aire below the railway line. This includes the core city activities of retail, professional services, education, health, markets, entertainment, evening and late night economy all served by a varied transport offer
- The tables aligned to each map show the number of hereditaments included at business rateable value thresholds at which point businesses would be liable for the levy, and the amount raised at a levy of 1% and 1.25%
- We recommend that the ‘going into consultation’ position should emphasise the opportunity to create a fund in excess of £2.6m with a £60,000 business rateable value threshold paid for by 964 businesses. We believe a city with the aspiration and ambition of Leeds needs a significant sum from which it can create economic impact and leverage further investment through strong public / private partnering in bidding for funds through the LEP or RGF and other opportunities. The value created through the levy means appropriate talent to lead and manage the BID can be attracted to make the impact the city has been telling us it requires
- A BID of this size would immediately catapult Leeds into the top five UK BIDs by number of hereditaments and levy collection. Consultation feedback about joining the dots within Leeds in terms of leadership, creating an influential business voice, and ensuring a cohesive, partnering approach to developing the future prosperity of the city has been a significant influence on our recommendation for the extent of the boundary
- We believe a city with the potential, ambition and extent of reach into worldwide investment markets such as Leeds has a compelling business case to support a 1.25% levy, and demonstrate an appealing return on investment to business

BID boundary and levy options

The Council has considered two options to help support the evening economy and boost the entertainment market, namely The Late Night Levy and a Tourism BID equivalent. We do not recommend that the Council pursue these options at this stage.

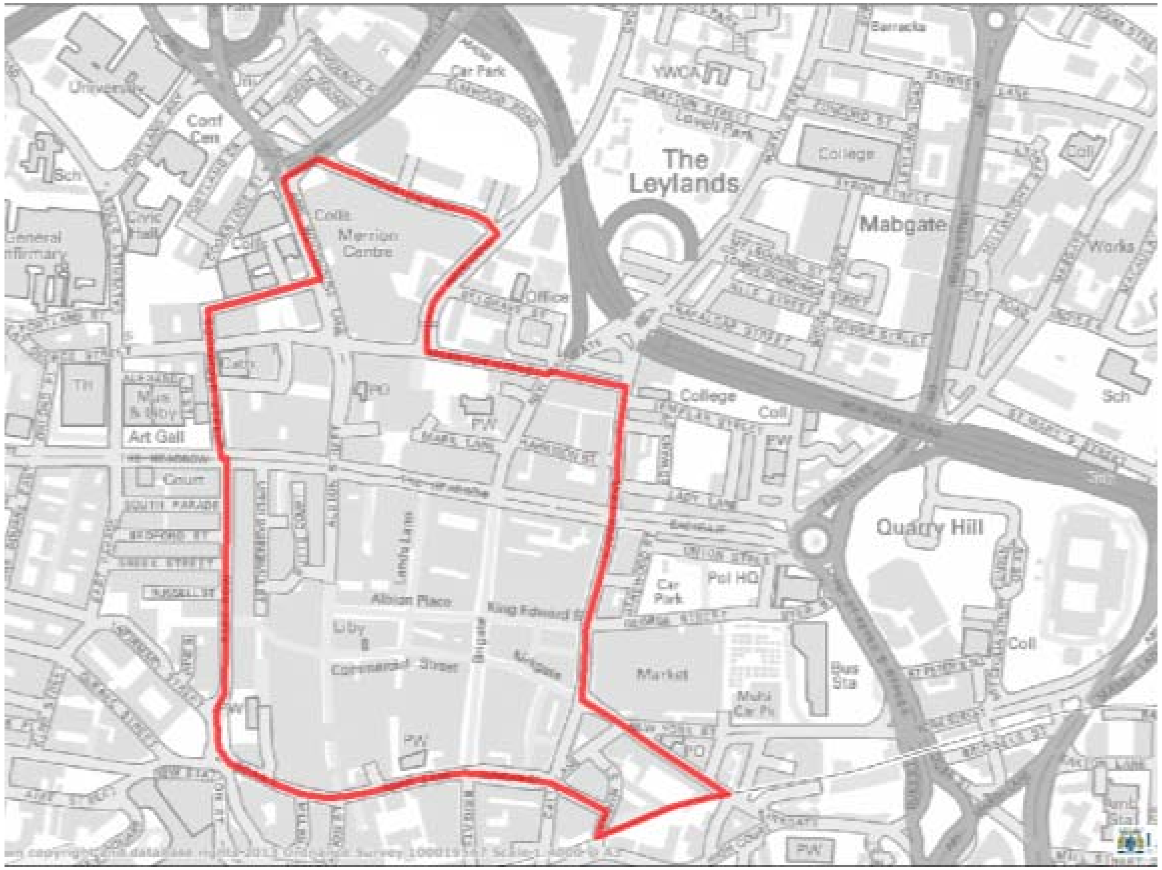
Late night levy

- The late night levy is a charge on businesses which attract large crowds to their premises (usually licensed trade) after midnight, with all of the inherent problems that brings. Some towns and cities have both a BID levy and Late Night levy in place. Leeds City Council have taken the view, in conjunction with Leeds police who are not in favour of the late night levy, to allow the BID to progress and determine whether measures to improve late night crowd safety, management and disbursement can be brought to bear more successfully through this route.

Tourism BID

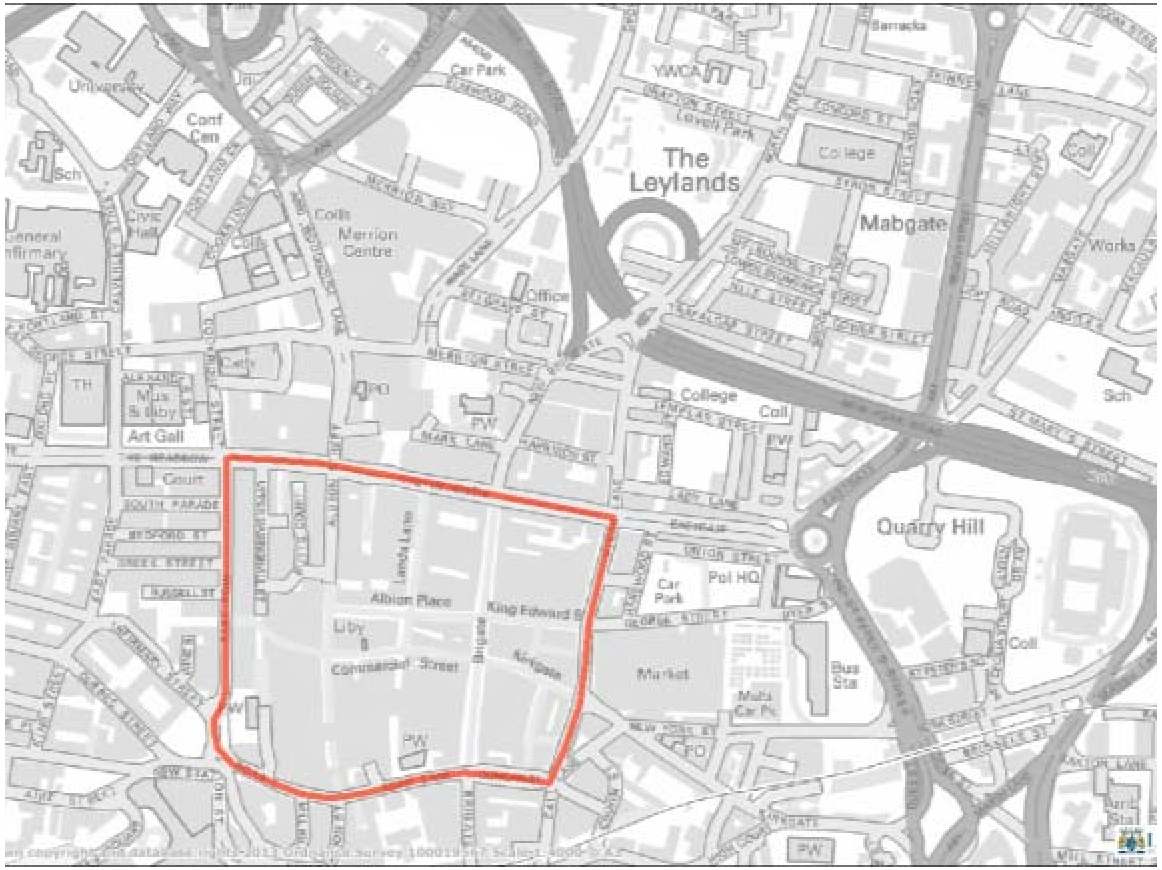
- The concept of a ‘bed’ tax has also been discussed with hoteliers sharing in the success of Council backed initiatives such as the new arena and the forthcoming Grande Departe of the Tour de France, being asked to contribute to a fund to create the next series of attractions. The thinking is in line with some newly developed Tourism BIDs, particularly prevalent in the USA but also now emerging in the UK in places such as Bournemouth, where funds are raised from the tourism trade and invested directly into marketing, events and festival activity to generate increased future footfall. Again the Council will allow the BID to develop its own impact and hold back from the creation of a separate ‘tourism’ levy at this stage.

Inner retail core



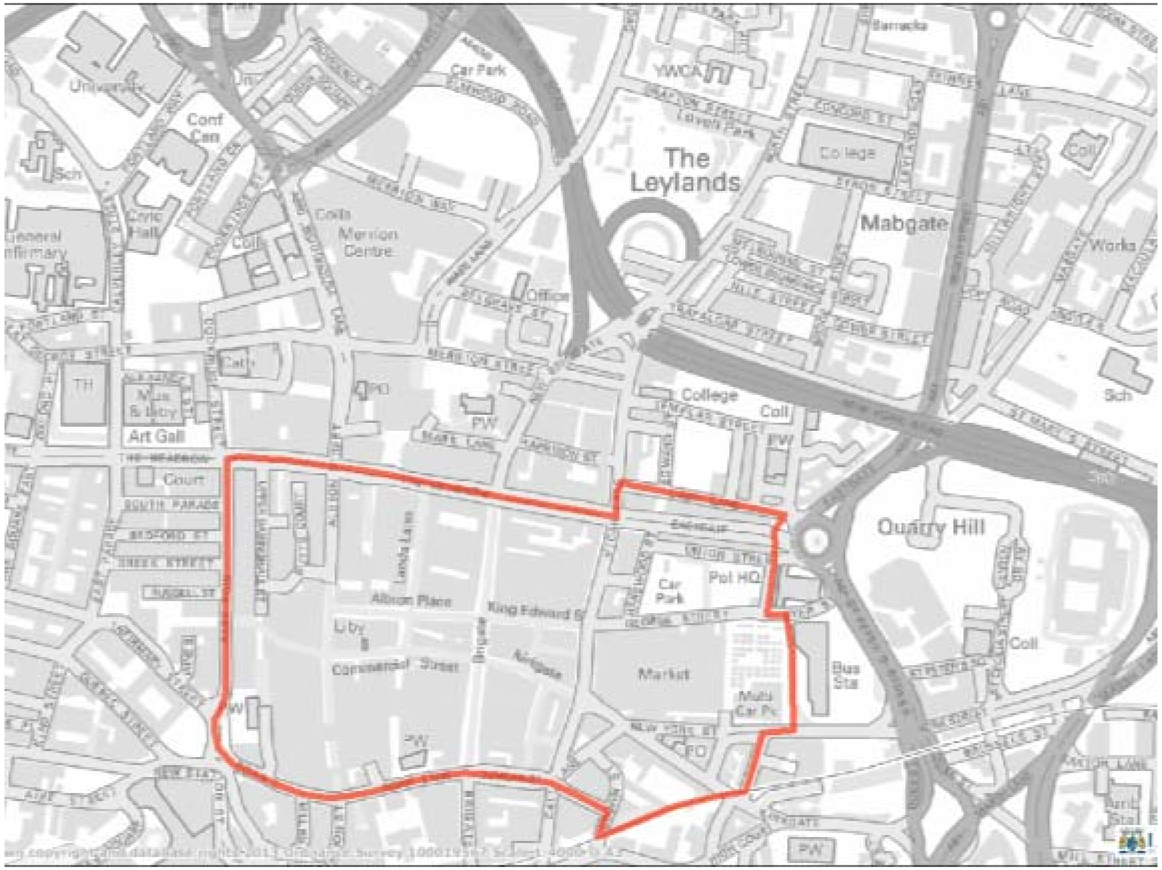
	Hereditaments	1% Levy £	1.5% Levy £
20,000+	682	992,315	1,240,393
25,000+	629	980,340	1,225,424
30,000+	581	967,333	1,209,166
35,000+	535	952,675	1,190,844
40,000+	508	942,643	1,178,303
45,000+	478	930,028	1,162,534

Public transport box



	Hereditaments	1% Levy £	1.5% Levy £
20,000+	454	703,283	879,103
25,000+	429	697,580	871,975
30,000+	404	690,655	863,319
35,000+	377	682,035	852,544
40,000+	361	676,033	845,041
45,000+	344	668,930	836,163

Extended public transport box

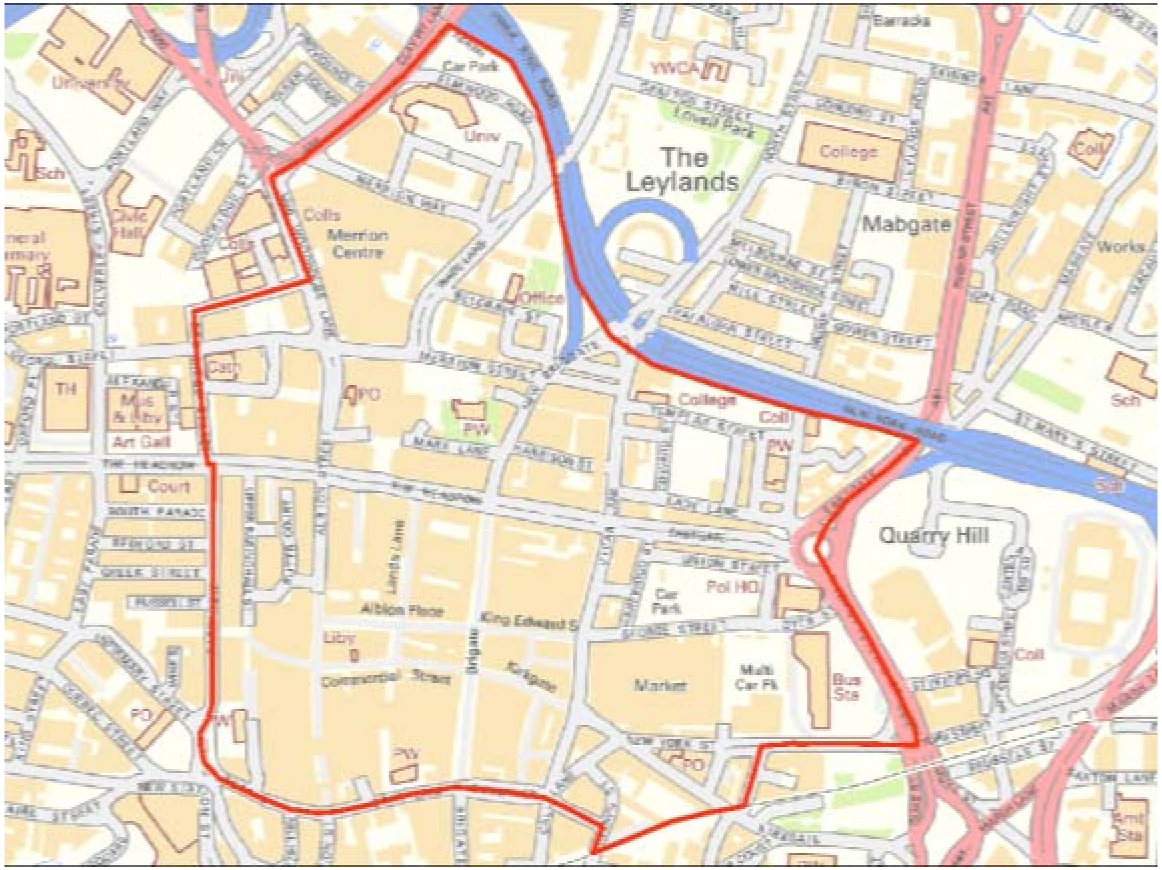


	Hereditaments	1% Levy £	1.5% Levy £
20,000+	569	764,468	955,584
25,000+	516	752,305	940,381
30,000+	469	739,463	924,328
35,000+	429	726,725	908,406
40,000+	411	720,003	900,003
45,000+	384	708,610	885,763

Retail core

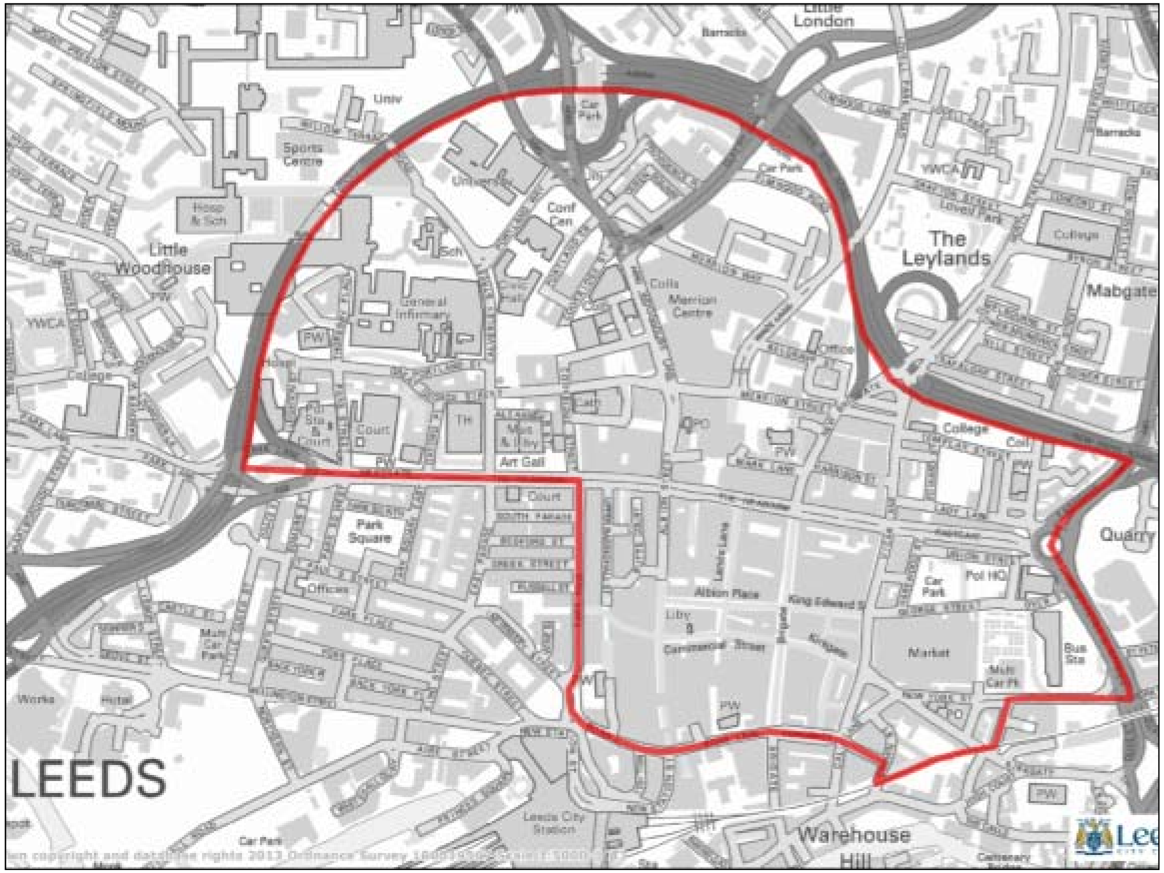
	Hereditaments	1% Levy £	1.5% Levy £
20,000+	780	1,045,212	1,306,515
25,000+	703	1,027,652	1,284,565
30,000+	634	1,008,988	1,261,234
35,000+	576	990,535	1,238,169
40,000+	547	979,783	1,224,728
45,000+	508	963,325	1,204,156

Extended retail core



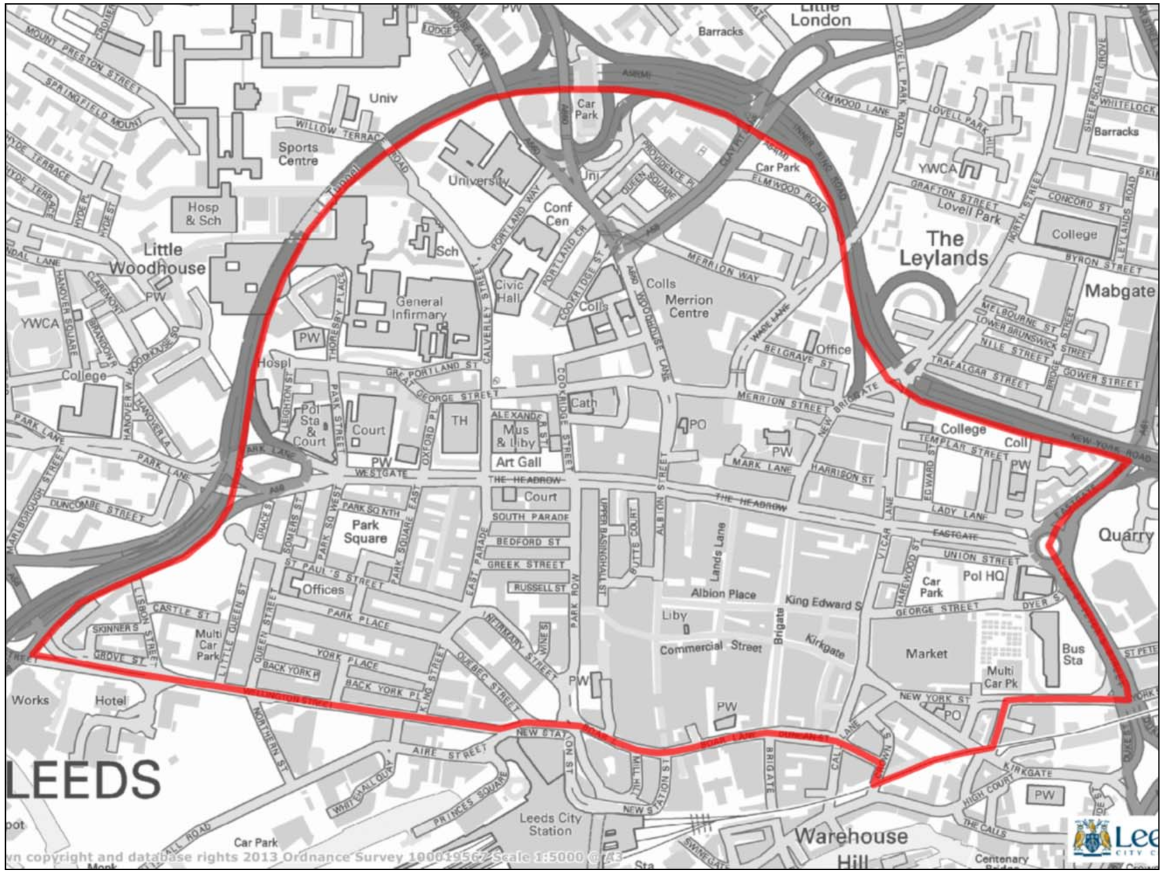
	Hereditaments	1% Levy £	1.5% Levy £
20,000+	859	1,126,900	1,408,624
25,000+	767	1,106,047	1,382,559
30,000+	687	1,084,378	1,355,472
35,000+	624	1,064,268	1,330,334
40,000+	595	1,053,515	1,316,894
45,000+	553	1,035,735	1,294,669

Extended retail core , University and LGI



	Hereditaments	1% Levy £	1.5% Levy £
20,000+	950	1,308,658	1,635,822
25,000+	851	1,286,288	1,607,859
30,000+	766	1,263,271	1,579,088
35,000+	700	1,242,136	1,552,669
40,000+	670	1,230,973	1,538,716
45,000+	624	1,211,503	1,514,379

City centre north of Railway Station



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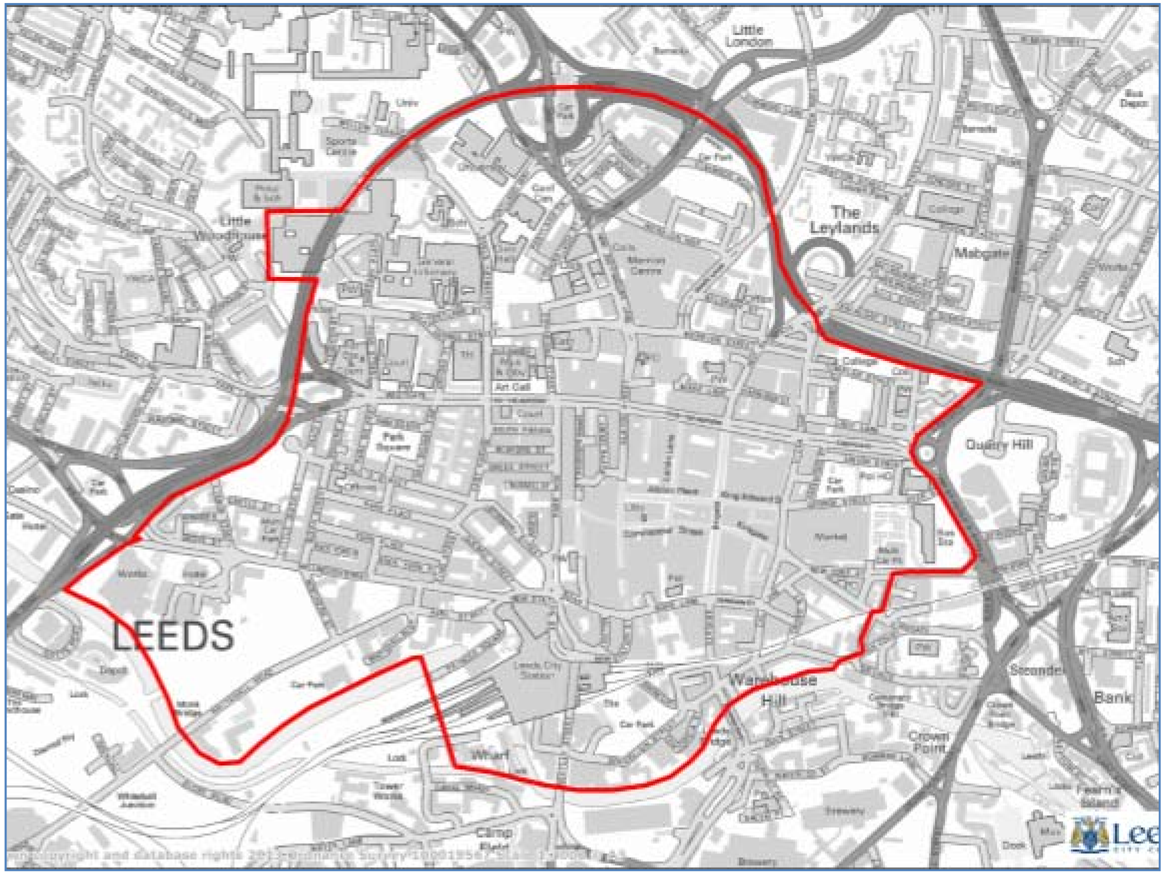
	Hereditaments	1% Levy £	1.5% Levy £
20,000+	1,516	1,808,397	2,260,496
25,000+	1,358	1,772,695	2,215,869
30,000+	1,206	1,731,213	2,164,016
35,000+	1,097	1,696,086	2,120,107
40,000+	1,029	1,670,816	2,088,519
45,000+	948	1,636,678	2,045,848
50,000+	862	1,596,238	1,995,298
55,000+	790	1,558,818	1,948,523

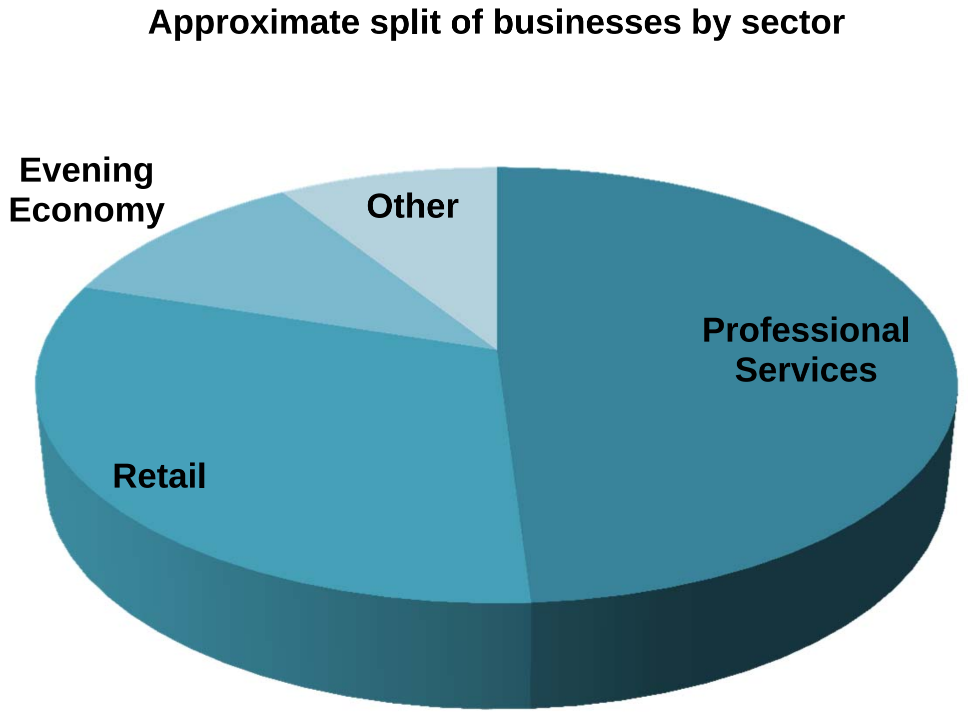
City centre including railway station



Recommended 'going into consultation' position

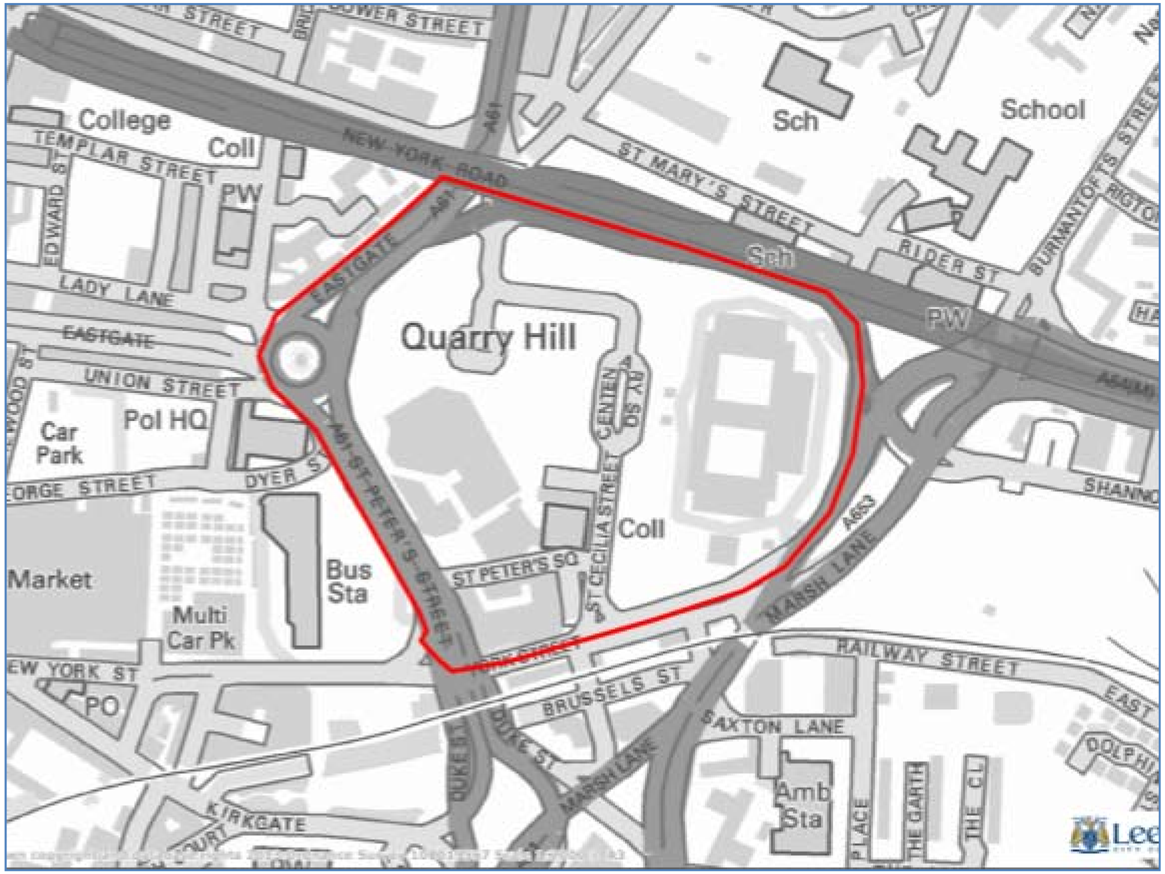
	Hereditaments	1% Levy	1.5% Levy
20,000+	1,886	2,448,812	3,061,015
25,000+	1,689	2,404,370	3,005,463
20,000+	1,514	2,356,636	2,945,794
35,000+	1,390	2,316,718	2,895,898
40,000+	1,296	2,281,838	2,852,298
45,000+	1,193	2,238,401	2,798,001
50,000+	1,095	2,192,248	2,740,310
55,000+	1,011	2,148,458	2,685,573
60,000+	964	2,114,870	2,643,588

Facts and figures of recommendation



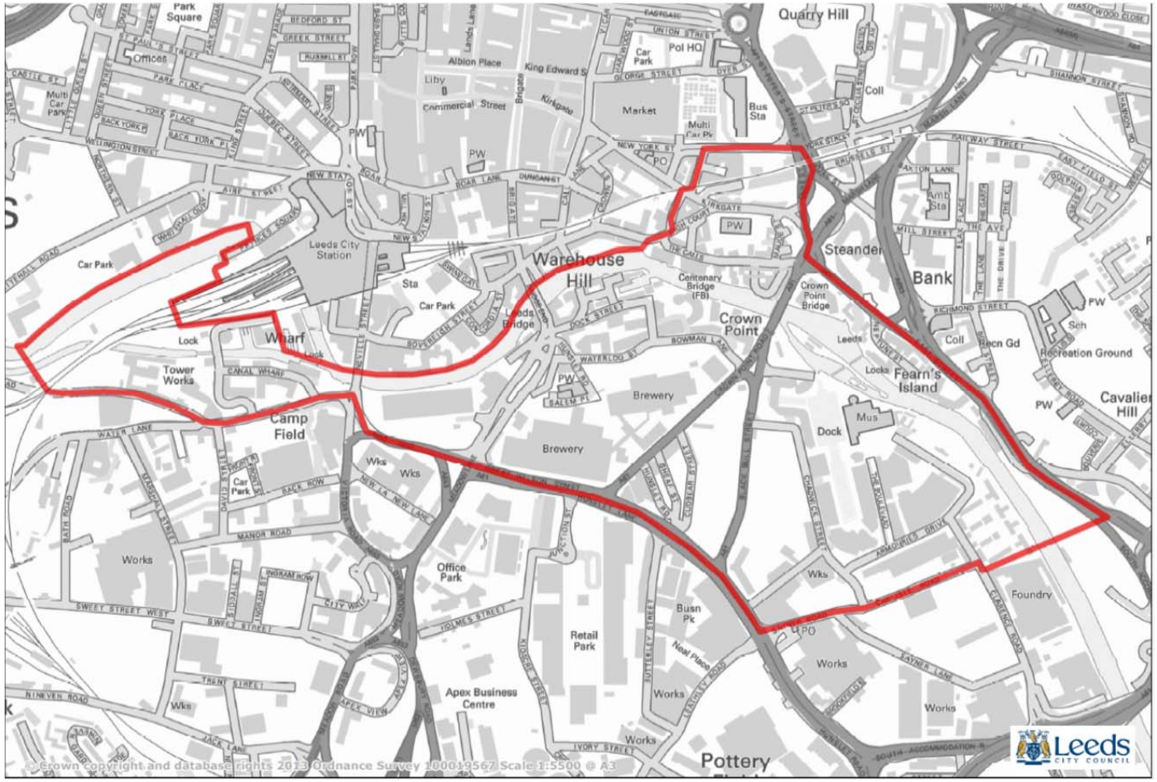
- The recommended ‘going into consultation’ position creates a fund in excess of £2.6m with a £60,000 business rateable value threshold paid for by 964 businesses using a 1.25% levy
- Levy payments would range between £750 and £40,750 with an average levy payment of around £2,750
- The average rateable value of properties using this scenario is around £220,000

Quarry Hill



	Hereditaments	1% Levy	1.5% Levy
50,000+	9	67,395	84,244
55,000+	8	66,880	83,600
60,000+	7	64,115	78,869

Waterfront



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	Hereditaments	1% Levy	1.5% Levy
20,000+	441	663,870	829,838
25,000+	388	651,988	814,984
20,000+	350	641,585	801,981
35,000+	324	633,153	791,441
40,000+	288	619,698	774,622
45,000+	262	608,730	760,913
50,000+	242	599,240	749,050
55,000+	225	596,475	745,594
60,000+	211	588,520	735,650

7.0 Recommendations and next steps

"The recommendation is to set a ballot date of 20th November 2014. To achieve this all parties will need to work collaboratively and at pace ".

Next steps

- An outline timetable incorporating key regulatory elements is proposed, and a chart on the timing of key touch points is shown on page 52. The timetable is ambitious, carries some risk but is achievable. It seeks to capture the momentum generated by the feasibility study and expressed by attendees at consultations, presentations and meetings. The recommendation is for a ballot date of Thursday 20th November with votes counted after 5pm that day or the next day

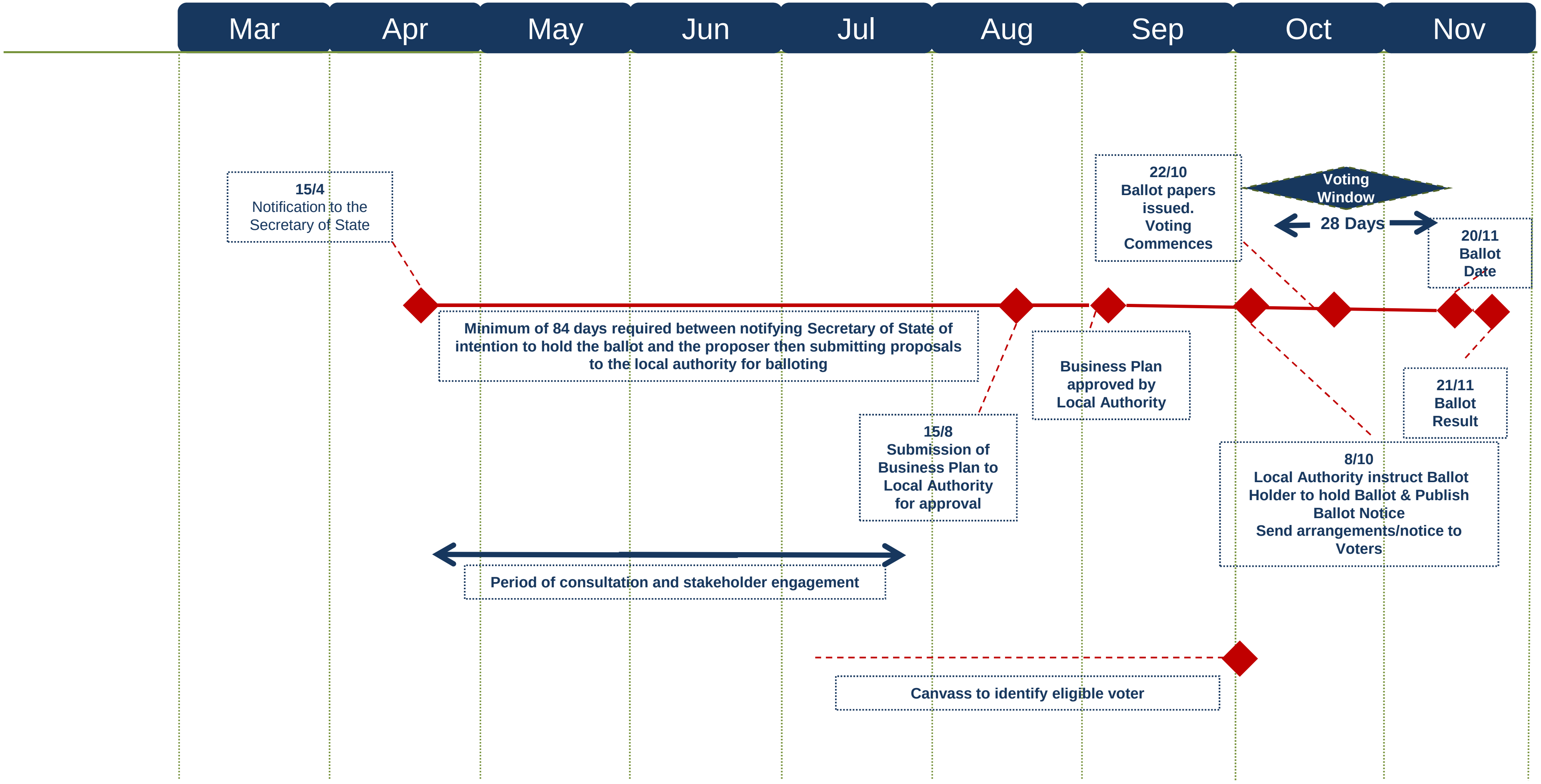
- There are some key dependencies to make this happen which are essentially:
  - Steering Board to accept feasibility study recommendations
  - Council to confirm agreement at April Cabinet

- Prior to the April Cabinet decision, the following will need to be agreed to facilitate some work during March ‘at risk’ of a cabinet decision not to support namely:
  - Establishment of an interim decision authority including Council officials to make ‘subject to Cabinet approval’ decisions
  - Periodic Steering Board meetings of interim decision authority
  - Appointment of consultants for next phase
  - Engagement of firm for brand, communications, website, consultation prospectus and other marketing collateral following a tender process on an ‘at risk’ basis
  - Creation of a shadow board if different from decision authority

Next steps

- Following Council Cabinet approval the following key milestones have to be met to achieve a ballot date of Thursday 20th November
    - Issuing of notice to the Secretary of State and Local Government of intention to hold a ballot, including notice of the ballot date
    - Extensive consultation on the consultation prospectus from May to July
    - Production of final business plan from July to August based on consultation feedback
    - Approval of business plan by the Council Cabinet in September
    - Council to issue public notice of intention to hold a ballot in October
    - Launch of voting campaign and issue of ballot papers in October with close of ballot Thursday 20th November 2014
- A process for management of the whole end-to-end activity will need to be devised and wrapped around the project

Regulatory milestones



Mar Apr May Jun Jul Aug Sep Oct Nov

15/4
Notification to the Secretary of State

Minimum of 84 days required between notifying Secretary of State of intention to hold the ballot and the proposer then submitting proposals to the local authority for balloting

15/8
Submission of Business Plan to Local Authority for approval

Business Plan approved by Local Authority

22/10
Ballot papers issued. Voting Commences

Voting Window

28 Days

20/11
Ballot Date

21/11
Ballot Result

8/10
Local Authority instruct Ballot Holder to hold Ballot & Publish Ballot Notice
Send arrangements/notice to Voters

Period of consultation and stakeholder engagement

Canvass to identify eligible voter

8.0 Risks and issues

> ***"Despite the success rate at ballot appearing high as a percentage figure, there have been 28 town centres across the country to 1st April 2013 that failed at first ballot" - British BIDs 2013 Nationwide Survey***

Risks and issues

- Clearly the biggest risk is that of a ‘no’ vote. This was highlighted as a key concern of Council Leader, Keith Wakefield in terms of reputational setback. Nevertheless he was fully supportive of our approach and has asked the Council officers to prepare a paper in support for April Cabinet given that March was already fully committed.
- The feasibility study has in itself mitigated the risk of a failed BID which was one of its purposes so as to limit any further exposure to cost if it was felt that the process was unlikely to yield a yes vote. The conclusion is that provided it is managed well, consulted and communicated upon in a more detailed way to a broader audience with a cohesive and collaborative working relationship between private and public sector, that a yes vote will prevail.

Risk	Mitigation
Failure of set up	▪ Decisions to fund, establish appropriate Steering Board and appropriate consultants
Missed timescale deadlines	▪ Early decisions in line with timeline ▪ Flexible approach from all parties ▪ Strong project management delivery at pace

continued...

Risks and issues

Risk	Mitigation
Lack of engagement and consultation	▪ Feasibility stage has created an appetite for engagement and involvement of business and service community in anticipation of the concept ▪ Robust and comprehensive engagement and consultation plan
Uninspiring quality of message and marketing collateral	▪ Appropriate tender and appointment process ▪ Strong media campaign with appropriate partners
Failure to identify and manage risks	▪ Appropriate Steering Board governance ▪ Production and maintenance of RAIDD log
Lack of budget control	▪ Appropriate Steering Board governance ▪ Production of budget against spend control monitoring
Inability to anticipate outcome	▪ Robust process of consultation with sales campaign to confirm voters and intentions
Lack of cohesion between Steering Board and decision making partners such as the Council	▪ Appropriate representation on Steering Board and delegated authorities for decision and actions

Leeds Business Improvement District Feasibility Study

Appendices

- List of consultees

> ***"We talked to nearly 200 stakeholders, through 30 meetings, five presentations and three consultation workshops. There is strong support for a BID for Leeds".***

Consultees

Leeds City Council

- Neil Evans, Director of Environment
- Martin Farrington, Director of City Development
- Cllr. Richard Lewis, Portfolio Holder for city centre
- Tom Riordan, Chief Executive and Executive Team
- Council Leader Keith Wakefield and Cabinet Portfolio Holders
- Cluny McPherson, Director of Sports and Culture
- Phil Crabtree, Chief Planning Officer, City Development
- Sue Burgess, Leeds Markets Manager
- Various Council officers in appropriate related roles

City stakeholders

- Eight Steering Group meetings
- Leeds Property Forum
- Leeds City Centre Partnership
- Brian Oakley, Centre Manager, The Light
- Anita Morris, Managing Director, Anita Morris Associates
- Mike Piet, Leeds Civic Trust
- Lurene Joseph, CEO Leeds and Partners
- BACIL
- Trinity Leeds Management Team
- Deborah Hindley, Director, Bonner & Hindley (hotels)
- Heidi Sandy, Leeds Law Society
- Leeds Curry Club
- Martin Snowball, Police Chief Superintendent
- Stephen Palmer, Police Superintendent

Consultees

City stakeholders

- Roger Brooks, Leeds Metropolitan University
- Martin Holmes, Leeds University
- Brian Archer, Executive Director, Leeds College
- Helen Bowdur, Opera North
- Bernard Ginns, Business Editor, Johnson Press
- Andy Allen, Commercial Director, Johnson Press
- Richard Abbott, Yorkshire Insider
- Ellie Newton-Syms, The Business Desk
- Stephen Hind, Network Rail
- Craig Burrows, Bruntwood
- Andy Godfrey, Corporate Affairs Director, Boots (British BIDs, British Retail Consortium)

Workshops

- Three consultation workshops held in January 2014 attracted over forty attendees from city centre businesses and organisations representing the following sectors:
  - Retail
  - Professional Services
  - Banking
  - Education
  - Media
  - Charity