



Report of Director of City Development

Report to Executive Board

Date: 19th November 2014

Subject: Leeds City Centre Business Improvement District

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City and Hunslet	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. A Business Improvement District (BID) would achieve a step change in the ability of Leeds to improve and promote its city centre as a leading European business location, a top UK retail destination, and a source of new jobs and economic growth. The private sector, supported by the Council, has formed the BID4Leeds company to develop proposals for a BID for Leeds City Centre. This would generate around £2million investment annually from business.
2. A BID is where businesses vote to levy additional business rates on occupiers to create funds earmarked for improvements to an area. The BID4Leeds proposals are for this levy to be at 1.25% of rateable value. Occupiers of premises with a rateable value of below £60,000 would be excluded from paying the levy, ensuring most small firms would not incur additional costs.
3. A ballot is required to introduce a BID. A majority of the potential levy payers need to vote in favour (over 50% of those voting by absolute number, and 50% of the total rateable value). The Ballot for a Leeds City Centre BID is planned for February 2015, with a view to the BID starting in April 2015.
4. The aim is for a BID that is ambitious and wide-ranging in its aims. It will be about more than just promoting Leeds as a shopping destination; it will improve and promote Leeds City Centre as a major source of jobs and economic growth. It will encompass retail, offices, leisure / tourism and universities and colleges.

5. A business plan has been produced specifying projects to:
 - improve the welcome and brand of Leeds City Centre to attract visitors;
 - enhance the quality of the experience of people visiting and working in Leeds City Centre, including making the city centre street environment more attractive and supporting a high quality events programme; and
 - strengthen Leeds as a business location, improving business intelligence, volunteering and skills projects.
6. The investment of the BID would be in addition to Leeds City Council services in the area, which must be specified in a legally binding baseline agreement.
7. Leeds City Centre is an economic powerhouse. It is the location for over 115,000 jobs and the largest concentration of financial and professional services jobs in the UK outside London. It is home to two of the city's universities and its main teaching hospital. It is the key retail, leisure, cultural and visitor destination in Leeds City Region.
8. Significant progress has been made in the past few years in improving and developing Leeds City Centre and in supporting the creation of new jobs in major business sectors. Progress has included developments such as Trinity Leeds and the First Direct Arena which completed in 2013; further retail development at Victoria Gate and the office developments at Sovereign Square and Wellington Place are currently on site.
9. However, we must not be complacent. The competition is not standing still. The internet, out-of-town shopping centres and supermarkets all pose threats. Leeds competes with other UK and European cities in attracting visitors, shoppers, talented workers and business investment. Successful city centres will be those that provide quality retail, leisure and visitor and cultural attractions, public realm and office locations. Businesses and people have increasingly high expectations of the places they operate, work and visit. Trinity Leeds and the First Direct Arena have raised the bar, other projects are following suit. The rest of the city centre, including its shopping streets, office quarters, public spaces and gateways need to be of the same quality. A BID can also help develop a more child friendly, and age friendly city centre.
10. Executive Board in September 2013 approved recommendations encouraging the private sector to come forward with proposals for BIDs. Following a feasibility study, in April 2014 Executive Board approved recommendations to support the principle of a city centre BID. A consultation was undertaken by BID4Leeds in summer 2014 and a Business Plan has been produced.
11. This report seeks approval from Executive Board for: the BID4Leeds Business Plan, including the proposed geographical boundary; the intention to go to a BID Ballot in February 2015 and the details for holding the ballot; the Baseline Service Agreement setting out the services the Council is committed to providing in the BID area; and the arrangements for collecting the BID levy and provision to the BID Proposer of rating list data relevant to the BID area.

Recommendations

12. Executive Board is recommended to:

- (a) Support the BID4Leeds proposals to achieve a step change in the ability of Leeds to improve and promote its city centre as successful business location, as a place to study, a source of jobs growth, and as a leading retail, leisure, cultural, and visitor destination;
- (b) To confirm the Council's position that, as a potential levy payer in respect to properties it occupies within the BID area, it will vote in favour of the BID, and will delegate the vote to the Director of City Development;
- (c) Confirm that the Council is satisfied that the BID4Leeds proposals do not conflict with any existing Council Policy and the proposed BID boundary has not been manipulated inappropriately;
- (d) Confirm that the Council is satisfied that the submission of the draft BID proposal (set out mainly in the BID4Leeds Business Plan) includes: the proposed aims and projects; details of the consultation undertaken; a notice in writing confirming intention to go to ballot; demonstrates finances available to cover the cost of the ballot in the event that it fails or fails to reach 20% turnout; and delegates approval of the final business plan and boundary to the Director of City Development in consultation with the Executive Member for Transport and the Economy;
- (e) Confirm that the Council is satisfied that the final proposals include all of the details stated within Schedule 1 of the BID Regulations;
- (f) Provide a commitment to maintain provision of quality services in the BID area, and to approve the Baseline Services Agreement setting out the services that the Council is legally bound to continue to fund or provide for the duration of the BID;
- (g) Approve the arrangements set out in the Operating Agreement for the Council to manage the collection and enforcement of BID levy charges and to charge a reasonable fee for this service;
- (h) Approve the arrangements for the Council to operate the ballot;
- (i) Provide the relevant rating list data pursuant with the boundary proposed from the BID Proposer at the outset of the process, and in due course an updated version for the purposes of the electoral register; and
- (j) Note the stages and timescales required to implement the decision as outlined in these recommendations; and that the Chief Economic Development Officer will be responsible for its implementation.

1. Purpose of this report

- 1.1 This report seeks to update Executive Board on the progress made in the development of the Leeds City Centre BID proposals since the last report to Executive Board in April this year.
- 1.2 Following the decision and Executive Board in April 2014 to support the principle of a Leeds city centre BID, this report seeks Executive Board's support for the detailed proposals that have been developed by BID4Leeds, the body promoting the BID. Specifically, this report recommends approval from Executive Board of the BID4Leeds Business Plan; the Baseline Services Agreement specifying Council services; the arrangements for the Ballot; and the arrangements for collection of the levy.

2. Background information

2.1.1 Context

- 2.1.1 A BID is a business-led partnership that enables coordinated investment in the management and marketing of a commercial area and is a defined geographical area. Governed by legislation to ensure fairness and transparency, a BID is created for a five year period following a successful ballot. During the term of the BID all businesses defined within this Business Plan will be required to pay the mandatory levy irrespective of whether they cast a vote in the ballot.
- 2.1.2 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. Over 175 BID successful proposals have been developed in towns and cities throughout the UK. Of the BID Ballots held in the UK, 85% have so far voted in favour of a BID. Each BID proposal is different depending on local needs and priorities, but usually undertakes a range of activities to enhance the role of their area as a business location, and a retail and visitor destination.
- 2.1.3 For a BID to be successful it must be driven by businesses and other occupiers (such as universities, hospitals, cultural organisations) in partnership with the public sector. The BID is steered by a private sector board. Typically, a BID company is formed by the private sector, working in partnership and sharing resources with the Local Authority.
- 2.1.4 A clear geographical boundary is identified and each rateable unit within the area assessed for a levy, typically 1% to 2% of the rateable value to be paid into a fund for projects to be determined by the private sector BID board. There is scope to introduce a minimum rateable value below which businesses do not pay the levy, ensuring additional costs are not imposed on small businesses. A BID can include all businesses in an area, or it can be focused on particular sectors (e.g. retail).

- 2.1.5 Sustainable and inclusive economic growth and civic entrepreneurship are priorities of the Best Council Plan, and the report of the Commission for the Future of Local Government. A successful Leeds City Centre Business Improvement District (BID) could generate direct investment for the city centre up to £2m annually, and lever in much more. It will strengthen the city's ability to compete internationally and within the UK for jobs, investment and growth. It will be based on a strong partnership between the private and public sectors, mobilising those with the powers, resources, skills, and commercial interests to really make a difference.

2.2 The Case for a Leeds City Centre Business Improvement District

- 2.2.1 There is now considerable momentum and support for the development of a BID in Leeds City Centre.
- 2.2.2 There is a growing sense of confidence and ambition in Leeds City Centre following the opening of major projects such as Trinity Leeds, Leeds First Direct Arena in 2013 and the success of the Grand Depart, putting Leeds on the global stage. This momentum and increased profile will continue with the Victoria Gate project, the Leeds Kirkgate Market redevelopment, and major office schemes. Leeds City Centre is the most important location in Leeds City Region for firms in the financial and professional services, digital sectors and for headquarters functions. It is the location of two universities, a major teaching hospital, and leisure and cultural attractions. Over 115,000 people are employed in Leeds City Centre and it is home to over 25% of the city's private sector jobs. It is an economic powerhouse that has the potential to drive future economic growth and job creation. Now is the time to build on this momentum and for the private sector to take the lead, with the support of the Council, in securing the long-term future success of Leeds City Centre.
- 2.2.3 The competition is not standing still. The internet, out-of-town shopping centres and supermarkets all pose threats. Leeds competes with other UK and European cities in attracting visitors, shoppers, talented workers, and investment. Successful city centres will be those that provide an integrated quality offer encompassing retail, leisure, visitor and cultural attractions and office locations. Businesses and people have increasingly high expectations of cleanliness, safety and the quality of activities in the places they work in, live in and visit. Trinity Leeds and the First Direct Arena have raised the bar and other projects such as Victoria Gate, Sovereign Square and Wellington Place are following suit. The rest of the city centre, including its shopping streets, office quarters, public spaces and gateways need to be of the same quality.
- 2.2.4 Leeds is the largest city not to have a BID in the UK. Heart of Manchester has a £5m BID commencing on 1st April 2013, Birmingham currently has 10 BIDs and London has 25. Liverpool, Nottingham, Newcastle, Reading and Bristol have functioning BIDs and Sheffield is a year into the planning for a BID proposal. Central London has highly successful BIDs, including the New West End Company covering Oxford Street and Regent Street and the Heart of London BID covering the West End leisure area.

2.3 Progress since April 2014

2.3.1 Executive Board has considered reports on the Leeds City Centre BID on two previous occasions, first in September 2013 and later in April 2014.

2.3.2 Executive Board of September 2013 considered a report on BIDs and approved recommendations to encourage the private sector to bring forward BID proposals in line with the Council's strategic objectives.

2.3.3 Executive Board in September 2013 resolved:

- (a) That it agreed to being open to the private sector bringing forward proposals for BIDs that are in line with the Council's strategic policy objectives, namely to improve and promote the city centres and town and district centre as successful retail and leisure and tourism destinations.
- (b) That approval was given to adopt the position of in principle support for BIDs, subject to a full BID proposal coming forward from a proposer which should be aligned to the Council's objectives, and there being clear evidence of an effective partnership and approach to delivery.
- (c) That support was given to initial BID inception work in the early stages by using the City Council's expertise to offer high level advice on BID development as necessary.
- (d) That it supported the need to undertake further work to examine the case for a Tourism BID (TBID), as well as other potential mechanisms for securing private sector funding for work to improve and promote Leeds as a destination for visitors, and host city for major events
- (e) The private sector BID steering group under the lead of the Leeds Chamber of Commerce and with the involvement and minority financial support from the Council commissioned a feasibility study in February 2014. The study concluded that there is a real and urgent appetite for a Leeds City Centre BID amongst businesses and key City Centre stakeholders. It affirmed the view that the creation of a Leeds City Centre BID will be a catalyst for economic stimulus to growth and jobs.

2.3.5 In April 2014 Executive Board resolved to:

- (a) Support the principle of a Leeds City Centre BID, with the aim of improving and promoting Leeds City Centre as a leading European business location;
- (b) Agree to consider the council's support for the final bid boundary following the next phase of consultation;
- (c) Support the principle of occupiers of small business units (below a certain rateable value to be determined) exempted from paying additional rates;

- (d) Support in principle for the Council to be a levy payer, subject to it being satisfied with the proposed BID boundary, business plan and levy rate;
- (e) Agree to continued partnership with the private sector in the development of a Leeds City Centre BID by approving joint funding of the next phase of work to consult further, develop a proposed BID business plan, run a campaign to encourage occupiers to vote for a BID, and hold a bid ballot in November 2014;
- (f) Agree to provide up to £150,000 of funding, recoverable from the BID in the event there is a Yes vote, to the Chamber of Commerce for the next phase of work up to the BID ballot, on the understanding that there will also be significant private sector contribution (if a BID is established, this funding will be repaid to the Council by the BID in its first year); and
- (g) Instruct the Chief Economic Development Officer to bring a report to a future meeting of Executive Board (likely to be September 2014) to seek approval on the proposed BID business plan, and to progress to a BID ballot.
- (h) and to note:
 - i) the stages required to implement the decision as outlined in section 4 of this report
 - ii) proposed timescales for implementation as outlined in section 4 of this report
 - iii) that the Chief Economic Development Officer will be responsible for its implementation

2.4 The BID Proposals

- 2.4.1 BID4Leeds is the group promoting a BID for Leeds City Centre. It is private sector led (with the Chamber as a main promoter) and public sector backed (LCC are members). The Chair of BID4Leeds is John Bywater, ex Managing Director of Hammerson. Gerald Jennings, of Land Securities, has been a driving force behind the work to promote a BID. The BID campaign is being funded by Leeds City Council (who is providing the majority of the funding) and private sector firms (Land Securities, Hammerson, TCS, KPMG, DLA Piper, Bond Dickinson, Shulmans, Squire Patton Boggs).
- 2.4.2 A consultation was undertaken in summer 2014. Following this changes were made to the proposed boundary, to include Quarry Hill, but exclude parts of the Waterfront. There was strong support for a BID that is ambitious and wide-ranging in its aims, it needs to be about more than just managing and promoting Leeds as a shopping destination; it should promote the role of Leeds City Centre as a major source of jobs and economic growth.
- 2.4.3 The BID4Leeds Draft Business Plan 2015-2020 sets out the background to the Leeds City Centre BID. It defines the boundary, identifies the 3 key business priorities, addresses issues of governance, finance, including levy rate rules and voting. It is attached at Appendix 1. The main priorities are aiming for high standards (recognising the competition is not standing still),

raising the profile; and adding value (to what is in place currently). Potential projects are outlined:

- The Leeds Welcome (the physical welcome to Leeds, and the Leeds brand);
- The Leeds Experience (events, street animation, safety and cleansing, wifi);
- The Leeds Business Voice (promoting Leeds as a business location, improving business intelligence, volunteering and skills projects).

2.4.4 The proposed levy is 1.25% of rateable value. Small businesses (under £60,000 rateable value) would be exempt from paying the levy.

2.4.5 The BID would not seek to duplicate roles and activities that are already undertaken by others. For example, in relation to the visitor economy it would build on and work within the framework already established under the Visit Leeds brand.

2.4.6 The BID4Leeds Business Plan sets out an approach to the BID that is inclusive and based on partnership. The approach is for the BID to be private sector led, and public sector backed. It is proposed that the Council would have a seat on the BID Board. The BID will cover a wide range of sectors. It will represent the views of all businesses, including independents and small businesses that will not be liable for the levy. The BID will help develop a more child friendly and age friendly city centre. It will also benefit residents of the city centre and beyond in making the Leeds City Centre more attractive place and also by supporting job creation.

2.5 The Baseline Services Agreement

2.5.1 The legal process for establishing a BID under the Local Authority Act 2003 requires the Council to provide information on the services that it provides within a defined geographical boundary. The relevant Council services in relation to the proposed Leeds city centre BID have been identified in the baseline summary provided at Appendix 2 in this report. The Council will be required to adhere to the baseline as a minimum level of service that it will provide in the BID area when the BID comes into operation. The BID will then seek to add value by investing in top up activity over and above the Council's established baseline.

2.5.2 BIDs are a proven mechanism for supporting investment in the trading environment through additional funding of city centre maintenance type projects, promotion and marketing, led by the private sector and supported by local authorities. The success of the Leeds city centre BID is dependent on its ability to prove additionality and added value to what the local authority is already delivering. The establishment of an agreed baseline is therefore critical to the process.

2.5.3 The establishment of a Leeds city centre BID, subject to a successful ballot represents a unique opportunity for significant investment in the city centre.

With a BID the Council would commit to an operating agreement to provide baseline services, to which the BID will add value. It is the remit of the BID to determine which services it wishes to augment, if any. It is therefore important that the Council continues to maintain the baseline level of service in the proposed BID area after the BID is established. The baseline legal agreement to be signed before the BID ballot ensures that the Council does not withdraw its basic services following the successful establishment of a BID. The baseline agreement therefore represents a summary of what the Council delivers currently within its budget. The risk to services being terminated or reduced needs to be made clear to the BID before inception as the commitment to the baseline in a BID area is legally binding.

2.6 The BID Ballot

- 2.6.1 A postal ballot of all business ratepayers in the BID area will take place from 29th January 2015 to 26th February 2015. The result will be announced on 27th February 2015. The BID will proceed if two tests are met: first a simple majority of those voting in the ballot must vote in favour; second those voting in favour must represent a majority of rateable value of the hereditaments (rateable properties).
- 2.6.2 In order to achieve this timescale, the notice of ballot will be posted by 15th January 2015 and ballot papers issued from 29th January.
- 2.6.2 If a successful vote is achieved the BID will begin operating in April 2015.

2.7 The Operating Agreement

- 2.7.1 The Operating Agreement is a legal agreement between BID4Leeds and Leeds City Council. The draft is attached at Appendix 3. The purpose of the agreement is to:
- establish the procedure for setting the BID Levy;
 - confirm the basis upon which the Council will be responsible for collecting the BID Levy;
 - set out the enforcement mechanisms available for collection of the BID Levy;
 - set out the procedures for accounting and transference of the BID Levy;
 - provide for the monitoring and review of the collection of the BID Levy; and
 - confirm the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.
- 2.7.2 Once the city council has notified the BID of the date that collections begin (this must be within 14 days of the vote), it becomes responsible for collecting the BID levy. This includes serving the Demand Notices on each BID Levy payer and thereafter shall continue to calculate the BID Levy and serve the Demand Notices throughout the BID Term. The Demand notices shall be a separate bill and shall not be combined with the Business Rate bill.

- 2.7.3 The Council would maintain a list which identifies payment and/or non-payment of the BID Levy and shall make this available to the BID Company upon its reasonable request. The Council would liaise with the BID Company in carrying out monthly reviews of each Hereditament within the BID Area. In the event of any change in the occupier of each Hereditament or the merger or division of a Hereditament (or provision of an additional Hereditament) shall: serve an updated list of BID Levy payers upon the BID Company; and serve a Demand Notice (or alter any existing Demand Notice if appropriate) on the relevant BID Levy Payer. The Council will use all reasonable endeavours to collect the BID Levy on the date specified and thereafter on a monthly basis.

3 Main Issues

3.1 Principle and aims of a City Centre BID

- 3.1.1 Executive Board in April 2013 approved recommendations supporting the principle of a city centre BID. Leeds City Centre has made positive progress in recent years, but needs to continue to improve in the face of increasing competition from other cities. The private sector, reflecting the demands of their customers and staff, have increasingly high expectations in terms of quality of public realm, gateways, cleansing and safety, animation and marketing and promotion of Leeds City Centre.
- 3.1.2 Whilst Leeds City Council will commit to maintain standards of service in the city centre, in the context of continuing public sector funding cuts, it will not be possible for the Council alone to deliver the enhancements required. A BID would enable the private sector to play a clearer role in leading and funding work to improve and promote the city centre as a retail and visitor destination and business location.
- 3.1.3 The BID4Leeds proposals are for a BID that is about much more than retail. It will be focused on positioning Leeds City Centre more clearly as a major driver of jobs and growth to benefit all of Leeds and Leeds City Region. It will cover all business sectors, including retail, leisure, cultural institutions, tourism, office, universities and colleges, and public sector.

3.2 The BID Boundary

- 3.2.1 The proposed BID boundary is set out at Figure 1 below. The boundary encompasses the main city centre retail, office and leisure quarters.
- 3.2.1 Following the consultation on the BID proposals, the boundary was extended to encompass parts of the Quarry Hill area, and Leeds Minster and its environs. This was in response to views of consultees, including the Council and Leeds Civic Trust, that it is important to improve links between the city centre and the main cultural institutions and facilities at Quarry Hill (for example, West Yorkshire Playhouse, Northern Ballet Theatre, BBC).
- 3.2.3 The proposed BID boundary extends south of the railway station to encompass the Granary Wharf and Sovereign Square areas. However it

3.3 Exemption of Small Businesses

- 3.3.1 It is proposed that occupiers of property within the BID boundary with a rateable value below £60,000 will not have to pay the BID levy. This ensures that most small businesses will be exempt from BID costs but will enjoy the benefits of being located in the BID boundary. This position supports the Council's desire to continue to enable positive help to small and independent businesses in the city centre.
- 3.3.2 There is the recognition however that the exemption based on rateable value could mean that a very small number of national multiples occupying smaller rateable value premises could also be exempt. However most city centre branches of national retail multiples, coffee shops, bars and other food and drink operators have a rateable value of over £60,000 and will be liable for the levy. Where large multiples have units that fall below a rateable value of £60,000 the BID legislation does not allow for a levy to be charged. These businesses may however provide voluntary contributions.

3.4 Baseline Services Agreement

- 3.4.1 The purpose of the BID in Leeds City centre is to add value to existing services in the areas of interest to the BID. BID4Leeds has developed a draft business plan with a focus on 3 themes. The Leeds Welcome; The Leeds Experience and Business Voice. It is therefore important that Council delivered services in these areas are continued to be maintained to a good standard in order to ensure that the BID's investment in the city centre delivers genuine added value, over and above an agreed baseline of public services. The BID will need to clearly demonstrate to its levy payers that it is adding to, and not substituting for, existing services. The increased investment in the city centre will mean that the Council will need to be flexible to do things differently in response to the BID, in order to maximise the cumulative impact of good standard of Council services augmented by BID investment, to deliver positive outcomes.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The BID4Leeds steering group have initiated consultation with nearly 200 stakeholders, through 30 meetings, five presentations and three consultation workshops. There is strong support for the BID for Leeds to progress to a ballot in February 2015. The Leeds City Centre Partnership Board has been consulted on the BID and is supportive. The Council has also been consulted including, the Leader of the Council, the Executive Member for Transport and the Economy, the Deputy Executive Member for Transport and Economy (and Chair of the City Centre Partnership Board), the Directors of Environment and Housing and City Development and senior Council officers in appropriate related services in Cleansing, community safety, Highways, Culture and Sport and Economic Development. Members of City and Hunslet ward have also been informed of the BID proposal.

- 4.1.2 The BID4Leeds have consulted businesses in developing the BID4Leeds draft business plan that forms the basis for the BID's operating plan. All businesses likely to be subject to the levy, and therefore have a vote, were contacted during June 2014 to August 2014. A variety of means were utilised including email, telephone, face to face and meeting presentations. The survey was available online and by hard copy and was distributed to 100% of businesses. Direct contact was made with named individuals for a total of 709 out of the probable 1,097 voters (65%) during this phase.
- 4.1.3 Following consultation undertaken in summer 2014 changes were made to the proposed boundary, to include Quarry Hill, but exclude parts of the Waterfront. There emerged strong support for a BID that is ambitious and wide-ranging in its aims, needing to be about more than just managing and promoting Leeds as a shopping destination; it concluded that the role of Leeds City Centre as a major source of jobs and economic growth should form an important vision for the BID. The Council advised BID4Leeds of the need to have Council representation on the BID board. BID4Leeds agreed to include the Council on the BID board and to reflect this in the BID business plan.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality and diversity screening has been completed and attached. It indicates that there are no specific implications for equality and diversity as a result of the development of a Leeds city centre BID. If successful at ballot, the Leeds City Centre BID, by exempting small business from paying a BID levy provides small and independent establishments with the opportunity to grow their business, support jobs growth and enable a diverse and vibrant Leeds city centre economy.

4.3 Council policies and City Priorities

- 4.3.1 The proposals for a City Centre BID are in line with the main themes from the report of the Commission for the Future of Local Government on Civic Entrepreneurship, and Good Economic Growth. The Leeds city centre BID will support to the delivery of the best Council Plan 2013-17 objective of "Promoting sustainable and inclusive economic growth" and the city Priority Plan objective, "Best city for business" by raising the profile of Leeds nationally and supporting the sustainable growth of the Leeds economy. Specifically, it will support the delivery of the following City Priority Plan priorities and Core Strategy Objectives:
- Support the sustainable growth of the Leeds' economy;
 - Raise the profile of Leeds nationally;
 - Support the continued vitality, economic development and distinctiveness of the City Centre as the regional centre; and
 - Promote the role of town and local centres as the heart of the community which provide a focus for shopping, leisure, economic development and community facilities and spaces.

Proposals for BIDs are aligned with our planning framework for managing towns and districts and the city centre.

- 4.3.2 The proposed outcomes of the Leeds Business Improvement District under the themes of “Leeds Welcome” and “Leeds Experience” support the Council’s aspiration to be a child friendly city. Proposed projects will enable the city centre to be much more welcoming to children, families and adults that may need additional support, such as people with dementia.

4.4 Resources and value for money

- 4.4.1 The Council will have a responsibility as an occupier of premises within the BID boundary. The Council’s total levy liability in properties which it occupies has been estimated at £93k a year. There will be a need to meet this liability within the Council’s planned budget. It is important to note that the Leeds city centre BID will secure £10m direct additional investment in the city centre over a 5 year period. This level of investment could not otherwise be raised by the Council and represents a significant spend in the economic development of the city centre. It demonstrates the unique and valuable opportunity that a Leeds city centre BID represents.
- 4.4.2 Executive board in April 2014 approved the allocation of £150k funding to support the development of a BID for Leeds city centre, with the agreement that this funding will be fully recoverable from the BID on the attainment of a YES ballot. This can be recovered in year 1 of the BID’s operation.
- 4.4.3 The responsibility and cost for holding the BID ballot is the statutory responsibility of the Council as set out in the BID regulations of the Local Authority Act 2003. The (one-off) cost of the ballot is estimated at £7,850 and is non-recoverable. It will need to be met by the Local Authority host service for the BID in Economic Development.
- 4.4.4 The cost for Levy collection is £24k a year and will be met by the BID on an annual basis.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 In considering the BID4Leeds Business plan the Council will be making sure that it is satisfied with the due process followed in developing the business plan and that the proposals do not conflict with the council’s plans and priorities. The Council has the right of veto under the BID regulations if it is of the view that a proposed BID conflicts with its policies. No Council in the UK has to date used its power of veto. BIDs are regulated by the statutory instrument number 2443 of The Business Improvement Districts (England) Regulations 2004. The Local Authority role is guided by the local Government Act 2003 Chapter 26.
- 4.5.2 An operating agreement between Leeds BID Limited and Leeds City Council, which defines the contractual arrangements for the collection and enforcement of the BID levy is in place and is set out in the draft business

plan.

4.6 Risk Management

- 4.6.1 The BID4Leeds draft business plan has been developed in consultation with businesses to ensure it meets their needs and therefore more likely to be successfully voted for. In the event of a “yes” vote, all funding provided by the Council towards the development of the BID will be recovered from the BID levy. It is possible however for the BID ballot to fail to meet the positive thresholds on majority by number and rateable value required. In the case of a NO vote, the funding provided by the Council and the proposers of the BID to cover the development process will not be recoverable.

5 Conclusion

- 5.1 A Business Improvement District would secure significant private sector investment in activity to improve and promote Leeds City Centre as a business and investment location, a retail and visitor destination, and a driver of jobs and economic growth.
- 5.2 The BID4Leeds proposals are in line with the Council’s priorities. The proposed levy of 1.25% on rateable value is reasonable, and the proposed threshold of £60,000 rateable value below which no levy will be payable will ensure most small businesses do not incur additional costs. The proposed boundary of the BID, and the plans to include the retail, leisure, office, culture, tourism, education and public sectors reflect accurately the economic role and functional area of Leeds City Centre.
- 5.3 The Baseline Services Agreement proposed by the Council, will ensure the BID delivers genuine additionality to public services. The Operating Agreement sets out how the Council will support the BID by collecting the levy, and managing the ballot.
- 5.4 Leeds City Centre has made huge progress in recent years, and a new wave of major development projects are on site currently creating thousands of jobs. However there is the potential for Leeds City Centre to contribute much more to the city’s and city region’s economic growth. The BID will provide a step-change in private sector, and will mobilise business, working with the Council to enhance the city centre’s gateways, public realm, management, animation, and image and profile. It will enable the opportunity to raise our game in delivering significant events that promote Leeds as a city and a powerhouse in the North of England. Now is the time to grasp the opportunity to continue the development of Leeds City Centre as a leading visitor destination and business location.

6 Recommendations

Executive Board is recommended to:

- (a) Support the BID4Leeds proposals to achieve a step change in the ability of Leeds to improve and promote its city centre as successful business location, as a place to study, a source of jobs growth, and as a leading retail, leisure, cultural, and visitor destination;
- (b) To confirm the Council's position that, as a potential levy payer in respect to properties it occupies within the BID area, it will vote in favour of the BID, and will delegate the vote to the Director of City Development;
- (c) Confirm that the Council is satisfied that the BID4Leeds proposals do not conflict with any existing Council Policy and the proposed BID boundary has not been manipulated inappropriately;
- (d) Confirm that the Council is satisfied that the submission of the draft BID proposal (set out mainly in the BID4Leeds Business Plan) includes: the proposed aims and projects; details of the consultation undertaken; a notice in writing confirming intention to go to ballot; demonstrates finances available to cover the cost of the ballot in the event that it fails or fails to reach 20% turnout; and delegates approval of the final business plan and boundary to the Director of City Development in consultation with the Executive Member for Transport and the Economy;
- (e) Confirm that the Council is satisfied that the final proposals include all of the details stated within Schedule 1 of the BID Regulations;
- (f) Provide a commitment to maintain provision of quality services in the BID area, and to approve the Baseline Services Agreement setting out the services that the Council is legally bound to continue to fund or provide for the duration of the BID;
- (g) Approve the arrangements set out in the Operating Agreement for the Council to manage the collection and enforcement of BID levy charges and to charge a reasonable fee for this service;
- (h) Approve the arrangements for the Council to operate the ballot;
- (i) Provide the relevant rating list data pursuant with the boundary proposed from the BID Proposer at the outset of the process, and in due course an updated version for the purposes of the electoral register; and
- (j) Note the stages and timescales required to implement the decision as outlined in these recommendations; and that the Chief Economic Development Officer will be responsible for its implementation.

7 Background documents¹

7.1 None

8 Appendices

8.1 BID4Leeds Business Plan

8.2 LCC Baseline Services Agreement

8.3. LCC Operating Agreement

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.