

Report of Director of City Development

Report to Executive Board

Date: 18th September 2019

Subject: Leeds City Council vote in the Leeds Business Improvement District 2020-2025 renewal ballot

Are specific electoral wards affected? If yes, name(s) of ward(s): Little London & Woodhouse and Hunslet & Riverside.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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. Leeds City Council voted in favour of LeedsBID for its first term thereby supporting its formation. It now needs to vote in the upcoming ballot for LeedsBID's second term. A positive vote by the Council in favour of renewal of the Leeds Business Improvement District supports our ambitions for Leeds city centre to be the best by 2030. The Council voting in favour could enable the proposer (LeedsBID) to unlock circa £15m to be invested in activities and projects for the city centre over the next BID term. The central themes of LeedsBID's next 5 years are outlined in the business plan, forming a set of cohesive ideas that can ensure joint outcomes and collaboration with the Council. In line with the Best Council Plan, a successful vote in favour supports the Council ambition of an efficient and enterprising authority that is working in collaboration with businesses to enable the continued growth of Leeds City Centre as a destination of choice for workers, visitors and investors.
2. The vision for Leeds is to be the best city in the UK, one that is compassionate with a strong economy, tackling poverty and reducing inequalities. Our Inclusive Growth Strategy sets out our ambition to work with business and stakeholders to maximise the economic potential for the city. Our aim being to deliver economic growth by encouraging investment that creates jobs to support a growing Leeds economy. Our goal is to improve Productivity, support People and promote Place. Leeds city centre plays a pivotal role as the economic driver to enable achievement of this vision.
3. In June 2019, Executive Board received the report of the Director of City Development setting out draft proposals for a LeedsBID renewal and the requirement by the Council to satisfy its legal duties. Executive board resolved:

(a) That approval be given to the renewal ballot of LeedsBID in accordance with the role of the Local Authority, as set out in the BID Regulations 2004, and that confirmation was provided that the Council is satisfied that the renewal proposals do not conflict with existing Council Policy;

(b) That the draft renewal Business Plan, as appended to the submitted report, be noted, with it also being noted that the completed business plan will be presented to Executive Board for Council support in September 2019, at which point Leeds City Council will determine its voting intention in the pending ballot;

(c) That approval was given to the Baseline Services Agreement and the Operating Agreement, as appended to the submitted report, which provided a commitment to maintain provision of quality services in the BID area;

(d) That the arrangements for the Council to operate the renewal ballot, as detailed within the submitted report, was approved;

(e) That the stages and timescales required to implement the related decisions on this matter, as outlined within the submitted report and the above resolutions, be noted, with it also being noted that the Head of City Centre Management will be responsible for the implementation of such matters.

4. In satisfying resolution 3(b) from June's Executive Board, this report brings forward the finalised business plan from LeedsBID, which sets out the themes and project areas that LeedsBID will focus on in its next term, and provides a basis for the recommendation to Executive Board for a positive vote in support of the continuation of LeedsBID.

5. Best Council Plan Implications

The Overarching themes and project areas proposed within the finalised LeedsBID business plan supports our strategic ambition to deliver better outcomes for people of Leeds. For example, investment in the city centre as the economic hub will help to tackle poverty, raising standards by assisting everyone to benefit from a growing economy. A clear focus on culture within the business plan supports our ambition to improve the quality of lives and growing the economy through cultural and creative activities. The ambition within the plan for a greener city centre also chimes with our focus on the climate change emergency for the city and the importance of business stakeholders playing their part in this ambition.

6. Resource Implications

There are no resource implications other than the mandatory BID levy base of 1.25% of the rateable value of buildings the Council occupies within the BID geographical boundary. This equates to £70,246 per annum. This sum will be levied on the Council if LeedsBID is successful in its ballot, irrespective of the council's voting intention.

7. Recommendations

Executive Board is recommended to:

- a) Note the appended LeedsBID business plan (2020-2025) which sets out the organisation's plan of delivery in its second term;
- b) Approve that Leeds City Council as a BID levy payer, votes in favour of the renewal of LeedsBID for its second term (2020-2025), based on the business plan, thereby enabling the opportunity for significant investment of circa £15m in Leeds city centre through the activities and themes of LeedsBID;
- c) Delegate the responsibility for the vote to the Director of City Development;
- d) Ask the Director of City Development to write to LeedsBID to ask for a greater emphasis on supporting the city's 2023 programme as part of their planned activities.

1. Purpose of this report

- 1.1 Further to the resolution at June 2019 Executive board, this report brings forward the completed business plan from LeedsBID for the consideration of Executive Board in order to inform the recommendation for the Council to vote in favour of the renewal of LeedsBID in the upcoming ballot.
- 1.2 The Council has the opportunity through a positive ballot, to collaborate with LeedsBID to align efforts in support of the continued development of Leeds city centre over the next 5 years.
- 1.3 The Council has made significant progress as the catalyst in the past few years for improving and developing Leeds City Centre as a leading centre for retail, leisure, culture, innovation, and jobs in major business sectors. Leeds City Centre is the most significant and fastest growing major location for jobs and businesses in Leeds and Leeds City Region. Following developments such as Trinity Leeds, the First Direct Arena, Victoria Gate, and the office schemes at Sovereign Street and Wellington Place, there has been a more recent wave of strong development activity. Renovation of The Leeds Playhouse is set to complete shortly, and there are plans for the renovation of Leeds station, future HS2 development and there has been a marked increase in student accommodation, hotel developments as well as a renovated Merrion Centre, catering for a wider demographic with hospitality playing a stronger role in the offer.
- 1.4 A successful second LeedsBID term enables additionality of programmes and activities in continued support of the achievements of the Council in the city centre and provides an opportunity for collaboration on joint outcomes.
- 1.5 The Council's Visit Leeds team have been instrumental in leading the growth of the Leeds visitor economy which grew by 6.3% in 2017 to over 29 million visitors, and up 16.6% since 2016, accounting for an economic impact of £1.75bn. Major plans of the Leeds Public Transport Investment Programme (LPTIP) is underway this year with substantial investment of £174m on the Connecting Leeds transport proposition. The Council is also developing a strategic plan to invest in the Public Realm of the city centre, to marry with the opportunities brought forward by LPTIP, through the 'Our Spaces Strategy', which outlines opportunities to develop public spaces that the Council will seek to bring forward.

2. Background information

- 2.1 A BID is a business-led, democratically elected, non-profit organisation that enables commercial investment within a defined geographical area. Governed by legislation

to ensure fairness and transparency, a BID is created for up to a five year period following a successful ballot. During the term of the BID all businesses defined within this geographical boundary pay the mandatory levy.

- 2.2 Executive Board in November 2014 approved the Council's support of the establishment of LeedsBID. LeedsBID successfully secured a mandate for its first term in February 2015 for a 5 year period, with the Council voting in favour as a levy payer. The ballot delivered a successful mandate in favour of a BID by 84% majority vote and 86% by rateable value. This initial first term is coming to an end in March 2020, and LeedsBID is required under the BID regulations to renew its mandate if it wishes to continue operating for a second term of a further 5 years.
- 2.3 Established in April 2015, LeedsBID is the largest business improvement district outside of London and the 200th BID in the country, and one of more than 300 in existence. It has 970 hereditaments (business rated units) and the LeedsBID area is the whole of LS1 and a proportion of LS2, stretching from the ring road in the north to the river in the south, from Wellington street in the west to Quarry Hill in the east. The BID levy of 1.25% with £60,000 rateable value threshold has been maintained for the proposed second term. This will generate £2.86m per annum and nearly £15m over five years. The council's is responsible for collection of the levy and its collection rate is around 99% meaning all the levy raised will be collected to be used as directed in the LeedsBID business plan and by the LeedsBID board. The detail of financial budget breakdown is presented in the LeedsBID business plan 2020-2025, attached as appendix 1.

3. Main issues

3.1 LeedsBID Business Plan 2020-2025

In discharging the Council's legal duties as set out in the BID regulations 2004, in June 2019, Executive Board approved the progress to date on the development of the LeedsBID renewal ballot to be held on 8th Oct to 7th November 2019.

- 3.2 For the determination of the Council's own voting intention as a levy payer, Executive Board approved that the completed LeedsBID business plan be considered at its September meeting, to help inform the Council's voting decision. The business plan is therefore attached as appendix 1 to this report for consideration.
- 3.3 The business plan sets out the main themes for the next 5 years. It indicates the planned financial budget based on the themes, provides exemptions to small businesses from paying a BID levy if they have a rateable value of £60,000 or less and a set levy, unchanged from the first term of LeedsBID, at a rate of 1.25% of rateable value. It is also noted that 75% of LeedsBID's first term activities will be continued into the second term.
- 3.4 The vision for LeedsBID in 2020 – 2025, as determined in the business plan is to "Lead the way to make new things happen in Leeds city centre". It has set its ambition as "to drive Leeds city centre forward with productive projects and strong partnerships which transform the city". Its core values are to be **Bold; Transformative; Responsible; Innovative and Ambitious**. There are also 5 key themes that anchor the activities and projects that LeedsBID aims to deliver in its next term. The themes are outlined below with examples of some the projects that are to be delivered in the next term, if the ballot is supported

and successful.

3.5 **Ambition**

LeedsBID will aim to achieve the best for businesses in Leeds by supporting the aspirations and excellence of the city centre. Projects such as “a city less grey” delivered in collaboration with East Street Arts will be continued, gateways to the city centre will be brightened up and quality places and spaces will be utilised as a canvas for creative interventions in the city centre.

3.6 **Curation**

LeedsBID will seek to create and maintain an overall improved city centre experience for those who live, work and thrive there. For example it will continue the service provided by the clean street rangers team, who deliver a street washing service in the city centre, ensuring cleaner places and spaces within the city centre. It will also continue the city welcome provided by the BID ambassadors in distinctive uniform, providing an informed service to visitors, shoppers and levy payers events.

3.7 **Animation**

The next term of LeedsBID will also seek to “breathe new life into the city through engaging events, activities and installations”. This will include the continued collaboration with the Council and retailers on the popular city centre dinosaur Jurassic trail, the Leeds Piano trail and the Made-UP Leeds campaign, which will drive up city centre footfall.

3.8 **Innovation**

The fourth plank of the LeedsBID business plan seeks to ensure that it continues to act as a catalyst for change in Leeds city centre, leading transformation with new ideas and innovative investment. Through the Leeds International Festival, LeedsBID will seek to celebrate culture in the city. It aims to continue to showcase local talent alongside national and international artists to promote the vitality of Leeds city centre. LeedsBID sees this as a contribution towards the Council's ambition for Leeds2023.

3.9 **Collaboration**

The final theme within the business plan relates to “connecting with key partners for the greater good of the city and its communities”. Collaboration with the Council continues to be a key ambition and enables joint outcomes on a number of projects. For example, a successful second term will see the continued collaboration on retaining the ATCM Purple Flag, the national accreditation recognising the management of the evening and night time economy, working with the Council, Business Against Crime In Leeds (BACIL) and key partners across the city.

3.10 **Leeds City Council Asks**

The business plan responds to a number of strategic priorities raised by Leeds City Council as important. It reflects the principles of our spaces strategy and includes culture as an important component of its planned activities. Collaboration with the Council, key partners and stakeholders is mapped out as necessary and important. The business plan also references our climate change emergency, health and wellbeing priorities and the connecting Leeds plan. Importantly, it recognises the economic significance of Leeds city centre and the impact of our outcomes as set out in the Inclusive Growth Strategy. A focus on green projects, recycling and purchasing of utilities from 100% renewables provider supports our climate change

emergency declaration for Leeds.

3.11 **Light Night**

Light Night is a significant, successful and popular illuminations & artistic event in the city's events calendar. It attracts a diverse audience, increases footfall and continues to grow from strength to strength. LeedsBID has invested in Light Night in the past few years, however the business plan does not specifically commit to financial support of an extension of Light Night at this stage. Aspirations to help enhance Leeds Light Night to 3 evenings or more with the support of the business community will continue to be explored within the LeedsBID's second term.

3.12 **Leeds 2023**

Leeds 2023 is singularly the most important cultural programme for the city within LeedsBID's next term. Whilst the business plan makes mention of Leeds 2023, we would want LeedsBID to collaborate with the Council in delivering more of this programme. Subject to Executive Board's approval, this will be discussed with LeedsBID in the planned collaborative committee meetings.

3.13 **Ambition Leeds**

LeedsBID gives the undertaking that it will continue to support talent and skills development in Leeds. There will be further investment through Ambition Leeds, to meet the city's increasing demand for training and skills development for key sectors such as retail and hospitality services.

4 **Corporate considerations**

4.1 **Consultation and engagement**

In developing the business plan levy paying businesses have been consulted and given the opportunity in March and April 2019, to feedback and help shape the activities of LeedsBID. A cross section of businesses from all sectors represented by the BID responded to the survey, with retail and office-based making up the largest contributors.

- 98% of respondents intend to support LeedsBID by voting YES for a second term;
- 72% highlighted the importance of delivering projects which deliver direct benefits (a return on investment) to businesses e.g. Commercial Waste and Recycling Services;
- 86% valued the importance of the street teams; in particular Street Rangers, Welcome Ambassadors and Evening Ambassadors;
- 84% of respondents stressed the importance of events in creating an experience in the city centre;
- 71% identified the importance of supporting skills and digital skills through the Ambition:Leeds and Leeds Boost projects;
- 72% of respondents stressed the importance of projects like A City Less Grey – made possible by collaboration from multiple partners;
- Over half of all respondents rated street teams, events and direct business benefits as highly valuable. Projects which drove footfall to the city centre

were deemed to have created the most significant business impact, with the Street Rangers and Welcome Ambassadors credited for creating a positive impression of being in the city centre and most crucial to businesses;

- Curation of the city centre (clean, safe and welcoming) was a key consideration across all business sectors looking ahead to term 2 priorities for LeedsBID.

In pulling together the requirements of the Council as a levy payer, a wide ranging consultation took place with Chief Officers of planning, highways & transportation, Safer Leeds, Employment & Skills, Culture & Sport, Economic Development, Asset Management & Regeneration, Parking&Enforcement and Cleansing; and Directors, the Executive member for Learning & Skills and the Deputy executive member with responsibility for the city centre.

4.2 Equality and diversity / cohesion and integration

A completed equality and diversity screening is appended to the report at Appendix 2. It indicates that there are no specific implications for equality and diversity as a result of Leeds city council voting in favour of LeedsBID renewal for a second term. The LeedsBID renewal is private sector-led, and supported by the Council. If successful at ballot, the Leeds City Centre BID renewal is committed to exempting small businesses from paying a BID levy. Businesses with a rateable value of £60k or less (typically small SMEs and independent businesses will not pay a levy but still benefit from the investment in the city centre. This 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 the Best Council Plan

Climate Emergency

LeedsBID has an ambition which supports the Council's Climate emergency declaration. The "Greener Business, Greener City" plan promises to deliver projects to meet the greener agenda of the city which will give direct benefit to the environment.

For example, part of its projects will focus on Leeds as a 21st century city and the aspiration to recycle at higher rates or more, reducing carbon emissions and improving the consumer experience.

Introduction of a seven day a week waste recycling service with Leeds-based Forge Recycling Renewable and greener energy (electricity) is also available to LeedsBID businesses through the launch of BID Power programme, to source energy from a 100% renewables energy provider.

4.4 Resources, procurement and value for money

The Council will be responsible for payment of its own BID levies in properties within the proposed BID area in which it is a rate payer. This has been calculated at an estimated levy of £70,246 per annum.

4.5 Legal implications, access to information, and call-in

BIDs are regulated by the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004. The Council has the right of veto under the BID regulations if it feels that the LeedsBID Business Plan conflicts with its policies or finds it to be a significantly disproportionate financial burden on any person or class of persons. On review of the Business plan, it is found to be in accordance with Council policies, supports the Best Council Plan, specifically the Council's approach across strategic outcomes. As well as the Inclusive Growth Strategy.

4.6 Risk management

The support of Leeds city council through a vote in favour of a renewal of LeedsBID for a second term is not in itself a guarantee of a successful BID ballot. The ballot may still be unsuccessful if 51% of voters and/or 51% of the majority rateable value holders vote against it. Whilst the risk involved is borne by the LeedsBID board, the city centre as a whole will suffer if the BID fails to achieve success. There are no financial risks to the Council of a LeedsBID renewal, except for the time commitment of officers in supporting a BID renewal.

4.7 However, it is noted that should the ballot for renewal be unsuccessful, then the existing BID area will default back to the arrangements that were in place prior to the ballot of 2015 and the value added provided by the BID will be lost. All staffing, projects and services funded will cease to exist.

5 Conclusion

5.1 A successful Business Improvement District for the second term of 2020-2025 would secure significant private sector investment in themed 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 LeedsBID business plan proposals are in line with the Council's Plan and priorities. The proposed levy of 1.25% on rateable value is to remain the same as the first term with no increase. The proposed threshold of £60,000 rateable value below which no levy will be payable will ensure most small businesses do not incur costs. The boundary of LeedsBID remains the same as in the first term, and the plans will be inclusive of all sectors in the BID boundary to cover the retail, leisure, office, culture, tourism, education and public sectors, reflecting accurately the economic role and functional area of Leeds City Centre.

5.3 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 second term of LeedsBID could provide a step-change in private sector investment, and mobilise business, working with the Council to enhance the city centre's gateways, public realm, management, animation, and image and profile. 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) Note the appended LeedsBID business plan (2020-2025) which sets out the organisation's plan of delivery in its second term;
- b) Approve that Leeds City Council as a BID levy payer, votes in favour of the renewal of LeedsBID for its second term (2020-2025), based on the business plan, thereby enabling the opportunity for significant investment of circa £15m in Leeds city centre through the activities and themes of LeedsBID;
- c) Delegate the responsibility for the vote to the Director of City Development;
- d) Ask the Director of City Development to write to LeedsBID to ask for a greater emphasis on supporting the city's 2023 programme as part of their planned activities.

7 Background documents¹

7.1 None.

8 Appendices

8.1 Appendix 1 LeedsBID Business Plan 2020-2025

8.2 Appendix 2 – EIA screening document

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.