

Leeds City Council vote in the Leeds Business Improvement District 2025-2030 ballot

Date: 16th October 2024

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report brings forward the finalised 2025-2030 Business Plan from Leeds Business Improvement District (LeedsBID), which sets out the themes and work streams that LeedsBID will focus on in its next term 2025-2030, and provides a basis for the recommendation to Executive Board for a positive vote in support of LeedsBID.

This report also provides information about the council's financial contribution as a BID levy payer.

Our Inclusive Growth Strategy sets out our ambition to work collaboratively with businesses and stakeholders to maximise the economic potential for the city, delivering economic growth by encouraging investment that creates jobs to support a growing Leeds economy. A successful vote for LeedsBID aligns with our ambitions for Leeds city centre and would enable LeedsBID to generate circa £18.75 million over the next 5 years which will be invested in activities and projects across the city centre in line with the Business Plan.

Recommendations

Executive Board is recommended to:

- a) Note the appended LeedsBID business plan (2025-2030) which sets out the organisation's plan of delivery in its third term;
- b) Approve that Leeds City Council as a LeedsBID levy payer, votes in favour of LeedsBID for a third term (2025-2030), based on the business plan, thereby enabling the opportunity for significant investment of circa £18.75m in Leeds city centre through the activities of LeedsBID;
- c) Note the resource implications for the Council in the event of a successful BID ballot;
- d) Delegate the responsibility of the vote to the Interim Director of City Development;

- e) Request that the Director of City Development (and/or the Director of Communities, Housing, & Environment (or a delegate of)) meets with LeedsBID on a quarterly basis to advocate the needs and asks of Leeds City Council and the communities we represent are met;
- f) Request that the Interim Director of City Development writes to LeedsBID to ask that they work with the Council to consider destination marketing branding that applies to Leeds city centre as a place, to ensure that visitor experience is optimised and that where possible, any unnecessary duplication is removed;
- g) Request that the Interim Director of City Development also writes to LeedsBID to ask that a copy of its forward plan is provided in December annually to allow Leeds City Council time to consider any resource implications and provide advise to LeedsBID accordingly.

What is this report about?

- 1 In satisfying resolution 14(e) from June 2024's Executive Board, this report brings forward the finalised business plan from LeedsBID, which sets out the themes and work streams that LeedsBID will focus on in its next term 2025-2030, and provides a basis for the recommendation to Executive Board for a positive vote in support of LeedsBID.
- 2 This report also provides information on the expected levy which will be payable by Leeds City Council in 2025/26 should the BID ballot receive a positive vote in Autumn 2024.

Background information

- 3 Leeds city centre remains a leading centre for retail, culture, innovation and the economy. The Council is continuing to focus on developing a liveable, attractive and vibrant centre to support continuing strong demand for retail, leisure, culture and the night-time economy. The city centre's main high street – Briggate – is the busiest in the region and footfall is growing year on year since the pandemic. In maintaining and improving the economic vitality of the city centre, the Council must work positively and collaboratively with a range of partners. The continued partnership with Leeds BID is a key example of that collaboration, in that Leeds BID provides services, events and improvements that the Council is not in a position to deliver.
- 4 Within the last BID period (2020-2025) the skyline of the city has changed, with large scale development projects contributing towards this physical transformation. The Leeds Public Transport Investment Programme (LPTIP) delivered extensive footway widening and improved public realm along with better bus facilities. City Square has now been largely pedestrianised and further improvements are being delivered to the environment in and around Leeds Station as part of the Leeds Integrated Station Masterplan. Links to the South Bank have improved supporting a development pipeline of thousands of new homes along with a new 3.5ha greenspace which is now partly open and which will continue to expand in the coming years.

LeedsBID

- 5 A Business Improvement District (BID) is a business led, democratically elected, non-profit organisation that enables commercial investment within a defined geographical area. A BID is created for up to a five year period following a successful ballot. During the term of the BID all businesses within the BID boundary pay a mandatory levy provided their rateable value is above a defined threshold.
- 6 Established in 2015, LeedsBID is one of over 340 BIDs operating in the UK and the largest multi-sector BID outside of London. LeedsBID represents close to 1000 organisations in the city centre, working collaboratively with key partners across all sectors to deliver direct benefit to Leeds city centre.

- 7 46% of LeedsBID levy payers are from the office sector, 21% from the retail sector, 14% from the leisure and hospitality sectors, 10% public sector, 5% from the third sector, and 4% from education.

LeedsBID boundary changes

- 8 For the next and third term starting 1st April 2025, Leeds BID have proposed an alteration to the BID boundary to include part of the city centre just south of the river. Information on this was provided in a report to Executive Board in June. In July 2024, following consultation with affected businesses the boundary has been further extended to include Quarry House at the Eastern end of the city centre. A map of the new BID area is attached at Appendix 2. This larger BID area brings in an additional 90 levy paying businesses.
- 9 LeedsBID's Business Plan for the coming 5 year term 2025-2030 recognises that Leeds is growing at pace hence the incorporation of new areas of the city south of the river to within the BID area, including Leeds Dock, Aire Park and Temple.

LeedsBID Business Plan 2025-2030

- 10 Executive Board agreed in June that LeedsBID's business plan for the next term be considered at a later meeting once developed, in order to help inform the Council's voting decision. The business plan is therefore attached at Appendix 1 to this report. The plan sets out the main themes of works for the next 5 years and provides a planned financial budget based on those themes.
- 11 The business plan outlines LeedsBID's priorities for the coming term 2025-2030 which include having a welcoming city which is clean safe and friendly and the continuation of delivery of inspirational events and animations that drive footfall and put Leeds firmly on the map. The plan also makes reference to the importance of working together with levy payers on new initiatives which will set Leeds apart and bring businesses together.
- 12 There are three key themes that will drive the activities and projects that LeedsBID will deliver in its next term. These are: Welcoming, Inspirational, and Ambitious. More information on each of the themes is provided below:
- 13 Welcoming – to have a welcoming city which is clean safe and friendly. This will see the continuation of a 7-day Street Ranger service, which will expand to meet the change in geography of the BID area. Collaboration with other agencies and partners to deliver here is recognised as key. LeedsBID also plan to build on the City Centre Response Team pilot in December 2023 which provided a coordinated visible on street presence which focussed on supporting businesses and helping ensure the city centre is perceived to be both safe and friendly. The BID will continue to deliver a city welcome through personal interaction with a friendly face at arrival points across the city centre, with a potential increase in staffing footprint over time as a response to changing need.
- 14 Inspirational – to create and establish events and animations which are inspirational and drive footfall into the city centre. LeedsBID plans to continue to create events to appeal to all sectors, ages and demographics which will include family friendly and seasonal activities. Events like this market the city to a range of wider audiences, strengthening its identity and appeal. Activities that LeedsBID currently run like Leeds International Festival of Ideas (2-5th October 2024) and the summer roadshow which it plans to continue into future years. LeedsBID intend to continue to utilise its Welcome to Leeds platform to communicate the story of the businesses it represents.
- 15 Ambitious – this section of the LeedsBID business plan outlines a plan to work collaboratively on new initiatives which set Leeds apart from other cities, giving voice and support to business and intending to bring all sectors in the city together. A strong focus will be placed on

environmental sustainability and future proofing the city. LeedsBID recognises the opportunities that exist in expanding its boundary particularly in regard to delivery of events and activities.

LeedsBID Levy

- 16 In 2024/25 the levy was set at 1.275% of rateable value which (in line with previous terms) is payable by businesses within the BID boundary whose premises have a rateable value of £60,000 or above.
- 17 Should the ballot be successful from 1st April 2025 the levy will be set at 1.9%, with an incremental increase of 2% applied each year thereafter. The expected total income over the next 5-year term is £18.75m.
- 18 The proposed levy aligns with other comparable Northern and Core city BIDs, and in particular with those who have held renewal ballots within the last 2 years.
- 19 Currently there is a cap on the annual levy payable of £25,000 per hereditament (premises). From April 2025 the cap will increase to £40,000. This change affects the levy the Council is required to pay on one building only, Merrion House.
- 20 The council is the mandatory body for administering collection of the levy. Local arrangements are detailed in an Operating Agreement jointly established by LeedsBID and the council which sets out how this will be undertaken.

Leeds City Council Asks

- 21 In pulling together the requirements of the Council as a levy payer an engagement session took place in July between senior Council officers and LeedsBID where the council raised a number of strategic priorities that it would like to see addressed in the business plan. A summary of the discussion points is below:
 - In the context of the financial challenge, the Council's resources are reducing while the city centre is geographically expanding. This presents an operational challenge for all partners and it is vital that interested parties work together to proactively prioritise and allocate resources according to where they are most needed.
 - The Council requests that LeedsBID continues to work in partnership on services, projects and events with the Council, where relevant.
 - The Safer Leeds City Centre Partnership Board provides a central strategic hub for discussions and decisions around safety, crime, anti-social behaviour and policing within the city centre geography. LeedsBID is already a member of the Board and is leading on one of the key operational themes. The Council asks that LeedsBID continues to play a key partnership role as part of the Board and in the delivery of relevant projects, operational activity and workstreams arising from it.
 - The on-street uniformed resource in the city centre should be targeted to where it is needed, have relevant delegated powers and be suitably resourced to deal with the multitude of issues that arise, both in the day and night-time economies. It is requested that LeedsBID plays a key role in developing and supporting the delivery of these resources.
 - The visitor economy landscape is changing with the development of Local Visitor Economy Partnerships and in addition working to support West Yorkshire Mayoral input. The Council would like to remove any duplication around all city marketing, promotions and content.

- In its business plan LeedsBID should consider the impact of the students population from educational establishments on the periphery of the proposed BID boundary. Furthermore the importance of Leeds Dock as a venue for events and conferences should be recognised.
- Towards the end of the next BID term, it is likely that construction of Mass Transit and other major infrastructure schemes will start on site. The disruption and change associated with this project will be significant so LeedsBID should include sufficient scope within its business plan to support the city centre's business community through this period.
- Aire Park is currently being developed by Vastint on a phased basis, with some of the park already open to the public. This new space which will be leased to Leeds City Council will become a key part of the city centre 'offer' and therefore it will be important that roles and responsibilities for the various stakeholders are defined, with a view to maximising the benefits of this new space. Furthermore, towards the end of the upcoming LeedsBID term, the final phases of Aire Park will be completed, so consideration should be given to extending the BID boundary to include Aire Park in the term that begins in 2030.

Leeds City Council's vote

- 22 LeedsBID's business plan proposals generally align with the priorities raised by the council. It reflects the principles of our Inclusive Growth Strategy and recognises culture as an important component of its planned activities. It does not at this stage address the level of detail given in our asks and we look forward to working together to address these points to drive greater efficiencies and effectiveness of our partnership.
- 23 Further discussion with LeedsBID on how we can utilise and enhance the benefits of our existing destination marketing brands without duplication would be welcomed, as is best practise in other core cities. It is therefore recommended that the Interim Director of City Development write to LeedsBID to ask that we work together to consider the destination marketing branding that applies to Leeds city centre as a place, to ensure that visitor experience is optimised and that where possible, unnecessary duplication is removed.
- 24 Continued collaboration with the Council, key partners and stakeholders is recognised by LeedsBID as necessary and important. In order to advocate that the needs and asks of Leeds City Council and the communities we represent are met it is recommended that the Director of City Development (and/or the Director of Communities, Housing, & Environment (or a delegate of)) continues to meet with LeedsBID on a quarterly basis.
- 25 A successful BID vote outcome for the next term 2025-2030 would secure significant private sector investment in themed activity to improve and promote Leeds city centre as business and investment location, retail and visitor destination and a driver of jobs and economic growth. It is therefore recommended that Leeds City Council vote in favour of a Business Improvement District for the city centre for the next 5-year term 2025-2030.

LeedsBID ballot

- 26 Notice of the upcoming ballot was issued on Thursday 19th September, followed by the issuing of ballot papers on 10th October. The voting period is open from 11th October through to 7th November and the result of the vote will be announced on 8th November. A ballot box will be placed in Civic Hall from 10th October.
- 27 It is recommended that the responsibility of the vote is delegated to the Interim Director of City Development.

What impact will this proposal have?

28 The primary outcome of the continuation and expansion of LeedsBID will be the circa £18.75m investment into Leeds city centre over the next five years. This investment will provide additionality to the services and activities that Leeds City Council and other investors provide and will ensure that the city centre continues to develop and thrive as a leading visitor destination and business location.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

29 One of the key strengths of Leeds city centre as a business location is that it has a diverse range of large and small businesses, including independent retailers, hospitality businesses and market traders. This diversity enhances the vibrancy of the offer in the city centre. Such businesses face a challenging time on the high street with increased costs and online competition. All businesses benefit from the services that LeedsBID provides.

30 The continuation of LeedsBID into a third term supports the priorities set out for the city centre in the Inclusive Growth Strategy. The additionality provided by LeedsBID enhances the city centre's clean, safe and welcoming environment for those living, working and visiting the city centre. The services provided by LeedsBID are over and above that which the Council is able to provide. Collaborative working between LeedsBID and the Council drives improvement maximising the potential of the city centre as a place to invest, work, live or visit.

31 LeedsBID's annual summer trails (Jurassic Trail, Monopoly Leeds Takeover) provide family friendly, high-quality free activity, creating a welcoming environment and healthy lifestyles. Activities like this drive footfall to the city centre, encourage people to walk throughout and explore new parts of the city centre, while supporting businesses. Over 100,000 trail maps were handed out to families during the Monopoly Leeds Takeover this summer.

What consultation and engagement has taken place?

Wards affected: Little London & Woodhouse, Hunslet & Riverside, Beeston & Holbeck

Have ward members been consulted?

Yes

No

32 The Deputy Leader of Council and Executive Member for Economy, Transport and Sustainable Development has been provided with a briefing on the proposals. The Deputy Leader sits as a Company Director on the LeedsBID Board and as such is aware of LeedsBID's proposals for the next term.

33 Elected Members representing wards within the LeedsBID boundary have been provided with information on LeedsBID's renewal proposals.

34 In developing the business plan LeedsBID consulted levy paying businesses during February, March and April 2024 providing the opportunity to feedback and help shape the activities of LeedsBID for the next term. Questions were based on what businesses would like to see LeedsBID focus on over the coming 5 years, and what the key challenges and priorities for improvement for the LeedsBID area and Leeds city centre.

35 A cross section of businesses from all sectors represented by the BID responded to the survey, with retail and office sectors making up the largest contributors. Approximately 30% of levy payers responded (around 200 responses). 26% of respondents were from the leisure and hospitality sectors, 36% from the retail sector, and 27% from the office sector. 7% of responses came from the public sector.

- 84% of respondents indicated that they would vote in favour of a BID in the upcoming ballot.
- 95% of respondents strongly agreed or agreed that 'clean safe and welcoming' should be a priority for LeedsBID over the next term.
- 78% felt that supporting businesses around safety should be a priority for LeedsBID.
- 67% responded that providing support to levy payers around crime should be a focus for the coming term.
- 57% respondents highlighted the importance of driving footfall through events and animation
- 50% indicated that increased cleansing would support their business.

What are the resource implications?

- 36 The Council is responsible for payment of its own BID levies in properties within the BID area on which it pays business rates. There are 12 premises within the existing BID boundary and no additional premises within the extended area for which the council are the responsible rate payer.
- 37 Should the ballot be successful the council's total BID levy for the year 2025/26 will be £83,947. The Council's fee for administering collection of the levy partially offsets this figure.
- 38 BID regulations require that the Local Authority is the mandatory body to administer collection of the levy via the Business Rates system. If the BID ballot receives a 'yes' vote and is successful there is the need for the council to charge a fee for the administration of the BID levy, as in previous terms.
- 39 Industry Criteria and Guidance Notes (published by British BIDS annually) recommend an industry standard of 'a maximum charge of £35 per hereditament, or 3% of annual levy income, whichever is the lower. The Council's arrangement is in line with this guidance at 1% of the expected annual levy. The council's administration fee for the year 2025/26 will be £36,000. This will increase over the BID term in line with LeedsBID's proposed annual 2% levy increase.
- 40 When directly comparing our levy and fee in 2024/25 to that which is expected in 2025/26 the overall increase in the amount the council will be required to pay is approximately £1,700.
- 41 The Council is legally responsible for the ballot process as set out within BID regulations. Electoral Services are working with LeedsBID on the implementation of this year's ballot which takes place from 11th October to 7th November 2024, which has been outsourced to UK Engage to administer. LeedsBID is responsible for the costs associated with holding the ballot.
- 42 Other resources required include Council officer time in administering the BID renewal process.
- 43 LeedsBID produce an annual forward plan which outlines in detail proposals for the next financial year. In the context of the council's challenging funding position it would be prudent for the council to have sight of the plan at an early stage in order to consider efficient support. It is therefore recommended that the Interim Director of City Development writes to LeedsBID to request that a copy of its draft forward plan is provided in December of each year to allow Leeds City Council time to consider any resource implications and ensure collective planning.

What are the key risks and how are they being managed?

- 44 Should the ballot be unsuccessful LeedsBID will cease to exist, and the added value provided by the BID will be lost. It should be noted that an unsuccessful ballot is unlikely, but the impact of this would be felt by businesses across the city centre and the council would likely see an increased demand for the kind of services and activities that LeedsBID currently provides. The

Council is unlikely to be able to deliver many of these services in the absence of LeedsBID. There are over 340 BIDs across the UK, including multiple BIDs in some cities, so it would be possible to bring forward a new BID proposal should Leeds BID cease to exist.

45 The corporate risk of Leeds' economic growth lag is partly mitigated by the ongoing existence of Leeds BID. The services, events and activities of Leeds BID serve to improve footfall, dwell time and the overall attractiveness of Leeds city centre as a place. These are all factors which positively impact on the economy of the city centre.

What are the legal implications?

46 BIDs are regulated by the Local Government Act 2003 and the Business Improvement Districts (England) Regulation 2004. The Council has a right to veto under the BID regulations if it feels that the BID conflicts with its policies or finds it to be a significantly disproportionate financial burden on any person or class of persons.

Options, timescales and measuring success

What other options were considered?

47 It is recommended that Leeds City Council vote in favour of a Business Improvement District for the city centre for the next 5 years. A successful ballot outcome would secure significant private sector investment in activities to improve and promote Leeds city centre as business, retail and visitor destination and will act as a driver of jobs and economic growth.

48 If the council were to vote No in the ballot the likelihood is that a positive vote would be carried due to the strength of support from other city centre businesses. In this event the council would still be required to pay the levy.

How will success be measured?

49 Under the regulations LeedsBID must produce an annual review and statement of accounts that are communicated to all levy paying businesses. LeedsBID is overseen by a Board that comprises of key partners in the business community which includes a Leeds City Council nominee as determined by the Council. This role is currently fulfilled by the Deputy Leader of Council and Executive Member for Economy, Transport and Sustainable Development.

50 The recommended quarterly meetings between LeedsBID and the Director of City Development will provide opportunity for review of how our requirements as a local authority and levy payer are being met.

What is the timetable and who will be responsible for implementation?

51 The new BID term will start on 1st April 2025. The timeline below lists the significant milestones.

52 The Interim Director of City Development was provided with 12 ballot papers on the 10th October 2024. A ballot collection box is available in the ground floor reception of Civic Hall.

DATE	MILESTONE
10 th October 2024	Issuing of ballot papers for the vote
11 th October to 7 th November 2024	Ballot open

8 th November 2024	Announcement of results
1 st April 2025	2025-2030 LeedsBID term commences

Appendices

- Appendix 1 LeedsBID Business Plan 2025-2030
- Appendix 2 LeedsBID boundary map 2025-2030
- Appendix 3 EDCI Screening form

Background papers

- None.