To:
Debbie Dawson
Scrutiny Officer
Rugby Borough Council

25th November, 2014

ATCM Introduction
Whilst we cannot speak directly to the main questions you have asked about Rugby BID because we are not levy payers in the area, we can state that Rugby BID was the first BID in Warwickshire. Following visits to Rugby First it was apparent that this BID was delivering a high standard of projects with a range of proposed benefits to their electorate.

Rugby First is visited by a wide range of developing BIDs to look at the services delivered and where possible to emulate these services within their own BIDs and centres.

It is not possible to compare Rugby First to another BID because all BIDs are different and it is the choice of the electorate of the BID to decide if the final performance has been worthwhile when they vote at a renewal ballot. Considering Rugby First is approaching its third term we must therefore assume that the BID electorate have been satisfied with their services.

The Present and Future Role of BIDs
Both the existing role and future potential of BIDs mean that they have positioned themselves as a key funding model for town centre regeneration promoting commercial partnership. With 190 BIDs in the UK and growing and a high number of 2nd term BID are renewed, third term renewals are extremely high in success and reflect the growing confidence we believe businesses have in the management of these organisations and most importantly the results they are delivering. They have evolved into strong private sector partnerships that can be hugely influential and productive in the management of town centres.

A BID itself is a flexible model for a partnership and this model can be adapted accordingly to introduce a variety of stakeholders who can contribute to a BID’s prospectus, vote on and help finance BID activity.

Positive Outcomes from Working Closely with Rugby First
The Council and Rugby First work closely to enhance and maintain the quality of the town centre by partnering on projects. For example, the two worked in partnership to secure a discount on business rates for high street retailers\(^1\). The Council’s support for the local business community has clearly been positively shaped by the BID. We do not believe this support would exist without the input from the BID.

Invest in the Town Centre to Retain the BID - Alternatively should the prosperity of the town centre be left to market forces?
A BID is not a substitute for local authority investment in a town centre. Decades of experience with BIDs in the UK and in North America have demonstrated that BIDs can only reach their full potential by working in partnership with local government and other statutory agencies. One worrying trend that members across the UK have alerted us to is local authorities withdrawing from baseline services with the expectation that the BID can take on the additional workload, producing savings for the local authority. We believe that such actions carry consequences for the town centre that cost the local authority more money in the long-term. This is because a BID is a democratic entity that businesses can vote for or against. The principle on which they have been founded is that businesses make an additional contribution to their business rates levy to fund additional services. This principle of additionality is what makes them attractive to businesses. Asking businesses to fund services when they already contribute through their business rates bills will lead to a ‘no’ vote and subsequent collapse of the BID. The consequence is that all the other activities led by the BID will be lost. This includes attracting investment from a range of sources to support the regeneration that in the long-term would support a commercially successful area. With business rates retention, this commercial success is important to the financial success of local government.

About the ATCM
The Association of Town & City Management (ATCM) is a not-for-profit membership organisation dedicated to promoting the vitality and viability of town and city centres. It has 900 members including key stakeholders in town and city centres across the UK and Ireland. 400 of these are town and city centre management practitioners and active initiatives. The majority of these function as partnerships, some with several hundred contributing members. They develop and implement shared visions, strategies and action plans for a total of more than 700 district, town and city centres throughout the UK and Ireland. The ATCM has been operating for over 20 years and can offer a significant body of experience in the field of place management.

ATCM’s membership consists of a mix of publicly funded town centre managers, Business Improvement Districts (BIDs), Community Interest Companies (CICs), Town Teams and more. They span across the private, public and voluntary sectors and, as a collective, do not have a sector specific agenda. Instead they are focused on the promotion of healthy places for the benefit of all stakeholders.

Yours Sincerely

Mark Ross
ATCM BID Programme Manager
Further responses to call for evidence

Two further responses to the call for evidence have been received since the agenda papers for 27 November meeting were published. These are from two private individuals. Their submissions are being circulated to task group members for consideration at the meeting, but are not part of the analysis of responses provided as appendix 1 to the briefing paper.

Response from Rex Pogson

1. BID benefits:
   a) With my citizen hat on: the town centre looks and feels cleaner, tidier than in the pre-BID days. Feedback to me from shops is that the rangers are valuable in heading off trouble but also in offering positive support at key moments
   b) As involved with St Andrew's Church: I'm very conscious of the strength of partnership across a number of agencies working together to preserve and enhance the town-centre, with BID as the key factor in this. Creative planning and good relationship-building by BID staff.
   c) As involved in the Festival of Culture, it's an extraordinary success given the low scale of investment compared with other festivals. Consultancy, brochures, publicity, range of local talent celebrated - the town gets such a lot for its money.

2. Priorities: Yes. There's a lot of correspondence in local press about weaknesses of the town centre, but this is a national crisis, not just a trend, and the BID priorities are right to prevent a further slide which is happening in so many places.

3. Perhaps we should be more proactive - Two or three main selling-points, chosen and then pursued really hard for a decade or more, to prevent No 2 happening.

4. If you leave smallish town centres to market forces, then we will get unmanaged decline. We don't want managed decline, either, but managed survival and growth. Only local investment (probably all the examples you list) to lead market investment is likely to achieve this, in my opinion. There must be an issue for BID and the Borough in having BID so very dependent on a smallish central group of businesses - a reviving town-centre will need flexibility in stretching and contracting the chosen geographical area of activity, and the business contributors to such a BID may understandably not think like that?

I realise that these remarks are based on what must be a very patchy understanding of the problems
Attention Mr. Michael Stokes

Dear Mr. Stokes,

I note that the review of the Rugby Aid continues is to take place shortly.

I don't know if you / your Office has any say in the matter of rates setting by Rugby Borough Council but I, for one, would be very sad to see the Rugby Aid in the form of Rugby Rangers, cleaners leave the streets of Rugby Town Centre.

They have transformed the town centre from an anti-social, unsafe environment to a clean, pleasant, safe area, attractive to residents and visitors.

It cost is a factor and businesses are suffering too much to continue subsidising Rugby Aid. I think the general taxpayer would not be too adverse to a small increase in council tax.

The Police do not cover Rugby Town Centre sufficiently and with further cuts to Police numbers nationwide due, I am sure they would find taking up the slack if Rugby Ranger disappeared impossible.

If you could follow up my suggestion I am sure that it would help.

Yours sincerely,

Warren Browning
RUGBY BUSINESS IMPROVEMENT DISTRICT TASK GROUP REVIEW

THURSDAY 27 NOVEMBER 2014

AGENDA ITEM 6: ADDITIONAL EVIDENCE FROM RUGBY FIRST

At the meeting on 10 November 2014 representatives from Rugby First undertook to provide fuller responses to questions from members relating to the accounts. These responses are detailed below:

- A fuller response about what proportion of the £461,198 reserves listed in the accounts relates to CCTV, and what would happen to the reserves in the event of the BID being dissolved

The reserves are BID division £457,673 and Town Centre Division £3,525. The figures are for the whole of Rugby First which include the asset value of the CCTV system. Rugby BID needs enough reserve to pay for costs at the end of year as most of the levy is collected at the beginning. The reserves are put towards the capital replacement programme for the CCTV equipment which the Council are not doing anymore.

In the event the BID dissolves, any surplus, after the cost of dissolution e.g. redundancy cost, asset decommissioning and disposal etc. have been settled would be returned to the levy payers. The BID regulatory position on this is that if there is more than £5 per hereditament in reserves then it needs to be given back pro rata to each levy payer.

- An explanation of the fluctuation in the profit and loss account from £68,731 profit in 2012 to (£16,763) loss in 2013 and whether this reflects a negative trend

Apart from reasonable year on year fluctuations there were a number of particular circumstances in 2013 which affected the profits. Within the Town Centre division there was a decline in Market and Street Trader income in the Town Centre division in 2013 but the company has taken steps in 2014 to mitigate. In addition there was a provision for payments due in respect of the WCC pension scheme deficit. The Rugby BID company incurred additional cost on Marketing activities, Town Centre surveys, Labour Costs from Rangers for additional events and costs towards the new storage facilities at ex Church Street Toilets. This is not an ongoing trend as Rugby First this year had some one-off costs towards its operation which will not be incurred again next year.

In addition to these points, there were a number of questions that the task group had identified before the meeting that were not covered in discussion. Rugby First has provided short written responses on these points, as detailed below:

- Is there any data available to evidence how BID activities have supported business retention and inward investment in the town?
With the National Business Premise Vacancy Rate at 13.5% Rugby BID has worked to keep Rugby’s rate at just 6%. This is achieved by working with the landlords and letting agents to have a reasonable expectation on achievable rent. Any new enquiries are given advice by Rugby BID on their rent expectations, support offered once set up and free training course provided by The Chamber of Commerce.

Long term empty units have their windows dressed with information on incentives to attract new businesses within the town centre, including an award winning moving in grant (awarded by the FSB) and various offers provided by local businesses to ease the moving in process. For example; half price solicitors fee’s, extended free banking period and free accountancy advice.

Rugby BID offers extensive services and support for initial marketing of the business by writing a press release telling readers of the new store, a listing on our website (10,000 hits a month) and information on our social media sites. After this, the business owners are invited to informal training to increase their own awareness of the benefits of Social Media for business and how they can increase their online profile using Social Media and their website.

Following on from this, Rugby BID offers an extensive marketing programme throughout the year, where businesses can benefit not only from increased footfall, but also participate in events at no cost increasing their exposure to potential new clients/customers.

The activities of the BID marketing programme supports businesses through increased footfall during events. For example during the Food and Drink Festival town centre footfall was 15.4% on a typical average week. The Christmas marketing campaign delivering gift vouchers to customers generates an additional £50k spend in the town centre encouraging customers to shop local to keep businesses in the town centre.

- What formula do you use to calculate the banded levy rates charged to businesses in the BID area? Why did you choose a banded levy over a percentage rate?

In the first BID mandate, the bandings were spread over rateable values in steps of £5000, increasing to £10,000 and £15,000. The levy in each band was devised to give a reasonable spread across the town centre to provide enough funds to deliver the first mandate.

In the second BID term, the Government rateable values changed with a majority increasing. Rugby First responded to this by amending the bands, to ensure that the majority of businesses paid the same levy, or less. If the bandings were not changed, most of the businesses would have moved up a band in relation to rateable value, therefore increasing their BID Levy.

Rugby Town Businesses wanted a definitive levy cost, therefore a banded levy gave Rugby BID the ability to provide this, rather than a percentage. The system is supported by the majority of Rugby Town Businesses who know exactly what they are paying, and what they get for their money.
Quite a large proportion of premises are exempt from paying the BID levy. What is the rationale behind your decision about BID levy exemptions?

A lot of small businesses get rates relief, or are exempt from rates. The BID levy thresholds are set to protect the businesses in the town centre from paying any more. Some of the small rateable values relate to none businesses for example aerials, advertising boards etc. This is common practise within BIDs across the country, exempting BID levy from small businesses.

How are the BID directors elected / selected? Is there a reason why Rugby BID has a comparatively high number of directors (compared with other BIDs, according to the Nationwide BID survey 2013)?

There is no ruling on the amount of Directors for a BID. In the National BID Survey 2014 the average numbers are between 7 and 17. Rugby First has 20 Directors, which consist of a diverse range of businesses that represent different skills to offer their experience to the BID. It is very rare all Directors are present at all meetings, so keeping a number reasonable for attendance helps the board to make decisions.

Any vacancies for Directors are publicised in the newsletters, and we currently have applications on file when the vacancies arise.

How does the Board engage with the wider BID membership? What opportunities do BID members who are not on the Board have to influence the activities and direction of the BID? (What about businesses who are not BID members, and wider stakeholders?)

Rugby BID engages with our members with newsletters, emails and 1-2-1 meetings with Rangers, BID Management or the Board. Annual meetings are held for levy payers, and all businesses have the option to attend board meetings as an observer.

Rugby BID have just launched a networking opportunity for Town Centre Businesses the first Thursday of every month, inviting them to meet the directors, and other businesses within the town centre over lunch. The network has been developed to create an opportunity for businesses to meet BID Directors and Management, and also to network and promote themselves.

Wider stakeholders with interest in the Town Centre are engaged with throughout the year on activities, promotions and meetings which involve their input. In addition Rugby BID is invited by stakeholders to their own activities to assist and give advice.

Although not paying a levy, non BID members still benefit from the overall Town Centre services provided by the BID Programme. Some non BID members joined a voluntary scheme, paying a small levy, with others contacting Rugby BID for advice and information which is provided.
What is your relationship with town centre residents? What impact do you think Rugby BID has on town centre residents?

*Rugby Town used to have a residents association which was attended by Rugby BID, this has since disbanded. Most residents in the town centre are familiar with the Rugby BID Rangers, and communication is provided through that service. The residents benefit in the town centre from Rugby BIDs wide range of services providing a clean, safe town to live in.*