MINUTES OF RUGBY BID REVIEW TASK GROUP

27 NOVEMBER 2014

PRESENT:

Councillors Buckley, Mrs Garcia, Hazelton, Mahoney, Mrs New, Sandison (substitute for Councillor Roodhouse)

Sean Lawson (Head of Environmental Services), Michael Beirne (Economic Investment Officer), Debbie Dawson (Scrutiny Officer) and Linn Ashmore (Democratic and Scrutiny Services Officer)

Note – These minutes are a record of the task group’s discussion. Comments recorded do not necessarily represent the views of the task group or of the council.

13. MINUTES

The minutes of the meetings held on 1 October and 10 November 2014 were approved and signed by the chairman.

14. APOLOGIES

Apologies for absence were received from Councillors Coles, G Francis, Mrs New, Mrs O’Rourke and Roodhouse.

15. RESPONSES TO CALL FOR EVIDENCE

The Task Group considered the analysis of responses to the call for evidence attached to the agenda.

Copies of representations received from the Association of Town and City Management (ATCM) and from two private individuals since the agenda had been published were circulated to members.

It was noted that the ATCM have an overview of BIDs across the country and they had commented positively about Rugby BID as an exemplar of good practice, stating that emerging BIDs sought to emulate the services offered in Rugby. They made a strong case for the economic benefits of BIDs and the additionality they bring. However, it was recognised that ATCM were commenting from the perspective of their role in promoting and supporting BID companies.

The private individuals expressed positive opinions on the safety, security and cleanliness of the town and the work of the BID Rangers. There was also a comment that a more proactive approach to marketing would be beneficial. These comments broadly reflected the overall feedback from all the responses to the call for evidence.

The task group noted that responses from a good cross section of businesses and partner agencies had been received. It was accepted that national retailers would be unlikely to submit their views.
The responses almost all agreed that demonstrable improvements had been made to safety, security and cleanliness in the town centre as a result of the BID. However, questions were raised over whether the current priorities were the right ones and comments were made that the BID needed to respond to the expansion of out-of-town shopping centres in a more pro-active way.

None of the responses stated that the town centre should be left to market forces and there was a common view that a combination of public and private sector investment in the town centre was needed.

Several respondents had commented on a lack of accountability and transparency within Rugby First and that the banding system used for the BID levy disguises the percentage rate being charged. Some also raised concerns that the BID levy was high.

During discussion the following points were made:

A suggestion was made that the geographical footprint of the BID could be widened to increase the number of levy payers and spread the cost, which would in turn lower the BID levy. In response to this, members were informed that the area had actually been reduced in the second mandate.

A further comment was made that if the area could not be expanded, the BID could make changes to the concessions given to smaller businesses, though that would be a decision for Rugby First to make.

Members noted the difference between the bigger retailers and small niche shops in their view of how the BID should operate.

Members summarised the headline messages from the responses as being around accountability, transparency, marketing and the high cost of the levy.

The task group were reminded that the one page strategy for the review focussed on the value and impact achieved from the council’s financial investment in the town centre and partnership with Rugby First, and on influencing the shape of the next BID business plan.

With this in mind, members felt that the concerns raised through the call for evidence should be reflected in the outcomes of the review. A recommendation from the task group might be that Rugby First should carry out greater engagement with levy payers in developing their future mandate. This could include consultation on costed proposals for future priorities and activities, with clarity as to what levy charges would be required to fund the different options.

There was also a view that Rugby First should be more transparent in the way it presents its accounts (including costs of CCTV) and that it should do more to set out its vision and plans for the future.

16. IMPLICATIONS FOR THE COUNCIL AND THE TOWN OF THE BID MANDATE NOT BEING RENEWED

The task group discussed the implications for the council and the town of the BID mandate not being renewed.
It was noted that the council can decide whether to continue to fund the discretionary elements such as events like the Rugby Festival of Culture, but if the result of the BID vote is ‘yes’ it cannot withdraw as membership is mandatory. In addition, the council’s baseline service level agreement includes payments towards the CCTV system and the CCTV is part of the BID mandate.

Some members commented that retailers may be relieved if the BID mandate was not renewed, but others felt that the amount being paid by most small businesses was relatively low and represented value for money.

The ‘sunset clause’, articulated in the 2010 BID prospectus, was based on a shared view between the council and Rugby First at the time of the last BID vote. This would be reviewed for the next mandate.

Members asked if any savings would be realised for the council if the BID did not receive another mandate in June. The only specific saving to the council would be around £30,000 levy payment that the council is currently required to pay. The effect on services would be as laid out in the sunset clause. Only baseline level services would be provided and no additional monies would be made available from other sources.

One effect of a ‘no’ vote would be the amount of litter there would be and how the streets would look without the BID cleaning services. Examples of this could be used by Rugby First to demonstrate the differences and could be a valuable tool to help promote the BID.

Members asked about the costs involved in maintaining the current cleaning levels and were informed that the council could not continue to provide this level of cleanliness. The current baseline services would continue but in the past this had been criticised as not being clean enough. The BID also provides a rapid response service. The costs to the council of delivering these enhanced cleaning services would equal the costs to the BID and there would be additional pressures on council resources in meeting the expectations of businesses.

It was noted that the CCTV system benefits the wider area and not just the town centre. Members questioned whether such extensive coverage was needed in a town the size of Rugby, and whether it should be funded through council tax rather than the BID levy.

Members recognised the value of additional schemes and services including Shop Net, Pubwatch and the town centre help points and loud speakers and that these would be threatened if the BID mandate was not renewed. It was also acknowledged that the BID Rangers are a friendly, reassuring presence and viewed as an asset to the town centre.

Officers advised that any proposals for additional investment by the council in the town centre would need to be built into next year’s budget setting process. This would be a political decision for the party groups and not a matter for discussion by the task group.

17. ADDITIONAL EVIDENCE

Copies of the additional evidence provided by Rugby First in response to questions relating to the accounts raised by members at the last meeting were circulated to the task group.
Members were slightly disappointed that some points raised had been missed and would require further clarification. Members repeated their concerns that the accounts were difficult to understand and commented that some of the responses to the additional questions were not clear.

Members questioned whether Rugby First had demonstrated that they were attracting new businesses to the town, as the evidence provided related to the vacancy rate and activities undertaken, with little measurable data to demonstrate impact. However, it was recognised that this is a difficult issue and is driven by macroeconomic issues. Decisions made by national chains to move to out-of-town shopping centres are not connected to Rugby itself or the local environment.

A councillor had raised a query prior to the meeting relating to a gap between the costs of fixed assets and the funds allocated to replace assets. Advice had been sought from the Finance team and it was explained that the ongoing costs for a capital replacement programme were charged to the profit and loss account through the depreciation charge and CCTV maintenance costs (covered by grant income from RBC). The accounting value of the assets had reduced to the ‘net book values’ quoted in the accounts.

The Head of Environmental Services advised that Rugby First took over the running of the CCTV system ten years ago. At that time the council recognised that the equipment was no longer fit for purpose and invested a one-off capital sum to fund its replacement. The council also provides ongoing revenue funding to support the running costs, but Rugby First owns the equipment and is responsible for its maintenance and replacement as necessary. If the BID ended, the equipment would revert back to council ownership, but there are no monies available to continue to operate it at the level of service currently provided and budget choices would need to be made.

Members expressed concern about the governance of Rugby First, in view of the comment in their evidence that “it is very rare all Directors are present at all meetings, so keeping a number reasonable for attendance helps the board to make decisions”.

Members agreed that the representatives should be invited back to the next meeting, once a draft review report had been prepared, to help shape the findings of the review and offer them an opportunity to respond to further thoughts and comments raised following the call for evidence.

Members also agreed that Rugby First should be requested to provide further information in advance of the next meeting on the following points:
- what provision is made for the CCTV replacement programme, including what had been spent in recent years and what provision was being made for ongoing maintenance and replacements
- details of the constitution of the Board of Directors and how decisions are taken regarding appointment to vacancies.

18. WORK PROGRAMME AND DATES OF FUTURE MEETINGS

While it was not imperative that the review concluded in January, it was important that the review was completed before the BID vote process commences.
It was agreed that the next meeting of the task group would be held at 5.30pm on Thursday 8 January 2015 and representatives from Rugby First should be invited to attend. A pre meeting will be held for task group members at 4.30pm.

The Scrutiny Officer would circulate a draft review report to members of the task group in advance of the meeting.

19. MOTION TO EXCLUDE THE PUBLIC UNDER SECTION 100(A)(4) OF THE LOCAL GOVERNMENT ACT 1972

RESOLVED THAT- under Section 100(A) (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of information defined in paragraphs 1, 2 and 3 of Schedule 12A of the Act and that in all of the circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

20. FURTHER RESPONSE TO CALL FOR EVIDENCE

The task group noted the content of one piece of evidence that the respondent had requested be considered in private.

A private response to an additional question put to Rugby First regarding how many directors receive a salary was circulated to members of the task group and noted.

CHAIRMAN