

# GWYNEDD COUNCIL CABINET



## Report to a meeting of Gwynedd Council Cabinet

**Date of meeting:** 15 December 2020

**Cabinet Member:** Councillor Gareth Thomas  
Cabinet Member – Economy and Community

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**Title of Item:** Holding a Vote on the Caernarfon Business Improvement Districts

## **1 THE DECISION SOUGHT**

1. To note that the Business Improvement District (BID) Proposal and supplementary documents from the Caernarfon Business Improvement District Area Company have been received from the Council and that they comply with the Regulations;
2. That the Cabinet instructs the Returning Officer to hold the Caernarfon BID vote;
3. To approve the arrangements and financial implications noted in Part 3 of the report;
4. To delegate the right to the Cabinet Member for the Economy to vote on behalf of the Authority in the BID vote.
5. If the vote is successful in Caernarfon, and in accordance with the Business Improvement District (Wales) Regulations 2005, to delegate rights to the Head of Economy, Environment, Highways and Municipal, Legal and Finance Services to approve the final version of the Practical Agreement and the Baseline Agreement and ensure that the legal arrangements are completed correctly.

## **2 THE REASON FOR THE NEED FOR A DECISION**

- 2.1 It is noted in the Business Improvement District (Wales) Regulations 2005 that there is a need for local authorities to authorise the process of holding the Business Improvement District vote. In accordance with the Council's constitution, the Cabinet is responsible for authorising this.
- 2.2 Local authorities have the veto right if it considers that BID proposals would be likely to conflict significantly with existing policy, would place a financial burden on taxpayers or that the levy was too high. However, the intention to hold a vote is supported because:
  - The Caernarfon BID proposal responds to challenges that have been identified by the business community.
  - In holding a vote, the business community receives the opportunity to support the establishment of the BID in order to give them the ability to realise the objectives that have been noted within the business plans.
  - The proposed BID could attract additional investment and maximise the profile of Caernarfon
  - The BID would be a medium to collaborate with the Council and provide additional services.

### **3 INTRODUCTION**

- 3.1 Following a successful vote back in 2015, the Caernarfon Business Improvement District was established in April 2016 and the HWB Caernarfon company was established to implement the BID. In accordance with The Business Improvement District (Wales) Regulations 2005, however, the BID has only been operational for a five year period and it is required to follow a similar process again for another term. The current situation is that the Caernarfon BID term will end on 31 March 2021.
- 3.2 In order to hold a vote for a further period, the BID company is required, in accordance with the Business Improvement Area (Wales) Regulations 2005 to issue a notice on the Billing Authority so that the vote can be held. In accordance with the Council's Regulations is the Billing Authority.
- 3.3 HWB Caernarfon has issued a notice and new proposal for the BID to the Council. The reason for issuing a new BID notice is that there is a wish to extend the BID boundaries at the same time as renewal. This means that the only option, in accordance with the Business Improvement District (Wales) Regulations 2005, to do this prematurely, is by following the arrangements for the process of forming a new BID. It should be noted that this does not mean that the HWB Caernarfon Company will cease and that another company is established.
- 3.4 HWB Caernarfon Company has issued the notice to the Council and the proposals received have been reviewed. It does not appear that the notice conflicts with any Council policy. With the approval of the Cabinet, the next step will be for the Council to instruct the Returning Officer to hold the vote.
- 3.5 As a part of the process, the HWB Caernarfon Company has been consulting with the directors and the businesses that pay the levy for their proposals for 2021-2026. The BID Proposal and appendices have been included in Appendix 1.
- 3.6 It is anticipated that the details and arrangements of the proposed BID will reflect the 2016 arrangements, with a levy of 1.5% being charged against the non-domestic rate, excluding property with a rateable value of less than £2,000. It is anticipated that the BID would raise up to £109,000 per annum (namely £545,000 over five years) in Caernarfon.

## Timetable

- 3.7 The legal requirements associated with holding the vote are included in the timetable below:

Action	Need within the Regulations	Date *
Cabinet Decision		15.12.20
Returning Officer to call the vote	42 days before the vote	06.01.21
Publish voting papers	Last day: 28 days before the day of the vote	01.02.21
Day of the vote		04.03.21
Counting the votes	As soon as practically possible after the day of the vote	05.03.21
Result announced		05.03.21
Starting date of the BID		01.04.21

\* this is an outline idea of the timetable. The dates may vary if a decision is made to hold the two votes on different days.

- 3.8 If the vote is successful, the HWB Caernarfon Company and the BID will remain operational up to 31 March 2026. If the vote is unsuccessful, the HWB Caernarfon Company and BID will be wound up on 31 March 2021.

## Formal Agreements

- 3.9 In accordance with the Regulations, a series of agreements have been made between the Council and the BID Company. These agreements have to be in place following a vote in favour:

*Baseline Agreement:* this agreement defines the level of service being implemented by the Council within the BID area. In line with the agreement, the Council will be required to inform the BID Company of any change to this service during its term. The purpose of this agreement is to ease the minds of the businesses within the area, that do not pay the levy for the services that already exist. This agreement is currently being reviewed in order to ensure that the current version reflects the Council's current services within the boundaries of the BID. A draft of the agreement will be negotiated with the HWB Caernarfon Company. Subject to a 'Yes' result, the agreement will be agreed and formalised.

*Practical Agreement:* this is a document that is an agreement between the BID Company and the Council which outlines and sets out the administrative arrangements, collects the levy and the enforcement details in the context of the BID levy. The Council has the legal right to establish financial arrangements and to invoice and collect the levy in Gwynedd. It is required under the Regulations that the BID Revenue Account has been established. This arrangement will be wound up unless a successful vote is achieved and then the HWB Caernarfon Company and the Council will be expected to agree on a new Practical Agreement from 1 April 2021 onwards. If the vote goes against the BID, the Council and the HWB Caernarfon company will need to negotiate the final terms. In such a situation, there is a financial risk associated with unpaid levies, which is a responsibility to the BID and not the Council.

### The Implications of Caernarfon BID to Gwynedd Council

- 3.10 It is anticipated that the following implications will arise for the Council as the relevant local authority:

*Financial Implications* - The Council has 19 individual hereditaments within the Caernarfon BID boundary. As a business that pays business rates, a cost is associated with a successful vote. The table below outlines what the annual cost would be for Gwynedd Council over the next term of Caernarfon BID, should the vote be in favour. The levy would be a fixed amount over the BID term.

<b>Hereditament</b>	<b>Rateable Value</b>	<b>Levy Cost</b>
Public Toilets, Empire Car Park	3,700	55.50
Library	72,000	1,080.00
Plas Llanwnda, Stryd y Castell	17,500	262.50
Headquarters, County Offices	285,000	4,275.00
Glan Môr Uchaf Car Park	12,000	180.00

Tan y Bont Car Park	3,300	49.50
Arfon Office, Penrallt	141,000	2,115.00
Car Park Christ Church	25,750	386.25
Penllyn Car Park	45,000	675.00
Block J, County Offices	88,000	1,320.00
Hen Ysgol Penrallt Isaf	4,800	72.00
Victoria Dock Multi-storey Car Park	34,750	521.25
County Archives	43,750	656.25
Galeri Car Park	17,500	262.50
5 Castle Street	33,500	502.50
Lôn y Felin Car Park	7,000	105.00
Section of Second Floor, Arfon Office	15,000	225.00
72 Pool Street	3,050	45.75
8 St Helen's Road	2,550	38.25
<b>Total</b>	<b>855,150</b>	<b>12,827.25</b>

*Process of Holding the Vote* – Subject to Cabinet approval, Gwynedd Council in accordance with the regulations, will instruct the Returning Officer (appointed under Section 35 of the People's Representation Act) to hold a vote amongst the business community within the designated area to test support to a BID in Caernarfon.

*Council Vote* - subject to the approval of the Cabinet, in accordance with the arrangements in 2015, the Cabinet Member for the Economy will decide how the Council will vote and how many votes will be cast.

*Legal contracts* - the proposed agreements described above will be completed and they will be a basis to the collaboration arrangements between both organisations.

*Long-term Support* - If the vote is successful, Gwynedd Council will support the Caernarfon BID during the second term, supporting and binding itself to the work of renewing and developing the economy of Caernarfon further.

#### Impact on the Policy and Procurement Framework

- 3.11 There are no implications to the policy framework or procurement rules.

#### Equality Issues

- 3.12 The content of this report does not have any direct equality implications.

#### Issues relating to the Well-being of Future Generations (Wales) Act (2015)

3.13

The Well-being of Future Generations Act (Wales) 2015 identifies seven well-being goals. It sets an ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being. This report and the work associated with the BID responses to these Well-being Goals:

- A Prosperous Wales - In Gwynedd, the retail and business sector in our town centres make a substantial contribution towards the county's economy, and offers a cross-section of employment opportunities. Caernarfon town centre makes a substantial contribution towards the Gwynedd economy;
- A Healthier Wales - visiting our town centres, with a range of services, attractions and open spaces contributes towards the health and welfare of individuals;
- A more equal Wales - town centres are places that offer a variety of opportunities and provisions for a broad cross-section of the population, regardless of the background or circumstances of the individuals;
- A Wales of cohesive communities - vibrant and prosperous town centres would offer a range of services, entertainment, shops and services in a pleasant and safe environment. This is crucial for the future of communities;
- A Wales of vibrant culture and thriving Welsh language - town centres contribute towards protecting our culture through its people, attractions and services, along with the work of promoting the Welsh language. Caernarfon is a cultural town and is one of the most Welsh towns in Wales;

- A globally responsible Wales - supporting the town centres, the businesses and local producers support the carbon reduction agenda. The use of public transport within town centres is key.
- A Resilient Wales – our town centres are key when establishing structures and opportunities that can face and respond to future economic and community challenges.

#### **4 THE RATIONALE AND JUSTIFICATION FOR RECOMMENDING THE DECISION**

4.1 Business Improvement Districts are acknowledged as a local regeneration vehicle that respond directly to the economic and environmental challenges of town centre businesses. Welsh Government is very supportive of this model of working and has supported Local Authorities over the past years to establish and support them. Welsh Government considers them to be a key part of the regeneration process in the context of their Regeneration Investment Programmes.

4.2 The Council's Economy and Community Department will also support Business Improvement Districts as an organisation that has the ability to drive the regeneration agenda within towns, triggering local economic developments. The investment made by businesses by paying the levy ensures that important issues within the business community can be addressed and that local ownership is taken of the efforts made to make Caernarfon a more prosperous place.

4.3 In Caernarfon, the work of HWB Caernarfon has been an important medium over the past years, in the context of town centre regeneration discussions. A strong partnership has been established between the Council and the HWB Caernarfon company. The company plays a key role in the strategic work of the Waterfront Group and the strategic regeneration plans that have been developed within the town over the past years. Caernarfon has been prioritised on a Regional level, based on need, to support and we can see that the role of HWB Caernarfon by working in partnership to regenerate the town is key.

#### **5 NEXT STEPS AND TIMETABLE**

5.1 Subject to Cabinet approval, it is intended to announce the vote by 6 January 2021. Once the notice is issued, this would allow for the release of voting papers, along with the details of the proposed proposals (with explanatory notes), in February 2021.

5.2 In accordance with the above timetable, the closing date of a postal vote would be 4 March 2021, and the result announced on 5 March 2021. The dates may vary if a decision is made to hold the two votes on different days.



5.3 If the vote is in favour of the BID, the decision will become operational on 1 April 2021.

## **6 ANY CONSULTATIONS UNDERTAKEN PRIOR TO RECOMMENDING THE DECISION**

### Observations of the Chief Finance Officer

The Taxation Service has worked with HWB Caernarfon over the first 5 years of the scheme in collecting the levy on behalf of the company, ensuring that it is transferred appropriately to the company and taking appropriate steps to recover outstanding amounts. If the result of the ballot, therefore, is that the Business Improvement District should continue, the administrative arrangements are already in place and familiar to us. The levy is billed separately from the Non-Domestic Rates and it should be noted that the Council does not transfer any money to the company until it has been collected by the Taxation Service and properly invoiced by the company.

I have worked with the author of the report and I am satisfied with the accuracy of the levy figures which appear in the "Implications of the Caernarfon BID for Gwynedd Council" section of the report. The contribution is consistent with the amount in previous years.

### Observations of the Monitoring Officer

The Legal Service has advised on this report and has no observation to add in terms of propriety

### Additional Documents

- Caernarfon BID Proposal
- Draft Baseline Agreement
- Draft Practical Agreement