



Cabinet Member for Jobs, Regeneration and Climate Change

Time and Date

1.00 pm on Thursday, 3rd November, 2022

Place

Diamond Rooms 1 and 2 - Council House

Public Business

1. **Apologies**
2. **Declaration of Interest**
3. **Minutes** (Pages 3 - 6)
 - (a) To agree the Minutes from the meeting held on 22 June, 2022
 - (b) Any matters arising
4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the item of private business for the reason shown in the report.
5. **Coventry City Centre Business Investment District (BID) - Proposal to Ballot 2023-2028** (Pages 7 - 16)

Report of the Director of Business, Investment and Culture
6. **Outstanding Issues**

There are no outstanding issues
7. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved**

Private Business

8. **Coventry City Centre Business Investment District (BID) - Proposal to Ballot 2023-2028** (Pages 17 - 58)

Report of the Director of Business, Investment and Culture

(Listing Officer: J Shore, email J.shore@coventry.gov.uk)

9. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved**

Julie Newman, Director of Law and Governance, Council House, Coventry

26 October, 2022

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett: email - Suzanne.bennett@coventry.gov.uk

Membership: Councillor J O'Boyle (Cabinet Member)

By invitation: Councillor R Simpson (Shadow Cabinet Member)

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Coventry City Council
Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate
Change held at 1.00 pm on Wednesday, 22 June 2022

Present:

Members: Councillor J O'Boyle (Cabinet Member)

Councillor R Simpson (Shadow Cabinet Member)

Employees (by Service Area):

Business, Investment and Culture S Weir

Law and Governance: S Bennett, J Sprayson

Property Services and Development R Moon (Director) P Beesley, A Walimia

Public Business

1. Declarations of Interest

There were no declarations of interest.

2. Minutes

The Minutes of the meeting held on 26 January, 2022 were agreed and signed as a true record.

There were no matters arising.

3. West Midlands Gigafactory

The Cabinet Member for Jobs, Regeneration and Climate Changes considered a report of the Director of Property Services and Development and the Director of Business, Investment and Culture which indicated that the delivery of a Gigafactory, making batteries for electric cars on a mass scale, is a key national and regional priority and will be a key part of the UK's efforts to deliver the technology that can remove the UK's dependence on fossil fuels. The Council believes that Coventry and Warwickshire is well placed to be the location for a Gigafactory given its proximity to large scale automotive production throughout the West Midlands.

A Gigafactory could deliver up to 6,000 new jobs directly, as well as thousands more in the supply chain, and would lead to significant investment into the local economy. The West Midlands Mayor, the West Midlands Combined Authority (WMCA) and the Leaders of all its constituent authorities have all agreed that Coventry Airport is the preferred regional site for a Gigafactory.

Following the creation of the joint venture with Coventry Airport Ltd (CAL) and the subsequent submission of a planning application, planning consent has now been achieved for a Gigafactory on the airport site at a cost of c£1.1m per partner. Now that planning permission has been secured it is necessary to market the site to the widest possible range of international battery manufacturers and investors in both the automotive and non-automotive sectors, and to make the site available for such an investor as quickly as possible.

This report sought approval for an additional budget of £500,000. The funding (which is a 50% share of costs) will be used to undertake detailed pre-development design work on highways infrastructure, undertake detailed ground investigation, ecological and archaeological work to make the site ready for development and thus minimise pre-construction delays once an occupier is contracted. It will also be used to market the site to battery manufacturers around the world. Making the site available for development quickly will be essential to attracting the right battery manufacturer; these investment decisions are being made in the industry now, and only sites which can allow development to begin almost immediately will be considered seriously.

Officers provided additional information at the meeting on a number of issues, including how Coventry measures favourably against other potential competitor sites for a Gigafactory and the potential future market demand for such sites in the country.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change approves expenditure of up to £0.5m (as a 50% share) to be funded from reserves (in advance of future capital receipts) to fund the work streams required to undertake the work project activities associated with a West Midlands Gigafactory as set out in the report.

4. Grant Aid Agreement for Whitefriars Gate/Former Toy Museum and Non-Conformist Chapel - External Refurbishment

The Cabinet Member considered a report of the Director of Property Services and Development which indicated that in March 2022, Historic Coventry Trust (HCT) sought the Council's assistance to secure time limited grant funding from Historic England (HE) before the financial year end March 2022.

The funding is to assist with the repair of the external fabric of Whitefriars Gate (the old Toy Museum) and the Non-Conformist Chapel (London Road Cemetery) both owned by the City Council and are two of the three remaining buildings under the Council's control that are likely to be transferred to HCT in due course (as per the Framework Agreement with HCT). Historic England were offered a £180,000 grant for each property (Whitefriars Gate and Non-Conformist Chapel) and the Architectural Heritage fund also confirmed an additional £100,000 for Whitefriars Gate (Total available grant of £460,000). HCT were required to find £36,000 match-funding for the Non-conformist Chapel. This will be made available from either the income received from other properties already transferred over to HCT (Hales Street/Burges) or other fund-raising donations to cover the matched requirement.

It is anticipated that these properties will ultimately be transferred to the Trust once viable business cases are received and approved, as per the requirement set out in Cabinet Report dated November 2017 – “Historic Framework Agreement.”

To secure the grant, a tri party grant agreement was required which meant the City Council also needed to also sign and be subject to the grant conditions. The two key conditions for the Council are a) The public must be able to view to the buildings for 10 years and b) If the Council didn't transfer the properties to HCT and wished to transfer to a third party, HE would need to be consulted and there is a risk of clawback if the buildings are sold for a profit within the 10 years post works.

50% of the grant was paid out HCT on the commencement of the project i.e., before the end of March 2022, with works needing to be completed by March 2023. HCT are in receipt of these funds with work programmed for late July 2022.

The report sought the Cabinet Member's retrospective approval to enter into grant aid agreements with relevant parties.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change approves retrospectively the Grant Aid Agreement between the Council, Historic Coventry Trust and Historic England to secure grant aid funding of £460,000 in March 2022.

5. **Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 1.45 pm)

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Public report
Cabinet Member

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet Member for Jobs, Regeneration and Climate Change

3 November, 2022

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change – Councillor J O’Boyle

Director Approving Submission of the report:

Director of Business, Investment and Culture – A Williams

Ward(s) affected:

St. Michael’s Ward

Title:

Coventry City Centre Business Improvement District (BID) Proposal to Ballot 2023-28

Is this a key decision?

No

Executive summary:

The first Coventry BID (Business Improvement District) was established in 2005 and was one of the first BIDs in the UK. A BID is a principally business-led and business-funded body, formed with a purpose to improve a defined commercial area. The aim of the Coventry BID is to enhance, promote, develop and boost the city centre to make it a great place to work and visit.

The first BID ran from 2005-2008. Then second BID term ran from 2008 – 2013. In a formal ballot of eligible businesses in February 2013, votes were cast in favour of the Coventry BID being renewed for another five-year period, from 1 April 2013 to 31 March 2018. Following that a further bid ballot for the fourth term was held which extended the bid period for a further five years for 2018 – 2023. As the BID comes to the end of the term of this agreement in March 2023, a new ballot will be required whereby BID members will be given the opportunity to vote on a new BID period and to endorse the new BID proposals, including the structure, business plan and proposed budget for the period 2023 - 2028. This will be the fifth term for the Coventry BID.

The BID is currently running as a separate, independent body from Coventry City Council.

The Council is currently, and would under the proposed new arrangements remain, a BID levy payer.

The Coventry BID Business Plan 2023-2028 aims to focus BID activity towards priority areas of:

- Security and environment
- Enhancing and promoting the city centre
- Business Voice and Support.
- Supporting businesses
- BID Street patrol

If BID proposals for a new BID period were not approved at the proposed ballot, a number of the services planned in support of these objectives would not be considered deliverable.

Recommendations:

The Cabinet Member for Jobs and Regeneration is recommended to:

- (1) Approve the Coventry Business Improvement District (BID) proposal to ballot and timetable to ballot for a new Business Improvement District (BID) and a new agreement for the period 2023 - 2028
- (2) Approve that the Council as Billing Authority recover the cost of the BID ballot from the BID proposers where the number of persons voting in the ballot who have voted in favour of the ballot is less than 20% of the number of persons entitled to vote, and
 - the proposals are not approved in the ballot; or
 - the Secretary of State issues a notice declaring the ballot void
- (3) Approve, if voted for by the BID levy payers within the ballot, that the Council acts as the billing authority responsible for collecting the BID Levy and administering the BID Revenue Account, which shall be used towards the operation of the BID within the area of the Council.
- (4) Delegate authority to the Chief Legal Officer following consultation with the Chief Operating Officer to complete the ballot papers on behalf of the Council
- (5) Authorise the Chief Legal Officer to complete any necessary legal agreements required for the operation of the BID Levy, Ballot and service arrangements and any other necessary matters for the proposed Coventry Business Improvement District (BID).
- (6) Approve that the Council will charge the BID for the Collection and Administrative Charges for business rates staff in collecting and administering the levy in the sum of £20,000 annually (index linked).

List of Appendices included:

None

Background papers:

1. Coventry City Centre Business Improvement District (BID) – BID Proposal - Cabinet Member Report 14th December 2017; www.coventry.gov.uk

Has it or will it be considered by scrutiny?

No

Has it or will it be considered by any other council committee, advisory panel or other body?
No

Will this report go to Council?
No

Report title: Coventry City Centre Business Improvement District (BID) – BID Proposal 2023 - 2028

1. Context (or background)

- 1.1 In 2008, the Coventry City Centre Business Improvement District (BID) was established, covering the City Centre area. The aim of the Coventry BID is to enhance, promote, develop and boost the city centre to make it a great place to work and visit.
- 1.2 In the 2013-2018 Business Plan, the Coventry BID Terms were defined to cover all customer-facing businesses within the ring road. During the 2018 – 2023 term the BID also focused on Coventry's year of City of Culture in 2021 and well as supporting businesses through the Covid 19 global pandemic.
- 1.3 The BID is a partnership between local businesses and the local authority. Both parties are required to make contributions directly measured against the rateable value of their respective properties. This amount is currently set at 1.22% of the rateable value.
- 1.4 The new bid term proposes to increase the BID levy to 1.75% of rateable value. 1.75% allows for a levy collection to cover the increased costs for the new term.
- 1.5 In a formal ballot of eligible businesses in February 2013, votes were cast in favour of the Coventry BID being renewed for a second five-year period, from 1 April 2013 to 31 March 2018. Following that a further bid ballot for the third term was held which extended the bid period for a further five years for 2018 – 2023. As the BID comes to the end of the term of this agreement in March 2023, a new ballot will be required for BID members to vote on a new BID period and to endorse the new BID proposals, including the structure, business plan and proposed budget for the period 2023 - 2028.
- 1.6 The proposed Bid Terms for the new BID for 2023-2028 include all businesses within the geographical BID area (whether they are customer facing or not) and the current threshold of £16,000 rateable value will continue to be applied. This will exempt any business hereditament within the defined BID area falling below £16,000 (i.e., £15,999 or below) rateable value.
- 1.7 The Council pays its own BID levy (currently circa £60k) as landlords or tenants of several customer-facing buildings or car parks etc. Under the new BID proposals, the Council's levy would increase from circa £60k to circa £86k per annum, with a likely reduction to £73k when City Centre South works start.
- 1.8 The BID highlights that in the current BID term, they have supported businesses with the free radio security system, supported businesses through the Covid 19 pandemic, ran 2 projects on behalf of The City of Culture Trust, enhanced the City Centre social media feeds and websites, hosted launch evenings and Best Bar None Awards.
- 1.9 The BID Business Plan for 2023 - 2028 will continue to be managed as an independent Company Limited by Guarantee – 'Coventry BID Limited'.
- 1.10 The Coventry BID Business Plan for 2023 - 2028 focuses on 5 key areas to ensure Coventry City Centre is a destination of choice, namely security and environment, enhancing and promoting the city centre, business voice and support, supporting independent businesses, BID street patrol.

1.11 The majority of the BID budget for 2023 – 2028 is aligned to commitments around security with the remainder detailed below:

- Security 43%
- Marketing 6.4%
- Fixed 36.7%
- Events 7%
- Networking 1.3%
- Contingency 5.6%

1.12 A draft Baseline Agreement (for the provision of the Council's standard services in the area) and a draft Operating Agreement between Coventry City Council and Coventry BID Limited are currently being negotiated by the parties, with a view that the full Baseline Agreement and Operating Agreement will be entered into should the Ballot vote endorse a new 5-year BID period.

2. Options considered and recommended proposal

This ballot, which is subject to approval, is scheduled to take place from 17 January – 14 February 2023. The following options have been considered:

2.1 BID Proposal Ballot (Recommended)

2.1.1 During 2022, the BID has conducted a comprehensive consultation exercise. This exercise issued 455 consultations with 367 businesses responding a return rate of 82.6%. This has identified the businesses' priorities for the future Coventry Bid Business Plan.

2.1.2 The consultation findings have informed the Coventry BID Business Plan 2023 - 2028. A ballot is now proposed with a Ballot Date of 14 February 2023., whereby eligible businesses will vote on the future of the Coventry BID and, in order to agree a new term for a further five years, will need to confirm their support for the structure, business plan and indicative budget for the period 2023 - 2028 (see Appendix A).

2.1.3 The proposed BID mechanism provides an independent voice for businesses and a structured plan for providing additional investment into the City Centre of c£3m over the 5-year BID term, which is over and above that which the Council would be able to provide through its standard services.

2.1.4 The ballot is the mechanism by which the BID has an opportunity to present its business plan for endorsement by the BID levy payers. It is therefore recommended that the Council support Coventry Business Improvement District (BID) proposals for a ballot for a new agreement for the period 2023 - 2028. It is further proposed that the Council act as the Ballot Holder in accordance with the Business Improvement District (England) Regulations 2004 and all relevant legislation.

2.1.5 If voted for by the BID levy payers within the ballot, it is proposed that the Council continues to act as the billing authority responsible for collecting the BID Levy and administering the BID Revenue Account, which shall be used towards the operation of the BID within the area of the Council.

2.2 Veto Bid Ballot Proposals (Not Recommended)

2.2.1 Under Section 51(2) of the Local Government Act 2003, a local authority has a right of veto over BID proposals, but only in prescribed circumstances. The prescribed circumstances are that the relevant billing authority is of the opinion that the BID arrangements are likely:

- (a) To conflict to a material extent with any policy formally adopted by and contained in a document published by the authority; or
- (b) To be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and (i) that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and (ii) that burden is inequitable.

2.2.2 The prescribed circumstances for triggering a right of veto over BID proposals are not considered by the Council to be present in view of the BID Business Plan proposals for 2023 - 2028. Therefore, no objections to the BID proposals to go to ballot for a new term are raised or recommended.

3. Results of consultation undertaken

3.1 During 2022, the BID has conducted a comprehensive consultation exercise. This exercise took place over 3 consultation periods to over 455 businesses of which 367 responded

3.2 Through the consultation survey:

- 58% of respondents said the Pubwatch/retail radio scheme was very important to them
- 74% said having street patrol was very important
- 95% said commercial activities should continue
- 50% said that BID city centre events were very important
- 75% were happy with the marketing and communication of the city centre

3.3 As a consequence of the above consultation, the proposed Coventry BID Business Plan for 2023 – 2028 focuses on five key areas of additional services, above and beyond the ‘standard services’ provided by the City Council in the city centre area. These five areas are security and environment, enhancing and promoting the city centre, business voice and support, supporting independent businesses, BID street patrol.

3.4 For a BID to be successful, the ballot must satisfy two criteria:

- The number of YES votes must exceed the number of NO votes, and
- businesses representing more than 50% of the rateable value of those businesses that voted.

This system is designed to protect the interest of both big and small businesses.

4. Timetable for implementing this decision

4.1 The new BID process is working to the programme and timelines set out in paragraph 4.2 below and, if successful, then operational commencement in April 2023. The Council will be required to collect the BID levy payments. This will be done at the same time as the existing

Business Rate Collection, due 1st April of each year or as soon as practical following any changes in liability or to the rating list.

4.2 BID Programme:

- Consultation with Levy payers 2022
- Notify the Secretary of State October 2022
- Cabinet Member Decisions November 2022
- Appoint the Ballot Holder November 2022
- Notification of Ballot 2 January 2023
- Ballot period 17 January – 14 February 2023
- Announcement of Ballot Result 15 February 2023
- Challenge Period 15 February – 27th February 2023
- New Bid Term (if approved) 1 April 2023 – 31 March 2028

5. **Comments from Chief Operating Officer (Section 151 Officer) and Director of Law and Governance**

5.1 Financial implications

The recommendation in this report is for the ballot for a new City Centre BID period of 5 years. The City Centre BID activity is funded through contributions from the immediate business community and therefore needs to be self-sustaining and should not pose any liability to the City Council.

The City Centre BID projects total income from levy payers over the 5 year term of c£3.1m from which to provide services.

The cost of services as itemised in paragraph 1.11 total c£3m over the 5-year term. Based on the information provided, this would appear to be a robust financial proposal with the ability to create some resilience in the form of reserves against cost or income pressures experienced.

It is understood that the BID intend to increase the levy by inflation each year which has been modelled at 3% per year.

The one-off cost of the ballot administered by the Ballot Holder will be fully covered by Coventry City Council as the Billing Authority. This is expected to be in the region of £5k

The ongoing/annual cost of collecting the BID levy will be recovered from BID resources. From 23/24, this has been estimated at £20,000.

The BID levy paid by the City Council in respect of the properties it owns within the BID area is currently c£60k. Under the new BID proposals, this is projected to increase to £86k in the first year of the new term, rising by an inflation factor thereafter. This reflects the same properties at the higher proposed levy of 1.75% of RV (as opposed to 1.22% previously). This is an increase in costs affecting Coventry City Council properties of circa £26k from 2023/24, however it is expected that some of this will be mitigated for the most part through recovering the cost from third party tenants.

5.2 Legal implications

The legislative framework for the establishment of Business Improvement Districts is contained in the Local Government Act 2003 with the regulations governing the BID

development process and Statutory Instrument No. 2443-The Business Improvement Districts (England) Regulations 2004.

The BID Company will enter into baseline and operating agreements with Coventry City Council to ensure that improvements and services carried out by the BID represent true additionality and will not replace services that should already be performed by the Council. The agreement will clearly define the level of provision by the Council and ensure our commitment to maintaining and improving the level of service during the BID.

The Council will be required to have a separate BID revenue account in respect of the BID.

Where BID arrangements come to an end and there is a credit to the account which would provide at least £5.00 for each BID levy payer, the Council must credit the sum against any liability of each levy payer for non-domestic rates, or if there is no such liability, refund the sum.

Where BID arrangements come to an end and there is insufficient credit in the account for the above process to take place, the Council can carry over the overall credit balance to its general fund.

6. Other implications

6.1. How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

6.1.1 The services currently being delivered and those proposed as part of the City Centre BID Business Plan 2023 - 2028 support the city's growth ambitions and provide a safe and accessible city where people choose to live, work and be educated and businesses choose to invest and grow.

6.1.2 The City Centre BID also will work towards achieving a number of the objectives outlined within the Council's Plan, including:

- Supporting businesses to grow and developing in the City Centre – through providing an independent voice for business, and advice and support to city centre businesses
- Raising the profile of Coventry - through events and promotions to raise Coventry's profile as a destination of choice
- Arts, Sports and Cultural Opportunities – through BID support for City Centre events, such as the Christmas Lights Switch-On, specialist markets and awards.
- Making communities safer – through the provision of an enhanced city centre radio service, PubWatch scheme, DISC incident reporting service and additional security/community support presence

6.2 How is risk being managed?

A project risk log will be maintained on the Council's corporate system and reviewed and managed by the BID Team during the proposed ballot and business transition/planning periods.

6.3 What is the impact on the organisation?

If the proposed ballot delivers an agreement for future BID services, there will be a transition from current service provision to those services proposed in the new BID Business Plan 2023

- 2028. These changes will be captured in the final Baseline Agreement and Operating Agreement between the BID and City Council.

If the proposed ballot does not deliver an agreement for future BID services, it is likely that there will be a reduction and/or complete removal of some key services in the city centre. Any services that were to be provided at a level above the Council's standard services would then present a negative impact on corporate budgets.

6.4 Equalities / EIA

The BID Business Plan 2023 - 2028 has been developed in consideration of the results of formal consultation with BID Levy payers. Whilst amendments to the BID Terms are proposed, the BID area and level of BID levy have not been subject to change and it is considered no significantly disproportionate financial burden is proposed on any person or class of persons. Therefore, the prescribed circumstances for triggering a right of veto over BID proposals are not considered by the City Council to be present. No Equality Impact Assessment has therefore been undertaken.

6.5 Implications for (or impact on) climate change and the environment

Not applicable to this report.

6.6 Implications for partner organisations?

Primarily the decisions made will have a direct impact on the City Centre BID and BID Levy payers. The BID Business Plan 2023 – 2028 has been developed in consideration of the results of formal consultation with BID Levy payers and is focused towards the priority areas identified through this consultation.

The proposed Bid Terms for the BID for 2023 – 2028 now include contributions from Coventry University as an educational institution, in the event of a successful ballot, this would mean that the University would be required to pay the Bid levy, when they had not previously been required to do so. However, a threshold of £16,000 rateable value will also be applied.

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Members: Cllr J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change		24/10/22	24/10/22

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