

TITLE OF INFORMATION NOTE: NHDC POLICY IN REGARD TO THE FUNDING OF TOWN CENTRE PARTNERSHIPS/BID COMPANIES

INFORMATION NOTE OF THE HEAD OF POLICY AND COMMUNITY SERVICES

This note is intended to provide all relevant area committees with a reminder on the Council's budget policy position in regard to Town Centre Partnerships and their relationship to Business Improvement District companies and support from NHDC.

Background

As each of the district's town centre partnerships were first set up (Hitchin Town Centre Initiative as it was then, was established in 1995) it was agreed that North Hertfordshire District Council would provide funding to these partnerships for three years only – the intention being that they were to become self sustaining in the longer term.

However, as newer partnerships came on board and with the Council's then Corporate Plan priority of "Town Centres", it was agreed that funding for town centre partnerships should continue and be paid under a three yearly 'Memorandum of Understanding' agreement.

Policy Decision

This position remained under review at the time of each grant 'renewal' and in 2010, as part of the corporate business planning annual review of efficiencies/growth, a phased reduction (starting first with those which had received funding longest) was proposed to Cabinet/Council. This was also to reflect the fact that town centre partnerships were starting to take on quite different roles and structures; Hitchin Town Centre Initiative for example took on the running of the Hitchin Market from 2007, and were first to implement a Business Improvement District for the town in 2009.

At the Cabinet meeting of 25th January 2011, under item E8b on the efficiencies, it was proposed to 'phase out support for well established town centre partnerships over a three year period, taking into account the amount of time each has received grants from the authority' – that saving totalling £77,920.

The corporate budget report was referred to Council for adoption at its meeting on 10th February 2011, where an amendment was moved, requesting the item be re-titled to 'phase out the support for Town Centre Partnerships over a period, taking into account the amount of time each has received grants from the authority, resulting in expenditure reductions of £6,880 in 2011/12; £13,150 in 2012/13; £20,630 in 2013/14; and £41,250 in 2014/15.

In discussion with the then Portfolio Holder, Cllr Tricia Cowley, it was agreed that the attached schedule (**Appendix A**) would be adopted to ensure a gradual reduction of funding prior to its complete withdrawal; this would allow the partnerships sufficient time to secure alternative funding or income streams in the longer term.

In July 2011, Cabinet received a report on the Council's priorities proposing that the former 'town centre' priority should better reflect that the district is one of four towns

and a large number of rural communities, and thus the priority become one of 'working with our local communities' instead.

Policy Position/Constitutional position

Given that the decision was taken in the Corporate Business Planning/Budget Setting 2010/11 to gradually reduce and cease funding to town centre partnerships, then those very same partnerships cannot receive funding from area committees by way of discretionary grant.

The Council's Constitution makes this position quite clear. At Section 9.1 it states that "Area Committees must operate within Council Policy and decisions must be consistent with the Budget and Policy Framework and service specific policies". It expands this further at 9.8.1, Area Committee terms of reference thus;

9.8.1 Policy - exercise of decisions by resolution

(a) To allocate discretionary budgets within the terms determined by the Council.

and,

9.8.3, "Members run their business in ways that best reflect their local areas, provided that decisions are consistent with the Council's Budget and Policy framework and service specific policies".

Business Improvement Districts

These decisions do not mean that the Council is not supportive of its town centres, or town centre events/initiatives, but that it has to date, and will continue, to provide its support in a different way, primarily through Business Improvement Districts (BIDs).

NHDC provide officer support to the development of business plans, proposals for joint working, resourcing of ballots or where necessary after five years, re-ballots, as well as the calculation, collection and distribution of the BID levy itself. There are elements of this process for which NHDC could make a charge, but has thus far chosen to contribute to BIDs through both payment of the levy on relevant NHDC assets within the BID boundary, and the provision of officer resource towards their implementation and management.

The amount of BID levy currently paid in each town by NHDC is as follows;

Hitchin	£4,756
Letchworth	£5,115
Royston	£2,770

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Attached: Appendix A