

**To: Leadership Board**

**On: 28 April 2021**

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**Report by: Chief Executive and Director of Finance & Resources**

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**Heading: Paisley First Funding**

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## **1. Summary**

- 1.1 This report deals with a request from Paisley First to Renfrewshire Council to waive normal administration fees charged by the local authority for the invoicing and collection of levy payments from local businesses.
  - 1.2 It also deals with the issue of the payment of Business Improvement District (BID) levy payable to Paisley First by the Council during the covid-19 lockdown period.
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## **2 Recommendations**

- 2.1 It is recommended that the Board:
    - i. approves the waiving of the normal £10,000 administration fee to Paisley First for levy collection for financial year 2020.21; and
    - ii. agrees to provide funding to Paisley First equivalent to the BID levy liable Renfrewshire Council properties in Paisley Town Centre for financial year 2020/21.
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## **3 Background**

- 3.1 Paisley First is a Business Improvement District (BID) which works on a membership model. The model is like many others which operate at present across the country. These members pay a fixed levy per annum based on the continuation of the BID, which itself is based on the votes of its members.

- 3.2 In 2019 Paisley First was given a further 5-year mandate to act in the interests of Paisley Town Centre businesses following a ballot process involving all eligible property and business owners. Paisley First Board prepare, agree, and publish a Business Plan to cover this period setting out their intentions to enhance the Town Centre and attract footfall and investment for its levy payers.
- 3.3 Paisley First's costs are principally met from a levy collected from liable business properties in the Town Centre who are charged based on the size and rateable value of their property. Their cashflow to pay staff costs and organise events and promotions is dependent on their ability to successfully collect levy from most of those proprietors.
- 3.4 Renfrewshire Council act as billing and collection agent on behalf of Paisley First. For this the Council charges a fee of £10,000 per year.
- 3.5 In early 2020 Paisley First approached Renfrewshire Council to seek assistance with their cashflow which was getting more critical, principally due to some non-payment of levy by some of their members. At this time the Council's Director OF Finance & Resources agreed to offer a smoothed annual cashflow pay-over profile to assist Paisley First in planning and delivering their activities on the basis that the cashflow profile would be fully funded over the course of the year by BID levy income collected by the Council. This agreement was suspended on the commencement of lockdown in March 2020 given the scale of business disruption likely to be experienced and the potential impact on the 2020 levy.
- 3.6 When the first lockdown took place (March 2020) Paisley First's Board took the decision not to levy their business members for the financial year 2020/21. These invoices would have been due to be issued in April 2020.
- 3.7 Invoices have been issued by Paisley First in March 2021 for financial year 2021/22.

#### **4. Paisley First Request to Renfrewshire Council**

- 4.1 In November 2020, Paisley First approached the Council' Chief Executive with a request for:
- The administration fee for 2020/21 (£10,000) be waived by the Council, on the basis that no billing of levies took place in that financial year;
  - The Council volunteers to pay its full levy for 2020/21 of £19,700;
  - The Council to pay its full levy at its earliest opportunity for 2021/22;
- 4.2 There is a balance due to the Council of approx.£29,000 by Paisley First at 31 March 2021 reflecting the point collection activities were suspended in 2020. As clarified in section 3 above, this prepaid cashflow will be regulated from subsequent payment of levies by Town Centre businesses in the coming months.

- 4.3 Even though Paisley First did not invoice its members in 2020/21 (due to the lockdown restrictions placed on many businesses making their financial position fragile), officers are supportive and would recommend that the Council should make a voluntary payment of its 2020/21 levy as they had budgeted to do so, recognising that this payment will significantly assist Paisley First's financial position, ongoing operational activities and as it moves to plan to support recovery in the town centre. .
- 4.4 Similarly for this financial year (and for which Paisley First have recently billed all their member businesses) the Council will seek to pay its full levy liability as soon as it can to further assist the BID's cashflow position and subsequent operational planning. It is recognised that there is a strong likelihood that several of their members will not be able to meet their liabilities until they have fully resumed trading following the easing of lockdown restrictions (as envisaged) in summer 2021.
- 5. Next Steps**
- 5.1 If the recommendations outlined in this report are approved by the Board, officers will intimate the implications of this to Paisley First and arrange payments accordingly.
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## **Implications of the Report**

1. **Financial**  
All funding is accounted for within existing Council budgets and the waiving of the 2020/21 administration fee can be accommodated within existing resources.
2. **HR and Organisational Development** – none
3. **Community Planning**
  - Our Renfrewshire is thriving – The funding outlined in the report will assist Paisley First to continue to deliver on their agreed Business Plan for Paisley Town Centre and assist existing businesses once businesses begin to re-open
  - Reshaping our place, our economy, and our future - The approach recommended in the report will contribute to supporting local businesses and securing continued employment
4. **Legal** - none
5. **Property/Assets** - none
6. **Information Technology** - none.

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety - None**

9. **Procurement – None**

10. **Risk – None**

11. **Privacy Impact - None**

12. **COSLA Policy Position - None**

13. **Climate Risk – None**

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**List of Background Papers**

(a) *None*

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