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Item 7

Update on current issues

Purpose of report

For information / noting.

Summary

This report updates Members on current issues of interest to the Board which are not covered elsewhere in the agenda. Updates are included on:

1. 2012 Olympic and Paralympic Games
2. New National Plan for Music Education
3. Live Music Private Members' Bill
4. BBC Local Radio
5. Broadband
6. Tourist Business Improvement Districts
7. Local Government Finance Settlement and Autumn Statement

Recommendation

Members are asked to note the update.

Action

Secretariat / CLOA Advisory Panel to action as appropriate.

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2012 Olympic and Paralympic Games and Sport

LGA and Sport England Leadership Programme for Sport Portfolio Holders

1. The LGA and Sport England delivered a successful two day leadership academy for members with responsibility for sport in November. The academy provided an opportunity for members to influence the development of Sport England's new strategy and debate how it will impact on councils, how some councils have engaged with commissioning services and how sport services can better position themselves to benefit from the newly created health and wellbeing boards. In response to positive feedback, we are organising three additional one day workshops providing an overview of the topics covered on 17 January (Leeds), 30 January (London) and 31 January (Birmingham).

Paralympic Flame Festivals

2. The LGA has successfully lobbied the London 2012 Organising Committee (LOCOG) to give more councils the opportunity to stage flame festivals in the lead up to the 2012 Paralympic Games, if they want to. Originally, LOCOG had intended to organise one flame festival per English region. Feedback from councils indicated greater interest. Following LGA lobbying, LOCOG has said that it will support as many councils as possible who want to host a flame festival, which will help to raise awareness about and promote participation in sport.

Olympic Torch relay route

3. LOCOG has announced details of the 1,018 villages, towns and cities on the Olympic Torch Relay route. Every county in England will host the Olympic Flame and the aspiration of taking the Olympic Flame to within an hour's journey time of 95% of the population has been realised. The street by street detail of the route will be confirmed next year. The LGA has highlighted the vital role that a wide range of council services will play and continues to press LOCOG on the importance of fully involving councils in route planning. A list of the UK wide host communities announced is available to view at the interactive map on www.london2012.com/olympictorchrelaymap.

National Plan for Music Education

4. On 25 November the Government published its National Plan for Music Education. This included details about school music funding: moving away from funding music education via ring-fenced grants to councils through the Standards Fund (and since the 2010 Spending Review via the Federation of Music Services), to funding on a 'per pupil basis' allocated to 'music education

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hubs' by Arts Council England. LGA have concerns about the extra cost and bureaucracy implied by the new bidding system. We are speaking to Department for Education (DfE) officials and ACE about the funding implications and accountability.

5. LGA's briefing can be found here: http://www.local.gov.uk/web/10161/culture-tourism-and-sport/journal_content/56/10161/3205447/

Live Music Private Members' Bill

6. The Live Music Private Members' Bill proposes that playing live music will no longer be considered to be 'regulated entertainment' and so does not need a licence. Premises will continue to need licences if any other licensable activities are taking place, such as the sale of alcohol. Any conditions imposed as part of those other licences should not impact on the playing of the live music.
7. The LGA had previously raised concerns with the original draft of the bill, however having been amended we now support the bill in its present form. We believe it strikes a balance between supporting the music industry and ensuring democratically-elected councillors are still able to protect people who attend public events as well as those who work and live nearby.
8. The Bill has now completed its committee stage and is awaiting its report stage on the floor of the House on 20 January 2011.
9. The LGA's briefing can be found here: http://www.local.gov.uk/web/10161/live-music-bill/-/journal_content/56/10161/3222993/ARTICLE-TEMPLATE

Local Radio

10. The BBC is proposing to replace a significant amount of local radio content with national programmes as part of cost-cutting measures. It says local radio will be able to leave national schedules to broadcast during "times of civil emergency or bad weather" and medium wave will only be turned off in areas with an alternative FM service.
11. The LGA fears these cuts could seriously compromise local radio's effectiveness during emergencies and potentially put lives at risk. We have called for clarification about how new systems would work in an emergency.
12. LGA's response to the BBC Trust's review of BBC local radio can be found here: http://www.local.gov.uk/c/document_library/get_file?uuid=2c396bf7-8a6b-4fd4-bf50-0c8c286aa568&groupId=10161

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13. In the Autumn Statement, the Chancellor George Osborne announced up to 10 cities would share £100m and become super-connected with 80-100Mbps broadband access.
14. Culture Secretary Jeremy Hunt has now announced the four capitals – London, Edinburgh, Cardiff and Belfast – will benefit while the others will be chosen through a competition. The competition is open to the eight core cities and the UK cities that have more than 150,000 dwellings: Birmingham, Bradford, Bristol, Glasgow, Leeds, Liverpool, Newcastle, Nottingham, Manchester and Sheffield. The Government says these cities have the necessary size and economy to be able to use super-connected status to drive growth, attract new businesses to the area and transform the way services are provided and accessed. The bidding cities will have to show how they will use the status to drive growth with a particular focus on small and medium sized enterprises and strategic employment zones.
15. The DCMS press release can be found here:
http://www.culture.gov.uk/news/media_releases/8730.aspx

High Streets

16. The Mary Portas review was published on the 13 December 2011. The LGA pre-empted the review with a press statement criticising the review's level of engagement with local government, and set out their plan for tackling decline on the high street. It received widespread coverage in the press.
17. The review made a number of recommendations, some of which are generally positive, including: strengthened role for local partnerships; increased responsibility on landlords; and new measures to tackle clustering and to fill empty shops. It also made recommendations that would hold back council efforts to revitalise town centres, for instance: centrally driven requirements for more free parking, with a national car parking league table; giving secretary of state power to decide on out of town developments; allowing anyone to trade on the high street
18. The LGA are beginning to plan a new phase of high street work, presenting a new vision for an 'alternative' high street that focuses on remodelling high streets away from a focus on retail, building on its role as a cultural, community and social hub.

Tourist Business Improvement Districts

19. Attached at **Annex A** is a briefing on Tourist Business Improvement Districts (TBIDs). This follows on from a previous CTS Board discussion and the Visitor Economy Forum in December 2011 where further details about the TBID model were discussed.

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Local Government Finance Settlement and Autumn Statement

20. As previously announced, formula grant to all councils will fall by a further 7.7 per cent on top of the 9.9 per cent fall in 2011/12. The settlement confirms that local government continues to bear the brunt of public spending cuts in this Spending Review period. In response, the LGA said the time has come to turn the spotlight back on Whitehall departments which have thus far been sheltered from the worst of the cuts. We will continue to support councils to find more efficient ways of delivering culture, tourism and sport services through our improvement offer.
21. The Autumn Statement contained three announcements relevant to culture, tourism and sport and we will work with Government to understand the implications for councils:
 - 21.1 £100 million broadband investment to create up-to 10 'super-connected cities'.
 - 21.2 A new consultation into using new telegraph poles to aid in the rollout of superfast broadband.
 - 21.3 Simplifying reforms to the Heritage Protection System.
22. The LGA's briefing on the Local Government Finance Settlement can be found here:
http://www.local.gov.uk/web/10161/home//journal_content/56/10161/3202208/N_EWS-TEMPLATE
23. The LGA's briefing on the Autumn statement can be found here:
http://www.local.gov.uk/c/document_library/get_file?uuid=0e480dda-54e2-42eb-97bc-73df1697466b&groupId=10161

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Annex A – LGA brief on Tourism Business Improvement Districts

History of TBIDs

1. Visit England, the English Core Cities DMO Group and their partners have been exploring the use of Tourism Business Improvement Districts (TBIDs) in the UK and as a result have written a document entitled “Introducing Tourism Business Improvement Districts in England” to share their learning.

Why the need?

2. The current financial climate is the main driver for the creation of TBIDs. They have been used in the USA since 1992 with growing success (see relevant section below). TBIDs offer the opportunity to build newly styled partnerships between the private sector and public sector and to provide sustainable funding to grow the local visitor economy.

What are they?

3. BIDS are regulated partnerships where businesses contribute a levy within a prescribed formula. The levy and monitors to be put in place are set out in a prospectus which prospective businesses ballot on. TBIDs are a development of BIDs with a specific focus on providing funding to grow the local tourism industry.
4. The fundamental difference between TBIDs and bed tax is that the levy from TBIDs are not imposed – this is a partnership of the willing. If businesses do not support them; they cannot happen.
5. Therefore, businesses choose whether to join the TBID and they will do this by deciding whether they think they benefit from the TBID levy. Businesses will want to see the TBID levy as an investment. Many businesses have developed their own personal criteria they use when deciding whether to join a BID.
6. As part of setting up the TBID, it will be decided how the success of the TBID will be monitored. TBIDs are initially set up for five years and after this period businesses re-evaluate whether they continue or not, based upon their success.
7. TBIDs will be developed and operated under the same legislation as BIDs, as a result the process is very similar to creating a BID. However, there are some key differences between the two: geography, defining the levy payer and setting the levy.
8. The BID regulations are very flexible to allow development of local projects

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depending on local specific needs. However, regulation needs amending to allow cross-boundary TBIDs.

What are the benefits?

9. Businesses will focus on the return of their investment. They will want to be convinced it will bring higher footfall, longer user stay, or higher spend.
10. All the money raised from the levy goes back into the local visitor economy to be spent on things such as sales and marketing campaigns, research, business support, tourism services and capital investment.

Requirements for a successful TBID

11. For a successful TBID, the requirements are:
 - Effective public-private partnership
 - Funds spent exclusively to benefit payers – the money cannot be spent on anything else
 - Responds to private sector needs and concerns
 - Guidelines for how to spend funds and reporting mechanisms
 - Set up for a limited time initially and only continues if businesses want it to, which increases accountability.

Tried and tested in the USA

12. TBIDs grew out of a very difficult time for tourism in the USA. The first TBID in USA was set up in 1992 in West Hollywood. TBIDs grew slowly at first but have grown significantly faster in the last decade, now with a total of 9 TBIDs in Washington, 10 in Montana and 62 districts in California.
13. In US the levy is called an “assessment” rather than a tax. It has been up to the businesses to decide whether they pass the levy cost onto guests. Either way, the customer reaction has been minimal and has not deterred business. The levy then passes from the hotel to the local government who then pass it onto the Destination Management Organisation (DMO).
14. In the USA hotels have been realising the benefits and pro-actively setting up TBIDs themselves. BIDs and TBIDs do overlap which is not seen as a problem because they have separate purposes; BIDs focus on “clean and safe activities” and TBIDs focus on activities to promote tourism.

Questions moving forward

15. The private sector is in charge of developing TBIDs – as it stands will the private sector have the structure and skills to lead, influence and monitor their progress?

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16. If the TBID levy is passed onto the customer by businesses then is this included within the amount quoted (like VAT) or is it added on at the end (like the US model)?
17. Although USA overlap TBIDs and BIDs with no problems, there is concern in the UK about doing so. Can BIDs and TBIDs overlap in examples like Bristol where the billing authority is not large enough?
18. Further discussion on the development of TBIDs is required with industry partners. In order for success, there must be effective partnership working between the private and public sector, support from the industry and sharing of good practice.

Potential ways LGA may work with Visit England to progress TBIDs

19. LGA could assess the levels of demand from councils for TBIDs.
20. LGA with Visit England could promote and support the opportunity for councils to develop TBIDs through sharing information and good practice.
21. LGA can represent local government's views and interests in the wider discussion on TBID development.