

The background of the slide features the Falkirk Council Coat of Arms. It is a shield divided into four quarters. The top-left quarter shows a castle tower. The top-right quarter shows a stag's head with antlers. The bottom-left quarter shows a three-masted sailing ship on wavy lines representing water. The bottom-right quarter shows a crowned eagle with spread wings. Above the shield is a crown with four fleurs-de-lis. A banner at the bottom of the shield contains the motto 'AINE FOR A'.

Agenda Item 6

**Following the Public Pound –
Falkirk Towns Ltd**

Falkirk Council

Title: Following the Public Pound – Falkirk Towns Ltd
Meeting: Scrutiny Committee (External)
Date: 29 August 2019
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 This report provides information under the Following the Public Pound arrangements for the period 1 April 2018 to 31 March 2019 for Falkirk Towns Ltd.

2. Recommendation(s)

- 2.1 The Committee is invited to consider the organisation's report and select from the following options for this external organisation:
- 1) Approve the report and acknowledge progress by the external organisation in meeting Council priorities;
 - 2) Request that further information be provided by them on specific aspects of the service provided; or
 - 3) Request a follow-up report for subsequent Member consideration on specific aspects of the organisation's performance or on the organisation as a whole.

3. Background

- 3.1 External organisations which receive funding from Falkirk Council are subject to formal monitoring, scrutiny and reporting. Falkirk Towns Ltd is a company limited by guarantee which provides town centre management services and runs the Falkirk Business Improvement District (BID). Its work assists the Council in achieving its economic development objectives and supports the recently established Town Centre Partnership.
- 3.2 Falkirk Towns Ltd is funded on the basis it is able to provide services which could not readily be provided by the Council or have not been provided by the Council in the past.
- 3.3 Monitoring Falkirk Towns Ltd by officers takes the form of regular reports, meetings and attendance on the organisation's Board. The monitoring statement attached as an appendix, provides an overview of the service funded by the Council, the agreed objectives or outcomes, performance information during the period and a financial overview.

- 3.4 The activities of Falkirk Towns Ltd connect with services provided by Development Services to meet priorities and outcomes of the Council and its partners within the key SOLD plan outcomes of:

- Grow our economy
- Improving the neighbourhood we live in
- Promoting vibrant town centres

In supporting Falkirk Towns Ltd and its relationship with the Falkirk BID, the Council additionally helps to meet key corporate priorities of:

- Thinking differently about what our town centres can be
- Promoting town centres as places to live, socialise and participate
- Expanding our approach to safer streets

Falkirk Towns Ltd received £78,309 in 2018/19 to support this work.

4 Implications

Financial

- 4.1 The funding allocated to the organisation is agreed by Council at its budget meeting in February each year. The information set out in this report will help inform future decisions.

Resources

- 4.2 Nil.

Legal

- 4.3 Nil.

Risk

- 4.4 Following the Public Pound processes are designed to assess and mitigate risks to the Council of funding external organization.

Equalities

- 4.5 The funding of external organisations is subject to an EPIA.

Sustainability/Environmental Impact

- 4.6 Nil

5 **Conclusions**

- 5.1 Members are asked to consider the report attached and to determine any future reports or information they require in relation to the work of Falkirk Towns Ltd.

pp Director of Development Services

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Date – 16 August 2019

Appendices

Appendix 1 – Monitoring Statement for Falkirk Towns Ltd

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

None

**FALKIRK COUNCIL DEVELOPMENT SERVICES
FOLLOWING THE PUBLIC POUND ANNUAL REPORTING
STATEMENT 2018/19**

| | |
|---|--|
| Organisation Name | Falkirk Towns Ltd on behalf of the Falkirk Delivers BID |
| Project | Falkirk Business Improvement District (BID) Delivery & Promotion of Town Centres |
| Agreement Dates | 1 April 2018 – 31 March 2019 |
| Name of Lead Officer | Jacquie McArthur |
| A. OVERALL ORGANISATION AIMS | |
| <p>Summary of Key Aims & Objectives</p> <p>The principal aim of Falkirk Towns Ltd is to deliver projects and services that improve the economic performance of the Falkirk BID area and to a much reduced level, the district town centres (Grangemouth, Denny, Bo'ness and Stenhousemuir), to benefit businesses, customers and visitors to the area. Primarily this involves partnership working with a number of key agencies such as Police Scotland, Keep Scotland Beautiful and services within Falkirk Council.</p> <p>Organisational objectives:</p> <ul style="list-style-type: none"> • Promote Falkirk as an exciting and dynamic place to shop, live and work • Maintain and enhance attractiveness and cleanliness throughout the town centre • Work with relevant partners to deliver a safe and vibrant town centre • Ensure Falkirk meets and exceeds expectations as a visitor destination • Identify additional funding streams, including establishing a social enterprise • Inspire visitors to enjoy the town centre from day to night • Create an environment in which businesses are informed, integrated and represented <p>The operation of a separate company for town centre management enables a range of town centre businesses, as Members of the company, to play a direct part in the management of the company and to direct activities which best benefit the town centres.</p> | |
| <p>What is the purpose of the funding provided by the Council?</p> <p>The Council provides a funding contribution to Falkirk Towns Ltd of £78,309 for the period 2018-19 and provided £181,618 for the period 2016-18, (£103,309 for April 2016 – 31 March 2017 and £78,309 1 April 2017 – 31 March 2018). During the year 2018/19 the organisation supported a number of initiatives which contributed to the overall vitality of Falkirk and district towns.</p> <p>A Business Improvement District (BID) has broadly been defined as a geographically defined area, where businesses come together and agree to invest collectively in projects</p> | |

and services that the businesses believe will improve their trading environment for local businesses. BID projects are new and additional projects and services; they do not replace services that are already provided by Falkirk Council and other public bodies within that area, where qualifying businesses require to pay a levy for these additional services.

The BID was successful for a third term in Falkirk winning national accolades from BID Scotland and ATCM.

Why does the Council fund this?

The agreed outcomes of the BID Business Plan support the Council's corporate vision that is making Falkirk the 'place to be'.

We will promote vibrant town centres. We will do this by:

- Thinking differently about what our town centres can be
- Promoting town centres as places to live, socialise and participate.
- Expanding our approach to safer streets

These outcomes are achieved through the Falkirk Business Improvement District (BID) Business Plan and other projects relating to the district town centres.

How long has the Council funded this organisation to deliver this service? When did the Council agree to fund this?

The model of town centre management has been replicated in many Scottish towns following its introduction in the 1980's in Falkirk by the then Falkirk District Council to support and promote Falkirk and the district town centres. The operation of a separate company for town centre management enabled a range of town centre businesses, as members of the company, to play a direct part in the management of the company and to direct activities which best benefit the town centres. A strong partnership between the Council and the organisation has been evident during this time.

Core operating costs are met from the Council's funding contribution, enabling all monies invested in the BID levy to be used to deliver additional projects and services in the BID area.

The delivery of the BID is managed separately from Council operations and the company provides the vehicle for doing this. The Falkirk BID generates additional income of £184,000 for town centre management activities through a business rates levy as well as being a recognised organisation and structure which can apply for external funding opportunities to the benefit of the area.

Set out the funding provided by the Council for the last five years.

| Year | Annual Funding | Support in Kind | One Off Support |
|---------|----------------|-----------------|-----------------|
| 2018/19 | £78,309 | | |
| 2017/18 | £78,309 | | |
| 2016/17 | £103,309 | | |
| 2015/16 | £178,309 | | |
| 2014/15 | £188,305 | | |

B. SERVICE DELIVERY

What does the organisation deliver and to whom?

The company has undertaken a wide range of activities to deliver the agreed outcomes of the Joint Working Agreement. The company has historically worked closely with the Council's Growth & Investment Unit in supporting delivery of town centre regeneration initiatives. The company's activities are summarised below.

Cleanliness and attractiveness of town centres - The company has a handyman under contract to carry out small repairs, maintenance and clean-ups, including the prompt removal of any graffiti and fly posters. The company was audited by Keep Scotland Beautiful in July 2018 and has maintained the same standard of cleanliness as 2017, 2 index points above the minimum acceptable standard of cleanliness of 67, based on the Code of Practice on Litter and Refuse (Scotland) 2006. The organisation leads on the Falkirk Town Centre Waste Management Group.

Safety and security of town centres – The company operates a radio link scheme with 26 Falkirk businesses enlisted – enabling businesses to keep abreast of any security issues as they happen. It also operates a Child Safe Scheme (now including vulnerable people) for lost children in the town centre. The company employs street ambassadors who are on regular patrol in the town centre to help the public, give information and liaise with businesses. A Shopsafe App is also being piloted currently to complement the radio link scheme. Cyber resilience workshops have been offered to local businesses to alert owners/managers and staff to the new GDPR regulations and wider security safeguards affecting independent and national businesses. Taxi Marshals and Safe Base funding arrangements are separately reported to the Committee where these initiatives are delivered with other stakeholders.

Promoting town centres – to increase footfall, spend and customer loyalty. The organisation supported (in kind or financially), Pirates and Princesses Parade in the town centre, Falkirk Story Telling Festival, Hippodrome Silent Film and other smaller town centre events. It continues to promote Free After 3 car parking. Eat Local and Play Local campaigns including quarterly Falkirk Herald supplement and the hashtag #keepitlocal were used extensively on marketing and advertising. The company worked collaboratively with Falkirk THI and planning officers to administer the Business Grants Scheme. The organisation has a long standing relationship with the Falkirk Herald promoting the area. In collaboration with partners, the company continues to deliver projects which stimulate visitor numbers and projects which link the town centre with other local attractions like the Kelpies and the Falkirk Wheel. Falkirk Towns Ltd works collaboratively with the Growth and Investment Unit, Visit Falkirk and Visit Scotland to deliver a number of tourism initiatives for the area.

Additional Services –

Managed the Growth Fund campaign for Visit Falkirk, supported the THI project and leading on a safer streets daytime programme.

Leading on development funding grant secured from BIDs Scotland to develop scoping of a Business Improvement District in Bo'ness town centre.

Leading on the consultation for the Transport Integration Fund for Scotrail which promotes active travel throughout the Falkirk area, supporting tourism and business in the area.

During the reporting period the company has supported Falkirk Council by coordinating and arranging a series of town centre workshop events. These brought together town centre retailers, principal town centre investors, stakeholder partners and council political representatives and officers to participate in a series of engagement events to develop a Falkirk town centre Action Plan and Town Centre Partnership to lead on delivery of future town centre investment.

Who and how many people directly benefit from the organisation

In managing town centres, the company faces considerable difficulties arising from the loss of town centre footfall and trade which has been prevalent nationally in recent years. In common with the rest of the UK, the continuing drift to internet shopping and the popularity of out-of-town retail presents the company with many challenges. This is reflected in a continuing decline in BID levy paying businesses which is expected to only increase during the next 2019/20 reporting period:

Previous reporting period - 2017/18 – 641 BID levy paying businesses
Current reporting period - 2018/19 – 637 BID levy paying businesses

Nevertheless, the company's presence and operations is addressing many of these challenges and has helped engage many town centre operators in ensuring the town centre sustains its scale of trading and performance to the best possible degree. The Council's Growth & Investment Unit including Business Gateway and the town centres regeneration and tourism teams work with Falkirk Towns Ltd to support new and existing businesses.

Set out what other similar and or complementary services are provided which are similar in function or support the same client communities.

There are no comparable services that provide a similar function or level of support. A new Healthy High Street group has been established in the town and is supported by a number of small independent businesses, the Howgate Shopping Centre and the Falkirk BID.

How does this organisation support the Council achieve its priorities?

In economic and environmental planning terms support for the organisation and delivery of its outputs as set out in this report are identified and articulated as key priorities in the Corporate Plan 2017-2022 with significant focus on Place.

The activities of Falkirk Towns Ltd aligns with services that are provided by Development Services to meet priorities and outcomes of the Council and its partners

within the key SOLD plan outcomes of:

*Grow our economy
Improving the neighbourhood we live in
Expanding our approach to safer streets.*

In addition, the service provided by Falkirk Towns Ltd contributes towards the Council's Priorities for 2019 to promote vibrant town centres:-

- Thinking differently about what our town centres can be
- Promoting town centres as a place to live, socialise and participate
- Expanding our approach to safer streets.
- Relocation of the new Council HQ.

During 2018-19 the BID has worked to help establish a town centre working group, formed as a consequence of the recent closure of Marks & Spencer. A report on progress of this activity was set out to Executive June 2019.

Are there any areas of improvement and efficiency that could be achieved?

In January 2017, EKOS, an economic consultancy, was commissioned by the Board of Falkirk Delivers to undertake an interim review of the company, focusing on current governance/management arrangements and identifying issues and potential opportunities for improvement.

Areas identified under governance and management as follows:

- Review the core purpose of the organisation
- Agree future priorities and introduce KPI's to measure progress
- Identify clear strategic principles
- Strengthen board membership and procedures for election
- Set clear performance targets
- Tighten decision making processes

Under BID focus and activities the following areas were identified:-

- Review of company's aims and objectives
- Focus effort on agreed key issues
- Agree remit for District Centres
- Explore adoption of commercial operation approach

Under issues and opportunities the main points arising were:-

- Development of marketing and communication between stakeholders.
- Preparation of long term funding forecast focusing on project delivery
- Considerable issues and concerns raised by consultees around governance

In October 2017, three board members tendered their resignation from the board and were replaced with new board members with businesses in the BID levy area. The board are continuing to take forward the EKOS recommendations.

Which areas does this service/organisation cover within the Council area – Be Specific

The Falkirk Delivers BID area comprises the historical town centre and was originally defined to ensure the effective concentration of resources on that area.

Following the significant reduction in budget support from the Council, the organisation has a limited role within the areas district town centres of Stenhousemuir, Denny, Bo'ness and Grangemouth. Primarily support is focused on festive events and low cost campaigns.

C. ASSESSMENT OF PERFORMANCE

Set out current agreed performance information alongside previous years and future years. If there is any benchmarking information provide that.

The activity undertaken by Falkirk Delivers fits within the Council's key objectives. Over and above the projects and services contained in the Business Plan and each year, the BID Board develops and monitors the annual project plan.

Operational performance is to a great extent dependent on the economic climate.

Structural performance– the company has faced significant challenges around the reduction in Council funding which resulted in the loss of an experienced key member of staff charged with covering the district centres.

A strategic requirement exists to establish and implement a number of key KPI's to demonstrate performance of the organisation against the priorities set by Falkirk Council and wider communities within the Falkirk area and quarterly returns are to be provided by the company to Falkirk Council as set out in the Joint Working Agreement.

Are there any aspects of performance that are causing concern or need to be improved? If so what are they and what are the plans for improvement.

In line with other similar towns across the UK, Falkirk faces many challenges including the recent closures of the M&S store, and the perceived rise in anti-social behaviour and decline in the physical environment. As a result of these trading conditions, the BID company must continue to work actively with local business to improve communication, promote interventions and evaluate the effectiveness of initiatives and activities undertaken on behalf of the levy payers.

The BID board continues to monitor and review new measures recommended to address the findings of the EKOS BID review commissioned by the Board of Falkirk Delivers.

The Board needs to ensure the company staff complete and provide quarterly performance reports set out in the Joint Working Agreement timeously, a matter consistently raised by council officers with the Town Centre Manager.

When was the last time the service was reviewed and what plans are there to review this?

As outlined in this report, in January 2017, EKOS was commissioned by the Board of Falkirk Delivers to undertake an interim review of the company, focusing on current governance/management arrangements and identifying issues that need to be addressed to ensure potential opportunities can be addressed. The outcomes of the report remain to be progressed by the BID Board.

D. FINANCIAL / RISK ASSESSMENT OVERVIEW

Set out Falkirk Council funding as a % of the organisations budget. Including financial and in kind contributions.

Falkirk Council funding for the BID (£78,980 for the 2018/19 financial year) amounts to 30% of the organisation's budget. The remainder (£184,000) is comprised of BID levies.

Financial – there is a risk that additional budget savings proposals may lead to the potential collapse of the BID company. The board are actively considering this risk.

Occupancy rates and reputational issues may affect future leverage of funds. These issues are being actively considered by the company's Board.

Risk Med/High

List other sources of funding the organisation has and how much is provided by source.

Falkirk Council: Safer Streets - Specialised Security Taxi Marshalling Service & Safe Base (6th May 2017 - 29th April 2018)

Total Funding:

£35,824 (52 weeks provision of taxi marshal service commencing 6th May 2017 to 29th April 2018) This comprises of £20k Falkirk Council contributions and remainder met by Falkirk Towns.

£10,000 (SafeBase contribution)

BID levies as described above.

What is the amount of uncommitted reserves held by the organisation?

£14,000 is currently held company reserves to retain the solvency of the organisation. In April 2017 Falkirk Delivers Board took the decision to grow the reserves by £10,000 within the next financial year which they did but the purchase of an essential company vehicle (van) reduced the reserves to the current figure.

What proportion of operation cost do reserves represent?

5%.

Last Period of Submitted Audited Accounts

2017/18

What other services does the Council fund that are similar to this organisation including Council provision and to what level are those activities funded?

-N/A-

Future sustainability - Are there ways in which the organisation can improve resilience and decrease the money required from the Council?

The organisation is exploring the opportunity to adopt a commercial approach to its operational goals and objectives. This approach is in recognition that future funding settlements from Falkirk Council are likely to be constrained and perhaps removed. Furthermore, the Council, in line with other BIDS may wish to charge Falkirk Delivers for the collection of the levy income. Further work is required to demonstrate impact and value for money.

What is the risk to the Council if these services are not funded?

The Council's priority for vibrant town centres will be compromised if funding is withdrawn completely. Options for in-house delivery of reduced key areas of delivery could be considered.

Overall Risk Rating (Low/Medium/High) Please note this should note the risk to the Council not the organisation.

Med/High

E. CONCLUSIONS

Summary of the future activities of the organisation that will allow services to continue to be delivered.

The Falkirk Delivers Business Plan 2016-2021 suggests that total funding of £279,000 is committed each year with a total fund of £1,395,000 anticipated to deliver on the business plan over the five year period.

Falkirk Towns Ltd has delivered a wide range of activities and contributed greatly to sustaining town centre activity and trading in very challenging circumstances.

While a number of areas of improvement have been identified, primarily around management and governance, these remain to be addressed by the Board. Falkirk Council's commitment to the concept of a Falkirk BID is considered to be working well for the benefit of the local economy, providing value for money and is recognised as national best practice in BID delivery outputs.

Future risks relating to the performance of the town centre and the availability of future funding from the Council and BID and governance are being actively considered by the company's Board.

The company will continue to support Falkirk Council by developing the outcome of the town centre workshop events held during 2018/19 into a Falkirk town centre Action Plan and a new Town Centre Partnership to lead on delivery of future town centre investment.

E SUBMITTED BY

| | |
|--------------------|-------------------------------------|
| Name | Jacquie McArthur |
| Designation | Economic Development Officer |
| Date | September 2018 |