

# Chichester District Council

## OVERVIEW AND SCRUTINY COMMITTEE

15 SEPTEMBER 2020

### Review of Business Improvement Business District (BID)

#### 1. Contacts

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#### 2. Recommendation

**2.1 The committee is requested to note the update relating to Chichester Business Improvement District (BID).**

**2.2 The committee is requested to consider the potential outcomes in paragraphs 4.1 to 4.4 and to determine whether these capture CDC's expectations of a Business Improvement District in the future.**

#### 3. Background

3.1 Business Improvement Districts (BIDs) are business led partnerships operating within a defined area, in which a levy is charged on all business rate payers to fund projects and services which will benefit the BID levy paying businesses. BIDs are created through a ballot process whereby levy-rate payers vote to determine whether the BID goes ahead. The maximum period that a BID levy can be charged is 5 years. Once the term is completed the BID will automatically cease. However, if it wishes to continue its activities it can hold a new ballot to renew the BID for a further five years.

3.2 In 2010, the Council's Economic Development Service worked with Chichester Chamber of Commerce and city centre businesses to propose the establishment of a BID for Chichester City Centre. In 2011, Cabinet (Executive Board) agreed to support the establishment of a City Centre BID. Following a successful ballot, Chichester BID was established in April 2012, to run for five years until 31 March 2017. At its meeting on 12 July 2016, Cabinet approved support to the renewal of the BID. A subsequent ballot was undertaken, with approval being given for BID2 to commence from 1 April 2017 until 31 March 2022.

3.3 Overview and Scrutiny Committee considers the achievements of the BID each year. The current BID is reaching the end of its term and will be seeking to undertake a ballot in October 2021 to potential BID levy payers to determine the level of support for a third term of a BID (BID 3). Prior to this the BID will be required to set out the key actions for delivery over that term.

3.4 Chichester BID will be undertaking a defined process to introduce BID 3, involving a ballot of potential levy payers. The timeline to ballot will be subject to agreement by CDC to ensure all processes are covered and appropriate lead-in times have been considered and agreed. CDC has responsibilities under legislation for the processes, which are summarised as below:

- Being familiar with the BID regulations
- Rating List Holder
- Service Provider – for provision of existing baseline services
- Collection of the BID levy
- Ballot holder for provision of Ballot services
- Notification of Ballot outcome
- Declaring a Ballot void
- Termination procedures

3.5 An indicative timescale for the ballot process is set out below:

- Jan 2021 – BID develop full proposals of the ballot and engage with CDC on the operating agreement and ballot arrangements.
- March 2021 – BID proposal submission
- July 2021 – BID and CDC approve operating agreement
- Summer 2021 – OSC and Cabinet to consider final proposals
- Sept 2021 – Notice of ballot to be sent out by CDC
- Oct 2021 – Ballot undertaken
- Dec 2021 – March 2022 – BID3 launched (if ballot successful)

3.6 The local authority must satisfy itself that the BID proposal does not conflict with any existing local policy nor propose a disproportionate burden on particular businesses by way of an unfair levy charge on a certain 'class' of levy payers, for example by an inappropriate manipulation of the BID boundary. It is sensible to do this prior to allowing the ballot to take place so as to minimise the risk of having to veto the proposals following the ballot. An unfair charge may be a disproportionately higher rate for one sector/group of businesses that isn't reflected in the scope of the BID proposals or perhaps a disproportionately low rate for one sector/group of businesses that in effect means their services are being heavily subsidised by others. An inappropriate manipulation would involve examples such as capturing a high rateable value property, which in geographical terms appears outside the scope of the BID. Regular meetings are held between CDC officers and staff from the BID to discuss projects and consider issues of mutual concern. Chichester BID is also involved in a number of projects which have been agreed through the Chichester Vision.

3.7 The local authority will need to check that the final BID proposals include all of the details stated within Schedule 1 to the BID Regulations (the Business Improvement Districts (England) Regulations 2004) prior to proceeding to ballot. It should satisfy itself that all of these elements have been included in the BID proposals prior to giving the go ahead to the commencement of the ballot process.

3.8 The BID will produce a baseline of services currently provided by local authorities in order that potential BID levy payers can see that the proposals by the BID for the term are in addition to those services which are currently being provided. It is a requirement that the BID set out proposed areas of action for the term.

#### **4. Outcomes to be Achieved**

4.1 The existence of a BID can improve partnership working, engage businesses and raise the profile of an area. Best practice BIDs should have strong engagement with

local businesses; enhanced collaboration with local authorities; an understanding of demographics and visitor satisfaction; and be open, transparent and welcoming of new ideas. CDC would expect that these principles are all in place as part of BID3.

- 4.2 The British BIDs National Guiding Principles is a national voluntary code of conduct that all BIDs should adhere to as a minimum standard of development and operating practice. British BIDs offer an accreditation process for which it is recommended that the BID should consider as part of BID3.
- 4.3 It is recognised that more than ever the city requires strong focus. The BID should have in place strong leadership through its Chair, Board and senior officers, with robust BID levy payer participation. Regular consultation with BID levy payers to determine feedback on the actions for delivery and satisfaction of achievements must be undertaken. The BID website must provide enhanced information for BID levy payers which include minutes of Board meetings, along with all background documents and regular updates. BID outputs and results should be recorded and reported through the Board and to BID levy payers and Board meetings must be action focussed.
- 4.4 A successful BID can achieve a number of outcomes which include improved partnerships working with local authorities, local services, business groups, community organisations, city centre businesses and external agencies. It is also intended that there would be an increased profile of the city nationally with higher footfall across the year and increased spend in the city.

## **5. Resource and Legal Implications**

- 5.1 The legislative framework under which Business Improvement Districts are established, renewed and governed is contained in Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.
- 5.2 The Chairman of Chichester BID and Officers of the BID meet regularly with officers within CDC on a range of matters. The council's revenues team undertake the billing and collection of BID levy payments on behalf of the BID levy payers. The Council's Elections Team assists with the ballot process which is required for the BID.

## **6. Consultation**

- 6.1 Consultation will be undertaken by Chichester BID as part of the process of reviewing the BID. CDC as levy payer will be voting as part of the ballot process.

## **7. Community Impact and Corporate Risks**

- 7.1 The establishment and continuation of the BID supports the objective within the corporate plan to improve and support the local economy and in particular the support to the High Street.
- 7.2 Covid 19 has had an impact on the current BID's capacity to deliver the agreed outcomes within the current BID 2 business plan. The impact may take some time for the BID to recover and may also have an impact on the funding as the amount of BID levy paid is reduce. If there is not enough BID levy funding the BID will need to adjust the level of support that they provide to the businesses within the BID levy area.

**8. Other Implications**

<b>Are there any implications for the following?</b>		
	<b>Yes</b>	<b>No</b>
<b>Crime and Disorder</b>		X
<b>Climate Change and Biodiversity</b>		X
<b>Human Rights and Equality Impact</b>		X
<b>Safeguarding and Early Help</b>		X
<b>General Data Protection Regulations (GDPR)</b>		X
<b>Health and Wellbeing</b>		X
<b>Other</b>		X

**9. Appendices**

9.1 Appendix 1 – Chichester BID Business Plan

**10. Background Papers**

None