

Chichester District Council

THE CABINET

6 July 2021

Chichester Business Improvement District Ballot

1. Contacts

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2. Recommendations

- 2.1. That the 'Renewal Business Proposal' prepared by Chichester Business Improvement District (BID) be agreed and accordingly the renewal of the BID for further term of five years be supported.
- 2.2. Subject to 2.1, that the Council be recommended to delegate to the Leader the authority to vote in accordance with Cabinet's decision in relation to the ballot to renew the BID.
- 2.3. That the Ballot Holder (Chief Executive) be instructed to hold a BID ballot.

3. Background

- 3.1. 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. The local authority covering the BID area manages the ballot process. A successful vote is one that has a simple majority both in votes cast and in rateable value of votes cast.
- 3.2. In 2011 Cabinet (Executive Board) agreed to support the establishment of a city centre BID. Members will be aware that, following a successful ballot, Chichester BID was established from April 2012, with all BID levy

payers paying a levy of 1% of their rateable value. Since this time a further successful ballot resulted in a second term of the BID (BID 2), to run from 2017 to March 2022, with the levy increasing to 1.25% of the rateable value. The BID is now established as a community interest company - Chichester City Centre Partnership CIC – trading as Chichester BID. The Council's Cabinet Member for Growth and Place has a seat on the board.

- 3.3. Chichester BID is one of over 320 BIDs in place across the country. As it nears the end of its current five-year term, Chichester BID wishes to continue. Accordingly it has undertaken consultation with BID levy payers and has prepared a business plan and its Renewal Business Proposal (see Appendix one) for the next five years.
- 3.4. Each year, over the past four years, Overview and Scrutiny Committee has received a report detailing progress against the BID Business Plan. Overview and Scrutiny Committee has considered the BID proposals at its meeting in June 2021 and a summary of the considerations is included in paragraph 8.1.
- 3.5. Since 2017, Chichester BID has provided increased marketing and promotion of the City Centre and improvements to its physical organisation and general safety and security, through Christmas lights and festivities, support to projects relating to City way-finding and public realm improvements, the provision of flags and bunting, along with support to crime reduction through membership of ChiBAC and joint funding of BID Rangers in the city centre. The BID also provide a member website which includes a business directory.
- 3.6. Chichester BID has been identifying their strengths and areas to improve, through consulting with existing BID levy payers. This has helped to form the proposals for the next five years which are additional activities to current baseline statements of activities undertaken by other bodies (appendix two). If successful with the ballot, the BID is proposing to focus on the outcomes as listed in 4.1 below.
- 3.7. The BID propose to retain the levy from businesses at the existing 1.25%. The establishment and continuation of the BID supports the objective within the Corporate Plan 2018-2021 to promote the city, towns and local centres as vibrant places to do business. The BID's Renewal Business Proposal is in line with the Council's strategic objectives, and complements the aspirations of Chichester Vision.
- 3.8. If the BID is not successful in a third term the existing circa £300,000 collected from levy payers to fund the BID would not be collected. Christmas lights which are currently arranged by the BID would not be

provided along with uncertainty over the provision of the BID Rangers (who are also part funded by the City Council). The other initiatives such as the gift card, bunting, trails and map boards would require facilitation by an alternative organisation.

- 3.9. There are 642 hereditaments within the BID area which are owned and/or controlled by 589 businesses that are eligible to vote. A large proportion of these businesses have been visited to date by the BID team. Further visits and engagement with businesses will be undertaken over the coming weeks.
- 3.10. If the BID is approved, circa £1.5 million over five years will be available to deliver the administration of the BID and projects within the city centre.
- 3.11. BID Levy payers will need to consider whether they are receiving value for money for the levy which they pay, and will want to ensure that there is equitable distribution of activities and support across all sectors. Levy payers will have their own perception of success on the activities which the BID have undertaken and how visible they have felt the BID to be.
- 3.12. The retail industry is now facing its biggest challenge to date. The crisis afflicting the UK's retail sector which is symptomatic in the decline of many of our high streets was already in evidence before the pandemic. However, its effects have now been accelerated by Covid-19. A reduction in retail in the high street, an increase in working from home, and increased hot-desk office provision, will make the traditional retail funded BID model less certain.
- 3.13. According to British BIDs, there are significant concerns from BIDs across the country about the changes in planning and Permitted Development Rights, where flexibilities have been provided in the planning system which will potentially reduce the number of businesses in a BID levy area.

4. Outcomes to be Achieved

4.1 The BID Renewal Business Proposal (Appendix one) seeks to achieve a number of outcomes which can be summarised as below. The Term 3 business plan will be finalised by the BID over the summer as they undertake a final round of consultation. The three strategic priorities which will be focussed on are:

- Promoting Chichester
- Delivering an Organised and Safer City
- Developing Business Opportunities

These will be delivered through the following areas of activity:

- Year-round local and national PR campaigns
- “Dress” the city, work with stakeholders to improve the public realm
- Work in partnership to deliver key marketing and event opportunities to drive footfall and increase dwell time in the city
- Forge partnerships and alliances
- Ensure the city is safe, clean and well organised to encourage repeat visits
- Deliver timely and accurate commercial data to aid commercial decision making
- Being more visible and a hands on support to all BID levy payers as the city transforms.

The expected outcomes are as follows:

- Improved effectiveness of day to day partnerships with local authorities, local services, business groups, community organisations, city centre businesses and external agencies.
- Contribute to the increased profile of the city at a national level with higher footfall across the year and increased spend in the city.

These will be measured through the following targets:

- Footfall – both visitor and shopper
- Late night shopping footfall
- Dwell time
- Retail vacancy rates
- Safety and crime figures
- Car park occupancy
- Business and public engagement in activities.

5. Proposal

5.1. The BID is proposing the following timescale:

- August 2021 – Voting list prepared
- September 2021 – Final business plan published and submitted
- 6th October 2021 - Notice of the ballot issued to the Levy Payers
- 19th October - Ballot papers sent out to eligible voters
- 18 November - Ballot Day: voting closes at 5pm
- 19 November - Ballot count and announcement of the result
- 31st March 2021 – BID 2 Term ends
- 1 April 2022 – BID 3 Term begins (for five years) if ballot successful

6. Alternatives Considered

6.1 Do nothing. This is not appropriate as, under the governing regulations, the Council is required to oversee a renewal ballot and to instruct the Ballot Holder accordingly.

- 6.2 To veto the BID proposals. This is not considered necessary as the BID Renewal Business Proposals do not conflict with any Council policies
- 6.3 Not to support the BID. The Council transferred a number of city centre functions to the BID in 2012. As the BID already carries out these and other activities, and is now proposing to undertake additional activities, this is not considered appropriate.

7. Resource and Legal Implications

- 7.1. The legislative framework under which Business Improvement Districts are established, renewed and governed is contained in Part 4 of Local Government Act 2003 and The Business Improvement Districts (England) Regulations 2004.
- 7.2. The Council has been working with the BID on the procedure for renewal. Under the regulations, the Council as 'relevant billing authority' is responsible for instructing the 'Ballot Holder' to hold the renewal ballot. The Ballot holder is "the person the relevant billing authority has appointed under section 35 of the Representation of the People Act 1983(a) as the returning officer for elections to that authority".
- 7.3. For the BID to proceed to another term, more than 50% of those who vote must vote 'Yes'. Of those positive votes, the total rateable value must be higher, when added together, than the rateable value of those who voted 'No'. If a 'Yes' vote is secured, all businesses within the BID levy geographical area are legally obliged to pay the BID levy for the next five year BID term.
- 7.4. Once the BID is in place neither the BID area nor the BID levy percentage can be altered during the BID Term, without an Alteration Ballot.
- 7.5. In the event that the result of the Ballot is negative, the BID will cease from 31st March 2022. A number of City Centre management, organisational and promotional functions would potentially cease or need to be re-allocated to other bodies. Such items may include Christmas lights and festivities, events and promotions, additional support to ChiBac and city centre safety, and the potential for further day to day support to businesses. In addition, the proposed activities listed in 4.1 will not be able to be delivered by the BID.
- 7.6. A 'Yes' vote will require the Council to pay an annual levy estimated at £14,000, which is already within the council's base budget (at current rates and as a non-domestic ratepayer in its own right).

- 7.7. The Council's Ballot Holder (The Chief Executive) will be required to conduct the ballot. The cost of the ballot will be met by CDC (the ballot is outsourced to an external company and will be in the region of £3,000). Should the ballot not be successful the cost will be re-charged to Chichester BID (as per the BID regulations).
- 7.8. The Chairman and Vice Chairman of Chichester BID, along with 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 for the BID.

8. Consultation

- 8.1. The BID has been consulting with BID levy payers, the local authorities and other bodies. The BID's work is reviewed at the Council's Overview and Scrutiny Committee each year. At its meeting on 15th June, Overview and Scrutiny Committee voted in support of the renewal businesses proposal, welcoming the new initiatives put forward by the BID and supported the Council continuing to work in partnership with the BID. Overview and Scrutiny Committee specifically raised points relating to the need to support the night-time economy for all age groups; encouragement of independent shops; support to innovative markets and working in partnership with the University and College. However, some concerns were raised relating to whether the documents supplied by the BID as part of their renewal proposal had sufficiently demonstrated what additional value is provided by the BID being in place.
- 8.2. The BID will undertake further consultation in the period leading up to the ballot.
- 8.3. Relevant Officers within the district council have had an opportunity to consider the BID documents and have provided comments back to the BID.

9. Community Impact and Corporate Risks

- 9.1. 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.
- 9.2. 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 reduced. 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.

10. Other Implications

	Yes	No
Crime and Disorder – Potential impact on crime and disorder should the BID ballot not be successful as a result of the funding for the BID Rangers ceasing and potential reduction in support to ChiBAC	X	
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X
Other		

11. Appendices

- 11.1 Appendix 1 - Chichester BID Third Term Proposal 2022-2027
- 11.2 Appendix 2 – Chichester BID Baseline Statements – Term 3, 2022-2027

12. Background Papers

- 12.1 Chichester BID Members Consultation - Term 3, 2022-2027