

EXETER CITY COUNCIL**SCRUTINY COMMITTEE – ECONOMY
7 MARCH 2013****EXECUTIVE
19 MARCH 2013****CITY CENTRE BUSINESS IMPROVEMENT DISTRICT****1. PURPOSE**

- 1.1 To propose City Council support and funding towards the costs of establishing a City Centre Business Improvement District (BID).

2. BACKGROUND

- 2.1 Members previously supported the development of a BID for Exeter City Centre in 2011. A BID is an area within which local businesses agree, through a local ballot, to levy a supplementary rate in addition to their business rates, to support a programme of activities and improvements in that area. Legislation enacting Business Improvement Districts came into force in September 2004.
- 2.2 The businesses in the designated area are primarily responsible for drawing up the BID proposal which is the subject of the vote. This includes a business plan, an indication of the facilities or services which will be provided within the BID, the geographical area, and the amount to be levied on each business.
- 2.3 A BID can be established for a period of up to, but not exceeding five years and, if extended for a longer period, must be subject to a further vote.
- 2.4 BIDs have been delivering a wide range of improvements to local areas from town/city centres and business parks to complete market towns. Successful BIDs across the country have claimed the following benefits:-
- improvement of existing services or facilities, or securing finance for initiatives that enhance a local area;
 - making areas cleaner and safer, including addressing inaccurate negative perceptions where this is more the case
 - enhanced marketing and entertainment to attract visitors
 - attracting inward investment and development
 - improving/developing tourism attractions
 - improvement in communication between the Council and local businesses in order to address agreed issues and priorities
- 2.5 Approval to “make BID arrangements” to hold a ballot for a proposed BID has to be sought by application to the Secretary of State. In summary the arrangements involve:-
- the BID proposer notifying the Secretary of State at least 84 days before the notice of ballot is issued of the intention to hold a ballot

- the BID proposer notifying the local authority of their wish to hold the ballot
- the local authority arranges for the notice of the ballot to be published to the voters (at least 42 days prior to the date of the ballot)
- ballot packs including the proposal sent out (at least 28 days prior to the day of the ballot)
- final ballot day (within 90 days of notice of ballot)
- ballot results announced (usually within a day of ballot closing)
- 28 days allowed for veto requests
- implementation day (within 365 days of notice submitted to the local authority)

2.6 BID proposals are not regarded as approved by a ballot unless two conditions are satisfied; the first, removing the risk that the majority of smaller operators will be outvoted by a small number of larger organisations.

- that a majority of the persons voting in the ballot have voted in favour of the BID proposals and
- that A exceeds B where: –
 - A: is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted in favour of the BID proposals
 - B: is the aggregate of the rateable value of each hereditament in respect of which a person voting in the ballot has voted against the BID proposals.

2.7 BID arrangements may be reviewed by additional ballots, for one or more periods, each no more than 5 years. Changes to the operation of a BID area also require a ballot of those who are liable for the payment of the levy.

2.8 A ballot to establish a BID in the city centre was held in July 2011 and failed by a narrow margin.

3. PROPOSAL

3.1 Members received a report on the draft City Centre Strategy at the Scrutiny Economy and Executive meetings in January. The draft, agreed as the basis for widespread consultation, will be the subject of future discussions and revision prior to the final document being approved as the agreed City Centre Strategy to be taken forward by the City Centre Partnership in conjunction with all the key partners, including the City Council and Devon County Council.

3.2 The City Centre Strategy will include a number of proposed actions which will not be deliverable without the potential substantial resources which could be secured by a successful BID proposal – the BID Business Plan.

3.3 It is likely the BID proposals will at least include the following aims:-

- increase new and repeat customers – promoting the area, its attractions and events
- improve the visitor and resident experience – making the area brighter, cleaner and safer

- provide a significant financial resource to make a real difference to business success, protect and create employment, and support projects targeted at specific areas of the city centre
- introduce a positive brand and profile – involving pro-active promotion of development and investment opportunities
- help to attract and retain quality staff
- encourage and co-ordinate proactive strong businesses groupings around the city centre – to collaborate on key projects or address issues in their locality
- be fair and inclusive – allocating BID funds to benefit all businesses in the city centre
- act in a honest and transparent way – proposals would be decided by businesses, developed by businesses, delivered by businesses.

3.4 Development of a BID proposal and Business Plan will include the preparation of baseline statements covering central services provided by the City Council, Devon County Council and other organisations responsible for services and activities in the city centre. It is likely the BID Business Plan will include proposals to enhance these services funded by the BID levy.

3.5 The services and projects contained in the final proposal document will have been subject to extensive consultation and communication with the business community in the city. The final Plan will also be brought before Members for approval as they will include financial and other commitments from the City Council.

3.6 The development of the BID Business Plan and undertaking the campaign and BID vote process requires funding. It is estimated the total cost to prepare the BID Business Plan and prepare for and undertake the ballot will be £50,000. The BID proposals need to involve and be taken forward by the business community including the Chamber of Commerce and other business organisations and representatives of specific areas of the city centre.

4. FINANCIAL IMPLICATIONS

4.1 It is proposed that the City Council contribute up to £25,000 towards the costs of the preparation of the Business Plan and holding of the ballot. The balance should be met by funds and measurable in-kind contributions from the business community.

4.2 The City Council's contribution can be met from the unallocated element of the New Homes Bonus funding.

4.3 The City Council's annual liability for the additional levy payment would be about £24,000 at the time of writing this report. Therefore, provision would have to be set aside in the relevant individual council budgets for the additional funding to meet the BID levy requirements. If the BID vote was successful in early 2014 then this liability would occur from financial year 2014/15.

5. RECOMMENDATION that:

5.1 Scrutiny discuss and confirm its support for the development of a City Centre Business Improvement District.

- 5.2 Executive approve up to £25,000 towards the costs of the preparation of the BID Business Plan, and for the holding of the ballot.

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Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

Report to Scrutiny Committee – Economy dated 9 June 2011 and Executive 21 June 2011.