

Report to	Communities Scrutiny Committee
Date of meeting	23 January 2020
Lead Member / Officer	Councillor Hugh Evans (Leader of the Council and Lead Member for the Economy & Corporate Governance)/Emlyn Jones (Head of Planning and Public Protection Services)
Report author	Carolyn Brindle (Lead Officer Business Support and Local Growth)/Mike Horrocks (Economic and Business Development Team and Programme Manager)
Title	The Process for Establishing a Business Improvement District

1. What is the report about?

1.1 To examine the process of establishing Business Improvement Districts (BIDs) in Denbighshire, including associated communication and engagement with businesses, DCC and other interested parties. To understand potential impact on businesses in the designated area and identification of lessons learnt from BID applications processed to date within the county.

2. What is the reason for making this report?

2.1 To provide information regarding the process of forming BIDs to enable the Committee to examine the process in detail.

3. What are the Recommendations?

3.1 That the Committee considers the information provided, comments accordingly and continues to support the establishment of further BIDs in the county should any town or business group wish to progress one.

4. Report details

4.1 What is a BID?

- 4.1.1 Business Improvement Districts (BIDs) in the UK emerged after enabling legislation in 2004 in England and Wales, 2007 in Scotland and 2014 in Northern Ireland. There are now over 300 BIDs in the UK.
- 4.1.2 A BID is an arrangement whereby businesses get together to decide what additional improvements they want to make to their location, how they are going to manage and deliver those improvements and what they are prepared to pay to make it happen. This information is used to create a business plan upon which all who would have to pay can vote. If the majority vote yes by number and rateable value, payment is mandatory for all businesses in the BID area as defined in the Business Plan. As a non-domestic rate payer the Council has a vote for each eligible property they have in the BID area in the same way that businesses do.
- 4.1.3 A BID normally takes between 12 and 18 months to develop. Once formed, a BID is managed by a legally constituted body. Most BIDs are not-for-profit companies with a Board of Directors. The BID Company is responsible for developing and implementing the Business Plan. A BID can last for a maximum of 5 years before a re-ballot takes place, and must be able to demonstrate how it has benefited businesses who have funded it.

4.2 Background

- 4.2.1 In May 2016 Denbighshire County Council first highlighted the opportunity to learn about BIDs in an open invitation to contacts across the County to attend a visit to Shrewsbury BID in order to learn more. Expressions of interest in the visit were received by the Council's Economic & Business Development Team from Ruthin, Rhyl, Prestatyn and Denbigh. Subsequently only Rhyl and Prestatyn wished to explore the feasibility of a BID further and were supported in this. The Council received an expression of interest from a group of businesses in Llangollen in June 2018 who collected a seed fund pot and with Council support, secured a Welsh Government grant to explore the feasibility and potential development of a BID in their town.

4.3 The Role of a Local Authority

4.3.1 Despite the business led approach there are a series of important roles the authority is required to perform. These are defined in law and set out in technical guidance online and attached at Appendix 1. In summary these are:

- Being familiar with the BID Regulations. The key legislation can be found at legislation.gov.uk
- Rating List Holder. The local authority provides the name of each business ratepayer within the boundary of the proposed BID, the address and rateable value.
- Service Provider – ‘Baseline Statements’ are provided by the Council on a range of key services e.g. cleansing & maintenance, public conveniences and street lighting to ensure that the BID activity will be over and above the Council’s existing provision. The Council can still make cuts to provision across the County but it cannot single out a BID area for specific cuts.
- Collection of the BID Levy. The local authority is required to manage the collection and enforcement of BID levy charges. All costs are recovered.
- Ballot Holder - for provision of Ballot Services. The local authority is required to ensure the ballot is operated in line with BID Regulations. All costs are recovered.
- Notification of Ballot Outcome. As soon as reasonably practical the ballot holder arranges for public notice of the outcome of the ballot.
- Declaring a Ballot Void.
- Termination. In the event a BID fails by e.g. insufficient funds or failure to deliver services, the local authority would have a role in closing the BID. It would run a consultation with ‘appropriate’ business representatives and give notice of 28 days

4.3.2 More detail on the process followed for exploring/establishing BIDs in Denbighshire can be found in Appendix 2.

4.3.3 In terms of lessons learnt’ the requirements are set out in the legislation referred to above and the Local Authority is required to follow these.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The BID work supports the Council's Corporate Plan aim to "work with people and communities to build independence and resilience", bringing together stakeholders and developing a partnership to support improvements in the town centre that will benefit those who run a business, live, work in and visit the area.

6. What will it cost and how will it affect other services?

- 6.1 The Council must pay the BID levy on its eligible properties in a BID area once a BID is formed. A range of service areas may engage with BIDs on collaborative work that benefits local businesses and residents by improving towns.

7. What are the main conclusions of the Well-being Impact Assessment?

A well-being impact Assessment is not applicable to this report per se. A Well-being impact Assessment is however prepared for each BID and provided to Cabinet when the BID is discussed. An example is attached at Appendix 3.

8. What consultations have been carried out with Scrutiny and others?

- 8.1 During the feasibility stages of BIDs a wide range of consultations are carried out (as detailed in Appendix 2. These include surveys of all relevant National Businesses Head Offices; presentations to Business Groups/Chambers of Trade, the Council's Senior Leadership Team, Member Area Groups, briefings with the Lead Member; meetings with the Democratic Services Manager and specific contact with Heads of Service during the collection of Baseline Statements.

9. Chief Finance Officer Statement

There are obviously some resource implications for the Council in facilitating the process however these should be contained within existing resources or fully considered as part of the process if that is not the case. The more significant impact on the Council is that the Council must pay the BID levy on its eligible properties in any

BID area once a BID is formed. It is important that this pressure is fed into the budget process as Business Rates Costs are funded corporately

10. What risks are there and is there anything we can do to reduce them?

10.1 There are no significant identifiable risks in following the recommendation if it complies with current BID Legislation.

11. Power to make the decision

11.1 Section 7.2.3 of the Council's Constitution states that Scrutiny may consider any matter which affects the Council's area or its inhabitants.