

Report to	Partnerships Scrutiny Committee
Date of meeting	6th July 2023
Lead Member / Officer	Cllr Jason McLellan, Leader / Tony Ward, Corporate Director
Head of Service	Head of Planning, Public Protection and Countryside Services
Report author	Economic & Business Development Lead Officer
Title	Rhyl Business Improvement District (BID) Re-ballot

1. What is the report about?

1.1. The Rhyl Business Improvement District's (BID) proposed second term.

2. What is the reason for making this report?

2.1. To examine proposals for a potential second 5-year term for the Rhyl BID.

2.2. To inform Members about the steps involved to support a ballot to determine whether there should be a 2nd term for the Rhyl BID.

2.3. To enable Scrutiny to raise any questions about the BID or the ballot process.

3. What are the Recommendations?

3.1. That Scrutiny consider the contents of the draft BID Business Plan (attached as Appendix 1).

3.2. That Scrutiny considers and discusses the Officer recommendation that there are no grounds to exercise the power of veto, subject to there being no significant change(s) to the current BID proposals which would impact on the factors which influence the use of the power of veto as identified in Section 51 (2) BID Wales (2005) Legislation (attached as Appendix 2).

- 3.3. That Scrutiny supports the steps and timescales involved in the re-ballot process, including the steps to take this through Denbighshire County Council's democratic process.

4. Report details

Background to BIDs

- 4.1. A Business Improvement District (BID) gives local businesses the power to get together, decide what improvements they want to make within a geographically defined area and to raise funds to deliver these.
- 4.2. There is no limit on what projects or services can be provided through a BID. The only constraint is that it should be something that is in addition to services provided by local authorities.
- 4.3. The BID development process involves in-depth consultation with businesses, from which a BID Proposal is produced and a 28 day postal ballot held, where businesses vote 'for' or 'against' the proposal. The BID Business Plan is the key document on which businesses vote at the ballot. It sets out how the BID will function (proposed income, expenditure, BID area and performance measures) and how the BID Levy will be spent in the town.
- 4.4. For the BID to be established, two conditions must be met; firstly, a majority of those voting have to vote 'yes' and secondly those who vote 'yes' have to represent more than 50% of the total rateable value of all votes cast. If both majorities are met, then the BID can be established and all hereditaments within the defined boundary are liable to pay the levy irrespective of whether they voted "yes" or "no" at ballot. If established, a BID runs for a maximum of five years, beyond that, if the BID wishes to continue, then a new proposal must be developed and another ballot held.

Rhyl BID

- 4.5. Rhyl BID was established in November 2018, following a successful ballot with a mandate to operate for a maximum of 5 years. On 25th September 2018, Cabinet resolved to agree to support the establishment of the BID by voting 'Yes' in the BID ballot in respect of each of the Council's eligible rateable

properties in the BID area. The link to the meeting/papers is here:

<http://mgintranet/ieListDocuments.aspx?CId=281&MId=5577&Ver=4&LLL=0>

- 4.6. Rhyl BID is now approaching the end of the first 5-year term. In order to continue operating, a new set of proposals is required to be put to ballot. The Rhyl BID Board is therefore undertaking the required process for re-balloting levy payers about a potential second term and have appointed Place Support Partnership (PSP), consultants specialising in BID ballot processes, to support the process
- 4.7. Rhyl BID have produced a draft Business Plan and are in the process of undertaking consultation with businesses on this (Appendix 1).
- 4.8. For the second term, Rhyl BID are proposing a 2% levy on all hereditaments (excluding healthcare facilities) with Rateable Value of over £6,000 within the BID area. The proposed BID area includes c330 hereditaments. Businesses that are exempt, can opt to make a voluntary contribution which entitles them to access the benefits of all the projects and services outlined in the Business Plan. Based on the proposed levy, the estimated revenue for the Rhyl BID is £167,500 annually which is £837,500 over 5 years.
- 4.9. It is proposed that the BID ballot date (the final day of the ballot) will be 30th November 2023. In advance of the ballot, a final Business Plan will be sent to all eligible voters within the BID area as well as the Local Authority.
- 4.10. It is the intention, subject to a 'yes' vote at ballot, that the BID will run for a second 5-year term. The BID Company will be responsible for the delivery of the BID services throughout this period.

The role of DCC

- 4.11. The local authority should satisfy itself that there are no grounds on which to Veto the BID proposal. The legislative framework for BIDs, *BID Wales (2005) Legislation*, includes provision for local authorities to veto BID proposals where – (a) they conflict to any material extent with any corporate policy of the Council, or (b) place a significantly disproportionate financial burden upon any person or class of persons (Appendix 2). 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

4.12. Having reviewed the BID Proposals, it is the officer recommendation that neither of these provisions applies in the case of the Rhyl BID re-ballot proposals.

4.13. Although the Rhyl BID is completely independent of the Council, we are a key stakeholder with a statutory function in terms of conducting the ballot and collecting and enforcing the levy but also because we are a significant levy payer in the BID area with a number of corresponding votes through the ballot process.

4.14. In any ballot to establish (or continue with) a BID, all organisations with an eligible rateable property in the BID area, have a vote. DCC will therefore be eligible to cast 20 votes in the re-ballot to determine whether to continue with the Rhyl BID for a second 5-year term and Denbighshire Leisure Ltd will be eligible to cast an additional 3 votes.

4.15. The democratic process required, will be similar to that which followed in 2018, e.g. early engagement with Rhyl Member Area Group (MAG) Members, a request to attend Scrutiny, and ultimately a report to Cabinet, to authorise the conducting of the ballot and to decide how DCC will cast its vote in the ballot.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. The BID work supports the Council's Corporate Plan aim under the "a Prosperous Denbighshire" Theme, to "work collaboratively with communities and partners to deliver projects and initiatives that will stimulate economic growth", by bringing together stakeholders and developing a financially sustainable partnership to support improvements in the town centre that will benefit those who live, work in and visit the area.

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

6.1. The Council's Democratic Services will be required to manage the formal ballot process; the ballot will be a postal ballot of all businesses in the BID area, liable

to pay the BID Levy. It will be conducted by Civica Electoral Services on behalf of the Returning Officer. The Legislation stipulates that the costs of the Ballot need to be met by DCC.

- 6.2. Under BID legislation, the Council is required to collect the levy on behalf of the BID Company. The costs of this are provided for by the BID. An Operating Agreement will be entered into between the BID and the local authority, governing how the BID levy monies are collected, administered and passed over to the BID Company.
- 6.3. Subject to a majority “yes” vote at ballot and continuation of the BID in Rhyl, the Council will be liable for the payment of the BID Levy contribution on each of its properties. Based on the proposed levy, the estimates levy cost to DCC would be £9,341 per annum with Denbighshire Leisure Limited being liable for a further £10,440 per annum.
- 6.4. As part of the BID process the Council are required to complete baseline service statements which set out current levels of service provision within the BID area for both statutory and non-statutory provision. DCC services (primarily Highways and Environmental Services (HES) and Planning, Public Protection & Countryside Services (PPP&CS)) will be required to review and update the baseline service statements that were submitted as part of the original BID process.

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

7.1. N/A

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

- 8.1. Following this report to Scrutiny, the proposal for a 2nd term is on the Forward Work Programmes for Rhyl MAG on 24th July and Cabinet on 19th September.
- 8.2. The BID are responsible for consultation with the businesses and stakeholders impacted by the BID Proposals and we have been advised that this process is underway.

9. Chief Finance Officer Statement

9.1. Obviously, the decision to setup continue and manage the BID is the responsibility of those businesses included in the BID Area. Finance's role is to provide the service for collection and recovery of the levy on behalf of the BID. These services are provided at cost to the BID and therefore there is no financial impact on the Council.

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

10.1. The BID re-ballot may not be successful and businesses could vote against the BID proposals. To minimise this risk, the BID Company are developing a robust business plan that has had engagement from businesses and demonstrates value for money to all potential levy payers

11. Power to make the decision

11.1. Section 21 of the Local Government Act 2000

11.2. Section 7 of the Council's Constitution