

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	19 <sup>th</sup> September 2023
<b>Lead Member / Officer</b>	Cllr Jason McLellan, Leader and Lead Member for Economic Growth and Tackling Deprivation / Tony Ward, Corporate Director: Environment and Economy
<b>Head of Service</b>	Head of Planning, Public Protection and Countryside Services
<b>Report author</b>	Economic & Business Development Team
<b>Title</b>	Rhyl Business Improvement District (BID) Re-ballot

## **1. What is the report about?**

- 1.1. The report is about a ballot to determine whether there will be a second term for the Rhyl Business Improvement District (BID).

## **2. What is the reason for making this report?**

- 2.1. To update Cabinet on the proposals for a 2<sup>nd</sup> 5-year term for the Rhyl BID, and to inform Members about the steps involved to support a ballot to determine whether there should be a second term for the Rhyl BID.
- 2.2. A decision is required on whether any grounds exist to veto the BID proposals and also about how Denbighshire County Council (DCC) should use its votes in the ballot.

## **3. What are the Recommendations?**

- 3.1. That Cabinet note the contents of the BID Business Plan (Appendix I) and support the recommendation that there are no grounds on which to veto the proposals under the BID Wales (2005) Legislation (see paragraphs 4.8 and 4.9).

- 3.2. That Cabinet authorise officers to complete any necessary legal agreements required for the operation of the BID Levy, ballot and service arrangements and any other necessary matters for the proposed BID.
- 3.3. That Cabinet confirm how DCC will vote in the BID ballot.
- 3.4. That Cabinet confirm that it has read, understood, and taken account of the Well-being Impact Assessment (Appendix II) as part of its consideration.

## **4. Report details**

- 4.1. A BID gives businesses the power to decide improvements they want to make within a geographical area (these must be in addition to services already provided by the local authority), and to raise funds to deliver them.
- 4.2. 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. Businesses can also abstain from voting.
- 4.3. For a five-year term BID to be established, two conditions must be met: A majority of those voting have to vote 'yes', **and** those who vote 'yes' have to represent more than 50% of the total rateable value of all votes cast. All hereditaments within the defined boundary are then liable to pay the levy, irrespective of how they voted.
- 4.4. Rhyl BID was established in November 2018, following a successful ballot with a mandate to operate for up to 5 years. On 25<sup>th</sup> September 2018, Cabinet<sup>1</sup> resolved to support the establishment of the BID by voting 'Yes' in the ballot in respect of each of DCC's eligible rateable hereditaments in the BID area.
- 4.5. The Rhyl BID Board is now undertaking the process for re-balloting levy payers about a potential second term, supported by their consultant, Place Support Partnership. A new Business Plan for the proposed 2<sup>nd</sup> term has been produced (Appendix I).

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<sup>1</sup> Link to Cabinet meeting: <http://mgintranet/ieListDocuments.aspx?CId=281&MId=5577&Ver=4&LLL=0>

- 4.6. Rhyl BID are proposing a 2% levy on 331 hereditaments (excludes healthcare facilities) with a rateable of more than £6,000 within the BID area. Based on a 2% levy, the estimated revenue for the BID is £167,500 annually, which is £837,500 over 5 years.
- 4.7. It is proposed, the ballot will start on 2<sup>nd</sup> November and end on 30<sup>th</sup> November 2023.
- 4.8. 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.
- 4.9. 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.
- 4.10. Although the BID is independent, DCC is a key stakeholder with a statutory function in terms of conducting the ballot and collecting and enforcing the levy.
- 4.11. In any BID ballot, all organisations with an eligible rateable hereditament in the BID area have a vote. There is 1 vote per eligible rateable hereditament. DCC will therefore be eligible to cast up to 20 votes in the re-ballot to determine whether to continue with the Rhyl BID for a second 5-year term.
- 4.12. DCC can choose to vote ‘Yes’, ‘No’ or ‘Abstain’ individually for each of its eligible rateable hereditaments.

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

- 5.1. The BID work supports the 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 Rhyl.

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

- 6.1. The Council’s Democratic Services are required to manage the formal ballot process. A postal ballot of levy payers will be conducted by Civica Electoral Services on behalf of the Returning Officer. The Legislation stipulate these costs need to be met by DCC.

- 6.2. Under legislation, DCC is required to collect the levy on behalf of the BID Company, the cost of which will be met by the BID and governed by an Operating Agreement.
- 6.3. If a new term is agreed, DCC will be liable for the payment of a BID Levy on its hereditaments in the BID area. Based on a 2% levy, the estimated levy cost to DCC would be £9,341 per annum.
- 6.4. DCC are required to complete baseline service statements, setting out current levels of service provision within the BID area. These will determine the current Council commitments in the BID area, ensuring no duplication of activities from the BID funds.

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

- 7.1. It would stand up positively to the well-being goals if democratically voted for, representing a fully funded and consultative mechanism, enhancing the community and environment with participation and inclusion of all members (Appendix II).

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

- 8.1. The proposal for a 2<sup>nd</sup> term for Rhyl BID was discussed at Partnerships Scrutiny on 6<sup>th</sup> July 2023<sup>2</sup> and the Rhyl MAG on 24<sup>th</sup> July 2023<sup>3</sup>. Rhyl MAG recommended to Cabinet that DCC do not exercise its right to vote in the next BID round and leave it to other businesses to decide due to the difficult economic climate.
- 8.2. Welsh Government officials have set out Welsh Government's position on this matter and have asked that this be taken into consideration by Cabinet. The full position statement is attached at Appendix III, but it is clear that WG are supportive of BIDs and therefore feel that DCC should support the proposal for a 2<sup>nd</sup> term.
- 8.3. Specifically, WG say that: "*If the BID fails the next term ballot, then crucially important activities to raise Rhyl's profile, along with similar planned projects and business support, will not continue*" and that "*the positive role that the BID could play in the*

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<sup>2</sup> Link to Scrutiny meeting: <http://mgintranet/ieListDocuments.aspx?CId=268&MId=6727&Ver=4&LLL=0>

<sup>3</sup> Link to MAG meeting: <http://mgintranet/ieListDocuments.aspx?CId=523&MId=6713&Ver=4&LLL=0>

*town's regeneration strategy, supported by our strong partnership arrangements, is beyond doubt*".

8.4. Rhyl BID is responsible for consultation with the businesses and stakeholders impacted by the proposal for a 2<sup>nd</sup> BID term.

## **9. Chief Finance Officer Statement**

9.1. As can be seen in the report, there are additional costs for the Council if the BID is approved. A small additional pressure will need to be included in the current budget setting process to ensure that this is funded.

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

10.1. There are no obvious or significant risks to the council in relation to this decision.

## **11. Power to make the decision**

11.1. Section 2, Local Government Act 2000. The power to undertake activity for the promotion of the social, economic or environmental well-being of the area.