

REPORT FOR DECISION



DECISION OF:	Cabinet
DATE:	24 July 2019
SUBJECT:	Bury Town Centre Business Improvement District Proposal (BID)
REPORT FROM:	Cllr Jones
CONTACT OFFICER:	David Fowler
TYPE OF DECISION:	CABINET (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	The report summarises the findings of the Bury Town Centre Business Improvement District (BID) Feasibility Report undertaken on behalf of the Bury Town Centre Management Board (BTCMB) including the report recommendations and next steps required.
OPTIONS & RECOMMENDED OPTION	<p>Members are requested to:</p> <ul style="list-style-type: none"> • Support the BID Feasibility Report Recommendations and the decision taken by BTCMB to progress to the next stage of the BID process. • To note The Council's role in the BID Development and Campaign Phases and to allocate the financial and staff resource required to support the process. • To approve the annual budget required to meet The Council's annual BID levy payments should the BID Ballot result in a 'Yes Vote' and to allocate the resources required to deliver The Council's role and responsibilities throughout the duration of a Bury BID. • To give Delegated Powers for detailed decisions relating to the BID process to the Regeneration Portfolio holder.
IMPLICATIONS:	

Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<ul style="list-style-type: none"> £5000.00 (estimated) BID Ballot costs to be found from the existing Strategic Planning and Economic Development Budget. The total cost of The Council's BID Levy payments is estimated as £34,000.00 per annum for an initial 5 year period. (Based on a BID levy rate of 1.5% of each property's rateable value). The cost of the first year will be funded as a one-off from Non Service Specific contributions to provisions. Ongoing the requirement will have to be built into respective service budgets. There is minimal investment required in relation to potential benefits. Evidence of success in other areas. In line with growth agenda and therefore supports financial sustainability.
Equality/Diversity implications:	No
Considered by Monitoring Officer:	Yes JH The legal power to enable a billing authority to make BID arrangements is set out in Section 41 of the Local Government Act 2003 and it is a discretionary power which must be exercised on a reasonable basis. The procedural requirements are set out in the Business Improvement District (England) Regulations 2004. The main requirements are set out in this report and the Council will need to ensure compliance with these statutory provisions.
Wards Affected:	Bury East
Scrutiny Interest:	

TRACKING/PROCESS

DIRECTOR: Paul Patterson

Joint Executive Team/CCMT	Cabinet Member/Chair Briefed	Ward Members (if necessary)	Partners
10 June 2019	10 May 2019		

Scrutiny Committee	Other Committee	Council	Comms

1. BACKGROUND

- 1.1 In 2018, Bury Town Centre Management Board (BTCMB), with support from Bury Council, secured £36,000 from the MHCLG BID Loan Fund to investigate the option for a Business Improvement District (BID) for Bury Town Centre. Match funding was committed by BTCMB and The Council, along with Council officer and business representative's time. (For more details about Business Improvement Districts please see the BID Feasibility Report Summary – (Appendix 1)
- 1.2 In September 2018 The Bury BID Task Group (including representatives from the BTCMB and Council officers) appointed The Mosaic Partnership Ltd (BID consultancy) to undertake the first stage of the process.
- 1.3 The Bury BID Feasibility Study was carried out between October 2018 and February 2019 and involved an assessment of business and town centre data and the analysis of business views.
- 1.4 The study concluded that a BID could be a viable option for Bury Town Centre and could generate funds ranging from around £348,000 to £425,000 per annum to support business-led activity in the BID area (based on a BID Levy rate of 1.5% and BID boundary options focusing on the main town centre).
- 1.5 The Feasibility Report recommendation is to proceed to the full BID Development and Campaign Phases which will include in-depth business/stakeholder consultation to develop the BID Business Plan and BID Proposal, followed by a BID Campaign and BID Ballot. It is during this next stage that the BID Boundary, BID Levy Rate and any payment threshold/exclusions will be agreed and finalised.
- 1.6 At the BTCMB meeting on 24 May 2019, the members formally agreed to act on the BID Feasibility Report recommendations to proceed and are now looking for formal support from Bury Council.
(An overview of the report findings and recommendations can be found in the BID Feasibility Report Summary - Appendix 1)

2. ISSUES

2.1 BID Development and Campaign Phases

The following support is required from The Council to deliver the next phases of the BID process

- 2.1.1 **Officer Time** - The BID process is led by BTCMB but council officer support (SPED) has already been committed as part of the BID Loan Fund application. This has been estimated at around one day a week but it is recognised that an additional level of officer time may be required at key stages of the process.

- 2.1.2 **BID Ballot/BID Ballot Costs** - Under BID legislation the Local Authority is required to manage the BID Ballot and cover the costs, estimated at £5000.00.
- 2.1.3 **BID Baseline Agreement** - A detailed schedule of existing Bury Council services (in the BID area) will need to be developed covering relevant services e.g. Street Cleansing, Street lighting etc
- 2.1.4 **BID Operating Agreement** - Bury Council will be required to manage the billing and collection of any BID levy and will need to hold the levy in a ring-fenced revenue account on behalf of the BID body. An operating agreement will need to be produced to set out how this will be carried out.
- 2.1.5 **Approval of the Formal BID Proposal** - The BID proposer (BTCMB) is required to develop a full BID Proposal and submit this to the local authority, along with the detailed business plan. The Council's role will be to assess the proposal against set criteria with sign off via formal council procedures.
- 2.1.6 Local authorities do have the power to veto a BID proposal if they are of the opinion that the BID arrangements are likely to conflict to a significant extent with an existing policy or be a significantly disproportionate financial burden across the BID area.
This is unlikely to be the case as the BID Development process in Bury will aim to ensure that the BID proposal does not conflict with existing policy and that the various elements of the BID e.g. BID Levy charges are fairly applied. (For further information regarding the role of the Local Authorities please see the attached document – BID Technical Guidance for Local Authorities).
- 2.1.7 To help to ensure that the BID Development timetable is met, that Delegated Powers for detailed decisions be given to the Regeneration Portfolio holder.

2.2 Setting up the BID

Should the BID Ballot return a 'Yes vote' and a Bury Town Centre BID is introduced the council will also be required to -

- 2.2.1 **Pay the annual BID Levy on all council properties** - (excluding those occupied by a third party). Based on the BID Feasibility Study this is currently estimated at approximately £34,000 per annum. Please note the level of BID levy charged, the BID area and any exclusions (based on sector or location) would be revised/finalised as part of the BID Development Stage.
- 2.2.2 **Manage the annual BID Levy collection** - under BID legislation the council is required to collect and recover the BID levy on an annual basis. Reasonable administration costs could be re-charged to the BID Management Company. At set-up, additional software will be required by Business Rates (estimated £20,000 plus an annual licence fee of around £3,300). Costs for this can be re-charged to the BID Management Company.

2.2.3 **The BID Management Company and BID Board** - A 'Yes vote' will see the establishment a BID Board and BID Management Company, normally a 'not for profit' organisation which appoints a BID manager to deliver the agreed business plan. In some locations the local authority has a seat on the BID Board.

3. CONCLUSION

It is recommended that Bury Council:

- 3.1 Supports the BTCMB decision to proceed to the BID Development and Campaign Phase of the BID process and provide the officer time required to support the process.
- 3.2 Allocates the budget required to cover the council's financial obligations as follows
 - **BID Ballot** - Estimated at £5000.00. (The ballot date likely to be early 2020).
 - **BID levy** - currently estimated at £34,000 per annum, for a period of 5 years in the first instance (5 years is the maximum life of a BID before a further ballot is required).
- 3.3 Following a 'Yes Vote' provides the financial and officer support required to set up the BID and to cover The Council's ongoing administrative role as set out in the report.
- 3.4 That Delegated powers for detailed decisions be given to the Portfolio holder.

List of Background Papers:-

Appendix 1: Bury Town Centre BID Feasibility Report Summary

Contact Details:-

David Fowler- Assistant Director of Localities