

SCRUTINY REPORT



MEETING: Overview and Scrutiny Committee

DATE: 1st November 2022

SUBJECT: Bury Business Improvement District (BID)

REPORT FROM:

Councillor Eamonn O’Brien (Leader of the Council and Cabinet Member for Strategic Growth and Skills)

CONTACT OFFICER:

Sarah Porru (Assistant Director Regeneration Delivery [Economy & Business])

1. BACKGROUND

1.1. Business Improvements Districts (BIDs)

- 1.1.1 BIDs were first introduced in England and Wales through the Local Government Act in 2003 and there are over 300 currently operating across the UK, including Preston, Blackburn, Stockport and Altrincham and Rochdale in the North-West.
- 1.1.2 BIDs are business-led initiatives that aim to improve the economic prospects of a defined area through the delivery of short, medium, and long-term projects and initiatives that have been identified in consultation with the local business community.
- 1.1.3 BIDs are principally financed through a small, compulsory annual levy (from 1% to 2%) of the annual rateable value of businesses within the defined BID area. Monies secured are ring-fenced to support projects to improve the BID area as set out in a BID Business Plan.
- 1.1.4 Regulations require that BID funds are spent on new or expanded services and works that are over and above those provided by the local authority and that the proposed activity is set out in a BID Business Plan which acts as a manifesto for the creation of the BID.
- 1.1.5 To form a BID, businesses that are eligible for the annual levy (and are within the defined area) are asked to vote for or against a BID proposal via a confidential postal ballot. Eligible business premises (or hereditaments) receive one vote per hereditament. To establish a BID, it is necessary for 51% or more of voting business ratepayers in the proposed area (in terms of both absolute numbers

and rateable value) to vote in favour. Where a 'Yes' vote is returned, a BID Company is then established to deliver the BID. A BID can last up to 5 years and a further successful ballot is required for the BID to continue beyond that.

1.2. The Bury BID

- 1.2.1 In 2018, in recognition of the obvious benefits that a BID would bring to Bury town centre, including the opportunity to support business and grow the local economy, Bury Town Centre Management Board (BTCMB), with support from the Council secured a £36,000 loan from the MHCLG (now DLUHC) BID Loan Fund. The loan, along with match funding from the Council (£10,000) and BTCMB (£3,000) was used to appoint a BID consultant (Mosaic Partnerships Ltd) to undertake a BID Feasibility Study.
- 1.2.2 Following a period of business engagement and an assessment of business/town centre data, it was concluded that a BID could be a viable option and would potentially generate between £348,000 to £425,000 per annum to support business-led activity (based on a BID Levy of 1.5%). On the basis of the findings, the BTCMB took the decision to develop a full BID proposal.
- 1.2.3 In July 2019, Bury Council (as a key stakeholder, levy payer and having a statutory role in the BID process for undertaking the BID ballot and collecting the annual BID levy) took a paper to Cabinet that noted the BTCMB's decision to proceed to the full BID development and approved in principle, the associated BID costs to the Council.
- 1.2.4 Subsequently, the Bury BID Task Group that represented a range of stakeholders/sectors was formed and supported the BID consultant to develop a draft Bury BID Business Plan. Unfortunately, in March 2020 due to the impact of the Covid-19 pandemic, a decision by the BTCMB was made to pause further development of the BID. The process recommenced in May 2021 and work continued to develop the final business plan (appended to this report – Appendix 1)
- 1.2.5 The decision for the Council to support the final BID proposal (Business Plan) was taken at Cabinet in December 2021. The BID model will therefore help to deliver the Council's ambitions for Bury town centre and the town centre businesses, will create a strong/effective partnership approach and will be complimentary to the regeneration and development work of the Council, particularly linking to the implementation of the Bury Town Centre Masterplan and the emerging Economic Development Strategy that will support inclusive economic growth.
- 1.2.6 In particular the BID will: -
- Help to enhance and promote the town centre to visitors, residents and investors by generating additional resources to support activity that would otherwise not

be delivered, and which would work alongside the Council's own investment in the regeneration programme.

- Help to deliver key Council ambitions, such as those expressed through the 'Let's Do It' Strategy.
- See the establishment of a Town Centre Management function for the BID area including a BID Manager and associated staff to provide an onsite resource for businesses and town centre users.

1.2.7 A BID ballot took place in March 2022 and returned a 'Yes vote' by both number and rateable value. On this basis the Bury BID Company was formally established in July 2022 and will be in place until 2027 when a further ballot will be required.

2. CURRENT POSITION/NEXT STEPS

2.1 BID Governance and Management

2.1.1 The BID will be governed by an independent, BID Company (not-for-profit company, limited by guarantee). The BID Company Board will have up to 15 directors made up of representatives from BID levy paying businesses. Additional non-levy paying members may be co-opted onto the Board, as required. The BID Board will serve voluntarily (without payment) and will comprise of business representatives that reflect the sectoral make-up of the BID area. The Board will be directly accountable to BID levy payers. Members of the BID Task Group have acted as an interim BID Board to establish the BID Company; full elections to the Board will take place once the BID is fully operating/processes are established.

2.1.2 A BID Manager, employed by the BID Company, will undertake the day-to-day management of the BID activity, including developing and delivering the BID Business Plan and providing a town centre management function focused on the BID area. An experienced interim BID Manager has recently been appointed who will ensure the delivery of priority activity/quick wins to support the town centre businesses. This post will also provide a vital resource in setting up the BID and recruiting the wider BID Team e.g., a BID Executive to provide day to day support and a team of Town Centre Hosts.

2.2 BID Business Plan

2.2.1 The Bury BID Business Plan (Appendix 2) sets out the key themes and high-level projects identified through the BID development process. These projects will be refined and developed by the BID Board and BID Manager but as such, they are:

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- **Marketing, Promotion and Events:**

- Destination and local marketing campaigns to promote the town and BID businesses.

- An annual events programme to raise the profile of the town centre and drive footfall and spend.
- **Improved Safety & Cleansing:**
 - Town Centre Ambassadors/Hosts - to provide a town centre presence, deterring shoplifting and antisocial behaviour and promoting the town by welcoming visitors.
- **Access and Facilities:**
 - Review of existing wayfinding and signage upgrades.
 - Car parking and public transport initiatives.
- **Business Support:**
 - An influential lobbying group, working on behalf of businesses.
 - Provide real support, particularly to small businesses through centralised procurement of services.
 - A Town Centre Manager for the BID area acting as one point of contact.

Projects which will attract footfall and reduce business costs have been identified as priorities.

2.3 Bury Council's Role and Responsibilities

2.3.1 BID Ballot

Local Authorities have a statutory duty to undertake the BID ballot on behalf of the BID proposer. Civica were engaged by Bury Council to manage and deliver the ballot process in March 2022.

2.3.2 Collection of the BID Levy

Collection of the BID Levy/Operating Agreement - Under BID legislation the local authority has responsibility for the collection and recovery of the BID levy on an annual basis and this will be undertaken by Revenues and Benefits. An Operating Agreement between the Council and the BID Company sets out the billing date, costs for the levy collection service, details of the BID levy to be charged and agreements around collection of any outstanding monies.

2.3.3 BID Levy Payments

As with other organisations and businesses the Council is liable to pay a BID Levy (1.5% of rateable value) on each of its hereditaments where business rates are payable. For Bury Council this will be in the region of £47,000 per annum. This funding, as part of the BID funds, will be used to deliver town centre initiatives to support Bury town centre.

2.3.4 Membership of the BID Board

As a BID levy payer, the Council will be eligible for a place on the BID Board. This responsibility will be undertaken by the Executive Director of Place.

2.3.5 BID Levy Advance

New BIDs often receive support from their local authority via a BID Levy Advance. This is where funds are advanced to the BID Company to help with the

initial BID setup and enable the early delivery of key projects. Equivalent funds are then retained by the local authority once the BID Levy has been collected. Bury Council are supporting the Bury BID with an initial release of funds to Bury BID

2.3.6 **UK Shared Prosperity Fund (UKSPF)**

A funding allocation of £129,000 has been included in Bury Council's UKSPF submission under the Communities and Place intervention priority. This amount will be matched against BID funds to support the delivery of activity in support of Bury town centre between 2022 and 2024.

3.0 CONCLUSION

The BID will be a key town centre stakeholder and will play an important role in the ongoing development and success of Bury town centre. The Council will continue to work closely with the Bury BID to ensure a strong and coherent approach to town centre regeneration.

List of Background Papers: -

- Appendix 1: Bury BID Business Plan

Contact Details: -

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Executive Director sign off Date: _____

JET Meeting Date: _____

Appendix 1
Bury BID Map

