

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 12 July 2022

TITLE	Business Improvement Districts		
Ward(s)	Citywide		
Author: Jason Thorne	Job title: City Centre & High Streets - Service Manager		
Cabinet lead: Cllr Cheney, Deputy Mayor; City Economy, Finance & Performance	Executive Director lead: Stephen Peacock, Executive Director Growth and Regeneration		
Proposal origin: BCC Staff			
Decision maker: Mayor Decision forum: Cabinet			
Purpose of Report:			
<ol style="list-style-type: none"> 1. To provide information on the Business Improvement Districts (BIDs) in Bristol and to seek the agreement of Cabinet to the renewal of two BID arrangements 2. To seek delegated authority for a number of BID related matters 3. To approve payment of BID levy income to relevant BID companies 4. To note the position of the council as a levy payer within the BIDs, and delegate the voting and payment responsibility to the Chief Executive 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Business Improvement Districts (BIDs) are defined geographical areas where local businesses/other occupiers (including public sector bodies such as local authorities) have voted in a ballot to pay an additional levy on their business rates during the course of a fixed term (no longer than five years). The funds raised from the levy enable the BID to deliver projects that fulfil aims and objectives determined in a proposal, developed through a consultation process with potential levy payers prior to a ballot taking place. BID activities must be additional to those provided by a local authority. 2. Legislation enabling the formation of BIDs was passed under the Local Government Act 2003, specifically the Business Improvement Districts (England) Regulations 2004. The council has been involved in BIDs since their inception, with the development of Broadmead BID as one of the country's original ten pilots. 3. There are currently 5 BIDs in Bristol. These are Bedminster, Broadmead, Bristol City Centre, Clifton Village and Redcliffe & Temple. Collectively they raise additional income of over £2,338,000 per annum and represent around 2,000 businesses/organisations. See Appendix A. In recognition of their overall positive contribution to the city's economy, and as effective vehicles for representing the businesses in their respective areas, provided their activities do not contravene its policy, the council has voted yes in previous BID ballots. 4. City Centre and Clifton Village BIDs are each going to ballot for a further five year term in September 2022; if successful both will begin their respective new terms on 1 November 2022. A summary for these two BIDs is provided below: 			

City Centre

5. Bristol City Centre BID is administered by Visit West (the Destination Management Organisation for the region, for which the council is a partner) and began its first five year term in 2017. During this time the BID has developed a strong working relationship with the Council and has successfully delivered a range of high profile projects (examples include the Light Festival and supporting Bristol Nights). The BID has also been pivotal in helping the city's economy recover from the pandemic through such initiatives as the #LoveBristol and #BristolTogether campaigns, the latter incorporating Hearts in the Parks.
6. Officers within Economic Development (City Centre & High Streets team), Business Rates and Finance have reviewed the BID renewal proposal for 2022 to 2027 to ensure there are no conflicts with the council's formal adopted policies, checked the financial arrangements and ensured that there is no significantly disproportionate financial burden on any person or class of persons.
7. Proposal themes: Enhancing (including delivering projects that attract investment); Promoting (delivering campaigns, events and activations); Protecting (investing to challenge and reduce crime and anti-social behaviour); and Supporting (including acting as a single point of contact so as to support the business community). See Appendix A for further detail.
Year of establishment: 2017
Number of levy payers: 700 approx
Levy income predicted: £1,000,000 pa
Number of BCC properties/levy payments: 16/£40,000 pa (due to cap for any single legal entity).

Clifton Village

8. Clifton Village BID was established in 2012 and is administered by BID Clifton Village Ltd, a not-for-profit company. The BID has already gone through one subsequent successful ballot in 2017 which suggests it has proved its value as a representative body for the area's businesses. It is the smallest of the city's existing BIDs and maximises its impact by focusing on events such as Christmas light switch-ons, marketing the area and green initiatives such as floral displays.
9. Proposal themes: Help promote local business (via social media etc); Continue to be a collective voice regarding local issues (transport, waste management etc); Promote Clifton Village (via a marketing plan etc); Specialist events and activities; Building relationships (strengthening connections between BID members); Provide a 'one stop shop' (recognising the range of local businesses in Clifton Village). See Appendix A for further detail.
Year of establishment: 2012
Number of levy payers: 245 approx
Levy income predicted: £83,000 pa
Number of BCC properties/levy payments: 3/£501 pa

Local Authority Role and Responsibilities

10. BID regulations, supplemented by technical guidance and best practice documentation, set out the role and responsibilities of councils in relation to BID development, holding a ballot and collection of the levy.
11. **BID Development** – providing information to inform feasibility and consultation, producing a baseline statement and agreeing the proposal to ensure there are no conflicts with its policies and ensure that it is focused on additionality (activities that public authorities aren't delivering or have a statutory duty to provide).

12. **Ballot** – the council has a statutory duty to hold a ballot and cover any costs associated with this (as with normal elections), except where less than 20% of the number of persons entitled to vote in the ballot vote in favour and the proposals were not approved in the ballot, in which case the council may require the BID to pay the costs of arranging and holding the ballot.

13. **Levy Collection and Disbursement** – BID regulations require that the council be the mandatory body to administer collection and disbursement to the BIDs of the levy via the business rates system, meaning that the business rates/national non-domestic rates team within the Revenues and Benefits Service administer, bill, collect, and recover the levy according to an individual BID's Operating Agreement and levy rules – determined between the council and each respective BID – and the relevant legislation. The costs of collection are deducted before the levy is transferred to the BID.

The annual billing period in Bristol runs from 1 November to 31 October, and liable businesses are required to pay their levy in one single payment. Recovery will be taken in accordance with legislation and council financial regulations. Budgets will be adjusted to reflect the levy income being passported back out as expenditure in respect of the BIDs to the BID bodies.

14. **Voting in the Ballot** – in addition to but separate from its statutory function in BID administration, if it has property within a BID area the council (as is the case with other public sector organisations) is entitled to vote in respective ballots (one vote per property/hereditament). For BID ballots the Chief Executive is the named voter on behalf of the Council. In recognition of their overall positive contribution to the city's economy, provided their proposed activities do not contravene council policy, council officers recommend that the Council votes yes in BID ballots.

15. **BCC as a Levy Payer** – the council must pay the levy for properties/hereditaments within the BID areas where it the liable party for Business Rates.

16. **Relationship Management** – through the Economic Development team within the Council one point of contact for the BIDs has been established, enabling more cohesive relationship management and cooperation between Council teams and BIDs.

17. **BID Boards** – oversee and monitor the strategic direction, financial management and performance a BID. The Boards are made up of representatives of levy payers and various business sectors. Council officers attend BID Board meetings as observers where invited. Some of the BIDs include ward Councillor representation.

18. **Operating Agreements** – the council will enter into agreement with the BID operators regarding the operation of the respective BIDs, how the levy will be collected, approach to enforcement and approach to termination of a BID etc and other matters related to the operation of the BID and the exchange of information. A draft agreement will be available for voters to view before the ballot.

Cabinet Member / Officer Recommendations:

The Cabinet:

1. Approve the proposal for the renewal of the City Centre BID in accordance with the Business Improvement Districts Regulations 2004 (the Regulations) (including considering any conflict with any formal adopted policy of the Council and managing the ballot process) as outlined in this report.
2. Authorise the Executive Director for Growth and Regeneration in consultation with the Cabinet Member for City Economy, Finance and Performance to take all steps required to consider the proposal for the renewal of the Clifton Village BID in accordance with the Business Improvement Districts Regulations 2004 (the Regulations) (including considering any conflict with any formal adopted policy of the Council and managing the ballot process) as outlined in this report.
3. Authorise the Chief Executive (subject to the consideration of the BID proposals as required by the Regulations) to vote on behalf of the Council in BID ballots.
4. Approve the transfer of all levy monies as required over the 5 year BID term period as per the regulations.

5. Note that, subject to a “yes” vote at ballot:
 - a. the council will act as the relevant billing authority and will manage the billing and collection of the levy, and its transfer to Visit West and Clifton BID Company; and
 - b. the council will meet the council’s obligations in paying the BID levy, as a non–domestic ratepayer in the BID areas, in accordance with the BID regulations over the life of the BIDs.
6. Authorise the Head of Service for Revenues and Benefits to take all steps required to agree (including any amendments as required) and enter into Operating Agreements with Visit West and Clifton BID Company.

Corporate Strategy alignment:

1. BIDs help deliver priorities:
 - Our Economy and Skills Priorities – supporting local businesses, high streets and the night time economy
 - Community Participation – we want people to live in well-designed neighbourhoods where local high streets are thriving and supporting local economic wealth

City Benefits:

1. BIDs create collaborative working amongst businesses, the public sector and other sectors to improve an area for the benefit of businesses, residents and visitors. In this sense the council’s relationship with BIDs can be said to epitomise the One City approach recognising that collaboration across sectors – in this case the city’s business community – will help to reduce inequalities in society

Consultation Details: Head of City Centre BID met with Cllr Cheney Deputy Mayor; City Economy, Finance & Performance and Mike Jackson, Chief Executive to discuss their proposal on 13 June 2022

Background Documents:

[The Local Government Act 2003, specifically the Business Improvement Districts \(England\) Regulations 2004.](#)

Revenue Cost	£40,501 per annum for levy, subject to successful ballots (City Centre & Clifton BIDs)	Source of Revenue Funding	Property (Business Rates related)
	£6,000 estimated one off ballot costs (for City Centre & Clifton BIDs)		Economic Development
Capital Cost	£	Source of Capital Funding	
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: This report recaps on Bristol’s Business Improvement Districts and brings focus to the City Centre and Clifton BIDs which are currently seeking to renew for further 5 year terms. The report goes on to request a number of delegated authorities linked to the levying and distribution of these levies to the BIDs.

Levy and distribution is to be managed at no detriment to the financial position of the Council.

Appendix A sets out to a lower level of detail the business plan themes for each of the 2 BIDs covered in this report and the selection and validation process followed by the BIDs to deliver projects.

The Economic Development service revenue budget will cover one-off ballot costs of £6k and the Property service Revenue budget will cover the cost of BCC’s own properties which are subject to annual levies totalling £41k.

Finance Business Partner:

Jemma Prince, Finance Business Partner, 23 June 2022

2. Legal Advice: Business Improvement Districts are established pursuant to the powers set out in Section 41 Local Government Act 2003. The report sets out the process, and details the decisions required. Government guidance recommends that BID arrangements between the Local Authorities and the potential BID administrators (i.e. the draft Operator Agreement) should be shared with any BID members who have the right to vote on the inception of the BID, i.e. during the balloting period. This would in effect validate the BID arrangements, by way of consent, by allowing any BID members who are canvassed to have sight of the proposed BID arrangement when determining how to vote. There have been concerns about what information is being shared with the BID Operator and following this approach will help address this issue.

Legal Team Leader:

Eric Andrews, Team Leader – Legal Services, 27/05/22

3. Implications on IT: I can see no implications on IT in regards to this activity.

IT Team Leader: Gavin Arbuckle – Head of Service Improvement and Performance, 25/05/22

4. HR Advice: There are no HR implications evident.

HR Partner: Celia Williams, HR Business Partner – Growth and Regeneration, 26/05/22

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO