

Committee:	Delegated Authority lies with Cabinet Member	Date:
Title:	Saffron Walden Business Improvement District	18 May 2018
Portfolio Holder:	Cllr Howard Ryles – Economic Development Portfolio Holder	
Report Author:	Roger Harborough Director of Public Services 01799 510457	Key decision: No

Summary

1. The Saffron Walden Business Improvement District (SWBID) Steering Group established in 2017 by the Saffron Walden Town Team is leading on the development of a potential Business Improvement District (BID) in Saffron Walden. The District Council has a role in the consideration of a BID and if established its operation.
2. The SWBID Steering Group recently made the decision to take its proposal for a BID to a ballot of all businesses in the designated Saffron Walden BID area.
3. The Council has commissioned Electoral Reform Services to conduct the ballot on its behalf.
4. The Council has a number of additional responsibilities, outlined in the Government's Technical Guidance for Local Authorities. These include:
 - a. Provision of Baseline Service Statements
 - b. Input into an Operating Agreement with the SWBID
 - c. Holding BID Business Plan and Proposals for scrutiny by local businesses from the BID area during the ballot.
5. This report relates directly to the Baseline Service Statements and Operating Agreement.
6. A further report will be presented when the SWBID Business Plan and BID Proposals are available w/c 21 May 2018.

Recommendations to Cabinet Member

- 7a. To agree the content of the draft Baseline Service Statements for Car Parking, Street Services and Environmental Health relating to the Saffron Walden Business Improvement District (SWBID).
- 7b. To agree the content of the draft SWBID Operating Agreement.
- 7c. To agree to the publication of the above mentioned documents on the SWBID website and for officers to make them available for scrutiny by local businesses

throughout the BID ballot period at the Council Offices, London Road, Saffron Walden CB11 4ER.

8. Reason

- a. The Council has a responsibility to complete and provide Baseline Service Statements to the Saffron Walden BID, to ensure that services the BID provides are additional to those currently being delivered by the Council.
- b. The Council has a responsibility to collect the SWBID Levy and must agree an Operating Agreement which sets out the terms of the relationship between the Council and the SWBID Company relating to the collection of the BID Levy.

Financial Implications

- 9. It was agreed by Chief Officer Management Team on 29 November 2017 that:
 - a. The SWBID would not be charged for any internal costs to cover the set-up of systems to collect the BID Levy
 - b. The SWBID would be charged 3% of billed BID Levy to cover the costs of collection. This is in line with The National BID Criteria 2018 as a maximum fee payable to a local authority for collection of the BID Levy.

Background Papers

10. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Technical Guidance for Local Authorities
The 2018 National BID Criteria

Impact

11.

Communication/Consultation	Businesses were widely consulted in the preparation of the BID Proposals.
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	UK Government legislation covers BID development.

Sustainability	N/A
Ward-specific impacts	The defined SWBID area lies within Saffron Walden Audley ward.
Workforce/Workplace	UDC staff in Economic Development, Environmental Health, Street Services, Finance, Revenues and Legal have all been involved in the preparation of the documents covered by this report.

Situation

12. Background of SWBID Proposal

13. In 2015 the Economic Development Team researched models for sustainable town centre support and identified that BIDs were proving successful in many parts of the UK. The potential development of BID in Saffron Walden was included in the Economic Development Strategy 2016 – 18, which was approved by Cabinet in early 2016.

14. What is a BID?

15. There was a need to develop a long term sustainable model for delivering effective town and city centre management. This was necessary as town and city centre partnership had depended on voluntary funding which could not be guaranteed. Legislation covering the establishment of BIDs in England and Wales was passed in 2003 with subsequent regulations passed in 2004 and 2006.
16. The first UK BID was established in 2005. There are 300 active BIDs in the UK. Some are now in their third term.
17. A BID is a legal entity, a separate company, a business-led and non-profit organisation, established for a maximum of 5 years. It covers a defined geographical commercial area which varies in shape and size. Within the BID businesses vote to pay a levy for the delivery of projects and services to improve their trading environment. These services must be additional to those being delivered by the public sector agencies.
18. A BID Business Plan, produced before the BID Ballot sets out the projects and services to be delivered if the BID is established. The BID legislation states that the BID will only be established after a 28 day postal BID Ballot. A positive BID ballot result requires a positive vote from a simple majority of those who vote, and that the total rateable value of the yes vote is greater than the total rateable value of the no vote. This double trigger ensures that the vote is representative of businesses of all sizes.

19. The BID Levy is collected by the local authority and passed to the BID Company. An Operating Agreement is drawn up by the local authority and the BID Company to agree the method and process for collecting the BID Levy.
20. Local authorities draw up Baseline Service Statements of services being delivered from public funds. BIDs are only allowed to deliver additional services to those currently being delivered.

21. Potential BID in Saffron Walden

22. The Saffron Walden Steering Group, established by the existing Saffron Walden Town Team in 2017, is leading the development of the BID, chaired by the Manager of Waitrose.
23. Cllr Redfern is a Steering Group Member representing UDC.
24. Proposed number of hereditaments in Saffron Walden BID which would be eligible to pay the BID Levy would be 280, compared with the national median of 408 hereditaments.
25. Saffron Walden BID Steering Group are proposing that a BID Levy of 1.5% is payable on all businesses with a rateable value of £5,000 or more. This would result in a total BID Levy of approximately £95kp.a., which is well below the national median BID Levy of £255kp.a.

Role of the Local Authority

26. In March 2015 the DCLG issued "Technical Guidance for Local Authorities" in which they advised on a range of issues that need to be addressed by the local authority in relation to BIDs. This is available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415990/BIDs_Technical_Guidance.pdf

27. The local authority responsibilities include:
 - a. Veto of BID Proposals - the local authority should satisfy itself that the BID proposals do not conflict with any existing local authority policy such as the Local Plan; or propose a disproportionate burden on particular businesses. It is recommended that the BID Proposals are checked prior to the ballot to minimise the risk of having to veto after the ballot.
 - b. Submission of BID Proposals - the local authority should be satisfied that the submission from the BID Proposer meets the Regulations. It is likely that this information including details of consultation and arrangements for financial management are included in the BID Business Plan.
 - c. Contents of the BID Proposals - the local authority must check that the BID Proposals include all of the details included in the Regulations

including a description of the geographical area, a statement of baseline services, details about the BID Levy etc.

- d. Role as Service Provider (Baseline Agreement / Baseline Statement of Service) - the BID Regulations require a statement of the existing baseline services be provided by the local authority or any other public authority in the proposed BID area. The statement forms part of the BID proposals which demonstrate to businesses voting for the BID that the proposed BID services are additional to the baseline services provided by the public authorities.

It is best practice for a baseline agreement to be approved at the start of the BID's term which sets out baseline services and services to be provided by the BID.

It is unrealistic for local authorities to commit to specific service levels for the full five year term of the BID. The BID Proposer and local authority need to agree a process for reviewing the baseline agreement and best practice suggests an annual commitment to review and if necessary update service levels to reflect the services each will provide the following year.

Where a change in the baseline services provided by the local authority results in the BID having to alter the BID arrangements, it may need to hold an alternation ballot before it can do so. Changes can be made without a ballot but only if the original arrangements contain provision to this effect and only where the change would not alter the geographical boundary of the BID, increase the levy or cause anyone to pay the levy who had not previously been liable.

- e. Collection of BID Levy (Operating Agreement) - the local authority is required to manage the collection and enforcement of BID Levy charges. Chief Officer Management Team on 29 November 2017 considered a report on the costs and internal processes of the Council's role in the collection of the BID Levy.

It was agreed that the SWBID would not be charged for any internal costs to cover the set-up of systems to collect the BID Levy; and that the SWBID would be charged 3% of billed BID Levy to cover the costs of collection. This is in line with The National BID Criteria 2018 as a maximum fee payable to a local authority for collection of the BID Levy.

The BID body and local authority will establish an Operating Agreement to define the principles and processes for collecting the levy, enforcing the payment of the levy, reporting on collection and bad debt, monitoring provisions between the BID and local authority and providing regular detailed and summary information on the service to the BID as client.

Best practice suggests that a draft arrangement between the authority and BID should be available for scrutiny by businesses during the ballot period.

- f. Role of Ballot Holder - the timetable for the ballot is defined in the BID Regulations. A Notice of Ballot must notify all voters 42 calendar days before the Ballot Day (which is last day of 28 day postal ballot).
- g. Creating the Voter List - the local authority is required to create a voter list in readiness for the ballot. The voter must be an eligible ratepayer who will be liable to pay the BID Levy and that the address to which the ballot paper must be sent can be the address of the hereditament within the BID area or their principal place of business. In practice this list is developed by the Bid Steering Group throughout the development process as they attempt contact all local businesses and identify the name of the decision-maker within the business.
- h. Managing Changes to the List - the local authority should ensure the Voter List corresponds with the rating list update from the Valuation Office Agency closest to the date of Notice of Ballot.
- i. Ballot Principles - the ballot is run as a secret ballot and the BID Proposer will not be notified of which way the votes have been cast at any stage. However, the BID proposer can be advised of which ballot papers have been received.
- j. Ballot Materials - there are two sets of documents prepared for the ballot, the first set must be created and issued in line with the Regulations, while the canvassing and campaigning materials proposed by the BID proposer are not dictated by the Regulations.
- k. Ballot Documents - the local authority will send out the following:
 - i. Notification to the Secretary of State at least 42 days before Ballot Day (the day the ballot closes), confirming that the Notice of Ballot has been issued.
 - ii. Notice of Ballot and covering letter to those entitled to vote.
 - iii. Ballot Paper
 - iv. Ballot Statement – an impartial and factual document which provides an explanation of the BID arrangements and the ballot arrangements.
- l. Best practice suggests two additional documents, which are:
 - i. Statement of existing baseline services
 - ii. Draft Operating Agreement.

- m. Notification of Ballot Outcome - the Regulations require that as soon as is reasonably practicable after the ballot, the ballot holder should arrange for a public notice to be given of the outcome of the ballot.
- n. Declaring a Ballot Void - there is a 28 day period immediately after the result announcement during which a request to the Secretary of State to declare the ballot void can be made. The request can be made by either the BID Proposer, at least 5% of the voters or the local authority. If the Secretary of State declares the ballot void then a re-ballot must be made.
- o. Termination Procedures - the local authority has a role in pursuing termination procedures in the event that the BID has insufficient funds and/or is unable to deliver the services.
- p. The council on behalf of SWBID Steering Group has commissioned the Electoral Reform Services to undertake the ballot.

28. Timeline for the SWBID Ballot

- a. The timeline for a SWBID ballot is:
 - i. End of Challenge period (28 days from Ballot Date) July 27th
 - ii. Count and Declaration July 2nd
 - iii. Ballot Day (voting closes at 5pm) June 29th
 - iv. Deadline for replacement of lost or spoiled ballot papers June 25th
 - v. Deadline for proxy cancellations June 23rd
 - vi. Deadline for proxy nominations 5pm June 18th
 - vii. First Day of Ballot period June 1st
 - viii. Issue Notice of Ballot & Final Date for Publishing Business Plan (42 days before Ballot Day) May 17th

Risk Analysis

29.

Risk	Likelihood	Impact	Mitigating actions
No risk	N/A	N/A	1. N/A.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.