

RURAL, ECONOMIC AND ENVIRONMENTAL AFFAIRS COMMITTEE

7 SEPTEMBER 2011

REPORT OF THE HEAD OF COMMUNITIES & NEIGHBOURHOODS

BUSINESS IMPROVEMENT DISTRICT - UPDATE

1.0 PURPOSE OF THE REPORT

- 1.1 To update on the BID project and to seek nomination from members to the Melton BID Board.

2.0 RECOMMENDATION

- 2.1 That members note and comment on the BID update and draft papers.
- 2.2 That members nominate a member to the Melton Mowbray BID Board.

3.0 KEY ISSUES/BACKGROUND

- 3.1 A BID is a partnership which unites and empowers businesses, within a specific area, to decide what additional improvements would benefit the trading environment of their town. It is a means of delivering projects and services above and beyond those currently delivered by public agencies. The Melton Mowbray BID can generate a total investment of over £645,000 for the town, over a five year period. Businesses within the BID area would pay an annual levy of £129,000, with a levy of approximately £7,000 per annum, payable by Melton Borough Council.
- 3.2 At a time of economic uncertainty, the BID may generate invaluable income for the town and enhance the vitality and viability of Melton Mowbray's town centre.
- 3.3 The BID ballot was undertaken during May and June and the outcome was announced on 21 June 2011. The outcome was as follows:

Turnout 39%
59% in favour by yes vote
62% by RV.

A copy of results from the electoral reform is attached as Appendix A

- 3.4 Mobilisation discussions have commenced with the 'shadow' BID board and the council is currently considering a number of draft documents that relate to the working relationship between the Council and the Melton Mowbray BID, these are appendixes B-D as follows:

BID Briefing Note- Appendix B

Draft BID levy Operating Agreement template- Appendix C

Memorandum of Association/Articles of Association Appendix D

- 3.5 One of the issues for consideration is the timing of the levy collection, as this could be aligned to the annual NNDR collection timetable or alternatively (and probably preferred –separate). Should the levy collection commence before April 2012, then a supplementary estimate may be required to meet the council's BID levy contribution (approx £3,500 for the ½ year). The current options for consideration are:

- Levy invoice for ½ year in October and then in line with NNDR collection timelines
- Levy invoice for full year in October and the timeline for the BID levy collection is October – September.
- An alternative arrangement is agreed to cover the BID costs for 2011-12 and the levy collection begins in March 2012 for the 2012-13 period and annually thereafter.(e.g. loan)

3.6 The 'shadow' board will be conducting an election process to determine 'business' members to the board, whilst seeking council representation to the board as well. Due to the complexities of voting percentages the local authorities should not have more than 20% of the total number of members or their representatives voting. Current indications are that there will be 15 members to the Melton Mowbray BID Board, therefore the council may have 2 members to the board, which will be a senior officer (Head of Communities & Neighbourhoods) of the council and a member, therefore members are asked to nominate the council members to the Melton Mowbray BID.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Melton Borough Council will be required to collect the BID levy on behalf of the BID Company. The full cost of this will be reimbursed to Melton Borough Council.

4.2 The BID has the potential to impact on visitor footfall into the town and business confidence. This is linked to the council's corporate plan and priorities around the 'Place'.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The proposed BID levy in Melton Mowbray is 1.5% of the rateable value, with additional banding for all those businesses with a rateable value of £6,999 and under. This will generate a total levy income for the town of £645,000 over a five year period. The Melton BID will also seek to source additional income through grants and sponsorship, to supplement the BID income and generate greater added value for businesses within the BID area.

An indication of levy costs is detailed below:

Rateable Value of Property	Annual BID levy (1.5%)
£6,999 and under	£100 (minimum rate)
£7,000	£105
£10,000	£150
£25,000	£375
£50,000	£750

5.2 As a business falling within the BID area Melton borough Council is eligible for a vote. The table below details the Rateable Value and BID levy of all Melton Borough Council properties within the BID area. Based upon current occupied and vacant units, MBC's total RV is **£462,800**. The total BID levy payable therefore by Melton Borough Council, based upon 1.5% and banding, will be **£7,034.50** per annum. This is based upon the NNDR list as of April 2010.

TOTAL	£462,800	£7,034.50
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- 5.3 An important consideration will be the **new Parkside** offices. The estimated RV of the new site will be **£205,000**, with annual BID levy of **£3,075**. This will replace the current RV on Burton Street for the MBC car park and station yard of **£29,100** (current BID levy of **£463.75**).
- 5.4 If the levy is collected in 2011-12 midyear then savings from existing budgets will meet the ½ year costs, with a view to add to the 2012-2013 budget, as an enhancement to existing budgets.
- 5.5 Melton Borough Council will collect the BID levy through the current Northgate system on a separate bill.. The quoted cost for the BID collection for Year 1 will be £18,600, with subsequent collection costs of £3,000 per annum. This will be collected separately from the business rates and the cost of levy collection will be refunded to Melton Borough Council by the BID Company and has been budgeted for in the BID Business Plan.

6.0 LEGAL IMPLICATIONS

- 6.1 The BID process is covered by Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.
- 6.2 A BID is a partnership which unites and empowers businesses, within a specific area, to decide what additional improvements would benefit the trading environment of their town.
- 6.3 The BID process has allowed local businesses to develop a BID Business Plan. In the event of businesses voting in favour of the Melton Mowbray BID, the BID Business Plan will become a legally binding document, during the five year period.
- 6.5 Legal advice on all draft documents has been sought and obtained before any agreement is made with the BID board.

7.0 COMMUNITY SAFETY

- 7.1 The Melton Mowbray BID will continue to work with and support key organisations, such as SMART and PUBWATCH, to deliver crime and safety initiatives in the town centre, however, the BID business plan does not currently contain any specific 'Safer communities' projects.

8.0 EQUALITIES

- 8.1 No equality impact assessment implications, however, any projects emerging from the BID business plan that require Equality Impact Assessments will be undertaken by the BID Board.

9.0 RISKS

9.1 . The risks are considered in the table below:


Probability



Very High A				
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Risk No.	Description
1	No nomination to board is made
2	
3	
4	

High B				
Significant C				
Low D		1		
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic



Impact

10.0 CONSULTATION

10.1 All 486 businesses within the BID area were consulted throughout the 2 year BID Academy programme. This has included:

10.2

Feasibility Study of a BID for Melton Mowbray
Capacity Building and Essential Guide to a BID events
Surveys, Fact sheets and Newsletters
Street meetings and individual business consultations
Website updates on the Melton Town Centre Partnership website
Press and media coverage in the Melton Times and Leicester Mercury.

10.3 Members have been updated throughout the BID programme and have received copies of the BID business Plan

11.0 WARDS AFFECTED

11.1 Town Centre ward

12.0 CLIMATE CHANGE

12.1 There are no climate change implications relating to this report.

Contact Officer: H Rai

Date: 22 August 2011

Appendices

- A- BID Result
- B- BID Briefing note
- C- BID levy operating agreement
- D- Memorandum of Association/Articles of Association.

Background Papers: n/a