



Cabinet

8 September 2021

Report of: Councillor Alison Freer - Portfolio Holder for Climate, Access and Engagement

MELTON MOWBRAY BUSINESS IMPROVEMENT DISTRICT RENEWAL BALLOT

Corporate Priority:	Connected with and led by our community (outward)
Relevant Ward Member(s):	Craven, Warwick, Newport, Egerton
Date of consultation with Ward Member(s):	27 August 2021
Exempt Information:	No
Key Decision:	Yes c) Has significant impact on two or more wards in the Borough and on communities living or working in those areas
Subject to call-in:	Yes

1 Summary

- 1.1 The BID Board has resolved to put forward a proposal for a renewal of the BID for a further five-year term and is in the process of consulting businesses on the content of a new business plan. This is with a view to putting it to a vote of businesses in October 2021.
- 1.2 While BID is a business-led partnership focused on improving and enhancing the town centre, there are still a series of critical roles that a local authority is required to perform to facilitate the establishment, smooth running and termination as required.
- 1.3 The Chief Executive of the Council received formal notification for the intention to renew the BID on 25 May 2021. In accordance with the Technical Guide for Local Authorities by 'British BIDS', the officers have worked with the BID in preparing the key documents in readiness for the ballot.
- 1.4 The purpose of this report is to inform the Cabinet of the work done so far and the implications arising from the ballot process and seek approval for the relevant documents.

2 Recommendations

That Cabinet:

- 2.1 Endorses the BID Proposal (Appendix A) and the Draft BID Business Plan (Appendix B) and provide comments for the consideration of the BID board.
- 2.2 Approves the draft BID Operating Agreement (Appendix C) and delegates authority to the Director for Growth & Regeneration to finalise the agreement including the levy collection charges, in consultation with the Leader, subject to the outcome of the ballot.
- 2.3 Approve the Statement of Baseline Services (Appendix D).
- 2.4 Authorises the Director of Growth and Regeneration to complete the ballot papers for all 19 hereditaments as identified in para 5.5.1 and the BID area Plan (Appendix E) on behalf of the Council in favour of the BID Proposal.
- 2.5 Notes the report and arrangements in place for supporting the ballot in October 2021 and that the Returning Officer (Edd de Coverly - Chief Executive) will formally instruct Civica to conduct the ballot in accordance with the Regulations.

3 Reason for Recommendations

- 3.1 Priority 6 of the Council's Corporate Strategy (2020-2024), connected with and led by our community, focuses on reviewing and reinvigorating partnership structures and frameworks.
- 3.2 'Regenerating our town centre and encouraging inward investment to create jobs is a key focus area under Priority 3 - Delivering sustainable and inclusive growth in Melton.
- 3.3 The Melton Mowbray BID (Business Improvement District) has already had two successful terms with ballot held in 2011 and 2016 and has played an important role in promoting the town centre and supporting businesses in enhancing town centre vibrancy by marketing and improving the trading environment.
- 3.4 The BID is a key partner for the Council in delivering services and enhancing the benefits for levy payers in the town centre. BID levy raises approximately £160,000 each year resulting in the total spend of over £800,000 in five years to deliver the projects in addition to the Council's services and initiatives. This adds value to Council's efforts, ambitions and resources which is especially important in post-COVID times.
- 3.5 It is the Council's responsibility to ensure it has complied with the Regulations, a formal approval is in place for casting votes on the Council's hereditaments and to make the financial provision for the levy costs assuming a successful ballot.

4 Background

- 4.1 The Melton Mowbray Business Improvement District (BID) was first established in October 2011 and renewed for a further five years in October 2016. Its current term ends on 31 October 2021.
- 4.2 The BID has successfully completed two full terms over the last ten years and delivered a programme of marketing, promotion, event, business support and advocacy activities. The BID regularly monitors footfall, vacant units and the like so that it can measure the impact of its work.
- 4.3 The Council's Scrutiny Committee established a task and finish group to review the effectiveness of BID and relationship with the Council. The recommendations of the Scrutiny Committee were endorsed by the Cabinet and presented to the BID board.
- 4.4 The BID renewal process is an opportunity for the Council to re-set the relationship and engage proactively in the process including preparing the business plan for the next five years.
- 4.5 Appendix F identifies the key facts related to the BID's achievements over the last five years.
- 4.6 The Council's role is multi-faceted in the establishing, renewal and operation of the BID Company:
- Returning Officer of the Council as the ballot holder
 - The Council as the billing authority for levy collection
 - The Council as service provider in the town centre
 - The Council as the levy payer for the properties within the BID boundaries.
- 4.7 The Technical Guide for Local Authorities by 'British BIDS' focuses on the core roles and responsibilities that a local authority is required to undertake in relation to a ratepayer-based Business Improvement District (BID) development, management and termination.

5 Main Considerations

5.1 Returning Officer of the Council as the ballot holder

- 5.1.1 As identified in the BID renewal proposal, the renewal process and ballot will be held and conducted in accordance with The Business Improvement Districts (England) Regulations 2004 as amended. The ballot will be a postal ballot of all businesses in the BID area liable to pay the BID Levy.
- 5.1.2 The timescales for the BID ballot are as below:

Action	By	Date
Notice to Secretary of State & LA	At least 84 days before Notice of Ballot	27 May 2021
Notice to Ballot Holder to Conduct Ballot	At least 70 days before Day of Ballot	19 August 2021
Ballot List & Wording for Documents to Ballot Holder	At least 56 days before Day of Ballot	02 September 2021
Notice of Ballot Sent	At least 42 days before Day of Ballot	16 September 2021
Despatch of Ballot Papers	At least 28 days before Day of Ballot	30 September 2021
Appointment of Proxy	At least 10 days before Day of Ballot	18 October 2021
Cancellation of Proxy	At least 5 days before Day of Ballot	23 October 2021
Issue of Replacement Ballot Papers	4 days before Day of Ballot	24 October 2021
Close of Ballot	This is the 'Day of Ballot'	28 October 2021
Declaration of Result	At least 1 day after Close of Ballot	29 October 2021

5.1.3 The Council is required to ensure the ballot is operated, either in-house or outsourced, in line with the BID Regulations. Irrespective of whether the ballot is run in-house or outsourced, the local authority Ballot Holder (Returning Officer for the Council) still remains legally responsible for the ballot process as set out within the Regulations.

5.1.4 In order for this duty to be satisfied, a check-point meeting is proposed for the Returning Officer to receive assurance regarding compliance with the requirements under Schedule 2 from the BID proposer and the appointed organisation to carry out the ballot.

5.1.5 Following the approval from Cabinet, the Returning Officer will instruct the ballot holder.

5.2 **BID renewal proposal and business plan**

5.2.1 According to the guidance the Council should be satisfied that the submission from the BID Proposer includes a copy of the BID Proposal and a letter requesting that a ballot is held. The BID Proposal includes, a statement of the services proposed; a description of the proposed BID area; details as to which business premises are to be included; details of the finances and financial management of the BID, together with a demonstration that finances are available to cover the cost of the ballot in the event that it is required; any alteration provisions; the commencement date and duration of the BID arrangements.

5.2.2 This information is included in BID renewal proposal (Appendix A) and the proposed draft business plan (Appendix B).

5.2.3 The draft proposal for the business plan in its current form is based on the previous one prepared in 2016 with no changes to key priorities. It is to note that consultation with levy payers is currently under way via an online and paper survey form. The deadline for the survey is by the end of August. The business plan may be amended subject to the feedback received from these surveys. A summary of consultation responses is attached in Appendix G.

5.2.4 In accordance with the regulations, the proposed business plan includes the estimated cash flow, an estimate of the predicted revenue to be generated and the predicted expenditure to be spent under the BID arrangements, the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget.

5.2.5 The top priorities for the next 5-year term of the Melton Mowbray BID are as below:

- i) Marketing Promotion and Events – Events and Event Guide, Town Centre Loyalty Scheme, Town Centre App, Shop Local Campaigns, Independent Retailer Campaigns, Car Parking Campaigns, Digital High Street, Business Promotions, Evening Economy Campaigns

- ii) Improving the Street Scene – Landscape & Planting Schemes, Floral Displays, Window Dressing, Support of SMART and Pubwatch
- iii) Business Support – Free Recycling Scheme, Business Support Grants, Melton Business Connect & Networking, Business Training, Collective Purchasing
- iv) Vision and Strategy – Lobbying & Advocacy, Inward Investment & Regeneration, Support Campaigns to Review Business Rates & Car Parking, Raise Profile of Melton Mowbray as a Destination Town

5.2.6 The above-mentioned priorities support the Council policies and align well with Priority 3 of the Council's Corporate Strategy 2020-2014. It is anticipated that the BID Board will develop details of projects and activities that meet these priorities and monitor the progress on delivery. These projects should complement the Council's activities and enhance the benefits, thus adding value to the vitality and vibrancy of the town centre.

5.2.7 Following the recommendation from the Scrutiny Committee, the Draft BID Business Plan includes the creation of a new website which will offer both a town centre website, to include a town centre business directory, events calendar and news and a business portal, including BID member information on grants and training, footfall and national and local trends.

5.2.8 The Council can make suggestions for amendments to the Plan for consideration of the BID Board if desired. The BID Board reserves the right to accept the suggestions or not.

5.3 **The Council as the billing authority for levy collection**

5.3.1 The local authority is required to manage the collection and enforcement of BID levy charges.

5.3.2 The BID Operating Agreement (or levy collection agreement) is proposed 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 the local authority; and providing regular detailed and summary information on the service to the BID as the client. Best practice suggest that the agreement should be entered into prior to ballot, conditional only upon the ballot outcome, and so would be available for scrutiny by businesses during the ballot period.

5.3.3 The current BID Operating Agreement (2016) is amended to reflect the introduction of GDPR legislation, HMRC advice for VAT, administration costs for the Council and procedural changes to enforcement against non-payments and reporting to BID board.

5.3.4 The Council is permitted to charge a reasonable fee for collecting the levy. It costs the Council circa £18,700 per annum to administer levy collection process. A breakdown of the costs is outlined in Appendix H. Please note this does not include the time and service of other teams in delivering the baseline as well as discretionary services and delivering the partnership approach. This sum reflects the actual cost of levy collection for the Council and represents an increase from £12,000 pa that the Council has charged the BID Company since 2011 for the work.

5.3.5 The activities for levy collection include responding to customer enquiries on a daily basis, maintaining the levy payers register and database, issuing invoices, providing regular updates to BID board, sending reminders, taking enforcement actions as advised by the board, court visits for liability orders hearings etc.

5.3.6 The Council is committed to the regular monitoring of the operation of the BID Operating Agreement and reviewing its effectiveness in conjunction with the BID Company. Led by

the Cabinet Portfolio Holder on BID Board, this review will be supported by the officers involved in levy collection and service delivery from both organisations and will focus on compliance to regulations, effectiveness of levy collection and progress on delivery of key priorities as outlined in the business plan.

5.4 The Council as service provider in the town centre

- 5.4.1 It is a requirement under Schedule 1, Paragraph 1(1) (b) to the BID Regulations that the BID proposals include a statement of the existing baseline services provided by the local authority in the proposed BID area.
- 5.4.2 This document is prepared to help the BID Company in preparing the business plan and identify projects and activities that are currently not being delivered by the Council and hence demonstrate value addition that the BID can bring to the town centre.
- 5.4.3 This statement is to form part of the BID proposals which demonstrate to businesses voting for the BID that the proposed BID services are, as at the time of the BID Proposal, additional to the baseline services provided by the Council.
- 5.4.4 The draft statement of baseline services is attached in Appendix D. It is to note that this statement is in two parts. Part one includes the statutory services being delivered by the Council and part two includes the discretionary services that the Council is currently delivering but are subject to future budget approvals and hence lack certainty of continuity.
- 5.4.5 The Council is in the process of preparing a long-term vision and strategy for development of the Melton Mowbray town centre. Engagement with the BID Company and other stakeholders is a key part of this work. It is anticipated that the town centre vision will provide strategic guidance and steer and will complement the BID business plan which will deliver operational activities for enhancement of the town centre.
- 5.4.6 In addition to the services outlines in the Statement of Baseline Service and the BID Operating Agreement, the Council's operational support for the Melton Mowbray BID will include:
- Conducting, through the council's Governance and Democracy Services, the formal BID vote in accordance with current BID legislation and procedures
 - Nominating the Portfolio Holder for Access, Engagement and Environment as the Council's representative on the BID Company Board
 - Support through a senior council officer (Director for Growth & Regeneration) as an observer on the BID Company Board and provide a business-focused link on all BID matters and Council's operations
 - Paying the appropriate BID levy set out in the BID Business Plan in respect of all its own hereditaments within the BID area.
- 5.4.7 The Council will work with the BID company and other partners and stakeholders to continually improve and enhance the town centre by combining resources, sharing expertise and exchanging ideas.

5.5 The Council as a levy payer

- 5.5.1 The Council is a member of the BID and liable to pay £8,064 in the BID levy per year. the table below identifies the hereditament owned by the Council within the current BID area that are liable for levy payments:

	Property Address
1	60 Snow Hill
2	74 Snow Hill
3	70 Snow Hill
4	Burton Street Car Park
5	Burton Street Car Park-Annex
6	Chapel Street Car Park
7	Mill Street Car Park
8	Thorpe End Car Park
9	Regent Street Car Park
10	Wilton Road Car Park
11	Bus Station Wilton Road
12	Wilton Road Public Conveniences
13	Park Lane Public Conveniences
14	Parkside
15	Phoenix House partial (Ground Floor)
16	Phoenix House partial (Ground and 1 st floor)
17	Cattle Market (partial)
18	St Marys Way Car Park & Public Conveniences
19	The Edge Surestart Childrens & Community
	Total Charge for Period December 2020 to November 2021 = £8064.75

- 5.5.2 In addition, BID levy for the Cattle Market is paid by Melton Mowbray Market. Occupiers of commercial units at Cattle Market, Snow Hill, King Street and Phoenix House pay separate levy along with their business rates.
- 5.5.3 The Council has received feedback from its commercial tenants at Snowhill, Cattle Market and King Street who are also BID levy payers. Some tenants have raised questions about the validity of including them in the BID area while the focus of BID activities is on the high street. The tenants have also raised similar issues about the focus of BID activities and resources being on the areas south of Norman Way, and the levy payers north of this road not benefitting from being part of the BID.
- 5.5.4 For the 19 hereditaments noted above, the Council will be issued 19 ballots to cast votes.
- 5.5.5 There is no proposal for changes to the BID area boundary or the levy charges.

6 Options Considered

6.1 Option 1: Do nothing

Doing nothing is not an option as it is the Council's responsibility to work in partnership with the BID Company to establish the BID, collect the BID levy, deliver the business plan, and monitor the progress.

6.2 Option 2: Veto the ballot (Regulation 12)

Where the Local Authority feels that the BID proposal is contrary to the Council's policy or proposes a disproportionate burden on particular businesses by way of an unfair levy charge, the Local Authority can exercise the right to veto the ballot declaration. The

guidance suggests that it is sensible to assess this prior to the ballot. On assessment of the renewal proposal and business plan, the above criteria are not met. Therefore, this option is not recommended.

6.3 Option 3: Voting in favour of BID proposal

To vote against could result in the BID failing in the renewal ballot and the result will be a loss of £800,000 investment in the town centre over five years. This would be contrary to the Corporate priorities and would not support the aspirations of the levy payers who would vote in favour of the Plan. Considering the benefits the BID could bring to the town centre businesses, it is recommended to vote in favour of the proposal.

6.4 Option 4: Do not instruct the ballot holder

The Council is not required to instruct the ballot holder until we are satisfied that the Regulation 4 requirements are met. On assessment of the information received, it is concluded that the Regulation 4 requirements are met and therefore this option is not recommended.

7 Consultation

7.1 The BID has undertaken a survey (online as well as a paper copy) with all levy payers. A summary of the results is outlined in Appendix J.

7.2 The BID Business Plan will be sent out to all levy payers for consultation by Mid – September, prior to the ballot paper being sent out by the end of September.

8 Next Steps – Implementation and Communication

8.1 Instruct the ballot holder- September 2021

8.2 Finalise the BID Operating Agreement- September 2021

8.3 Facilitate the ballot process- October 2021

8.4 Declare the ballot results- 30th October 2021

9 Financial Implications

9.1 Levy collection activity costs the Council £18,700 pa and is proposed to be recovered from the BID levy.

9.2 The Council bears the cost of service delivery for the items included in the Statement of Baseline Service.

9.3 The Council pays £8,064 in levy collection per year for the 19 hereditaments in BID area.

9.4 The Council has sought VAT advice and it is confirmed that the BID companies are being contracted to provide taxable services to the local authorities and so are able to register for, and charge, VAT which the local authority can recover. The value of VAT element averages between £12,000 to £15,000 per annum. If claimed, this could increase the amount of levy to be spent for businesses in the town centre. The BID Company is still

considering the implications of this and if agreed, the BID Operating Agreement will be revised to reflect this.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 The establishment, renewal and alteration of Business Improvement Districts are governed by is contained in Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (“The BID Regulations”). The local authority must comply with the Regulations and in addition must be satisfied that the renewal proposal, business plan and supporting documentation complies with the requirements as set out in the Regulations.

10.2 The main provisions of the BID Regulations are outlined below and discussed further in the report:

10.2.1 Regulation 4 - Renewal Proposals

Where the BID body seeks approval of renewal proposals in a renewal ballot it must provide to the relevant billing authority (in this case MBC):

- a) A copy of the BID renewal proposals (which must comply with the requirements set out in Schedule 1);
- b) Details of consultation undertaken with the BID levy payers;
- c) The proposed business plan;
- d) The financial management arrangements for the BID; and
- e) A notice in writing requesting the relevant billing authority to instruct the ballot holder to hold the BID renewal ballot.

10.2.2 Regulation 5 – Holding the ballot

Where the relevant billing authority receives a notice in writing to hold a ballot it shall instruct the Ballot Holder to do so. For the purposes of this the ballot holder is the Returning Officer for elections of the authority, the Chief Executive of Melton Borough Council. There is not a discretion where the requirements of the legislation have been met. See paragraph 6.4 above.

10.2.3 Regulation 7 - Form of Ballot

Regulation 7 and Schedule 2 sets out the rules for ballots including time frames, procedures and declaring of results.

The ballot holder may appoint another to undertake the conduct of the ballot. The ballot holder will appoint Civica Election Services.

Notification of Ballot Outcome - As soon as reasonably practicable after the ballot the ballot holder should arrange for public notice to be given of the outcome of the ballot. A successful vote is one that has a simple majority both in votes cast and in the rateable value of votes cast.

10.2.4 Regulation 12 – Veto of BID Renewal Proposals

The relevant authority has the power to veto the BID proposal in limited circumstances. These are if it: a) conflicts with any existing local authority policy;

or b) Is likely to incur a disproportionate burden on a particular person/business. See paragraph 6.2 above.

10.2.5 Regulation 15 – Collection of the BID Levy

The relevant billing authority shall impose, administer, collect, recover, and apply the BID levy. There is no discretion in this regard. The BID Company and the authority shall enter into an Operating Agreement which sets out how this shall be done.

- 10.3 The Operating Agreement is still in draft form and will be reviewed by Legal Services prior to completion.
- 10.4 The Council's Ballot Holder (The Chief Executive) will be required to conduct the ballot. The ballot will be outsourced to an external company.
- 10.5 For the BID to proceed to another term, more than 50% of those who vote must vote 'Yes'. Of those positive votes, the total rateable value must be higher, when added together, than the rateable value of those who voted 'No'. If a 'Yes' vote is secured, all businesses within the BID levy geographical area are legally obliged to pay the BID levy for the next five-year BID term.
- 10.6 Once the BID is in place neither the BID area nor the BID levy percentage can be altered during the BID Term, without an Alteration Ballot.
- 10.7 In the event that the result of the Ballot is negative, the BID will cease from 31st March 2022. A number of organisational and promotional functions would potentially cease or need to be re-allocated to other bodies and the proposed activities listed in the report will not be able to be delivered by the BID.

Legal Implications reviewed by: Natasha Taylor (Deputy Monitoring Officer) 01.09.21

11 Equality and Safeguarding Implications

- 11.1 There are no equality and safeguarding implications.

12 Community Safety Implications

- 12.1 The BID has supported CCTV cameras, pubwatch and SMART radio schemes in the past.

13 Environmental and Climate Change Implications

- 13.1 The Draft BID Business Plan includes enhancing the street scene and environment of town centre as a key priority.

14 Other Implications (where significant)

- 14.1 None

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	The Council not fulfilling its duties and carrying out its responsibilities	Very Low	Critical	Medium Risk
2	The ballot is unsuccessful and the services outlined in the business plan are not delivered	Low	Critical	Medium Risk
3	The business plan that the levy payers vote for is not delivered	Low	Critical	Medium Risk

Risk No	Mitigation
1	The guidance to local authorities is followed in supporting the BID in preparing for the ballot renewal
2	The Council has ensured that the business plan aligns with the Council priorities and is informed by the comments received from the levy payers.
3	The Council will work with the BID company by attendance at the BID Board in monitoring the delivery of the plan.

16 Background Papers

16.1 British BIDs technical Guide for Local Authorities

https://cdn.britishbids.info/publications/BB_Technical-Guide-for-Local-Authorities_2021.pdf?mtime=20210406105946

17 Appendices

17.1 Appendix A- BID renewal proposal

17.2 Appendix B- Draft BID business plan

17.3 Appendix C- Draft BID operating agreement

17.4 Appendix D- Draft statement of baseline service

17.5 Appendix E- BID area map

17.6 Appendix F- Melton Mowbray BID fact sheet

17.7 Appendix G- Summary of consultation responses

17.8 Appendix H- Breakdown for costs for BID levy collection

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