

PART A

Report to: Council
Date of meeting: 24 June 2015
Report of: Manny Lewis, Managing Director
Title: Business Improvement District Business Proposal and Draft Business Plan

1.0 SUMMARY

- 1.1 This report outlines Watford Town Centre Partnership's (TCP) proposals for the creation of a Watford Town Centre Business Improvement District (BID). The report includes the:
- A draft operating agreement between the Council and proposed BID company
 - Business Proposal, and as attachments to the Business Proposal:
 - Outline service level agreements
 - Draft business plan & budget
 - BID area and hereditaments
 - Draft letter from the TCP to the Council to host a ballot
- 1.2 Notice has been sent to the Secretary of State to hold a ballot for the creation of a Watford town centre BID. The ballot date is October 29. The ballot period will be 2 October to 29 October. No votes will be accepted after 5pm on 29 October.
- 1.3 For a BID ballot to be successful it must secure 50% or more of the votes and 50% or more of the rateable value.
- 1.4 The proposed levy rate for Watford town centre BID is 1.25%

2.0 RECOMMENDATIONS

- 2.1 That Council ratifies the BID business proposal attached at appendix 1 and authorises the Returning Officer to conduct a ballot of eligible non domestic rate payers within the proposed BID area.

Contact Officer:

For further information on this report please contact: Maria Manion, Town Centre Manager
telephone extension: 8260 email: maria.manion@watford.gov.uk

Report approved by: Manny Lewis, Managing Director

3.0 **DETAILED PROPOSAL**

3.1 **Background**

Business Improvement Districts (BID) were introduced to England in 2003/04. The first BID was established in Kingston in January 2005.

BIDs now exist in over 200 locations throughout England, Scotland, Wales and Ireland.

3.2 They provide funding towards a range of services and improvements that are specific to any place and are in addition to those services provided by the local authority. Such additional services are funded by a small levy paid by occupiers, usually between 1% and 2.5% who then manage delivery through an approved governance arrangement. The creation of any BID follows a successful ballot amongst those occupiers within the proposed BID area.

3.3 It is proposed that a Watford Town Centre BID is created. The proposed ballot period is 2 October to 29 October 2015.

3.4 A successful BID ballot requires a majority of those voting to say 'YES' and a rateable value majority.

3.5 If successful at ballot it is proposed to commence the Watford Town Centre BID on 1 April 2016. The BID will run for five years until 31 March 2021.

3.6 Prior to the BID ballot the BID proposer, in this instance the Watford Town Centre Partnership is required to submit a BID Proposal to the Council for ratification. The proposed BID (not the business plan) needs to be ratified by the Council. The Council has the power to veto a BID in the following circumstances:

If it considers the BID proposal:

- Conflicts to a material extent with any policy formally adopted and published by the authority;
- Places a significantly disproportionate financial burden on any person or class of person, as compared to other non-domestic rate payers in the area of the BID, and that burden is caused by a manipulation of the geographical area of the BID or the way the BID levy is structured, and that burden is inequitable.

3.7 A number consultation and engagement events and activities have taken over the past 12 months. During this period no business has come forward and said the levy would cause an additional or a disproportionate burden on them as compared with other NNDR payers in the area.

3.8 It is the view of the Managing Director that there is no conflict with Council priorities and policies.

3.9 The BID proposal takes the form of a suite of documents consisting of the following:

- BID proposal (a summary of the aims, governance and financial standing of the proposed BID, draft BID arrangements, outline of the governance and financial arrangements of BID company, and membership) with the following

attachments:

- Baseline agreement (outline of the services to be provided by the local authority within the BID area, and any additional services the BID company has contracted with the local authority)
- BID area and hereditaments
- Draft Business Plan.

Other supporting documents include:

- Draft Operating Agreement (outline of the terms of the relationship between the BID company and the billing authority with specific regard to collection of the bid levy) – Appendix 2
- Draft letter to the Council requesting the Council hold a ballot.

3.10 **Key milestones for a successful BID**

- Notice to the Secretary of State of the intention to hold a BID ballot – 2 June 2015
- Operating and baseline Agreements agreed
- Local Authority approval of the BID proposal - 24 June 2015
- Publication of Business Plan – 16 September 2015
- Notice of Ballot – 17 September 2015
- Start of ballot period – 2 October 2015
- Deadline for proxy voters – 10 days prior to day of ballot
- Replacement ballots – 4 days prior to day of ballot
- Ballot papers issued from – 2 October 2015.
- Day of Ballot - 29 October 2015
- Announcement of result – 30 October 2015
- Challenge period – 28 days from announcement

3.11 **Setting up a BID**

Assuming the BID ballot is successful there will be a transition period from the ballot to the BID commencing this is normally several months during this time the following things will need to be put in place:

- Billing procedure for collection of the levy – normally undertaken by the local authority, this will require the purchasing of new software and testing. This can take 2 to 3 months
- Governance arrangements and setting up a company – 2 to 3 months allowing for VAT registration and setting up a bank account
- Staffing – appointing staff to manage the company and delivery of business plan
- Performance measurement – clarifying the detail on what and how performance data will be collected, measured and reported.

3.12 **Draft Business Plan**

The draft business plan which forms part of the Business Proposal will be subject to some amendments between the Council meeting in June and the publishing of the plan in September. However, the three key themes will remain unchanged as will the percentage allocated of the budget to the delivery of each of the themes, although these will be subject an annual review.

3.13 **Council's position**

The Town Hall and three other Council premises are within the BID area. In December

2014 Cabinet agreed, in principle, to support the BID, subject to the ratification of the Business Proposal, and who would exercise the vote on behalf of the Council.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Interim Head of Finance comments that the financial implications are shown in the body of the report

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that a BID must be established in accordance with the provisions of the Local Government Act 2003 and subsequent regulations.

The ballot will be conducted by post and will be run by the elections team. The regulations require that the cost of the ballot is met by the Council.

4.4 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
Voter data base incorrect or incomplete	2	4	8
Fail to receive support of large multi nationals	2	4	8
Fail to receive support at ballot	2	4	8
Fail to have proper ballot procedures in place	1	4	4
Fail to get Business Proposal supported by Council	2	4	8
Business Plan is poorly received by businesses	2	4	8
Mitigation is being putting in place to try and reduce the risks identified, these include discussions with head offices of multi-nationals; further work with businesses and Board Members engaging with businesses. Support is being provided by British BIDs throughout the journey.			

4.5 **Staffing**

4.5.1 The Council is supporting the Town Centre Partnership via the Town Centre Manager and the Town Centre Partnership Officer (seconded until April 2016).

4.6 **Accommodation**

4.6.1 The Town Centre Manager and Town Centre Partnership Officer are currently based at the Town Hall, if the ballot is successful it is expected that the BID will be managed from an alternative location.

4.7 **Community Safety**

4.7.1 Not applicable

4.8 **Sustainability**

- 4.8.1 The BID will ensure future investment in the town over the next five years through private and public sector financial contributions collected via the levy.

Appendices

- Business Proposal – Appendix 1
- Operating Agreement – Appendix 2
- Letter requesting ballot – Appendix 3

Background Papers

- British BIDs guidance

File Reference

A box file containing all the documents is available from the Town Centre Manager.