

Report of	Assistant Director – Policy and Corporate	Author	Andrew Weavers
Title	Colchester Business Improvement District		☎ 282213
Wards affected	Castle		

1. Executive Summary

- 1.1 This report deals with the proposed Colchester Business Improvement District (BID) for Colchester Town Centre. The proposal is being led by Colchester Presents CIC (a community interest company) who have developed and consulted on the BID proposal the details of which are contained in this report.
- 1.2 This report also provides detail on the required ballot of non-domestic ratepayers within the proposed BID area.
- 1.3 The Council's Returning Officer will act as the Ballot Holder and will administer the ballot of non-domestic ratepayers in the proposed BID area.
- 1.4 This report details how the Council as Billing Authority will collect the BID levy should the proposal be approved by the ballot.
- 1.5 If approved by the ballot, the BID will be managed by a company known as Our Colchester Limited.
- 1.6 An Operating Agreement with the Council sets out the existing services that the Council will continue to supply during the BID period.

2. Recommended Decision

- 2.1 To confirm that the Council as Billing Authority is satisfied with Colchester Presents CIC's Business Improvement District (BID) Proposal for Colchester Town Centre for 2018 to 2023.
- 2.2 To agree the ballot of non-domestic ratepayers within the proposed BID area.
- 2.3 To note the financial implications set out in section 8 and agree to collect the BID levy in line with charges set out in section 8.3.
- 2.4 To instruct the Assistant Director - Policy and Corporate to vote "Yes" in the ballot on behalf of the Council in relation to its non-domestic rate-paying Council properties located within the proposed BID area.
- 2.5 To delegate the approval and signing of the final version of the Operating Agreement to the Strategic Director Commercial and Place.

3. Reasons for Recommended Decision

- 3.1 To enable the Council to formally endorse the BID Proposal for Colchester Town Centre and proceed to the ballot of businesses in accordance with the relevant Regulations.
- 3.2 As the owner of 17 properties (hereditaments) in the proposed BID area, the Council will have the opportunity to vote in the BID ballot.

4. Alternative Options

- 4.1 The Council could vote “No” in the BID ballot. The Council is one of over 490 businesses who are eligible to vote in the BID ballot and the result will be determined by a majority vote (numeric and rateable value). The Council has demonstrated its support for the BID project through its funding, member and officer time and its formal endorsement at this meeting and other alternative options are not being suggested.

5. Supporting Information

- 5.1 Business Improvement Districts are business led partnerships which are created through a ballot process to deliver additional services to local businesses. A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit business in the local area.
- 5.2 Colchester Presents CIC has developed a BID Proposal for Colchester Town Centre which comprises a business plan, details of baseline services and a draft Operating Agreement for 2018- 2023 (the term of the proposed BID) which it has submitted to the Council in accordance with the relevant regulations. The business plan which is attached at Appendix 1 details the services intended to be provided with the BID area. It also contains details of who will be liable for the levy, the amount of levy to be collected and how it is to be calculated. Those businesses (approx. 490) which have a rateable value of £15k and over located in the proposed BID area will be subject to the levy as contained in the Proposals will be eligible to vote in a ballot which will determine whether the proposal goes ahead.
- 5.3 The ballot for the BID will be undertaken by the Council’s Returning Officer acting as the Ballot Holder in accordance with the provisions contained in the Business Improvement Districts (England) Regulations 2004. A business entitled to vote in the BID ballot will have one vote in respect of each hereditament (property on which a business rate is paid) situated in the BID area. The full ballot procedure will be forwarded to businesses with the ballot papers. Voting will be from 1 June 2018 and will conclude on 28 June 2018. The announcement of the results is set for 29 June 2018. The notice of the result will be announced and published both on the Council and the BID websites (www.ourcolchester.co.uk).
- 5.4 A successful ballot vote is one that has a simple majority in both votes cast and in rateable value of the votes cast. Each business entitled to vote in a BID ballot is allowed one vote in respect of each property occupied or (if unoccupied) owned by them in the geographical area of the BID. Once the BID is in operation the levy is charged on all relevant businesses within the BID area (regardless of whether or how that business voted in the ballot).
- 5.5 In order for the ballot to be successful it must meet two tests in order for a BID to be approved:-

- (1) a simple majority (51%) of those voting must vote in favour; and
 - (2) those voting in favour must represent a greater total rateable value than those voting against.
- 5.6 In the event of a successful “yes” vote in favour of the BID, the term of the Colchester Town Centre BID would commence on 1 October 2018 and run until 30 September 2023 and would be managed by Our Colchester Limited via an Operating Agreement with the Council.
- 5.7 If the BID is successful the Council as Billing Authority will manage the billing and collection of the levy and will hold the levy in a ring fenced revenue account on behalf of Our Colchester Limited which has been created to provide services within the BID area.
- 5.8 A Marketing and Communications Strategy is being implemented to promote and engage with businesses to secure a vote in favour of the BID in June 2018. A range of Communication and PR activity is now underway including media releases, regular newsletters, dedicated website (www.ourcolchester.co.uk), ongoing business engagement forums and 1:1 meetings with businesses.
- 5.9 A draft Operating Agreement has been agreed between the Council and the BID company, Our Colchester Limited which sets out the details of the operation of the BID, the use of the levy for the purposes of achieving the BID arrangements and also how the Council as Billing Authority will collect the levy from eligible business in the BID area. The Operating Agreement also contains details of baseline services which comprise the current service specification, delivery and performance measures by the Council. Services provided by the BID will be over and above those outlined in the baseline services.
- 5.10 The BID Proposal and including the Business Plan 2018 – 2023 was published and launched to businesses in May 2018. This detailed the proposed services to be provided by the BID company together with the indicative costs of providing those services. The Proposal identifies which businesses will be required to pay and what BID levy percentage would be charged. The Proposal also identifies any exemptions or discounts that may be applied.

6. BID Consultation

- 6.1 Colchester Presents CIC engaged the services of Central Management Solutions (CMS) who are experts in BIDs. CMS undertook a feasibility study with businesses to advise whether in their opinion the development of a BID for Colchester Town Centre was viable and whether it would be able to deliver the type of projects and services that businesses if the area feel would be beneficial. CMS undertook a feasibility survey and held workshops with over 350 businesses.
- 6.2 73% of survey respondents were strong supporters of a BID. Key service provision areas included a vision, marketing and co-ordination of place, support and enforcement measures to tackle rough sleepers, measures to tackle anti-social behaviour, measures to improve the appearance of vacant units and buildings and funding for projects to support independent small businesses.

It was also considered that the BID would have the resources to support a broad and ambitious vision. It was also important that businesses had a combined voice on key issues.

7. BID Proposal

- 7.1 The Proposal for the Colchester BID is the document upon which the businesses will decide how to vote in the ballot. It contains details of the BID levy, BID area, BID projects and costs, BID budget, BID ballot process, BID management and evidence supporting the BID case.
- 7.2 A business plan containing details of the services proposed to be delivered by the BID company is available on the BID website and is attached at Appendix A.
- 7.3 The business plan highlights that it is intended that the BID will deliver a wide range of benefits for businesses in the BID area under the following themes:

Connecting

- A strong marketing offer to highlight Colchester's hidden gems
- A strong combined voice
- Improved signage and accessibility
- Loyalty/reward scheme for office sector

Imagining

- Coordinating and promoting a full calendar of events for the year
- Ring-fencing funds for BID projects
- Night-time economy
- Improved streetscape

Invigorating

- Support and help drive initiatives to tackle rough sleeping and begging
- Street Ambassadors
- Cleaner and greener environment to attract visitors

Making History

- Bespoke events and marketing to showcase heritage
- Increased promotion of the Arts and Culture in Colchester
- Increased support for tourism sector
- To work towards a "destination"

- 7.4 It is considered that the BID Proposal (and business plan) are compliant with the Regulations, do not conflict with any of the Council's policies nor propose a disproportionate burden on particular businesses within the proposed BID area.

8.0 Financial Implications

- 8.1 There are three main financial implications for the Council in respect of the BID:-
- Initial support for the BID process
 - Costs of administering the BID
 - The Council's own levy payment

Support for BID

- 8.2. Cabinet has agreed to grant Colchester Presents CIC £62,000 to enable it to progress the BID proposals. This has been funded from the New Homes Bonus allocation for town centre projects. In the event of a successful BID ballot it has been agreed that this will be repayable by Our Colchester Limited during the term of the BID. It has been proposed that this will be repaid over 4 years starting from year 2 of the BID.

Costs of administering the BID

- 8.3. The Council will be responsible for the billing and collection of the levy for the BID. This involves a number of additional external costs relating to IT systems and postage and printing as well as staff time. The table below summarises these costs showing which are one-off and which are recurring:-

	One off	Recurring	Total
	£'000	£'000	£'000
External additional costs			
System (incl. design and training)	15	3.4	16.9
Post and print		1	1
	15	4.4	19.4
Billing and collection *		11.1	11.1
Total	15	15.5	30.5

* Note: Some temporary additional staff resources may be required and this is reflected in this figure

- 8.4 The BID business plan reflects these costs and the assumption that the Council will be reimbursed for them.
- 8.5 As part of the proposed Operating Agreement the Council will incur some cashflow costs associated with the collection of the levy and paying over income to the BID. These are likely to be fairly minor and the actual collection risk remains with the BID and not the Council.

Cost of levy to CBC

- 8.6 Under the BID proposals only those businesses situated in the BID areas with a rateable value of £15k and above will be liable to pay the levy. It is proposed that this is charged at 1.5% of the rateable value. Charitable organisations which are subject to relief on their business rates will pay 1.2% of the levy. From 2019 onwards the levy rate will be increased by a fixed inflation rate of 2% per annum.
- 8.7 The Council has 17 hereditaments with a rateable value of in excess of £15k and the resulting annual cost to the Council of paying the levy as proposed in the BID Proposal is £29k. In the current year the cost is for only 6 months and therefore will be c£5.5k. No budgetary provision has been made for this in either the current year or the Medium Term Financial Forecast (MTFF) and this will be considered by Cabinet as part of the 2019/20 budget strategy.

9. Strategic Plan References

- 9.1 The BID for Colchester Town Centre is a key priority under the Council's Strategic Plan 2018 -21 under the Opportunity strand by helping business to flourish by supporting infrastructure for start-up businesses and facilitating a Business Improvement District.

10. Equality, Diversity and Human Rights Implications

10.1 No implications can be identified at this stage.

11. Community Safety Implications

11.1 BID services linked to Community Safety are being considered for inclusion in the final proposal

12. Health and Safety Implications

12.1 No implications identified at this stage.

13. Risk Management Implications

13.1 A Risk Register has been compiled for the BID Project Plan

14. Consultation and Publicity

14.1 Comprehensive plans for consultation and publicity are contained within the Colchester BID Project Plans.

Appendix A – Business Improvement District Business Plan